International Affairs Program
Research Report

Europe in Crisis: What Lies Ahead?

An International Affairs Program and Center for International Affairs and World Cultures Panel
22 September 2015

The International Affairs Program is one of the largest majors in the College of Social Sciences and Humanities at Northeastern University, which is located in the heart of Boston, MA, USA.

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“Europe in Crisis: What lies ahead?” featured a panel of Northeastern University experts who discussed various dimensions of the current crisis facing the European Union EU, including migration, Greek debt, NATO's action in Libya, Russia’s incursion into Ukraine, the expansion of extremism, and the refugee crisis. Panelists also debated the future of the EU, from efforts to strengthen the Eurozone, to the impending British referendum on EU membership, and the capacity to welcome the numerous migrants and refugees – all of which have the potential to fundamentally change the nature of this quasi-federal entity whose raison d’être has been to maintain peace, stability, and integration. These issues are currently at the forefront of policymakers' thinking in determining the path ahead for Europe. As an actor that encompasses more than half a billion citizens and the largest economy in the world, the EU's ability to overcome these crises has great implications for global politics and stability.

Panelists provided different perspectives on the crisis and the way forward, and the lively Q&A that followed similarly reflected varied positions. News@Northeastern also covered the event. See http://www.northeastern.edu/news/2015/09/the-pressing-issues-facing-europe/.

This report was compiled and edited by Prof. Valentine M. Moghadam, Elizabeth Mohr, and Nora Räsänen.

Panelists

Introduction: The EU and Crises – Valentine M. Moghadam, Director of International Affairs, Professor of Sociology and International Affairs.
http://www.northeastern.edu/cssh/internationalaffairs/people/our-faculty/

Migration – Tony Jones, Associate Professor of Sociology and International Affairs
http://www.northeastern.edu/cssh/internationalaffairs/people/our-faculty/

Rising Extremism and Anti-Semitism – Natalie Bormann, Associate Teaching Professor of Political Science
http://www.northeastern.edu/cssh/polisci/people/our-faculty/

The Greek Debt Crisis – Ioannis Livanis, Senior Lecturer in Political Science and International Affairs.
http://www.northeastern.edu/cssh/internationalaffairs/people/our-faculty/

The British Referendum on EU Membership – Tim Cresswell, Associate Dean for Faculty Affairs, CSSH, Professor of History and International Affairs.
http://www.northeastern.edu/cssh/internationalaffairs/people/our-faculty/

EU Security and Foreign Policy – Mai’a K. Davis Cross, Assistant Professor of Political Science and International Affairs. http://nuweb.neu.edu/cssh/blog/faculty/maia-cross/
Introduction: The EU and Crises

Valentine M. Moghadam
Director, International Affairs Program
Professor of Sociology and International Affairs

At the end of the Cold War, I was a UN staff member, based in Helsinki, Finland, and an observer of the transition from communism back to capitalism, the transition from the European Economic Community to the European Union through the 1992 Maastricht Treaty, and rallies for and against membership in northern Europe. I am a Middle East specialist myself, but as the EU was financing a number of the transnational feminist networks that I was studying, I developed a side interest in this new form of regionalization and what initially appeared to be an admirable model of a social market, social solidarity, and peaceful foreign policy. Later, what unfolded was more of a neoliberal and militarist model, with EU enlargement – and thus NATO enlargement – provoking Russia. Earlier this year it struck me that the EU was in deep crisis. Dimensions of the crisis, as I saw it, were the following:

- The Eurozone crisis: Greece’s default and possible “Grexit”
- The expansionist politics of the EU and NATO and the confrontation with Russia over Ukraine and the Baltics (22 of the 28 EU members are NATO members)
- The Mediterranean refugee crisis: the fallout from the 2011 NATO assault on Libya to overthrow Qaddafi, which has enabled human trafficking from Libya
- Policy incoherence and disagreements on immigration and refugees; just some years ago German Chancellor Angela Merkel declared “multicultural policy” to have failed due to both discrimination and self-segregation; this summer she apparently welcomed the many Syrian refugees to Germany; then the German government backtracked; and some EU members refused the refugee quota system
- Changes in electoral politics: the prevalence of left-wing and right-wing electoral victories and the apparent disappearance of the old social democratic model
- The UK’s stance toward the EU and the upcoming referendum, or possible “Brexit”

