SEARCHING FOR NEW MOMENTUM IN EU-RUSSIA RELATIONS

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This publication is an outcome of the research project entitled Regional Strategic Framework for the European Union’s Eastern Policy: Toward a Convergence of the Eastern Dimension of the European Neighbourhood Policy and Common Spaces with Russia. The project is carried out by the Research Center of the Slovak Foreign Policy Association (RC SFPA) with the support of the Friedrich Ebert Foundation.

The aim of the project is to search for a comprehensive regional strategy for the EU policy toward the region of Eastern Europe that would attempt to bridge the EU’s European Neighbourhood Policy in the region, i.e. the Eastern Partnership policy framework for EU relations with six post-Soviet countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) with the EU-Russia Common Spaces. The above two strategic frameworks represent the EU’s two different and separate Eastern policy agendas or, in other words, parallel EU policies towards its Eastern neighbours. This research project aims to urge that the above parallelism does not serve the EU in the pursuit of its interests in Eastern Europe, and also that the EU does need to develop a single strategic framework for its Eastern policy. The policy recommendations identify a way to evolve the concepts both of Common Spaces with Russia and the Eastern Partnership frameworks with the aim of achieving the convergence effects of both EU policies. The project seeks to contribute to the EU’s ability to become a more efficient foreign policy player in the region as well as to improve its capacity to assist the Eastern European countries in their post-Soviet modernization.

This publication is a follow-up to the policy paper entitled The Reform of the European Neighborhood Policy. Tools, Institutions and a Regional Dimension (Bratislava: Research Center of the Slovak Foreign Policy Association, 2008). The paper has scrutinized the Eastern dimension of the EU’s
European Neighbourhood Policy, including its recently upgraded version in the form of Eastern Partnership, searching for convergence effects with the Common Spaces with Russia. This publication offers a complementary analysis, as it primarily focuses on EU relations with Russia and also seeks convergence effects with Eastern Partnership.

The authors of parts 1, 2, and 4 of the publication are research fellows of RC SFPA. Alexander Duleba evaluates the present state of affairs in EU – Russia relations (part 1) and sums up policy recommendations (part 4). Vladimír Benč presents lessons learned from the experience of the EU-Russia Common Economic Space (part 2.1.). Vladimír Bílčík analyses EU-Russia cooperation within the Common Space on Freedom, Security and Justice (part 2.2.). Lucia Najšlová accounts for outcomes of EU-Russia interaction within the Common Space on External Security (part 2.3.), and Zuzana Lisoňová looks over EU-Russia cooperation within the Common Space on Research, Education and Culture (part 2.4.).

Part 3 of this publication consists of research contributions by external experts. Andrei Zagorski from the Centre for War and Peace Studies at the Moscow State Institute of International Relations explores Russia’s strategic approach toward its relations with the EU (part 3.1.). Elena Klitsounova from the Centre for International and Regional Policy (St. Petersburg) analyses Russia’s perspective on cooperation with the EU under the Common Spaces structure (part 3.2.). And finally, Iryna Solonenko, the director for European Programmes of the International Renaissance Foundation (Kyiv) presents a Ukrainian perspective on EU-Russia relations (part 3.3.).

1. EU-RUSSIA RELATIONS: THE STATE OF AFFAIRS

By Alexander Duleba

EU-Russia relations have been experiencing several up and down periods over the last two decades. However, they have never been at such a low ebb as they are today. The momentum was lost in 2007, a good while before the Russia-Georgia military conflict in August 2008 and the Russia-Ukraine gas dispute in January 2009.

The terms that could most eloquently characterize present-day relations between the EU and Russia are a “quandary” and “helplessness”. Talks on a new bilateral agreement go slowly, since both sides pursue different visions of what it should be about. If one looks at the actual priority agendas of Russia and the EU, especially in the field of external relations, one can conclude that both sides came to the point of giving up on their relationship. Russia expects from the EU what it cannot deliver, e.g. to take over the role of NATO and/or the OSCE in European security, whereas the EU offers Russia what it is ready neither to accept nor to absorb, e.g. modernization in line with European acquis. In addition, the global financial and economic crisis has narrowed the bilateral agenda of EU-Russia relations by moving an important part of it lying especially in the field of financial and economic cooperation, to multilateral international forums, e.g. G-20. Finally, both sides lost a shared vision and/or understanding of a common sense of their long-term cooperation as well as a belief that they are partners who are instrumental to each other in achieving their actual priorities. The paradox is that one could paint a completely different picture even a couple of years ago.

In May 2003 the EU and Russia agreed on a new structured format of cooperation within four Common Spaces:
The EU and Russia have been expecting rather different benefits from each other than either partner could have delivered over the last two decades. In May 2005 both sides negotiated a package of road maps to implement the Common Spaces. Thanks to the complex character of the Common Spaces structure Russia became a unique partner for the EU in terms of the level of institutionalization of EU relations with an external actor. The institutionalized dialogue under the umbrella of Common Spaces allowed for the most intense dialogue the EU has ever had in the history of its external relations with any third actor. The intensity and scope of EU-Russia dialogue has become more impressive than the EU dialogue with its transatlantic ally the U.S. At that time it looked like both sides had found a shared strategic vision of Europe as a “Common EU-Russia Space”, a vision, which many on both sides believed to be a European project for the 21st Century that is worth working together for.

The period of 2003-2006 was a “good times” one of those in modern EU-Russia relations since the collapse of the Soviet Union in 1991. Even though both sides shared diverging evaluations of “colour” revolutions, especially in Ukraine and Georgia, they launched wide-ranging structural dialogue within Common Spaces. What happened for the “good times” to have been replaced so quickly by a “lowest-ebb period” starting from 2007? It is very important to understand what came about and why if one wants to think about a way out.

In order to understand what happened in 2007 there is a need to identify the nature of EU-Russia relations up to then. A brief analysis shows that the EU and Russia have been expecting rather different benefits from each other than either partner could have delivered over the last two decades. In addition, EU-Russia relations neither have been nor are an independent bilateral relationship free of external influences and factors. At the same time, one can easily learn from the recent political history of Europe that neither its Western nor its Eastern part - and Russia does play a key role in the latter part - is immune to the other. On the contrary, developments in Eastern Europe have had a profound impact on the developments in its Western part and/or the formation of what is today the European Union.

Disintegration of the East versus Integration of the West

First of all, the disintegration of Eastern Europe after the collapse of the communist bloc helped to push the members of the European Communities (EC) to deepen the integration process in the Western part of Europe and to transform the Communities into the Union (The Maastricht Treaty, 1992). Second, it pushed the EC/EU to take over responsibility for providing stability and prosperity to the rest of the continent. The successful model of integration of Greece, Spain and Portugal in the 1980s, all of which were economically relatively poor countries with authoritarian regimes at the time of their EC accession, had pressed the EU to open the prospect of enlargement to the former communist countries also (Copenhagen summit, 1993). The preparations for the “grand enlargement” to the East became a key challenge for the EU after the collapse of the Eastern bloc, and it has definitely become a critical development momentum for the EU itself. It spilled over into the EC/EU internal agenda and has pushed it for a further institutional reform process since the beginning of the 1990s.1 In other words, the Lisbon Treaty and/or the institutional design of the present EU would hardly have become a reality without the continued fragmentation of the Eastern part of Europe after the collapse of the communist bloc. The evidence of ongoing disintegration of what was once the Soviet Un-

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ion has been demonstrated recently by the military conflict between Russia and Georgia in August 2008 and a series of oil and gas crises of varying intensity between Russia and its Western neighbours Belarus and Ukraine over the last couple of years.

At the beginning of the 1990s the EC/EU structured the former Eastern bloc into three parts from the perspective of its capacity to deliver a policy impact relevant to the part in question: first, the EC/EU was not an actor in dealing with the war in Yugoslavia since the latter had been addressed by the great powers and NATO; second, the EC/EU offered Russia and the CIS countries a technical assistance programme (TACIS) and prospects of deepening economic cooperation and boosting foreign trade (1992); and finally, the Visegrad and the Baltic states became the key focus of the EC/EU with a prospect for these countries of integrating fully in the future (European Association Agreements, 1992). In sum, at the beginning of the 1990s the EC/EU had almost a zero impact on developments in the former Yugoslavia and a minimal impact on what was going on within the former Soviet Union. The only relevant policy response it produced vis-à-vis the collapsing Eastern Europe has been the deepening of its own integration process on the one hand and its offering an integration prospect to the Visegrad and the Baltic countries on the other one. “Deepening and widening” was both the main phrase and the motto of the European discourse at that time.

Looking back from today’s perspective let us summarize where we have arrived at: first, the EU is the guarantor of peace and stability in the Western Balkans preparing former Yugoslav republics for their accession; second, it has deepened its integration through the amendments of its fundamental treaties (Schengen acquis became part of the EU Treaty in 1999, the Eurozone started in 2002, and finally, the Lisbon Treaty with significant institutional changes enters into force starting from 2010); third, the EU successfully managed the “grand enlargement” in 2004 by including eight former East-
ern bloc countries. And finally, in 2009 it made an offer to six former post-Soviet countries to deepen and to expand cooperation within the Eastern Partnership initiative.

In the eastern part of Europe we get a completely different picture. None of the integration initiatives aimed at bringing things in order within the former Soviet Union and/or a group of former Soviet countries over the last two decades might be labelled a successful project. Moreover, growing number of conflicts between Russia and its post-Soviet neighbours, not to speak of animosities between some neighbouring post-Soviet countries, e.g. Armenia and Azerbaijan, uneasy relations between Central Asia countries, especially in the area of water resources management, etc., show rather the opposite state of affairs. Deepening and widening of integration in the Western part of Europe versus a continuing fragmentation in its Eastern part are trends that will shape a pan-European agenda, including EU-Russia relations for years to come.

**Low-Grade Relations in the 1990s**

The EU gave priority to its relations with Russia vis-à-vis the region of Eastern Europe, since Russia was expected to play the role of a regional leader capable of delivering stability to its post-Soviet neighbours. Russia was the first CIS country to conclude a Partnership and Cooperation Agreement with the EU in June 1994. Nevertheless, the PCA with Russia came into force only in 1998, since the ratification process was blocked in the parliaments of some EU member states. The reason for blocking the PCA was the way in which Russia had been handling the regional war in Chechnya (1994-1996).2

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EU-Russia relations during the period of 1994-1999 could be characterized as almost non-existent. At the same time, the priority for Russia was to preserve its status as a global superpower in succession to the USSR. It was the U.S. not the EU, that was considered to be the key partner to Russia, since the relevant foreign and security policy agenda at that time was directly and almost completely depending on Moscow’s relations with Washington, e.g. the future of the Russia-US partnership in the area of strategic nuclear armaments (ABM Treaty, START process, etc.); Russia’s status within the European security architecture (vis-à-vis NATO eastward expansion); its involvement in settling the war in Yugoslavia, etc. The EU was not seen as a relevant actor in the orbit of Russia’s vital interests at the beginning of the 1990s.

It changed, at least on paper, in the mid-1990s, when Russia redefined its foreign policy priorities vis-à-vis NATO’s eastward enlargement and its changing position in the European security architecture. Yevgeniy Primakov, who became new Russian foreign minister in 1996, came up with the concept of the so-called “multipolar world” in which Russia should become one of the new powerful geopolitical centres. Primakov had initiated the process of building a strategic partnership with China in order to eliminate U.S. influence in the world. He had also formulated a goal for Russia’s foreign policy towards the EU and/or a vision of the EU’s being independent of the U.S. in international security agendas in order to make NATO a weaker security actor in Europe. This postulates Russia’s foreign policy goal of making the EU, as one of the multipolar world’s centres, independent of the U.S., and in this capacity to be a strategic partner for Russia. Since then Primakov’s doctrine is still a relevant foreign policy concept Russia aims to materialize.

New Momentum after the War in Yugoslavia

The new momentum in EU-Russia relations came in the period of 1999-2000 for these two following reasons: first, the Amsterdam Treaty (since 1999) has made the CFSP a more integral part of EU policies and enacted a new foreign policy instrument of the EU under the name of Common Strategy, and second, a change in Russia’s approach towards the EU was started by the new President of Russia Vladimir Putin who became president in March 2000. The purpose of the Common Strategy of the EU as a new foreign policy instrument was to create a general framework of foreign policy action towards the EU’s important external partners and/or regions. The first Common Strategy of the EU was that adopted on Russia in June 1999. On its part Russia has responded accordingly by presenting the Medium-Term Strategy for the Development of Relations with the EU at the Helsinki summit in December 1999. While the EU’s document introduced an important idea in the creation of the Common Economic Space, which became a reality as a policy goal in 2003, the Russian one has postulated a need to develop a common European security identity. In this way both parties had outlined their priorities and key expectations from a developing mutual relationship.

A profound impact on U.S.-Russia, U.S.-EU, and Russia-EU relations stems from the NATO military operation in Yugoslavia in 1999. Regardless of its efforts to be a part of the solution Russia learned that it is out of European security decision-making.

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4 See the article by the then Russian foreign minister A. Kozyrev, “The Lagging Partnership”, Foreign Affairs Vol. 73, No. 3 (May-June 1994), pp. 59-71.
7 “Strategiya razvitiya otnosheniy Rossii k ETS na srednesrochnuyu perspektivu (2000-2010)”, (3 June 2000).
The Common Spaces agreed in May 2003 started a “good times” in modern EU-Russia relations, one which allowed the most intense and structured dialogue with a third actor, a country not even a part of the Union’s enlargement policy. The solution Russia learned that it is out of European security decision-making. In other words, it became a fact that there is another actor (NATO), which can apply military force in Europe without having Russia’s consent. This was a shock for the Russian establishment since in Yugoslavia in 1999 for the first time in about 300 years Russia had not been a part of peace and/or war resolution in Europe. At the same time the use of military force in Yugoslavia generated new cracks in transatlantic relations, since the EU has become an object of U.S. criticism for not being able to take over responsibility for European security. Consequently, thanks to the Amsterdam Treaty of 1997 (in force from 1999 - CSFP) and the Nice Treaty of 2001 (in force from 2003 - ESDP) the EU has been pressed to act more independently in the area of international security, a move highly welcomed by/in Russia. In December 1999 the EU and Russia launched a security dialogue that in 2003 became one of the four Common Spaces agreed between the EU and Russia. This was a new momentum in EU-Russia relations, starting a new period in their modern relationship. After Yugoslavia 1999 and with Putin as the Russian President the EU finally appeared to be a much more visible actor in the orbit of Russia’s foreign policy.

Moreover, Putin managed to change relations with the U.S. in the context of developments after the 11 September 2001 terrorist attacks against the U.S. The U.S. President G.W. Bush once said: after the U.K., Russia’s contribution to the U.S. military operation against the Taliban movement in Afghanistan was the most important. The new security rapprochement between Russia and the U.S. led to an attempt to “back-pass” Russia to the European security system via the establishment of the Russia-NATO Council at the Rome summit of NATO in May 2002. However, the Iraq war in 2003 has broken off the process of a new Russia-U.S. security alignment. The more disappointed Russia got with the new U.S. ignoring of a strategic security partnership in Iraq the more emphasis it put on developing relations with the EU. At the same time Russia shared the dissatisfaction of some important European capitals with the way the U.S. decided to handle the war against Saddam Hussein’s regime in Iraq. The so-called “axis of peace” established by Russia’s Vladimir Putin and his then partners French President Jacques Chirac and German Chancellor Gerhard Schroeder created a positive political framework for boosting the EU-Russia relationship. Just as did NATO’s intervention in Yugoslavia 1999 the U.S. intervention in Iraq 2003 also became a catalyst for enhanced cooperation between the EU and Russia.

As we already mentioned above, the Common Spaces agreed in May 2003 started a “good times” in modern EU-Russia relations, one which allowed the most intense and structured dialogue the EU has ever had in the history of its external relations with a third actor, a country not even a part of the Union’s enlargement policy.

9 “Sovmestnaya deklaratsiya vrucheni na vysshem urovne Rossiiya – Evropeiskiy Soyuz” (30 October 2000).
10 “Joint Statement by President George W. Bush and President Vladimir V. Putin on a New Relationship Between the United States and Russia” (13 November 2001).

The End of “Good Times” and Return to Fuzzy Securitization

The Chirac-Schroeder-Putin “axis of peace” came, however, to an end after the changes in French and German politics. Angela Merkel took over the post of German Chancellor in 2005 and Nicolas Sarkozy became the new French President

in 2007. Both leaders of these key EU countries came with a different concept of foreign policy, including relations with Russia, from that of their predecessors. The “axis of peace” ceased to be a relevant diplomatic strategy for Russia. The Russian leadership learned that it could not manage Russia’s vital interests vis-à-vis the U.S. and the EU (the status of Russia in the European security architecture and access to the EU natural gas and oil market) via the personal diplomacy of the Russian President: 2001-2003: Putin’s rapprochement with G.W. Bush, followed by the “axis of peace” in 2003-2006/07 – Putin, Chirac, Schroeder. The new strategy of Russia was voiced by President Putin at the international security conference in Munich in February 2007. Russia had decided to come back to what used to be characterized as the “assertive style” of its foreign and security policy. Thenceforward the EU–Russia relations became overshadowed by a security agenda once again.

In the course of 2007 Russia unilaterally withdrew from the Conventional Forces in Europe Treaty (CFE), which has been one of the cornerstones of the post-Cold War international regime of cooperation and trust in the military field. Furthermore, it decided to again start training flights of strategic bombers with nuclear missiles. In addition, it began to use the supply of natural gas and oil as a foreign policy tool in its relations with post-Soviet countries, especially those which had had “colour revolutions”. Finally, in August 2008 Russia used its military force in Georgia, which resulted in the occupation of the territories of South Ossetia and Abkhazia. Subsequently it recognized both Georgian provinces as sovereign states. The gas war with Ukraine of January 2009 stopped delivery of natural gas via the territory of Ukraine to EU consumers for almost two weeks. Energy security has become an important item on the EU’s policy agenda since January 2006, when Russia for the first time reduced the volume of natural gas delivered via Ukrainian territory.13

Russia’s military war with Georgia (August 2008) and a gas war with Ukraine (January 2009) prodded the EU into developing a responsive policy.14 The fact itself is a new phenomenon in modern EU-Russia relations since the security matters pursued by Russia in the previous years were concentrated within its relations with the U.S./NATO. The EU has been impelled by Russia to act as an international actor balancing Russia’s influence in the post-Soviet area. The EU has launched a new regional initiative within the ENP under the name of the Eastern Partnership.15 After the Russian-Ukrainian gas war the EU held a conference on the modernization of the gas transport infrastructure on Ukrainian territory on 23 March 2009. Both the EU and Ukraine signed a concluding conference document that, if implemented, will significantly change the existing scheme of gas trade between the EU and Russia. Russia protested at the EU-Ukraine move, which it considers to be unacceptable from the viewpoint of Russia’s interest. Summing up, the “good times” of Common Spaces in the history of EU-Russia relations is definitely over.

Lessons Learned and Limits for Both Sides

The review of the development of EU-Russia relations since 1991 shows that the Russian position towards the EU has been motivated by the instrumentality of the EU in assisting Russia’s return as an insider to the European security

Russian position towards the EU has been motivated by the instrumentality of the EU in assisting Russia’s return as an insider to the European security architecture. In other words, the aim was to work together with the EU at all possible times in order to revise the NATO-centric system of European security after the NATO operation against Yugoslavia in 1999 and its expansion to the East. Actually this is a fundamental idea of Russia’s proposal to conclude a new European security pact voiced by the present Russian President Dmitriy Medvedev. It is true that the EU’s policy towards Russia has also been inspired by security considerations. There was always more willingness in the approach of the key EU member states to work closer with Russia in situations of misunderstandings with the U.S., especially in the context of the NATO operation in Yugoslavia 1999 and the U.S. military operation in Iraq 2003. However, the EU is not a partner that could be instrumental for Russia in achieving its present day foreign and security policy priorities, e.g. concluding a new European security pact. Russia’s proposal assumes that the signatories of a new pact should be individual states and key international organizations active in the Euro-Atlantic area (EU, CIS, NATO and CSTO).

In contrast to Russia’s emphasis on the role of “sovereign states”, EU leaders tend to have a different opinion on how security in the Euro-Atlantic space should be handled. On the eve of the NATO summit in Strasbourg and Kehl, the German Chancellor Angela Merkel and the French President Nicolas Sarkozy published a joint article in the French daily Le Monde. In reference to the proposal of President Medvedev, Sarkozy and Merkel are very clear: “We are ready to debate these issues, with our allies, and with our European partners, and to consider everyone’s points of view. By doing so, we shall reiterate our confidence and commitment to the EU, NATO and the OSCE, to the tried and tested European standards underpinning our security, to the arms control and disarmament regime, and transatlantic cooperation. But we also call for a reaching out to Russia and reviving of our cooperation in the NATO-Russia Council and between the EU and Russia, if she so wishes”. In other words, the existing multi-layered system of European security architecture is a natural outcome of post-WW II and post-Cold War developments. The EU neither needs to nor can take over the role of NATO in European security. In other words, in the field of European security Russia expects from the EU what it cannot deliver.

Another major expectation of Russia vis-à-vis the EU relates to trade in energy resources, since circa 80% of Russia’s energy exports are directed at EU markets. Russia wants to achieve special treatment as the EU’s main energy supplier of natural gas and oil, including preferential treatment of its energy companies and their access to the EU market. Russia expects too that the EU should recognize its special position and interests in the energy sectors of the former Soviet republics, especially in Ukraine and Belarus, which are main transit countries for Russia’s energy exports to the EU. At the same time Russia refuses to ratify the energy charter, which the EU considers a base for any further liberalization in the energy market, including an equal treatment of Russian energy companies on its market. The EU-Russia dispute surrounding the energy charter became one of the main reasons for slow progress in ongoing talks on the new basic treaty. Not surprisingly, the recent initiative of President Medvedev on concluding a new global energy security treaty to replace the energy charter has been addressed to the member states of G-8 and G-20. In other words, the diplomatic way in which Russia came

16 “Vystupleniye na vstreche s predstavitelyami politicheskikh, parlamentskikh i obshchestvennykh krugov Germaniyi” (5 June 2008), www.kremlin.ru.
17 Ibid.
The EU on its side offers to Russia what it is ready neither to accept nor to absorb, e.g. modernization in line with European acquis. with this initiative diverts core issues related to energy security and trade in energy away from the EU-Russia agenda, at least for a certain length of time. The January 2009 gas crisis, which for the first time in the history of the operation of the gas transit pipeline via the territory of Ukraine led to a full stoppage of gas delivery from Russia to the EU, moved the EU to be more active vis-à-vis Ukraine in order to prevent a gas supply crisis in the future. The EU-Ukraine gas memorandum of 23 March 2009 was met in Russia as a move against its strategic interests, since its energy security strategy of 2003 declares control over the transit infrastructure of transit countries to be a priority of its energy policy. Russia expects from the EU that it gives up on its energy security interests on the former Soviet border, which, of course, the EU cannot accept.

Following Russia’s official position that it does not aspire for EU membership, the EU on its side offers to Russia what it is ready neither to accept nor to absorb, e.g. modernization in line with European acquis. Although the EU cannot do many things in external relations, what it can do is to export its community law and standards to its neighbourhood. Member states of the EU can disagree on many international issues, often too on relations with Russia; however, there is a consensus within the EU that it should promote modernization of its neighbourhood through the export of its standards. That’s why the EU enlargement policy has been the most successful part of its foreign policy over the last three decades. First, it brought stability and prosperity to Southern Europe by including Greece, Spain and Portugal in the EC in the 1980s. Second, the EU accession of eight post-communist countries together with Cyprus and Malta in the first half of the 2000s significantly expanded the borders of the Union towards eastern Europe. And finally, it is the EU that today is the guarantor of stability, peace and modernization in the Western Balkans, and not NATO, the U.S. and/or any other military power. In other words, Southern Europe, Central Europe and the Balkans became a part of the integration project under the name of the European Union. It is especially important to keep the Western Balkan lesson in mind, since it shows the limits of hard power in European affairs as well as the strength of soft power, which the EU has proved it can deliver.

The personal diplomacy of the former President Vladimir Putin, especially in the period of 2003-2006, is a good illustration of another specific Russian expectation. Russia believes that it can manage its interest vis-à-vis the EU through developing special relations with traditional “big” European powers, e.g. France, Germany, Italy, etc. This is a deep misunderstanding of what the EU is and how it works, especially in the field of external relations. Definitely, the big European powers are very important and influential actors in the EU’s decision-making processes; however, the EU is a union of sovereign states with strict rules and decision-making procedures that allow participation of all member states as equal partners regardless of their territorial size and populations. Thanks both to President of the Commission Jose Manuel Barroso and German Chancellor Angela Merkel the EU-Russia summit in Sarajevo on 18 May 2007 has sent a strong message to the Russian Federation, but first and foremost to the EU itself, about the solidarity of the member states vis-à-vis relations with Russia. Referring to Russian trade sanctions against Poland, stoppage of oil transport to Lithuania and the Russian-Estonian conflict over a WWII monument, both EU leaders have demonstrated at the summit that the EU’s “one voice” policy on Russia may be a reality. President of the Commission Barroso articulated it very clearly at the summit’s concluding press conference: “We had an occasion to say to our Russian partners that a difficulty for a Member State is a difficulty for all of us at the European Union. We are

The EU can easily be criticised for its many shortcomings and from this or that political party’s point of view, including criticism coming from inside and/or outside, there is nothing else that could be the European project for the 21st century.

A “Samara lesson” as an outcome of Russia’s individual approach towards EU member states in the 2010s should be learned by Russian diplomacy.

The external expansion of the EU over the last three decades has been accompanied by its continuing institutional reforms. The Treaty of the EU (Maastricht Treaty) has been amended twice since it entered into force in 1993 (Amsterdam Treaty of 1997 and the Nice Treaty of 2001). The Lisbon Treaty of 2007, which will improve the capacity of the EU to act, especially in the area of external relations, will soon become the third amendment of the basic EU Treaty since 1993. Even though the institutional reforms have been the most difficult part ever of the internal EU discourse, the member states always ultimately showed their ability to find consensus solutions. Thus the EU significantly expanded the internal space ruled by community law and common policies. In addition to the single market since 1987, the Schengen acquis became part of the EU treaty as and from 1999, and the Eurozone was launched in 2002. Though of course the EU can easily be criticised for its many shortcomings and from this or that political party’s point of view, including criticism coming from inside and/or outside, there is nothing else that could be the European project for the 21st century.

Quite the opposite process can be seen in the area of the former Soviet Union over the last three decades, bearing in mind the disintegrative tendencies that started during the perestroika period in the 1980s. The above long-term and opposite trends in the East and West of the European continent should be well understood, since they do have and will have an even more important impact on EU-Russia relations in years to come, especially in the area of their common neighbourhood in Eastern Europe. The EU cannot stop doing vis-à-vis Eastern Europe what it has been doing vis-à-vis Southern, Central and South-Eastern Europe over the last decades. If there is any East European country that wants to follow the EU way of modernization, the Union can do nothing but assist it in this effort. Russia and Belarus are the last remaining European countries whose leadership has not as yet officially expressed its interest in joining the European project. Joining the project does not automatically mean EU membership, but to begin with the political choice of the country in question to go the EU way of modernization via approximation with European law, standards and institutions. The EU’s Eastern Partnership initiative launched recently means exactly what the EU has been doing since the collapse of the Eastern bloc, i.e. the export of its acquis and standards to post-communist countries.

The Russian Foreign Minister Sergey Lavrov said that the Eastern Partnership is an attempt to expand the EU’s sphere of influence. The Russian President Dmitriy Medvedev after the military conflict with Georgia declared the area of the former Soviet Union a sphere of privileged interests for Russia. How can these statements be reconciled with the fact that it was the Russian leadership that invited the EU to mediate a way out from its recent military conflict with Georgia and its gas dispute with Ukraine? It is Russia’s growing disability to manage its relations with post-Soviet neighbours by peaceful means and by refraining from coer-


The growing competition between Russia and the EU in their common European neighbourhood is an evident trend that will frame EU-Russia relations for years to come.

Let us sum up the following facts from the last few years that demonstrate an important tendency in the post-Soviet area: none of the post-Soviet republics recognized South Ossetia and Abkhazia as sovereign states despite Russia’s appeal; four of five Presidents of Central Asian states did not attend the CIS summit in Chisinau in October 2009, which is the first time in the history of the CIS since 1991; Belarusian President Alexander Lukashenka is interested in improving relations with the EU, including his country’s involvement in the Eastern Partnership regardless of Russia’s position; Armenia, a long-term Russian ally in the South Caucasus, searches for rapprochement with Turkey, since the CIS and other post-Soviet integration projects do not help the country much to get over its economic isolation and poor foreign trade balance; etc. Russia’s conflicts with Georgia and Ukraine showed rather a growing weakness of Russia than its strength.

Russia lacks a positive agenda it can offer to its post-Soviet neighbours. Any actor on the international scene, especially in Europe, that aspires to be a leader capable of delivering international stability and prosperity must be able to offer and to implement a positive agenda within its international and/or regional environment. The growing competition between Russia and the EU in their common European neighbourhood is an evident trend that will frame EU-Russia relations for years to come.

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2. **Learning Lessons from the Experience of Common Spaces**


By Vladimír Benč

At first sight bilateral trade and investment relations between Russia and the EU are making great progress in the last few years. Russia’s share in the EU27’s total external trade in goods doubled between 2000 and 2008. In 2008 Russia was the EU27’s third most important trading partner after the USA and China, accounting for 8.0% of EU27 exports and 11.4% of EU27 imports (see Table 1). The EU27’s 2008 trade deficit in goods with Russia was 72,816 million EUR, hence almost double that of 2000. However, a positive from the EU27 side is that exports were growing more intensely than imports from Russia.

The increase in bilateral trade was continuous, whatever the political situation and bilateral relations between the EU and Russia were. Even during the year of Russian-Georgian conflict trade was growing. Only the global financial and economic crisis changed that positive tendency and the first half of the year 2009 shows the first year-on-year decrease of trade in the last 10 years. One can conclude that politics and security issues do not have any strong influence on the trade, but that is not true. Especially when we compare statistics since the beginning of the Common Economic Space initiative with before, it seems that the positive first moments of the initiative helped businesses to strengthen the cooperation. Unfortunately, the positive

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signals are slowly changing in the last 2-3 years and the current political “crisis” can also have negative effect on business and trade. So the question of what to do with CES initiative is very urgent today.

Table 1: EU27 Trade in Goods with Russia (million of EUR)

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</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>22,738</td>
<td>31,602</td>
<td>34,420</td>
<td>37,206</td>
<td>45,985</td>
<td>56,696</td>
<td>72,328</td>
<td>89,115</td>
<td>105,102</td>
<td>30,887</td>
</tr>
<tr>
<td>Imports</td>
<td>63,777</td>
<td>65,875</td>
<td>64,493</td>
<td>70,663</td>
<td>83,711</td>
<td>112,591</td>
<td>144,536</td>
<td>177,918</td>
<td>211,018</td>
<td>51,530</td>
</tr>
<tr>
<td>Volume</td>
<td>86,515</td>
<td>97,477</td>
<td>98,913</td>
<td>107,869</td>
<td>129,696</td>
<td>169,287</td>
<td>213,244</td>
<td>233,651</td>
<td>283,020</td>
<td>82,417</td>
</tr>
<tr>
<td>Balance</td>
<td>-41,039</td>
<td>-34,273</td>
<td>-30,073</td>
<td>-33,457</td>
<td>-37,726</td>
<td>-55,895</td>
<td>-68,588</td>
<td>-55,421</td>
<td>-72,816</td>
<td>-20,643</td>
</tr>
<tr>
<td>Share of Russia in total EU trade in %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>2.7%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>4.3%</td>
<td>4.8%</td>
<td>5.4%</td>
<td>6.2%</td>
<td>7.2%</td>
<td>8.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Imports</td>
<td>6.4%</td>
<td>6.7%</td>
<td>6.9%</td>
<td>7.6%</td>
<td>8.2%</td>
<td>9.5%</td>
<td>10.4%</td>
<td>11.4%</td>
<td>11.4%</td>
<td>8.7%</td>
</tr>
</tbody>
</table>

Source: Eurostat (September 2009).

