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Research Article

Energy Security, Armed Conflict and the limits of Commitment Strategy: EU-Russia Relations and the War in Ukraine

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Abstract

Russia-Ukraine War altered the political landscape in Eurasia fundamentally even before we could see the end of the armed conflict. Not only through its direct impact but mostly because of a series of spillover effects, this massive military confrontation is already affecting the power distribution in the region. EU-Russia relations, from the perspective of energy security, has already been discussed extensively but a new dimension will have to be added to this crumbling cooperation. Similarly, the preponderance of Russia in former Soviet space may be collapsing. The strategies pursued by the Western Bloc and Russia can be analyzed withing the framework of a “commitment” policy. A strong strategy, binding one actor to a certain path, might be a strong signal to push the adversaries for cooperation. Yet, carries high risks, for in case of a non-cooperative response might multiply losses for all parties. The war dynamics and energy security situation in Eurasia displays characteristics of this high-risk strategy that might possibly not bring the desired outcome. This study evaluates the energy policies as well as Russia’s wartime policies from a perspective of commitment strategy.

Keywords: Russia-Ukraine War, Russia-EU Relations, EU Energy Security, Commitment

JEL Codes: H56, H12, H50, C70

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Araştırma Makalesi

Enerji Güvenliği, Silahlı Çatışma ve Bağlanma Stratejisinin Sınırları: AB-Rusya İlişkileri ve Ukrayna Savaşı

Akif Bahadır Kaynak¹

Öz

Henüz sonuna gelmememize rağmen Rusya-Ukrayna savaşı şimdiden Avrasya'da politik görünümü temelden değiştirdi. Sadece doğrudan değil, aynı zamanda dolaylı yoldan bu büyük çatışma bölgedeki güç dağılımını etkiliyor. AB-Rusya ilişkileri, enerji güvenliği perspektifinden şimdiye kadar çokça tartışıldı ancak şimdi bu çöken iş birliğine yeni bir boyut eklendi. Benzer biçimde Rusya'nın eski Sovyet coğrafyasındaki hakimiyeti sonlanıyor olabilir. Batı Bloku ve Rusya arasında bu süreçteki stratejiler "bağlanma" politikası çerçevesinde inceleyebilir. Bir aktörü, net biçimde belirli bir politika patikasına bağladığından bu güçlü strateji rakipleri iş birliğine zorlayan bir sinyal olabilir. Ancak karşı tarafın çatışmacı bir yanıt vermesi halinde kayıpları katladığından yüksek risk taşır. Savaş dinamikleri ve Avrasya'daki enerji güvenliği durumu bu yüksek riskli stratejinin isteyen sonuçları getirmeyebileceğini gösteriyor. Bu çalışma hem enerji politikalarını hem de Rusya'nın savaş stratejilerini bağlanma stratejisi üzerinden ele alıyor.

Anahtar Kelimeler: Rusya-Ukrayna Savaşı, Rusya-AB İlişkileri, AB Enerji Güvenliği, Bağlanma

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1. Introduction

The war that started in February 2022 between Russia and Ukraine is a major game changer in many ways in international politics. The armed confrontation started as a relatively limited operation by Moscow, but its magnitude increased as Ukraine's response grew stronger and became more complex in time. Indirect intervention by Western powers, requires an analysis that incorporates the actions of a multitude of actors with varying interests. Going along with the realist perspective we will accept states as unitary and rational actors yet asymmetric information makes defining dominant strategies and likely outcome extremely difficult.

Sticking to the same tradition it might be possible to analyze how different actors that are actively engaged in this conflict utilized "commitment" strategy on different occasions and how successful they were in obtaining the desired outcome with their strategies (Weinstein, 1969). That naturally should come with a detailed analysis of under which circumstances the "commitment" strategy worked for different actors.