At least one positive recent development on the part of the EU merits mention, and that was the role of Federica Mogherini – the EU’s High Commissioner for Foreign Affairs and Security Policy – in helping to broker the nuclear agreement between the United States and Iran. Nevertheless, the insistence on the part of France, the UK, and other European countries since 2011 that “Assad must go” encouraged the armed rebellion, helped to destabilize the Syrian state, and created an opportunity for the expansion of ISIS/ISIL/Daesh. All this has prolonged the misery of the Syrian people – who just five years ago lived in stable and secure conditions – and generated large Syrian refugee populations in Jordan, Lebanon, and Turkey, along with the vast migration of Syrians to Europe that we witnessed in summer 2015. The crisis of the EU has its own internal causes – best analyzed by our colleagues Dr. Mai’a Cross and Dr. Ioannis Livanis, albeit from different perspectives – but it is also linked to crises in the Middle East and North Africa as well as a global crisis of legitimacy of the post-Cold War world order.
Migration

Tony Jones
Associate Professor of Sociology and Anthropology

What lies ahead? Attempts to predict the future are a waste of time, as the past has demonstrated. Herodotus asked why the east and west were always fighting, and that conflict is still ongoing. It is thus necessary to examine the past to understand the present.

The rapid increase in the number of people seeking refuge in the European Union nations has caught these nations by surprise, and has exposed the extent to which the EU is unprepared and lacking an established protocol on how to respond. The citizens and political leaders of potential host countries have to confront immediate humanitarian concerns and the longer-term political issues that this mass migration implies, both of which pose an enormous logistical and cultural challenge. Dealing with the root causes of the current crisis will require cooperation between the EU and the entire Mediterranean region, but attempts to create this during the last few decades have been futile. Now that the MENA countries are in upheaval and the EU is facing its most severe economic, political, and security problems ever, such a solution appears extremely unlikely. As a result, the current situation will probably get much worse, and the geo-political situation in the region will become even more insecure and uncertain. The future of the EU will depend on how it responds to increasing problems within Europe and to a gathering storm in its neighborhoods to the South and East. Some points to ponder:

- The EU faces problems to the south in the form of an influx of migrants, economic and political differences, and an increase in extremist violence.
- As part of the Barcelona Process, the EU spent large amounts of money in an attempt to move the MENA region forward politically and economically, but financial assistance does not necessarily bring change or cooperation. Other programs, such as the 2004 European Neighbourhood Program have also failed.
- Based on polling data, 45-65% of those in the EU are against internal migration. The numbers increase for opposition to immigration from non-EU countries.
There are many ways to think about the phenomenon of ‘anti-Semitic-Europe’ today: One obvious way would be to take cues from a recent article by the Economist entitled “Fear of a new darkness” that depicts the increasing worries about what is termed “Jew-hatred in Europe” (2015). Central here is evidence of the existence of everyday anti-Semitism (think the Paris terror attacks) as well as its rise (data suggests that attacks have become more frequent). Another way of thinking about anti-Semitism, however, lies in today’s refugee crisis. One can argue that the crisis of anti-Semitism affects the current refugee crisis in significant ways. More specifically: the representation of today’s refugees – visual and otherwise – borrows largely from an existing language and imagery of anti-Semitism that, in turn, prevents a genuine European culture of hospitality toward refugees.

