

The European Commission Representation in Latvia

The Baltic Forum

Policy Centre EuroCivitas

EU-RUSSIA RELATIONS IN 2009: BUSINESS AS UNUSUAL?

ROUND-TABLE SUMMARY

19 FEBRUARY 2009

INTRODUCTION

2008 was a turbulent year for EU-Russia relations. The Georgia crisis and, later on, the gas dispute between Russia and Ukraine, have made clear the limitations of the technocratic, business-as-usual approach, while showing the importance of the EU's role in the world. To stimulate the expert discussion on this issue, on February 19, the Baltic Forum, together with the Representation of the European Commission in Latvia and policy centre EuroCivitas, held a round-table discussion on the state of EU-Russia relations. Senior Fellow for Russia and Eurasia at the International Institute for Strategic Studies (London) Oksana Antonenko, Head of the Department on European Political Studies at the Centre for European Integration, Institute for World Economy and International Relations (Moscow) Nadezhda Arbatova, Senior Research Fellow at the Latvian Institute of International Affairs Dzintra Bungs, Director of the EU-Russia Centre (Brussels) Fraser Cameron, Director of the Institute of Strategic Studies and Analysis (Moscow) Sergey Oznobishev, Director of the Latvian Institute of International Affairs Andris Sprūds, Senior Fellow at the Danish Institute for International Studies Fabrizio Tassinari, representative of the DG Relax, the EU Commission, Michael Webb and others were asked to express opinions on the issues related to the future of the EU-Russia relations.

The main conclusion to be drawn from the discussion is that the EU-Russia relations can and should develop despite the obvious differences and obstacles. A new and more effective treaty; a realistic approach to disagreements; focusing on win-win areas and projects where success would be achievable and perceptible; strengthening dialogue and contacts – these are some of the keys to a more effective EU-Russia relationship in the coming years. In the following, the opinions and recommendations put forward by the experts are presented in more detail. Some of the ideas and judgements referred to below reflect a consensual opinion of the

discussion participants; some are based on individual opinions.

EU-RUSSIA RELATIONS AFTER 2008: REALISM AND HOPE OF PROGRESS

The net result of 2008 events for the EU – Russia relations is this: realism has set in. Both sides now seem to be prepared to see each other 'as is'; also the expectations have been transformed. A rapprochement between Russia and the West is in sight, but it will be different from the 1990s: the idea of institutional *Europeanization* of Russia is passé. The relationship is now one between two equal partners.

There are reasons for cautious optimism. First, during the last couple of years, despite the political difficulties, the EU and Russia have managed to develop cooperation in many areas. Second, there are not only opportunities, but also a pressing need to expand cooperation. The high degree of interdependence between the EU and Russia is recognized by both sides. The global crisis has created a new context for the EU-Russia relations: it is impossible to predict the economic trajectories of the states as well as how these trajectories will influence political developments. Both states and regional systems are in a state of flux, but this should serve as a stimulus for the EU and Russia to act together.

There are a number of obstacles to progress. Some are substantial, other are perceptual:

- There is a **fundamental incoherence** between Russia and the EU: while Russia is a unitary state, the EU is a union of twenty seven. The difficulty in shaping a common foreign policy has been exploited by Russia, but Russia is far from the only state exploiting this Achilles' heel of the EU. This, and not the often cited deference of France, Germany and Italy towards Russia, is the real issue. All EU countries should consider whether they are likely to get a better deal with Russia by acting on their own, instead of a compromise-based EU

line. The attitude in this respect has been changing recently, not least among some of Russia's EU neighbours.

