1. Introduction
In January 2009, an energy dispute lasting three weeks pitted both Russia and Ukraine. This dispute was unprecedented by any standard in comparison with the several disputes and cut-offs that had been taking place in the past between Russia and transit countries and that had led to disruptions to end consumers in Europe. However, similar crises took place before, mainly in January 2006 and March 2008. As in 2009, the energy dispute in January 2006 led to disruptions in supplies to European countries, being the East European countries, mostly dependent on Russian gas supplies, those who suffered the most. The main difference between the three disputes that we will analyze is that each of them reached a different level of escalation. Whereas in January 2006, Russia responded stopping gas supplies to Ukraine, but did not escalate when Ukraine started siphoning out gas from pipelines bound for the rest of European countries, in January 2009 a similar scenario did lead to Russia stopping supplies to these consumers altogether as to preclude Ukraine a way out of the shortages. In March 2008, Russia actually did not even go as far as to make true threats to stop supplies to Ukraine, thus backing down in the very first stages of the crisis. The concept of escalation, which has been mainly applied to armed conflicts, does however faithfully catch the power dynamics that underlay these three disputes (As Pr. Carlson states: “the problem of escalation has been widely discussed (Kahn 1965; Schelling 1960, 1966; Holsti 1972; Smoke 1977; Brecher 2004), but until recently there have been few attempts to develop a general theory aimed at generating testable hypotheses of escalation processes” (Carlson 1995: 511-512). I will attempt to apply the model of escalation to these three energy disputes that pitted both Russia and Ukraine, as designed by professors Zagare and Kilgour (Zagare & Kilgour 2000; Zagare 1987, 2011). The reason to proceed in this way is that it presents a good description of the stages through which the three disputes evolved. In addition to that, Zagare and Kilgour’s model depict different actors according to which decision they take at each node of the crisis (either to escalate or to back down) and opens thus the door to many insights related to both the deterrence vs. spiral logic debate and the contributions from the Constructivist School which we will later explain and that will be applied to understand Russia’s decision-making and her underlying reasons for accepting a lower or higher degree of risk-acceptance in each of the disputes. Actually the deterrence vs. spiral logic debate has vital implications for our theoretic framework, we can sketch different interpretations in the arguments mentioned and later developed in the section devoted to the theoretic framework, as they follow different logics. One interpretation, based on deterrence logic, would assume that Russia escalated when not faced with counter-balancing coalitions and refrained from pursuing further escalation when faced with. Another interpretation, based on spiral logic, would rather assume that Russia (and arguably Ukraine too), might have escalated when faced with resistance and refrained when not. In an effort to find an explanation for both differing logics, Prospect Theory, relying on insights from cognitive psychology, and qualifying the findings of Expected Utility Theory, finds that actors will be deterred when perceiving themselves in the domain of gains, whereas they will enter classic spiral logic when perceiving themselves in the domain of losses. If for example the narrative relying on Russia’s apprehension of US and NATO moves to “punish” Ukraine in January 2009 may find in classical Deterrence Theory a strong analytical tool, the narrative highlighting zero-sum interests between Russia and Ukraine as the main motivation for conflict, would lend credence to a cycle of reactions and counter-reactions as based on spiral logic. Prospect Theory, successfully tested in several case studies as later seen, shows a plausible explanation for both logics. However, Prospect Theory by itself lacks the capacity to find out actors vital interests, their baseline of expectations and their valuation of the status quo which would elicit either
deterrence or spiral style reactions. Another important shortcoming of Prospect Theory is that it does not clarify whether only pay-offs related to the status quo are taken into account and how feedbacks would be translated to the status quo or to other pay-offs. In our study, that has important implications: Bilateral disputes between Russia and Ukraine, automatically involved third countries, namely those European countries directly or at least indirectly affected by disturbances in the pipelines going through Ukraine. This makes European countries, as seen from the point of view of Russian decision makers, an arguably very important factor in Russian calculations regarding decisions to take, in face of pricing disagreements with Ukraine. Bringing the European factor into the Russia-Ukraine dyad complicates the picture and raises the following question of finding out how had been Russia affected by the prospective reaction of European end consumers facing severe disruptions as an externality of the three bilateral disputes with Ukraine which will be analyzed. In that respect, the pay-off of either accepting or rejecting the status quo of bilateral relations with Ukraine, at least in what regards energy, was arguably weighed up with the pay-off of bearing responsibility of bringing prejudice to European countries considered as valuable partners.

This has interesting theory implications. Analyses based both on spiral and deterrence logic tend to focus on situations where an actor is defending vital interests and where either lack of accommodation or lack of deterrence backfires and leads to war. Here on the contrary, I use the three cases under analysis to add a more complex framework in two respects: First, instead of focusing on “binary” cases where failure to appease/deter leads to war and success leads to peace, I focus on cases where a gradation is registered between cases of “perfect” deterrence and “perfect” spiral logic. And second, more important, the reaction of Russia is analyzed on the assumption that her interests depended as an enabling factor on the attitude of an actor indirectly related to the bilateral dispute between Russia and Ukraine. This actor’s (or set of actors), namely key European countries and European institutions, prospective reaction would have greatly influenced Russian decision-making. This adds complexity to a pattern where usually only factors related to bilateral disputes are considered. Given this framework, as chosen in the present thesis, the next stage will necessarily be to understand the way Russia constructed her interests and how she chose both her baseline of expectations, which actor did these expectations focus on at the moment of taking decisions regarding the three energy disputes and which logic did these decisions respond to. To achieve this, I will rely on insights from the school of Constructivism. The concept of Securitization, coined by the School of Copenhagen and contributions by Ole Waever and Barry Buzan, offers a very interesting venue for understanding which social phenomena and which actors are singled out as the focus of decision-making when confronted with a threat. I will proceed with the analysis of Russian discourse and will link both this and the development of each of the disputes to the economic and strategic context. This will enable me to determine whether Russia was behaving as in classical spiral logic situations, assuming risks for the sake of preventing losses, or on the contrary pursuing gains under the understanding that retaliations were not expected and to determine which actors were these actions aiming at. Adding the European factor, namely Russian cooperative energy relations with European partner-costumers will catch the level of complexity of Russian decision-making which an analysis of strictly bilateral dispute will not render. Relations with European partners will thus be considered as an enabling/disabling factor. The key to understanding how the disputes started, evolved and finally ended, lies in finding out whether a feedback from the attitude taken by European actors previously and thus whether a calculation of their prospective reaction influenced Russian decision-making. This is a vital question, as once Russia faces a pricing dispute with Ukraine and cuts off flows of gas, whenever the latter chooses to escalate diverting gas from pipelines bound for Europe, as it happened in 2006 and 2009 and as was threatened in March 2008, the situation presents Russia with the following dilemma: should she stop gas bound to her European costumers too, thus escalating at the price of holding European costumers hostage for the sake of precluding Ukraine a way to free-ride? Or should Russia on the contrary back down and assume the costs of not escalating for the sake of ensuring that gas contracted with her European costumers flows uninterrupted. Russia decided the latter in January 2006 whereas the former led in January 2009 to a dispute lasting three weeks. On the contrary,
the short dispute of March 2008 did not even reach the stage of Ukrainian retaliations, as the mere threat of retaliation sufficed for Russia to back down after a partial gas cut-off. The fact that European countries automatically become involved as soon as Ukraine escalates the dispute and become even so more if Russia decides to counter-escalate, shows how important the European factor should have been for Russia when she decided how to proceed. Whether the European factor was an impediment for Russia to display her full power to preclude Ukraine the means to successfully withstand the dispute, or whether Russia interpreted some previous moves and attitudes from European countries, leading her thus to surmise that there would not be significant retaliations, should have had a determining influence. If on the contrary, the bilateral dispute between Russia and Ukraine reached at certain stages such economic or symbolic importance as to advise using every means at hand, even at the expense of Russian prestige at the eyes of the European costumers and thus dynamics proper to the bilateral disputes downplayed the importance of the European factor, and not the other way round, this however will be found only when we analyze which was Russia’s perception of these actors.

2. Literature Review: Russian Foreign Policy and Differing Analyses:

The collapse of the Soviet Union, coupled with the turmoil ensuing, was traumatic enough as to throw Russian foreign policy in disarray. After the idealistic and botched attempt to set a pro-Western course, as advocated by Foreign Minister Andrei Kozyrev (From 1990 to 1996), several schools have been contending to influence and determine Russian foreign policy (See: Buszynski, 1996; Lo, 2002; Tsygankov 2006a; Clunan 2009). Labels as pro-Western policy, Eurasianism, Nationalism, CIS focused Imperialism, Multipolarism, etc., have become common in the academic debate and have evolved along a line where extremes may be characterized as pro-Western and anti-Western policies. As in other aspects, the general view is that the Putin era brought forward a more coherent foreign policy (Lo, 2003). Jeffrey Mankoff points to the fact that current Russian foreign policy has been following a pattern drawing back from the very beginnings of the Russian Federation (Mankoff 2009). Tsygankov highlights the fact that Putin’s “Great Power Pragmatism” managed to translate both identity and success (Tsygankov, 2006a). In many respects, it seems fair to consider that Putin’s rule (including the ongoing Presidency of Dmitri Medvedev) “restored” Russia’s stature in tune with national identity as understood by large parts of both elite and society. The “alliance”, as understood by Tsygankov, of “checkists” and oligarchs (Tsygankov, 2005: 139-40) may have remained constant, leaving the government a degree of autonomy to change course depending on the circumstances or may have on the contrary evolved in response to a rebalancing of domestic constituencies in favor of the siloviki (Staun 2007).1 Evidences of a stable situation in the moment of the January 2009 crisis would strengthen the idea of a government in full control of the situation responding to external policy challenges. Some authors trace changes of Russian foreign policy during Putin’s and Medvedev’s Presidencies back to changes in the power configuration in Russia’s foreign environment2 (Tsygankov, 2007c; 2009c; Ambrosio, 2003), whereas others highlight the changing authoritarian nature of Putin’s system of government supported by high oil prices as evidence of his expansionist intentions (Bugajski 2004, 2009; Brzezinski 2008). Hegemony in the CIS space, multipolar balancing acts against the US, and cooperative relations with both the US, European countries and non-Western countries, compound Russian foreign policy. In any case, whereas some authors see Russia as an expansionist and revisionist power, others either contend this or limit the scope of revisionism to the post-Soviet space. This divide is reflected on the responsibility attributed to Western powers in Russian behavior. Sometimes the difference does not lie in disagreements over Russian responses to the expansion of the Western liberal order into the post-soviet space, but rather on their support. Whereas a first school

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1 Andrei Tsygankov does also suggest something similar, but stating that the middle course outlined by Putin would have become even more stable (Tsygankov 2008: 45,48)

2 Andrei Tsygankov for example foresaw an anti-Western turn in case of changes in “Russia’s international settings” (Tsygankov 2005: 250-51).
would blame Russia for this opposition and dub her behavior as revisionist, a second school would on the contrary consider “Western” expansionism (be it, NATO enlargement or support to agendas of democratization) as strategic revisionism.