The argument that Europe’s anti-Semitism informs the concept of hospitality – so, the obligation to accommodate strangers – must necessarily begin with recognizing that there are existing patterns that make framings of this kind possible to begin with. One is reminded here of the ways in which the Greek debt crisis is often narrated through the lens of the Holocaust (comparing the conditions of austerity suffered by the Greeks with the plight of the Jews; comparing the Nazi fascist regime of the 1930s/40s with that of Europe’s current economic regime and leading creditor – Germany). From there, it seems quite difficult to dismiss the – perhaps - apparent resemblance between some of the most recent scenes of ‘frightened masses crowded along collection points at train stations’, or, ‘vans filled with suffocated bodies’ with those of Jews fleeing in response to heightened anti-Semitism of a fascist Europe in the 1930s and 1940s. To emphasize how closely and dramatically today’s refugee crisis is intertwined with discourse and memory of Europe’s violent anti-Semitic past, one can look to the debate around the housing of refugees at former concentration camp sites such as Dachau. This does not just apply to visual representations but is also reflected in other discursive articulations of the crisis; for instance: We can read about “Europe’s biggest test since WWII (The Guardian, Sept. 4, 2015), or, that “the treatment of today’s refugees harks back to Europe’s darkest hour” (New Statesman, Sept. 3, 2015).

But why is this particularly problematic, or even a crisis? Borrowing from work on ‘cultures of inhospitality’ (see Bleiker, Campbell, and Hutchison), it seems that the imagery of anti-Semitism that is used to frame the refugee crisis (a) exacerbates some of the conflicts Europeans feel in terms of their perception of the fear of the refugee (re-invoking notions of threat to sovereignty and security during precarious times) and (b) imposes a stereotypical image of the refugee (as passive masses, seeking welfare, depending on benevolence instead of active individuals escaping political oppression). Taken together, these patterns exert a profound impact on the very possibility of a deep and long-term ethics of hospitality.
The Greek Debt Crisis
Ioannis Livanis
Senior Lecturer, International Affairs and Political Science

Most of the academic discourse and media coverage on the Greek sovereign-debt crisis has focused on the role of corruption, political patronage, and general lack of efficiency in assessing taxes and governing. The media add a focus to the “firebrand” new Prime Minister Alexis Tsipras and the clash of the European Left with the Neoliberal establishment. However, both of these narratives miss a crucial truth: Greece is part of the EU. While the narratives serve their purpose in informing us about the political and economic conditions in Greece, they also seem to portray most or all negatives in Greece as something uniquely Greek-born, and most or all positives as stemming from the EU. Thus, we miss the important role of the EU in the Euro-crises, and therefore our solutions prove short-sighted. We need to take stock of the Greece/EU nexus by elucidating the role of the European Union through three interrelated failures: institutional, functional-competition, and functional-security. Consider the following:

- There are conflicting views among the population of the EU as a violator of national sovereignty versus a benefactor or problem solver.
- The Eurozone concept of one currency and one policy is not well-supported by political or fiscal coordination. Fiscal policies lack successful enforcement mechanisms.
- The European dream is not being realized in Greece. At the end of the 1990s Greece had a 5% trade deficit, which has since increased. Efforts to alleviate high unemployment rates have led to increased borrowing and debt.
- When Greek firms were bought by European businesses and then shut down, the government felt it had to hire those made redundant – but was then criticized for having too large a public sector wage bill.
- The single market has created uneven competition. Producers with more capital undercut prices, and countries such as Greece cannot compete. Greece and Portugal are not in the same category as France and Germany.

(See Appendix for a fuller assessment.)
The British Referendum on EU Membership

Tim Cresswell
Professor of History and International Affairs
Associate Dean for Faculty Affairs, CSSH

In 1961 the UK applied to join the Common Market, or European Economic Community, but could not at the time because of the objections of France’s President Charles de Gaulle. In 1973 it was finally allowed to join, ironically under a conservative government. Later, Prime Minister Margaret Thatcher began with a “pro-Europe” stance, and the UK signed the Maastricht Treaty that created the EU, but later refused to join the European exchange rate mechanism (ERM) until 1990 when the UK finally joined. The UK had to leave the ERM two years later following massive speculation on the pound. Not surprisingly, Britain did not become part of the Eurozone and retained its own currency, the British pound sterling. As such, it has had less to say about “Grexit” but has generated its own debate about whether to exit the EU or to stay. In the recent (2015) UK general election, the victorious Conservative Party promised a referendum on EU membership. Five years ago this would have been unthinkable and was considered to be only something extremists within the Conservative Party and members of the insurgent UK Independence Party (UKIP) would possibly be in favor of. UKIP’s working class and rural supporters are concerned about immigration, identity, and sovereignty. At present the result of the referendum is too close to call with several recent polls suggesting a narrow majority in favor of leaving the EU. Added complications include the rise of the Scottish National Party in Scotland and the somewhat reticent new leader of the normally strongly pro-Europe Labour Party, Jeremy Crobyn. Reasons behind the forthcoming referendum and possible outcomes include the following:

- The referendum is a response to long term pressure within the Conservative Party and population.
- UKIP won 17% of votes in the 2015 general election.
- Contentious issues include national identity and sovereignty, increasing xenophobia from immigration, and social policy and regulation.
- Cameron wants to renegotiate terms of membership to make the EU more pro-business and return it to the “common market”, shifting away from social policy and regulation.
- Polls indicate that the UK will vote to stay in, but UKIP and the refugee crisis are wild cards.
Is Europe itself in crisis, or simply dealing with crisis? How severe is the crisis? Is it an existential threat for Europe? Since its founding the EU has been constantly said to be in crisis, and yet it has endured. What it is facing today is not an existential crisis. The term “crisis” is often misused, particularly in the media.

The EU has long struggled to craft a common approach to security, even though this was actually its core purpose at its founding in 1957. Through successive treaties over the decades, the EU has gradually overcome national obstacles to put into place an institutional apparatus that allows it to not only speak with one voice, but to act collectively. Indeed, the 2009 Lisbon Treaty especially emphasized this dimension through the launch of a European diplomatic service, the creation of a new post equivalent to EU foreign minister, and the advent of a mutual solidarity clause in the area of security and defense, among other provisions. Nonetheless, the EU has recently faced a number of foreign policy crises that have presented significant challenges for this still-fledgling foreign policy actor. Chief among these crises is its response to Russia’s incursion into Ukraine in violation of the country’s national sovereignty. Assessments of EU actions in this crisis have been mixed, with some arguing that the EU’s policy of enlargement provoked Russian aggression. The EU’s reliance on NATO militarily has also drawn criticism from those who have called for Europe to stand on its own two feet. Given the sheer size of Europe’s economy, as the largest in the world, its high level of economic development and wealth, its population of over half a billion, and its combined diplomatic and military assets, the EU’s official stance is that it has a responsibility to contribute to global stability and security. Some points to ponder:

- After Russian incursion into Ukraine the European parliament sent representatives to Ukraine to help. In the second phase, the EU began imposing restrictive measures against Russia and supporting Ukraine financially. When there was no de-escalation the EU imposed sanctions and instituted travel bans. The EU also increased efforts to help Ukraine broker a ceasefire.
- The crisis has enabled EU power through: reversals in the previous decline in spending, increasing trust in EU institutions, and a hardening of power from core EU member states which has pressured peripheral states to support the sanctions regime.
- If there is no further aggression from Putin, things may continue as they are. However if Russia increases its aggression there may be a shift in the way the EU engages in foreign policy.

(See Appendix for a fuller assessment.)
Q & A and Comments

- Putin’s message to the Russian population is that Russia is a bulwark against Western aggression; Russia is carving out areas of control, moving into Ukraine to have control over naval bases in Crimea, as it desires strong Mediterranean presence and wants to establish itself as a major military force.
- The EU commission is very political and tries not to antagonize big powers.
- Silver lining of the refugee crisis: it boosts the workforce and balances the aging population; the problems of physical and cultural isolation through clustering of immigrant populations need attention.
- Disconnect between EU as technocratic entity and Europeans themselves/national policies—changing now, increasing tension; EU gets along when things are going well.
- The EU is a nascent foreign policy actor; States have become more integrated under EU, but still have sovereignty. There are challenges for the EU moving forward:
  - Dealing with internal divisions
  - Finding a way to deal with the neighbourhood, especially the decreased stability in MENA regions and how to deal with Russia
  - Finding a way to adapt to coming shift from the Atlantic to the Pacific
- Non-state regions gain more power under EU with the hollowing out of the state; this raises questions for imagination of space and future of the nation-state, including integration and reorganizing and redefining of identities and boundaries.
- The refugee crisis is a humanitarian one on a local level, but has huge logistical implications on the national level; the EU has the means to deal with the situation.
- The refugee crisis has an ethical dimension; because Syrians have been compelled to leave their homes in part due to European and US foreign policy, those countries have a moral obligation to take them in but more importantly they need to address the problem at its source, which is the policy of destabilizing Syria and arming the rebels.
Appendix – Ioannis Livanis on the Greek Debt Crisis and EU Austerity Measures