If the EU wants to break the “thickening ice” in political and security relations with Russia support for the CES is of critical importance. Because nowadays both of them, the EU and Russia, are thanks to the growth of trade and investment very dependent on the trade and business sectors, not to speak about the special “dependence” in the field of energy. Such dependence is obvious from the product structure of their bilateral trade. Half of EU27 exports to Russia in 2008 were machinery and vehicles and another quarter were other manufactured articles, while energy accounted for two thirds of imports. To spell it out, the main EU27 exports to Russia included motorcars, medicine, mobile phones and aircraft, while the main imports included oil, gas and coal.

Both sides are also becoming more dependent in the area of investment. EU27 Foreign Direct Investment (FDI) in Russia has grown in recent years, rising from 10.8b EUR in 2006 to 21.6b EUR in 2008, while Russian direct investment in the EU27 increased from 1.4b EUR in 2006 to 9.2b EUR in 2007, but then because of World financial and economic crisis turned to disinvestment of 0.4b EUR in 2008.

Table 2: EU27 Trade in Goods with Russia by Product (million EUR)

<table>
<thead>
<tr>
<th></th>
<th>Export</th>
<th>Import</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>22,738</td>
<td>105,174</td>
</tr>
<tr>
<td>Primary products:</td>
<td>3,652</td>
<td>9,732</td>
</tr>
<tr>
<td>Food &amp; drink</td>
<td>2,823</td>
<td>7,561</td>
</tr>
<tr>
<td>Raw materials</td>
<td>708</td>
<td>1,566</td>
</tr>
<tr>
<td>Energy</td>
<td>121</td>
<td>605</td>
</tr>
<tr>
<td>Manufactured goods:</td>
<td>18,483</td>
<td>93,211</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3,280</td>
<td>14,058</td>
</tr>
<tr>
<td>Machinery &amp; vehicles</td>
<td>8,381</td>
<td>53,362</td>
</tr>
<tr>
<td>Other manufactured articles</td>
<td>6,822</td>
<td>25,790</td>
</tr>
<tr>
<td>Other:</td>
<td>602</td>
<td>2,231</td>
</tr>
</tbody>
</table>

Source: Eurostat (May 2009).

Even not speaking about the global financial and economic crisis, there are many problems in economic relations between Russia and the EU. Worsening of political relations especially has already had negative impact on economic relations, e.g. in the area of investment, and many investors and businessmen are uncertain about current development of relations and political and economic stability. And the worst is that the CES initiative is also suffering from the freezing of political relations.
The creation of the Common Economic Space between Russia and the EU is going very slowly, and a free trade area seems to be a more distant reality these days than it was a few years ago. Even since May 2003 (the St. Petersburg EU-Russia Summit) the EU and Russia are trying to find ways for closer cooperation, with the main idea being the creation of an open and integrated market between the EU and Russia on a very broad scale with the ultimate goal of a free trade area. Today, however, we can conclude that creation of the Common Economic Space between Russia and the EU is going very slowly, and a free trade area seems to be a more distant reality these days than it was a few years ago. There are several reasons to draw such a conclusion.

Firstly, since the beginning of the process Russia has been slow to respond to EU proposals for implementation of the CES road map, probably due to a reluctance to move fast in areas implying economic liberalisation and probably also due to a different view of the whole process. The EU’s expectations were probably had too optimistic, while Russia began to be cautious and perhaps afraid of losing control of the process. It was probably also due to the unpreparedness of Russia’s political elites and also its state administration for reforms and for sharing/implementing “western values” in Russia. The EU is aware of the slowdown of the process, e.g. according to the EU-Russia common spaces progress report (2007) “some progress is being made on various facets of the regulatory dialogue, and discussions are ongoing on agriculture, fisheries and veterinary issues. But progress in other areas is not seen.”

Secondly, the EU connected a lot of the agenda under the CES to Russia’s accession to the WTO as the EU hoped that the bilateral trade agenda would be mainly determined by Russia’s WTO accession and the corresponding bilateral and multilateral commitments to liberalisation. But Russia’s real interest in joining the WTO is doubtful and the prospect of Russia’s accession to the WTO is still not clear even today. Not to speak of Russia’s current initiative to create a customs union with Kazakhstan and Belarus that could even delay its WTO integration process for many years. So there is real question if the EU is not being too naïve in just waiting for Russia’s WTO accession. Uncoupling the CES process and WTO accession could in today’s situation be a positive move. Even if Russia creates a customs union with Kazakhstan, Belarus or even with Ukraine, that could be a good move towards a regional approach of creating the CES not only with Russia, but with the whole region located to the east of the EU.

Thirdly, a weakening of the mutual trust on both sides is evident, and not only in politics. Russian policy-makers have announced on many occasions that the diversification of the economy is one of their major objectives, and that they will continue to pay attention to establishing a more predictable and transparent environment for business and investment. However, Prime Minister Putin and the Russian state apparatus is continuing to reassert more state control, both direct and indirect, over the economy, especially in strategic sectors such as energy, aluminium, steel, automotive, machine tools and aerospace in the last years. And the risk is that the current and already palpable tendency towards state control of the strategic sectors of the economy will be extended to the more dynamic sectors. Not to speak of the negative experience in the energy crises of 2006 and the beginning of 2009 that raised many questions of Russia’s policy making and coupling foreign policy aims with business.

Fourthly, the EU is rather too optimistic in its approach based on the assumption that Russia needs the EU. Of course, the EU is an important market with its imports of raw materials, notably energy. The EU is also a major investor in Russia, accounting for almost 80% of cumulative foreign investment, giving the EU an important interest in the continuing development of the economy, and the EU also hopes that Russia will need European investment even more in future, given Russia’s quest for diversification and modernisation. The recent financial and economic crisis has underlined how acutely Russia needs to modernise and diversify its economy. But there are also other players,
It’s evident that it is very difficult to incorporate topics like corruption, rule of law in the political dialogue between the EU and Russia, not to speak about Russia’s (un)willingness to carry out reforms in these areas.

especially China, the USA, and rich “oil” countries that compete with EU investment in Russia today.

Fifthly, until today EU-Russia business cooperation (as well as EU programmes in Russia) faces some major barriers that are related to the low accessibility of the Russian market, e.g. government bureaucracy, the poorly established rule of law and corruption affect such areas as establishing a business, tax collection, dispute settlement, property rights, product certification and standards, as well as Russian customs clearance. But it’s evident that it is very difficult to incorporate topics like corruption, rule of law in the political dialogue between the EU and Russia, not to speak about Russia’s (un)willingness to carry out reforms in these areas. A similar area is environmental issues, though the EU-Russia summit on 18 November 2009 made some positive progress in the climate change agenda.

Last, but not least, is the structure and progress within the current dialogue. The Roadmap on the Common Economic Space that was adopted at the EU-Russia Summit in Moscow on 10 May 2005 set out a number of principles and priority activities/dialogues on the following trade-related issues: Investment dialogue, IPR dialogue, Public Procurement Dialogue, Regulatory Dialogue on Industrial Products and Industrial and Enterprise Policy Dialogue, Energy Dialogue, Competition Dialogue, Macroeconomic and Financial Services Dialogue, Trade Facilitation and Customs Dialogue. Most of the dialogues are based on the idea that Russia is encouraged to align its legislation with the EU acquis where appropriate and to take measures to facilitate trade in general. Russia is also encouraged through the dialogues to improve its investment climate and customs matters as well as to implement convergence with EU standards in many areas.

However, progress is very slow and some dialogues have very weak results. The idea seems to be very good: transferring of norms, standards, know-how to Russia should little-by-little introduce a new managerial and business culture to the Russian economy and everyday life, and so help Russia transform herself. The problem is how to speed up the process and how to assure Russia’s politicians that Russia will benefit from it.

The EU made some positive changes in the last years in its approach to Russia and it is a positive sign that Russia was more deeply involved in the programming of the EU policies towards Russia. It also seems that the priorities that are set up are well targeted. The EU Country Strategy Paper for Russia (2007-2013) stated these specific objectives within the CES:

• bringing down barriers to trade and investment, trade facilitation (including customs aspects);
• enhancing the competitiveness of EU and Russian enterprises;
• boosting cooperation on energy, energy efficiency and transport;
• improving protection of the environment, including against radiation, and maritime safety;
• tackling climate change, in particular through the Kyoto Protocol;
• reinforcing principles of non-discrimination, transparency and good governance through the promotion of political and economic reform;
• developing cooperation in outer space (including satellite navigation);
• introducing measures to support regional development, notably in areas with an urgent need for recovery.

All these priorities are surely very important. But the problem is with the implementation. The EU should look for ways to help Russia to improve implementation of agreed policies and measures. And the EU should also look for ways to motivate Russia to be more active and more involved in the whole process. Perhaps the EU should focus today on areas that are not so controversial and try to open doors by focusing on areas where there is a common
positive attitude. Such an area could be dialogue on regulation.

EU-Russia Dialogue on Regulation and Industry Policy

The dialogue began on 7 December 2005 when the terms of reference established two permanent mechanisms for dialogue between the European Commission and the Russian Government:

- regulatory dialogue on industrial products, with the main objective being to promote the harmonisation of technical regulations, standards and conformity assessment procedures.
- dialogue on industrial and enterprise policy. This is a more strategic dialogue that aims to improve the business environment for companies operating in Russia.
- the third dialogue, the EU-Russia Space Dialogue, was established in March 2006, between DG Enterprise and Industry, ESA and Roscosmos. Subsequently, 7 working groups have been established covering all fields of space activity.

The main aims of the dialogue are to achieve more compatibility between Russian and EU technical regulations, standards and conformity assessment procedures, including convergence where possible; to enhance transparency of regulatory activity; to promote the use of international standards; and to improve regulatory and administrative environment for businesses to enhance competitiveness.

12 sectoral subgroups (see Box 1) have so far been established and they meet 2-3 times a year. What is positive is that businesses are involved in the subgroups and regular reports to political sponsors and EU-Russia summits are provided. It is the first time that such regulatory cooperation is in place between the EU and Russia and that there is some regular exchange of information and contacts. Another positive fact is that the dialogues are to support Russia’s programme of reform of its technical regulations and standards, so each subgroup is to consult on draft legislation.

Until now, however, the subgroups vary considerably in how often they meet and how quickly they work. Some of them have not even yet started their work, mainly due to problems appointing co-chairs on the Russian side. The work is so far mostly based on exchange of information with the aim of understanding each others’ legislation and policies better than before and having contact points to approach if problems occur. And there are also different views on some topics, e.g. voluntary or mandatory use of standards, conformity assessment by certification or by supplier declaration of conformity supported by market surveillance, different administrative and institutional structures to implement and manage the legislation, and other topics.

The key thematic topics discussed are:

- competitiveness and technical innovation;
- enhancement of the safety of products;
- promotion of the interoperability of products/services;
- promotion of ecological safety and sustainability;
- access to the single market;
- alternatives to formal regulation;
- co-regulation by the user;
- international collaboration (Correct integration with other international work like ISO or IEC);
- WTO Code;

Box 1: Subgroups:

A) Regulatory Dialogue subgroups
   - Automotive Industry
   - Textiles
   - ICT, Radio and Telecom
   - Pharmaceuticals
   - Conformity Assessment and Standardisation
   - Forest-based Industries
   - Construction Products
   - Machinery and Electrical Equipment

B) Industrial Dialogue subgroups
   - Automotive Industry
   - Textiles Industry
   - Mining and Metals
   - Chemicals Industry
   - SMEs and Enterprise Policy
   - Aerospace Industry
The existence of the EU-Russia Industrialists Round Table is very positive and the IRT is especially active in producing recommendations to EU-Russia summits.

The dialogue is also supported by the EU-Russia Industrialists' Round Table (IRT), which is a business-driven process, originally endorsed by the EU-Russia Summit in July 1997. Its main objective is to provide a permanent forum for businesspeople to present joint recommendations to the European Commission and the Russian Government with regard to business and investment conditions and promotion of industrial cooperation.

The Round Table is the only business forum with Russia with a permanent involvement of the European Commission and the Russian Government. Its conclusions have been presented to and acknowledged at EU-Russia Summits on different occasions, recognising the IRT as an important aspect of economic cooperation between the parties.

The main objectives of IRT are:
- to improve the administrative, regulatory and investment environment for companies operating in the sectors covered by the dialogue, thereby enhancing their competitiveness;
- to cooperate and exchange information on relevant initiatives in the EU's Lisbon Strategy, including the Better Regulation initiative and the new industrial policy;
- to exchange information on economic issues and policies, in the sectors covered by the dialogue;
- to support and facilitate cooperation and dialogues between industry representatives, preferably via the EU-Russia Industrialists' Round Table;
- to promote and improve the competitiveness of small and medium sized enterprises (SMEs) across all sectors;
- to identify and support the development of joint programmes of cooperation, for example in industrial restructuring and industrial production;
- where appropriate, to assist in the analysis and the resolution of bilateral trade problems within the sectors covered by the dialogue, without recourse to legal actions;
- to cooperate on establishing and strengthening economic links between Russian regions and the EU.

The existing of the EU-Russia Industrialists Round Table is very positive and the IRT is especially active in producing recommendations to EU-Russia summits. In the last two of their reports the IRT also expressed their concerns about current developments in EU-Russia relations: the IRT is asking political leaders to take steps to restore stability and confidence in the EU-RU relationship, and for greater efforts to be made to bring the two economies closer together. The IRT supports Russia's earliest possible WTO accession and sets out the IRT's vision of an integrated EU-Russia "common economic area.

The IRT is, however, also facing some problems, e.g. some working groups within the IRT are still not working, outcomes from the roundtable on general progress in mutual trade and investment and acceptance of the recommendations and proposals of working groups by politicians and state administration are dubious and participation of representatives of small and medium enterprises within the IRT is also not adequate.

The EU Financial Tools for Russia

EU financial support for Russia began in the early 1990s, under the then TACIS programme. The idea was to help Russia's transition to democracy and the market economy, and was targeted at a whole range of sectors. EU assistance to Russia between 2000-2006 was at levels of €50 mil. per annum or more and the main priorities were: institutional, legal and administrative reform, assistance for economic development and the private sector, and helping Russia address the social consequences of transition.
The broad support for public administration reform provided under TACIS is also relevant to the Common Economic Space (CES). There have been efforts to promote regulatory convergence and to support trade (WTO membership, veterinary/phytosanitary controls, customs modernisation, intellectual property rights and investment in general). Technical assistance and advice have been provided to the federal authorities and to a number of regional ones across a number of other sectors of relevance to the Common Economic Space:

- Energy: energy policy, technical standards; modernisation of the gas and oil distribution network; electricity and power markets, utility reform;
- Environmental issues: environmental standards and reform (including in the context of Kyoto), energy efficiency, renewable energy and small-scale hydro power plants, oil spill safety system for the Baltic;
- Infrastructure: road and port management/development; St Petersburg sewage treatment plant.

For the private sector, there have been attempts to facilitate the provision of small business credit, and to support SMEs, including those with export orientation. TACIS also supported sectors like accounting and banking, public procurement and healthcare. The project “Development of Financial Markets” supports the state policy aimed at increasing the competitiveness of the Russian economy. Another project concerning financial and economic policy gives support to the management of sub-national public finance. The legal system also receives assistance – for example, TACIS contributed to the training of judges and court administrators. In addition, funding was available in the areas of justice, freedom and security. The EU in Russia also supports the fight against money laundering and financing of terrorism in the Russian Federation.

Russia also had access to the Cross Border Cooperation programmes under TACIS. The New Neighbouring Instrument (NNI) supported cross-border and regional or transnational cooperation along the EU external borders since 2003, combining both external policy objectives and economic and social cohesion and focusing on the following priority objectives:

- promoting sustainable economic and social development in border areas;
- working together to address common challenges in fields such as environment, public health and the prevention of and fight against organised crime;
- ensuring efficient and secure borders;
- promoting local, “people-to-people” actions.

Allocations earmarked by the TACIS CBC Indicative Programme 2004-2006 for the six Neighbourhood Programmes benefiting Russian regions total 35 million Euro (including an additional 5 million Euro to Kaliningrad from the Russian National Indicative Programme). However, there are some concerns about the effectiveness of the use of the TACIS programme in Russia, besides the impact of the projects is very doubtful and hard to see. Some reports even consider TACIS funds for Russia a waste of money. E.g. the European Court of Auditors published Special Report No. 2/2006 concerning the performance of projects financed under TACIS in the Russian Federation in March 2006.

The main conclusions were very critical: “Notes with concern the main conclusion of the audit that the efficiency of the use of TACIS funds in the Russian Federation has been low. It regrets that the objectives were not met in a number of the audited projects and that projects were deemed sustainable in only a few cases. It also regrets the lack of a real dialogue between the Commission and the Russian authorities and the consequent lack of a sense of ownership on the Russian side. Given the size and duration of the programme, the audit results can only be seen as disappointing.” The report also concludes that out of 29 projects assessed only 9 fully achieved their goals and only 5 produced sustainable results.

The report noticed the following shortcomings in the project planning and implementation:
Although the EU has high standards and high expectations, the implementation of policies and use of financial tools is not very effective and the results are very doubtful.

- objectives not achieved or achieved only partially (only small projects successful);
- poor application of the Project Cycle Management System;
- long project-planning schedule;
- unrealistic underlying assumptions and objectives;
- imprecise or missing objectives;
- unsuccessful selection and involvement of beneficiaries;
- rare national co-financing;
- delays in implementation;
- ineffective steering committees;
- equipment not used for the purposes of the project;
- purchases free of VAT from domestic suppliers impossible;
- poor dissemination and poor sustainability (e.g. discontinuation of project websites);
- lack of evaluation

The report shows that although the EU has high standards and high expectations, the implementation of policies and use of financial tools is not very effective and the results are very doubtful. The TACIS programme expired at the end of 2006 and from January 2007 it has been replaced by a new regulation for the European Neighbourhood and Partnership Instrument (ENPI). The change from TACIS to ENPI has brought some changes that could in many areas be considered to be very positive. The areas of cooperation have been narrowed down to cover only areas mentioned in the roadmaps to the four common spaces and the Northern Dimension. This should target EU assistance to Russia on strategic priorities. Such an approach is also supported by a strengthening of the programming, especially in a better and more enhanced framework of strategic documents like the Country Strategy Paper (CSF), National Indicative Programme (NIP), and Action Programmes. It is also positive that Russia was more involved in the programming of these documents, which determines the financial resources allocated to and to be spent in Russia for the years 2007-2013.

The ENPI is the main financial instrument for supporting the implementation of the strategic partnership of the EU with Russia. It includes a national allocation for Russia, as well as regional and cross-border components. Funding from the Nuclear Safety Instrument, from the Democracy and Human Rights Instrument, and from a number of thematic programmes is also available for Russia. The national allocation for Russia will amount to €30m per annum (that is, less than the average annual allocation to Russia in recent years under the TACIS Programme). Actions funded in support of the Common Spaces will be in accordance with the corresponding roadmaps. A certain proportion of the national allocation will be dedicated to recovery/development and security objectives – through more classical resource transfer/investment – in two regions in particular. The objective of EU assistance in the North Caucasus is to support stabilisation, recovery and ultimately the socio-economic development of the region. In Kaliningrad the objective will be to ensure that the potential for socio-economic development of the Oblast, and surrounding region, is fulfilled.

A number of Russian regions are eligible for six of the neighbourhood programmes: Barents and Baltic Sea; Karelia, and South-East Finland/Russia; Estonia/Latvia/Russia; and Lithuania/Poland/Russia (the latter being of particular relevance to the development of Kaliningrad).

Four overall objectives similar to TACIS CBC are also addressed in ENPI CBC:

- promoting economic and social development in border areas;
- tackling common challenges in various fields, such as the environment, public health and the prevention of and fight against organised crime, including drugs (trafficking and demand reduction);
- improving the efficiency and security of borders; and
- encouraging people-to-people type contacts.

As before, Russia also has access to other EU programmes. The new TEMPUS programme across the whole
neighbourhood and Russia is available, so a new student scholarship scheme was set up for which Russian students are eligible. The new Tempus programme covers three types of project:
- Joint Projects based on multilateral partnerships between higher education institutions in the EU and Partner Countries. Joint Projects can develop, promote and disseminate new curricula, teaching methods and materials; promote a quality culture; modernise the governance of higher education institutions or develop life-long learning and partnerships with industry, etc.
- Structural Projects will seek to contribute to the development of structural reform of the national higher education systems in partner countries, as well as to enhance their quality and increase their convergence with EU developments.
- Accompanying activities will be focused on dissemination activities, thematic conferences, and studies on specific issues, identification and dissemination of good practices developed in the framework of Joint Projects and/or Structural Projects.

Secondly, the TAIEX – the instrument for Technical Cooperation and Information Exchange of the European Commission – is also available for Russia. The TAIEX can be a valuable short-term technical cooperation tool to facilitate the approximation of national legislations with EU rules and the capacity to implement European acquis in Russia. And the TAIEX is essentially a demand-driven instrument, and as such requires a proactive approach from the Russian side and its government and ministries.

The Democracy and Human Rights Instrument is also available for Russia. The objectives include: enhancing respect for human rights and fundamental freedoms, supporting victims of repression or abuse, and the promotion of democracy. A further objective is that of bolstering the role of civil society in the promotion of human rights and democratic reform, and in supporting conflict prevention. Grant funding is available to civil society and international organisations.

Russia can also use instrument like the Nuclear Safety Instrument and the Humanitarian Aid Instrument. A new tool, the Stability Instrument, is also available to Russia. The Stability Instrument will apply principally in situations of political crisis, man-made or natural disasters. It is designed to deliver an effective, timely, flexible and integrated response to unforeseen needs until such time as normal cooperation can resume under the normal policy instruments.

**Main Findings**

The creation of the Common Economic Space (CES) and the development of closer economic cooperation between the EU and Russia are very slow and a free trade area seems to be a more distant reality these days than it was a few years ago. This is because of the following main problems:

- Russia's progress towards WTO membership is slow and doubtful. Even today, there is still a question whether Russia really wants to be a member of the WTO.
- Mutual trust in trade liberalisation is very weak. The monopolisation and protectionism of markets is more obvious and neither side is able (or willing) to establish a more predictable and transparent environment for business and investment. The financial and economic crisis made this situation even worse and more regulation of markets is expected. It is especially state control of "strategic sectors" in Russia and growing barriers on both sides to mutual investments that seem to be the key problems for the next few years.
- Regulatory dialogue and harmonisation of standards are key areas of actual dialogue within the CES. How-

Mutual trust in trade liberalisation is very weak. The monopolisation and protectionism of markets is more obvious and neither side is able (or willing) to establish a more predictable and transparent environment for business and investment.
ever, finding common positions is very difficult and progress in negotiations is very slow and in many areas is not even visible. Another issue is implementation of agreed positions, especially where the EU blames Russia for not being “more active”. Unfortunately, some economic sectors are still not covered by the work of working groups. It is understandable that key sectors like transport, energy, steel, agricultural products, etc. dominate the negotiations, but maybe faster progress in “less” important sectors could break the ice and could be a positive example for mutual economic integration.

✓ The EU-Russia Industrialists Roundtable is considered by the EU to be the main business partner for many of the dialogues. Unfortunately, the functioning of the EU-Russia Industrialists Roundtable has also a lot of shortcomings, e.g. some working groups are still not working, outcomes from the roundtable on general progress in mutual trade and investment and acceptance of recommendations and proposals of working groups by politicians and state administration are questionable and participation of representatives of small and medium enterprises is not adequate.

✓ Some topics relevant to business are still underestimated within EU-Russia dialogue, especially corruption and environmental issues.

✓ There are, on the other hand, some positive developments: at least the regular dialogue is in place and businesses have tools with which to be involved in the dialogue. It is also positive that Russia is more involved in the dialogue and in setting the agenda. However, more focus must be placed on implementing the policies and measures and evaluating progress in each area.

✓ Russia does have access to many EU programmes and financial instruments. TACIS, in particular, covered very broad topics, from supporting Russia’s reforms to small project support of SMEs or NGOs. However, there are several evaluations and reports that conclude: “the efficiency of the use of TACIS funds in the Russian Federation has been low. The objectives were not met in a number of the audited projects and many projects were deemed sustainable in only a few cases. There is a lack of a real dialogue between the Commission and the Russian authorities and the consequent lack of a sense of ownership on the Russian side. Given the size and duration of the TACIS programme, the audit results can only be seen as disappointing.” Generally, there is a lack of reports and evaluations on EU assistance to Russia and all funding is “covered by dense clouds” and unclear accountability. It is evident that the EU aid in Russia is not very effective, which means that we spend millions of Euros with high expectations, but with low results.

✓ The new financial tool (ENPI) reduced the national financial allocation for Russia. However, Russia still has access to other EU financial instruments (thematic programmes) and new tools like the Stability instrument. Cross-border programmes and some instruments (e.g. TAIEX) are also available to Russia. Generally progress has been made in having more involvement of Russia in programming and there is hope that Russia will be more involved in the implementation. However, there is still a lack of adequate evaluation procedures in EU tools that could correctly measure the progress and use of EU money spent in Russia.

✓ The EU financial tools remain very bureaucratic and not very flexible. This limits the access of many institutions to the funds and projects, especially in Russia’s regions. Simplification of procedures is needed not only to ease access, but also for transparency and efficiency in the programmes and projects.
Recommendations

- Establishment of mutual trust between Russia and the EU is strongly needed – this is a role for politicians. Without trust, further progress in trade liberalisation and the establishment of a free trade area is not possible.
- The key issue must be a removal of obstacles to business and investment. The role of the EC, state actors and regulatory institutions must be to ease the access to the market and to create a favourable investment environment. Therefore we need to create more structural dialogue between the EU and Russia (especially ministries, parliaments and regulatory institutions) with balanced and bilaterally shared responsibilities and maybe a system of action plans is needed where concrete actions and responsibilities will be planned and periodically evaluated by both sides. If we remove “artificial” obstacles, business will find a way to cooperate. In a time of financial and economic crisis it is even more urgent to stop protectionism and monopolisation.
- Harmonisation of legislation and standards must continue to be a priority in the short and medium term. However, we need a higher accountability of progress and a higher pressure on implementation. Therefore, we especially need to strengthen Russia’s capacities to implement the changes to legislation and practice.
- There is an urgent need to include other actors in the dialogue, such as experts from universities, think-tanks, NGOs as well as a need to include higher participation of representatives of SMEs in the dialogue. Tools to support such involvement need to be put in place.
- Dialogue in “smaller” sectors must be strengthened and we should look for areas which could be examples of “best practices” in EU-Russia cooperation. Such areas could then have a positive impact on very problematic sectors like energy, transport, steel, textiles and agriculture.
- EU financial tools must be more connected to policies, especially when we want CES to be successful. The programming has been enhanced, but the implementation and evaluation phases of the process must be strengthened.
- Available financial tools must be simplified as regards administrative procedures and we need to look for higher efficiency and better impact of EU programmes and projects. This is in line with the need to strengthen evaluation procedures and with higher transparency and public visibility of programmes and projects. Reduction of available funds must be accompanied by higher co-financing on Russia’s side, but that should also mean that Russia should have more impact on and ownership of programmes and projects.
- More flexible financial tools are needed. In particular, small projects trust funds should be established with simplified procedures, so that funds are available to broader target groups and institutions.
2.2. Common Space on Freedom, Security and Justice

By Vladimír Bilčík

This chapter assesses the state of developments in the EU-Russia Common Space on Freedom, Security and Justice. The text briefly touches on the history of soft security agendas in EU-Russian relations. It recaps the creation and structures of the Common Space on Freedom, Security and Justice and analyzes policy achievements in these three fields of this Common Space. The paper then examines the nature and intensity of Russia’s cooperation with EU agencies active in soft security agendas. Finally, it points to the limitations of human rights dialogue between the EU and Russia and concludes with a summary of main findings and policy recommendations.

Soft Security Agendas

The history of substantive EU-Russia relations (apart from trade relations) spans no more than the lifetime of a schoolboy. By contrast, the history of Russia’s interactions (including the Soviet era) with individual EU member states is a lot longer and more deeply entrenched. In the past, relations between Russia and EU member states were largely dominated by discussions of hard security questions. Issues of strategy, arms and military factors such as reform and cooperation defined the bulk of the security agenda, in which the dialogue between Russia and the U.S. was most important whereas the European Union played at best a secondary role both in setting the security agenda in relation to Moscow.\(^1\) Since the early years of this decade, however, there has been a gradual shift from the original U.S. orientation to one more focused on Europe and the EU, “due to the recognition of Russia’s decreased international status, its economic needs, and the rise of the European Union in world politics via deeper integration and readiness for enlargement.”\(^3\) Official relations between the European Union and Russia have institutionalized from the highest political level to the lowest bureaucratic structures. In this context the EU has become Russia’s important partner in a number of areas that deal both directly and indirectly with an array of hard and soft security issues.

Even before the building of the Common Space on Freedom, Security and Justice (FSJ), there were questions about the overall depth and coherence of EU-Russian soft security dialogue. The basic framework for cooperation stems from the Agreement on Partnership and Cooperation (PCA) between the European Communities, their Member States and the Russian Federation, which entered into force on 1 December 1997. Shortly after the ratification of the Amsterdam Treaty the European Union adopted its first Common strategy on Russia at the Cologne EU summit on 4 June 1999. The Common Strategy of the European Union on Russia began to apply for an initial period of four years on 24 June 1999.\(^4\) The Common Strategy of the European Union is a rather general framework document that encompasses a number of different goals. These include consolidation of democracy, the rule of law and public institutions in Russia and the integration of Russia into a common European economic and social space. They also

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\(^1\) I would like to thank Filip Viskupič for research assistance in preparation of this chapter.

\(^2\) Much of the post Cold War agenda was dominated by hard security questions. See for example contributions to

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focus on cooperation to strengthen stability and security in Europe and beyond and work on common challenges on the European continent, such as the environment, nuclear safety, and the fight against crime.

One of the main problems of the Common Strategy is that it lists all possible goals that the EU could imagine in its interactions with Russia. Among its other aims the Common Strategy states that the “European Union and Russia have a major interest in setting up a durable, effective cooperation in the area of justice and home affairs, not least as a means of promoting respect for human rights and the rule of law.” The Common strategy also emphasizes that the European Union will cooperate with Russia in the “fight against organized crime, money laundering and illicit traffic in human beings and drugs; judicial cooperation.”

In addition to the Partnership and Cooperation Agreement (PCA) and the Common Strategy on Russia (CSR), the Finnish Presidency (1999) initiated the establishment of the Northern Dimension (ND) initiative, bringing into focus the problems of EU-Russian relations in the Baltic Sea area. However, whilst the Northern Dimension has been better at addressing more specific issues - such as the future of Kaliningrad, basic questions about the possibilities of EU-Russian soft security dialogue persist to this date.

**The Common Space on Freedom, Security and Justice**

While the EU’s approach to narrowing the gap in standards and rules between the EU member states and their eastern neighbours has principally consisted in developing the ENP, in relation to Russia, which rejected the ENP concept, it developed the conception of EU-Russia Common Spaces. The goals of the EU-Russia Common Spaces were outlined at the EU-Russia summit in St. Petersburg in May 2003. In 2005 both sides adopted a road map in order to implement the basic goals. These include the following four spatial areas: trade and economic cooperation; freedom, security and justice; external security; research, education and culture. In short, the span of goals covers the first, second and third pillars of the current EU as well as some EU supporting competencies (research, education and culture). In March 2008 the EU published its *EU-Russia Common Spaces Progress Report 2007*. To understand what has actually happened to the building of the EU-Russia Common Spaces one only has to read the second page of this surprisingly long report: “In Summary the report shows that although there were no major breakthroughs, day to day business was conducted efficiently under all common spaces; progress continued to be made but much remains to be done and some important points agreed in principle are yet to be implemented in practice (Siberian overflights, energy early warning mechanism)”.

