

Summary of the roundtable discussion:

“Russia’s Europe and Europe’s Russia – Perceptions and Policy”

at the office of the Heinrich Boell Foundation in Moscow, July 1st, 2008

By Irene Hahn

On 1 July, in concurrence with the 2008 EU-Russia Summit in Khanty-Mansiisk, Russia, the Moscow office of the Heinrich Boell Foundation organised a round table discussion on perceptions and policies between the European Union and Russia and vice versa. The event focused on two major issues: the common neighbourhood, which means in this context the region between the EU and Russia, and the new Partnership and Cooperation Agreement (PCA).

Prior to the discussion it was acknowledged that, firstly, ideas and images of Russia in Europe differ greatly and, secondly, that these rarely coincide with the reality in Russia and the ways in which Russians ‘feel’ and perceive themselves as a state. Much the same can be said of the many Russian views and perceptions of Europe, Europeans and the European Union. As such, particularly in terms of East-West relations, realistic experiences get mingled with wishful thinking or prejudices.

The roundtable panels each started with a speaker giving a short presentation followed by an open discussion. The first panel concentrated on the European Neighbourhood Policy (towards Ukraine, Moldova, Belarus and Georgia) and Russia, with a debate on whether the EU-Russia relationship with these countries can be categorised as one of common interests or strategic competition. This question is of particular importance given that the region has been a cause of misunderstandings and conflicts between the EU and Russia in the recent past. The second panel dealt, in more specific terms, with the possible content of a new PCA, focusing on areas that are in particular need of revision and improvement.

In the introductory statement to the first panel, a speaker from the EU illustrated the EU’s diverse neighbourhood and the therefore various EU-policies. The EU co-operates with potential EU members differently than with candidate states, the latter then being part of the official European Neighbourhood Policy (ENP). However, relations with Russia, now finally accompanied by negotiations on the further development of the Partnership and Cooperation Agreement (PCA), constitute a unique policy.

With regard to the ENP, which includes the above-listed East European and the South-Caucasian countries Armenia, Azerbaijan, Georgia as well as the neighbouring North African countries, the speaker called for a division of policy to formulate real visions and strategies toward the respective regions according to their national specificities, interests and disparate challenges and possibilities. Referring to the Polish-Swedish draft proposal on an “Eastern Partnership” as a good example of strategic thinking, the debate sparked by France on the Mediterranean Union served as an example of the differing interests and visions within the EU, thus demonstrating the lack of coherent strategies. The speaker was convinced that there will be an upcoming decision on a differentiation of the ENP in the coming years.

Despite the rapid growth Russia has experienced in recent years, caused predominantly by the sharp rise in oil and gas prices, the country still faces immense challenges with regards to its general development. In this context, the speaker especially stressed the long-term instability of the economic situation along with inflation, the need for reform of the social and health system, old military structures as well as an inefficient infrastructure. As such, the speaker underlined that Russia must develop and invest in know-how and innovations in order to survive economically and integrate fully into the global market – especially since Russia’s gas resources are not endless.

The speaker closed the introductory comments by emphasising three crucial aspects. Firstly, the EU-Russia relationship should be based on a realistic assessment of one another. Russia’s current self-

perception as an emerging 'superpower' is not the product of realistic measures but of short-term wealth, which is not a sustainable path for development. Secondly, the relationship remains conflict-laden on a number of issues – e.g. Kosovo, limitations on conventional weapons in Europe, US plans for an anti-missile defence system, energy security, and, above all, NATO enlargement. The last issue of concern at this point relating to the second aspect as well as to consequences of the latest EU enlargement is the severe conflicts between the EU and Russia in their common neighbourhood, including the frozen conflicts in the region. The speaker criticised the Russian administration for using frozen conflicts as an instrument to destabilise countries and create dependency instead of accepting aspirations in countries longing to be integrated into European and transatlantic structures. Accordingly the speaker called for a policy towards Russia that openly draws a realistic picture of Russia, the EU and their relationship, thereby creating an opportunity to formulate realistic common perspectives.