The Greek crisis is a European crisis – institutional, functional-competition, and functional-security. As such, the multiple crises currently confronting the EU can only be solved if member states prioritize European solutions and can overcome narrow national interests and agendas that could continue to wreak havoc. What follows is an elaboration of three types of weaknesses.

Institutional weakness:
The Eurozone is a monetary union without the accompanying political, economic, and fiscal coordination expected of all currency systems. It was thought that monetary integration would promote further political and fiscal coordination, but this is far from reality.

- Instead of coordination, the EU focuses mainly on the fiscal rules of the Stability and Growth Pact, requiring members to stick with 3% of GDP for deficits, and 60% for public debt. But even at that, the “pact” failed to rein in spending and the EU proved “political” in its enforcement/monitoring: Portugal was the first to come under the procedure in 2002 (no fines applied), but France and Germany avoided censure in 2003.
- The European Central Bank sets policy on an EU-wide basis (mixing small and big), without offering a common net against labor effects (unemployment), or a common borrowing mechanism.
- Little attention is paid to macroeconomic imbalances (Germany is in violation of the 6% limit on account surplus for 4 years now).
- With the introduction of the Euro the periphery suffered from price inflation and trade imbalances. Greece saw a trade deficit of 5% in the 1990s rise to 15% of GDP by 2009. Needing more money for imports, Greece started borrowing - also aided by artificially low borrowing costs (the average 10-year government bond yield for Greece in 1980-90 was at 20%, and fell to 5% by 2001). With a rate that low Greece had an incentive to borrow, but that wouldn’t be the case if the real economy was growing (industrial production actually decreased 2% in 2000-09).
- With unemployment stuck at above 10% since the 90s, Greece saw an opportunity to use cheap credit to boost employment, so government employment rose 7% in the decade leading up to the crisis, while wage growth eroded competitiveness even further.
- More fatefully the system lacks flexibility and crisis adaptation (it does not allow for increased spending during crises). With the “sudden stop” of private capital flows in 2009, Greece could not depreciate it’s currency to reverse the flow, so internal devaluation was necessary.
- Compounded by institutional murkiness and the true inter-state character of the Eurozone, when the Greek crisis came, it took leaders six months of inter-institutional wrangling to come through with a plan (also made evident by this year’s fiasco).
**Functional weakness: Free market (competition)**

Greece is an example of the consequences of having a single currency without a single country and single market – especially on opening up trade with more competitive countries. Even before the effects of the Euro served to decimate competitiveness and industrial production, the single market had already started the process. EU set merger regulation in 1989 (prior authorization), but it does not cover all mergers as it allows for a high threshold (allowing companies below it to merge without scrutiny). Even so, “authorization” is a euphemism here as since the original merger regulation in 1990, the Commission has blocked on average one merger per year!

State aid: Exceptions are regional aid, economic recessions, most states boost “national champions” all the way into the 2000s, and the Commission does not change course until 2001, when it reduces overall aid levels, but allows for redirection of those to so-called “horizontal objectives” (R&D, environmental improvement, energy saving). An 80% of state aid is in the “horizontal” category currently!

The institutional void of the 1980-1990s and the merger-mania of the 1990s caused a massive change in the periphery, where most of the real economy was essentially bought off without a hint of involvement by the European Commission.