Thus, the biggest achievement of building the common spaces between the EU and Russia remains in the realm of institutionalized dialogue. While talking is important, progress in EU-Russia relations remains all too often confined to producing more paper, increasing the number of working meetings and organizing high level summits. Not all of this is clearly the EU’s fault. However, a greater clarity of goals, realistic ambitions and more institutional flexibility on the EU’s side could help in progressing with EU-Russia relations in broad terms and the building of the four spaces specifically.

As the Partnership and Cooperation Agreement (PCA) represents the basic document guiding the EU-Russia political dialogue, the Road Map of the Common Space on Freedom, Security and Justice (CS FSJ) has been developing in the larger political context of the PCA. The EU-Russia Permanent Partnership Council represents the main institutional body on dialogue and cooperation in justice and internal affairs. Its concept originated with the conclusions

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The best examples in the context of the Common Space on Freedom, Security and Justice are the agreements on Readmission and Visa Facilitation in force since 1 June 2007. Another example is the signature and ratification of the Russia/Latvia bilateral Border Agreement and the Agreement on a joint cooperation plan between Frontex and the Russian Border Guard Service.

The EU-Russia summit in St. Petersburg in May 2003. This summit concluded with a series of statements underlining the will of the EU and the Russian Federation (RF) to advance their cooperation in building four common spaces and also in anticipating the forthcoming EU enlargement in May 2004. In order to highlight the long-term significance of jointly declared goals this summit explicitly introduced the concepts of partnership and permanence in high level ministerial dialogue between the EU and Russia:

“Taking into consideration our common interest in further developing co-operation between Russia and the EU in the 21st century, we identified ways of enhancing the efficiency of EU-Russia co-operation. Strong and efficient bodies dealing with all areas of co-operation are essential in this context. To this end we decided to strengthen the existing Co-operation Council as a ‘ Permanent Partnership Council’. It should act as a clearing house for all issues of our co-operation. It should meet more frequently and in different formats, backed up by thorough preparation and policy co-ordination on both sides.”

Hence there was both symbolism and potential for real political substance in the decision to set-up the Permanent Partnership Council (PPC). The EU/Russia Permanent Partnership Council (PPC) of Justice and Home Affairs therefore shapes the goals and monitors the implementation of this Common Space. On the EU side the PPC is composed of the Ministers of the Interior and Justice of the incumbent Presidency and the member of the European Commission responsible for Justice and Home Affairs. On the Russian side the PPC usually includes an Aide to the President and by the Ministers of the Interior and Justice. The EU representatives normally include one or two ministers (Interior and Justice) both from the country holding the current EU presidency and the country of the forthcoming EU presidency as well as the Commissioner responsible for Justice and Home Affairs.

Meetings of Permanent Partnership Councils (PPC) result in the adoption of PPC declarations. These represent the political basis for specific actions in developing relations between the EU and Russia. Agreements are the most binding tool in EU/Russia dialogue. The best examples in the context of the Common Space on Freedom, Security and Justice are the agreements on Readmission and Visa Facilitation. The EU and Russia also sign Memoranda of Understanding when establishing or advancing cooperation in policy areas that fall under the EU’s third pillar. A good recent example is A Memorandum of Understanding between the European Monitoring Centre on Drugs and Drug...
The most tangible results were achieved in policy areas of the first EC pillar where EU member states have been able to find a clear common voice, such as in matters of visa and readmission policy.

Policy Goals and Achievements

The abilities of the EU to impose itself more notably vis-à-vis Russia in the areas of security and justice have been limited by the predominantly inter-governmental nature of intra-EU relations in tackling these policy challenges. In these fields the EU-Russia JHA Permanent Partnership Council has been a forum for exchange of information and some basic cooperative arrangements. It has made the biggest difference in the area of first pillar policy issues, with the visa facilitation and readmission agreements in force since 1 June 2007. These have given new opportunities and impetus to further elimination of visa barriers. Both the EU and Russia thus stress the positive success of achievements in visa and readmission policy. Yet, what is equally important and potentially damaging to their mutual efforts is their explicit and practical commitment to implementation of mutual agreements. Hence, once the agreement is implemented can we conclude that the EU-Russia JHA Permanent Partnership Council has produced tangible and potentially lasting results.

In May 2005 the EU and Russia adopted the road map for the Common Space of Freedom, Security and Justice and the subsequent meetings of the EU-Russia JHA Permanent Partnership Council have largely focused on dialogue and some substantive progress in implementing this road map. Apart from the overarching goal of building the so-called common spaces of the EU and Russia, the EU’s interest in the context of the EU-RF JHA PPC included the practical development of the external dimension of the JHA agenda, which gained in importance following both recent EU enlargements to new and potentially problematic borders and the gradual solidification of the EU’s internal area of freedom, security and justice (AFSJ). The core topics could be classified along the three main themes of the AFSJ. The most tangible results were achieved in policy areas of the first EC pillar where EU member states have been able to find a clear common voice, such as in matters of visa and readmission policy.

Freedom

The area of visa policy especially has seen visible progress in developing EU-Russia dialogue. Of all EU-Russia spaces, this one has brought most tangible results when the issuance of visas has become easier for both diplomats and academics. Visas became a dominant issue in EU-Russian relations before the eastern enlargement of the EU in 2004. EU enlargement and the status of Kaliningrad posed a concrete challenge for the future interactions between Moscow and

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8 Presentation by Andrei Zagorski at a project seminar, Bratislava (31 March 2009).
Brussels and led to an increasing prominence of Schengen and Justice and Home Affairs questions. The issue of Kaliningrad offered the first chance for practical solutions and a new quality of communication between the European Union and Russia. EU enlargement brought with it several serious challenges for the future neighbourhood of a wider European Union in the area of Justice and Home Affairs.\(^9\) The biggest problem was the future of the visa regime. Despite fears that the question of the future of the Kaliningrad oblast could lead to a crisis in the EU-Russian relations, the resolution of the Kaliningrad problem helped facilitate interest and dialogue in visa policy. The Commission adopted its first Communication on Kaliningrad on 17 January 2001.\(^10\) In the document the Commission expressed “the willingness to give special attention to this enclave region, including issues such as movement of goods and people, energy supplies, fisheries, economic development, the fight against crime, environment and health.” More important with reference to long-term considerations, was, however, an explicit consideration by the Commission of a future abolition of Schengen visas for Russian citizens. This opened a window of opportunity for further reform and development of JHA that has actively involved Russia’s Interior Ministry as well as Russia’s President and EU member states and the Commission.

It is in the area of freedom that the EU-RF JHA PPC has managed the greatest tangible results. The Agreements on visa facilitation and readmission were signed on 25 May 2006 and entered into force on 1 June 2007. Now the key topic is the actual implementation of the EU-Russia visa facilitation and readmission agreements and the visa dialogue between the EU and Russia, which can only continue provided that the two agreements are fully and correctly implemented. Both agreements are an important step towards ensuring travel facilitation for citizens while also acting as instruments in the fight against illegal migration. In the field of border cooperation, the two sides have strengthened cooperation between the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX) and the Federal Border Guard Service of the Russian Federation. FRONTEX signed the first working arrangement ever with Russia on 30 January 2006, enabling practical and operational cooperation on the common border. The EU and Russia have also explored possibilities for improving local border traffic and information on border agreements, and have improved the situation as regards the delimitation of borders between Russia and its neighbouring EU countries. The key issues now are trust and mutual efficiency in border management.

The resultant visa facilitation and readmission agreements in force since 1 June 2007 have given new opportunities and impetus to further elimination of visa barriers. Russian and EU leaders have started in the area of visa dialogue, where experts are discussing the conditions needed to move as a long-term goal towards a visa-free regime between the EU and Russia. The seventh meeting of the EU-Russia Permanent Partnership Council (PPC) on Freedom, Security and Justice, held in Brussels on 22-23 November 2007\(^11\), reviewed the implementation of the EU-Russia Road Map of the Common Space of Freedom, Security and Justice.

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\(^9\) For a list of such challenges, see Thinking Enlarged – The Accession Countries and the Future of the European Union. (Gutersloh: Bertelsmann Foundation Publishers, 2001), pp. 30-35.

\(^10\) See MEMO/02/192.

\(^11\) To illustrate the relevance of the theme for political actors it is worth mentioning that at the meeting the European Union was represented by Minister of the Interior Rui Pereira and Minister of Justice Alberto Costa of the current Portuguese EU Presidency, Vice President of the European Commission Franco Frattini, responsible for Justice, Freedom and Security, and Minister of the Interior Dragutin Mate and Minister of Justice Lovro Sturm of the incoming Slovenian EU Presidency. The Russian Federation was represented by Aide to the President of the Russian Federation Viktor Ivanov, Minister of the Interior Rashid Nurgaliyev and Minister of Justice Vladimir Ustinov.
tice and discussed future priorities. Both parties agreed that “the extensive and concrete co-operation within the Common Space of Freedom, Security and Justice, to be carried out on the basis of common values which underpin EU-Russia relations, is an integral part of the EU-Russia strategic partnership and an instrumental tool in addressing issues of common interest affecting citizens on both sides, including facilitation of movement of persons.”

Security

In the area of security the initial meetings of the EU-RF JHA PPC were dominated by the topic of terrorism. Other topics for dialogue have included trafficking in human beings and the fight against the trade in drugs as well as against corruption. The context of bilateral relations has fostered cooperation between law enforcement agencies.

On the one hand, cooperation has been based on the strategic agreement with EUROPOL from 2003 although Russia has not yet fully exploited its potential. On the other hand, Russia has made progress toward the ratification of the Council of Europe Convention on Data Protection by recently adopting a law incorporating the key elements of the Convention, which could pave the way for a second operational agreement with EUROPOL. In addition, Russia and EUROJUST opened formal negotiations on 26 June 2006 for a cooperation agreement. The six-monthly meetings of the EU-Russia JHA Liaison Officers in Moscow promote operational cooperation and will be further developed through law enforcement cooperation at senior level. On corruption, policy advice supported by the Commission has directly contributed to Russia’s ratification of the UN Convention against Corruption on 17 February 2006.

In bilateral relations drug dealing has been of shared concern, especially in relation to the region of central Asia. There is a need to intensify cooperation. More recent topics have included dialogue on document security, especially in relation to the use of biometrics and the problem of cyber-space security, especially following the cyber attack on Estonia in spring 2007.

Justice

There are also prospects for strengthening on civil and criminal justice cooperation. Bilateral discussions are expected to take place to promote judicial cooperation in civil matters, including the possibility of an agreement on judicial dialogue. On judicial reform, Russian judges and court administrators are trained in the framework of the TACIS programme. The Commission together with the Council of Europe has since 2007 been implementing a comprehensive three-year project aiming at training legal professionals in Russia.

The Role of EU Agencies

This part briefly highlights the key points on developments and the state of cooperation between the Russian Federation (RF) and the EU’s agencies Eurojust, Frontex and European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). Cooperation between the EU and the RF in the context of these three agencies attests to the fact that the European Union has many different strategies and dialogues vis-à-vis Russia even in the area of Justice and Home Affairs. These dialogues have been triggered as part of the implementation of the Common Space of Freedom, Security and Justice and have received further impetus since the signing of the EC-Russia visa facilitation agreement. As a result the EU and Russia have either attempted to formalize or have formalized various modes of cooperation in the areas of justice, border controls and the fight against drug use. While the sphere of justice remains thus far too sensitive for reaching a formal agreement on cooperation, other areas especially related to borders have seen some basic progress, whose real fruits, however, we may only be able to judge in the next few years. Nonetheless, the EU’s real
problem remains the relatively weak position its agencies are in to carry out projects and act vis-à-vis third parties in the realm of external relations. We therefore need to focus on reassessing the mandate of the EU’s agencies in their engagement of external partners.

**Judicial Matters**

Both parties – Eurojust and the Russian Prosecutor’s Office - have been engaged in talks on a cooperation agreement. Unlike in the area of visa policy, this segment of judicial and justice matters lacks a clearly institutionalized basis.

There are working meetings of experts on judicial cooperation in civil and commercial matters whereby experts meet at least once a year either in Brussels or in Russia (usually in Moscow) and the venue of meetings alternates between the EU and Russia. These meetings are a platform for informal talks that enable personal contacts, exchange of information, experience and sharing of practices. As the *EU-Russia Common Spaces Progress Report 2007* summed up, these talks have in the context of developing the Common Spaces also examined possibilities for concluding a possible bilateral agreement between the EU and Russia on judicial cooperation in civil matters. The latest informal talks on these matters between the European Commission and Russia took place in Moscow on 29-30 January 2008.

In specific institutional terms the two sides have been exploring possibilities for a Eurojust-Russia cooperation agreement. As the latest *EU-Russia Common Spaces Progress Report 2008* of March 2009 highlighted, there has been little progress in the area of institutionalized relations. Eurojust and the Russian Prosecutor’s Office still continue talks on a cooperation agreement. According to this latest report, “A precondition to the further advancement of the Eurojust-Russia agreement is that Russia adopts and implements a national data protection legislation fully incorporating the European standards.” Hence, the next move is up to Russia and its willingness to comply with this particular piece of EU conditions.

Apart from looking for a formal agreement on justice and judicial matters between it and Russia the European Union has been supporting the reform of Russia’s judiciary system through concrete TACIS projects. One project launched at the end of 2008 has focused on improving access to justice, internal reorganization of the courts and training of judges. In parallel a second project on the execution and efficiency of Justice has been in the preparatory phase and is expected to be launched during the middle of 2009. In addition, there have been numerous twinning projects that have complemented the goals of TACIS projects by improving cooperation between individual Member States and Russia’s state institutions in the area of justice.

**Law-Enforcement Agencies**

Europol and the Russian police concluded a cooperation agreement in 2003. This agreement enables the parties to exchange strategic and technical information of mutual interest in combating serious forms of organized crime, such as drug trafficking, illegal immigration, trafficking of human beings and money-laundering and terrorism. This cooperation agreement envisages the establishment of an early warning mechanism on new modus operandi and common threat assessments. The cooperation agreement should also be extended to include operational and investigation-related cooperation. However this has not happened so far.

In addition to the official cooperation of Europol and the Russian police, the EU and Russia have also discussed plans to train senior police officers jointly at the European Police College. Hence a CEPOL (European Police College)-

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Russia and Ukraine are so far the only countries in the post-Soviet space with which Frontex has concluded working arrangements aimed at establishing cooperation at a technical level with border guard authorities in other countries.

Cooperation with Frontex

The best example of specific cooperation in the context of the Common Space on Freedom, Security and Justice are agreements on Readmission and Visa Facilitation in force since 1 June 2007. It in part thanks to these agreements that the EU and Russia have been able to work out an agreement on joint cooperation plan between Frontex and the Russian Border Guard Service for the years 2007 and 2010. Russia and Ukraine are so far the only countries in the post-Soviet space with which Frontex has concluded working arrangements aimed at establishing cooperation at a technical level with border guard authorities in other countries.

However, Frontex faces important limitations when it comes to engaging Russian partners. The mandate of Frontex regarding cooperation with third countries is limited in the sense that projects aiming at technical assistance cannot be carried out by Frontex in third countries. Frontex’s impact would improve significantly if the agency could directly engage in specific or pilot projects with countries like Russia as beneficiaries.14

Cooperation with the EMCDDA

The EU and Russia have signed several memoranda of understanding when establishing or advancing cooperation in policy areas that fall under the EU’s third pillar. A good recent example is A Memorandum of Understanding between the European Monitoring Centre on Drugs and Drug Addiction (EMCDDA) and the Russian Federal Drugs Control Service (FDCS) signed on 26 October 2007.15 The EMCDDA is the hub of drug related information in the EU. Their some 90 experts based in Lisbon provide the EU and Member States with research on Europe’s drugs problems and support the EU’s debate on drugs.16 This Memorandum of Understanding was signed by EMCDDA director Wolfgang Goetz and FDCS director Viktor Cherkesov on the margins of the EU-Russia summit in Mafra under the Portuguese EU presidency. This agreement should allow for an exchange of information and expertise in a number of areas covering illicit drug use and trafficking in EU member states and Russia, as well as new drug types and emerging drug use trends and technologies for the production of illicit drugs and newly emerging trafficking methods. The memorandum of understanding came about as a result of working sessions between the EMCDDA and the FDCS in 2006. In specific terms the cooperation will include the development and improvement

13 Ibid, p. 79.
16 For more information on the agency see http://www.emcdda.europa.eu/html.cfm/index190EN.html.
of joint indicators to assess the drug situation, participation of FDCS experts in EMCDDA meetings and vice versa and mutual access to statistical information and exchange of scientific research results.17

In addition, in 2008 the Federal Service of the Russian Federation for Narcotics Traffic Control established official cooperation with the Maritime Analysis and Operational Centre on Narcotics (MAOC-N), centre established in Lisbon by seven EU member states and operational since 25 July 2007.18 The MAOC-N’s main aim is to combat cocaine smuggling in the Atlantic but the cooperation with Russia has extended the centre’s activities into the Black Sea region. The goals of cooperation are relatively modest thus far and include efforts to “enhance mutual exchanges of information and technical expertise on the illicit use and trafficking of drugs.”19

Human Rights Dialogue

Unlike that in other areas of the Common Space on Freedom, Security and Justice (CS FSJ) such as visa or readmission policy, dialogue on human rights has been marked by fundamental structural differences between the EU and Russia.

One round of EU-Russia human rights consultations took place in 2007. The EU has suggested that Russia involves ministries other than the Foreign Affairs Ministry in the dialogue and invites Russian and international NGOs; nevertheless, Russia turned down all requests. Similarly, Russia did not agree either to hold the consultations alternately in the EU and Russia or to hold expert seminars on racism and xenophobia. The EU has also expressed concerns over the deteriorating human rights situation in Russia. There are increasing constraints on civil society and media pluralism. The situation in the Northern Caucasus, especially, remains on the whole of serious concern. Moreover, Russia continues to refuse to ratify Protocol No 14 to the European Convention on Human Rights, thereby single-handedly blocking reform of the Court. Two rounds of EU-Russia human rights consultations took place in 2008: in Ljubljana on 17 April and in Paris on 21 October. The main themes of the talks were freedom of expression, racism and xenophobia, human rights and counter-terrorism and the rights of children.

Summary Findings

• The EU has trouble in coming to terms with Russia, as it is a player that openly defies its values. Russia drives itself into isolation as it is reluctant to accept the EU’s norms while it is also unable to integrate closely with its neighbours. In addition, Russia is reluctant to accept the EU as a credible security partner, which places limits on bilateral cooperation in EU security agendas.

• The EU and Russia stress the success of achievements in visa and readmission policy. What is now important is their explicit commitment to “full unconditional and harmonized implementation” of mutual agreements. Expert dialogue to examine the conditions for visa-free travel has begun with a long-term perspective. Key issues for potential progress toward a more liberal visa regime include cooperation and implementation on:
  √ document security including biometrics;
  √ illegal migration including readmission;
  √ public order and security and external relations in the context of the visa dialogue;

Russia continues to refuse to ratify Protocol No 14 to the European Convention on Human Rights, thereby single-handedly blocking reform of the Court.

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17 See “EMCDDA and Russian Drugs Service Sign MoU”, Drugnet Europe (October-November 2007).
18 See “European Centre to Tackle Cocaine Smuggling”, EurActiv.com (1 October 2007).
registration for foreign citizens and its mutual simplification;
balanced and non-discriminatory implementation of the respective rules and regulations pertaining to visas, work and residence permits.

- While talking is important, progress in EU-Russia relations remains all too often confined to producing more paper, increasing the number of working meetings and organizing high-level summits.
- While the area of justice and law enforcement has hardly seen major advances in building common EU-Russia spaces, there is a good working cooperation between the two sides, especially when it comes to law enforcement. The limits of cooperation stem from the following factors:
  ✓ There is no common EU justice or security space.
  ✓ Russia lack European legislative standards on national data protection.
  ✓ The EU and Russia differ in assessment of quality of justice.
- Operational cooperation between law-enforcement agencies remains too sensitive.
- Russia and Ukraine are so far the only countries in the post-Soviet space with which Frontex has concluded working arrangements aimed at establishing cooperation at a technical level with border guard authorities in other countries. However, Frontex faces important limitations when it comes to engaging Russian partners.

**Recommendations**

- A greater clarity of goals, realistic ambitions and more institutional flexibility on the EU side could help in progressing with EU-Russia relations in broad terms and the building of the four spaces specifically.
- The EU must continue to apply pressure on Russia’s implementation of the visa and readmission agreement.
- Operational cooperation between law-enforcement agencies remains too sensitive; this could be changed in the light of a more tangibly identifiable shared threat for both the EU and Russia.
- The mandate of Frontex regarding cooperation with third countries is limited in the sense that projects aiming at technical assistance cannot be carried out by Frontex in third countries. Frontex’s impact would improve significantly if the agency could directly engage in specific or pilot projects with countries like Russia as beneficiaries.\(^{20}\)
- More generally, the EU’s real problem remains the relatively weak position of its agencies to carry out projects and act vis-à-vis third parties in the realm of external relations. We therefore need to focus on reassessing the mandate of the EU’s agencies in their engagement of external partners.
- The EU has to continue its pressure on involving other non-official actors in the EU-Russia dialogue on the state of freedoms, human rights and justice. In this case the new model of civil society dialogue between the EU and Eastern Partnership countries could prove an instructive inspiration for involving Russia’s NGO’s in human rights dialogue.

2.3. The Not-so-Common Space of External Security: Interests, Fears and the Way Out

By Lucia Najšlová

The New Format will not do the Trick

External security has been the most contested area of EU-RF cooperation in the framework of Common spaces and has brought only limited results. In analysing what went wrong it is essential to take into account the broader context of EU-Russia relations. We argue that the tension between the European Union and the Russian federation can to a large extent be explained by the difference in standards of their domestic governance. Russia’s quest to be treated as “equal” to other contemporary great powers is unlikely to find fulfilment unless the EU and the US (those to which Russia wants to be equal), perceive Russia’s domestic governance to be similar to their own.  

Russia already is a respected partner with a considerable say on international events – in the end, it is a UN Security Council member – but if it aspires to more than the status of an ally with which others have to pragmatically cooperate, it needs to throw in more than occasional demonstrations of military power or energy reserves and will have to pursue earnest and thorough domestic liberalization. The EU-pan/American and Russian interpretations of what causes the discord in mutual relations could not be further apart. Given the depth of the gap (both in governance and in interpretations of the tension), a significant relief of tension is unlikely to happen in the upcoming years. At the same time, it would be imprecise to label the root of the conflict between the EU and the RF as “geopolitics” or “struggle for expansion of one’s sphere of influence”. Such an explanation omits one important distinction and that is the different model of attractiveness both entities represent for their surroundings. While many countries in the common neighbourhood of Russia and the EU – the place where most tensions between the two players occur – would not mind being like the EU, Russia is not “an appealing social model.”

A brief glance at some of the indicators of the state of EU-pan and Russian societies is telling: In the 2008 Human Development Index Russia ranked 73rd while the EU average was 26.5. The lowest ranking EU country, Romania, ranked 62. In various Free Speech evaluations, all EU countries fit in the rank of “free” while Russia is labelled as “not free” by Freedom House, Reporters Sans Frontiers rank Russia 141st in the 2008 index of press freedom (47.5 points on a scale of 100), while all the EU countries ranked much higher. The lowest ranking country Romania ranked 49 (8 points), while the EU average would rank 20th.


6 “Press Freedom Index”, Reporters Without Borders (2008); Reporters Without Borders (RSF) use rankings (the higher the country ranks, the freer it is – the country ranking No. 1 is freer than number 2) and points (the more points the country received, the less free it is). It needs to be noted that in the 2009 RSF Press Freedom Index several EU countries dropped in position (e.g. Slovakia, Italy), but the EU average still allows us to call it an impressive free press zone.
The European Union is the biggest donor of development aid worldwide, and its member states also rank high in the volume of resources committed to various development agencies. For example, among the UNDP 2009 list of 25 top donors (as of 7 April) one can find 13 EU member states (and then countries with a similar type of governance – Norway, US, Canada etc., with the exception of Saudi Arabia and China). Russia did not make it onto the list.  

Whether one looks at domestic indicators (average salary, labour rights and compensations, access to education, environmental policies, corporate social responsibility, corruption) or foreign policy, the anecdotal evidence suggests that the Russian Federation simply does not belong to the world leaders as far as practising good governance at home and facilitating its emergence abroad is concerned. This is all the more significant given the fact that we are talking about an upper middle income country (according to World Bank classification). Russia does not suffer from a scarcity of resources – it does however suffer from maldistribution of them. Given these divergences it is hardly imaginable that the Russian Federation is not a strategic partner (there are a number of common threats that both entities face and they should fight them jointly), it should not compromise on its standards and values. In other words, while the Union should cooperate with the RF as much as possible, it should not give up questioning the RF’s interpretation of democracy at home and in Russia’s immediate neighbourhood. Discords and disputes among EU member states when it comes to relations with the RF should be minimized – an EU with one voice has a stronger negotiating position vis-à-vis the RF than a cacophonous EU.

Some pundits tend to argue that a key feature of EU-RF relations will tend to be confrontation – motivated by the goal to “expand their strategic influence and secure the conditions for economic presence”. Proponents of this in fact common line of argument tend to reject what they call the “Western” view, that there is “ideological clash” between two systems that are “organically” different. In our view, there is not much reason to believe that “the West” sees Russia as unchangeable, especially looking at EU policy, which has, though with not many significant results, vis-à-vis Russia are not limited to the bilateral framework. A lot in the mutual relations depends on how the Union handles its Eastern neighbourhood. With all its flaws and absurdities, the EU remains a paragon of governance to be emulated. The EU should strive to bring standards/values it practices at home to countries in the common neighbourhood with the RF.

We argue that while the Union needs to maintain the RF as a strategic partner (there are a number of common threats that both entities face and they should fight them jointly), it should not compromise on its standards and values. In other words, while the Union should cooperate with the RF as much as possible, it should not give up questioning the RF’s interpretation of democracy at home and in Russia’s immediate neighbourhood. Discords and disputes among EU member states when it comes to relations with the RF should be minimized – an EU with one voice has a stronger negotiating position vis-à-vis the RF than a cacophonous EU.

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aimed at assisting reform in Russia and is still more than willing to help with the transformation – should there be a demand.

At the moment it is the EU’s model of governance and the quality of life it provides that is something “naturally appealing” to many people around the world. Migration statistics and the ambitions of the EU’s neighbours to become EU members are telling evidence of this. At the same time, this has been a result neither of “EU diktat” as we sometimes hear, nor of the EU’s effort to carve out a “sphere of influence”. The EU does not force, the EU gives options: “do you want to resemble me? Fine, these are the measures you should adopt and I can help financing. You don’t? Ok.”

Finally, the asymmetry we are facing now is neither a product of a post-Cold war reshuffling, nor of the 1999 Western operation in Kosovo nor of the Orange revolution and its other-coloured fellow travellers. It goes much deeper in history. As it was well put by Iver B. Neumann: “From its emergence in the late 15th century and throughout the 17th, Russia considered itself great on transcendental and moral grounds. The problem was that this self-understanding was not shared by any other political entity.”

Neumann further quotes Russian Vice-Chancellor Peter Shafirov who stated, referring to European powers seeking alliance with Russia: “if they seek our alliance it is rather through fear and hate, than through feelings of friendship.” There is much more to being accepted as equal than military superiority, energy blackmail and occasional aid to post-Soviet countries that always comes with strings attached. It is up to the leaders of the Russian Federation to answer the question: is it enough for the RF to be accepted as an ally only when pragmatic necessity dictates it or does it aspire to be accepted as a true equal by the transatlantic community of states? Should the former be an option, then confrontation in the sensitive (i.e. adjacent) regions especially is likely to continue. Should the latter be an option, then this would first entail domestic changes in the governance of the Russian federation and would have to be accompanied by very careful rhetoric on the EU side.

**Russian Views on the New European Security**

In his speech in Berlin in June 2008 the Russian president Medvedev first floated his proposals for the new European security architecture. Later on, in October in Evian, he came up with five areas/pillars on which the new order should be based: confirmation of the basic principles of security and international relations; impermissibility of the use of force or threat of force in international relations; “equal security” – no state should have a right to pursue its security at the expense of others; no state and no international organization can have exclusive right to support peace and security in Europe; and basic parameters for arms control should be set. In the view of many in the EU, the Russian president in fact proposed revision of principles that have not been contested in the Euro-Atlantic space in the last period, and if a violation of them has occurred, then it was done by the RF (either rhetorically – the doubting of Ukrainian territorial integrity by the then president Putin or by action – the operation in Georgia in summer 2008).

The EU member states asked Russia for more details on these rather vague proposals. The EU diplomats in Brussels

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13 Shafirov in Neumann, 2007, p.43

14 Alexander Duleba contributed research on this part.

complained that ever since these proposals were presented, Russian diplomats want to discuss them on every occasion, but each time the EU asks for more concrete suggestions, it never receives them. As one senior EU member state diplomat noted, this can be explained in two ways: either Russia does not know what it wants, or it knows all too well and the vagueness of the proposal is part of its strategy. Regardless of whether the former, the latter or none of the above is correct, Russian actions and declarations seem to be quite contradictory.

On the one hand, the new foreign policy concept of the RF (2008) insists that the block approach (implying both EU and NATO integration and enlargement) is outdated:

“Today, traditional cumbersome military and political alliances can no longer provide for countering the whole range of modern challenges and threats which are transnational in their nature. Bloc approaches to international problems are being replaced by a network diplomacy based on flexible forms of participation in international structures for the search of joint solutions to common tasks. [...] Integration processes, including in the Euro-Atlantic region, are often of selective and restrictive nature. Attempts to lower the role of a sovereign state as a fundamental element of international relations and to divide States into categories with different rights and responsibilities, are fraught with undermining the international rule of law and arbitrary interference in internal affairs of sovereign States;”

On the other hand, the RF has attempted to reinvigorate the Collective Security Treaty Organization (CSTO) it founded in 1992 together with Armenia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan. At the same time, it has recently announced that it would like to enter the WTO not as an individual member, but in a customs Union with Kazakhstan and Belarus, though the latest information from interviews shows that the final decision has not been made yet. According to the 2008 foreign policy concept Russia wants to put its “strategic relations with the European Union on a solid and modern legal basis”. The phrase “common space” is mentioned exactly once in the whole 9,000 word document. The Russian Federation:

“will promote strengthening in every possible way the interaction mechanisms, including through establishment of common spaces in economy, external and internal security, education, science and culture. From the long-term perspective, it is in the interests of Russia to agree with the European Union on a strategic partnership treaty setting special, most advanced forms of equitable and mutually beneficial cooperation with the European Union in all spheres with a view to establishing a visa-free regime”

It is obvious that Russia does not regard its current contractual framework with the EU as sufficient. Moreover, as we already mentioned, the RF does not prefer the “bloc” approach but would ideally prefer to deal with individual states – in the foreign policy concept it emphasises cooperation with “Germany, France, Italy, Spain, Finland, Greece, and the EU”.

16 RC SFPA interview, Brussels, June 2009
18 The establishment of the organization follows on the Collective security treaty signed in 2002. Uzbekistan joined the organization in 2006.
21 Ibid.
the Netherlands, Norway and some other West-European States” and it proposes creation of a single Euro-Atlantic space “from Vancouver to Vladivostok”.

While the Russian foreign policy concept mentions the ambition for a new strategic relationship with the EU, the RF does not seem to welcome the EU’s actions, particularly in the common neighbourhood. This could be seen in the reactions of many Russian leaders to the Eastern partnership. Just like the ENP in 2004, the Eastern Partnership in 2009 was also perceived as a threat or at least as something that should not exist. President Medvedev remarked: “We tried to convince ourselves [that the EaP is harmless], but in the end we couldn’t. What bothers us is that for some states this is seen as a partnership against Russia.”