EU-Russian relations: Origin, state of affairs and the search for common interests

At the beginning of the debate, the discussion evolved around the question of common interests and the condition of the relations in general. These questions were linked to the structural particularities and difficulties faced both by Russia and the EU.

In addition to the previously-mentioned challenges appearing in Russia internally, it was highlighted that Russia finds itself in a situation in which the search for self-definition both inwardly as well as outwardly is currently in transition. Negotiating with a country whose process of nation-building is not fully finalised - especially borders, entities and ownership being occasionally questioned, just to name a few parameters aggravating foreign affairs - seems unpredictable, cautioned a Russian participant. Furthermore, as highlighted by another participant, some difficulties in the relations between Russia and the EU originate in the fact that Russia is a state and the EU is not, which *inter alia* presents different possibilities of actionability. On the other hand, it was deemed equally important to keep in mind Russia's path dependency deriving from its post-totalitarian and post-socialist past – a political history that leads to a very different mentality and rhetoric.

Most participants coming from Russia as well as from the EU agreed that Russia's actual weakness further impels responses from the EU and Russia - highlighting structural difficulties of the EU. Not only is the EU confronting problems itself, e.g. institutional reforms and the ratification process of the Lisbon Treaty, the failing of the Lisbon strategy, an unpredictable situation with migrants (integration internally, increasing immigration). Also the EU member states bear different and personal interests regarding the division of power between Brussels and the national capitals, which compromises EU efforts for a common strategy. This diversification of interests goes both ways. While some participants from the EU criticised Russia's strategy that deals with EU member states bilaterally, other participants from Russia countered by underlining that there is no single EU strategy but multiple strategies towards Russia: two German ones, one to three Baltic ones, one from Poland, or maybe even 27 single strategies. Thus, if the EU wants Russia to deal with Brussels only, the national capitals would have to be ready to give up their individual aspirations. As such there is a point in arguing that the difficulties arising from the diversity of interests concerning a single EU policy towards Russia are an internal EU issue and not one between Russia and the EU. In this line of thought, the United States is a case in point, since they negotiate vital issues bilaterally (example: US anti-missile defence system in Europe). However, the quality of the relationship constitutes a significant difference. Moreover, when Russia and/or other countries succeed in dealing with EU states on a bilateral basis it simply suggests that the national states play along. Russia would not be successful because of its sophisticated policy, but because of its respective partners' support (i.e. Germany), as one participant from the EU reflected.

In this context, the policies on energy security served as examples. It was largely assumed that both, the level of Russia's power through its energy resources and the EU's dependency on Russian energy supply, were overestimated. Firstly, Russia covers merely 7% of the global oil and 40% of the global gas market, invests too little in the modernisation of ineffective and obsolete techniques and structures. In addition, energy prices are still subsidised. Secondly, Russian manufacturing and mining industry might deliver 7,9% and 1,2% growth respectively, but Russia's oil and gas industry is not growing in the same way at all. Thirdly, Russia will not be able to meet the forecasted EU natural gas demand until 2030 by itself and

will need Central Asian gas to cover it. Finally, the EU pursues a strategy of diversifying its energy sources and their imports, as, amongst others, the new EU Central Asia Strategy indicates. The latter obviously causing new fields of competition.

In this context, discussants agreed that shaping common energy foreign relations should form an opportunity to improve co-operation between the EU and Russia as well as within the EU internally. The lack of congruence of EU members in relation to an energy foreign policy should be resolved through the evident common interests of the EU. Whilst in this vein Germany (North Stream), Italy, Austria, Bulgaria (Turkey) (South Stream and Blue Stream) were, amongst others, criticised for foiling the Europeanisation of energy policy, other participants believed big EU member states should take the lead in decision-making and move forward. Needless to say, the question remained regarding who, i.e. which EU members should take on this role and how it should be done. A group of leading states defining the relationship to Russia or creating a European energy policy would not only hamper the democratic process which could be disrupted by a veto of states feeling neglected (such as Poland, the Baltic States, and also Sweden and Finland do with the Russo-German initiative to build a pipeline through the Baltic Sea). But it would also create an EU of two groups: one of core members forcing EU policy and one of members only partly participating. Finally it was stated that an energy partnership should be equally entitled and dedicated to a distinct reciprocity in the opening of energy markets on both sides.