**Russian Energy Policy and Diplomacy:** Russian energy policy can arguably claim her role as an element of Russian state power and diplomacy. The goals of national strengthening and increased diplomatic stature have been explicitly linked to energy. As Putin himself had defended in his later famous candidate dissertation, “Russia’s natural resources base will not only secure the country’s *economic development*, but will also serve as the guarantor of the country’s *international position*” (Olcott 2004: 17). This has been clearly reflected in the state’s growing influence in the energy sector. In what regards her energy diplomacy, Russia has been assertive in bilateral disputes, a pattern that nevertheless can be also found in the decade of the 90s. As several case studies of disputes between Russia and transit countries in her Near Abroad have suggested, energy has been used either as an economic or political coercive tool in her relations with Belarus and Ukraine. In these patterns we can perfectly see how both contending parts in the dyads, Russia-Belarus and Russia-Ukraine, base a great part of their relation in confrontation. Nevertheless a look at events in 2009 in the energy crisis between Russia and Ukraine shows us a pattern of escalation and collateral damages in the European continent (among most dependent countries) that distinguishes this crisis from the previous ones. Even if in 2006 a similar dispute did affect European costumers, the crisis lasted only four days. How can we explain this change? These events have been dealt with and several explanations have been put forward, some of which have inspired the hypothesis that will be later suggested. Ranging from thesis of “Russian political blackmailing” to thesis of “only economic reasons”.

The two “schools”, which as seen above, base their differences in the different interpretations they provide for Russian foreign policy motivations, translate themselves into any analysis of Russia’s energy policy in general and provide equally differing answers.

**The first thesis** portrays *Russia as a strategy motivated actor*:
Russia used energy as a weapon of foreign policy. Several analysts lump together the domestic process of energy policy implementation with the government’s and dependent companies’ (either public or private) foreign energy policy (Goldman 2008, Lucas 2009). They either state or at least hint to a correlation between market and rule of law unfriendly policies carried out by Putin’s government to bring the energy sector back into the state’s sway with supposed expansionist and maximalist goals through the use of energy in Russia’s foreign policy. Among this group the emphasis is put either on the imperialistic policy of Russia towards countries in the post-Soviet space or on the European countries in general (sometimes by extension, the influence on the US is also underlined). Avoiding the labeling of Russian energy policy as a tool of imperialism, Chloë Bruce does however show some instances of politization of energy issues

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3 Further on this: Balzer 2005.

4 Regarding Russia’s energy power and its relation to foreign policy interesting studies have been published: Perovic, Ortung and Wenger, 2009; Baev 2008b; Goldman, 2008, Orban, 2008; Balmaceda, Rosner, 2006. Regarding issues related to Russian bilateral relations with transit countries and their domestic energy sector, see: for Ukraine, Balmaceda, 2008b; Pirani, 2007 for Belarus, Balmaceda, 2006. The two main bilateral gas crisis pitting Russia versus Ukraine have been analyzed in the following works: Stern, 2006; Pirani, Stern, Yafimaya, 2009.

5 Commentaries from the Jamestown Foundation and Radio Free Europe/ Radio Liberty have conveyed in many occasions the thesis of the “Russian bully”, without been fully clear whether Russian was just blackmailing Ukraine or “warning” other European countries.

6 Some examples will be mentioned below.

7 For a classification of Russian motivation in her energy policy, see Ortung & Overland 2011: 75-76).

8 These accounts seem to follow the “Riga axioms” as opposed to the “Yalta axioms” (Yergin 1978), namely they derive conclusions about Russian foreign policy making from features of the regime (authoritarianism equals expansionism and imperialism) instead of assuming foreign policy based on appreciations of power (weaker Russia with restrained rather than aggressive foreign policy)
between Russia and Belarus in the 90s, as when Russia, in April 1994, offered subsidized prices in exchange for not being charged for the stationing of her troops on Belarusian territory (Bruce 2005: 8)\(^9\). An interpretation of Russian energy policy as a tool to reintegrate the Post-Soviet space under the aegis of the Russian Federation and the restoration (or consolidation) of an Imperial framework can be found in Nygren (2008b, 2008a: 4; 13). Some accounts point to the nefarious effect on Trans-Atlantic and intra-European solidarity the Russian energy deals with some European states would have (Smith 2010a). An account as that of Vladimir Socor (Chapter: Gazprom, the Prospects of a Gas Cartel, and Europe’s Energy Security) in Cornell and Nilsson (2008: 72) relies on NATO reports of alleged Russian political motivations in her attempts to create an OPEC style Gas Cartel and echoes again the possibility of energy being used to split the Euro-Atlantic community (Ibid: 83). This is a theme also often conveyed by some other authors as Janusz Bugajski (2009). An account as that of Zeyno Baran (2007), portrays Russia playing the game of divide and rule as a tool to avoid European energy projects bypassing Russia from Central Asia, but goes as far as to equate energy power with military power and hints at the political power Russia would be willing to exert through state-owned Gazprom\(^10\). Martin Walker (Walker 2007b: 4) stresses the same divide and rule game, allegedly consciously intended as to prevent a common European policy (although it is not clear whether the main goal would be strictly economic or political).

**The second thesis** portrays Russia as an economy motivated actor: In one of the most global accounts of Russian energy policy in the last decade, Orttung and Overland (2011) account for a variety of motivations, including political ones, but do point to the decision to turn to market prices in the whole Post-Soviet space as a general turning point. This is a fact equally stressed by Tsygankov (2006c), who rejects the strategy motivated arguments and points to economic reasons the Putin’s regime sees as vital for Russia’s standing as a Great Power. Politics as a motivation is subsumed in economic motivations and is seen as a secondary factor.

**Politics within a framework of economic interests:** As we can consider when reading Pirani’s chapter on Ukraine (Pirani 2009a), economic reasons have held the overhand, but political considerations did have an impact on the timetable to move to market prices. CIS countries with whom Russia enjoyed good relations have been granted a more progressive timetable, whereas other countries, which as Ukraine, decided to move closer to the West, have been confronted with sharper demands. In 2005 Putin seems to have made explicit the political link between Russia and Belarus stating that in regard to energy prices, Belarus, as a partner in a project of political integration, was different (Balmaceda 2006: 12-13)\(^11\). However, even these political motivations have to compete with strictly economic reasons when we take into consideration assets ownership. Russia has traded lower prices with asset ownership. Belarus has been enjoying arguably better relations with Russia than “Orange” Ukraine under Yushchenko, but it also yielded 50 % of Beltransgaz’s pipeline ownership to Gazprom, whereas any attempts to do the same in Ukraine have failed. Even in that respect, the question whether asset ownership is a trade-off between economic interests and political interests (asset ownership as a guarantee of economic predictability or as a guarantee of political control?)

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\(^9\) As the author further shows, a similar agreement happened again in 1996 (Ibid: 9). Still, one of the main factors in this policy towards Belarus was the prospect of constructing the Yamal-Europe pipeline as an alternative to Ukraine’s huge leverage as transit country at the time (90% of supplies to Europe). After de-politicization from 97-98, energy relations went back under Primakov to previous patterns, so Belarus started receiving favorable price arrangements again (Bruce 2005: 13-14).

\(^10\) It is worth mentioning that Russian power is seen through a revisionist agenda: European energy cooperation with Russia is not seen as much as a guarantee of European submission to Russia, but rather as an obstacle to the expansion of an agenda of confrontation with Russia because of her appalling democratic record and a challenge to Russian foreign policy in the Post-Soviet space.

\(^11\) Instead of seeing a clearly geopolitical motivated energy policy towards the post-Soviet space, we can follow Balmaceda when suggesting that the exception would be understandable given the record of pro-Western revolutions both in Georgia and Ukraine in 2003 and 2004 (Balmaceda 2006: 13). Rather than being the example of what would be the pattern of policy towards allies in the post-Soviet space, Belarus would be an exception based on the defensive position of Russia.
is hard to find. In any case, the fact that Belarus has managed to get better prices than Ukraine, has to be qualified in the light of the option of asset ownership before considering that political considerations are the sole driver. More recent cases where political motivations were a factor for determining discounts to market prices, could be found in Russian tolerance for deviation from the agreed contract with Belarus in 2009 (tolerance which, as seen later, seems to have faded by 2010, possibly for political reasons too, Yafimava 2010: 14) or in a much more explicit case, with the April 2010 gas agreement between Russia and Ukraine, when the latter was “granted” a 30% discount in exchange of the extension for the Black Sea fleet lease up to 2042 (see: Pirani, Stern and Yafimava 2010).

**Politics as a factor supporting economic expansion:** In other cases, political support has been clearly behind international expansion of oil and gas companies (Poussenkova, 2010: 121), but the political factor was a supporting factor, rather than the main driver. A similar argument, applied this time to the period of the 90s to early 00s decade, can be found in Orban (2008), who interprets economic expansion by energy companies into Europe as linked with support from the government. Underlining the difference between the use of gas and oil as a foreign policy tool and the political support for energy policy, Pavel Baev in the same line rather supports the second version (Baev, 2008a: 295) and sees Russia rather willing to prevent excessive leverage by transit countries as Belarus and Ukraine (Ibid.: 299). In another strand of the literature highlighting the economic side in the Russian energy policy, we find several authors turning around the argument of dependence on Russian energy supplies and showing a picture of co-dependence, if not outright Russian dependence on Europe and vulnerability to transit countries.