Foreign minister Sergei Lavrov implied that the Union is expanding its sphere of influence: “We are accused of trying to have spheres of influence. What is the “Eastern Partnership”? Is it a sphere of influence, including Belarus?” The Russian parliamentarian Mironov, close to PM Putin, went even further: to the Polish daily Polska he said “The EU should not have a separate eastern policy (partnership).”

The obvious suggestion for the EU would be to keep the process of its involvement in the Eastern neighbourhood as transparent as possible, in order not to give the RF any reason to feel threatened. But then, the available evidence suggests that the Union has behaved exactly like this – keeping the process transparent and making no secrets of its goals. The fact that the EU’s Eastern involvement creates insecurities in the Kremlin despite its transparency and well-meant

goals suggests that perhaps there is not much more the EU can do to assuage Moscow’s fears. At the same time it suggests that perhaps the current Kremlin leadership is not so interested in pursuing and/or supporting policies in the interest of Russia. In the end, how could a more democratic, a freer and more prosperous immediate neighbourhood be a threat to anyone but those who profit from its current under-development?

**EU Views of European Security**

In contrast to the RF’s emphasis on the role of “sovereign states”, EU leaders tend to have a different opinion on how security in the Euro-Atlantic space should be handled. On the eve of the NATO summit in Strasbourg and Kehl, the German Chancellor Angela Merkel and the French president Nicolas Sarkozy published a joint article in the French daily Le Monde.

In this article they outline three dimensions to European security: Franco-German cooperation, the European Union and the Atlantic Alliance. In reference to the proposals of president Medvedev, Sarkozy and Merkel are very clear:

“We are ready to debate these issues, with our allies, and with our European partners, and to consider everyone’s points of view. By doing so, we shall reiterate our confidence and commitment to the EU, NATO and the OSCE, to the tried and tested European standards underpinning our security, to the arms control and disarmament regime, and transatlantic cooperation. But we also call for a reaching out to Russia and reviving of our cooperation in the NATO-Russia Council and between the EU and Russia, if she so wishes. We want a closer po-

It seems that while the EU might agree to “Helsinki plus” – certain amendments to current structures – the Russian Federation would like to see “Helsinki 2” – a whole new structure.

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litical and security dialogue between the EU and Russia, enabling her to play a more proactive role in the Euro-Atlantic security area. We hope that a constructive spirit will prevail in these discussions. The reactivation of the US-Russian strategic dialogue, which we welcome, should also contribute to it.”

After the Corfu OSCE summit, where Medvedev’s proposals were further debated, one could hear more EU leaders stating that the structures that already exist – OSCE, UN, Council of Europe, NATO-Russia Council – should be used as a platform for debate on security in Europe. It seems that while the EU might agree to “Helsinki plus” – certain amendments to current structures – the Russian Federation would like to see “Helsinki 2” – a whole new structure. While Russia would like to see a legally binding document, the EU most probably would go for only a declaration. Yet, the debate is still going on and it would be too early to predict the final EU and NATO position. The Spanish EU presidency might come up with new proposals on ESDP reform. The NATO debate on the new security concept of the Alliance is still in progress. Moreover, the Union only recently came up with its new “president” and “foreign minister” and is only beginning to learn to live in “post-Lisbon” mode. The RF cannot expect to hear the EU’s and NATO’s final word on its proposals before these two organizations clarify their own vision on their place in world politics in years to come.

It is fair to note though that the main problem with establishing the proposed “new European security structure” lies in the fact that the RF does not fulfil even its commitments under existing structures. The most notorious example of this is, again, Georgia 2008, where the RF clearly omitted the Minsk group from its plans and unilaterally intervened, and even after the immediate crisis was past created obstacles to the activity of international bodies it itself is member of – according to senior EU member states diplomats, the prolongation of the OSCE mission to South Ossetia was a result of a tough negotiation process.

But again, does it makes sense to talk about the different “interests” of the RF and the EU? The European Union security interests are outlined in the European Security Strategy of 2003 and of course in member states’ national security strategies. The ESS lists five “key threats”: terrorism, proliferation of WMD’s, regional conflicts, state failure and organised crime; plus one chief challenge: security of energy supplies. Generally speaking, the RF faces the same threats; therefore security cooperation with the EU should be a win-win option. Two of the above issues however generated the most tension between the EU and Russia recently: energy and regional conflicts/neighborhood. The debate on EU and Russia energy relations often gets reduced to emphasizing the EU’s energy dependency, as if the RF were not also earning a lot from the energy deals, since its energy supplies to the EU earn her a large share of her total gas and oil income.

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26 Ibid.

28 RC SFPA interview, Brussels (April 2009).
30 It is telling to note, that the ESS in its part on regional conflicts somehow omits the conflicts in the South Caucasus and Moldova/Transnistria.
31 Some numbers: Gazprom gets 70% of its profits from sales to the EU, 60% of Russian exports go to the EU (For more see: F. Cameron, “Russia at Crossroads – Again”, EU-Russia Centre (10 September 2009), http://www.eu-russiacentre.org/eu-russiacentre-news/eurc-director-fraser-cameron-writes-world-commerce-review-current-challenges-facing-russia-global-financial-recession-potential-role-eu-implications-eurussian-relationship.html.
coming 20 years.”\textsuperscript{32} But the gas crises in recent years have shown that there seem to be “higher” interests that might interfere with the goal of preserving security of energy supplies. These “higher interests” or rather “more narrow interests” seem to be related to Russia’s broader policy towards its common neighbourhood with the European Union. RF leaders seem to perceive the ring of countries on its western and southern border as Russia’s “sphere of influence.”\textsuperscript{33}

Since these countries constitute the EU’s Eastern neighbourhood, the European Union cannot omit policy towards them from its relations with Russia. The EU needs to stay firm in its commitment to facilitation of the Eastern Six’s transformation.\textsuperscript{34} Unlike Russia, the EU does not need to prove it belongs to the respected club by forging some ersatz hegemony in its neighbourhood. The EU with all its flaws simply is the most successful project of governance on the European continent in modern history and its chief ambition is to facilitate the creation of similar structures in its neighbourhood, for both pragmatic and moral reasons. With respect to the former: when the neighbourhood is better governed and more prosperous, it presents less of a burden on EU’s resources. With respect to the latter: the prosperity and good governance in the EU were also built with the help of the solidarity of the richer and more advanced with the poorer and more backward.

In the long term, the Union and Russia have common interests. Their current leaders have however different visions of how to realise this interest. Another thing, they do have different resources and incentives at their disposal. At the moment their mutual relations can be understood as those of competition, but with different motivations. As we discussed in this part of the chapter, while the EU is pragmatically interested in having a freer and more prosperous neighbourhood and is ready to assist in the process, the RF is interested in having its sphere of influence – no matter how well or badly governed, and is ready to use coercion to achieve this goal.

Achievements and Failures of the Common Space of External Security\textsuperscript{35}

The creation of the Common Spaces platform was meant to overcome “ideological” differences by focusing on “technical” issues. Yet, during the six years since this format has emerged, too many issues related to external security have consumed too much of the energy of both players and the ‘technical’ agenda has not progressed as expected. At the


\textsuperscript{33} See e.g. “A Conversation with Dmitry Medvedev”, Council on Foreign Relations (15 November 2008), http://www.cfr.org/publication/17775/conversation_with_dmitry_medvedev.html. President Medvedev stated that: “I am referring to the states that at one point were part of the Union of Soviet Socialist Republics. Before that they were part of other nations. Those are countries where Russian is spoken, where they have economic systems which are similar to ours, and where cultures are similar to ours. But those are not only nations that neighbour on the Russian Federation, there are other states that are traditional partners. This is what I imply when I speak about “privileged interests”, or our “advantaged interests”, with regard to those nations”.

\textsuperscript{34} We will refer in this way to countries involved in the Eastern Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine.

\textsuperscript{35} This paper does not have the ambition to list all the “failed” and “accomplished” tasks in the CS roadmap. In order to acquire this list, consult EC annual (2007 and 2008) evaluation reports of the common spaces (where however since lately evaluation of CS of external security is missing. We gathered information for this part of analysis from interviews with EU diplomats carried out in Brussels (April-May 2009) and from reading the EC’s evaluations while they were still available. For a more detailed analysis of the achievement and failure of the common spaces we recommend Y.K. Nikolov (ed) Assessing the Common Spaces between the European Union and Russia. (Sofia: BECSA in cooperation with TEPSA, 2009).
The Common Space of external security did not fulfill its most important goals, since it did not substantially improve dialogue between the EU and Russia in key areas (adjacent neighbourhood especially) and did not generate convergence of policies.

same time, the really divisive issues (e.g. the EU 2004 enlargement, the subsequent launch of EU neighbourhood policies – ENP, Black Sea Synergy, Eastern Partnership - and especially the debate about Kosovo independence and the frozen conflicts in the Southern Caucasus) were not part of this dialogue. The Common Space of external security did not fulfill its most important goals, since it did not substantially improve dialogue between the EU and Russia in key areas (adjacent neighbourhood especially) and did not generate convergence of policies.

At the 2003 EU-Russia St Petersburg summit, 5 priority areas for the common space of external security were identified:\(^{36}\): Strengthening dialogue and cooperation 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; Cooperation in crisis management and Cooperation in the field of civil protection. Subsequently, the Moscow 2005 summit adopted roadmaps for implementation of the defined priorities. The external security cooperation roadmap stipulates that:

“The EU and Russia share responsibility for an international order based on effective multilateralism. They will therefore co-operate to strengthen the central role of the United Nations, equipping it to fulfil its responsibilities and act effectively, and promote the role and effectiveness of relevant international and regional organizations, in particular the OSCE and Council of Europe, as well as regimes and treaties, which make an important contribution to a more just and secure world. [...] They will give particular attention to securing international stability, including in the regions adjacent to the EU and Russian borders. [...] The EU and Russia share common values, as defined in the Helsinki Final Act as well as in the PCA and other relevant international documents notably respect for international law, including respect for democratic principles and human rights, including the rights of persons belonging to minorities, equality and respect of mutual interests.”\(^{37}\)

The mere statement of fact – that the RF and the EU – as entities representing a large portion of the world’s population and having considerable power on the international scene – share responsibility for international order, should be a sufficient point of departure towards a fruitful cooperation. Yet while such cooperation may exist in more distant and less priority regions – e.g. in Chad (EUFOR Chad/RCA) or in Somalia (Atalanta) –, it has not proven to be satisfying in their adjacent regions, which at the same time rank considerably higher on the list of foreign policy and security priorities of both RF and EU. Many situations, especially after the EU’s 2004 enlargement, have proven that it is simply wrong to assume that this partnership is built on common values.

Once the founding principles of the dialogue seem to be shaky, it is not surprising that the results are limited. The European Commission has so far published two evaluation reports on this dialogue. Yet, on its website, one can find only those parts of the report that evaluate the three other common spaces and a note: “The Common Space of ‘External Security’ concerns principally matters related to the Common Foreign Security Policy (CFSP) and is not covered by this progress report.”\(^{38}\) For a brief period of time the external spaces part of the 2007 report (published in 2008) was accessible online, with some deleted parts (the report was only partly accessible to the public) but after some time it was simply replaced by the new version. According to Commission sources, that part of the document


Neither the 2007 nor the 2008 currently available reports say a word on whether some evaluation of CS of external security is in fact publicly available. The obscurity surrounding this CS might as well suggest that we are de facto talking only about three common spaces.
is “too sensitive” and therefore not to be published. Neither the 2007 nor the 2008 currently available reports say a word on whether some evaluation of CS of external security is in fact publicly available. The obscurity surrounding this CS might as well suggest that we are de facto talking only about three common spaces.

Contrary to what many might expect, the problem is not the lack of dialogue. As one senior EU diplomat remarked: “We talk with the Russians even more than with the Americans. There is plenty of time and space for explanation of mutual positions – it just rarely leads anywhere”. A glance at the list of unfulfilled tasks only supports this claim:

- Russia has still not ratified the Rome Statute on the International Criminal Court, the EU has “carried out démarche to Russia on several occasions”; Russia signed the Rome Statute in 2000, no progress on ratification since then; “Russia also refuses to include a reference to the ICC in the new EU-Russia Agreement because it has not ratified the Rome Statute.”

- The chief problem in cooperation within the Council of Europe remains Russian refusal to ratify Protocol 6 (abolition of the death penalty) and Protocol 14 (on improving the functioning of the ECHR) of the European Convention on Human Rights. The RF is the only CoE member not to have ratified Protocol 14. At the same time it “rejects the plans to have CoE monitoring with regard to Russia’s commitments within the CoE in the context of the Georgia-Russia conflict.”

- Russia has recognised Abkhazia and South Ossetia, which is a setback to cooperation on conflict resolution; still does not fully comply with cease-fire agreements (12 August 2008 and 8 September 2008); adopts a “hard-line stance” on prolongation of OSCE and UN missions; refuses EUMM monitoring on the whole territory of Georgia; Russia plans to build up a military presence in Abkhazia and South Ossetia;

- Transnistria – the EU insists the negotiations have to take place in 5+2 format, the RF is not eager to respect this format. “Russia has a military -- peacekeeping -- contingent in the Transnistrian region, as well as troops guarding old arms depots. Russia has failed to respect the Istanbul commitment to withdraw its troops from Moldova within agreed deadlines. The withdrawal of these troops needs to be secured in the context of a settlement to the Transnistrian conflict.”

- In the fight against terrorism (priority number 2) meetings took place on various levels, however, they “remain limited to exchange of information without covering operational co-operation”. The EU deems it desirable that closer cooperation be established between Russia, Europol, Eurojust and Frontex.

- The fight against proliferation of WMD’s (priority number 3) has so far been perhaps the most successful – it concerns to a large extent goals announced under G8 Global Partnership. The EU has been funding a number of projects for destruction of chemical weapons in the Russian federation as well as for support of “reconversion of weapons experts through the International Science and Technology Centre (ISTC) in Moscow. In the context of global non-proliferation policy, the Centre’s key advantage consists of directly targeting the main actors, namely individual scientists.”

Among the concerns that remain: the RF refuses to agree to membership of several EU member states of

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39 We selected the tasks (according to the 2008 report) that we deemed most relevant.
40 European court of Human Rights.
41 Council of Europe.
42 EU Monitoring Mission.
43 Part of the activities within this priority should be carried out under the Common Space of Freedom, Security and Justice. See the relevant chapter of this publication for more information.
44 The G8 2008 summit in Hokkaido dealt with contributions of the Centre.
the Missile Technology Control Regime and the RF is postponing its engagement in the Hague Code of Conduct against Ballistic Missile Proliferation.

- Crisis management (priority 4) – The RF has already participated in the EU mission in Bosnia and Herzegovina (2003-2006) and currently participates in missions in Chad and Somalia. It has several times been invited to contribute to EULEX, without replying yet. Russian experts participate in ESDP seminars. The RF would like to see itself equal to the EU in decision-making when it comes to joint operations, “For the EU, moving forward with Russia on joint approaches in crisis management cannot supersede the fundamental principle of EU’s decision-making autonomy.”

- Civilian protection (priority 5) – the biggest contribution to this priority (the goal should be a common response to disasters) was the signing of an agreement between the DG Environment and the Ministry for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters of Russia (EMERCOM) on cooperation, mutual assistance and aviation support in the response to emergencies on 25 June 2008, which “allows the Commission, the Member States or a contractor (transport broker) to obtain information on available air transport capabilities and their price during emergencies, in addition to available capabilities on the commercial market. At the same time the arrangement ensures reciprocity by pledging mutual assistance during major emergencies and a closer cooperation between the MIC and EMERCOM on the assessment of environmental impacts of disasters.”

45 For more info on MTCR, a voluntary association of countries “which share the goals of non-proliferation of unmanned delivery systems capable of delivering weapons of mass destruction, and which seek to coordinate national export licensing efforts aimed at preventing their proliferation”, see http://www.mtcr.info/english/index.html.

The Disputed Neighbourhood

While minor successes were achieved in the field of external security under the CS framework, it is clear that this format has not been an answer to the crucial question: the future of the post-Soviet space, namely the ring of countries on the EU’s east and Russia’s west. Be it crisis in Georgia or Moldova, or new developments between Armenia, Azerbaijan and Turkey, these all deemed the CS of external security to be irrelevant.

In Georgia “the West” took a pragmatic course and started to accept the status quo. The Geneva talks are unlikely to bring any breakthrough on the ground, and Russia seems to be about to remain involved for a long time in the internal/external politics of the secessionist regions (e.g. Abkhazia and S. Ossetia have signed a deal that the RF will “help them” with guarding their external borders (i.e. Russian soldiers patrol the Ossetian-Georgian and Abkhazian-Georgian border). In August 2009 Moscow increased its military presence in Southern Ossetia and Abkhazia and came up with new legislation making further interventions easier. It also seems probable that NATO will continue to hesitate to award MAP to Georgia (geopolitical concerns + domestic politics), though a slight window of opportunity might open if Georgia returns to a reform and democratisation track (according to several declarations).

The situation in Moldova is good evidence that EU-RF cooperation in crisis management has been almost a non-existent issue. The OSCE has proved to be a body bringing only limited results when it comes to the Transnistrian conflict (given the Russian veto, it was impossible for six years to pass a declaration on Moldova48). The RF basically insisted in Georgia “the West” took a pragmatic course and started to accept the status quo. The Geneva talks are unlikely to bring any breakthrough on the ground, and Russia seems to be about to remain involved for a long time in the internal/external politics of the secessionist regions.

48 A. Barbarosie, O. Nantoiu, A. Gremalschi, V. Lupan, V. Cibotaru, E. Revenco, D. Minzarari, R. Vrabie, “Synthesized Review of
that Tiraspol (the capital of secessionist Transnistria) should be involved as a party in the negotiations, while the international framework previously agreed that the main (direct) parties to the negotiation should be Kisinev and the Kremlin. After the elections repeated in August 2009 repeated elections it might well be possible that Moldova, with its pro-European coalition and Moscow-backed communists in opposition will catch up in reforms. \(^49\) The RF’s grip on communication channels, though, might not be so easy to dismantle.

In the Azerbaijan-Armenia-Turkey triangle Russia might well capitalize on the cooling of relations between Azerbaijan and Turkey that we have witnessed since Turkey started to invest more energy into rapprochement with Armenia. While Russia’s South Caucasus policy of summer 2009 has been much more constructive (support of rapprochement between Azerbaijan and Armenia) than its summer 2008 policy (Georgia war), we are yet to see how the South Caucasus game unfolds. At the moment it seems that the rapprochement has been manoeuvring Azerbaijan more and more into Russian arms and one of the results might be that gas supplies for Nabucco will be endangered. \(^50\) This would be a blow to the EU’s efforts to diversify its energy supplies.

These strips of the common neighbourhood do have a lot in common when we compare and contrast EU and RF involvement. While the EU aimed at acting as “honest broker” in all three conflicts, the RF took sides. While the EU offered money on the condition that the recipients would carry out reforms for their own good, the RF offered money on the condition that recipients would stay loyal (i.e. no reforms required). Finally, while the RF is able to play the “hard game”, eventually resorting to military support, the EU is reluctant to use even all the soft weapons it has at its disposal. Turkey is an important player in the South Caucasus and its diplomatic capital and resources could be used much more effectively to realise the EU’s priorities in the South Caucasus in case the EU were to restart a full version of accession negotiations (which are blocked at the moment because of the Cyprus issue). Neglecting Turkey’s role might prove one of the biggest strategic mistakes. While the Union certainly cannot be blamed for bad intentions, it certainly has a lot of homework to do when it comes to learning how to think strategically.

**How Does the United States Fit into the Picture?**

The modern European security architecture has been built on cooperation with the United States and it is unlikely that European leaders are about to change that. Therefore, any meaningful dialogue between the EU and the Russian Federation will have to involve the US. It is only natural, since American and European long-term interests vis-à-vis Russia are to a large extent identical (diversification of the EU’s energy supplies and “EU-peization” of post-Soviet space gained bi-partisan consensus in US foreign policy).

Russian-American relations have taken some positive turns since Barack Obama took office in January 2009. Perhaps the most relevant development is Obama’s different attitude to the missile defence shield in Central Europe. Beyond this, there have been several other remarkable pieces of news: Russia joined sanctions against North Korea. \(^51\)

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Obama's “new” Russia policy – inaugurated by pushing the reset button during his visit to Moscow in July 2009 – is likely to have one more motive: and that is the US's drive to deal with things domestic as the highest priority. After eight years of President Bush’s emphasis on things foreign, many of Obama’s voters wanted to see a president who will first of all deal with domestic challenges. Even without the economic crisis, the country had a series of issues that needed to be addressed – health care being priority number one. Eliminating confrontation in areas where it does not bring any fruit is then only a natural response. Yet, the president and his advisors have on a number of occasions made it clear that Russia is unlikely to see any concessions from the US – speaking about NATO expansion especially. As Tomas Valasek has pointed out, the two priorities that will most probably rule the American agenda towards Russia are willingness to sign a new nuclear deal and Iran. This does not necessarily mean that the president plans to make compromises with the RF on issues of democracy. These will however not be the beacon of his foreign policy, as he has learned the lesson that his predecessor has largely compromised American support for democracy abroad.53

After Obama’s July visit to Moscow, twenty two Central and Eastern European intellectuals and former politicians54 circulated a “Letter to Obama” in which they call for the US “to reaffirm its vocation as a European power” and ask the American president not to be naïve vis-à-vis Medvedev’s proposals:

“We want to ensure that too narrow an understanding of Western interests does not lead to the wrong concessions to Russia. Today the concern is, for example, that the United States and the major European powers might embrace the Medvedev plan for a “Concert of Powers” to replace the continent’s existing, value-based security structure. The danger is that Russia’s creeping intimidation and influence-peddling in the region could over time lead to a de facto neutralization of the region.”55

While it is understandable that it is in the EU’s best interest to be on the same page as the US when it comes to Russia, European leaders and intellectuals should keep in mind that US support simply cannot always be expected to come to the rescue once EU elites are split or unable to act. While US support is indeed necessary, the EU should first fix its troubles with the schizophrenia (even polyphrenia) it somehow almost always suffers when it comes to foreign policy. The new EU-pan “president” and “foreign minister” obviously will not be a panacea for the EU’s chronic disease of not being able to speak with one voice. The key is in the member states’ consensus. With a number of new threats arising in different regions, it might prove a more efficient and responsible strategy for EU leaders and intellectuals to realise that the US is not “neglecting them”, but would like to see them (finally) behaving as adults capable of taking up their own, European, responsibilities.

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54 The most prominent signatories include Václav Havel and Lech Wałęsa.
What Next?

✓ Twenty years after the end of the Cold war, relations between Russia, the EU (and the U.S.) could be labelled as “soft confrontation”. Despite occasional honeymoons, in times of crisis the declared interests of these parties could not be more different. At the same time, both Russia and the West are aware of the fact that the relations are strained, yet they suggest different ways of dealing with the conflicts. As cooperation in the framework of the Common Space of External Security has shown, this is especially true in the case of territories adjacent to their borders, i.e. the EU’s and Russia’s common neighbourhood on the EU’s Eastern border and Russia’s Western.

✓ We argue that the tension between the European Union and the Russian Federation can to a large extent be explained by the difference in social models these entities established in their territory. Russia’s quest for being treated as “equal” to other contemporary great powers is unlikely to find fulfilment unless the rest of them, mainly the EU and the US, perceive Russia’s domestic governance as equal to their own. This is unlikely to happen unless Russia pursues earnest and thorough domestic liberalization. Moreover, Western and Russian interpretations of what causes the discords in mutual relations could not be further apart. Given the depth of the gap (both in governance and in interpretations of the tension), a significant relief of tension is unlikely to take place in upcoming years. At the same time, it would be imprecise to label the root of the conflict between the EU and the RF as “geopolitics” or “struggle for expansion of one’s sphere of influence”. Such an explanation omits one important distinction, and that is the different models of attractiveness both entities represent for their surroundings. At the same time it should be noted that the present situation is neither a product of post-Cold War reshuffling, nor of the 1999 Western operation in Kosovo nor of the Orange revolution and its other-coloured fellow travellers. It goes much deeper in history. There is much more to being accepted as equal than military superiority, energy blackmail and occasional aid to post-Soviet countries that always comes with strings attached. It is up to the leaders of the Russian Federation to answer the question: is it enough for the RF to be accepted as an ally only when pragmatic necessity dictates it or does it aspire to be accepted as a true equal by the transatlantic community of states? Should the former be the answer, then confrontation, especially in the sensitive (i.e. adjacent) regions, is likely to continue. Should the latter be an option, then this would first entail domestic changes in the governance of the Russian Federation and would have to be accompanied by very careful rhetoric on the EU side. At the moment, the latter option (the RF transforming domestically) and “learning” from the EU does not seem to be the dominant stream. In the meantime, the European Union should pragmatically follow its chief security interests as outlined in the European Security Strategy of 2003 and of course in member states’ national security strategies. Moreover, the whole debate on the EU and Russia very often tends to be narrowed down to the issue of energy only, emphasizing the EU’s energy dependency, as if the RF was not also earning a lot from the energy deals, since its energy supplies to the EU earn her a large share of her total gas and oil income.

✓ Since the biggest tension between the EU and Russia occurs in their common neighbourhood, the European Union cannot omit this neighbourhood in its perception of its relations with Russia and in implementing its interests vis-à-vis Russia. And it needs to stay firm in its commitment to facilitation of the Eastern Six’s transformation. Unlike Russia, the EU does
not need to prove it belongs to the respected club by forging some ersatz hegemony in its neighbourhood. The EU simply is the most successful project of governance on the European continent in modern history and its chief ambition is to facilitate the creation of similar structures in its neighbourhood, for both pragmatic and moral reasons. First, when the neighbourhood is better governed and more prosperous, it presents less of a burden on the EU’s resources. Second, the prosperity and good governance in the EU were also built with the help of the solidarity of the richer and more advanced with the poorer and more backward.

✓ The EU and Russia have declared different methods of dealing with the tension in their relations. While the RF would like to see more debate between “sovereign states” and tries to downplay the relevance of integration groupings, the EU leaders would like to see the dialogue going through already established institutions. Moreover, a strong transatlantic bond with the US should be a factor in this debate. Therefore, we are convinced that it is primarily the existing international institutions that should be used to debate the tense EU(US)-RF relations: the UN, Council of Europe, the OSCE, NATO-Russia Council. Given the limited contribution of the Common Spaces dialogue it is unlikely that a new framework (such as a new Conference on security in Europe) would substantially change the nature of EU-RF relations.

✓ Unity on key issues (relations with Russia; energy policy; relations with the Eastern partners; enlargement of the EU and NATO) will give the EU greater leverage in dealing with the RF. While coordination with the US is essential, the EU should first of all start speaking with one voice.

✓ Concessions on NATO or EU enlargement are unlikely to bring more peace into EU-Russia relation. They would only be an incentive for the RF to continue doing diplomacy by blackmail. The structures of the EU-NATO Council and the EU-Russia summits should be used for extensive dialogue on these issues. It is possible however that even extensive dialogue will not bring the RF’s consent – just as we have seen with Kosovo during the talks on its status.

✓ A strong commitment to the neighbourhood policy is a must. The Union should come with stronger commitment to its Eastern neighbours – preferably by strengthening the Eastern partnership by restoration of German proposals of the ENP+

✓ A reformed (a more free and more prosperous) Russian Federation is in the EU’s interest in the same way as is a reformed neighbourhood. While the EU made several offers to the RF regarding facilitation of reform (the most recent being Common Spaces), Russia has so far showed reluctance in following the EU model. This does not mean circumstances cannot change and the Union should always keep this offer on the table. At the same time, the Union should not compromise on its standards – these cannot be open to negotiation.

✓ While the Union should not compromise on its standards, it certainly should strive to engage Russia in joint activities aimed at maintaining security. So far their joint endeavours were only limited (Balkans; Chad), but efforts should be made to expand them into more joint projects.

✓ The rapprochement in the South Caucasus (Turkey-Armenia-Azerbaijan) will, if it succeeds, be a significant contribution to the EU’s efforts in the region. EU-Turkey relations are however very strained at the moment (due to several factors – Turkey-scepticism in the EU; the Cyprus lobby; the slow-down in Turkey’s reforms) and it should be one of the tools of the EU’s “Russia policy” to quickly normalize them, i.e. restore
the full version of accession negotiations. If the EU
does not do it, it might lose a strong ally.

While formal (official) contacts take place, research
institutes and think-tanks in the EU, Russia and the
U.S. cooperate on only a limited number of occasions.
This is most obvious in conferences, workshops and
in research projects. Very rarely can one encounter
an event or a project at which representatives of civil
society (and research and policy institutes specifically)
from the RF, the US and the EU are present. Since
think-tanks constitute a key element in the creation of
governmental policy (at least in the EU and the US)
and are a very important informal channel of commu-
nication, the current lack of contacts and cooperation
results in reification of stereotyped perceptions of the
interests and intentions of “the other”. Therefore, tri-
lateral civil society dialogue might be a contribution
to the search for new policies.

2.4. Common Space on Research,
Education, and Culture

By Zuzana Lisová

The situation in education, science and research is one of
the few bright areas in EU-Russia cooperation. The first
treaty was prolonged and extended by mutual agreement.
Within the Common Spaces platform the Research and Ed-
ucation Space is presented as the most successful area of
cooperaion. The initial goals of scientific cooperation were
focused on strengthening cooperation in areas of com-
mon interest and supporting the implementation of scient-
ific outcomes in practice. This cooperation has definitely
grown in terms of areas and programmes, number of par-
ticipating researchers and of course amount of financial re-
sources. However, this cooperation has not made impact
outside the research community. Obviously, even informa-
tion on the actual outcomes of research cooperation has not
penetrated outside the research community.

Legal Framework

The agreement in Science and Technology Cooperation be-
tween the European Communities and the Russian Federa-
tion signed on 16 November 2000 was first came into force
for 2 years and was later prolonged by 5 years. As goals, the
focus was on actual cooperation, its the structure, strength-
ening of common interests, and support for applied re-
search. Prospective areas identified were the environment
and climate, biomedicine and health, agriculture, forestry
and fishery, industrial technologies, materials and metro-
logy, non-nuclear energy, transport, information technology,
research in social sciences, science and technology policy,
and training and mobility of researchers. The activities pro-
vided by agreement included participation of Russian re-
The issue of intellectual property rights is one of Russia’s big problems and therefore the agreement included large-scale provisions and later also a plan on technology management to respect these rights.

From the institutional point of view the agreement created a Joint EU-Russia S&T Cooperation Committee that overlooks common activities and proposes recommendations and forthcoming concrete activities. Common working groups were established in the areas of nanotechnologies, health, nutrition-agriculture-biotechnologies and sustainable energy. Areas for further strengthening of cooperation and possible forthcoming working groups were identified as researchers’ mobility, research infrastructure and environment. A successful and more active engagement of Russian institutions was in the common funding of project calls under several programmes (energy, nutrition-agriculture-biotechnologies 2007-2008, nanotechnologies, health and new materials in 2008-2009 and preparation of others for 2009-2010).

The issue of intellectual property rights is one of Russia’s big problems and therefore the agreement included large-scale provisions and later also a plan on technology management to respect these rights. However, more influential organizations than EC/EU in this issue are the World Trade Organization, especially its conditions for accession negotiations, including with Russia.

Agreement provisions were developed under the Action plan for strengthening science and technology cooperation (2002) and by the inclusion of the Russian Federation into the Sixth Framework Programme. The attractiveness of framework programmes and their supported projects was affirmed by Russian interest in being included more in the functioning of the Seventh Framework Programme at the Ministerial Permanent Partnership Council in May 2008. Russia currently enjoys the status of International Cooperation Partner Country but has on this occasion expressed interest in becoming an associate member of the FP’s.