In this sort of a game theory framework, where all the actors take rational decisions in order to achieve their objectives, a realist perception of international relations comes to mind. This vision is based on an anarchic order of the world rather than international arrangements to support an interdependent system (Krasner, 2000) while independent actors choose strategies to maximize their payoffs given the available information. Even during Cold War, the presence of common security organizations was a major game changer as in the case of NATO, and especially after the collapse of the Soviet Union we have witnessed the emergence of security frameworks which emphasized security as a common good (Krahman, 2008). The success of these sort of arrangements for three decades cannot be denied even though the dissolution of Yugoslavia, two Gulf Wars the conflict in Afghanistan and finally the geopolitical earthquake after Arab Spring, especially Syrian civil War illustrated that the World is still far from the dreamland of perpetual peace. Despite all this, international politics still seemed relatively peaceful as armed conflicts remained limited and did not involve full scale involvement of major powers.

In that sense, the war in Ukraine seems like a major turning point, especially after the conflict escalated after the initial phase rather than dying down on its own momentum. We have once again found ourselves in a world where the most basic principles of international politics, like territorial integrity of sovereign nations is imperiled and a game of survival seems to be in place as the threat to escalate even to nuclear warfare seems to be on the agenda.

This study aims to understand and compare EU-Russia energy relations and Moscow's strategies in the Ukrainian war through a commitment strategy lens. Although the strategy is commonly used in politics and elsewhere on various occasions, Russia-Ukraine war has displayed interesting qualities for illustrating its limitations in energy security and conduct of war. The hypothesis that whether Russia-EU energy cooperation can be categorized in the context of commitment will be tested, while the factors on why and how this winning equilibrium was derailed will also be overseen as well. Similarly, Russia's strategy of binding itself to a forward position is a question with its implementation and limitations. The study uses previous academic works to establish a framework to test its hypothesis while the energy crisis and conduct of war information is collected from newspapers and online sources.

2. Commitment to Energy Cooperation and Peace

Ukraine declared its independence in 1991 after Russian Federation withdrew from the Soviet Union following the failed coup d'état. Those were times when almost all post-Soviet countries struggled to find their way in uncharted waters to be integrated to the rest of the world, while international system was re-designed to embrace the power vacuum created by the collapse of one of the poles of the Cold War (Ferguson, 2004). Throughout the nineties Russia was too weak to assume the role of a major power (Smith, 2014: 5-6) and was rather focused on re-lifting its economy that was in shambles. Moscow also had to deal with a two round Chechen War that imperiled the territorial integrity of their country. After a humiliating failure to suppress the Chechen uprising during the first war, Russia managed to put down the insurgency in their second attempt by indiscriminate bombing of all targets.

In economic terms, the first decade after the Cold War was at first better for oil exporters, including Russia, as energy prices started to recover after the bust of eighties that came as a result of market share wars (Ramady, 2015, 45-46). However, the Asian Crisis of 1997 led to a collapse of global demand that was immediately reflected to the markets for primary goods and commodities. Still heavily reliant on income from fossil fuel sales Russia's export earnings fell dramatically. One year later the unfavorable conditions led them to declare moratorium on the payments of its public debt (Desai, 2000). Looking back, we could say that this was the nadir of Russia's economic and political power as after that point, Moscow managed to regain its strength under the leadership of Vladimir Putin. That was helped by a continuous rise in commodity prices in the first decade of the millennium, allowing the Russian government to balance its finances (Appel, 2008). The population witnessed a steady increase in its standard of living, that resulted in increasing support for Putin's leadership while military capabilities were upgraded thanks to the fiscal recovery that came with favorable changes in terms of trade.

It was not only the change in external conditions but a well-planned policy by Moscow that positioned it as a key energy supplier to neighboring regions, especially Europe, that brought this economic improvement (Lough, 2011). Although Russia was a key petroleum producer even during Cold War and started supplying natural gas to Europe decades earlier, the cooperation intensified and became more broad-based as political tension eased. Pipelines connected customers in Europe with gas fields deep inside the country. Those massive investments that required billions of dollars of cash outlay bound Russia and Europe together after the polarized atmosphere of the Cold War. Long term "pay or take" agreements necessary for undertaking those extensive capital investments were justified by the "commitment" of both parties (Schaffer, 2008) to this mutually beneficial trade. Russia, with its immense natural resources and relatively low costs committed itself to provide uninterrupted energy to Europe while the old continent was bound to purchase the volumes produced for their use.