**Europe-Russia economic interdependence:** Several authors portray interdependence as the common feature of both European costumers and Russia. If authors highlighting the Russian threat mainly underlie European dependence (see above), Russian dependence on Europe is an overlooked reality. This interdependency can be the basis for strengthened and beneficial cooperation and for avoiding mistrust that would harm each other if a rush for diversification in attempts to escape (real or imagined) entrapment ensued (Orttung, Perovic 2007: 6-7). Andrew Monaghan clearly states that the energy weapon is ineffective and difficult to use for blackmailing purposes and highlights that Russia is actually more dependent on Europe as supplier than the other way round (Monaghan 2006: 4-5). This “asymmetric interdependence” in favor of the European side is highlighted for example by Elena Kropatcheva (Kropatcheva 2011a: 556). Monaghan coins the term of “energy dilemma” later reflected, as seen above, by Orttung and Perovic (2007) to make the case that the real danger in mutual relations lies not in dependence but in the possibility of Europe unnecessarily pushing for diversification away from Russia which would trigger Russian diversification away from Europe (Monaghan 2006: 6). He further adds that the fear of Russian use of energy as a weapon and the possibility of seeing the taps turned off for Europe is derived from an extrapolation of Russia’s relations with Post-Soviet neighbors (Monaghan 2005). In fact, if any, the “threat” stemming from Russia according to Andreas Goldthau, would materialize in a lack of supply due to structural deficiencies as under-investment in the Russian energy market and perverse incentives in the domestic market where prices remain subsidized, but not from a Russian non-existent leverage serving geopolitical interests (Goldthau 2008b). This short discussion highlights the fact that energy security, far from being applicable only to consumers, understood thus only as security of supply, takes into account producers’ need for security of demand (See Quester 2007).

**A third thesis** takes into account alternative factors as particular interests and domestic politics

**Russia as fragmented state hijacked by particularistic interests**

**Energy:** Given that we are dealing with energy policy in the gas sector, the likeliest candidate to account for domestic constraints would be Gazprom. We might expect that the agenda of Gazprom could have superseded that of the state. The result would have been a government whose decision-making process is
hijacked. In a more complicated twist, we might consider that behind the relations between the government and Gazprom, infighting between contending bureaucracies was at play. In his analysis of Russian energy diplomacy, Adam Stulberg (2007) finds that the Russian government has been rather unsuccessful to control the state company responsible for the pipeline network, Transneft. On the contrary, he does point to the fact that Gazprom, in spite of frequent clashes regarding energy policy when interests were opposed, has been generally very compliant with state priorities. Poussenkova (2010) also underlines the closeness of relations of Gazprom (subordinated to the state) and the Russian government. This would lend support to assumptions that Gazprom was not behaving independently from the state and was not defending its own interests without consideration of the larger picture in the January 2009 energy crisis. Did however bureaucratic divisions within the government have any unexpected influence in the January 2009 energy dispute? We may not be able to preclude altogether the possibility of Gazprom having behaved independently. The fact being that government’s control of other actors, as in the case of Transneft, has been weak, no evidence yet provides us much material for assuming that the Russian government did not control Gazprom during the January 2009 dispute.

**Domestic Politics: Elites seeking to influence decision making:** President Vladimir Putin seems to have been able to hold power in a much more effective way than his predecessor Boris Yeltsin. Compared to the chaos of the 90s, Putin’s rule (including Dmitry Medvedev’s “Interregnum”) might be seen as a bellwether of stability and prosperity. With the advent of Putin, potentially contending interests among elites did not translate into paralysis: they seemed to be interested in accepting Putin’s rule (Steen 2003). In the foreign policy realm, this stable support led to Putin’s being able in his first years to take pro-Western policy orientations that ran counter to some of his supporting elites’ mindset (Bukkvoll, 2003). That consensus also enabled him to sideline challenges to his authoritarian policies (On his attacks on the press, see Shevtsova 2007). However, Putin’s authoritarianism might have been more reliant on his base of support than it apparently is. The characterization of a man who “stake(s) out maximalist positions, accept(s) compromises when he encounters opposition, but then return(s) to the issue again when his position is stronger” (Balzer, 2005: 211) may be appropriate. Did Putin manage to control fights among the so called *siloviki* dubbed by many as his main constituency? Had Putin been forced to strike awkward balances

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12 Some might even point to anecdotal evidence of a government in full grip of the decision making power, as the staged (and broadcasted) working session where Prime Minister Vladimir Putin orders Gazprom’s CEO Alexei Miller to shut off the gas supply through Ukraine. It would however offer little explanations about the coulisses of decision making and the players who were really influential.

13 With the collapse of the Soviet Union (McFaul 2001) following a dismal Perestroika (Goldman 1991, 1994) and leading to brutal economic decay and political instability, the incapacity of the government was manifest in the unrestrained freedom of oligarchs to spoil the state (Freeland, 2000; Goldman 2003). The bureaucracy, having opportunistically undermined the Perestroika (Solnick 1998: 3) remained divided during the 90s, where competing constituencies precluded the state to exert real control.

14 Shevtsova’s (2007) portrayal of Putin of someone who let his subordinates fight among each other leaving the impression he did not know what decision to take might show us a more nuanced view of the idea of Putin as an unchallenged autocrat. The saga of the ESPO Siberian Pipeline, with decisions being constantly changed as whether the pipeline would reach the Pacific or China leaves questions unanswered about the full control of decision making. Whether this is intended or unintended, the opacity makes it difficult to assess.

15 Jerôme Guillet for example, in “Gazprom as a Predictable Partner, Another Reading of the Russian-Ukrainian and Russian-Belarusian Energy Crises” (Guillet 2007), shows that in the Russia-Belarus gas crisis of January 2007, Russia unexpectedly renounced the favorable transit fee she had imposed on Minsk. The author suggests that bureaucratic interests were to blame, although it should be regarded as a mere conjecture. In general, siloviki are divided among those dealing with domestic politics and those dealing with international affairs, showing the former a bigger cohesion (Kryshtanovskaya and White 2005c: 1070-71), although it is not necessarily suggestive of competitive relations among each other group. Andrei Tsygankov does however rely on news information to state that there exists a split (Tsygankov 2008a: ft. 19, “Siloviki Clash in Storchak Affair”)
between them and the more liberal sectors? As Jørgen Staun suggests, events starting off with YUKOS take-over (leading to Khodorkovsky´s arrest and detention) and the many instances thereafter of Putin´s calls for market friendly policies contradicted by measures in the opposite direction, could be seen as a proof of siloviki´s free-ride (Staun, 2007: 24-25). There exist suggestions that murky affairs as the assassination of Litvinenko might have responded to free-riding siloviki sectors trying to push for a third Putin term.

**Domestic politics: A unitary government worried by domestic concerns:** Jeffrey Mankoff suggests that the August 2008 war was engineered as to force the liberal minded Medvedev to take a hard-line course (Mankoff 2009). His account in Chapter 2 “Dogs fighting under the rug” portrays Putin as a leader able to conveniently manipulate constituencies, as Eurasianist or Slavic nationalists. Whether constituencies hijacked or were hijacked by the government itself does not seem clear. The author seems to portray Putin´s system of power dependent on these constituencies, but charting a middle course, which as inconsistent as it might seem, is fully controlled. The idea of the August 2008 War provoked for the sake of domestic interests (curtailing the autonomy of the liberal sectors), is suggestive of a very sophisticated and risky manipulation, this time aimed at a constituency whose prospective influence is mistrusted. The reasoning could lead us to think that something similar might have happened with the energy crisis of January 2009.

**Russian Energy Disputes:**
In a recent article by Robert Orttung and Indra Overland, “A limited toolbox: Explaining the constraints on Russia’s foreign energy policy” (Orttung & Overland 2011), the authors have listed 31 energy disputes with more than 20 countries from 2000 to 2010. To these crises should be added those that already took place back in the decade of the 90s, among which the Russian cut-offs to Ukraine both in September 1993 and November 1994 stand out (Stern 1995; Mabro & Wybrow-Bond 2007; Pirani 2007b). The main crises involving transit countries and thus having had an unwanted effect on final consumers have centered on three transit countries, Belarus, Ukraine and Moldova. Excepting the single 2006 dispute with Moldova, Belarus and Ukraine, both because of the frequency of crises and because of the fact that most of the gas bound to Europe transits through them (20 % in the case of Belarus and 80 % in the case of Ukraine), have been the main actors in Russia-transit countries disputes.

**Russia-Belarus gas crises:** The first significant crisis between Russia and Belarus happened in 2004. Before that, Belarus, as most of the CIS states, had been supplied cheap subsidized Russian gas without seriously considering that Russia might eventually separate energy supplies from political issues such as the Belarus-Russia integration process (Pirani 2009, Yafimava: Chapter 4). Belarus enjoyed a value-added advantage compared to Ukraine, as it could solve some of the uncomfortable quasi-monopoly as transit country that her Southern neighbor enjoyed (nearly 90 % of gas supplies bound for Europe at the

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16 Several authors come down with the categorization of elites as siloviki and liberals (or techno-liberals). See: Staun 2007; Khrishtanovskaya and White 2005;

17 Discussions pointing to that direction were recently revealed by Wikileaks. It is interesting to note how one of the interviewees to Kryshantovskaya and White (2005: 1073) voiced that concern regarding siloviki under a prospective successor to Putin. Some studies however have both minimized the supposed ideological effect of the siloviki and their real numerical importance (Renz 2006, Rivera 2006, Baev 2004b) as stated earlier (Khrishtanovskaya and White 2005). As Sharon W. and David W. Rivera show, the presence of businessmen is much more significant in numerical terms (Rivera 2006). We should not assume that “liberals” are so close to our concept of power and democracy as we might think. As shown by Kryshantovskaya and White (2005), their differences in political issues are not very significant. The same author by the way, states that by 2008, (Kryshantovskaya 2008), the share of siloviki in the federal administration would have jumped up to 42 % (Kryshantovskaya, 2008: 595).