An institutional achievement of the education and research area was its inclusion (including the cultural area) in the Common Spaces platform in the Petersburg summit in 2003. This Common space was later specified by the roadmap at the Moscow summit in 2005. The principal goals of strengthening science cooperation and enabling personal contacts continued in the common space as established by the agreement, but in the light of attempts to reach a “knowledge-based society” in both the EU and Russia. The area of education is basically covered by the Bologna process and mobility opportunities. The more practical things include for example the decision to co-fund a European Studies Institute at Moscow State Institute on International Relations, which will provide advanced courses on the EU for Russian specialists. The critique of the roadmap document stems from its non-binding character and absence of any explicit actions to be undertaken in the various areas. However, the total number of common research projects and their size always give the impression of a well-functioning space. But the biggest open task is to renew the Science and Technology Cooperation Agreement.

**Russian Participation in EU Programmes**

In practical terms the agreement and common space allowed Russia step by step to enter several different EC/EU programmes and funding schemes that Russian institutions exploit extremely effectively.

**INTAS (1993-2006)**

The International Association for the promotion of cooperation with scientists from the New Independent States

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(NIS) of the former Soviet Union was established in 1993 by the European Community and like-minded countries as an international not-for-profit association under Belgian law, to promote scientific research activities in the NIS and scientific cooperation between scientists in these countries and the international scientific community. From 1 January 2007 INTAS has been in liquidation.

INTAS’ support was focused on financing collaborative research projects, networks, grants to support innovation, fellowship grants for young scientists from Eastern Europe and Central Asian countries, support for scientific infrastructures, scientific conferences, summer schools and other training events. The programme covered both fundamental and applied research, in all fields of exact, natural, social and human sciences. INTAS’ budget of 245.1 million Euros in the period 1993-2006 was devoted to scientific activities of mutual benefit to member states and NIS partner countries. 3,301 funded projects brought together 18,795 teams of researchers; 1,389 fellowships were awarded to young NIS scientists, involving research and training visits to European institutes; 68 summer schools were enabled to increase the participation of young researchers from the NIS; 281 scientific conferences were supported; 33 infrastructure actions were funded; 49 innovation grants were awarded. Russia participated in 2,433 projects during 1993-2006.2

INTAS as an institution was helpful in establishing the method whereby NIS scientific communities were encouraged to play a greater role in the European Research Area (ERA) and the Framework Programme 6 (FP6) based on the Commission’s proposal. Over the FP6 period INTAS launched 58 calls: 21 calls for Research Projects and Networks, 15 calls for Young Scientists Fellowships, 4 calls for Innovation Grants and 18 calls for Accompanying Measures.3

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The European Community’s 6th Research Framework Programme (2003-2006)

The expanding 6th Research Framework Programme has proven to be a success and Russia was its most successful “third-country” participant. About 330 contracts were signed under FP6, including 60 Marie Curie fellowships, altogether worth € 2.8 billion. The total EC contribution to Russian participants in FP6 was around € 120 million.4 As already mentioned INTAS calls overlapped with FP6 projects. Russia overwhelmingly dominated in FP6 calls for international cooperation, but the interest and success of its scientists was particularly focused on hard sciences (Astrophysics, Particle Physics, Nuclear Physics and Plasma Physics, Atomic, Molecular and Condensed Matter Physics, Mathematics, Computer Sciences and Information Technology, Chemistry, Space, Aeronautics and Engineering Sciences, Earth Sciences and Environment). In particular, cooperation with European Organization for Nuclear Research (CERN) in Switzerland was reinforced thanks to FP6 projects. There was less participation in social and human sciences projects.

An example of a huge and very specific project with Russian participation is the charged particle nanotech project (2005-2009). CHARPAN focuses on the research and development of a new production technology for nanotechnology devices. It was supported with EUR 9.5 million under FP6 and encompasses 23 institutions from eight European countries plus Russia and also Australia and Israel. This project is aimed at empowering nanotechnology focusing on industrial use. More specifically the goal is to enable low-cost engineering of complex 3D surface structures with nanometric precision—much more accurate than any fabrication technology today. At the end of the project an ion beam demonstration tool will be produced. It is a very

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2 INTAS budget: http://www.intas.be/.
typical international project dealing with nanotechnology instruments that are extremely costly, have very slow processing speeds, or do not achieve competitive surface qualities. CHARPAN has drawn together a strong and diversified team from industry, academia and research institutes to deal with these issues.5

The European Community’s 7th Research Framework Programme (2007-2013)

Generally, FP7 was divided into four specific programmes: Cooperation, Ideas, People and Capacities. The Cooperation Programme supports collaborative research in the following areas:

- Health
- Food, Agriculture and Biotechnology
- Information and Communication Technologies
- Nanosciences, Nanotechnologies, Materials and new Production Technologies
- Energy
- Environment (including Climate Change)
- Transport (including Aeronautics)
- Socio-economic Sciences and Humanities
- Space
- Security

The Capacities Programme focuses on: research infrastructures; research for the benefit of SMEs; regions of knowledge and support for regional research-driven clusters; research potential of convergence regions; science in society; support for the coherent development of research policies; and international cooperation.

FP7 also includes cooperation in Nuclear Research and Training (including Fusion energy – ITER and Nuclear fission and radiation protection) and the Joint Research Centre (covering Direct actions in Euratom and Non-nuclear actions) that are of particular interest to Russia.

First preliminary results from the first FP7 calls indicate an increased participation from third countries. There were 210 participations in total, from Argentina (13 participations), Brazil (9), China (34), India (23), Russia (46), South Africa (30) and the US (55). A first overview shows that there are remarkable differences regarding the EU financial contribution by proposal and by third country applicant. For example, the proposals with Russian participants request by far the largest financial means, indicating that they may relate to larger projects.6 The last available number of projects under FP7 rose to 74.

Based on previous successful experience with INTAS and FP6 the Russian Federation has a well developed network of National Contact Points (27 altogether, divided into specific sectors of cooperation). The advantage of Russian contact points is their close connection with or even location on universities and research institutions. The Russian science community also managed to participate in different sectoral cooperation forums such as “BONUS”, the ERA-NET for Baltic Sea Science, and in “ERASysBio”, the ERA-NET for systems biology (managed by the Russian Foundation for Basic Research), “EUROPOLAR” ERA-NET (participating institutions are the Russian Federal Service for Hydrometeorology and Environmental Monitoring and the Arctic and Antarctic Research Institute).7

Bologna Process

From 2003, when the Russian Federation signed the Berlin Communiqué and joined the Bologna process, it accepted overall priorities such as adoption of a two-tier “bachelor-master” cycle, introduction of a credit system, namely ECTS, adoption of learning quality provisions and intro-


6 Ibid.

7 Ibid.
duction of integrated curricula. For the priorities implementa-
tion several action lines were also accepted:
1. adoption of a system of easily readable and compara-
tible degrees;
2. adoption of a system essentially based on two cycles;
3. establishment of a system of credits;
4. promotion of mobility;
5. promotion of European cooperation in quality assurance;
6. promotion of the European dimension in higher edu-
cation;
7. lifelong learning;
8. the involvement of HE institutions and students in the
development of the Bologna Process;
9. promoting the attractiveness of the European Higher Edu-
cation Area;
10. European Higher Education Area and European Re-
search Area – two pillars of the knowledge-based society.

Up to date Russia managed to enter Bachelor programmes lasting 240 ECTS credits, which means 4 academic
years, and Master programmes lasting 120 credits or 2 academ ic years. The ECTS-based national credit system has
been implemented on a voluntary basis since 2002. Guidelines have been developed and distributed by the Ministry
to all Russian higher education institutions but there are still challenges in fully implementing the ECTS system because of
the use of various references to define credits among institutions all over the country. It has to be mentioned that
Russia is not the only country, EU member states such as Bulgaria, Germany, Greece, Romania, Slovakia, Slovenia
and Spain need to spread ECTS practice among institutions and programmes and to implement the concept properly.
The issue of Diploma supplement is also only gradually being introduced. Various situations can be observed: some
Russian institutions issue the DS automatically and free of charge whereas others issue it in return for payment to
those students who request it. Current research shows that the main weakness in implementing the Bologna Process is
firstly, the level of involvement of students and employers and secondly, the use of learning outcomes in curriculum
design as an element of ECTS.

Erasmus Mundus for Scholars and Students

The Erasmus Mundus External Cooperation Window (EMECW) is a new cooperation and mobility scheme
launched by the European Commission for students and academic staff from outside the EU, including Russia. Russian
higher education institutions (universities, academies, institutes) legally established, licensed and accredited by the
Russian Ministry of Education and Science and/or by the relevant Services can participate in EMECW consortia
led by European higher education institutions. The European Commission has set aside an initial sum of €5 million
to finance partnerships of European and Russian higher education institutions. The money granted by the European
Commission covers: a) the organisational costs of mobility of higher education students and academic staff; b) the
implementation costs of individual mobility of higher education students and academic staff. At present the follow-
ing Russian universities have been selected to participate in the EMECW:

St. Petersburg State Agrarian University (SPBSAU), Moscow State University (MSU), Russian Timiryazev State Ag-
ricultural University (RTSAU), Moscow Agro-Engineering University (MSAU), Orel State Agrarian University (OSAU),
Stavropol State Agrarian University (StSAU), Kuban State Agrarian University (KubSAU), Samara State Agricultural

8 A.J. Vickers, “Assessing the Contribution of Tempus to the
hr/lgs.axd?t=16&id=691.
9 “The Erasmus Mundus External Co-operation Window”,
pdf.
Academy (SSAA), Omsk State Agrarian University (OmSAU), Novosibirsk State Agrarian University (NSAU), Bur- yat State Academy of Agriculture (BSAA), and Primorsky State Agricultural Academy (PrimSAA).

These universities are part of a consortium led by the University of Hohenheim (Germany) which comprises a total of twenty universities and two associated institutions, including eight partner universities from the EU.\(^\text{10}\)

In the matter of students’ mobility in the European Higher Education Area Russia belongs to the countries with the lowest rates, with less than 1% enrolment abroad both in incoming and outgoing mobility. Some students are required to pay fees but others are exempted from fees. A positive trend is that more than 50% of students benefit from grants or scholarships.\(^\text{11}\)

**The European Training Foundation’s Cooperation with Russia**

As Russian vocational education and training (VET) reforms are relevant to many other countries in the Commonwealth of Independent States, the ETF continues to disseminate Russia’s experience through peer learning and joint activities with other countries. In order to achieve this goal, the ETF is building on established networks with public institutions, social partners, international agencies and nongovernmental organisations in Russia.

The ETF has enabled the Russian Union of Employers and Industrialists to establish a National Qualification Agency that coordinates the development of occupational standards and qualifications across all economic sectors. The work of the new agency is being closely monitored by the ETF in order to share information and experience with other former Soviet Union countries.

The ETF and the Russian government are seeking to develop an effective method of assessing vocational education and training reforms to date. The exercise is being undertaken in cooperation with other international agencies and it is hoped that benchmarking against European and international standards will be included. One aim of this process is to facilitate capacity building and policy learning in the Russian education community.

The latest ETF strategy document for Russia is to stress key policy issues and strategies in human capital development: support for education reforms, decentralisation and new financing mechanisms and reform of qualifications\(^\text{12}\).

Compared with the 2007 strategy paper, which identified more precise steps to be taken and introduced several indicators to reach these objectives, it looks as if ETF activities are retreating. The weakened role that the ETF strategy paper sees is a result of the lower priorities given to VET in the education Common Space. But the ETF will also promote the further dissemination of and access to information on EU policy developments in the education and training field in line with the Lisbon Strategy. Bearing in mind the problematic implementation of the Lisbon Strategy in member states, no impressive progress can be awaited. Furthermore the upcoming reformulation of the strategy during several of the next council presidencies will bring further ambiguity to the ETF activities. The analysis of the European Training foundation argues that “Tempus has made a considerable contribution to the development of Russian higher education by financing more than 7,200 Russian teacher and staff mobilities to EU countries. (More than 30% of these mobilities concentrated specifically on university management, European studies, modern languages, and education..."


and teacher training.) However, no other precise data are available. It is a similar situation with data availability of other ETF activities and evaluation of the actual transfer of European know-how to Russia is therefore very limited. The EU financial support does not cover all expenses and the Russians are often expected to cover their participation costs that reduce the target groups in advance to the same people despite the number of projects.

Special Areas: Telecommunication, GLONASS and GALILEO, ISTC

Russian interest in science and research is focused on innovations, technologies and infrastructures. Telecommunication system is currently one of the most interesting sectors all over the world. But for EU-Russia cooperation very specific attention should be devoted to satellite navigation systems (GLONASS and GALILEO). Possibilities for cooperation between Russia and Europe include: working together to bridge the digital divide, providing telecommunications equipment for the northern regions and technology such as large antennas and small space-borne platforms, and improving the telecommunications ground segment.

Another area common to Russia and many western European countries is the provision of internet access to remote rural areas. Europe also has a number of technologies that require in-orbit demonstration before they can be promoted to the telecommunications market. Russia offers unique possibilities to place such experiments on Russian satellites for the common benefit. As an example, there are ongoing joint activities for the development of large deployable structures. Another recent initiative is a joint study by the European Space Agency and the Russian Ministry of Information Technologies and Communications for the provision of satellite communication services for civil aircraft over arctic regions. The GALILEO system will be fully compatible with the existing American GPS system but promotion of GALILEO and its accessibility among non-European user communities involves its presentation to all relevant standardisation bodies. Close interaction with such bodies has already been established, including with the International Civil Aviation Organisation and the International Maritime Organisation. Negotiations on cooperation scenarios with the Russian Federation, which has valuable experience in the development and operation of its GLONASS system, are also ongoing. Apart from some FP projects, not much information is available about the actual development of establishing the compatibility of GALILEO and GLONASS.

Thanks to FP6 and FP7 Russian subjects took part in several research and development projects such as the Galileo Atmospheric Data Enhancement Mission (2006-2007), Galileo Integrated Receiver for Advanced Safety of Live Equipment or Galileo-Glonass Advanced Receiver Integration. The last project especially is an example of getting the EU and Russian systems working together. This project proposes to develop a GALILEO/GLONASS integrated capability in the GNSS receiver for aeronautical applications through the cooperation between major receiver and antenna suppliers in Europe (THALES and ERA respectively) and in Russia (NAVIS), supported by the key aeronautical Research Laboratory in Europe (DLR) and in Russia (FGUP GosNII Aeronavigatsia). In the context of the currently existing GPS/GLONASS solutions, this dual GALILEO/GLONASS capability is necessary to consolidate adoption of GALILEO by aviation in the Russian regions. The project will contribute to the development of standardized world-


wide GNSS solutions including GALILEO in the pre-existing GPS and GLONASS solutions, and is paving the way to closer industrial and economical cooperation between Russia and Europe.

The European Space Agency (ESA) Permanent Mission in the Russian Federation\(^{15}\) has represented the Agency in Russia since 1995. It all began in 1991 with the signing of the ESA-Russia Framework Agreement on Cooperation. The office has diplomatic status. Relations between the ESA and Russia have evolved into a close partnership in virtually all areas of ESA activities, including: human spaceflight, space science and exploration, launchers, Earth observation, telecommunications, applied space science and technology and navigation.

Today, the cooperation is based on an Agreement between the ESA and the Government of the Russian Federation on Cooperation and Partnership in the Exploration and Use of Outer Space for Peaceful Purposes, signed by the Russian Minister of Foreign Affairs and the ESA’s Director General in Paris on 11 February 2003. In the framework of the partnership agreement other more specific agreements have emerged: for example, agreements on the implementation of Soyuz launches from the Guiana Space Centre (2005) and on cooperation in research and technology development for future launchers (2005).


**Further Examples of Cooperation**

Cooperation with Russian telecommunication subjects can also be seen among individual member states’ private companies. For example, in June 2009 Estonia’s Elion\(^{16}\) signed a cooperation agreement with one of the biggest Russian telecom companies, Synterra CJSC. The Estonian interest is in exporting its telecom services and the Russians are interested in the Estonian information society. This example has some added value because Estonia as a former part of the Soviet Union has built its information society on technological grounds and infrastructure similar to the Russian ones. On the other hand, this cooperation might have very limited impact due to the countries’ lack of comparability in economic and geographical size.

The International Science and Technology Centre is one of the very concrete outputs of EU-Russia cooperation. It is also still funded by the EU, and therefore evaluation of its activities provides us with the sources for further assessment of the effectiveness of EU instruments. The ISTC is an intergovernmental organization that was founded by the European Union, Japan, Russia and the United States in November 1992 but began its operations in March 1994. Currently, the total number of member countries has reached 39. The organization’s Governing Board includes as permanent members: Canada, European Union, Japan, Russian Federation, and the United States. The ISTC Secre-

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\(^{15}\) “ESA and Russia”, http://www.esa.int/esaMI/ESA_Permanent_Mission_in_Russia/SEMT6W05VQF_0.html

Russian scientists and institutions dominate in gaining support from the ISTC.

The centre was established with the main goal of providing Russian and CIS former weapons scientists, particularly those with knowledge and skills related to weapons of mass destruction and their delivery systems, with opportunities to redirect their talents to peaceful activities. These activities should contribute to solving national and global technological problems and support the transition to market-based economies. Through its activities the Centre supports basic and applied research and encourages the integration of Russian and CIS former weapons scientists into the international scientific community.

The main area of ISTC involvement is the management of science R&D projects. Institutes throughout Russia and the CIS coordinate project proposals with the Moscow-based ISTC Secretariat for review and funding. Project participants and institutes receiving ISTC funding benefit from the centre’s supporting programmes such as travel grants, workshops, seminars, international conferences, and commercialization support.

The ISTC provides target countries with research grants for the team of scientists involved in funded projects, procurement of research equipment, the possibility to travel to meet project collaborators, partners, or attend international events, and also some non-material cooperation such as help with commercialization of project results, collaboration with international science institutes, universities, private companies, etc. in the framework of projects, seminars and workshops; the possibility to follow free business-related training, competency building, environmental training, patenting support, multimedia training courses, and communication support. Projects and research cooperation involves different sectors: agriculture, biotechnology, chemistry, environment, fission reactors, fusion, information and communications, instrumentation, manufacturing technology, materials, medicine, non-nuclear energy, other basic sciences, space physics, aircraft and surface transportation.

The report of December 2008\(^\text{17}\) states that the ISTC provided funding to 2,646 projects with a total sum of $814.6 M. Altogether 97,397 participants in Russia and CIS received financial support from centre. As the following tables show, Russian scientists and institutions dominate in gaining support from the ISTC. As stated above, the EU supports the ISTC financially but the amount contributed by the US government last year topped the previous EU domination in donations\(^\text{18}\). However one has to keep in mind that these are long-term projects and funds are spent continuously. For example in the number of new supported projects differences are not that big: the USA supported 11 projects and Union 9.\(^\text{19}\) More interesting would be to know the actual commercialization of research results that show if European business enterprises use new technologies developed under this scientific cooperation. Unfortunately, these kinds of data are not available.

**What Next?**

The Russian Federation is the most successful third country participating in the EU’s framework (with hard science projects strongly dominating) and it dominates in other forms of science cooperation (e.g. support provided through the International Science and Technology Centre). The sign of success is both sides’ active engagement evidenced by the programmes and funds provided and the bottom-up approach that means letting the scientists


The area of science, research and education is on one hand a non-confl icting one, but on the other one not politically important enough to be a vehicle for EU-Russia dialogue.

structure their work and choose the most suitable forms. On the other hand the side effect of this approach is visible in the domination of hard sciences and even more in the mobility in education area, where only a low number of exchanges has been achieved (the percentage is less than 1%). The example of the Bologna Process that includes reform of university education has shown the unwillingness of the Russian authorities to allow external influence in domestic policies. Another side effect of the current setting is the difficulty in getting further information on the functioning of working groups or the effects of research projects on the knowledge-based society. The overall functioning of science and research in the EU gives advantages to existing big players in developing their cooperation with Russian institutions but the transfer of cooperation outcomes and effects (e.g. production of new technologies) is scarcely measurable. More concrete information should be available about the results of working group meetings. Up to now the information usually available is about prospects and willingness but the results are missing and the most successful common space of Research and development, education, culture does not look so effective. Qualitative evaluation of supported projects, their applicability and, ultimately, real utilization in practice should be provided. Otherwise we do not know if the cooperation is actually bringing something as is usually maintained.

The 4th common space can serve as a platform for some further cooperation; however it cannot always be presented as the most successful EU-Russia cooperation, and often as a vehicle for it. The area of science, research and education is on one hand a non-conflicting one, but on the other one not politically important enough to be a vehicle for EU-Russia dialogue.

3. Russia’s Perspective and Concerns

3.1. A Strategic Partnership Lacking a Strategic Vision
By Andrei Zagorski

Russia: a Distinct Partner
It was about ten years ago that the concept of a strategic partnership started to dominate the official language both in Russia and in the European Union when describing the desired status of their mutual relations.

This was a distinct language from that of the Partnership and Cooperation Agreement (PCA) that was concluded in 1994 and envisaged establishing partnership and cooperation in order to strengthen the historical links between the EU, its Member States and Russia and the common values that they shared.

The PCA was based on the assumption that “deepening of the historic links” presumed a strengthening of the political and economic freedoms constituting “the very basis of the partnership”, and a firm commitment to the full implementation of all principles and provisions of the CSCE/OSCE.

It emphasized the paramount importance of the rule of law and respect for human rights, the establishment of a multiparty system with free and democratic elections and economic liberalization aimed at setting up a market economy, and laid down that “the full implementation of partnership” presupposed “the continuation and accomplishment of Russia’s political and economic reforms”. The PCA also recognized that the approximation of legislation
In 2003 Russia made it very clear that it ought to be seen as a more distinct partner than any other Eastern partner of the European Union. It did so by declining the offer of being included in the extended European Neighbourhood Policy framework based on a strong normative approach.

In order to give distinct substance to, and to develop a distinct method in their strategic partnership, Russia and the EU developed, in 2003, the vision of four overarching common spaces. In 2005, they mapped the roads towards gradually developing them. Numerous sectoral dialogues were set up in order to specify and to substantiate the agreed roadmaps. They resulted in establishing an unprecedentedly intensive and extremely helpful network of communications between the Commission and the respective branches of the Russian government. As of now, however, the practical output from these dialogues has remained rather meagre as compared with the effort invested. It has by no means helped to produce a clear shared vision of what the strategic partnership between Russia and the EU is supposed to look like.

The negotiation of a new Treaty of Strategic Partnership between the European Union and the Russian Federation was supposed to spell out what a strategic partnership means and where it is supposed to lead. The relevant negotiations were launched, after some delay, in the summer of 2008. They got briefly suspended in the autumn of 2008 in the aftermath of the Georgia war. Then the negotiating teams split into four thematic working groups that are supposed to draft the relevant chapters of the treaty.

Two recent decisions by the head of the Russian Government, the former president of Russia Vladimir Putin appear at the same time to have further narrowed the previously presumed common ground for the definition of a strategic partnership with the European Union.

Firstly, the decision to withdraw from negotiations with the WTO and, instead, to seek a collective membership for the yet to be erected trilateral customs union of Belarus, Kazakhstan and Russia seems to have indefinitely postponed Russian accession to the World Trade Organization. It thus has removed an important building block from the concept of a “common economic space” which initially presumed Russian accession and aimed at identifying how far Russia and the European Union would wish to move beyond the WTO rules. Both, Moscow and Brussels have yet to work out how they shall proceed with the trade chapter of the new treaty, but they hardly will be able to go beyond the current PCA provisions.

The decision to withdraw from negotiations with the WTO and, instead, to seek a collective membership for the yet to be erected trilateral customs union of Belarus, Kazakhstan and Russia seems to have indefinitely postponed Russian accession to the World Trade Organization.

1. The details of the multiple sectoral dialogues between the European Commission and the Russian government can be obtained from the two Annual Progress Reports on the EU-Russia Common Spaces issued by the European Commission in March 2008 and in March 2009.

2. This is the name of the document preferred by Moscow.
Secondly, the official notification of the European Union by Prime Minister Putin that Moscow no longer considered ratification of the European Energy Charter and its effective withdrawal from this instrument dispelled all remaining illusions that a compromising language on a few of the most controversial provisions of the Charter could be incorporated into the energy chapter of a new treaty which, otherwise, would be largely based on the language of the Charter. Neither has the global and comprehensive energy treaty proposed by Moscow\(^3\) to replace the Charter helped yet to clarify the prospects for a distinct “energy partnership” between Russia and the European Union.

Thus the Russia Federation and the European Union are now indeed further away from a consensual definition and vision of a “strategic partnership” than in 2000, when they had jointly subscribed to it. They are back to where they have set out from and have to make a fresh start in defining the balance of their interest and a common purpose.

The last ten years of debates over a strategic partnership with the European Union have, at the same time, clearly revealed what the present Russian government wants this partnership to be about and what it does not want it to be.

It wants to be accepted as a “sovereign democracy” – as a partner equal to the European Union in every respect, and not expected to replicate the EU aquis.

It wants a contractual relationship based on full reciprocit.

It wants the partnership to be based on the balance of “sheer” interest rather than on “common values” or “ideology”, to put it in the words of President Dmitrii Medvedev.

It wants to be accepted as a distinct partner in non-EU Europe and nurturing no intention of eventually becoming part of EU Europe.

It thus excludes both the normative approach that dominated the thinking within the European Union (approximation of legislation) and conditionality as a basis of partnership and of a new Treaty.

It remains open whether the European Union finds it possible to abandon the underlying assumptions of the PCA and, particularly, the normative approach and to accept that the principle of conditionality should be replaced with a very distinct partnership with Russia based on common interest, not on common values. Different actors within the European Union would respond to this challenge in different ways. Some insist on maintaining the value-based normative approach. Others consider it important to embrace the vague concept of a strategic partnership in order to continue engaging Russia without emphasizing the normative path.

The wisdom of each approach needs to be tested against the time horizon it implies. The normative approach is an obvious non-starter in shaping short-term relations with the Russian government, which has largely immunized itself against external value-based assaults. But has it immunized itself forever against further transformation? If not, how long will an assertive and resurgent Russia be able to perpetuate itself? Should one accept that the current outcome of the transformation of post-communist Russia is not the final one and that the pressures towards necessary and long overdue comprehensive economic, social and political modernization would, at some point, make it return to the reform agenda? If so, what would that mean for the future of relations between the Russian Federation and the European Union?

Different strategies would flow from different answers to these and many other questions. So would different visions of the long-term path the European Union and Russia would be supposed to go together.

The uncertainty implicit in those questions and responses, however, hardly allows a clearly shared vision of a long term relationship to develop any time soon. Is, then, the pragmatic policy of small steps addressing immedi-
ate needs and concerns while leaving more fundamental issues open for the time being the only midway strategy available to bridge over the current ambiguous state of affairs in EU–Russian relations?

Sound Economic Cooperation Contrasted by Strained Political Relations

Over the past several years, the EU–Russia relationship is marked by profoundly good economic cooperation and, at the same time, by poor and increasingly strained political relations overshadowed by a series of disputes. Even those who avoid dramatizing the recent developments admit that this relationship has entered a period of stagnation, if not recession. The gap that has opened between Russia and the European Union continues to grow so large that it can no longer be ignored.

The contemporary crisis has not (yet) provided grounds for any dramatic reconsideration of this diagnosis. Despite the significant drop in mutual trade, continuous economic cooperation is seen by both as being critically important and indispensable, particularly so in times of crisis. Nor are the financial and economic difficulties grounds enough to push any partner – either Russia or the European Union – into conceding on any important issues on their agenda.

The European Union and Russia are engaged in a long-term relationship based on interdependence, even if the latter is sometimes described as being asymmetric.

During the past decade Russia has become the European Union's third biggest trade partner after the USA and China, claiming in 2008, the year the financial and economic crises broke out, over 11% of the imports, 8% of the exports and almost 10% of the total external trade turnover of the European Union. Trade between the EU and Russia grew at a remarkable pace and tripled between 2001 and 2008.°

Followed by China and Ukraine, the European Union is the biggest external trade partner of Russia, claiming almost 52% of its total turnover. More than 55% of total Russian exports go to Europe, from which it received over 45% of its total imports in 2008. Germany is by far the biggest individual trading partner of the Russian Federation, followed by China and Italy.°

This picture has not changed dramatically despite the economic crisis. While in the first half of 2008 EU-Russia trade continued growing by more than 55% – largely due to the surge in oil prices – it dropped disproportionally in the first half of 2009 to about a half of the amount of the same period of the previous year. However, the European Union, and Germany among EU member states, remained the most important trading partners of the Russian Federation, claiming 50% and 8.5% respectively of the Russian total external trade turnover.°

The accumulated mutual FDIs grew by factor 7 over six years between 2002 and 2007. With 73 billion euro in 2007, the European Union provided the bulk of total foreign direct investments absorbed by the Russian economy. Particularly since 2005, Russian investments in the European economy started growing, too, and reached almost 24 billion Euro in 2007.

There are obvious structural disproportions in the mutual economic exchange, since Russian exports to the European Union consist of 66% of mineral fuels (28.5% of EU imports) while, at the same time, manufactured products (machinery, transport equipment and chemicals, in the first 5° Russian statistics would confusingly single out the Netherlands as the biggest recipient of Russian exports and, for this reason, the second biggest trading partner of Russia. This confusion, however, is easily explained by the effect of the “Rotterdam factor”, since a large part of the oil exported by Russia is sold on the spot market in Rotterdam without necessarily being physically exported to the Netherlands.

Tensions and uncertainty are running high both within Russia, amongst her neighbours and in her relations with the European Union and its Member States. Each suspects the other of double standards. Both believe the other is using the energy weapon as an instrument of politics. Neither thinks they enjoy the respect and goodwill from the other they are entitled to expect.

Sergei Lavrov echoes Mandelson by voicing concern that the Russia–EU relationship gets increasingly complicated by targeted “attempts to formulate a negative common policy of the European Union towards Russia” and by the pursuit of a media campaign aimed at forming a negative image of Moscow in Europe that can only further deepen the split in the continent. He concludes with clear resentment: “Our relations have always been and will remain difficult in the time to come. Here we recognize better than anywhere else the implications of the competition which becomes one of the determining features of the changing paradigm of international relations”.

Competition, according to Lavrov, increasingly affects not only the major areas of cooperation between the European Union and Russia, such as trade, energy cooperation or mutual investment, but also extends to values and the way of life.

However, although policy makers on both sides admit the danger of a deterioration of the mutual relationship between Russia and the European Union, remarkably little is done to stop and to reverse this trend as if the status quo and business as usual were fine by the policy makers, or they would have little hope that the relationship between Russia and the European Union could be repaired any time soon.

Indeed, a series of mounting disputes continuously overshadow the dialogue between Moscow and Brussels. Those

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disputes include, *inter alia*, energy cooperation against the background of growing concerns regarding the security of energy supply from Russia and the significant dependence of European markets on Russian gas in particular. Further concerns relate to the discussions over the probability that Russia, claiming the status of an “energy superpower”, may not hesitate to blackmail those countries heavily dependent on supply from it.

Russian policy towards its neighbour states, particularly those of Georgia, Ukraine, or even Belarus, is a subject of growing concern inside the European Union, especially against the background of the inclusion of most of those countries into the European Neighbourhood Policy (ENP) which, in 2009, has been upgraded to become the Eastern Partnership framework, and against the background of the increasing divergence of Russian and EU policies towards their common neighbourhood.

Those issues have become the subject of increasingly controversial debates between Russia and the European Union, particularly since the autumn of 2006 when the conflict between Moscow and Georgia started to escalate. This controversy was further exacerbated by the war in Georgia in August 2008 and particularly following the recognition of the independence of the two Georgian breakaway entities of Abkhazia and South Ossetia by Moscow.

At the same time, Moscow was increasingly frustrated with the official ambition of the Eastern Partnership and for the first time went on the record by publicly expressing its dissatisfaction over the framework which, from the Moscow perspective, is aimed at extending the EU’s area of influence further to the East, thus encroaching on what Moscow sees as being the area of its own “privileged relations”.¹⁰

¹⁰ For the explicit critique on the Eastern Partnership by Foreign Minister Sergei Lavrov see, i.e., his statement at the Brussels forum on the 21 March 2009, http://www.dw-world.de/dw/article/0,.4117615,.00.html.