The outcome is a classical cooperative equilibrium where all parties benefit by choosing a win-win outcome. The liberal perspective on international relations and energy security would claim that the cooperative outcome is stable as none of the parties have an incentive to change their strategies. From that point of view, the continuity of the transaction is guaranteed by the fact that all sides are content with that particular equilibrium (Proedrou, 2007).

This outcome is challenged by a realist tradition that focuses on the dependence of the consumer countries on Russian energy (Baran, 2007). Accordingly, although a cooperative outcome has been reached, the likely losses from a diversion from this equilibrium (Harsem & Clae, 2013, s. 785-786) are not distributed evenly. Russia may lose income from an interruption

in its sales receipts but that can be partially recompensated by rediverting its productions elsewhere. More importantly the seller can resort to its accumulated financial reserves to weather any contingency and wait for the buyer to yield. Looking at the other side of the transaction, the consumers need a steady flow of gas for the functioning of their economies and have less flexibility in case of disruptions. Houses need heating, industry needs energy on a continuous basis, so in an extended time frame, the seller of energy may extort benefits from the buyers under threat of interruption of supplies.

Nevertheless, in the post-Cold War environment European, especially German policy makers opted for increased cooperation with Russia in the field of energy (Westphal, 2020). The main tenet of their approach was that a mutually beneficial trade would bring together those two actors closer and make a conflict highly unlikely, if not impossible. Russians were also keen on committing themselves to their European partners and the most significant sign of their dedication to this cooperation would be the massive infrastructure investments undertaken to provide natural gas into the continent (Hubert & Cobanli, 2015).

In fact, the gas trade with Europe had already started in the Cold War years, though the volumes were much lower compared to the decades that followed the collapse of Soviet Union. Most of the early pipelines used Ukraine as a transit route into Europe as Russians did not consider Kiev as a separate actor that could spin out of control at one point in time. Even after 1991, an independent Ukraine still played the same tunes with its superpower neighbor so Russian policy makers did not perceive a threat to their long-term energy strategies. Russia gladly subsidized gas sales to Ukraine, a standard incentive given to Moscow's friends in the post-Soviet world (Woehrel, 2010). Only after the Orange Revolution in 2005, when Ukraine started to stray away from the Russian control Putin decided to remove subsidies and squeeze Kiev economically (Fraser, 2008). That would be the beginning of a significant realignments in energy markets that resulted in important policy changes for Moscow. The pipelines that established Russia as the supplier, Ukraine as the main transit corridor (Stern, 2006, 2-4) and Europe as the destination seemed to create a stable equilibrium where all sides had no incentive to switch their dominant strategies. Yet, this was only true if the policy making could be reduced to a single objective, that is the natural gas trade.

In 2005, after the Orange Revolution, Kiev took the first steps to move away from Moscow's orbit. The political stalemate between the West and East over Ukraine continued for another decade but that was just enough to trigger the first phase of energy crisis that compromised Kiev's role as a transit corridor. One of Russia's well-known tactics when using energy as a political leverage against its customers is implementing different tariffs to friends and foes. States, especially post-Soviet ones, that followed pro-Russian policies were allowed to purchase gas at favorable rates and terms whereas the others had to buy at market prices. Ukraine's re-orientation to the West created a similar situation and when Ukrainian government failed to pay overdue bills gas from elevated prices. Eventually Gazprom took the decision to suspend gas deliveries to the country. If this had been an isolated incident, it would not mean much but Ukraine, being a transit country met its needs from the gas flowing into Europe, as a last resort. Hence flows into Europe were interrupted twice in 2006 and 2009 (Rodríguez-Fernández, Fernández Carvajal, & Ruiz-Gómez, 2020). Even though this temporary interruption did not lead to major economic disruptions, and the problem was fixed in a short while, both ends of this transaction drew important lessons and started to implement their own programs to eliminate the possibility of a repetition of the same situation.

