

Beyond Principles, Bargains and Stereotypes : What is the future of EU- Russia relations ?

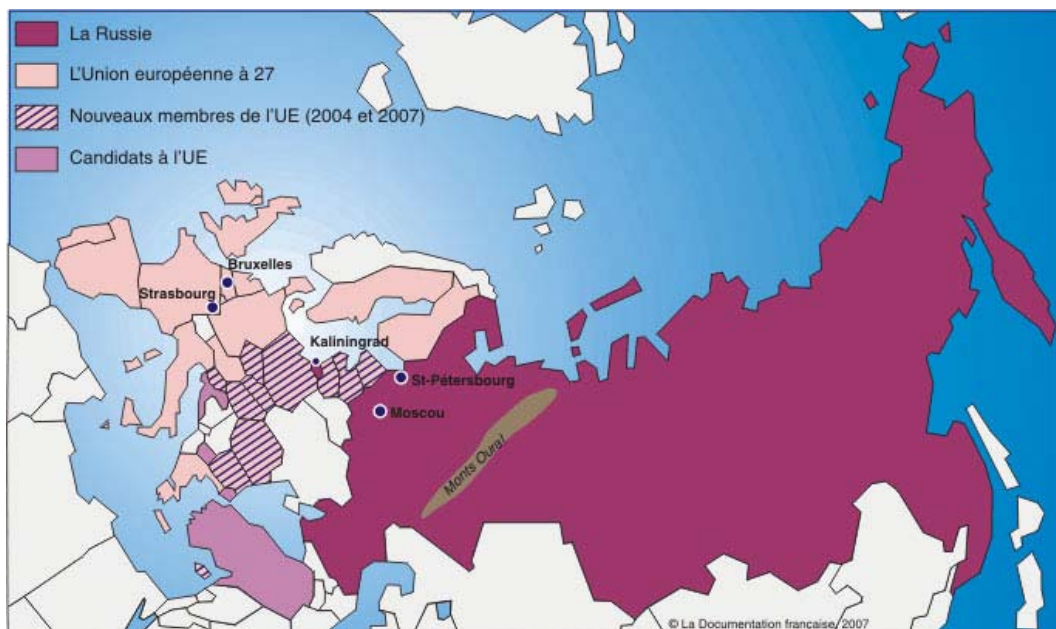
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Beyond Principles, Bargains and Stereotypes: What is the future of EU-Russia relations ?¹

The EU and Russia stand at a crossroads in their relationship. After Poland lifted its veto at the end of 2007, Lithuania announced last week its intention not to continue blocking the opening of negotiations for the next EU-Russia agreement. Talks are thus expected to begin shortly with a view toward reaching a wide-ranging agreement to replace the current PCA signed in 1994.

However, even though both partners acknowledge their interdependence- and thus the need to reach the best possible deal - the scope of the future agreement and the nature of subsequent EU-Russia relations remain uncertain. The current state of EU-Russia relations is indeed commonly described as “miserable”² or stalled. Two factors are usually posited to account for the recurrent impasses, crises and question marks in the EU-Russia partnership: the heterogeneity of EU Member States’s positions vis-à-vis Russia (which makes a European consensus harder to reach); and Russia’s internal political developments, which move the country further away from European values enshrined in the preamble of the current PCA.

While these factors do matter, it is argued that the current malaise stems above all from a discrepancy between the priority areas of the EU-Russia partnership and those of the EU integration process to date. The future of EU-Russia relations will therefore mainly depend upon future developments of the European Union’s integration process in those areas which are crucial to build a genuine partnership with Russia.



Source: *La Documentation française*

¹ This policy brief was written on the basis of the communication presented at the EU-Russia Forum in Rome, ISPI/Institute for Eastern Studies, 15 May 2008.

² Michael Emerson, “Time to Think of a Strategic Bargain With Russia”, *CEPS Policy Brief* n° 160, May 2008.

Russia : a Challenging Partner for the European Union

Russia is undoubtedly the most complex partner of the European Union on the international scene to the extent that it confronts the EU with three essential challenges.

- **The EU, an international actor in the making.** First, while EU Member States' political and economic interests, historical experiences and links with Russia deeply differ, Russia has been trying to take advantage of these differences. Moscow's game has already been analysed in-depth. Russia's preferences for "making it bilateral" are precisely a strong incentive for the Union to speak with one voice. It is therefore no coincidence that the principle of solidarity among Member States was first assessed vis-à-vis Russia in a context of crises with Poland and Estonia³. Subsequent events have nevertheless shown that there is still much to be done in order to put flesh on this principle. It is true that, in reaction to Russia's decision to ban the British Council in a few Russian cities, the United Kingdom was supported by the EU and most Member States. However, ever since the Samara Summit—where the principle of solidarity was made clear to President Putin—the EU's vocal ensemble has been disrupted by a number of false notes. For instance, French President Sarkozy's warm congratulations to President Putin following United Russia's victory in the December 2007 elections offered a sharp contrast with other Member States and the EC's critical stance on the democratic character of these elections. Whatever their justifications may be, Poland's and Lithuania's vetoes on negotiations for a new agreement have delayed the conclusion of a key foreign policy deal for the whole Union. It is therefore crucial to identify European interests vis-à-vis Russia which, more than any other country, requires from the Union a single approach and a common policy.