**Functional weakness: Security (Turkey)**

Locked in an arms race with Turkey since the early 1980s, Greece has spent close to 200 billion Euro in armaments since 1974, and has regularly been at the top 10 of the world’s biggest importers of conventional weapons. The idea that EU membership would bring security proved misguided. The EU has not managed to create a credible security policy. Though more recently the military budget covers mostly personnel cost (about 70%), the armaments programs of the 1990s-2000s were mainly financed through debt. Even during the depression Greece has managed to buy 650 million worth of new armaments from Germany, France and the United States.

It is worth noting that armament costs figured prominently in the accounting scandals that eventually led to the crisis, with both Pasok and New Democracy post and pre-dating armaments purchases to saddle the bill to the other (and meet budget deficit criteria).

**Lessons, future**

Through the recent Greek crisis we got an inside look at how the European Union operates on a day-to-day basis: deals and trades between voting blocs and a weak intergovernmental institutional and voting setup, which make EU decision-making so cumbersome. EU politics has spilled over to national politics. The crisis educated the European citizenry as to the effect and limits of the Union. With this amount of spillover into national politics, we can expect divisions on other issues to be exacerbated, especially migration/immigration.
Appendix – Mai’a K. Davis Cross on European foreign policy & crisis

What’s in a crisis?

- Oftentimes the crisis label is overused and misused, especially in the media. After all, “bad news sells.” This is especially true when it comes to the EU, where every few years like clockwork, it seems journalists are proclaiming the “end of Europe.”
  - Yet, we witness time and time again that the EU persists, and actually, gets stronger over time. The EU eventually comes out of each crisis with more will to make it work, and oftentimes more integrated than before.
- So there are important distinctions to make when talking about crisis.
  - For example, is Europe itself in crisis, or is Europe dealing with a crisis (such as the refugee crisis)?
  - And is Europe simply falling short (or failing) at doing something that it was unprepared to deal with, or is it actually in crisis? We must keep in mind that a large democratic entity with over half a billion people and 28 member states by default muddles through on many unprecedented issues – a democratic process must be followed in which everyone has a say and must be accounted for.
  - And finally, how severe does a crisis have to be before we can legitimately question whether the EU can go on or whether it is falling apart. In other words, when is a crisis an existential threat for Europe?
  - I would suggest that the events we are talking about today do not constitute existential crises for Europe...which I can talk about later
- So moving now to the foreign policy dimension of Europe, and the crises & challenges that it faces.

EU as a foreign policy actor

- To give some background, the EU has long aimed to craft a common approach to security, even though this was actually its core purpose at its founding in 1957.
- Through successive treaties over the decades, the EU has gradually overcome national obstacles to put into place an institutional apparatus that allows it to not only speak with one voice, but to act collectively.
- The 2009 Lisbon Treaty especially emphasized this dimension through the launch of a European diplomatic service, the creation of a new post equivalent to EU foreign minister, and the advent of a mutual solidarity clause in the area of security and defense, among other provisions.
- So in evaluating the EU’s role in dealing with the Russia-Ukraine crisis, it is important to recognize that it still a relatively new foreign policy actor.
- Another point to mention at the outset is that from the EU’s perspective, one of its most successful foreign policy actions has been its process of enlargement to include new member states.
  - While some have argued that enlargement is what caused Russia to act aggressively in retaliation to what it saw as a threatening shift in the balance of power in the region, others argue that actually the EU was not thinking of
Russia very much at all when it contemplated welcoming the CEECs into its Union.

- The EU was actually most concerned with maintaining peace and stability in Europe, and promoting democracy among these states that had previously been under authoritarian rule. Rather than trying to balance against Russia, the EU was doing what it regarded as its global responsibility – to not become a “fortress Europe” of the west, but to be an inclusive entity that embraced all of Europe. And in the end, it won the Nobel Peace Prize in part for this decision.