For Russia, extreme reliance on Ukraine as a transit route finally appeared to be a reckless strategy. The positive payoffs on being a part of supply chain in global energy trade

was not enough to anchor Kiev to Moscow politically. From the point of view of Russian policy makers, insubordination of Ukraine to Moscow's policy priorities could not be tolerated and they should be taken out of the new energy equilibrium (Aune, Golombek, Moe., Rosendahl,, & Le, 2017). Although this policy required substantial infrastructure investments at the initial stage, it was nevertheless economically feasible. By having direct access to the largest gas import market in the world, that is Europe, Russia could guarantee cash flows that could justify the initial outlays on infrastructure. However, the new routes should be chosen carefully so as not to repeat a similar situation that had taken place in Ukraine. The traditional animosity of Poland made it an unsuitable route for access to Europe, so a more secure but more vigorous path from a technical perspective was undertaken. Nord Stream pipeline connected Russia directly with Germany with a pipeline going under the Baltic Sea. The depth of the underwater pipeline and the capacity made it a major technological achievement, but eventually Russian gas made it to Lubmin, the German terminal of the pipeline. The cost exceeded 10 billion dollars, but it enabled carrying a volume of a total of 55 billion m³ annually, replacing a significant part of the gas through Ukraine (Westphal, 2008, 108-109).

This pipeline was one of the most contested investments in the energy business, as it consolidated Russia's role as the main supplier in European gas markets. Especially US objected to increased European reliance on Moscow claiming that it could be used as a political leverage eventually and given revisionist tendencies in Russian foreign policy, could be dangerous. European Union, exposed to Russia's whims might be inclined to give in to political blackmail in the future (Baran, 2007: 135). That assessment is a product of a world view that sees the international system as a zero-sum game environment and assumes Russia might seek to dominate the continent rather than cooperate with it.

On the other hand, a more commercial point of view focused on a double commitment from both ends of the pipeline as the buyer and the seller has significant losses in case of disruptions. While Europe and particularly Germany committed itself to buying Russian gas as a substantial part of its energy mix, Gazprom took on a massive investment to be the primary supplier of the continent. Besides as Ukraine denied its role of a transit country, Germany assumed a similar responsibility being the principal distribution center of Russian gas in the Continent. Cheap, undisrupted flow of Russian gas would provide the main input for a competitive European economy (Bilan, Strielkowski, Karbach, & Mentel, 2017) in the global trade wars. In return, Russia would specialize itself as the primary provider for an economic giant.

This setting seems to be a stable equilibrium where all parties benefit significantly from adhering to the cooperative strategy. Shirking, obviously results in a worse off situation for all related actors. Evidently neither of the parties were naïve enough to rely on a single outlet or supplier but the weight of the transaction was on this mutually beneficial relationship.

European Union tried to reduce its risks by the Third Energy Package that aimed to reduce Russia's share as a supplier and more importantly by detaching upstream, midstream, and downstream components of the operations (Stančík, Osička, & Overland, 2021, 4). That would ensure a smooth functioning of the markets according to law of supply and demand with minimum intervention from the realm of politics. In parallel, investments on renewables intensified balancing fossil fuel's share in the mix. Yet while solar and wind energy boomed, attitude towards nuclear remained ambivalent at best. France persisted in its preference for nuclear power but after the Fukushima disaster in 2011, EU countries, particularly Germany developed a cold shoulder for this source until the Ukraine crisis unfolded. On the other hand, Russia developed alternative outlets for its gas in Far East (Avilova, Safina,, & Demidova,,

2019) and in non-EU countries such as Turkey. The share of LNG remained low while pipelines continued to be the main route to markets. Hence Russia's diversification attempts were relatively weaker in that period.

To sum up, all actors were aware of the limits of the win-win game in energy markets and adverse shocks' potential to disrupt the mutually beneficial equilibrium, yet emergency plans turned out to be inadequate in a real crisis. Obviously, the commitment of both parties to the cooperative outcome were real and both relied on mutual severe losses would be mechanism to keep their partners in line.

