

THE BALTIC FORUM'S 12TH INTERNATIONAL CONFERENCE

**THE EU AND RUSSIA IN 2007:
NEGOTIATING A NEW RELATIONSHIP**

25 – 26 May, 2007
Maritim Park Hotel, 1 Slokas str., Riga

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I suppose I have been asked to play the role of the devil's advocate here and to say why somehow the idea of new agreement is not good. So I will try to make it as diplomatic as possible and I can only hope that in Riga I will get a different reception than I would get in Berlin or Moscow. I will structure my presentation in three parts. First, I will briefly say what I think about what the EU and Russia really want from each other in the context of this agreement, and I will focus particularly on Europe's side. Secondly, I will look at options: what are the different options that we, if you like, had in relation to this agreement. Now the decision about the basic framework has been made, but I think it's wise to mention what we missed or what we could have done. Thirdly, I will focus on my reasons for being a bit skeptical about current state of affairs and particularly about the future of the negotiations. Never the less I will conclude with two constructive recommendations as to how to go forward in the forthcoming negotiations.

Now, what does the EU want from this agreement? Let me be straight at the beginning. I very much welcome the fact that the EU and Russia decide to deepen their relations. The two previous speakers mentioned it and it is inevitable; the two parties are inter-dependent and deeper relations will cement this interdependence. At the same time, I think it is quite obvious to me that there is a bit of lack of clarity from the EU side, more, if you like, at the philosophical level. What is it that the EU wants from Russia? Surely, there is this whole talk about equality and reciprocity, the fact that the EU and Russia are equal partners. And therefore this explains the idea of a strategic partnership agreement. But what I am wondering is: are they really equal? And does the EU really think that it is equal to Russia? Let us not forget, that three or four years ago there was this idea that Russia should join the European Neighborhood Policy. And of course Russia didn't like that idea, because it would put it on par with Moldova or Morocco. Fair enough. But from the EU side there was this idea in the first place. And still now Russia will benefit from the financial instrument of the neighborhood policy, the European Neighborhood and Partnership instrument. So, this sort of lack of clarity, in my opinion, has a much deeper meaning than just the nature of an agreement, a legal agreement. Because, on the one hand, with the strategic partnership Russia is put on par with great powers like China and India, with which the EU does have the strategic partnership. On the other hand if the EU does consider Russia as a country which could somehow benefit from Europe's own transformative power, then, of course, the idea of having an agreement is different. And therefore, the idea of basing the agreement on common values is different. And these are issues that need to be clarified, which really takes me to what within the EU is going on about Russia. I think it is undeniable to point out that there is still a cacophony of voices on Russia within the EU. You have, on the one hand, certain EU member states, which are remain very close, perhaps even deferent to Russia. And there are others which are much more critical and perhaps over dramatize the situation. And this of course is not helpful to define what really is the overall idea behind the treaty.

Now, options. The EU now has given a mandate to the Commission to negotiate a new comprehensive agreement, which will be presumably extremely lengthy, as Michael Webb pointed out earlier on. Of course we could have had other options, which shouldn't be really be discarded for the future, since the negotiations as you well now have not started yet. The first option is of course not to have treaty at all. It doesn't mean prolonging the current

treaty; it just mean not having it at all. After all, the EU and the US don't have a bilateral treaty. They used to go along just fine without it. Now they go along a bit less well, but never the less. Of course this would never the less be a fairly negative move from either side, because the PCA would have to be denounced, explicitly and that is a fairly negative take what I would exclude.

Another option is the idea of putting a sort of declaration of strategic partnership on top of the current PCA. Now the advantage of having declaration instead of a treaty is that it doesn't need ratification. All the problems that we might incur when it comes to ratification in all the member states might be avoided with a declaration that really stresses on the importance that the two parties attach to this partnership.

Another option (and this is a bit more optimistic) is one of those that my colleagues and I outlined some months ago. And that is the one of having a treaty of strategic union. Something along the lines of what Germany and France did after World War II. This, again, is fairly optimistic, but if the EU and Russia want to cement their interdependence, I wouldn't exclude it a priority. That is an option that could be kept open.