Nevertheless, overcoming the internal dilemma in its relationship with Russia by harmonising considerately the different views on Russia in order to pursue a concise policy based on a clear-cut strategy with common goals was articulated by the majority of participants as a common challenge of the EU.

Another aspect of interest to the participants was the contradiction around Russia's perception of the international arena and its own position in relation to the EU. The Russian ruling elite finds itself vacillating between enhanced economic and also political co-operation on one hand, and the desire to maintain control over central sectors of the economy as well as to act as a global power competing with Western influence, on the other. It was stated that Russian authorities perceive international politics as a zero-sum game or one in which only sharks with the biggest teeth win, whereby the turn-off in gas supplies, the blockade on import/export trade in case of political disagreements or economic protectionism as well as the disregard of over flight rights were used to support this notion. According to this perception as well as the growing self-confidence, Russian authorities proclaim the need to lead politics with the EU on the basis of equal partnership. Meanwhile, Russia is yet receiving money through various EU funds and European aid for development and modernisation. On that account an EU participant called for the enforcement of the EU's conditionality policy, since "you can't have your cake and eat it too" - financial aid and relations on equal terms do not go hand-in-hand.

Furthermore, the discussion touched briefly upon possible factors that may influence Russian foreign policy in the future. Among others the participants mentioned domestic changes such as people's perception of democracy and of the state and its responsibilities. Another domestic factor mentioned was the unequal distribution of wealth that could provoke an "economic shock", reinforcing the authoritarian governing style and creating even stronger elites. Not knowing the answers yet, the discussion led into a debate on whether Russian foreign policy is *status quo* orientated in contrary to US foreign policy that is a revolutionary force with the vision of changing the world (for the better). This would be in opposition to the policies in the 1970s, where the Soviet Union considered itself a revolutionary force and the US concentrated on maintaining the *status quo*.

Although it was commonplace to mention the shared interests of Russia and the EU: continuously increasing trade, dealing with refugees and border issues, education, combating organised crime, fighting trafficking of women and drug smuggling and other detailed political and economic issues. Moreover, at present it would be more important to concentrate on the differences between Russia and the EU in order to find common solutions.

Different interests in a common neighbourhood

The question on how to deal with different interests in a common neighbourhood, in a region that Russia considers as a legitimate area of its vital interest on one hand, and the EU as an area that needs to be stabilised on the other, generated the focus of the discussion on sensitive issues in EU-Russia relations. This question, however, already in itself provides an answer to the question of whether or not Russia and the EU are partners or competitors in the region.

Taking this as the point of departure, it was discussed why Russia would not accept the advantages in developing common strategies for implementing stability in the region. It was argued that the instability and separatism in the Southern Caucasus, particularly with regard to Georgia, is not in Russia's interest because of the inducement and reciprocal inflaming with the conflicts in the Northern Caucasus. [Russia is for example not interested in Abkhazia and South Ossetia *per se*, as it has not recognised their claims to independence for fear of setting precedents for its own minorities in the North Caucasus.](#)

However, perceiving the EU, or more broadly the transatlantic structures, as competitors in the region, it could be argued that Russia has an interest in maintaining the "frozen conflicts" simmering over a low flame. Firstly, due to the potential for developments and influence, and secondly, to prevent geopolitical changes knowing that neither NATO nor the EU could admit fragile states with separatist regions. On the other hand, the Russian elite is, as one Russian participant pointed out, not as coherent as often delineated in the West and it would be erroneous to assume one clear strategy was followed. In fact the question of either pursuing conflict resolution or perpetuation creates a cleavage within the Russian elite. Accordingly, the vital question, the participant continued, is which group will prevail since the new Russian President Dmitry Medvedev just unveiled the new foreign policy strategy that grants unprecedented rights to Prime Minister Vladimir Putin.