3. Russia-Ukraine War: Limits of Commitment Strategy

Russia's troubles in Ukraine are not new and goes back almost two decades to the first signs of Kiev's distancing itself from Moscow. Ukraine became an independent country in 1991 as the Soviet Union collapsed but it would not immediately leave Moscow's orbit as was the case in Baltic states. The relations between Russia and Ukraine were so close as one could hardly classify those two capitals as separate political entities. In fact, the proximity of both nations and significant Russian influence in Ukraine are factors to explain Moscow's intolerance for its neighbor's independent posture. Not only there is a significant Russian minority living in the country but also the lines separating both nations and countries seemed superfluous from Moscow's point of view. That explains how Khrushchev accepted transfer of Crimea, a strategically important piece of land, to Ukraine in 1953. Clearly there was no risk perceived in Kremlin at times, from the possibility of Kiev parting its ways. This belief seems to persist in the first decade of the post-Cold-War years as Russia's leaders did not bother to question the sovereignty rights over neither Crimea nor Donetsk nor Luhansk, two regions with large Russian populations. On the other hand, while Russian political and economic power reached a nadir in the 1990s Ukraine did not have any intentions to exploit this weakness by reorienting it towards the West.

The decade after the Cold War was a period where post-Soviet republics, especially Baltic states moved away from Moscow, a fact that was, although reluctantly accepted by Kremlin. Not only EU expanded to the east by incorporation former Socialist Bloc countries in two phases in 2004 and in 2007 but also those countries also became NATO members. So, NATO and EU expanded almost in tandem with few exceptions, Sweden and Finland being the most important, countries in EU but not NATO members.

The situation changed in the new millennium, surprisingly at a time when Russia started to recover from its troubles of 1990s. Under the leadership of Putin, Russia crushed the Chechen uprising that had cost significant material and prestige loss while Moscow showed its intention to return to its former role as a global player. This vision will have to be backed by force several times. First in 2003, Shevardnadze, a former Politburo member and President of Georgia since independence was removed from power by popular protests. Next year, same pattern repeated in Ukraine where a popular uprising against Yanukovich's reelection, allegedly by electoral fraud, took to the streets. Eventually the elections were repeated in 2005 and pro-Western Yushenko became the new President of Ukraine (Karatnycky, 2005). This initiated a protracted struggle between Moscow and the West for influence in Ukraine, a country and a society "thorn" by its allegiances (Huntington, 2000, 165-167). Nevertheless, this was not yet the decisive moment of rupture between Kiev and Moscow as Putin's candidates continued to occupy important positions in Ukraine's politics. During this interregnum, Russia illustrated how it would react to its former colonies decisively moving out of its orbit as in the case of Georgia. In 2008, Russian Army intervened in Southern Ossetia and Abkhazia crushing Georgian

forces, under the pretext of protecting minorities (Allison, 2008). Putin avoided a complete occupation of the country and did not interfere with oil and gas flows to the West but clearly demonstrated its preponderance in the southern Caucasus region. Georgia was clearly considered as a country where Moscow had a privileged position and the West had nothing to do but appease Putin in that case.

This lesson did not deter Ukrainian nationalists to rise in 2014 Maidan demonstrations and overthrow the pro-Russian government. It was a decisive point where Ukraine finally made a choice for further integration with Europe at the cost of keeping a distance with Russia (Aslund, 2014). That must be the reckoning moment for Russian policy makers who recklessly assumed that Ukraine would always be under their control and there was no reason to worry about the risk of losing it. The most important strategic loss with decoupling of Ukraine from Russia was obviously Crimea, a very valuable piece of land, a peninsula with key position for the control of Black Sea.

Since Küçük Kaynarca Treaty that established Russia as a Black Sea power, the importance of southern sea routes became a priority. Ukrainian grain was the most important export item for decades, maybe centuries so controlling choke points that could imperil their access to world markets were among the main imperatives for Russian foreign policy. Domination of Black Sea and access to Mediterranean became a major concern where an emerging Russia dictated its priorities upon a weakening Ottoman Empire in the 19th century. The Crimean War and ensuing Paris Conference of 1856 reversed Russian gains temporarily in the mid-century but did not change the prerogatives of their policy.

During the Cold War years, Moscow, along with its satellite states dominated the Black Sea basin while only Turkey remained as a rival power still controlling the Straits. Soviet concerns were mitigated by the clauses of Montreux Treaty that established Black Sea as a zone mostly exclusive for littoral states due to tonnage constraints on foreign warships (Güçlü, 2000). Consequently, it was a relatively stable region during Cold War as security needs of all parties concerned can be met. Evidently in that setting, Ukraine and Crimea were securely attached to Moscow and was considered part of their exclusive zones. That equilibrium in the Black Sea ended gradually and Maidan Revolt, a symbolic incident leading to Ukraine's political shift towards the West, made Black Sea a contested zone (Åtland, 2021). It is no surprise that Putin's Russia reacted to such a geopolitical shift with a military intervention in Crimea to maintain its dominance over the basin.