18 For background information on the energy sector of Belarus, see: Stern, Yafimava: Chapter 4, Balmaceda 2006 and Bruce 2005.
time). This position represented an important asset and was determinant in the plans spawned in the
decade of the 90s of bypassing Ukraine (see: Victor & Victor 2004). The down-scaled result of these
schemes is the Yamal-Europe pipeline which started in 1999 and reached full capacity in 2006. However,
in spite of her comparative stability, the fact is that as in the same case as Ukraine (even though disputes
with Ukraine stemmed from a far more chaotic and unpredictable situation), disputes were very common
(from 1993 to 2004, only three years did not witness any dispute, Bruce 2005: 2; 8). Under Putin
however, Russia started unlinking politics and economics. Turning away from geopolitics and towards
go-economics, Russia started demanding market prices. The January-February 2004 energy dispute, the
first in which Gazprom went as far as to stop supplies bound for Europe, was the result. As Belarus
refused to sign an agreement raising gas prices from $30/mcm to $50/mcm, Gazprom stopped supplies
through the Northern Lights pipeline on the 1st January 2004 and left Belarus with supplies on a short
term contract basis provided by Itera, Transnafta and Sibur (averaging $46.68/mcm). Belarus, which by
the 18th February was facing the end of the short term contracts, far from bending to pressure, started
diphoning out gas bound for Europe from the Yamal-Europe pipeline. Russia then decided to stop gas
supplies altogether, thus affecting European costumers (Germany, Poland, Lithuania, and the Russian
Kaliningrad enclave). The cut-off barely affected European costumers, because of the amounts of gas
involved (Germany received 90 % of her supplies via Ukraine), because of Russian supplies coming from
alternative routes (that helped mostly Lithuania) and because a new short term stopgap contract was soon
agreed. Thus, the cut-off, which lasted for one day, only really affected Poland. A final agreement was
reached in June, with Belarus being supplied gas for the rest of the year at $46.68, whereas transit fees
would rise to $0.75/mcm/100km from $0.53/mcm/100km via the Northern Lights pipeline and to
$0.43/mcm/100km from $0.36/mcm/100km via the Yamal-Europe pipeline (Pirani 2009, Yafimava: 155).
It was additionally agreed that Beltransgaz would be evaluated as to determine the price of its assets. This
evaluation would eventually enable the transformation of the company into a Joint Venture where
Gazprom would enjoy co-ownership (the first agreement about this aspect dated from 2002)¹⁹.
However, despite the fact that Belarus had been able to avert a significant increase of gas prices, Gazprom
started demanding a market price of $200/mcm in price negotiations for the year 2007. Disagreements
also surfaced regarding the price assets of Beltransgaz. A crisis was averted at the very last moment
before the 1st January 2007. The new year was welcomed however, by an oil crisis between Russia and
Belarus. The agreement implied an increase of the supply prices to $100/mcm from $46.68/mcm, a
timetabled of progressive increases towards market prices which should lead to European prices by 2011
and transit fees for gas transiting through the Northern Lights pipeline rising to $1.45/mcm/100km from
$0.75/mcm/100km. Regarding Beltransgaz, the agreement foresaw an accord by June 2007 regarding the
sale of 50% of the state company to Gazprom. The first 12.5% was sold to Gazprom on the 6th June (Ibid:
157-58).
The third significant gas dispute between Russia and Belarus happened in June 2010. The 2007
agreement had left some aspects not fully determined, as the reference for calculating European market
prices and the relation between prices and transit fees (Yafimava 2010: 4-5). In addition to that, Belarus
heavily hit by the 2008 financial crisis and the January 2010 changes in Russian oil export regime and
fearful of diminished leverage after the prospective completion of the Nord Stream in 2012, had
incentives to push for revision (Ibid: 1-2; 7). Thus, in April 2010, Belarus offered Gazprom a draft
agreement to push transition to European prices further to 2014-15 rather than 2011 as it was agreed in
2007. Gazprom balked and rejected too an offer to keep prices subsidized in exchange of new shares in
Beltransgaz, of which it already owned 50% (Ibid: 7). The situation became explosive in June 2010 as
Belarus, which had refused to pay more than $150/mcm, was confronted with an increased debt ($192

¹⁹ For a background discussion on the status of Beltransgaz and Russian intentions to have ownership Access to the company,
see: Balmaceda 2006: 23-25. A similar agreement had been already signed in 1993, but after Belarusian refusal to sign the
contract (Bruce 2005: 8), the issue faded for most of the decade

Russia accordingly started reducing progressively gas supply equivalent to the outstanding debt. Belarus, which started demanding alleged debts for transit fees, threatened to divert gas bound to Europe, as it had been done in 2004 and as Ukraine had done in 2006 and 2009. Reports on the 23rd of June from Lithuania suggested that problems of gas delivery were taking place, this possibly meaning that gas was being diverted by Belarus, but as Belarus fully paid her debt that same day, supplies were subsequently restored. A new stage in the crisis ensued when Belarus kept demanding debts that Gazprom owed her for transit fees, keeping the threat too, to halt supplies (initially gas, later oil too) crossing her territory if there was no payment the following day, June 24. As Belarus subsequently flexibilized the timetable, Gazprom could eventually pay the debts and further transit disruptions were averted (Ibid: 10-12).

If prices in general have tended to rise more slowly for Belarus compared to Ukraine under Yushchenko, Minsk’s readiness to trade prices for assets (Russian co-ownership of Beltransgaz) might support economic rather than political arguments. The fact that Russia applied total cut-offs in disputes involving oil rather than gas, could also be explained by the fact that oil strategic reserves are larger and outlets for diversification in case of emergency are more developed for oil than gas. Russia stopped oil shipments to Belarus, extending the cut to any oil bound for Europe after Belarus started siphoning out oil in January 2007. Russia had ended up doing the same in her gas dispute with Belarus in 2004, thus affecting European costumers, mainly Poland, but it should be considered that whereas 80 % of gas bound for Europe transits through Ukraine, the figure is only 20% for Belarus. Russia however was careful not to take such a step in her gas dispute with Ukraine in 2006.

Russia-Ukraine Gas Disputes: The Puzzle of a Changing Pattern: The January 2006 Dispute: The first account of the January 2006 crisis between Russia and Ukraine was provided by Jonathan Stern on January (2006a), to be later complemented by an article on the same topic, “Natural Gas Security Problems in Europe: 2006 Russia-Ukraine Energy Crisis” (2006c). The background agreement of August 2004 agreed on: delivery prices and transit fees, a resolution for the standing debts and the management and upgrading through a consortium by both Gazprom and Naftohaz of the pipeline system. That agreement however, foundered with the arrival of Viktor Yushchenko to the Presidency. The pattern of Ukrainian non-payments, Russian disruptions and Ukrainian siphoning out of gas (Stern 2006c: 34) which characterized the relation in the 90s seemed to be back. Two particular elements coincided in 2005. From one side the new Ukrainian administration showed her eagerness to bring energy relations into a market framework (Dubien 2006:9). From the other, conditions for the gas supply from Central Asia, namely Turkmenistan, were becoming more unstable. Apparently, the Ukrainian administration was the first to raise the possibility of raising transit fees to market levels (Stern, 2006a: 5 and Abdelal 2010: 18-19). That prompted Gazprom to propose the same as for gas deliveries and as a result, Gazprom considered the 2004 agreement nullified. At the same time, Turkmenistan was trying to push up the prices for her gas supply. Ashgabat kept sending contradictory signals through the year 2004 regarding prices and supply (after having cut supplies temporarily to both Ukraine and Russia over price disagreements) and finally sold all of her gas exports to Gazprom (among which were included supplies for Ukraine). Russia then unsuccessfully tried to bargain on a price ranging from $160 to $230per 1000m$^3$ (compared to $50 as agreed to in 2004). As Ukraine balked, Gazprom stopped supplies on the 1st of January and Ukraine retaliated by siphoning out gas bound for Europe. The crisis lasted only four days. On the 4th January, both parts reached an agreement. Considering the outcome, the question is whether the agreement was more satisfactory for Ukraine or for Russia: prices for imported gas increased (1/3 of Russian gas paid at $230 per m$^3$ and 2/3 Central Asian gas at much cheaper prices) to $90 per 1000 m$^3$, whereas Russia initially insisted on $160. An increase of transit fees for gas to Europe from $1.09 to $1.60 per 1.000 m$^3$/100 km. And the company RusUkrEnergo (RUE) indirectly controlled by Gazprom and Dmitro Firtash (as it was later found out) was established and granted the monopoly for importing to and distributing gas within Ukraine (through a joint venture with Naftohaz created on the 2nd of February 2006. Regarding prices, a
preliminary analysis would suggest that Russia did not achieve the price she was initially aiming for, which ranged between $160 and $230. Ukraine on her side had to concede to prices over $80, which was the maximum she pretended to be willing to pay, while, as already mentioned, she was granted a rise in transit fees from $1.09 to $1.60 per 1,000 m$^3$/100 km. We must nevertheless take into account that although prices put forward in negotiations before the crisis do provide us with a valuable indication, these prices were intended for bargaining and do not show per se which was the minimum and maximum that both parties realistically were aiming to. Regarding the arrangement pertaining to RUE, was it an outcome preferred by Ukraine or Russia? Some press analyses after the crisis provide detailed accounts of the origins of the RUE shareholders and hint at Gazprom as the interested party. Gazprom’s interests might have laid in the possibility of bankrupting Naftohaz (and bring forward a future privatization) (see Dubien 2006:12, who echoes these same concerns). Another undeniable fact is the involvement of many personalities from the former Kuchma Administration in the creation of RUE back in 2004 (thus allegedly rather “pro-Russian”). Simon Pirani (2009: 101) considers RUE as an ally of Gazprom considering its stake of 50% in the company, but it is nevertheless hard to know whether at that time RUE’s prominent role stemmed from Yushchenko’s (supporting Firtash) or Gazprom’s lobbying (supporting RUE in general given its stakes). These same press analyses do reveal the stakes President Yushchenko had in RUE. The Russian side did take part in the creation of RUE in 2004, but her involvement should be compared to previous arrangements which involved the shady EuralTransGas (ETG), as an attempt to further reduce private actors (Dmitro Firtash). Actually on the course of negotiations, Gazprom pressured Naftohaz to establish a joint venture excluding private actors, something at which the latter persistently balked (Global Witness 2006). Before the 2006 crisis, Gazprom had raised that idea too (Dubien, G., 2006: 9), but still, the outcome ended up involving again shady ownership arrangements which centered around Dmitro Firtash, who should be seen rather as a late ally of Yushchenko (He would have approached him after his victory in the 2004 elections). Preliminary results can hardly sustain that Firtash’s involvement and the whole RUE arrangement were in the interests of Gazprom. It rather seems that such an arrangement as RUE stemmed from the complex interests of Ukraine’s corrupt oligarchy and her presidential administration. 