- On the other hand, the EU **should not expect a coherent policy towards the EU from Russia**. While liberals in the Russian government want a treaty to cement the country's bond with Europe, this desire is not universally shared.
- The process of cooperation itself is important; it helps the parties to understand each other better. Still, the EU and Russia **lack a long term strategy** vis-à-vis each other and even interests are vaguely defined.
- **Dialogue** is vital in moving forward the relationship, but the question is what dialogue and what level of contacts is really helpful. More contacts do not necessarily help create new interest perceptions. Sometimes more meetings lead to more misunderstandings. As for the level of contacts, there are extensive official contacts, but less on the mid level and ministerial level has been the least exposed to contacts, but it is also not the level where decisions are made.
- There is **resentment** in Russia of the perceived lack of willingness to listen to Russia. Even among the most pro-European members of the Russian political elite, there is a feeling that 'the EU is trying to solve the issue of uniting Europe without Russia' and that there is a strong anti-Russian lobby in the EU.
- **Russia feels special**, and wants special relations with the EU. Particularly vis-à-vis the 'common neighbourhood', the country faces an identity entrapment: it is difficult for a country like Russia to admit that it is no longer a great power and has no privilege zones. It is notable that the recent discourse of energy superpower, sovereign democracy is all but gone from the official discourse. At

the same time, there are concerns about the ability of the Russian state to live up to the crucial element of its social contract with the population – the obligation to provide welfare. Failure to do so may, in the future, reinvigorate the desire of the political elites to press on with the other part of this contract – restoration of Russia's feeling of national pride.

- While Russia tends to underestimate the political capacity of the EU, **the EU itself needs to have more self-confidence**. Lack of it strengthens the West's predisposition to see Russia as a threat. Economically, the EU is twelve times bigger than Russia, and the economic crisis makes Russia even less powerful. The EU is also still the most attractive strategic partner for Russia. China, the often cited alternative, is not a strategic partner for Russia, but a potential rival. No one is interested in a weaker Russia: it is a bigger danger for the West than a strong Russia.

TOWARDS A NEW TREATY

There is broad agreement that *a* treaty is necessary and that there is need for a *new* treaty as a basis for the EU – Russia relations. The resumption of negotiations in the recent months amounted to acknowledging that suspending negotiations was not serving the interests of either party.

The negotiations are moving forward very slowly. Yet the new realism that has set in after the 2008 events is the reason why progress is being made. The paradox, however, is that treaty is achievable when relations are improved, but then you need it less.

While there is a practical view of the treaty on the part of the EU, Russia sees the agreement politically – it wants recognition of equality of partnership. The treaty would be a boost for Russia's liberals; it would strengthen Russia's link to Europe and

create new possibilities for Russian democracy.

SPECIFIC ISSUES

THE SECURITY AGENDA

The Georgian conflict has been a set-back in terms of security perceptions between the EU and Russia. The elite in Russia (military in particular) now speak about military balance between Russia and Europe. Yet the crisis has also shown the need to move forward.

The idea of a new European security architecture put forward by Russian president Dmitri Medvedev deserves attention. So far, the EU has said that it needs more information, while Russia has responded that this is a framework proposal which should serve as a starting point for discussion. A wait-and-see policy on Medvedev's proposal would be a bad idea for the EU. It should use the opportunity to fill in the framework proposal with content together with Russia, instead of Russia doing it unilaterally. The EU should take the proposal seriously and show goodwill.

At the same time, the proposal will only find positive response from the EU if it is developed as a *Helsinki+* and not as a *Helsinki-2*. It should aim at improving the existing institutions and re-delegating the functions between them, not at creating new ones. (There have been indications that *Helsinki+* is, indeed, how the proposal is understood by Russia as well.) Discussion on the European security agenda is needed, but a new treaty on security policy is not a realistic option.

According to a suggestion put forward by one expert, the re-delegation of functions could look as follows: OSCE would focus on solving international law and humanitarian problems; the EU, Russia, Turkey and Ukraine – work together to solve economic and energy issues; such issues as external security, WMD proliferation would be addressed by the NATO-Russia council plus Collective Security Treaty Organization (CSTO) and

security within Europe – by European Security and Defence Policy (ESDP) in cooperation with Russia and other gravitating states. Institutionalised cooperation between the EU and Russia on international affairs is also possible.

HUMAN RIGHTS

Russia and the EU remain at variance with each other on how human rights should be tackled within the broader EU-Russian agenda. The European expectation is not for Russia to undertake new commitments, but to live up to the existing ones under the European Convention on Human Rights and The European Court of Human Rights (ECRH). This includes respecting ECHR's judgements; systemically, they are not, or at least not immediately.