The invasion of Crimea and parts of Donbas in 2014 is on the one hand a clear violation of territorial integrity of a sovereign nation. On the other hand, it illustrates how Russia tried to limit its geopolitical losses on a very pivotal zone for their security concerns. Although the invasion in Donbas can be understood in terms of ethnic revisionism, the case of Crimea is more a geostrategic initiative (Blockmans, 2015). The naval base in Sevastopol leased for 49 years to Moscow, already provided a foothold but clearly was not a permanent solution to Russia's quest for dominance in the Black Sea basin. Hence the occupation of the peninsula in 2014 resolved the issue decisively for Kremlin

It should be noted that this move came when the dual commitment between Moscow and Kiev in energy cooperation was already over. Russia had already decided to by-pass Ukraine as a transit nation by two alternative corridors in the north and south to have access to its European markets when the political crisis after Maidan was unfolding. Hence despite initial sunk costs, Russia was able to circumvent Ukraine, an increasingly troublesome neighbor. Nevertheless, self-reliance on access European market, did not mean Putin could let loose Kiev to do choose an independent foreign policy.

Since 2014, invasion of Crimea and Donbas, Ukrainians continued to perceive an increased threat from their powerful neighbor. Putin's article in the summer of 2021 is a clear expression of a broader agenda going far beyond concerns over specific matters, meaning that the political differences could not be resolved by tactical moves (Kremlin, 2021). Russian leader's perspective was a direct challenge to territorial integrity of Ukraine, in fact overall existence of such a country. Days before the invasion, Putin made a speech that gave references to historical events (Reuters, 2022), that according to him would give legitimate reasons to assert Russian domination over the region. Accordingly, the existence of an independent Ukraine was the result of a blunder by early Bolshevik leadership as well as political ineptness as Soviet Union collapsed. Putin's remarks clarified that Russia saw beyond its borders a Novorossiia; a part artificially detached from the motherland.

Eventually when Russian troops started the operations on the 24th of February 2022, there was no illusion for a limited invasion, rather there were suspicions whether Putin would order his troops to go all the way to take control of whole Ukraine. The fact that militarily Moscow targeted multiple fronts, including the capital city implied the target was a change of government and vassalization of the whole country. Ukraine would be snatched from the jaws of Western influence and brought back to Russian orbit where it belonged. This model, already in place in Belarus, seemed feasible at first keeping in mind the weak resistance by Ukrainian armed forces during 2014 invasions. According to Kremlin's expectations, the overwhelming military power of Russia could not be matched by its weaker neighbor. However, shortly after the operations started, Putin's Army was bogged down on several fronts barely managing to advance on certain sectors, particularly eastern Ukraine to secure the land connecting of Crimea with Donbas. Overstretched Russian forces facing stiff resistance around Kharkiv, and Kiev suffered heavy casualties and failed to reach their military objectives.

This initial phase of the conflict, where it was understood that a swift victory was out of question, brought both parties to negotiating table, although at a lower level at Belarus and later Turkey. These early meetings were far away from ending the conflict as the gap between the demands of both countries' positions was wide and Ukraine refused to submit to Russian demands amid increasing Western military and diplomatic support. Hence the second phase of the war started with Russia reshuffling its priorities and changing objectives. Having understood the difficulty of taking over the whole country Kremlin refocused its efforts to selected regions mainly, securing Donetsk and Luhansk completely as well as Zaporizhzhia, a key region for security of Crimea. This brought a temporary feeling of relief to the Russians as their troops were able to advance to some of their objectives. However, the influx of Western equipment, military aid and money helped Ukraine to resist further advances and the war front looked like it would freeze by the end of summer.