Rough Overview of the Crisis

- The Ukraine-Russia crisis is the most serious conflict in Europe since the brutal civil war in the former Yugoslavia, and the most serious confrontation between the West and Russia since the end of the Cold War.
- Moreover, it is important to recognize that the conflict in Ukraine was fundamentally about the EU, and for this reason it is somewhat unique. (The EU is involved in stabilizing crises all over the world through its humanitarian missions & operations, which now number over 30)
  - The uprising in Ukraine was first triggered when the pro-Russia Yanukovich government wouldn’t sign an Association Agreement with the EU. This prompted the Ukrainian people to take to the streets, many of them waving EU flags. In this context, the EU has played an active and multifaceted role from the beginning – involving diplomacy, sanctions towards Russia, alongside financial and civilian support for Ukraine.
  - In some ways, the Russia-Ukraine crisis has enabled aspects of European power in the international system (as argued in JCMS special issue). But it has also constrained other aspects (as I’ll get to)
- Civil unrest and violent clashes broke out in Kiev late 2013, early 2014, and very early on, the European Parliament sent a delegation to Ukraine to help.
  - Many other European leaders also subsequently went: the German, French and Polish ministers of foreign affairs travelled to Kiev to help work on a deal between the opposition and the government in Kiev. This deal was signed on February 21, 2014, and provided for early elections and constitutional changes in Ukraine. Catherine Ashton, HR or Foreign Affairs and Security Policy, and Commissioner for Enlargement and Neighbourhood Policy were also in Ukraine trying to de-escalate the crisis.
- However, in a kind of second phase of the crisis, on February 27, Russian soldiers started a military operation resulting in the occupation and annexation of Crimea on February 27th, the EU also quickly responded to this new dimension of the crisis.
  - Among other things, it imposed restrictive measures, engaged in diplomacy with Russia asking them to withdraw their forces from Ukraine, it condemned the illegal annexation of Crimea, supported Ukraine financially, and emphasized that any solution must maintain the territorial integrity of Ukraine, and so on.
• By March 17, 2014, in the absence of de-escalation, a kind of third phase began with the EU imposing its first travel bans and asset freezes on Russia. At this point political sanctions – or restriction of some diplomatic activity – also began, for example, cancelling some bilateral summits, weapons embargo. Economic sanctions grew from there, and have since been renewed this year.
  o The EU has focused its attention on supporting Ukraine. It signed an Association Agreement on June 27, 2014. Authorized a CSDP mission to help Ukraine with Civilian Security Sector Reform. Provided short and medium term funding, and also gas when Russia cut off Ukraine’s supply.
  o And it has also tried to engage in limited diplomacy with Russia over this, especially trying to broker ceasefire agreements.

Assessment: What lies ahead?
• The EU did manage to advance a common stance on this external crisis, but not all of it was achieved easily. There was some internal disagreement, particularly from Hungary and Slovakia who didn’t want to impose sanctions on Russia at first.
• The downing of MH 17 and invasion into Crimea did trigger growing support in Europe for strong action to oppose Russia. As Russia’s aggressive actions persisted, European power became enabled in a few ways:
  o 1. The crisis promoted some reversals in the previous steady decline in defense spending. But the more significant change is a shift away from capabilities development for expeditionary operations (i.e. humanitarian & peacekeeping) to European defense.
  o 2. The crisis led member states to trust EU institutions and committees more, such as the Commission and Coreper, leading to increased supranationalism.
  o 3. Power of core EU member states hardened, especially Big Three, and they were more willing to pressure others to fall into line
• also, constrained in a few ways:
  o diplomacy was at first a bit sloppy – too many voices from Europe, with slightly different goals
  o And the EU is relying on NATO for military side, and hasn’t ultimately been able to prevent violence or casualties – 7,000 civilian, 3,000 Ukraine military, 2,000 Russian military
• Over the long term, if Russia does not take further aggressive action then it’s possible that the west could wait it out and hope that the next leadership change in Russia (after Putin) will bring to power someone who is more willing to work with the EU.
• If Russia does continue its incursions, and starts to breach EU member states, then both NATO’s Article 5\(^1\) and the EU’s mutual defense would be triggered, and this would become a very serious crisis for the EU.

\(^1\) EU member states not in NATO: Austria, Cyprus, Finland, Ireland, Malta and Sweden.