Explanations to the Crisis: As for what authors have said regarding the outcome of the crisis, Gilles Dubien, as most analysts who looked at the crisis and subsequent dispute, acknowledges the economic underlying rationale, but sees in Russian insistence to take advantage of the Ukrainian “mistake” (That mistake being the mention of market arrangements first from the Ukrainian side) political motivations related to the Orange Revolution and the intention of setting these negotiations as an “example” of her new energy diplomacy (Dubien 2007: 10). Chow and Elkind consider that in the 2006 energy crisis, after four days, Russia backed down from her initial pretensions in the face of widespread European criticism (Chow & Elkind 2009: 82). Other authors as Pavel Baev seem to follow the same line of Putin’s miscalculation in starting a crisis without guessing the prospective negative effects for Russia in underestimating the Ukrainian leverage (Baev 2008a: 298). Arkady Moses points out that the agreements of January 4, 2006 were far below the initial Russian demands (Moses 2006); that would support the idea of a Russian “defeat” in the face of Ukraine’s decision to siphon out gas and to disrupt the gas flow to Europe. Rawi

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20 Some later reports stated that actually no Russian gas would be sold (only Central Asian), which after all would free all gas for exports to Europe at market prices, in which case we could see the outcome as more favorable to Russia than initially considered. As Turkmenistan had agreed to sell Gazprom her exports by 65$. This information is nevertheless hard to confirm

21 Chow and Elkind reconsider the rise in prices, as one fifth of the purchased gas remained in RUE’s hands to be resold to Europe at market prices, and calculate that Ukraine had to pay in 2008, when prices were recalculated, 240$ instead of 179.50$ (Chow & Elkind, 2009: 83).

22 As reflected by Abdelal (2010: 22), some analysts calculated the real transit fee before the crisis to be as high as $4.22/mcm/100km, in which case, the new agreement would look more disadvantageous for Ukraine than apparent. Arnaud Dubien points to the fact that new transit fees were meant for the next five years independently of the gas prices, a fact very unfavorable to Ukraine (Dubien, A. 2006: 13)

23 See: Zerkalo Nedeli.
Abdelal on the contrary, while acknowledging the fact that Russia did not fully achieve her objectives, highlights the positive aspects for Russia, namely the fact that the transition to market prices started, and the negative aspects for Ukraine, who lost in global terms with the new agreement (Abdelal 2010: 22).

Conclusions: As a preliminary conclusion, the outcome regarding prices and fees shows a mixed picture. The outcome regarding RUE as an intermediary company is mired in controversy as to whom it favored the most. We sustain here that it may be reasonable to suggest that far from being a “Gazprom’s tool”, it was the birth-child of Ukraine’s corruption. Many authors seemed to sustain in their analyses that Russia had been influenced in her negotiations by the European outcry at her decision of cutting-off gas supplies to Ukraine. It will be necessary to track Russian decision making to European reactions as to give a final answer in that respect.

The March 2008 Dispute: The March 2008 energy dispute could arguably be excluded altogether, as it stopped at a much earlier stage than the two other disputes under analysis and did not really have a relevant material repercussion on European costumers. However, it did start with the same pattern and did reach the stage of a partial Russian cut-off. It also saw the same pattern of threats and counter-threats both from Russia and Ukraine, which warrants its inclusion as our object of analysis the same way the January 2006 and January 2009. Russia and Ukraine had been haggling over an unpaid Ukrainian debt of $ 1.3 billion in October 2007 which had led to Russian threats to cut off gas supplies. Even if the dispute seemed to be solved, it resurfaced in January 2008, this time focused on a sum of $ 1.5 billion. As agreed on the 12th February, Ukraine would begin paying off its debts corresponding to all gas consumed in the last two months of the previous year. However, as of late February, Russia was demanding an immediate pre-payment for 2008. Otherwise, Russia threatened to cut off gas again beginning in March. As disagreements regarding the volumes of debt to be repaid remained, Russia made her threats true and started reducing 25% of shipments on the 3rd of March and an additional 25% the next day. The government led by Yulia Tymoshenko, refused to apply the agreement of 12 February, and she allegedly threatened in the face of Russian cut-off to hijack European supplies the same way it was done in January 2006. Supplies were finally restored on the 5th March but Tymoshenko’s government kept refusing provisions contained in the previous agreement by Ukrainian President Viktor Yushchenko and Russian Prime Minister Vladimir Putin. Even if disagreements kept plaguing Russia-Ukraine relations in the coming months until the next, and as we will see, most virulent dispute to date happened in January 2009, this short dispute did not escalate as far as the previous one of January 2006. It also seems to have rather been an example of restrain from the Russian side, as the cut-off of gas shipments to Ukraine did not further escalate into a full cut-off. Ukrainian threats arguably were a determining factor for Russia to backtrack, restore full supplies and continue negotiations without resorting to extreme measures.

The January 2009 Dispute: The dispute originated as Russia intended to increase the prices that Ukraine paid so far for the supply of gas coming from or through Russia (as gas from Turkmenistan). The process of raising prices to European standards, which as we already saw brought the two previous disputes, still clashed with the Ukrainian pretension of keeping prices subsidized. As pointed out in our introduction, the onset of the financial crisis, putting both Ukraine and Russia in very delicate positions, made bargaining positions even more intransigent. The skyrocketing oil prices from 2006 to 2008 made the difference between European and Ukrainian subsidized prices bigger and increased the opportunity cost for Russia. After the short dispute of March 2008 and after several months of negotiation, a detailed memorandum was agreed in October 2008, which entailed the following elements: direct export (no intermediaries) from January 2009, a timetable of three years for the introduction of market prices both for imports and transit fees, guarantees for safe transit of gas to Europe and a joint export scheme of gas to Europe (Pirani, Yafimava, Stern 2009: 13). Given the progresses that were being done at the end of 2008, it seems surprising that the situation degenerated as much as to lead to the worst energy dispute ever, since the end
of the Soviet Union. The failure of Naftogaz to pay for her debts, arguably linked to the catastrophic financial situation of Ukraine (Ibid.: 15), led to increasing tensions that ended up causing a failure to agree on import prices and transit fees for 2009. This same financial situation surely had a non negligible effect on Gazprom, as dramatically falling revenues made even more imperative to collect outstanding debts (Ibid.: 17). At the same time, the fact that Central Asian gas providers decided to raise their prices to $340/1000m³ (Perovic 2009b: 25-256), further reduced the Russian margin for action. A context of global financial meltdown, falling commodity prices and concomitantly falling revenues, outstanding debts, political acrimoniousness and rising energy prices from Central Asia shaped negotiations. The Russian side early on threatened with a price of $400/1000m³ for 2009 in the case no agreement was reached (Pirani, Yafimava, Stern 2009: 16). As the time neared for the January deadline and in spite of Ukraine having paid most of her outstanding debt, Gazprom kept insisting on the payment of penalties. Meanwhile, Gazprom had reduced her price demands to $250, somehow closer to Ukraine’s stated maximum, $200. In spite of the relative closeness of positions, an agreement failed to be signed. *The Dispute:* As no agreement could be reached and as Russia had warned, she took the decision to stop the gas supply for Ukraine. The problem however was that as in previous occasions, and in particular nine months ago, Ukraine warned of her readiness to siphon out gas bound for Europe. As already stated, Ukraine is not just one of the main clients of Gazprom, it is also the main transit country for Russian gas bound to Europe (80% of the supplies), which, as seen in January 2006 and in the March 2008 “war scare”, affords Ukraine a huge leverage. Both actors seemed to be ready for a showdown, and as in January 2006, that is exactly what happened: Russia stopped supplies to Ukraine on the 1st January 2009 and Ukraine started siphoning out gas bound for Europe. However, this time the Russian reaction changed. If by the 4th January 2006 an agreement was reached, this time none of it was in sight. Actually that day lay in the threshold of a more acrimonious stage of the dispute. On the 5th January, Putin personally ordered Alexei Miller to start reducing the flow of gas according to amounts diverted, which meant that for the first time since February 2004, Russia would take the step of stopping supplies for Europe altogether. Amid contradicting allegations from Naftohaz and Gazprom, the fact is that by the 7th January 2009 and Ukraine started siphoning out gas bound for Europe. However, if in February 2004 the dispute with Belarus lasted one single day, involved only 20% of gas supplies to Europe and only really affected one single country (Poland). This time however, the cut-off involved 80% of gas supplies and was to last an unprecedented length of 13 days! (Ibid: 22). By the 12th a monitoring agreement was reached with the European Union, but the gas flow could not be restored as Russia tried to restart pumping gas through inlets connected to pipelines which were being used by Ukraine in reverse mode to ship gas from storage facilities located in Western Ukraine to feed her industry in Eastern Ukraine. This meant that far from solved, the crisis was to continue, only to find an end on the 19th, when Russia and Ukraine finally managed to find an agreement. Gas started flowing again both for Ukraine and Europe, from the 20th January. *The Agreement:* This time the agreement was a complete failure for the Ukrainian leadership. Far from the $250 Russia was offering on the eve of the dispute, the price would be henceforth calculated on the basis of European prices (possibly German prices) with a discount of 20%, and would thus amount to $360 for the first quarter of 2009, as the prices were to be updated every quarter on the basis of the average of oil prices for the three previous quarters. Transit fees would remain unchanged for the current year, whereas intermediaries as RUE would be eliminated and substituted by a joint venture by Gazprom and Naftohaz (Ibid) 24. *Explanations to the Crisis:* As with the general discussion in both academia and media, the same fault lines made their apparition when the time came to discuss the Russian rationale for either starting or escalating the crisis. The undeniable role Ukraine played in the dispute, was highlighted or downgraded in different accounts correspondingly to the role Russia was attributed. Pavel Baev for example, in his characterization of triangular relations between Russia, the EU and Ukraine in the energy sector, sees the crisis as a bid by Ukraine to provoke Russia and force her isolation from the EU (Baev, 2010: 19). Robert 24 The outcome regarding RUE must be considered to satisfy the Ukrainian leadership too, as one of the first goals of the new Tymoshenko government in 2008, was to rid Ukraine of any intermediaries.
E. Ebel hinted towards possible interests from the Russian side to provoke the crisis for strategic reasons (Ebel, 2009: pp. 9-13). Regarding repercussions to European costumers, the author admits the possibility of miscalculation from the Russian side (Ibid: p. 13), in any case, he frames the crisis as informed by Russian desperation rather than confidence. The comprehensive report by Pirani, Stern and Yafimava (2009) which served as the basis for the previous section and that provides to date the most thorough account of the crisis, acknowledges that in spite of the role played by Ukraine, Russia consciously escalated the crisis with measures out of proportion with Ukraine’s appropriation of gas; Ukraine allegedly did that for its use as technical gas, not putting European interests in the forefront and thus shunning her responsibility as a reliable supplier (Pirani, Stern, Yafimava 2009: 33-34). Although rejecting the speculation of a politically motivated dispute, the authors nevertheless credit Russia for a manipulative role aiming at Europe: intentionally escalating the crisis and putting forward convincingly their case of Ukrainian unreliability. If successful, this “gamble” would reduce the role of Ukraine as an autonomous transit country and open the door to Russian and European management of the Ukrainian transit network (Ibid: 35-36)²⁵. Simon Pirani points to the undeniable underlying economic rationale for forcing an increase of prices in hereto subsidized supplies to countries as Ukraine and to the effects both on Ukraine and Russia of the world financial crisis starting in 2008 (Adding in Russia’s case the investment flight after the August 2008 War); he also points to the reduced threshold for tolerance since the “Orange” leaders came to power (Pirani, September 2010 & Pirani, 2010a). In an explanation which similarly takes into account the economic underlying reasons for the crisis along with the political aspects, Jeronim Perovic highlights the financial dimension and the fact that right before the crisis, Russia had to face an increase in prices for energy supplies from Central Asia, whereas the author suggests that behind the dispute lay also the explicit interests of portraying Ukraine as an unreliable transit country as to foster pipeline projects to bypass her (Nord and South-Stream) and (even more important), as to gain a share in the Ukrainian energy transportation system through its privatization (Perovic, 2009b). Schleifer and Treisman (2011: 127) point to Russian desperation in her conflict with Ukraine, risking to damage relations with European costumers. Peter Rutland in an article published when the dispute was still unfolding, supported the economic explanation of the crisis pointing to the desperate financial situation of Ukraine and Russia after the global financial crisis (Rutland 2009a). Vladimir Milov, former deputy energy minister, on the contrary in a interview to RFE/RL, fully supported the version of political and strategic motivations, stating that “Gazprom was intentionally paving the way for a cutoff of gas... It is perfectly possible that this is a continuation of the same political line that we first saw last August during the conflict with Georgia.” (Milov/ RFE/RL: 2009). **Conclusions:** As in the case of the energy crisis of 2006, a preliminary analysis points to the economic rationale to the dispute. Some authors suggest that there were political motivations behind the dispute that would explain the unprecedented harshness, but as Pirani, Stern and Yafimava (2009) point out, if that was the case, it is hard to see which, were the exact motivations and how the pressure exerted could translate into political gains for the Russian foreign policy. Whether Russia was consciously manipulating European opinion as to blame Ukraine, thus looking for long-term solutions for the “Ukrainian mess” or fighting for short-term gains, the fact is that there are strong arguments, both because of the context and the timing of the crisis, to support the version of an economy induced crisis. In the next section, we consider the differences between both January 2006 and January 2009 disputes.