Once again, the battlefield brought surprises as Ukrainian Army launched a counterattack around Kharkiv region in September leading to chaos in Russian forces. Only at this point Putin had to raise the stakes and once again commit himself to an intransigent position at a time when his military power seemed unable to deter their adversary. The defeat at Kharkiv brought an array of measures by the Russian leadership that can be classified under commitment strategy in a game theory framework. The first decision taken by Putin was to declare a partial mobilization to draft 300 thousand recruits for the war effort (Cancian, 2022). After trying to pursue the armed conflict with mercenaries for more than six months, Russia finally realized the difficulty of matching a fully mobilized enemy with half measures. That decision obviously was not the A plan for Putin, because since the beginning he insisted that what was undertaken in Ukraine was a special operation to counter an imminent threat. Russian people were not expected to make sacrifices for a minor military operation but after the difficulties in the field

draft became inevitable. This cannot, by itself, be considered as a commitment strategy but a necessity to hold the front amid increasing pressure from Ukraine.

The second measure announced by Putin was a political one committing itself to the existing position. After highly controversial referendums on four occupied regions Donetsk, Luhansk, Zaporizhzhia and Kherson, Moscow annexed those territories (Aljazeera, 2022). This move implied that any attempt to retake those provinces would be considered as an attack on Russia proper. A third measure complemented the abovementioned measures although it was voiced by Russian authorities rather implicitly. Accordingly, any attempts on Russian soil could be countered by a nuclear strike if necessary. Moscow basically implied that Ukraine's desire to recapture its occupied provinces would be classified as an attack on Russia and might trigger a nuclear response. Although this would be conducted with tactical nuclear weapons, not in the order of destroying whole Ukraine, still a major threat was underway.

The position taken by Moscow after the Kharkiv offensive can be seen as a political escalation rather than a military one. The fact that a partial mobilization was declared, was more of a desperate measure to hold the existing precarious military balance. The reason behind Putin committing himself to an aggressive posture seems understandable but there are risks associated. Russia adopted a policy of not falling back and negotiating on the basis of the military *status quo* to discourage Kiev and its Western supporters from prolonging the war. Once Russia established its position as a final one, it expected its adversaries to negotiate from that position. With the referendums of annexation Putin made the situation irreversible and military pressure meaningless from its opposition's point of view.

This political escalation is the result of military weakness and a perception that the tide of the war is turning to Ukraine's favor. As Russian Army seemed to have reached its limits with conventional warfare, the balance of power in the warzone started to tilt towards Kiev while continuous flow of state-of-the-art weapons poured in from the West (NYT, 2022). As a result, unable to stop the tide of the setbacks against Ukrainian forces, Putin decided to anchor himself politically. The annexation of those four provinces made Russia's back-stepping so costly that it hoped to induce its adversaries to think twice before pressing on. A classical case of burning the ships upon landing, destroying the route to retreat meant a resolution to keep fighting on. Once this scenario is bought, one would expect the adversary to go easy in the negotiating table. A Russia with its back to the wall, could be dangerous. A country with nuclear weapons, having already declared annexation of occupied territories would have no way to back off even if it agreed to freeze the situation. In fact, that was obviously what Putin had in mind, as his armies did not have the capacity to advance further after suffering a bad defeat outside Kharkiv.

Yet, from the start, Russia's strategy of committing itself to the *status quo* on the battlefield and defending it as the ultimate framework for a peaceful resolution was not accepted by Ukraine and its supporters. A short while after annexation referendums, Zelensky reiterated its position indicating that negotiations would only be possible after Russian forces evacuated the territories that they occupied (Kyiv Independent, 2022). Ukrainian President's demands included Donbas and Crimea that were occupied in 2014, making a compromise by Putin even more painful. Evidently, the commitment strategy that Putin undertook did not in any way convince Zelensky to pace down its efforts to win the war.

The reason for the failure of the commitment strategy overlaps with the weak spots of any similar game plan. If the player's deterrence is not credible enough the antagonist is inclined to challenge it, multiplying the eventual losses of a non-cooperative strategy (Johnson, Leeds, & Wu, 2015). In this particular case, Russia's insistence on annexing Ukrainian territories and

implicitly backing this position by a nuclear threat seemed out of proportion. Two main issues can be highlighted with regards to Moscow's plan. First, if the West yielded against Russian threat that would set an example where they would have to back down against any similar escalation. Military aggression followed by a nuclear threat would become a winning strategy for Moscow in similar situations and all other actors in the grey zone, meaning non-NATO member would automatically bandwagon (Mearsheimer, 2001, 162-163) if Russia could achieve its political objectives with a mix of those policies. Even if NATO has no obligations to defend non-members, failure to counter aggression would erode the credibility of the Western alliance. Hence, first and foremost, US had a clear incentive to double down on the commitment strategy of Moscow.