Arguably, the real matter for discussion is not whether such values as human rights, democracy and rule of law should be part of the relationship (the EU insists on it and Russia does not openly object to it), but what role these values should play and how directly they should be linked to other issues.

Seen from the Russian perspective, direct linkage is counterproductive: it does little to improve the human rights situation in Russia while stalling cooperation in other areas. This is consistent with the view that genuine progress on human rights and democracy in Russia cannot be achieved by external pressure, but is a function of Russia's economic and social development to which closer cooperation with the EU is a key.

To the Europeans, human rights, democracy and rule of law are core values underlying the European cooperation itself. Putting aside or giving up on these values when dealing with Russia would undermine the identity of the EU itself; it would also limit the scope and depth of cooperation the EU is ready to engage in. The EU will continue insisting that human rights, democracy and rule of law are fundamental to the relationship and should be included in a comprehensive agreement.

DISAGREEMENTS OVER HISTORY

History has over the last years become an increasingly prominent issue in Russia's relations with its neighbours, particularly the new EU member states. This can be explained by the parallel ongoing processes of national identity building in Russia and its EU neighbours with whom Russia shares some of the most difficult 20th century legacy. Compromise over collective memories is difficult. Everyone agrees that history cannot be changed. The real question, therefore, is this: if we talk about history, what should the goal be? Can dialogue on history help get over old grievances?

The Baltic states and Russia see the relevance of history to today's politics differently. From a liberal Russian point of view, the USSR occupied the Baltic states and Russia gave them freedom. From a Baltic point of view, while Yeltsin's contribution is remembered and appreciated in Latvia, the problem lies in Russia's ambivalent attitude towards the thorny past.

Even if these differences cannot be easily resolved, one practical contribution to mitigating the Baltic-Russian disagreement over history would be to bring together historians, open access to the archives, study them together and jointly publish important documents and findings. The EU could play a positive mediating role here by sharing its experience of historic reconciliation, and bringing a broader, European perspective into the discussion.

THE CAUCASUS AND TRANSNISTRIA

For the EU – Russia relations, the Georgian conflict has been a loose-loose affair, but also a lesson. The international institutions failed to prevent the conflict and, while the EU's involvement has been relatively efficient and positive, it still failed to avoid military confrontation.

In the perception of large parts of the Russian elite, the cold war is not over and the events of 2008 revived the cold war

thinking. Russian public and elites are irritated at the European position on Georgia and want Europe to acknowledge that Georgia was the aggressor in the conflict. Although Russia recognizes that the EU was the only organization willing to mediate during the crisis, some Russian experts believe that the EU made a crucial mistake by siding with Georgia and agreeing that there could be no discussion on the status of South Ossetia and Abkhazia. This, they say, triggered Russia's recognition of the breakaway territories.

The situation looks differently from the point of view of the EU. It interprets the Georgia conflict as Russia's reassertion of its zero-sum view of its neighbourhood. At the same time, the EU recognizes that its failure to agree on confidence-building in Georgia while there still was time. There is also a broad agreement that the Russian recognition of Abkhazia and South Ossetia was a mistake.

On the positive side, after the Georgia experience, Transnistria and Nagorno-Karabakh might fare better. Russia has indicated that the recognition of South Ossetia and Abkhazia is not meant as a pattern to be put in use in other places. In the case of Nagorno-Karabakh, signals from Armenia and Azerbaijan also indicate that both countries understand that military solution will not help solve the conflict. Regardless of what the top leadership of these countries thinks, however, the societies are not ready for compromise and there is little control on the ground. The economic crisis in Azerbaijan and Armenia could increase motivation for confrontation. Because of the risks and of its leverage in the region, the EU cannot go back home from the Caucasus. It should be entrusted with a bigger role, by, for example, being represented in the Minsk group instead of France. In Transnistria, it will not follow the Caucasus's path and Russia has indicated that it is not seeing Moldova as similar to Georgia. A settlement for Transnistria should include a more active EU effort and a more prominent role for Ukraine.