**Comparing January 2006, March 2008 and January 2009: Patterns of the Three Disputes:** Given the fact that the January 2009 energy dispute lasted much longer than in January 2006, whereas that in March 2008 only reached “pre-dispute” levels, it is worth asking, which were the factors that led to such different outcomes. The main qualitative difference between January 2006, March 2008 and January 2009 is that in the latter, Russia decided to escalate the dispute when Ukraine started siphonning out gas and showed

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²⁵ It could be also argued that this same strategy might have involved the promotion of bypass projects as Nord-Stream and South-Stream which would eventually weaken the Ukrainian position.
readiness to sustain a prolonged global cut-off affecting European customers for around two weeks; in the former, Russia did not escalate when Ukraine started siphoning out gas, while in March 2008, Russia did not even risk to induce Ukraine to make this latter move. One of the reasons for variation might have been that Ukraine decided to show more resistance and was not willing to reach an early agreement. As later explained in more detail in the theoretic framework, a country like Ukraine, perceiving itself in the domain of losses, as she was in the throes of a devastating financial crisis, would predictably behave in such a way. In what regards Russia however, the preliminary assessment would suggest that her baseline of expectations had equally changed, and that, independently of Ukrainian behavior: whereas in 2006 the final agreement reached suggests that Russia did not sustain pressure until reaching her optimal bargaining position, the final agreement of 2009 seems on the contrary to show a Russia having kept the pressure until that optimum was reached or even improved; actually, Russia reached an agreement even more favorable than what she was aiming at in the final stages of the pre-dispute bargaining process. If Ukrainian behavior might have forced Russia to resort to more forceful measures in 2009 than before, it does not explain however, why this measures were sustained beyond a compromise like that of January 2006 and why Russia showed much more restrain in March 2008. Russia had reasons indeed for modifying her threshold of tolerance. As in the case of Ukraine, Russia saw her financial situation worsen alarmingly. This, as in the case of Ukraine, could provide an explanation for Russian behavior. Russia could be considered as an actor located in the domain of losses and therefore prone to counter-react in front of resistance rather than to back down. However, either additional or alternative factors not related to the objective financial situation must also be considered: An explanation based exclusively on the financial reasons can be understood as either having influenced Ukraine, as either having influenced Russia, or as having influenced both of them in different ways in the three disputes. In either case, Russia’s role, as it is the actor under consideration, has to be satisfactorily explained. Whichever is the case, we see Russia risking a strain in the relations with her European partners. As already sketched in the introduction, the next section will consider the reasons which could explain why Russia had been ready in January 2009 to take risks she did not take in the two previous disputes, and this taking into account other factors different than strictly financial ones.

3. Theoretic Framework:

Different arguments can be tested to explain Russian decision-making in our three energy disputes. Domestic politics, economic rationale or strategic calculations provide us with interesting interpretations. Bureaucratic politics can explain the interplay of contending constituencies in determining the decision-making process, whereas economic explanations provide an arguably robust explanation for the background of the crisis. However, our literature review suggests that the latter’s explaining power should be complemented with the review of other factors as to ensure a full understanding of Russian decision-making. As European customers were indirect casualties of the disputes and as the literature review suggests that in January 2006 (and possibly March 2008 too), they were a factor for Russian restrain (wheresin January 2009 they seemingly were not), it seems sensible to put our focus on a broader international context where the European factor is studied. I will proceed with the explanation of the theoretic framework through the following steps: classifying the different patterns of escalation of each of the three disputes, finding out the logics underlying such patterns and picking the best theoretical model to encompass all potential factors in play as to provide hypotheses to be tested.

**Model of escalation:** The model of escalation which Kilgour and Zagare (Zagare & Kilgour 2000; Zagare 1987, 2011) build catches very well the stages that unfolded in the three disputes under analysis. The model very simply portrays the relation between two states either close to engaging in a dispute, or already engaged therein. The model includes several nodes of decision where state A and state B have to either accept the status quo, or to escalate the dispute in order to modify that status quo (See Zagare, 1990: 253, 26)

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for the game tree representation). The whole game stops when a state either chooses not to further escalate or when escalation leads to a final stage, which in the model is presumed to be war. In our case, the equivalent of war can be thought to be the final stage that was reached in the dispute of January 2009, where all means available were used by both actors. What is interesting for our analysis is what this model tells us of each of the states involved in the dispute. As Kilgour and Zagare very well portray in their latest works (see mainly Zagare & Kilgour 2000 and Zagare 2011), we can find different kinds of states depending on their acceptance of the status quo. The authors, focusing on two kinds of actors, a challenger dissatisfied with the status quo and a defender satisfied with the status quo, classify them as soft or hard, and holding this set of priorities: (A) Hard State: prefers war to capitulation, (B) Soft State: prefers capitulation to war (Zagare & Kilgour 1993: 8). This is but a classification from among all possible, as it can be extended to describe patterns where each actor is classified according to the response it would take at each of the nodes of decision (See: Carlson & Dacey 2004b and Simon 2002). In what regards the actor considered here, Russia, the fact is that we can find three kinds of “Russias” for each of the three energy disputes I analyze: In January 2006, Russia is not willing to afford partial gas disruptions to her European costumers. In March 2008, she even shuns the risk that a total reduction of shipments to Ukraine would entail in the face of alleged Ukrainian threats to take gas from European costumers as in January 2006. In January 2009, she is willing to assume total gas disruptions to her European costumers. The disputes follow the same patterns in what respects the existing nodes of decision, but Russia does not seem to have the same priorities. What can explain that difference?

**Logics of deterrence and spiral:** The model discussed above, can actually be linked to a theoretical debate that still rages in the field of International Relations: that between deterrence logic, actually known as Deterrence Theory, and its opposite, Spiral Logic. Deterrence Theory has a very old pedigree. Authors as Thucydides, Machiavelli and Hobbes are usually listed as the fore-fathers of Realism, understood as a theory where most lies on power and its successful use; being successful at using power means to deter, so Deterrence Theory, as articulated after World War II, puts the stress on the need to exert power as to fend off challenges by (potential) enemy states; as a contemporary author, Paul Huth, defines it: “The concept of deterrence can be defined as the use of threats by one party to convince another party to refrain from initiating some course of action” (Huth 1999: 26). Deterrence under whatever of its forms (direct-extended and immediate-general) is linked therefore with the use of force; averting an attack through concessions is quite the opposite of successful deterrence (Ibid.: 28). Bernard Brodie is credited for being the first to sketch the rudiments of Deterrence Theory after the end of World War II as a lesson to apply for not repeating the mistakes of the Interwar years (see Carr 1939) and when the reality of nuclear power came to radically change international relations as previously known. However, as Robert Jervis pointed out, there seems to be circumstances where deterrence fails and leads to situations where reprisals do not deter, but on the contrary, further fuel conflict. This opposite logic has been named by this author, as Spiral Logic (Jervis 1976, 1978b). How can these two opposing logics be understood under a common framework? Prospect Theory offers an interesting answer:

**Prospect Theory:** Prospect theory challenges Expected Utility Theory on which Deterrence Theory stands. Therefore it opens the ground for a better understanding of the way states respond to the power changes in international relations and offers some explanations to account for situations where deterrence does not work. The main insight from Prospect Theory which can be applied to the study of international relations is that states are risk averse regarding gains and risk acceptant regarding losses. That means states would not risk their status quo for prospective gains if they are rather satisfied with that status quo, while they would run risks to prevent losses if they consider their status quo to be unsatisfactory (Levy, 1992a). The

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expectations baseline through which an actor deems the status quo as satisfactory or unsatisfactory is determined by the actor’s perceptions and its particular reference point. If an actor acts aggressively as to make gains, application of Prospect Theory in the field of International Relations would have us think that deterrence is the best response\(^\text{28}\): actors behaving aggressively and challenging the status quo would be easily deterred as they would not risk the status quo for any prospective gains. Instead, an actor behaving aggressively as to avert losses, would only become more aggressive in case of facing deterrence\(^\text{29}\): deterrence would confirm that state to be in the domain of losses\(^\text{30}\) and would thus reinforce the very motivations that compelled it to act that way. Deterrence would thus backfire. In such case, appeasement would rather be advisable, as yielding to certain demands would restore a status quo where the actor abandons its perception of being in the domain of losses and feels therefore satisfied\(^\text{31}\). Therefore, Prospect Theory offers a theoretic ground for understanding Spiral Logic and this in coherence with Deterrence Theory.