Now, having said all this, as I said, the Commission has been given a mandate for a broad and fairly deep agreement to be negotiated with Russia. And now I am going to briefly point out why in my opinion this is a bit problematic. Well, first of all, it is because, as you well know, the PCA doesn't pose any legal problems. That is something that was mentioned before. It is not only that it doesn't pose problems, really, but also because the parties have been going along way beyond the PCA anyhow. There are a number of sectoral agreements that have been concluded by the EU and Russia in the past few years that have been going beyond the PCA. Think about the visa facilitation one. Think about the deal for Russia's accession to WTO in 2004. That deal seems to be in question, but never the less there was an interesting log-rolling deal, when the EU agreed to Russia's accession and Russia more or less explicitly ratified the Kyoto protocol a few weeks later. And these kind of things are extremely pragmatic and flexible and can be done only if you don't have a strict, very extensive agreement that binds you to do certain things. You basically go along as the conditions allow and if the conditions allow.

The second theme why I would oppose for now the negotiations of a new agreement - not as such, but for the time being – is, of course, the issue of common values. The EU never misses the chance to stress upon these common values as the basis of the EU - Russia partnership. But I can't help noticing sentences like those of president Putin some months ago in a commentary in the Financial Times where he warned against imposing artificial standards of these values on each other. And, of course, this somehow points out the fact that the values are not that common after all, if one of the two speaks about artificial standards.

The third point is energy. And again there is a whole session here in the afternoon I believe that I do not have to touch that at all. I am just a bit concerned about the really *divide and rule* attitude from Russia on this. It is definitely beneficial for countries like Italy and Germany to deepen their energy relations. I am just wondering: at a time in which the EU is trying to really get its fledging energy policy in place, how beneficial these bilateral deals actually are for the whole EU and the long-term EU and Russia partnership. But again, it will be discussed later on.

And lastly, another point is that the negotiating mechanism within the EU might change as a result of what will happen to the constitutional treaty. As you well know, especially since the new president in France has been elected we might get to a point where the treaty will really be a very minimalistic one. I am talking here about the constitutional treaty, not about the EU and Russia treaty, will be very minimalistic one, which may not really change dramatically the way in which the EU negotiates, but if that will change, that will change definitely the way in which this deal with Russia will be negotiated. There is the problem of ratification in that

respect of course. If one of the parties or any of the parliaments in the EU member states does not ratify the treaty, well, the work might be delayed if not nullified.

Conclusions. A couple of very basic recommendations as to how to proceed. One is that, I think there is a case to be made for EU member states to agree upon a sort of code of conduct as to how to deal with Russia. You may remember that in late 90-ies the EU agreed upon a common strategy on Russia, which was a public document, a declaration. But I think it is fair to say that it was fairly quickly forgotten by the member states and it was a fairly general document. In 2004 it wasn't renewed again. I think that there is a case to be made for a code of conduct, meaning the EU heads of states and foreign ministers actually agree privately. It doesn't need to be a lavish declaration about what to do when a crisis erupts and how to react to that common. The second recommendation is for the EU and Russia to go for new a agreement since the mandate has been given to the Commission, but to go for a framework agreement. A very minimalistic framework agreement, which is something that is also mentioned indeed, in the mandate. Framework agreement means, essentially, that you can have a very short and basic agreement outlining the fundamental issues, including common values, if you like. But that allows the two parties to leave the substantial business of the bilateral relations to sectoral deals that will be negotiated and signed as conditions apply. This will have the advantage of really shortening the work for the Commission, which otherwise will be extremely burdensome and cumbersome. And it will have the advantage of not putting too much emphasis on this agreement. Since a legal setting is not going to change the fundamental differences and it is not going to change the fundamental interests of the two parties, it is going to be a legal setting and it might as well be as synthetic as possible. Thank you very much.