The dispute over the independence of Kosovo has clearly revealed the limits of external security cooperation between the European Union and Russia. The recent debates over arms control and the arms race, though not an immediate subject of common EU policies¹¹, also affected the atmosphere of the dialogue.

The decisions by Moscow to join the EU ESDP mission in Chad in 2008, and to postpone a further increase of export duties on timber heralded by the Summit meeting in Nice in November 2008 did not miss their purpose and served as signs of Russian openness to improve relations with the European Union. They helped little, however, to transcend the mounting disputes.

Though the structural problems in Russo–EU relations are deeply rooted, they are also increasingly overshadowed by particular disputes between Moscow and a number of individual EU member states. The number of EU member states that question the rationale of a strategic partnership with Russia has grown over the past few years. But Russia-fatigue is also spreading in the countries that traditionally pursue a policy of comprehensive engagement with Moscow.

Reciprocally, Europe-fatigue is spreading in Russia, too. An increasing number of politicians, government officials and experts question the wisdom of negotiating a new treaty of strategic partnership. Most importantly, the appreciation of the European Union and that of the concept of Europeanness appears to be on the decline in the Russian public.¹²

¹¹ In fact, this is another area of confusion and frustration in Russo–EU relations, since arms control was already explicitly supposed to be included on the agenda of political consultations between Moscow and Brussels by the 2000 joint declaration that was envisaged to kick off external security cooperation between the Russian Federation and the European Union. Arms control was further explicitly included in the road map for external security cooperation that was approved in 2005.

¹² See, e.g. the research published by the EU–Russia Centre in February 2007 “Russians Do Not Consider themselves...
Russian discourse over the European Union over the past years has been increasingly affected by conspiracy theories insisting that the EU was entering a geopolitical competition with the Russian Federation in the common neighbourhood and was cynically pursuing self-interest at the expense of Russia. The devil is seen in the details of contemporary disputes, which make the mainstream Russian political class believe that the balance of mutual interest in the relationship with the European Union is increasingly distorted.

Including among the higher echelons of the Russian Government, the continuous deterioration of political relations with the European Union is seen as a consequence of the enlargement of the EU in 2004 and 2007. Moscow claims that with the extension to East Central Europe and the Baltic states the European Union has imported a great deal of Russophobia that has distorted the previous consensus within the EU on the long term ends with regard to Russia and the need to engage it in a strategic partnership. Many in Moscow even claimed that the resentment shown to Russia in Poland or in the Baltic states was deliberately encouraged by the United States, which allegedly seeks to prevent an economic and political rapprochement between Russia and the European Union.

Whether right or wrong, this reading of recent developments in EU–Russia relations impelled Moscow to apply a tougher policy, particularly since 2006. Awaiting the evolution of the internal consensus within the European Union on its policy towards Russia, Moscow turned again towards boosting bilateral relations with the friendly-minded member states: Italy, Germany, Austria, Greece, France and Hungary.

As a result of the mounting controversies, and against a background of a lack of vision of a long term rationale and a common purpose of partnership, the communication between Moscow, Brussels and the EU Member States seems no longer to work appropriately. Real divergences are not always put on the table and discussed openly and properly, thus preventing the partners from turning from the zero-sum game approach to applying win-win strategies.

This development is not conducive to building a strategic partnership between Russia and the European Union. For the time being, Russia and the European Union are merely confronted with the challenge of finding their way back to a constructive partnership, rather than of identifying what their strategic partnership may mean in a more distant future.

The European Union has to learn to accept and deal with Moscow as it is, having little or no leverage to make a difference in Russia. This also implies that it probably has to reconsider whether the normative approach of EU policies towards Russia is the proper avenue for building the partnership in the short to medium term.

Moscow, in its turn, has to understand that the level of its relations with the European Union can no longer be defined by the Russia-enthusiasts only. It is to no lesser extent determined by the Russia-critics within the European Union. For that reason, Moscow can not afford allowing its relations with individual member states to further deteriorate while, at the same time, improving those with the European Union in general. It has to learn that there is little prospect of shaping a genuine constructive partnership with the European Union without dissipating remaining tensions with Warsaw, Tallinn, Vilnius, or London.

The European Union has to learn to accept and deal with Moscow as it is, having little or no leverage to make a difference in Russia.

European, Confused about Democracy, Seek Greater Protection under the Law and are Concerned about Human Rights", http://www.eu-russiacentre.org/assets/files/14.02%20Levada.pdf. The research was conducted in cooperation with the Moscow based Levada Center.

The Challenge of the Eastern Partnership
The most recent enlargement has brought the EU closer to Eastern Europe and the South Caucasus. This is one more
Eastern Europe and the South Caucasus are becoming an area of an increasing competition rather than of closer cooperation between the European Union and the Russian Federation. Eastern Europe and the South Caucasus are becoming an area of an increasing competition rather than of closer cooperation between the European Union and the Russian Federation. Brussels and Moscow find it easier to identify a common interest and language on more remote regions precisely because Russia finds itself confronted with the need to continuously defend the status quo in the common neighbourhood with the European Union while, at the same time, finding it increasingly difficult to resist impending change. For quite some time since the introduction of the ENP the emerging conflict of interest with the European Union remained at the periphery of Russo-EU relations, for the simple reason that the European Union was not perceived in Moscow as a strong revisionist actor in the common neighbourhood willing and/or able to seriously challenge the status quo in the post-Soviet space. From Moscow’s perspective, the most important message implicit in the ENP was that further expansion of the European Union into the Eastern neighbourhood was not going to be put on the agenda any time soon. This made Moscow believe that the time factor was working in its favour, thus allowing it to consolidate the status quo in the western and southern parts of the former Soviet Union before the European Union reached consensus on offering the relevant countries a membership option. The Russian political class still nurtures the illusion that the countries in the shared neighbourhood remain dependent on (or even bound to) Russia economically and culturally, and that Moscow can lever their decisions on available policy options. This assessment appeared to be increasingly challenged with the elaboration and the official launch, in 2009, of the Eastern Partnership of the EU, which is supposed to provide an upgraded policy framework aimed at bringing the six post-Soviet countries in Eastern Europe and the South Caucasus closer to the EU. Back in 2004, Moscow raised its concerns about the evolving Wider Europe debate and formulated a set of criteria describing what EU policy towards its Eastern neighbours would be considered acceptable to Moscow and where it would see red lines that the European Union was expected to respect. Firstly, when designing partnership with the Eastern European and South Caucasian states, the European Union was supposed to respect the integration projects involving those states and Russia. The EU would particularly not be supposed to seek to undermine Russian integration policy in the post Soviet space. Secondly, any involvement of the European Union in conflict resolution in the common neighbourhood was not supposed to challenge Russian-led peacekeeping operations or Russian-brokered negotiating formats for the settlement of conflict in the former Soviet Union. This demand did not exclude cooperation between Russia and the EU in the interests of conflict resolution or peacekeeping. However, the modalities of such cooperation were not supposed to challenge the key role of Russia. The manifest ambition of the Eastern Partnership, measured against those criteria, appears to go too far and to be liable to cross some of the red lines drawn by Moscow at an earlier point. This is because the EaP, if living up to its
promise, is considered to make closer convergence of those countries with the Russian Federation a more difficult task, if not to undermine this policy option altogether.

The following new promises of the EaP are noted as being particularly problematic from the Russian perspective.

Firstly, the upgraded ambition of the EaP to offer eastern neighbours an association with the European Union instead of an enhanced partnership and cooperation framework, even though defined in rather vague terms, is seen as aiming at and eventually leading towards a progressive disassociation of those countries from the Russian Federation;

Secondly, the objective of developing free trade between the EaP countries and the European Union is seen as capable of entering, at some point in time, into conflict with the objective of the Russian policy of establishing free trade or even some sort of economic community with the countries of the region. It is particularly seen as being incompatible with the provisions and the objectives of the agreements establishing a Union State of Belarus and the Russian Federation, and the provisions of the trilateral agreement between Belarus, Kazakhstan and the Russian Federation aimed at establishing a customs union to be followed by deeper integration. In more general terms, developing free trade between the European Union and its eastern neighbours is seen as leading towards establishing new trade obstacles between the Russian Federation and those countries.

Thirdly, the proposal to include the regulation of energy cooperation in the association agreements with the eastern partners, and particularly the prospect of a rapid conclusion of negotiations on membership of Ukraine and Moldova in the Energy Community, and the desire of the European Union to promote the full integration of the energy market of Ukraine into the EU energy market are seen as potentially not only altering but fundamentally undermining the existing political and legal frameworks of Russo-Ukrainian and, to a lesser extent, of Russo-Moldovan cooperation in the energy sector.

Fourthly, The specific objective of the modernization of Ukraine’s natural gas and oil transportation network with the assistance of the European Union has become a point of particular controversy to the Russian Federation after the endorsement of a European Commission–Ukrainian memorandum of understanding to that effect earlier in 2009. The objective of concluding a common declaration by the European Commission and Belarus about energy as the basis for a further development of cooperation in the energy sector, pending greater details about its particular aims and provisions, bears the potential of becoming a no less controversial issue between the EU and Russia, as it runs contrary to the objectives of Gazprom – the Russian gas monopoly – in the Belarusian energy market.

Fifthly, The alignment of technical standards of the eastern partners with those of the European Union, even in selected areas, if not matched by a similar harmonization of technical standards of the Russian Federation and of the European Union, is expected to further complicate practical cooperation and closer integration between Russia and the relevant EaP states, and to stimulate a progressive crumbling away of those states from the Russian Federation.

Sixthly, the vague ambition of the European Union to assume a more direct role in managing and resolving protracted conflicts in its common neighbourhood with Russia would, if implemented, represent another challenge to the dominant role Moscow claims to play in handling those conflicts. The deployment of the EU Monitoring Mission in Georgia provides the first testing ground of whether Moscow and Brussels will be able to develop a mode of cooperation based on respect for their respective ambitions and roles.

Indeed, Moscow never saw reason to confuse the declared ambition of the Eastern partnership with the reality on the ground. However, several recent developments have raised concerns, if not anger, in Moscow. This was particularly so whenever the promotion of the Eastern Partnership
The European Union can not afford obtaining both objectives at the same time – those of gradually integrating the neighbourhood countries into the EU and of developing a strategic partnership with the Russian Federation.

Concerns grew in Moscow particularly after, in 2007, the former external relations Commissioner Benita Ferre-ro-Waldner publicly stated that Ukraine could not engage in simultaneously developing free trade with the European Union and the Russian Federation.

More recently, Moscow showed zero understanding for the indication from the European Union that Belarus would not be invited to join the Eastern Partnership framework should Minsk follow suit with Russia and recognize the independence of Abkhazia and South Ossetia.

Against this background, the very fact that Moscow was taken by surprise when the European Union and Ukraine signed an agreement on modernizing and upgrading the Ukrainian transit gas pipelines without inviting the Russian Federation to be part of the project fuelled the worst expectations in Moscow. This example particularly alarmed Moscow that the Eastern Partnership may imply projects capable of denying the Russian Federation important goals it pursues.

The fact that such conflicts repeatedly occurred in the recent period of time heralded to Moscow that they might become the rule rather than the exception, and prompted hard rhetoric from the Russian government.

Whether or not the abovementioned criteria, or the red lines, have at any time been discussed between the Russian Federation and the European Union, and whether there has been any sort of agreement on the issue, Moscow proceeds on the basis of the understanding that the European Union has never raised explicit objections to its claims. Now, when the Eastern Partnership appears to go a step beyond that understanding, Moscow reminds Brussels that its strategy should remain in conformity “with the previous agreement between Russia and the European Union to avoid any collision between integration processes evolving under the aegis of the EU and in the post-Soviet space”\(^{13}\).

Moscow believes that it has clearly communicated to the European Union, at an early point, its interest in being granted a security and integration space in its immediate neighbourhood. While getting explicitly critical of the Eastern Partnership, it must have come to the conclusion that this strategy of the European Union, as it has evolved over the last year, is starting to challenge the prospects of Russian dominance in its immediate neighbourhood.

The tenor of the recent communications from Moscow seems to be simple: the European Union can not afford obtaining both objectives at the same time – those of gradually integrating the neighbourhood countries into the EU and of developing a strategic partnership with the Russian Federation.

The recent controversy over the Eastern Partnership raises an important question - whether a common denominator can be identified between the implementation of the Eastern Partnership and the future EU – Russia treaty?

The extent to which the implementation of the Eastern Partnership would result in a conflict of interest between the Russian Federation and the European Union, or, at least, would have immediate impact on Russian-sponsored projects, often appear exaggerated in Moscow.

Apart from this, the very fact that Moscow and Brussels have set out on a road to identify common goals for their future cooperation in a new treaty, and apparently are doomed to do it in a very pragmatic, non-visionary manner, offers an opportunity to develop a common denominator capable of at least reducing the danger of an eventual conflict of interest implicit in the controversy over the Eastern Partnership.

Indeed, the continued divergence or convergence of the policies of both Russia and the European Union towards

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\(^{13}\) Foreign Minister Lavrov at a joint press conference with the Polish Foreign Minister Sikorski in Moscow on 6 May 2009.
their common neighbourhood will largely depend on the goals the EU and Russia set out in the new treaty as well as on how they handle the practical issues arising from the implementation of the Eastern Partnership.

Should Russia and the European Union agree on the goal of establishing free trade between them much of the current discord over the prospects for free trade between the European Union and its eastern neighbours could be transcended. However, pending Russia’s accession to the WTO, this solution appears rather uncertain now.

Very much would also depend on the outcome of the Russia–EU talks concerning establishing a regulatory framework to govern their cooperation in the energy sector and on the decision of the relevant transit countries either to be part of this framework, or simply to import the relevant EU aquis when joining the European energy community. However, the outcome of the relevant negotiations between Moscow and Brussels now appears to move into a remote future after Moscow has firmly decided to drop the option of amending the controversial provisions of the European Energy Charter in the new Treaty. Should Ukraine in particular move faster on its way to joining the European Energy Community, a conflict of interest is going to become much more likely.

An important question is also whether there could be a greater convergence between the thematic priorities of the multiple sectoral dialogues between the European Union and the Russian Federation, particularly on developing a common economic space, and the goals set for the approximation of the regulatory frameworks of the eastern partners with those of the European Union.

The pace of addressing and answering those questions will be crucial for avoiding unnecessary divergence of policies between the European Union and the Russian Federation.

Otherwise, with the exception of Belarus or, rather, the Russo-Belarusian Union State, no immediate impact on the Russian-sponsored projects should be expected. On the one hand, no other country eligible to take part in the Eastern Partnership engages or envisages engaging in any significant integration project with the Russian Federation. On the other, the Eastern Partnership is hardly to be expected to produce very rapid change in any of the countries of the Eastern Partnership, and will take time to evolve and yield fruits.

Policy Recommendations

- The implementation of the Eastern Partnership is likely to increase the disharmony rather than to produce more harmony in relations between the Russian Federation and the European Union. The gap that has opened in these relations is likely to widen further in the time to come, and it is unlikely to close any time soon. However, this current divergence of Moscow and Brussels should not be overdramatized either.

- While it is hardly to be expected that the goals agreed by the European Union with the Eastern partners and Russia will converge any time soon, it is important to ensure that they are as compatible as possible. It is important to take care that the sectoral dialogues with the Russian Federation and the action plans agreed with the Eastern partners of the European Union essentially lead in the same direction, although they are most likely to differ in scope and ambition.

- The European Union and the Russian Federation should stay in close consultation over their respective policies in the common neighbourhood in order to keep them as transparent as possible to each other, and to avoid unnecessary surprises.

- The European Union, the Russian Federation and their common neighbours should identify themes and policy areas in which the goals of their cooperation with each other converge, and should develop
overarching projects that would help to transcend the dividing lines that may eventually result from the implementation of the Eastern Partnership. Relevant projects should be identified particularly in areas such as energy policy, infrastructure development, border management, and approximation of standards. This task should be particularly acknowledged and paid attention to in the course of the current negotiation of a new treaty between the European Union and the Russian Federation.

✓ In the long run, the competition that now appears to occur between the European Union’s and Russia’s objectives and policies in the common neighbourhood can eventually be transcended if the basic objectives of the Eastern Partnership and those of the EU–Russia partnership start increasingly converging, in particular if the European Union and the Russian Federation agree on the goal of developing free trade, visa-free travel, and the modalities of a closer energy partnership.

3.2. EU-Russia Relations through the Prism of Four Common Spaces: How Russia Views Them

By Elena Klitsounova

The EU-Russia Four Common Spaces, set up by the two parties in May 2005, is the latest twist in a long series of efforts to give structure and momentum to EU-Russia cooperation. To date there are conflicting views on whether there is any substance behind the high-flying rhetoric of Common Spaces. Some voices insist that in many areas EU-Russian cooperation is much stronger than it was before the launch of the four Common Spaces. Others argue that the EU-Russia interaction within the CS has become increasingly devoid of the constructive cooperation that has been promised.

This paper aims at exploring how Russian officials and experts view the four Common Spaces. It argues that most Russian policy makers take the CS to be an opportunity to redefine, in cooperation with the EU, the rationale and operational framework for the EU-Russia relationship.

EU-Russia Relations in the Early 2000s: Concerns and Hopes of Russian Policy Makers

Russia’s relations with the EU have always been an elite-driven project. In the early 2000s, the top Russian leadership – President Putin and the people around him – was the key driver behind the dialogue on the Four Common Spaces (FCS) on the Russian side. This was reflected in the nomination of four senior interlocutors to lead negotiations on the Russian side.1 This was also reflected in the Russian

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1 Victor Khristenko, Energy and Industry Minister, was in charge of negotiating the Common Economic Space; presidential aide Sergei Yastzhembsky was responsible for the space on research,
official discourse. The underlying theme was that the top Russian leadership had been willing to advance Russia’s partnership with the EU much further and much faster than its predecessor.

The Kremlin’s strategy towards the European Union excludes the possibility of Russia’s EU membership, but emphasizes the strong necessity to advance a durable and effective partnership with Brussels. At the rhetorical level, the early 2000s witnessed a steady rise in the number of references made by Russian officials to the pragmatic reasons for the upgrade in the EU-Russia partnership. In practice, Moscow allocated more staff and resources to the management of EU-related issues. Serious attempts were made to identify and develop initiatives that would go beyond the realm of just “virtual” cooperation with the EU. Such a vigorous mood in the Russian leadership nicely coincided with Brussels’ attempts at de-politicizing its relations with Moscow after the 2000 Feira European Council summit, where the Union agreed to relax political conditionality for EU-Russia economic cooperation. As a result, several EU-Russia initiatives were launched in 2000 – ranging from the energy dialogue through the security dialogue to scientific and technological cooperation.

At the same time, the new Russia’s interest in advancing partnership with the EU coincided with the final stages of the EU enlargement to the Central and Eastern European countries and with the birth of the Wider Europe – New Neighbourhood Initiative. The EU enlargement process almost unexpectedly turned out to create considerable difficulties for Russia. Disagreement over individual enlargement-related issues, be they transit rights for Kaliningrad, steel export quotas, extension of the PCA to the new member-states or potential loss of trade and rise of new visa barriers, led Moscow to demonstrate serious concerns about possible negative effects of the “Big Bang” enlargement.

It was also the case that the “Wider Europe – New Neighbourhood Initiative”, launched by Brussels in 2003 and rebranded as the European Neighbourhood Policy (ENP) in 2004, had further complicated Russia’s position towards the EU. The initial Brussels decision to put all neighbours – from Murmansk to Marrakesh – into the same policy basket was seen by Moscow as the EU’s failure to keep pace with the concerns and real needs of its neighbours. First, mixing North African dynamics with post-Soviet challenges looked increasingly at odds with the reality. Second, Russia was less than enthusiastic about prospects of becoming just one of the Union’s many neighbours. Third, by that time the top Russian leadership had already become critical of the EU’s plan to develop the ENP as a derivative of the EU’s enlargement process. As a result, Russian officials claimed that the ENP arrangement offered was “not the right size for Russia’s shoulders”.

In these circumstances, the key goals were

1. to minimize the negative effects of the EU enlargement;
2. to find a new – positive – impetus to cooperation between the EU and Russia;

| Science and culture; presidential aide Victor Ivanov was designated as Russia’s chief negotiator for the space on freedom, security and justice; and the negotiations on the third space (external security) was led by Foreign Minister Sergei Lavrov, who was also in charge of overseeing the overall management.
| As a result, the Russian mission to the EU in Brussels is now believed to be Russia’s biggest embassy in the world. It is staffed with 60 diplomats and experts covering every aspect of the EU-Russian relationship as well as of the wider European integration process.


4 For example, in January 2004 Russia presented to the EU a list of 14 “Russian Concerns in the Context of EU Enlargement”. Russia’s statement can be found in Press release 161-30-01-2004, Ministry of Foreign Affairs of the Russian Federation.

5 S. Yastzhembsky, ITAR-TASS Weekly News (9 November 2004).
3. to update the operational framework for EU-Russia relations.

For Russian policy-makers, these goals were closely linked with the need to formulate a very complicated “policy mix” between two opposing sets of policies – those focused on involvement in and those aiming at aloofness from the EU-led integration project. The problem began with the continuing and even sharpening ambivalence over the degree to which Russia should follow the Partnership and Cooperation Agreement (PCA) approach. The trouble is that in 1994 the PCA was designed by the EU as a derivative of the “European Agreements” negotiated with the Central and Eastern European States in response to their application for full EU membership. Thus, the PCA to a great extent follows the rationale of EU enlargement policy. It means that the PCA, in general, provides “reciprocal rights and obligations”. But in more practical issues it imposes on Russia the unilateral legal obligation to adopt some parts of the EU acquis communautaire. As Article 55 (1) of the PCA states, “Russia shall endeavour to ensure that its legislation will be gradually made compatible with that of the Community”. The EU obligations are restricted to provide assistance in this process.6

But by the beginning of the 2000s, the top Russian leadership had already rejected the idea of moving towards EU membership. As was stated in Russia’s Medium-Term Strategy towards the EU in 2000, “partnership between Russia and the European Union will be based on the treaty relations i.e. without an officially stated objective of Russia’s accession to or ‘association’ with the EU”.7 In the absence of Russian plans to join the EU, the issue of the PCA presents Russian policy makers with considerable difficulties. In short, they became increasingly doubtful about the need for a non-candidate country to keep to the unilateral legally-binding obligation to transform large part of its legislation in accordance with that of the EU. Top Russian policy makers also started questioning whether legal approximation was the best way to develop the proclaimed strategic partnership between Russia and the EU.

The situation was further exacerbated by the EU’s intention to make the “neighbourhood approach” the basis for its policy towards Russia. The problem was that the European Neighbourhood Policy, although designed to be an “enlargement-neutral” initiative, also follows the logic of the EU enlargement policy. EU governments presented the ENP as a way of replicating the success of enlargement. From the Russian view, a replication of the enlargement could turn out to be very controversial, to say the least. In the course of the late 1990s – early 2000s, enlargement policy turned out to be an ambitious EU project of “external governance”. Brussels had managed to make candidate states take EU policy outputs, i.e. to accept the entire acquis, without any “ifs and buts”. In developing its European Neighbourhood Policy towards post-Soviet East and Mediterranean South, the EU has been driven by the similar ambition to extend a large part of its norms and regulations beyond the EU’s borders. At a practical level, such a missionary approach is embodied in the EU’s determination to keep legal approximation and conditionality mechanisms at the core of EU external policies.

Inside the Russian policy community there was no unity on the approximation of EU norms and regulations by Russia. On the one hand, Russian “EU-optimists” argued that implementation of (some parts of) the acquis by Russia would be to the country’s own advantage. There was therefore no reason to avoid deeper integration with the EU.8 Those in


8 For instance, Vladimir Mau and Vadim Novikov insisted that a small part of the acquis – notably the free movement of goods, services, capital and people – would be beneficial for
The idea of Common Spaces was invented in an attempt to update the EU-Russia relationship outside the policy framework known as the ENP. The other camp, however, pointed out that the EU-optimists’ option would be problematic from a political point of view. They argued that to fully sign up for the EU-centred integration project would mean accepting the EU enlargement policy approach and thus exposing the country to the “external governance” problem. In other words, Russia would be exposed to the dictates of EU policies without much opportunity to have political or operation influence over them. Under such conditions, sceptics insisted, adjustment costs would surely be very high for Russia. Therefore, the country’s leadership would do better not to let the pressure of Europeanization become predominant in Russian policy making. There also were arguments that Putin’s new “Russian project” did not “conform with the existing Europeanization concept … In some fields (for example, with regard to the ratification of the Kyoto Protocol), Russia’s goals for its modernization run counter to the terms of cooperation put forward by the EU”.9

Against this background it was hardly surprising that the top Russian leadership had rejected the idea of joining the ENP. Instead, it was advocating a more balanced and symmetrical approach to regulatory convergence between Russia and the EU. At the same time, the Kremlin administration continued to seek cooperation with Brussels on a wide range of issues. In its turn, Brussels also appeared to have a vested interest in continuing cooperation with Russia. There were signs that the European Commission was advocating the need for a more substantive issues-based policy approach towards Russia.

The idea of Common Spaces was invented in an attempt to update the EU-Russia relationship outside the policy framework known as the ENP.10 This idea was hailed by many Russian policy-makers as a way out of the fraught status quo. In the course of the 2003 EU-Russia Summit in St. Petersburg, agreement on developing four common spaces was reached and a Permanent Partnership Council was created in June 2003 to replace the Cooperation Council that oversaw the implementation of the Partnership and Cooperation Agreement. The Permanent Partnership Council was designed to be a body at Ministerial level that would meet more regularly than the Cooperation Council, and in different formats, bringing together relevant Ministers.

The Launch of the Four Common Spaces

The negotiations over Common Spaces turned out to be tough and time-consuming, since both the EU and Russia strove not only to give new momentum to the relationship but also to push their own, often competing, policy paradigms into the final design of their deal.

On a technical level, there was a considerable difference in views. The Commission tried to couple all common spaces together and to stress coherence and linkages across all areas and matters. The Russian side insisted on decoupling common spaces and generally preferred to avoid the subject of underlying (political) values, concentrating instead on practical details. The Russian proposal was to move ahead with the space on economics while leaving other issues, such as the topic of freedom, security and justice, to be discussed and agreed at some later stage.

The final design of the roadmaps is the trade-off between the conflicting EU and Russian views on what should be the strategic core of the CS initiative. After two years of tough

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negotiations, the Russians did feel compelled to accept the “package” of four Common Spaces, including the most controversial in the Russian view, the common space for freedom, security, and justice. In addition, the EU managed to apply the ENP template to designing the roadmaps: they were the EU Commission’s rather than Russia’s invention and resemble the ENP “Action plans”. As a Russian policy analyst notes, there are no benchmarks in the 2005 roadmaps, otherwise there would be no difference at all.\(^{11}\)

At the same time, Russia has contrived to relax the grip of the EU-centric approximation approach. This is reflected in the language of the 2005 roadmaps and later documents that are mostly cast in terms of “convergence”, “coherence”, “moral guidance” and refrain from making any connection between approximation and EU standards.\(^{12}\) Russia also managed to reject the European Commission proposal to have an overarching Action Plan on all four spaces. Instead, four road maps (a separate one for each common space) were adopted in the Moscow EU-Russia Summit in May 2005 as the short to medium-term instruments for the implementation of the common spaces.

The appreciation that Moscow and Brussels had done a tough job in reaching the Four Common Spaces compromise was reflected in both EU and Russian official statements. President Putin noted on 10 May 2005, “I want to emphasize that this result [agreement on the Four Common Spaces] was achieved through hard work together and an ability to reach mutually beneficial compromises. This work was not easy. Our European partners displayed their best qualities as negotiators and as people who had their sights firmly on getting results.”\(^{13}\)

### The Common Spaces and their Roadmaps: Bureaucratic Endeavour?

In attempting to explain why Russia and the EU had worked so hard to negotiate the 2005 roadmaps, Putin put emphasis on positive outcomes that the EU-Russia Common Spaces could bring for the Russian public. In his view, these outcomes may include free communication between people, expanded opportunities for humanitarian, trade and economic cooperation, and a life in a united Europe without dividing lines.\(^{14}\) Yet, the Russian public seemed to be almost indifferent to both the negotiation process and its results.

One reason for this is that the four Common Spaces were negotiated almost exclusively by governmental officials, with the Russian public not informed about the process and the objectives of the negotiations. Moreover, the concept of EU-Russia common spaces was invented with very limited participation of Russian politicians, business and academic communities. The Russian style of policy making was highly bureaucratized. And the mode appears to be continuous. In the case of foreign policy, in general, and policy toward the EU, in particular, the closed character of the process is especially evident.\(^{15}\)

First, the dynamics within the field of Russian party politics do not contribute much to opening it up. From

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13 See the “Press Statement and Responses to Questions by Vladimir Putin Following the Russia-European Union Summit”, President of Russia Official Web Portal (2005), http://eng.kremlin.ru/speeches/2005/05/10/2030_type-82914type82915_88025.shtml.

14 Ibid.

Russian bureaucrats strongly prefer silence to public scrutiny and engagement, and in some cases this leads to “the elimination of business, civil society and expertise” from the process of elaboration and discussion of concrete plans for Russia’s interaction with the EU.

The very beginning, the majority of Russian parties suffer from a lack of clear ideological definition. It is not surprising, then, that the issue of Russia’s relations with the EU has not become a source of competition between parties. Further, in the course of the 2000s, more and more deliberate efforts were invested by the Kremlin in making institutional changes that would weaken everyone but the dominant pro-presidential United Russia party. Other parties were co-opted into the formal and informal hierarchy of the Russian government or marginalized, thus losing their role as influential political actors. As a result, Russia’s policy toward the EU has not benefited from parliamentary debate.

Second, the comparatively centralized and closed political system makes it difficult for societal actors to influence the policy-making process. Little has been done within Russia to nurture vibrant knowledge and policy communities, with participants from business, academic and NGO sectors. In this regard, Russia can easily be contrasted with the EU, where a multitude of dense knowledge and policy networks is increasingly integrated into the policy-making process. Recent attempts to overcome this asymmetry have so far produced limited results, although the Russian bureaucracy seems to support the activities of the Russia-EU Industrialists Roundtable and has invested in training its staff in EU affairs.

An Anatomy of the Russian Vision

What vision of the four Common Spaces was constructed by Russian bureaucrats and a handful of policy experts?

First, after the May 2005 Summit, the satisfaction with Russia’s ability to quickly accumulate skills for dealing with Brussels on an equal footing figured in Russian texts quite prominently. The work on the CS documents was seen by many Russian commentators as an illustrative example of how Russia and the EU could be equal partners in policy making. Second, Moscow’s ambitions to be treated by Brussels like a “partner” rather than a “neighbour” exerted a certain influence on the Russian discourse on common spaces. Through the language employed to discuss the four common spaces, many Russian texts were often trying to present this arrangement as an exceptional, country-specific, if not unique, formula tailored to Russia, which is in a class of its own in EU external relations.

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17 The most important achievement in this direction seems to be the establishment of the European Studies Institute (ESI) with the Moscow State Institute of International Relations (MGIMO) and with the cooperation of the College of Europe (Bruges). The Common Spaces Facility instrument, launched in autumn 2008, appears to be another attempt to develop knowledge and policy networks for and around the four Common Spaces.