Either way there were different opinions on whether the issues on South Ossetia or Abkhazia were conflicts between the two and Georgia or between Georgia and Russia, i.e. to what extent Russia plays a decisive role in this matter. Negating Russia as a justifiable agent, the EU should then only confront Georgia and South Ossetia/Abkhazia when attempting to mediate this conflict. Being trusted as an honest broker is the major task of the EU in order to achieve a resolution, since the crucial question remains as to why South Ossetians and Abkhazians trust primarily Russia. The EU misunderstands the relationship between Russia and the former Soviet countries - most of which were also part of the former Russian Empire - when assuming this relationship is solely based on dependency out of high gas and oil prices. Comparable to EU-Russian relations, Russia is also not pursuing a comprehensive strategy towards the whole region, but dealing bilaterally to foster competitiveness. Opinions also differed on the related issue as to whether feasible dissolution of the frozen conflicts would be found in a "package deal", where Russia would get some kind of consolation for accommodating constructively or individually on each conflict because of their different and complex histories. However, a common strategy for the common EU-Russian neighbours as a whole, like Moldova, Ukraine, Georgia, Armenia, Azerbaijan, and also Belarus is neither possible nor preferable, stressed one participant coming from the EU, who argued that there are apparently dissimilar interests in the region; and that the countries would need to decide themselves about their integration and association with specific "blocs". A decision between two major players without consideration of this region itself should be not just out of historic reasons beyond question.

Furthermore EU's current strategy was criticised for being indecisive in this geopolitical contention: to keep everything open as the positioning at the last NATO Summit in Bucharest demonstrated. This was deemed problematic by one participant who argued that the missing (geopolitical-)strategy would lead the EU into insignificance. In addition, particularly Georgia but also Ukraine seem to use every possible means to aggravate Russia, increasing tensions on purpose to declare evidence for their need of any kind of EU-aid and provoke attention of the West, which they would lack otherwise.

Controversially one participant stated that the neighbouring countries are influenced by the awareness that joining the EU or NATO would inevitably lead to a Russian intrusion. If conversely Ukraine would join a new "Russian Empire", neither NATO nor the EU would intervene. In return, the EU's obstruction of Ukraine's participation in the Custom Union with Russia was counterpointed as an example of EU inter-

ference. However, obviously Ukraine would have to decide on what structures it wants to integrate into - both would be impossible.

Also, fundamental differences were listed on how to deal with Belarus. To what extent is Russia accountable for the Belarusian internal political situation? Will they unite? What role or responsibility does the EU play? Neither the EU's strategy of isolation nor Russia's one of engagement has accomplished the desired results such as democratisation and frankly speaking disempowerment of President Alexander Lukashenka's regime.

The new Partnership and Cooperation Agreement (PCA)

For more than a year, negotiations to establish a new Partnership and Cooperation Agreement between Russia and the EU could not move forward. Meanwhile, troubles concerning the notorious episode of "Polish meat" or Lithuanian claims seemed to be overcome and the beginning of negotiations has been announced at the recent EU-Russia Summit.

In the introductory statement to the second panel the speaker from the EU began by emphasising the dependence of the developments in EU-Russian relations on the characteristics of the negotiations to the new Partnership and Cooperation Agreement (PCA) starting July 2008. In his explanation the speaker concentrated on the innovation and revision of the first PCA from 1994 that was developed in the context of an international regime and a Russia in transition, thus providing a completely different point of departure than the current situation. Both the EU and Russia have experienced many political, economic and social changes since the entry into force in 1997. The new PCA must reflect those changes and should offer a legalised basis as well as provide new impetus to ease further development in specific policy fields not covered by the present PCA.

Yet, the speaker pointed out that trade, investment, people-to-people exchange and so forth is taking place not due to a treaty, but because it is in the interest of people. The PCA should simply help, by providing the legal basis, principle common objectives, an institutional framework of co-operation, and calling for activities and dialog in a number of areas.