- **Russia, a hybrid and complex partner for the Union.** Second, Russia is a complex partner for the Union, as it draws upon two different registers of the EU's foreign policy. Indeed, Moscow is both a neighbour and a strategic partner. As a neighbour, the policy issues faced by the EU in its relationship with Russia are not dissimilar from those raised by other Western NIS⁴. They obviously stem from the existence of a common border and thus entail combating various traffics or containing illegal immigration, while at the same time developing trade relations. It should be recalled that some of the policy tools currently used in the framework of the European Neighbourhood Policy were first used with Russia, either in the PCA/TACIS framework or through the Northern Dimension.

Russia, however, is also a strategic partner to the European Union. As a global actor, it is an important interlocutor for the Union on foreign policy issues, even more so as it plays a key role in European security. This second dimension of Russia's agency was underdeveloped in the 1990's, due to the country's weakness during its painful reform process; even though Evgeny Primakov's appointment as Minister of Foreign Affairs marked a watershed, Russia fully reemerged as a global actor only with President's Putin implementation of an assertive foreign policy.

It is precisely this combination of the neighbour and strategic partner dimensions which is unique and makes the relationship with Russia so complex for the EU when compared to other international actors. For instance, the United States can focus on a strategic dialogue with Russia and does not have to tackle the issues stemming from proximity⁵. A major difficulty for the EU in its policy vis-à-vis Russia is thus to find the right balance and an adequate articulation between both dimensions of Russia's agency.

- **The EU-Russia relationship as a mirror for European integration's weaknesses.**

The third specificity of the EU-Russia relationship comes from the fact that Russia confronts the EU with the limits of its own integration process. Again, this is a unique position in the EU's foreign policy. Areas which lie at the core of the strategic partnership are precisely those which are underdeveloped in the EU integration process, i.e. where there is no common policy or where the EC has few competencies. The obvious example here is energy. The EU and its Member States have pointed out both insufficient transparency regarding Russia's energy market, as well as aggressive measures in Moscow's external

³ EU-Russia Samara Summit, http://ec.europa.eu/commission_barroso/president/focus/eu_russia_052007/index_en.htm

⁴ Laure Delcour, « Does the Neighbourhood Policy Make a Difference? Policy Patterns and Reception in Russia and in Ukraine », *European Political Economy Review*, May 2007, pp.118-155.

⁵ This point is also made by Hiski Haukkala, "False Premises, Sound Principles: The Way Forward in EU-Russia relations", 16 April 2008.

energy policy. Nevertheless, the EU's vulnerability is first and foremost linked to the lack of a common energy policy. Over the past few months, a number of Member States have thus conducted bilateral energy talks with Russia, sometimes at the expense of other Member States. Whereas the Russian-German Nord Stream project bypasses Poland, the involvement of Bulgaria, Italy and Greece in the South Stream project unavoidably weakens the planned Nabucco pipeline, which is strongly supported by the EU. The lack of a common energy policy is even more paradoxical, as the European integration process precisely started in the energy sector with the creation of the European Coal and Steel Community almost sixty years ago.

Table I. Key areas of EU-Russia relations and EU Integration process

EU-Russia current areas of co-operation and key areas of the forthcoming agreement	EU Integration Process
<u>Common Economic Space</u> <ul style="list-style-type: none"> ▪ Trade ▪ Investment ▪ Energy 	<p>Common trade policy (exclusive EC competence)</p> <p>Shared competence</p> <p>Shared competence ; common policy under way (Internal Energy Market)</p>
<u>Common Space of Freedom, Security and Justice</u> <ul style="list-style-type: none"> ▪ Visa regime ▪ Fight against organised crime ▪ Fight against terrorism 	<p>Shared competence</p> <p>Common policy</p> <p>Intergovernmental cooperation (plus European agencies)</p>
<u>Common Space of Co-operation in the Field of External Security</u> <ul style="list-style-type: none"> ▪ Dialogue on international issues ▪ Joint foreign policy initiatives 	<p>Common Foreign and Security Policy (intergovernmental cooperation)</p>
<u>Common Space on Research, Education and Culture</u> <ul style="list-style-type: none"> ▪ Scientific and academic co-operation ▪ Exchange of students 	<p>Support and co-ordination actions (Lisbon Treaty)</p>

What vision for relations with Russia?

Regardless of the concerns previously outlined, the complexity of the EU partnership with Russia should not lead the EU to pursue a minimal agreement⁶. A window of opportunity has opened to develop a coherent global vision of relations with Moscow, while advancing the level of European integration in the key domains of those relations. Taking a new direction with this partnership also implies setting aside the occasionally aggressive speech of Russian authorities in order to understand and take into account the interests of this country, without seeking to impose a model on it.