19 According to S. Sokolov’s estimate, in 2007 there were not more than 30 people directly concerned with EU matters in all Russian federal agencies and departments. For a detailed argument on the central role of bureaucrats in shaping Russia’s relations with the EU, see S. Sokolov, “Russia and the EU to Negotiate a New Cooperation Agreement”, Russia in Global Affairs, No. 2 (2007).
Russian policy-makers repeatedly called for “specificity and consideration”. Third, the practical importance of the 2005 roadmaps was highlighted. Russian policy-makers argued that the need behind the CS initiative was real enough and that the road maps would help Moscow and Brussels to shift from declaratory diplomacy to de facto cooperation. The road maps are portrayed as a detailed framework for developing mutual cooperation in the short to medium term. As an official of the Russian MFA put it, the road maps were designed as “a kind of catalogue of shared mid-term objectives”, as “the basis for Russia’s real stage-by-stage rapprochement with the European Union…”

The central idea of many Russian comments is that the common spaces have been an important step forward to a better model of EU-Russia cooperation. The main argument is that the CS approach turns out to be an effective way to bring the EU and Russia closer together because it includes, as its principal component, a soft mode of governance through dialogue. Lacking regulatory authority, the CS policy relies on the mechanism of dialogue, which provides a two-way channel for influence, minimises opportunity for using coercive mechanisms, and enables the parties to identify shared interests and formulate shared objectives. The clump of dialogues launched within the EU-Russia common spaces is repeatedly portrayed in official texts in a positive light. Finally, Russian thinking links the common spaces with a future strategic agreement between Moscow and Brussels. The Common Spaces are seen as a transitional framework for EU-Russia relations during the period of time that is required to draft and negotiate a new treaty to replace the existing PCA. What is more, over time Russian policy-makers are starting to view the EU-Russia common spaces as a laboratory where Moscow and Brussels can work out and test the concept for this new agreement.

The plan to replace the PCA with a new agreement was publicized by Russia and the EU at their Sochi Summit in May 2006, only a year after the roadmaps for four common spaces were signed. The need for renegotiation did not come as a complete surprise. Both the EU and Russia continuously emphasized, in flowery language, the intention to deepen and intensify their “strategic partnership”. Meanwhile both Russian and EU leaders, all rhetoric notwithstanding, seem to become more and more sceptical about their chances of working towards a genuine constructive partnership on the basis of the existing agreements and commitments. In the Russian view, it is the logic and implications of approximation and conditionality embedded in the PCA that turn out to be a major bone of contention between the EU and Russia. The way out of the crisis would be to renegotiate the legal basis for EU-Russia cooperation and to have a new agreement to replace the PCA when it should expire in 2007. The Russian claim is that the time had come for an agreement that would do away with the conditionality of the PCA.

At the more technical level, discussions were about the legal format, content and practical aspects of a new cooperation. At this level, the FCS agreements figured prominently in the debate. Several options for the future relationship were discussed by Russian experts, but almost all the options – be it a new comprehensive treaty, covering all sectors of mutual interest in legally-binding form, or a bundle of multiple sector-specific agreements supported by a political declaration on strategic partnership – envisaged the need to use and enrich the content of the EU-Russia common spaces. The official Russian position seems to favour a new cooperation built around the four common spaces and sector-specific agreements to be negotiated either parallel to, or after, a new treaty.

20 For more on this as well as on understanding the Four Spaces as a peculiar case of “inclusive exclusion” see in A. Makarychev, “Neighbours, Exceptions and the Political: A Vocabulary of EU-Russian Inter-Subjective (Dis)Connections”, M. Emerson (ed) The Elephant and the Bear Try Again (2006), pp. 15-40.
Over the course of two years, the posture of top Russian policymakers towards negotiations over a new PCA has gravitated from enthusiastic and proactive to outwardly more restrained. In the beginning, there seemed to be a strong sense in Moscow that the Russian proactive posture toward renegotiating the legal basis of the EU-Russia relationship would bring positive results. Russian efforts to officially launch the negotiations for a new basic agreement were represented to the public as a way towards a policy of the greatest and most equal cooperation with the EU. This optimistic message was gaining ground until there was a new twist to Russia's relationship with the EU. The year of 2007 witnessed the relationship sinking into what European Union Trade Commissioner P. Mandelson described as “a level of misunderstanding or even mistrust we have not seen since the end of the Cold War”. 22 In this situation the EU did not rush to start the negotiations. In 2007-08, negotiations on a new PCA were held up for a year and a half by Poland and Lithuania, which were engaged in a dispute with Russia over meat exports and oil delivery, respectively, and therefore were blocking the consensus on the mandate for the EU delegation. By the time Moscow and Brussels finally began talks on a new PCA in late June 2008, it was only weeks before the conflict between Russia and Georgia erupted, leading the EU to convene an emergency summit and decide once again to postpone negotiations on a new agreement, this time till November 2008.

Over the course of two years, the posture of top Russian policymakers towards negotiations over a new PCA has gravitated from enthusiastic and proactive to outwardly more restrained. Moscow has apparently lost interest in pressing the issue and has been repeatedly stressing that Russia's relations with the EU are not limited to talks on a new PCA and that “Moscow needs a new basic treaty only as much as the EU does”. 23 Growing scepticism about the prospects of a speedy realignment of Russian-EU relations on the basis of a renegotiated PCA has also influenced how Russian policy-makers view the four Common Spaces. It became more evident over time that Russian policy experts developed a careful view of the process and outcomes of the implementation of the 2005 agreements.

The State of Play

The Common Economic Space – a Senior Space with Senior Problems

The first common space – the Common Economic Space (CES), which also embraces some social and environmental issues – is about Russia-EU cooperation in six broad economic policy areas 24 with the key policy goal of creating an open and integrated market between Russia and the EU.

The CES has been repeatedly portrayed in Russian official discourse as the locomotive of the EU-Russian partnership. One reason for this is that the beginning of the century witnessed the trend towards the “economization” of Russia's policy thinking. Putin and most within his entourage did seem genuinely persuaded that the “dash for economic growth” should be among the highest priorities for Russia. The headline goal has been to double the level of GDP within ten years, by 2013. By 2003, Russian policy-makers had taken on board the idea that the EU-Russia Common Economic Space – combining trade liberalization with a substantial increase in investments and technology flows - would be beneficial for the Russian economy. 25

24 The six broad economic policy areas are as follows: 1. general issues of trade and economic cooperation; 2. trade facilitation and customs; 3. telecommunications and transport; 4. energy; 5. space; and 6. environment.
The belief that the CES could become an effective means to a specific end – a useful boost to the goal of accelerating Russia's economic growth – has played a significant role in economic cooperation's becoming the highest priority in Russia's EU policy.

At the same time, the EU-Russia decision to elaborate the potential of a common space in economics became the starting point for thinking on ways to fashion a well-functioning try-on mechanism for EU-Russia relations in other policy areas. As a result, the whole scope of the “EU-Russia common space” vision had profoundly expanded between 2001-2005. The Rome EU-Russia Summit in November 2003 concluded that the creation of the CES should be viewed as part of a broader policy aimed at creating not one but several EU-Russia common spaces. Yet, there still seems to be a shared explicit and implicit understanding among Russian policy-makers that the CES is the central and senior of all four common spaces.

The official Russian and EU texts tend to brim with the rhetoric of cooperation and progress in EU-Russia economic relations. Such high-flying rhetoric and optimistic assessment are not absolutely unfounded. In the course of four years, from 2004 to 2008, the total commodity turnover between Russia and the EU more than doubled. The EU-27 is now by far Russia's most important trading partner and Russia, after the US and China, has become the EU's third largest foreign trading partner.26 In the sphere of investment the links between Russia and the EU are also deep, with the EU being by far the most important investor in Russia.27 On their part, Russian companies have concentrated 40 per cent of their long-term foreign assets in the EU.28 Thus, the current dynamics prove the accuracy of the predictions made by the authors of the CES concept that trade and investment will bind Russia and the EU together. In addition, the current institutional structure of the CES includes, in addition to high-level meetings and ministerial level meetings of the Permanent Partnership Council, the twenty formalized dialogues, with the last one launched in May 2009.29 It is in the sectoral dialogues that the main bulk of technical work on moving towards the CES has been done by Russian and EU bureaucrats. Moreover, Russia has implemented a series of economic and legal reforms that have brought it closer to EU and WTO regulations.

But a careful reading of the data reveals that things are not so bright. Contrary to the Kremlin ambitions, Russia still does not appear in EU and world markets as a diversified industrial producer, but rather as a producer of primary goods. Moreover, the progress towards a genuine EU-Russia common economic space has also been limited.30 From the Russian perspective, there are several weak points in the design and implementation of the CES project. First, recent discussions have recognized that the timing of

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27 In 2007, up to 73% of FDI stocks in Russia came from the EU.


30 Back in 2005, some Russian policy makers were very optimistic about the prospects for the CES between Russia and the EU. In the view of G. Gref, then Russia's Minister for Economic Development and Trade, Russia and the EU would conclude the negotiations on the common economic space by the end of 2006. Rossijskaya Gazeta (14 April 2005), http://www.rg.ru/2005/04/19/gref.html.
the policy was at odds with the realities of the mid-2000s. On the one hand, “much time has been wasted agreeing on the common principles of an integrated economic space between the EU and Russia in the course of complex political negotiations”. On the other hand, the project was based on very optimistic estimates, including the unjustified estimate of the time of Russia’s WTO accession. As a result, some sectoral dialogues, initially set up for the short term (two or three years), have already fulfilled their agenda but cannot be upgraded. Second, the CES policy suffers from a considerable number of deficiencies at the technical level of structural dialogues. More and more often Russian experts argue that dialogues are weakened by the absence of horizontal links between them and by the lack of effective monitoring and reporting mechanisms.

At the more general level, a long contention over a clutch of trade and energy-related issues intrudes on EU-Russian relations regarding the common economic space. Three issues demonstrate this. First, Russia’s long WTO accession process, which has resulted in slowing down the development of the EU-Russia common economic space. Although in the road map there is not a single mention of the words “free trade”, even as a long-term objective, in 2005 there was shared understanding among Russian and EU policy-makers that trade facilitation and, in the long run, the establishment of a free trade area (FTA) between Russia and the EU would be a necessary step on the path towards an open and integrated EU-Russia market. From its early days, the CES concept has been linked with Russia’s membership of the WTO, as the EU is a part of the WTO foreign trade arrangements. To a great extent, the talks on the CES roadmap were affected by the EU-Russia negotiations over Russia’s accession to the WTO that were completed in 2004. Waiting for the accession was one of the reasons why back in 2005 the CES concept was formulated rather broadly.

In the early 2000s expectations were high regarding Russia’s imminent membership of the WTO. Since then, predictions of Russia’s completing the WTO accession negotiations appear every year, each time ending in disappointment. At the rhetorical level at least, the Russian leadership remains committed to the country’s membership of the WTO, but the motivation for rapid accession seems to be diluted. This is partly due to Russia’s “WTO fatigue” from the sixteen-years of negotiating and bargaining. It partly stems from the fact that the issue of joining the WTO presents the Russian government with irreconcilable policy choices. Although Russian policy-makers generally accept the inevitability of accession, the question remains about the timing of the process and the status of Russia on entry. Those who resist rapid accession refer to the risk of dangerously limiting the room for manoeuvre on Russian economic policy in difficult times of economic recession. At the moment, the June 2009 decision by Russia to swap individual accession negotiations for a joint WTO bid with Belarus and Kazakhstan may be interpreted as favouring delay.

In Russia’s view, though, the EU and its member states also bear a considerable responsibility for this decision as well for the limited progress achieved so far in the process of Russia’s accession to the WTO. The current difficulties between Moscow and Brussels are driven by almost exactly the same issues that shaped disputes several years ago, with Russian timber export tariffs and Siberian overflight fees often surfacing as major irritants.

The current difficulties between Moscow and Brussels are driven by almost exactly the same issues that shaped disputes several years ago, with Russian timber export tariffs and Siberian overflight fees often surfacing as major irritants.

33 Ibid.
The trouble is that Russia and the EU have failed to develop a common vision of how to deal with the complicated and interrelated issues surrounding energy – the backbone of EU-Russia economic relations.

Second, some policies initially identified as high priorities for the CES are in fact already difficult to implement. The European Union seems to be serious about putting more resources into developing its economic relations with post-Soviet states. At the same time, Moscow repeatedly speaks of placing its privileged economic relations with its neighbours very high on Russia’s agenda. The global economic crisis seems to be perceived by the top Russian leadership as an opportunity to strengthen Russia’s positions in the region and to convert the EurAsEC into a closer trade and overall economic bloc. Not only has Russia’s economic policy towards the post-Soviet space become more proactive but it also displays significant new trends. For some years Moscow sought to integrate the entire CIS. Now Russian policy makers accept the possibility of a multi-speed and multi-level integration project with fewer participants.

As a result, they are more focused on preparing a legal base for liberalizing trade relations with some EurAsEC member states. Although it remains highly uncertain whether this new policy will bring substantial outcomes, it is already clear that it will transform the dialogue on trade that Russia has with the EU. Russian officials have already admitted that after the formation of the custom union with Belarus and Kazakhstan on 1st January 2010 Russia will no longer be able to hold negotiations with the EU on the creation of the FTA.

Third, the trouble is that Russia and the EU have failed to develop a common vision of how to deal with the complicated and interrelated issues surrounding energy – the backbone of EU-Russia economic relations. The two parties share the belief that in the energy sector they do need an effective policy to tackle many rising problems in the areas of investment and trade and transit across Europe. There has been some notable success in EU-Russia energy relations since the launch of the Energy Dialogue: the removal of destination clauses, the establishment of a joint technology centre, the introduction of stricter controls on maritime safety for tanker traffic, the launch of the EU-Russia Energy Efficiency Initiative, the establishment of energy early warning mechanisms, and increasing cooperation between Russia- and EU-based companies. However, while both Russia and the EU need to develop their energy cooperation, it is clear that the agreements that have been reached by them are usually of a technical nature and that Russia and the EU have failed to develop a shared vision of what should be a general framework for energy relations in Europe. The “EU-sponsored” Energy Charter and its Treaty are seen by Russian policy-makers and business people as stillborn, since the ECT does not guarantee non-discriminatory access to the EU’s energy networks and markets and lacks effective transit dispute settlement mechanisms and

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35 See A. Malashenko, “Krizis i SNG: shans Doyti do Rassveta”, RIA-Novosti (3 March 2009), http://www.rian.ru/analyt-ics/20090310/164340376.html. In 2009, Russia launched a massive infusion of credits or financial aid into its post-Soviet neighbours and decided to inject $7.5 billion into the newly established EurAsEC anti-crisis fund. Moscow has also started elaborating ways to expand the use of the ruble in inter-state activities throughout the CIS, at least in regard to energy payments.

36 K. Malliet, L. Verpoest, Ye.Vinokurov The CIS, the EU and Russia: Challenges of Integration. (Basingstoke: Palgrave Macmillan, 2007).


38 After the 2009 Russia-Ukraine gas crisis, Russian officials once again pointed to this deficiency of the Energy Charter Treaty. In the words of V. Chizov, “The Energy Charter Treaty has lost a lot of credibility, with Ukraine both signing and ratify-
In addition to a deepening difference in their views of what might be the best formula for a multilateral energy regime in Europe, Russia and the EU have different and sometimes conflicting understandings of what principles should rule the energy market. Moscow also worries that the EU, while lobbying for the ECT and trying to impose it on Russia, could exempt itself from the obligations of the treaty. As a result, top Russian policy-makers decided to terminate Russia’s provisional application of the Energy Charter Treaty, extinguishing any remaining hopes that the country might ratify it. The EU has in turn shown no enthusiasm for Russia’s proposals to negotiate an ‘alternative’ to the ECT and to reform the transit dispute settlement mechanism. In addition to a deepening difference in their views of what might be the best formula for a multilateral energy regime in Europe, Russia and the EU have different and sometimes conflicting understandings of what principles should rule the energy market. While the two sides converge in their interest in stable energy markets and enhanced energy efficiency, they do diverge in their interpretation of reciprocity and investment promotion, of the role state intervention should play in the energy sector, and of the best ways towards profit maximization. As a result, after almost ten years spent developing their energy dialogue, Russia and the EU have entered a vicious circle of politicization and securitization of their energy relations.

To sum up, there is much evidence that the process of building the EU-Russia common economic space has gained new momentum since 2005 but the progress in many areas is slow or halting. The main problem is that the two main “pillars” of the Common Economic Space – trade relations and energy dialogue – look shaky.

Common Space of Freedom, Security and Justice (CSFSJ): A Need for an Upgrade?

The genesis of the concept of the common space on freedom, security and justice has served as a good illustration that EU-Russia relations are about much more than trade and energy. The second common space, the subject of a long and detailed text, is about three broad priorities:

1. freedom with the objective
   a. to facilitate the movement of people between the EU and Russia and
   b. to cooperate on border management and migration policies in order to tackle illegal cross-border activities and illegal migration;
2. security with the objective to improve EU-Russia cooperation in combating and preventing terrorism and all forms of transnational organized crime, including money laundering, corruption, illegal drug trafficking, and trafficking in human beings;
3. justice with the objective to further develop judicial cooperation between the EU and Russia and to contribute to the independence and the efficiency of the judicial system. It is the second space also that constitutes an attempt to address the role of democratic institutions and human rights values in Russia’s relations with the EU.

The agenda for cooperation in this space is quite rich and was the subject of long and sensitive negotiations. The EU was initially proposing to devote much more space to democracy, the rule of law and human rights, with detailed action points regarding them. But by that time Moscow

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The EU was initially proposing to devote much more space to democracy, the rule of law and human rights, with detailed action points regarding them. But by that time Moscow had become particularly sensitive about potential political manipulation and interference from abroad.\(^41\) The interactions the top Russian leadership wanted with an economic EU were quite clear; whether it wanted and what kind of interaction it wanted with EU policy-makers over human rights, democratic institutions, and an effective civil society was far less obvious. The Russian official position was that fostering human rights protection and the rule of law should be extended under the framework of other organizations that step in on these issues, such as the Council of Europe, rather than under the framework of EU-Russia bilateral relations. The result of the EU-Russia compromise on the issue was token mentioning of fundamental freedoms, democracy and human rights in the preamble to the roadmap as well as the decision to link the already launched EU-Russia human rights consultations\(^42\) with the common space on freedom, security and justice.

Working out the second important EU-Russia compromise – on the synchronization of the readmission and visa facilitation agreements – also took a long time. The issue was important for Russia and the EU as they both were struggling to reconcile the interest in facilitating the movement of people with the need to work out a new visa regime. By the time the discussions over the second common space started, it was already clear that the rhetorical commitment that “the EU enlargement should not mean drawing any more dividing lines on Europe”\(^43\) masks the fact that the application of the EU visa regulations by the new member-states would result in the strengthening of the Union’s external borders. The “Kaliningrad puzzle” was portrayed by Moscow as first of all a clear illustration of the EU’s strong intention to strengthen its border by imposing visa requirements on Russian nationals.\(^44\) From the Russian perspective, Russians found themselves facing the emergence of new restrictions on foreign travel, but this time, in contrast with the Soviet period, imposed from outside.\(^45\) In these circumstances, Moscow was keen to put a visa facilitation agreement at the head of the CSFSJ agenda.

The EU, in its turn, had prioritized the need to strengthen management of the EU-Russia borders and to conclude a readmission agreement. In 2004-2005, Brussels pushed forward the idea of package deals linking the conclusion of readmission agreements with visa facilitation agreements. The rationale behind this move was clear – in cases where visa facilitation was abused, a readmission agreement would ensure that people overstaying their visas would be returned to source or transit countries. For Russia this implies that it should agree to accept back into its territory any person who had illegally entered the EU from Russia. Given Russia’s long and porous borders in Asia as well as the estimated number of migrants travelling through the country, the fear for Moscow was that the conclusion of the readmission agreement with the EU, prior to Russia’s own conclusion of similar agreements with third countries, would lead to the urgent need to


\(^42\) It was agreed at the November 2004 EU-Russia summit that the EU and Russia would have senior level Human Rights Consultations twice a year.

\(^43\) “Joint Statement”, EU-Russia Summit (October 2001).


deal with thousands of transit migrants. Yet, after a period of intense bargaining, the Russian side accepted the need to sign a visa facilitation agreement together with a readmission agreement. The EU, for its part, was compelled to accept a transition clause, according to which the provisions of the readmission of third-country nationals and stateless people would only become applicable after a three-year transition period. In May 2006 the EU and Russia signed the package of agreements on readmission and visa facilitation. Both Moscow and Brussels hailed this deal as ushering in a welcome focus on pragmatic compromise and effective cooperation in this sensitive policy area.

The implementation of these agreements, together with the implementation of other border-related and migration policies, seems to have triggered the most activities and so far produced the most achievements within the second common space.\(^46\) As for other priorities listed in the roadmap, most of the results of EU-Russia dialogue on the second sub-area of the CSFSJ – tackling terrorism, drug trafficking, organized crime, etc. – seem not to be publicly reported, but from glimpses given the outside world security cooperation and information sharing appears to be relatively successful. Efforts to cooperate in the area of justice, although portrayed by Moscow and Brussels as a key to strengthening the rule of law in Russia, remain limited in scope. And the EU-Russia human rights consultations are seen by all parties involved as unsatisfactory. In the official Russian view, the effectiveness of the consultations is seriously undermined by the incoherence between EU internal and external human rights practices: the EU has developed an effective structure of human rights scrutiny for external, including Russian, cases, but still lacks any systematic approach to address human rights problems within the EU.\(^47\)

To sum up, Russian focus throughout the CSFSJ has been fixed on the first sub-area. In the view of Moscow, the 2006 agreement on visa facilitation constitutes the most tangible achievement within the FSJ common space. Even more, the need for a visa-free agreement has been presented in the Russian official discourse as more important than all other CSFSJ issues. It is portrayed as being the fundamental block for promoting the common space on freedom, security and justice between Russia and the EU. In line with this vision, the top Russian leadership has repeatedly called for an upgrade of cooperation in the first CSFSJ sub-area, namely for an EU-Russia visa-free travel agreement.\(^48\)

**The Common Space for External Security: Almost Empty?**

Many issues put into the road map for the Common Space of External Security were in fact already the subject of the security dialogue launched between Russia and the EU in October 2000. The road map therefore aims at further strengthening of Russia-EU security cooperation and has prioritized the five areas in which this cooperation should be enhanced.\(^49\) Although the actions listed in the third road

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\(^46\) For the assessment of the CSFSJ, see P Ehin, “Assessment of the Common Space of Freedom, Security, and Justice”, K. Nikolov (ed) *Assessing the Common Spaces between the European Union and Russia*. (Sofia: BECSA, 2009), pp. 75-82.


\(^48\) In line with this vision, the top Russian leadership, which has been repeatedly calling for an EU-Russia visa-free travel agreement, has stated over the past three years that Moscow is “ready to shift to a visa-free regime even tomorrow, without any preconditions”. For the most recent example see S. Lavrov, Interview to *TV Channel Vesti* (11 November 2009), available at http://www.mid.ru/bnp_4.nsf/0/6CB954B9364004B2C325766D004FABE7. In 2007, the EU and Russia agreed only on the procedure to examine the conditions for visa-free travel as a long-term prospect.

\(^49\) These five areas are as follows: Strengthened dialogue and cooperation on the international scene; non-proliferation of...
map are mostly phrased in terms of “cooperation”, the turn of events in recent years clearly demonstrates that Russia-EU security dialogue is full of controversies and therefore the progress towards cooperation in the above-mentioned areas remains limited. The key achievement in this space seems to be under the first priority, i.e. the institutionalization of security dialogue and consultations through the network of various channels; some of them deal with general matters while others focus on more specific issues such as cooperation on specific initiatives in international organizations.

In addition, there are regions and issues where, in the Russian view, the positions of both sides converge or where there has been at least basic consensus between Russia and the EU. In the Greater Middle East, which has been an area of growing concern for the EU and, after a brief post-Soviet pause, for Russia as well, Moscow’s positions are often close to that taken by most of its EU partners. On the Iran nuclear dossier, on the Arab-Israeli peace process Moscow works with, not against, the EU. On Iraq, Russia initially, when the EU was not able to find a common position concerning the war, managed to refocus its policy on bilateral security cooperation with some (larger) EU members like France and Germany and later, when initial disagreements between EU member-states were over, to highlight positive outcomes of the EU’s growing engagement in the country.

At the same time, there are many obstacles to Russia-EU security cooperation, and particularly in Euro-Asia, where Moscow’s interests seem to be bigger and much more vital that in the Greater Middle East. It is a bitter irony that the most apparent irritants for EU-Russia security relations are those issues that top the current Russian security agenda, namely (1) European security architecture and (2) reform process and unresolved conflicts in Europe.

On the first issue, Russia’s message to the EU has been about the absence of a well-functioning security architecture in the Euro-Atlantic area. From the Russian perspective there are three major problems that, interacting in various combinations, could bring about more tensions in the future: the “NATO-ization” of Europe’s security architecture; the disintegration of arms control regimes; and the absence of a well-functioning pan-European security regime. Since Vladimir Putin’s attempt at the 2007 Munich conference to call EU and U.S. attention to Russia’s security worries, the top Russian leadership continues talking about ways in which Euro-Atlantic security cooperation could be re-institutionalized to accommodate Russia as well. In Moscow’s view, the August 2008 crisis signalled the breakdown of the European security order since none of the international organizations involved was able to prevent the crisis from escalating. In the speeches made in Berlin on 5 June 2008 and in Evian on 8 October 2008, the new Russian president Medvedev therefore called for the negotiation of a new Pan-European Security Treaty that would be better adjusted to the new European realities and would bind Russia, the EU, and the U.S. as three pillars of an inclusive Euro-Atlantic security system. The EU, in contrast to Russia, feels comfortable in the existing security structures and the EU side insists that the existing security architecture could and should be used much better, especially for conflict resolution and confidence-building measures.

This brings us to the second cluster of issues that has caused increasing tensions between Russia and the EU, namely the issues related to unresolved conflicts in the New Independent States (NIS). The road map for the Common Space of External Security explicitly calls for strengthening Russia-EU dialogue and cooperation in the post-Soviet space. It sets the objective of strengthening Russia-EU dialogue “on matters of practical co-operation on crisis management in order to prepare the ground for joint initiatives, including in support of on-going efforts in agreed formats.
The problem of the "overlapping neighbourhoods" tends to weigh heavily on Russian-EU relations. and resulting from the strengthened EU-Russia dialogue and co-operation on the international scene, in the settlement of regional conflicts, inter alia in regions adjacent to EU and Russian borders" (emphasis added). This language has been a subject of long and sensitive negotiations, with the Russian side opposing the EU’s attempts to name the region as “common neighbourhood” and to talk explicitly about the frozen conflicts of Nagorno Karabakh, South Ossetia, Abkhazia, and Transnistria. The negotiations resulted in a vague diplomatic language of “adjusted regions” and the agreement to enhance cooperation in eight priority areas.50

Little, however, has been achieved to date towards the fulfilment of those goals, and it has become evident that cooperation in the “regions adjacent to the EU and Russian borders” is by far the most problematic and controversial issue between the two. There are several reasons for this. First, although both Russia and the EU claim to be interested in stability in the region, their concrete approaches to the “frozen” and recently “unfrozen” conflicts diverge widely. Russia appears to focus on keeping its leadership in already existing peacekeeping arrangements and negotiation formats. The rationale behind this approach is clear, given Russia’s direct involvement in conflict resolution, its dominant position in the existing negotiation formats, and its military presence in the NIS. The EU has, in its turn, for a long time, till August 2008, shied away from being an active broker in negotiations on the conflicts in post-Soviet space. The EU prefers to approach the region through the ENP, which places the emphasis on activities that, in the EU view, could foster domestic reform processes and rapprochement with EU norms and standards, and thus change the context of the conflicts.

Second, on a more general level, the problem of the “overlapping neighbourhoods” tends to weigh heavily on Russian-EU relations. EU policy-makers are getting more and more critical of the objectives and instruments of Moscow’s attempts to re-assert Russia’s influence within its post-Soviet neighbourhood. The Russian leadership, in its turn, views EU policies (Eastern partnership, Central Asia strategy) as an attempt to expand the EU’s sphere of influence into what Moscow declared to be a sphere of its privileged interests. These broader considerations lie at the source of both Russia’s and the EU’s limited sense of commitment to implementing those parts of the road map that focused on strengthening Russia-EU dialogue and cooperation in the post-Soviet space.

To sum up, the major problem is that, despite an active security dialogue between the two parties, neither Russia nor the EU is prepared to accept the other as a reliable partner in security relations.

The Common Space on Research, Education, and Culture: The Most Successful Story

The fourth common space is about two broad priorities. First it aims at enhancing EU-Russian cooperation in science and technology (S&T) in order to promote further modernization and strengthen competitiveness of their economies in the global arena. Second, the objective is to encourage closer EU-Russia cooperation in higher education (HE).

Among all the Common Spaces, it was the fourth common space that was smoothest to negotiate and the one in which, according to the majority of Russian commentators, the cooperation between Russia and the EU has been developing most effectively.51 There seem to be several reasons for this. First, in this space Russian and EU policy priorities have closely coincided. A comparison of Russia’s Federal


Targeted Programme on Research and development (FTP-RD) with the EU’s FP7 proves a striking similarity between the two in terms of priorities, concepts, terminology, and even duration.\(^5\) Second, the strong focus on education and research dialogue with European countries has been a long-standing tradition for Russia, and in line with this tradition the present-day Russia’s national strategies put a particular emphasis on the need to keep and strengthen the country’s S&T and HE cooperation with the EU.\(^3\) Third, in the common space for research and education Russian policy-makers more often than in other policy domains assess the EU-Russia cooperation as free of dangerous politicization and as being based on the principle of equal partnership rather than on the EU’s attempts to push its regulations and visions into Russia’s policy process.

Research cooperation is often seen by Russian commentators as a unique case of “a win-win situation” for the EU and Russia\(^4\), which both benefit from a well developed institutionalization at all level of policy-making, the existence of an autonomous legal basis\(^5\), a variety of financial instruments on both sides, and the strengths of those branches of science where Russia and the EU have been world-renowned. Russia has also benefited from the EU’s decision to open the 6\(^{th}\) Framework Programme for Research and Technological Development (FP) to the participation of third-country research organizations – it was the most successful country not associated with the FP6 – participating in some 280 projects worth almost € 2,8 billion. The positive Russian assessment of S&T cooperation with the EU is best illustrated by Russia’s decision to apply to join FP7 as an associate member. Joining the FPs as an associate member would certainly mean some financial losses for Russia, but the Russian side prefers to highlight the possible positive outcomes of this move.\(^6\)

The second objective for the Common Space is to encourage closer EU-Russia cooperation in higher education (HE) in accordance with the main provisions of the Bologna process, which in turn is aimed at establishing the European Higher Education Area by 2010. In line with the Bologna process, Russia and the EU agreed on the two broad objectives of their HE cooperation, namely university cooperation and academic mobility. In the Russian view, coupling HE cooperation between Russia and the EU with the process of developing the European Higher Education Area has profound advantages because: (1) “the European space for higher education is clearly defined” and (2) the Bologna reforms are implemented in parallel in all European countries, EU members and third countries, and therefore they all “are on equal terms” in discussing and developing this policy.\(^7\)


\(^{53}\) The focus on close cooperation with the EU is confirmed by many Russian policy documents, see e.g. “The Strategy for the Development of Science and Innovation in the Russian Federation for the Period up to 2015”, adopted in 2006.


\(^{55}\) The EU-Russia Science and Technology Cooperation Agreement which was concluded in 1999 and whose renewal is under way and is expected in 2010.

\(^{56}\) These outcomes, from the Russian perspective, would include the country’s access to first-hand information on strategic research priorities, participation in European technological platforms’ projects, greater motivation for strengthening the management of the R&T sector in Russia and tackling inner Russian S&T problems already listed in the FTP-RD. See official texts at the website of the Ministry of Education and Science of the Russian Federation, www.mon.gov.ru.