THE BALTIC SEA REGION

Regarding the EU – Russia interaction in the context of the Baltic Sea Region (BSR), there are two issues to address. One is, according to some experts, the institutional overkill. The EU is involved in the Northern Dimension, the forthcoming Baltic Sea Strategy, as well as the Eastern partnership etc. The institutional proliferation, some believe, has led to there being at least five initiatives in the BSR.

The second issue is how these multiple initiatives will relate to Russia. At the moment, cross-border cooperation is working and Russia is included almost everywhere. Yet some of the recent tendencies may keep Russia on the fringes of the BSR cooperation. Although the Baltic Sea Strategy is an internal EU strategy, in some of its aspects, Russian participation is also necessary. In such cases, arrangements have to be made to associate Russia and Belarus through sectoral cooperation and common projects.

RECOMMENDATIONS:

The EU-Russia relations in general

- Look for selected win-win areas and situations where in-depth cooperation is possible. Identify and work on a set of grand projects. They will change the climate and produce a positive political spill-over effect. There is need for success stories, something to show as proof of the value of the relationship. (Energy efficiency is an example – Russia is the world's 3rd largest CO2 emitter.)
- The EU needs a new Russia strategy. It should draft new unilateral guidelines (they were developed in 1999, but scrapped in 2004.), define goals, priority areas of cooperation, what it is prepared to give, as well as its red lines. This will be reciprocated by Russia.
- Appoint persons in charge to ensure effective bureaucratic management of the relationship.
- There may be need for additional institutions. In the Baltics, for example, for climate change and energy efficiency.
- Promote dialogue and encourage contacts, but choose carefully what areas and what level to prioritise. Less is better.
- Revamp the treaty, adds new issue as well as mechanisms for dispute settling.

Some priority areas for cooperation

- **Energy.** This is a high-priority area where a lot can be gained from increased cooperation. It is also the area that causes most problems and fears. Solving the energy disputes involving Russia and the EU is a top priority.
- **Human rights.**
- **Science and innovation.** Russia and the EU lag behind in these areas, but they still have technologies they could develop and put to use jointly in aviation, space, energy and other areas.
- **Caucasus and Transnistria.** Here, the EU can use its authority to prevent conflicts from escalating.
- **Non-proliferation and security.**
- **Climate change.** This is a politically neutral area and the EU and Russia could come to the Copenhagen Climate Conference with an agreed position.
- **Energy efficiency.** An area with a win-win agenda that would be easy to agree on.
- **Visa facilitation and exchange.** The EU should not give without a price, but it should be open. Developing youth

exchanges to overcome ignorance about each other is an important area.

- **The economic crisis.** The EU and Russia could develop a common agenda and measures to combat the crisis.
- **Central Asia.** The EU and Russia have a strong common interest in working together with the region's states. Of all the issues that could be addressed jointly, water is the most difficult one.

Security

- Engage with Russia on the security architecture initiative – not to establish new treaties and organizations, but to revamp and reinvigorate the existing ones.
- Return to the idea of a joint German-Russian brigade for low-intensity peace-keeping operations.
- Define European security within a wider Eurasian context; treat Eurasia as a single continent.
- Re-vitalize the arms control processes. Enough people in Russia want the CFE treaty alive.

Human rights

- The EU cannot have an agreement with Russia without human rights, but it should stress that this is a matter of living up to obligations already undertaken by Russia.

- Continue the dialogue on values with Russia must, but recognize that some differences cannot be resolved.
- Focus on the concept of rule of law as it is more palatable to Russian leadership.

History issues

- Bring together historians, open access to the archives, study them together and jointly publish important documents and findings.
- The EU can play a positive mediating role by sharing its experience of historic reconciliation, and bringing a broader, European perspective into the discussion.

The Baltic Sea region

- An expert forum should address the role of the multiple regional institutions and initiatives in the region.
- Make sure that Russia and Belarus are part of the regional cooperation through sectoral agreements and common projects in areas of common concern.

Caucasus and Transnistria

- The EU must use its authority to prevent conflicts from escalating in these regions by, for example, being represented in the Minsk group.