This renewed partnership should articulate itself around several components and should be a combination of a high-level dialogue and grassroots actions.

- **What kind of foreign policy dialogue is needed?** The Common space of external security is undoubtedly where the greatest tensions exist. The independence of Kosovo, the pro-Western orientation of Georgia and Ukraine, and the conflicts improperly called « frozen » in the shared neighbourhood constitute many of the points of disagreement between Russia and the European Union, which is itself currently divided on these issues. These matters are all the more complex in that they involve other actors- primarily NATO, whose ties with Russia require profound revision⁷. In this context, the European Union could - while maintaining a permanent dialogue at the highest level - attempt to develop specific joint foreign policy initiatives with Russia. The invitation extended by France to take part in the operations led by EUFOR in Chad⁸ constitute a first step in that direction.

- **A free-trade area.** Envisioned as early as the beginning of the 1990's⁹, the creation of a free-trade area was explicitly reaffirmed as one of the key objectives of the EU/Russian partnership during the launching of the four common spaces in 2003. The opening of negotiations for a deep free-trade agreement between the EU and Ukraine and the prospect of a Russian membership in the WTO now make the realisation of this free-trade zone possible, in so far as it coincides with Russian interests. The priority accorded to the modernisation of the economy entails the adoption of international norms which, according to Russian logic, can only be selective : harmonisation with European norms would thus constitute a stepping stone towards a more competitive economy, rather than a mere alignment with those norms. At this point, the European Union ought to consider in a positive light its role as a stepping stone and to strengthen cooperation in the areas of deepest interest to Russia.

- **An acceptable framework for energy.** Negotiations in the energy sector are expected to be the cornerstone of the new agreement, and at the same time a test for the European Union's capacity to act harmoniously. In this respect, the European Commission greatly contributed towards defining European interests regarding energy¹⁰, while articulating (accurately) both internal (completion of the internal energy market) and external aspects. The French presidency of the Union, which made energy one of its priorities and chose as its transversal theme « Europe protection » should advance further the realization of a common policy. Negotiations with Russia will also test EU capacity to take into account Russian interests in order to enable progress in the formation of solutions with Moscow—whether they take the form of joint projects, as the Mandil report suggested¹¹, or in the form of investments operating under the principle of reciprocity.

- **A free circulation area.** A genuine partnership cannot exist without the free circulation of people¹². The elimination of visas with the European Union is a priority for Russia, even more so as migration risks feared in the 1990's are now minimal. The implementation of a visa facilitation and readmission signed between Brussels and Moscow has already simplified the procedures regarding visas, shortening the waiting period, and reducing the costs for short-stay visas. The European Union ought to go further in order to

⁶ This point of view is also shared by Hiski Haukkala, *ibid*.

⁷ Cf. Michael Emerson, *op.cit*.

⁸ Interviews at the French Embassy in Moscow, January 2008, and at the French Ministry of Foreign Affairs, March 2008.

⁹ The free-trade area objective is mentioned in the Cooperation and Partnership Agreement signed in 1994, article 3. Cf. http://ec.europa.eu/external_relations/ceeca/pca/pca_russia.pdf

¹⁰ Cf. inter alia European Commission, *Green Paper. A European Strategy for Sustainable, Competitive and Secure Energy*, COM(2006) 105 final ; *An Energy Policy for Europe*, COM (2007) 1 final.

¹¹ Claude Mandil, *Sécurité énergétique et Union Européenne. Propositions pour la présidence française*, Rapport au Premier Ministre, 21 avril 2008, <http://lesrapports.ladocumentationfrancaise.fr/BRP/084000245/0000.pdf>

¹² Cf. communication by Olga Potemkina, EU-Russia Forum, Rome, 15 May 2008.

prepare a free circulation area which would become a reality over the long term. Recent progress in EU integration on border management and migrations enables the EU to do so¹³.

- **Strengthened contacts and exchanges at all levels.** This aspect is often neglected; it is however crucial in the EU-Russia partnership. Cross-border cooperation, exchanges of students fostered by grant schemes and cultural links (which are expected to strengthen thanks to the setting-up of an EU-Russia Permanent Culture Council at the end of 2007) will enable to interweave Russian and EU citizens through developing multiple solidarities. The European integration process has shown that such “de facto solidarities” are a powerful vector of unification. Such links are likely to be more attractive for Russia, and also more effective, than lectures on democracy and values.

¹³ Communications of the European Commission «Policy plan on legal migration» (COM(2005) 669), «Policy priorities in the fight against illegal immigration of third-country nationals» (COM(2006) 402), « Applying the Global Approach to Migration to the Eastern and South-Eastern Regions Neighbouring the European Union» (COM(2007) 247) , « On circular migration and mobility partnerships between the European Union and third countries » (COM(2007) 248).