Second, even if nuclear weapons are powerful deterrents against any aggression, it is not a tool that can be used except for critical self-defense purposes. The only occasion where nuclear weapons were ever used was at the very end of World War II against Japan, when only US possessed them. In the second half of 20th century there were other members joining the nuclear club but none of them had ever used those weapons of mass destruction. The political implications of touching the launch button are so adverse that they stayed off the table (Waltz, 1990). During the Korean War, as early as 1950s General MacArthur advised going against PRC with nuclear weapons and he was immediately replaced despite his reputation as a World War II hero. Afterwards, during Vietnam War, US did not resort to weapons of destruction even though the defeat was humiliating and costly for Washington. On the other end, Soviet Union did not use them at Afghanistan despite the ongoing war's military and political costs. Under these circumstances, Moscow's threats were not credible enough unless Ukraine attacked Russia proper. Annexation of Ukrainian territories were a superficial move and did not provide the desired effect.

4. Conclusion:

The strategies undertaken in the last decades by Russia, EU or Ukraine have failed to stabilize the political situation at a cooperative equilibrium in energy politics. The incentives to commit to a win-win case failed due to overpowering external factors. Similarly, Russia's committing itself to a forward position in the war against Ukraine backfired. In any case, what at first seemed like the best of options for all parties, went off tracks for different reasons.

In all cases, we should accept that actors want to maximize their power and influence given the information available. As in all real-life circumstances, existing information may be insufficient to select the optimum course of action and/or there might be biases in decision making process. Putting those aside, and accepting the rationality actors, we might assume that there are external factors that led to deviation from cooperative outcome. The presumably control variables cannot be isolated and may create effects that deviate actors from the equilibrium.

Table 1*Factors Driving Towards and Away from Equilibrium*

Actors / Issue	Context	Forces Driving towards Equilibrium	Forces Pushing away from Equilibrium
Ukraine-Russia Energy cooperation	Russia is the supplier of natural gas while Ukraine assumes the role of a transit country for flows into Europe	Economic benefits for both parties as well as strategically positioning Ukraine in the natural gas markets	Russian quest to dominate Ukraine, while Kiev drifts towards Europe in search for material benefits and security
Russia-EU Energy Cooperation	Russia is the main supplier of natural gas to EU. Pipelines, huge investments with massive initial outlays are already undertaken to connect gas fields with customer in Europe	While Russia benefits from a steady stream of income from sales to a huge market, EU positions Moscow as a key reliable supplier, allowing access to cheap and uninterrupted energy	Russia's insistence in having exclusive privileges in former Soviet states, particularly Ukraine. EU sticks to the autonomy of Kiev despite the costs of conflict. Political advantages of keeping Ukraine in the Western orbit are overwhelming
Russia-Ukraine (West) War	Russia annexes 4 regions backed by threat of nuclear war. They imply that an attack to recover occupied Ukrainian provinces would be classified as an attack on Russia and may trigger nuclear response.	A nuclear war has devastating costs for all related parties. The disputed regions carry little strategic value except for Crimea so escalation seems out of proportion for all parties. The extreme costs of conflict and minor gains deter support for Ukraine	An appeasement policy against Russia may induce further aggression against non-NATO members. The military balance has tilted towards Ukraine and Moscow's threat of a nuclear escalation seems not credible

Note. Created by the Author

The conclusion drawn from those examples cannot be that commitment strategies will not work. In fact, in the mentioned cases there are bigger concerns that drive players away from a stable equilibrium. The actors maximize their benefits on a larger time frame; moreover, international politics cannot be reduced to a single agenda. Policy makers are facing intertemporal trade-offs as well as having to choose between different priorities. Neither EU-Russia energy relations are completely and indefinitely terminated, nor we have reached the end of Ukraine-Russia conflict. So, the actors may change their strategies in the face of new developments.

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