The three Energy Crises and Prospect Theory: The advantage of a framework which focuses on the reference point of an actor and its baseline of expectations is that it opens us the ground for analyzing the responses that may have been taken by this actor in a difficult international situation. Taking into account all the factors that where playing before the crises occurred, we can imagine several readings. What could Deterrence Theory tell us about the facts, both prior and during the energy dispute? Picking the genesis of the January 2009 dispute, arguably the most acrimonious one, we can imagine the following reading: Russia saw Western countries divided in the April 2008 NATO Summit in Bucharest. Although they decided to mention Ukraine and Georgia as future members of NATO, the vagueness of the definition and the reluctance of some members as Germany might have sent Russia a signal about the fact that commitment was just rhetoric. Therefore an aggression on Georgia might be expected not to be responded by Georgian “allies”. As the attack on Georgia proved that calculation, further aggression, this time cloaked under an energy dispute, would be expected to go equally unchallenged. Regarding economic aspects: Russia suffered a huge flight of capital right after the August 2008 war, the bilateral cooperation with countries like the US suffered equally, whereas in the EU a consensus soon was reached that there was no real alternative to cooperation with Russia; a deterrence logic realist reading could explain the facts the following way: 1) Russia saw the division of Europe, as a guarantee that the EU as a bloc would not take serious reprisals, that 2) the end of the Bush administration was another guarantee for believing that the US would restrain herself from punishing Russia and finally that 3) the huge foreign reserves that Russia held were an insurance against capital flight.

However, If Russia was assuming costs for the sake of preventing a certain loss that was framed as vital, risk-acceptance could be considered with Spiral Logic supporting the following reading: when Russia saw her economy nose dive as the world crisis set in and when she started suffering the prospect of more expensive gas exports from Central Asian countries, the stakes for reaching an optimal agreement regarding pricing disputes with Ukraine put the European factor into the background, so an optimal economic deal with Ukraine became in the short term more important than securing no frictions with her European partners, Russia thus becoming risk-acceptant regarding any prospective European reaction. As for the strategic factors that were playing in the background, a Spiral Logic reading could interpret the energy

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\(^{28}\) As Robert Jervis points: “As Lebow and Stein (1987) note, deterrence theory is designed primarily, to explain how to deal with countries that are seeking gains, in these circumstances, deterrence may be effective…” See: (Jervis 1992c: 192).

\(^{29}\) Following the same author, drawing from Lebow and Stein’s insights: “But if the other is driven by the fear of losses, threats and coercion are likely to backfire, producing a spiral of greater hostility…” See: Ibid, pp. 192-93. The point is also made in the same issue by Jack Levy: (Levy 1992: 289).

\(^{30}\) As for the use of the Word “domain”, we assume Taliaferro’s critic, who deems that this word hints at some “objective” measurement and does not fit to an appreciation based on the actor’s perception’s (Taliaferro 2004b: 192). We nevertheless keep using it, fully accepting the caveat, as for descriptive clarity.

\(^{31}\) This argument is further developed in the case studies by James W. Davis. See: (Davis, 2000a).
dispute as following the same logic as with the case of Georgia: Russia lost sight of the damage to her relations with Western countries that would ensue, just for the sake of preventing the entry of Georgia into NATO. As Russia could still see a danger in Ukraine’s stance after the war, still staunchly pro-Western and actually more so after Russia’s attack on Georgia, strategic considerations could arguably have fueled the objective economic reasons that brought the pricing dispute between both countries.

**Limits to the Existing Framework and New Contributions from this Project:** Prospect Theory’s integration of Spiral logic provides for a much broader explanatory tool as it takes into account whether an actor perceives itself as located in the domain of gains or in the domain of losses and where failure by third actors either to deter or appease/accommodate, fuels instability. However, Prospect Theory, as it stands today, seems not to be able to solve two questions:

1) How does Prospect Theory provide for satisfactory explanations for intermediate cases? When do spiral logic reactions set in and turn deterrence into a self-defeating tool? (Carlson and Dacey 2006: 182). To state that this depends on the reference framework taken by the actor, only tells half of the truth. If we take Kilgour and Zagare’s game-tree representation, we can imagine a potentially never ending set of risk-averse to risk-acceptant actors. Are only actors willing to risk war risk-acceptant? Do therefore all cases under this threshold respond to Deterrence Theory? This seems to be a rather limited classification, the reason being that it does not account for crises short of war. Many authors have focused on cases where spiral logic implied a “substantial loss” or precipitous decline’ (See: Jervis, 2002; Tessman and Chan, 2004; Levi & Whyte, 1997, as classified in Carlson and Dacey, 2006: 182) and there seems indeed to be a certain bias to focus on either war situations or situations short of war (Jervis & Snyder, 1991; Jervis, Lebow & Stein, 1985; Jervis, 1992; Levi & Whyte, 1997; Davis, 2000; Haas, 2001; Cha, 2002). I assume however that within perceptions in the domain of losses there is a gradation. This is why I understand as intermediate those cases where an actor does perceive changes in its environment that pertain to interests guaranteed so far by the status quo, but henceforth endangered by an unfavorable change (In that respect, agreeing again with Carlson and Dacey’s classifications in their literature review, I will follow Hass, 2001 and Berejikian, 1992, 2002, that “any negative valuation of the status quo is sufficient to induce risk-seeking behavior”: see Carlson and Dacey, 2006: 182). If an actor under such circumstances is thus prompted to react to changes in the status quo, it may however counter-react to deterrence far short of escalating to the highest stage (war) when expectations are not met. In these cases deterrence may eventually work for preventing war. However, deterrence may initially fuel the crisis at earlier stages if deterrence substitutes accommodation. These intermediate cases would fill the gap left between “suicide” spiral logic dynamics and “ideal” deterrence logic situations where terror precludes every move at the earliest stages.

(2) Within this framework emerges another unanswered question related to whether reactions and counter-reactions either become eventually integrated into the status quo or remain separated from it. This is a vital question, as it could be the key for understanding why some actors either backtrack once their rival is willing to escalate beyond the former’s acceptable costs, or are willing to accept and respond to that escalation until a further stage. If a deterring military deployment in response to posturing from an actor dissatisfied with the status quo is not integrated into the value of the status quo, the latter might rather consider that the status quo, as disappointing as it may be, is nevertheless better than the risk of suffering a military defeat. However, if that same military deployment is immediately integrated into the status quo, dissatisfied actors can perfectly reason that the status after the military deployment is arguably worse and therefore advises further escalating even at the risk of a military confrontation (and possible defeat). As most of the analyses done so far have mostly focused on the perception of the status quo (Haas 2001 may

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32 In this article the authors consider the contradictory claims within the school of Prospect Theory, with some claiming a big loss to be necessary, and others claiming on the contrary that a simply negative loss to be sufficient.

be an exception), we are left in most of them without a consideration of other pay-offs (Carlson and Dacey, 2006: 182) and therefore relying only on the status quo. The limitation of such framework becomes manifest once we take the case of Russian decision-making in the three energy disputes. Russia may have been influenced by changes in the status quo. She may have reflected in consequence this perception in her decision-making, leading to different patterns of escalation in the three energy disputes. However, the pay-off of either maintaining or challenging the status quo should be analyzed along the expected pay-off of those consequences suffered by third countries as an the effect of the dispute itself. The prospective reaction of European countries dependent on Russian gas transiting Ukraine was arguably a vital factor and should be taken into account along with those factors directly constituting the status quo. The “European factor” could be considered as either a precluding or enabling factor, whose changes affected the outcome of the crises, or a factor remaining constant in the face of a changing status quo. A more difficult case could show itself in case of a simultaneous change of both factors accounting for variations in a crisis.