In the speakers' point of view, EU-Russian relations were never as intense as at present. The current dialogs on a common legislation, on competition, anti-trust or anti-monopoly as well as co-operation in the fields of science and technology, for example, are markers that show the intensity of the exchange. And due to the recent agreement on Russia's membership of the Seventh European Research Framework Program, Russian scientists are to be linked into intra-European networks.

During the introductory statement, the speaker emphasised that the provisions of the current PCA have already covered a wide range of policy areas including political dialog, trade in goods and services, business and investment, financial and legislative co-operation, science and technology, education and training, energy, co-operation in nuclear and space technology, environment, transport, culture; and on the prevention on illegal activities. Thus, the new PCA is supposed to be complementary to the agreements on the Four Common Spaces that were agreed upon in 2003/05 (1. The Common Economic Space; 2. The Common Space of Freedom, Security and Justice; 3. The Common Space of External Security; 4. The Common Space of Research and Education, including Cultural Aspects). Obsolete issues will be removed and displaced by current matters, but basic parameters remain. By updating the PCA the focus lies on trade and economic issues. There, the speaker accentuated regulations in the field of energy, flight rights (Siberia), and the import / export of timber.

Furthermore, it was pointed out that by incorporating the four common spaces into the new PCA, the only new part will be constituted by new chapters on co-operation in internal and external security. Thereby internal security, justice and home affairs includes among others visa issues, custom service, migration, fighting trafficking of women and drug dealing leading to reinforced police co-operation. External security comprises the issues of strengthening dialogue and co-operation on the international scene, the fight against terrorism, non-proliferation of weapons of mass destruction and their means of delivery, strengthening export control regimes and disarmament, co-operation in crisis management and co-operation in the

field of civil protection. As vital examples served for the speaker a common policy on Iran, North Korea as well as Russia's participation in EU's peace operation in Chad.

Ending his statement the speaker warned of the danger that the PCA should not get lost in detail, as this could unnecessarily prolong the negotiations. Rather, the PCA should deliver a short and comprehensive basis that could then be complemented by specific sectoral agreements dealing with technical particularities. A visa-free regime or a free trade agreement were listed as examples.

Human Rights and Values in the new PCA

The question of whether democratic principles, human rights, and common values should compose a separate chapter, or whether they should be merely referred to in the preamble or mentioned in every chapter connected to specific policy within the new PCA, proved of particular concern to the participants.

Those participants who argued in favour of a separate chapter emphasised the meaning of symbolic politics as well as of the activation of concrete dialogue and practical processes instead of resorting solely to official declarations. Not moving beyond the point of referring to the binding international declarations and conventions in the preamble would be a setback to the situation of 1995, before the signing of the Helsinki agreement. Here and now, so the appeal, these advancements should be demonstrated. If the new PCA would linger at this point, it would remain a weak instrument.

There was a general agreement amongst the participants, however, that there is a need for the further strengthening of human rights issues in the new PCA beyond a mention in the preamble. However, opinions were varied regarding what would be more efficient and assertive: one separate chapter or passim reference in every chapter connected to specific policies.

Hence, debating democratic principles, human rights, and specifically freedom of press, led to a controversial debate on manners of passing criticism in international relationships. While some participants advanced the view of confronting Russia with its shortcomings in this matter openly, others warned of getting enlaced in tit-for-tat games, should Russia oppose by referring to problems in some of the EU member states like status of citizenship, situation of Russian minorities in Estonia, corruption, etc. This in turn led to a discussion about double standards inside the EU and their counter-productivity, whereby it was underlined that a PCA codifies not unilateral but symmetrical commitments, binding all partners.

Thereby, it was emphasised by a group of participants that democratic consolidation could only be managed internally, and then maybe supported respectively, whereas external democratisation would be a utopia and not in place while building a partnership. Several participants expressed their apprehension the PCA would concentrate partially on interests. Closing the debate, the introductory speaker therefore referred to the intermediate linkage between values and interests, stressing that interests could never prevail without values.