Constructivism: The questions seen above are closely related to another major point which can arguably not be blamed on Prospect Theory herself, but that nevertheless makes for the usual target of most of critics. This is the fact that Prospect Theory does not account for how actors choose their reference point, frame the status quo and establish thus their baseline of expectations. Prospect Theory lacks a theory of framing. Critics targeting Prospect Theory for this reason are arguably related to a much larger debate, which is that of Constructivism and Rationalism. Since Alexander Wendt, building upon previous contributions (mainly Hedley Bull from the English School) introduced the concept of Constructivism (first coined by Onuf, 1989, but previously identified by Keohane as reflectism in Keohane, 1989a; see Wendt, 1992) in International Relations (See Wendt, 1987, 1992a, 1999), many scholars have engaged in this new and promising path of research (Kratochwil 1989, Onuf, 1989; Waever, 1989; Katzenstein, 1996a; Finnemore, 1996a; Ruggie 1998a). The main point of contention of Constructivism, opposed to both neorealist and neoliberal rationalist mindsets is that interests, far from being given exogenously, are endogenously shaped by the actor’s own construction of these interests; thus the famous catch-phrase by Alexander Wendt, applied to the realist concept of anarchy in the international relations, that “anarchy is what states make of it” (Wendt, 1992: 395). Even if current constructivist traditions stay far from having established a common school and remain divided over the debate of modernists and post-modernists (as classified by Wendt, 1992: 393. Hopf, 1998: 172, talks about conventional and critical Constructivism, Checkel, 1998d: 327, differentiates Constructivism as such from standard IR theorists and postmodernists, portraying it as a middle ground, sharing the ontology of the latter and the epistemology of the former), the fact is that Constructivism has established itself as the big third debate after (neo) Realism and (neo) Liberalism first imposed themselves in the arena of IR Studies (See Walt, 1998b for a classification of different schools) and is the main “challenger” of Rationalism. Besides, many “constructivist” insights can arguably be traced back to important gaps left by Realism (For a constructivist reading of Hans Morgenthau, the father of Realism in IR, see: Williams, 2004c) and that plague neo-Realism since its “founding” by Kenneth Waltz. Waltz’s own admission that foreign policies might differ from what international structure “dictates” and lead therefore to failures, beggars the question of why states do not behave as “rationally” as expected. Stephen Walt’s “Balance of Threat” (Walt, 1987), Randall Schweller’s “Bandwagoning for Profit”, his discussion on differences between status-quo defenders and revisionist powers and his “Theory of Underbalancing” (Schweller, 1994, 1998, 2006), Gideon Rose’s “Classical Realist” formulation (Rose, 1998) or Stephen Brooks’ differentiation between “neo-Realism and Post-Classical Realism” (Brooks, 1997), open the door to the role of ideas in states’ formulation of their foreign policy. If Realism has gone far down into the path of abandoning a parsimonious structural theory as that of Kenneth Waltz, whose descriptive power cannot explain different state’s foreign policies, it seems that Constructivism, in its epistemologically close conventional/non-critical form (Hopf, 1998), could come to the rescue (Barry Buzan and Ole Waever have come up with a very interesting theoretical formulation, “Regional Security
Complex Theory”, Buzan & Waever, 2003, where a realist framework is combined with lessons from Constructivism)\textsuperscript{33}. Prospect Theory offers a valuable alternative to Expected Value Theory and adds to strictly rationalist theories contributions from the field of Cognitive Psychology. As the theory lacks of a theory of framing, it could find a valuable ally in Constructivism and its contributions to how interests and identities are built. In this respect, the concept of securitization seems to open the most promising prospects:

In the concept of securitization, as coined by Ole Waever and Barry Buzan (Waever 1989; Waever in Lipschutz 1995; Buzan, Waever, De Wilde 1997; Waever 1999; Buzan & Waever 2003) and linked to what has come to be known as the Copenhagen School (see article reviews by Huysmans 1998b, McSweeney 1996a), security can be summed up as: “not as an objective condition but as an outcome of a specific social process” (Williams 2003a: 513). Branding a speech-act as security (thus securitizing it) implies casting that issue as an “existential threat” (Williams 2003a: 514; Waever in Lipschutz 1995: 55). The concept of securitization provoked a string of criticism from different sides. Theorists from the side of critical Constructivism have mostly highlighted the moral dilemma stemming from non adverted normative consequences of the theory\textsuperscript{34} and more generally rejected its “objectivism” accusing them of using non innocent categories (McSweeney 1996a, 1998a, 1999; Huysmans 2002a; Aradau 2004b; McDonald 2008). Other critics, as Holger Stritzel, are skeptic about the validity of the concept of “speech act” and propose its substitution by that of “translation” (Stritzel 2011a), whereas Thierry Balzacq rather tries to rebalance the stiff framework of “speech act”, as understood by Ole Waever, putting more stress on the audiences of the securitization act, the context in which they are located and the power they grant the securitizing actor (Balzacq 2005). One of the firmest defenders of the framework as put forward by the Copenhagen School, Rita Taureck, defends on the contrary its validity against normative critics. Juha Vuori, from his side, expands the concept arguing that the kind of speech act explained by Waever is only one of a range of securitizing tools with different possible applications (Vuori 2008). In any case, the debate around the concept of securitization seems to reproduce the broader lines of conventional and critical Constructivism. The present work does not share the normative critic being leveled on the concept of securitization, believing on the contrary that its validity as analytical tool deserves to be positively tested. Since the birth of this theoretic perspective, many pieces of practical research targeting securitization have focused on issues such as immigration (Ayse & Tsoukala 2002; Huysmans 2006c, Watson 2009, van Muster 2009, Pupcenoks 2010) and terrorism (Buzan 2004, Nyers 2009, Debrix and Lacy, 2009).

In our case, energy, another soft issue among security studies will be the focus (Baev 2008 uses the term securitization applied to energy). The question however is: how can the concept of securitization be useful for our study? I will assume the concept of speech act as understood by constructivist scholars engaged in contributions to the concept of securitization (either fully subscribing or qualifying securitization as understood by the Copenhagen School) for its potential application to Cognitive Psychology in International Relations. The possibility of engaging in discourse analysis for the sake of discovering, which was the point of reference and the baseline of expectations from the side of Russian decision-makers before and during the three disputes under analysis, is the most valuable contribution I find regarding the concept of securitization. I expect therefore that variations in Russian responses in each of the three disputes will be explained by Russian perceptions of the stakes involved in each of them. Actually the question that will sum up my search is: what was Russia securitizing in each of the three crises? As I will deal with three

\textsuperscript{33} I would therefore agree with Michael Williams in that “Among the most prominent and influential of these new approaches is the theory of ‘securitization’ developed by Barry Buzan, Ole Waever, and their collaborators, a body of work that has now come to be called the ‘Copenhagen School.’” (Williams, 2003b: 511)

\textsuperscript{34} As Waever himself acknowledges: “One of the most common criticisms of this approach – the so-called ‘Copenhagen School’, or the ‘speech-act’ theory of security – is its political and ethical implications” (Waever 1999: 334).
energy disputes which elicit forceful Russian responses, an obvious answer would be that Russia was securitizing energy. However, the importance of answering this question properly is vital, for it will provide us with important answers in regard to the value attributed to the status quo and to enabling factors that were present to either favor escalation or restraint in each of the three cases: was Russia securitizing energy regarding the status quo of Russia-Ukraine relations? Was Russia securitizing energy regarding the status quo of Russia-CIS relations? Was Russia securitizing energy regarding the status quo of Russia-Europe relations? Was Russia securitizing the status quo of her status as great power? These are several questions related to the one above and which point to the difficulty of deciding from which dimension Russia securitized energy in these three cases and whether changes of focus had an influence on the different outcomes of the disputes: which of these status quos was the status quo and in which measure were the other ones enabling factors that bore their influence on that status quo? Which was the hierarchy in factors as seen from the point of view of Russian decision makers?

4. Research Design: The theoretic framework above has clarified which will be the most appropriate tools to analyze our three energy disputes. Having seen a different pattern of escalation in these three disputes, I consider Prospect Theory to be the best tool currently available to parsimoniously combine both opposed logics, deterrence logic and spiral logic. However, as seen above, it remains to be clarified how actors take a reference point and build their baseline for expectations and how they identify the status quo and additional enabling factors. If lessons from Cognitive Psychology seem to offer answers to limitations of strictly rational theories as classical Deterrence Theory and underlying Expected Utility Theory, lessons from Constructivism could come to the rescue of the former as to find out how points of reference are established tracking the discourse of actors involved in given disputes. Once we analyze how an actor frames a determined situation as shown by his/her discourse, we can obtain a clearer vision of the perspective from which the status quo is seen, how it is rated and how are rated the pay-offs of actions for either improving a satisfactory status quo or changing an unsatisfactory status quo. The material conditions of the three disputes delimit how far the social constructions by Russian decision makers can account for variations. As a bilateral dispute with Ukraine, it seems fair to assume that the immediate status quo perceived from the Russian side was that of Russia-Ukraine relations, with an obvious focus on energy. But as responses both from Russia and Ukraine, though indirectly, affected European costumers, the main candidate for being the chief enabling/disabling factor should be the latter countries. Discourse analysis should help tracking the emphasis put by Russian decision makers in order to perceive which of the possible factors was having a stronger influence on Russian calculations. Thus, finding out the social construction of the particular situation Russian decision makers had to face should provide us with interpretations of what was Russia responding to and whether she was located in a situation, using Prospect Theory’s definition, of losses or gains, and whether she was reacting to deterrence or appeasement. Thus the research design of this project will consist of a dependent variable which is the set of responses that Russia made in response to Ukrainian decisions leading to the genesis and to the different patterns of escalation in the three energy disputes pitting both Russia and Ukraine in January 2006, March 2008 and January 2009. One core independent variable is the economic rationale for the three disputes, as the preliminary analysis of the three disputes I made in literature review, highlights the undeniable importance of the economic factor for Russia. The complexity of the research project will lie in a second independent variable, which is Russian perception/construction of actors either directly or indirectly involved in the disputes. While Ukraine, the antagonist of Russia in the three bilateral disputes, is the undeniable candidate as “direct actor”, European countries are arguably the main, although not necessarily the only, “indirect actor”, as they were affected by the disruptions of gas flows through Ukraine; Russian perceptions of the CIS Post-Soviet space and her status as Great Power in the world arena are also to be considered, as many of the events related to Russian decisions in these energy disputes may have been influenced by these factors too. The focus of the research will rather be the second independent variable, which will be...
regarded as an **intervening variable** and whose importance lies in the influence Russian perceptions had in the explanation of the different patterns of escalation. The importance of being able to find out through Russian discourse which factor may have had a bigger influence on decision-making can clarify situations that are analytically difficult, especially in the case of January 2009 dispute, which shows the biggest difference in patterns of escalation compared to the two previous disputes: the first independent variable, the economic factor, can arguably be found to having registered an important variation before January 2009, as Russia could not secure exports from Central Asia as cheap as previously and was suffering the effects of the onset of the Great Recession and its devastating effect on the prices of Russian energy exports. This would make sense as the reason for Russian lesser flexibility and willingness to escalate beyond the pattern of January 2006. However, many factors related to Russian relations to European countries changed in 2008 more radically than in previous months and years when the January 2006 and March 2008 disputes, as the NATO plans for expansion to include Ukraine and Georgia as prospective members, the war in August against Georgia, arguably linked to these developments and pipeline plans to bypass Russia, as the project “Nabucco”, competing with “South Stream”, meant on the contrary to bypass Ukraine. The parallel variations of two factors which did not remain constant, present difficulties for establishing a plausible correlation. Was Russia motivated only by economic constraints, or were on the contrary economic factors necessary but insufficient for explaining the variations that occurred in the three disputes? Whether only strictly economic factors influenced or whether these were supplemented by perceptions of other sets of factors will be combined with a research on the kind of response that Russia gave in these three disputes, namely whether changes responded to deteriorating or improving conditions.
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