The Russian government has faced many challenges on the way towards the transformation of Russia's higher education according to the Bologna principles. Among these challenges is the opposition from many Russian universities that view the Bologna reforms as a way to impose an alien tertiary education system on the country's higher education institutions. Some political parties, such as the Communist Party and “Just Russia”, also harshly criticize the Bologna Process as a way towards the commercialization of public universities and a dangerous deregulation of the higher education system. In addition, those in the camp opposing the “Bolognization” of Russian universities argue that growing academic mobility may become a channel for additional brain drain from Russia. Top Russian policy makers appear to have taken on board the idea that Europeanization of the Russian system of higher education would be beneficial for the country. Moreover, the EU’s international educational and training activities (Erasmus Mundus scholarship, Erasmus Mundus External Cooperation Window, TEMPUS) are seen by Russian policy-makers as models for Russia to follow in its higher education cooperation with the CIS.

To sum up, in the fourth common space Russia is keen to expand its cooperation with the EU.

Common Spaces: Any Policy Substance? Any Future?

The implementation of the 2005 roadmaps has so far produced mixed results and got mixed reaction from Russian policy makers. The problem is not only that the complexity of overlapping and conflicting interests is hampering the progress of EU-Russia cooperation in the four Common Spaces. The problem also seems to be that the current format of the CS is far from being perfect. A focus on upgrading pragmatic, concrete, technical cooperation is deemed to be substantially the gist of the CS. Yet from the very beginning there have been voices in both Brussels and Moscow warning that the common spaces and their roadmaps are inadequately devised to boost this pragmatic approach.

First, the Common Spaces, claimed to be aiming at substantiating the EU-Russia partnership, still lack due clarity and conceptual precision. In part, this vagueness can be explained by arguing that the concept of “common space” is itself slippery. As Russian analysts noted with regard to the EU-Russia common economic space, the main problem is whether a common space “represents a process, or an objective. If it is an objective, then it implies some form of integration... If it is a process, it could be ‘closed’ (that is limited to creating better conditions for Russia’s relations with the EU); or ‘open’ (developing measures for improving conditions for Russia’s economic convergence with all international markets)”. It seems that both Russia and the EU are still indecisive about what kind of bilateral spaces they want to develop. The concept of “common spaces” is not an easy envelope in which to insert the complexity of EU-Russia relations. To an extent, the introduction of the “common spaces” concept has further complicated rather than helped clarify the vision of how to develop EU-Russian relations. The second difficulty is that the 2005 “roadmaps” are something of a misnomer since they mention no

To an extent, the introduction of the "common spaces" concept has further complicated rather than helped clarify the vision of how to develop EU-Russian relations. Concrete goals to be met, no benchmarks and/or deadlines. Russian experts point out that part of this vagueness stems from the fact that the CS and their roadmaps are not legally-binding commitments and monitoring mechanisms.

There are several Russian readings of why the final format of roadmaps is at fault and if there is any future for the "common spaces" approach to the EU-Russia relationship. The most radical view is that the CS initiative was driven primarily by an interest of both Russian and EU bureaucracies in "covering up the conceptual vacuum in the relations" rather than by their determination to upgrade EU-Russia cooperation. As a result, the four CS have turned out to be a joint EU-Russia exercise in bureaucratic rhetoric. For all the flowery language, it remains window-dressing rather than the strategic framework within which Russia and the EU run their bilateral relations in practice. A more moderate view is that it would be a dangerous exaggeration to criticize the CS as a complete policy failure. The first achievement of the CS is that it adequately reflects the functional expansion of the EU-Russia relationship and lets the two parties keep their bilateral relations afloat. The second achievement of the CS is that it lets Russia and the EU widen and deepen the structure of their bilateral dialogue. Significant steps towards Russia’s further cooperation with the EU have already taken place in a number of policy areas. About 30 dialogues, each focusing on a specific technical area, and a number of informal talks and working group meetings are organized under the framework of the Common Spaces. As a result, the EU-Russia institutionalized relationship has gone far beyond what it was in 2005.

At the same time, these achievements mask a sense of frustration in Moscow that relations are not developing swiftly enough. Russian experts have various views on the status quo in EU-Russian relations as well as on possible ways out of it. Those who adopt an aggressively critical view of the status quo do not spend much time on discussing whether and how to improve the four Common Spaces policy. According to their interpretation, the concept of EU-Russia common spaces has already been quietly abandoned by Moscow and Brussels, and the rhetoric of the four Common Spaces is kept alive only by the most stubborn bureaucrats and short-sighted researchers.

Those who manage to preserve some optimism about the EU-Russia Common Spaces are today a rather weak voice in Russia, but they do their homework seriously. Certainly, many flaws in the current policy format are identified, such as the absence of clearly defined goals, the lack of prioritization and deadlines, and the deficiency of the existing monitoring mechanisms. This weakness of the FCS is sometimes seen as an opportunity for Russia to restrain the EU proclivity for a policy of conditionality and thus to keep some room for manoeuvre vis-à-vis the EU. Yet, many Russian policy analysts warn that without a clear schedule and prioritization of action in different sectors the process of developing the EU-Russia bilateral spaces may stagnate even in those policy areas where Russia itself has been interested in proceeding much farther and faster. They discuss the possibility of improving existing mechanisms and institutional structure of cooperation at the level of sector-specific dialogues and argue that some dialogues could get an updated agenda while others could be improved by the establishment of joint Russia-EU control mechanisms.

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65 M. Entin, “Sectoral Dialogues Russia-EU: Cooperation Experience and Prospects” (Otraslevye dialogi Rossiya-EES: opyt sotrudnichestva i perspektivy), Report from the Expert meeting organized by the European Studies Center at the Moscow State Institute of International Relations – University (MGIMO) on 13 May 2008, AllEurope, No. 5 (22) (2008).
There is an ongoing attempt by some Russian EU-optimists and EU-realists to learn lessons from the Common Spaces practice and find ways to further develop the mechanisms of sector-specific dialogues. From their perspective, there still remains an important role for the CS to play. Certainly, this role is closely connected with the process and results of the negotiations that Russia and the EU have re-launched for the next legal framework on which their relations will be based. There are at least two reasons for this. The first reason is connected to the timing of the negotiations. By October 2009, six rounds of negotiations have been held, and both Russian and EU diplomats claim the talks are moving well. Nevertheless, the negotiations for a new legal framework are set to be long and arduous, and the ratification procedure for a new treaty may take even more time, given the anticipated resistance from some EU member states. Therefore, at least in the short-term, the Common Spaces and their roadmaps will be likely to remain the principal operational framework for EU-Russian relations.

The second reason is related to the content of a new treaty and the future EU-Russian relationship. Most Russian policy makers argue that the two parties should preserve “the EU-Russia partnership acquis”, i.e. everything that has been achieved in the course of the partnership and in the framework of the four Common Spaces. There remain questions concerning whether and how each of the four Common spaces will be integrated into the overall design of the new agreement. Russian policy experts have so far identified three possible scenarios: (1) sectoral dialogues being “absorbed” by negotiations on the new agreement; (2) dialogues being “integrated” into the negotiations; (3) dialogues being “interwoven” with the negotiations for the new EU-Russia agreement.\(^{66}\) It remains to be seen what scenario will be realized.

But regardless of what scenario is chosen, the interest for Russian policy makers seems to be in keeping with what they see as the substance of the four Common Spaces – the mechanism of political dialogue and sectoral dialogues and agreements – as an institutional framework for future EU-Russia cooperation. Over the last years Russia prefers to develop its relations with the EU as something of a multi-layered dialogue system. EU-Russia interactions within specific policy areas have been organized as a gradually expanding system of sectoral dialogues which let the parties jointly consider legally binding bilateral agreements. The political dialogue has been developed into an institutional framework that establishes a two-way channel of consultations between Russia and the EU and thus provides them with the opportunity to discuss new co-operative patterns on equal terms. With Russia now openly refusing any type of EU political conditionality or legal approximation clause, a multi-layered system of dialogues and sector-specific agreements is seen by many in Moscow as the principal framework to hold the EU and Russia together.

Conclusion

The idea of EU-Russia Common Spaces was invented in the specific context of the early 2000s, when Russia and the EU did share an interest in developing mutual cooperation but started to vary in their opinions on how to update the framework for the relationship. At present, EU-Russia relations are still at the crossroads as the two parties have conflicting views on what should be a new agreement to replace the outdated PCA.

Back in 2005, the four Common Spaces were hailed by Moscow as a policy upgrade that would allow more pragmatism and symmetry in the relations between Russia and the EU. At present, it is clear that the four Common Spaces is not an easy envelope in which to insert EU-Russian relations, because there are policy areas where the EU and Rus-
The realization of the 2005 roadmaps helped to identify policy domains in which the EU's and Russia's interests converge and the dividing lines can be overcome. Yet Moscow argues that a number of positive lessons can be drawn from the implementation of the Common Spaces project. The realization of the 2005 roadmaps helped to identify policy domains in which the EU's and Russia's interests converge and the dividing lines can be overcome. The two parties have managed to activate a considerable network of sector specific dialogues on all main areas of the EU-Russia relationship. In some cases, the establishment of sectoral dialogues has led to the conclusion of specific legally binding agreements. From the Moscow perspective, the implementation of the four roadmaps proves that EU may reach out to Russia in a more comprehensive manner once Brussels agrees to base the EU-Russia relations on multi-level dialogues, reciprocity, and numerous sectoral agreements.

3.3. A Ukrainian Perspective on the EU-Russia Relationship

By Iryna Solonenko

The EU-Russia relationship, although it has a strong bilateral component in its own right, is developing in a more multifaceted context, where common neighbourhood has played an increasingly important role. Ukraine is the key country in the EU-Russia neighbourhood region. First, Ukraine has actually set a model for the EU's relationship with other partner countries in the East: the evolution of ENP and the launch of the Eastern Partnership (EaP) have shown that the EU has been moving toward offering its Eastern neighbours the policy tools it has already offered to Ukraine. Judging from the development of the EU-Ukraine relationship one can therefore understand which way the EU is actually moving in its EaP. Second, the importance of Ukraine to Russia compared with other post-Soviet neighbours is rather high. Ukrainian independence already limits Russia's traditional sphere of influence and thus encourages Russia to reconsider its self-perception.

Assuming that Ukraine moves further in the direction of integration with the EU as envisaged by the EU-Ukraine Association Agreement currently being negotiated while Russia remains reluctant to accept the logic of integration in its relationship with the EU, then Russia's traditional role in the post-Soviet space is being even further challenged. Although indeed for most of the 1990s Russia could still be considered the unquestionable leader in the post-Soviet space, with the EU not showing much interest in the region, the EU's enlargement in 2004 has changed this state of things. The EU has moved towards offering its neighbours an agenda of its own that has turned out to be not necessarily compatible with that of Russia. The launch of the Eastern Partnership reiterates the ambitions of the EU.
The launch of the Eastern Partnership reiterates the ambitions of the EU to bring the countries of the region closer to EU standards. This brings the EU and Russia into clear competition over the common neighbourhood and places Ukraine in a situation where the choice between the competing alternatives will have to be made in the longer term.

In this situation it is important to understand the more specific approach and concerns of Ukraine when it comes to the EU-Russia relationship. This paper raises the current concerns but also identifies the issues that might become part of the EU-Russia agenda in the near future. The paper consists of three parts. First it looks at the Ukrainian perception of the EU-Russia relationship and attempts to explain whether the EU's policy towards Russia has thus far supported or indeed hindered the EU's objective of promoting Ukraine's transformation. Second, it attempts to assess how the conflicting neighbourhood policies of the EU and Russia resonate inside Ukraine and what potential implications this situation might have for the still unfinished process of state- and nation-building in Ukraine. Finally, the paper attempts to look beyond the two separate EU-Russia and EU-Ukraine agendas and suggests an 'EU-ization' of the Russian-Ukrainian bilateral agenda. Three issues of direct relevance to the EU's security, but also to the EU's efforts to support Ukraine's transformation are discussed: energy cooperation, the Ukrainian-Russian border, and the Russian Federation Black Sea Fleet in the Ukrainian harbour of Sevastopol.

Ukraine's Perception of the EU-Russia Relationship: Overview of the Debate

Several issues having to do with the EU-Russia relationship come into the picture when it comes to Ukrainian perception. They indicate that the EU’s policy towards Russia is perceived as a weak rather than a strong aspect of the EU's wider Eastern policy. Two factors are behind this perception. Firstly, it seems that the EU’s Russia policy forces it to put interests ahead of values. The EU might not fully accept the state of things with regard to democracy and human rights in Russia, yet Russia is an important partner where security, economic cooperation and energy are concerned, and this latter agenda drives the EU to look for ways to deepen its relationship with Russia. One of the recent examples would be the decision to resume the talks on the new bilateral agreement between the EU and Russia, despite the fact that the conditions related to the follow-up of the Russian-Georgian military conflict were not fully met¹. This policy sends a wrong message to the EU's neighbours, as it shows that norms and values can be compromised when interests come into the picture. Secondly, Russia seems to succeed in undermining the EU’s ability to speak with one voice. With the EU's Eastern enlargement the divergence of positions has even increased and it is unlikely that the entrance into force of the Lisbon Treaty can offer solutions to what seems to be a purely political problem. The policy towards Eastern neighbours is precisely one of the issues where Russia’s leverage over individual member states (Germany, France, and Italy are the classic examples) undermines the EU's common approach. From the Ukrainian perspective, the need to find consensus often results in decisions where not irritating Russia is the preferred option. Both factors potentially undermine the EU's leverage over Ukraine, particularly when it comes to the objective of promoting Ukraine's transformation towards EU norms and standards.

¹ According to the Six Point Ceasefire Agreement concluded on August 2008, Russia was supposed to withdraw its troops from Georgia to the positions held prior to 7 August 2008, among other requirements. This condition was not fulfilled when on October 10, 2008 the EU foreign ministers took the decision to resume talks on the new partnership agreement with Russia. This was extensively covered by European media. See, for instance, EUObserver, http://euobserver.com/9/27080/?rk=1 or RadioFreeEurope, http://www.rferl.org/content/EU_Eyes_Re-start_Of_Talks_On_Russia_Partnership_Pact_/1340029.html.
The perception of the “Russia-first” policy is obviously an issue. How do these factors translate into the specific Ukrainian debate? Firstly, the perception of the “Russia-first” policy is obviously an issue. This results from the pre-ENP Eastern policy of the EU when Russia was the first country to be offered specific policy initiatives, while Ukraine received those only later. This was the case until EU-Russia and EU-Ukraine agendas became separated following Russia’s refusal to join the ENP in 2003 (the Wider Europe initiative at that time). Indeed, during the 1990s and the beginning of the 2000s, the EU applied pretty similar policy tools to Russia and Ukraine, and Russia would always be the first to receive certain initiatives. This was the case, for instance, with the Partnership and Cooperation Agreements,2 the 1999 Common Strategy,3 and the recognition of Russia’s market-economy status.4 The latter case aroused the particular attention of Ukrainian experts and media. The dominant discourse was that the offer was purely political and not based on economic performance.

A more recent case, which received heated attention, was the visa facilitation agreement. As early as May 2006 Russia was the first country with which the EU developed and signed this instrument. This is an interesting phenomenon, given the fact that Russia never agreed to join the ENP, while such an agreement has been considered to be an element of the EU’s “privileged” treatment of neighbours within the ENP.5 Ukraine received a clear prospect of such an agreement only after the Orange Revolution and clearly as a reward for the Orange Revolution.6 The agreement was subsequently signed in June 2007. Ukrainian media, policy-makers and experts lamented that it was not fair that Russia was offered such an instrument before Ukraine, although by that time Ukraine had evidently moved ahead of Russia where democratic performance was concerned. Consequently, Ukraine adopted a strategy of achieving a more progressive agreement.7 Several times when EU officials mentioned developing the terms for doing away with visa requirements for Russian citizens,8 the Ukrainian media gave extensive coverage, wondering whether Ukraine would be offered such a dialogue. A rather minor example was the Memorandum of Understanding on Regional Policy Cooperation, which the EU and Russia signed in May 2007.9 A member of the Donetsk regional council10 was wondering why Ukraine was not being offered this instrument and even planned to meet Ukrainian and EU officials to raise the issue. Eventually, such a Memorandum was signed with Ukraine in May 2009.

Whether these examples at all go to undermine the EU’s leverage over Ukraine, as the academic literature would

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2 Both Russia’s and Ukraine’s agreements were very similar in their content and the Russian agreement was ratified by the EU somewhat earlier than the Ukrainian one.

3 This was the new Common Foreign and Security Policy’s instrument offered to Russia in the summer of 1999, half a year before a similar offer was made to Ukraine.

4 In May 2002, almost four years earlier than Ukraine.

5 The countries of Western Balkans were also offered such visa facilitation agreements.

6 Neither a visa facilitation agreement nor other incentives were...
From the Ukrainian perspective, the EU and particularly the EU member states are concerned about how Russia might react and this overshadows EU policy in the common neighbourhood. Suggest, is not clear. Most likely, Ukraine takes it for granted that the EU puts interests ahead of values and that from this perspective treating Russia in a more favoured way despite its domestic developments is understandable, even if disappointing. Today the situation is changing due to the separate agendas the EU has developed with Ukraine and other Eastern neighbours on the one hand and Russia on the other hand. The Eastern Partnership initiative and negotiations on the Association Agreement are based on the logic of integration and unilateral acceptance of EU norms and rules while the four Common Spaces dialogue rests on the logic of cooperation, and difficulties with their implementation indicate that Russia is unwilling to accept EU rules. In this situation the Russia-first policy might cease to hold sway. Yet, Russia remains an important factor where the EU’s Eastern neighbourhood policy is concerned.

This leads to a second issue, which has to do with the approach that Russia has to be taken into account, if not consulted, where the EU’s Eastern policy is concerned. The EU is divided on this issue and this is what attracts attention in Ukraine also. From the Ukrainian perspective, the EU and particularly the EU member states are concerned about how Russia might react and this overshadows EU policy in the common neighbourhood. It is also believed that Russia perceives the EU mainly through the prism of the member states and skilfully exploits these divisions in the EU. As a Ukrainian MFA official put it, Russian political leaders almost never fly to Brussels, but can often be seen in the EU member states’ capitals. As a result, it is believed, EU decisions often reflect the approach that it is better not to irritate Russia, since such member states as Germany, Italy and France would always put Russia’s interests in the centre. Any issues concerning the EU’s and Russia’s common neighbourhood where the EU lacks unity while Russia has a position would provoke debate in Ukraine. The underlying assumption is that Russia divides the EU, while the EU lacks the courage to take a firm stand on issues where Russia is regarded as having privileged interests.

Two Conflicting Neighbourhood Policies and their Implications for Ukraine’s State-Building

Ukraine has steadily become the object of two conflicting neighbourhood policies – that of the EU and that of Russia – with different goals and, often, different means of achieving those goals. This was not the case for most of the 1990s and the beginning of the 2000s as Russia was the only dominant actor in the former Soviet Union space. Yet, thanks to the EU’s eastward enlargement and the launch of ENP, the EU has become an actor in the region and, more importantly, in the area of domestic transformation of Eastern neighbours. The launch of the Eastern Partnership initiative has clearly signalled that the EU has a strategic interest in the region and the agenda is aimed at bringing the countries of the region closer to EU standards and rules. This clearly comes into competition with Russia’s position, which offers a distinctive alternative to the EU’s domestic model of gov-
Ukraine has steadily become the object of two conflicting neighbourhood policies – that of the EU and that of Russia – with different goals and, often, different means of achieving those goals.

The EU seems to be driven by a mixture of considerations. Firstly, out of security considerations, the promotion of good governance, democracy, and economic development in the neighbourhood are important objectives. Moreover, a steady integration of neighbours into EU policies would create a greater interdependence and, as a result, stability. Reduced migration pressure, increased capacity to tackle cross-border organised crime, better conditions for EU direct investment and new markets for EU goods would result from such efforts. Secondly, the EU is apparently driven by the objective to strengthen its international role and become a more influential external player. While the policy of enlargement has proved to be a success in this respect, the EU has still to prove that its external policies can be similarly effective. The ENP and the Eastern Partnership are apparent attempts to construct such a policy, with Ukraine being a flagship country. Finally, the EU’s approach to its neighbours is partially value-driven. The EU has developed a strong identity as a value-based organisation and aims at projecting this identity beyond its borders.

The EU’s biggest challenge is probably that of achieving these goals without offering the eastern neighbour (Ukraine in the first place) the prospect of membership and without the same level of commitment and involvement as was the case with the accession countries.

Russia’s approach and policy towards Ukraine are shaped by somewhat different considerations and can be better understood in the context of Russia’s attempts to regain the influence and strength internationally and regionally that it believes it lost after the collapse of the Soviet Union. To a large extent it is also an identity-building exercise aimed at both international and domestic audiences. Judging from its Security Strategy and numerous statements by officials, Russia wants to be among the top actors in the multi-polar world. The post-Soviet space integrated under its leadership would make Russia a strong international pole of attraction. Since the break-up of the Soviet Union Russia began numerous integration initiatives in the post-Soviet space, but it has not succeeded in involving Ukraine. For instance, the Single Economic Space initiated in 2003 presupposed customs union and supranational structures. Yet, given that Russia failed to implement the already existing commitments where the free trade area with Ukraine was concerned, Ukraine was not enthusiastic about the initiative. Clearly, integration projects where Russia would dominate decision-making are not acceptable to countries like Ukraine. A large part of the Russian rationale behind its policy towards neighbours also has to do with legitimising and preserving the political regime created by Vladimir Putin. From this perspective Russia is not interested in democratic and prosperous neighbours, especially those who used to be former Soviet republics. In fact, any country in the region that becomes a success where democracy is concerned could, if backed up by economic growth and high living standards, undermine the current regime in Russia. The Russian reaction to the Orange Revolution in Ukraine, as well as negative Russian coverage of domestic events in the region, reflects this concern.

Since the break-up of the Soviet Union Russia began numerous integration initiatives in the post-Soviet space, but it has not succeeded in involving Ukraine.

14 See, for instance, the “EU’s 2003 Security Strategy” and the respective ENP documents.
15 See U. Sedelmeier EU Enlargement, Identity and the Analysis of European Foreign Policy: Identity Formation through Policy Practice. (European University Institute, Robert Schuman Centre for Advanced Studies, 2003) for how the EU has constructed this identity in the process of enlargement.
17 The abovementioned strategy emphasises developing the potential of regional integration and coordination within the Commonwealth of Independent States. Article 13.
18 Ukraine, Belarus, Kazakhstan and Russia would be the parties to it.
Unlike the EU, Russia has always been a strong and visible actor in Ukraine. Developments in Ukraine since then proves this. Moreover, a Ukraine that succeeds with reforms will also have better prospects of European and Euro-Atlantic integration, thus moving Ukraine out of the Russian orbit.

This difference of approaches is translated into different policy instruments by the EU and Russia. Thus, the EU offers integration and support to the reform process with a mixture of tools such as conditionality, expert assistance, financial aid, monitoring and socialisation. This became the case with the launch of the ENP. The launch of the Eastern Partnership (EaP), especially given that its elaboration was accelerated after the Russia-Georgia conflict, marks the new thinking on the part of the EU. It is probably the first time that the EU is making it clear that the region, which is its common neighbourhood with Russia, matters to it. It is not by chance that this new initiative provoked a negative Russian reaction, which portrayed it as an attempt on the part of the EU to establish ‘a sphere of influence’ in the neighbourhood. The merit of the EU’s approach is that its relationship with Ukraine is strongly institutionalised and rather transparent with a high degree of predictability and path-dependency. However, such a bureaucratic approach has its weaknesses. Coupled with the unwillingness to put the membership perspective on the agenda or at least make the prospect of a visa-free regime credible, it keeps EU profile in Ukraine rather low. For the majority of Ukrainians the EU is attractive, but not realistic to expect to achieve. The incremental integration the EU offers to Ukraine can bring effects in the long run, but it can be put under risk by Russia’s policy.

Russia has played a rather different game. Firstly, unlike the EU, Russia has always been a strong and visible actor in Ukraine. Ukraine is still a part of the Russian information space and the Russian language, which is spoken by the majority of Ukrainians, makes it easy for Russia to preserve its visibility in Ukraine. Moreover, the media are a strong resource that is used to influence public opinion. No wonder, Vladimir Putin is the most popular politician in Ukraine and Russia is the most popular country among Ukrainians.¹⁹

Secondly, Russia has increasingly learned to use its soft power. Over recent years more information has appeared about Russian-funded NGOs expanding their activities in Ukraine. The most active organisations include the “Ruskii Mir” Foundation²⁰ and the Institute of CIS countries.²¹ The Crimea-based “Proryv!”, which regularly staged pro-Russian and anti-Western protests until it was banned in Ukraine in 2006²² is also worth mentioning. At the end of July 2009 Ukraine announced the expulsion of two Russian diplomats from Odessa and Sevastopol, one of whom, according to Ukrainian sources of The Times, was distributing up to $100,000 a month to pro-Russian organisations in the Crimea.²³ Given the nature of such funding it is difficult to estimate the scale of those activities, but clearly they bear a destabilising potential. On top of that, unlike the EU, Russia has no visa requirements for Ukrainian citizens and Ukrainians do not even need a foreign-travel passport to go to Russia.

¹⁹ 58% of Ukrainian citizens have a positive opinion of Vladimir Putin, 56% have a positive opinion of Belarusian President Aleksander Lukashenka (to compare, 31% approve Barack Obama, 29% – Angela Merkel, and 22% – Nicolas Sarkozy and Lech Kaczynski). Ukrainian politicians have mostly a negative image among Ukrainians. According to the same poll Russia enjoys popularity among 57% of Ukrainians, while Germany, the most popular EU member state enjoys 20% approval.

²⁰ See http://www.test.russkiymir.ru.


Unlike the EU-Ukraine relationship, the Russia-Ukraine relationship is characterised by a lack of effective formal structures and institutions as well as transparency.

Thirdly, unlike the EU, Russia does not use incentives, but rather threats to influence Ukraine. Energy dependence is one such tool. The threat of increased prices that eventually became a reality starting from 2006, the cutting off of gas supplies on several occasion throughout the 1990s, but especially in the winters of 2006 and 2009, and the construction of alternative routes for gas supplies bypassing Ukraine are the levers that Russia has used effectively. Russia has also used trade sanctions with the famous meat and milk war of the summer 2006, which caused serious economic losses to Ukraine.24

Fourthly, unlike the EU Russia has not shied away from being an actor in Ukraine’s domestic politics and exploiting divisions among Ukrainian political actors. This especially works before and during election campaigns: here the periods of 2003-2004 and 2009 (both presidential campaigns) are worth mentioning. As Ukrainian media rightly put it, “Russian President Dmitry Medvedev announced the tender for the post of the president of Ukraine”25, whereby several presidential candidates promised improved relationship with Russia in response to the letter of President Medvedev criticizing President Yushchenko.26

Finally, unlike the EU-Ukraine relationship, the Russia-Ukraine relationship is characterised by a lack of effective formal structures and institutions as well as transparency.

24 In January 2006 Russia banned the import of Ukrainian cattle products, including dairy products and meat. The ban was lifted only after more than 6 months. According to some estimates Ukraine lost $300 million in 2006 as a result of the ban. See http://www.epravda.com.ua/news/47866356ddfb5/.
28 The meeting took place on 19 November 2009 in Yalta.
Russian influence on Ukraine is based not so much on historical, cultural or intellectual links, but on the interests of closely-related political and business elites. In both cases Russia showed it did not approve of the Ukrainian position, while some political forces in Ukraine took the Russian side. The most recent example was the appeal of President Medvedev to President Yushchenko (11 August 2009) where the latter was blamed for pursuing an “anti-Russian course”. Again, some political leaders took the Russian side, despite the fact that it was clearly interference in Ukraine’s domestic politics.

The presence of Russia, which attempts to shape Ukraine’s foreign and domestic policies, complicates the task of finding common ground inside the country, which lacks a sense of direction anyway. Moreover, these policies create opportunities for political elites to manipulate domestic public opinion. Given that Ukrainian political parties are not based on ideologies and have no distinctive reform-related agenda, foreign policy issues or issues having to do with external actors offer easy-to-use artificial agendas. It is no coincidence that the debates on the status of the Russian language, many aspects of relationship with Russia and also with the EU and NATO are intensifying before elections, with different political leaders offering their models and recipes. In reality, however, no political party and/or leader has a comprehensive programme or strategy for Ukraine’s policy towards Russia.

30 In the first case Ukraine was blamed for selling weapons to Georgia and criticised for being reluctant to accept that the Russian fleet stationed in Sevastopol participated in the military conflict with Georgia; in the second case Russia condemned the fact that she as energy supplier was not involved in the deal between the EU and Ukraine.


or Ukraine’s European integration strategy. This manipulation of public opinion further encourages its disorientation, whereas what Ukraine really needs is a sense of direction towards domestic reforms and a foreign policy orientation.

These conflicting policies also offer dividend-seeking elites the opportunity to extract short-term corporate gains at the expense of securing the long-term national interest. From this perspective, a multi-vector foreign policy of Ukraine can be viewed as a means of increasing the bargaining heft of the elites vis-à-vis the negotiating partners (primarily Russia, for whom the stakes are high) and receiving revenues as a result of this. At the same time it is this nature of Ukraine’s political elites that Russia can exploit. As a Ukrainian analyst put it, Russian influence on Ukraine is based not so much on historical, cultural or intellectual links, but on the interests of closely-related political and business elites. In other words, Russian capital guarantees Russian interests in Ukraine, while Ukrainian business-administrative groups oriented on links with Russia serve as the political lobbyists of such interests. This behaviour of political elites allows them to secure short-term interests, whether it be concerning public support or economic benefits, yet this further complicates the process of securing long-term national interests.

The Need for “EU-ization” of the Ukraine-Russia Relationship

If the EU is serious about promoting its model of governance and its norms in the eastern neighbourhood it should offer

33 According to many opinion polls a large proportion of the population supports both integration with the EU and integration into the Union of Russia, Belarus and Kazakhstan, which in reality is a contradiction in terms.


The EU can do more by looking beyond its separate bilateral relations with Ukraine and Russia and stepping into the Ukraine-Russia bilateral agenda, where problems have persisted since the collapse of the Soviet Union. Energy cooperation, the unsettled border between Ukraine and Russia, and the stationing of the Russian Black Sea Fleet in the Ukrainian harbour of Sevastopol are the issues discussed in this paper. The problems related to these issues are the legacies of the collapse of the Soviet Union and indicate that the process of sovereign-state building in the region has not yet been completed. For a long time the EU used to leave those issues up to Russia, while Russia has often used them as leverage to exercise influence over Ukraine. In many ways these problems vividly illustrate Russian attempts to pursue the policy of “de-sovereignisation”\(^\text{36}\) of its neighbourhood, including Ukraine. Existence of these problems undermines the whole Europeanising effect of EU policies in Ukraine and counterbalances the EU’s offer of integration to Ukraine in specific policy areas. It is therefore in the EU’s direct interest to become involved.

Involvement does not necessary mean any forms of direct interference or trilateral cooperation. This would be hardly possible, given the political sensitivities surrounding these issues. Moreover, it will be difficult for the EU to find grounds for involvement, unless both Russia and Ukraine invite it to do so. This is not going to happen. Yet, the EU can do three things. Firstly, it can strengthen its policies of integration of Ukraine where particular issue-areas are concerned. As will be showed below, the EU has already started moving in this direction. The same would be true for Russia, but, as already shown in this paper and other contributions to this volume, Russia is not ready to accept the logic of integration. Nevertheless the EU has to keep this option open for Russia too. Secondly, the EU can put those issues on the agenda of its political dialogue with Russia and even link them to some incentives that might appeal to Russia. Thirdly, the EU could support joint projects in some cases where cooperation is possible.

### Energy Cooperation – More Transparency Required

Energy cooperation is one of the issues where the EU progressed significantly over the past year in its involvement. The energy dispute between Russia and Ukraine that broke out in January 2009 resulted in a 20% cut in the EU’s gas supplies for two weeks, with the Western Balkan countries and some EU member states like Slovakia and Bulgaria particularly suffering. Although with some delay, the EU reacted with political statements and, more importantly, by deploying a monitoring mission of experts at the entry and exit points of the pipeline network in Russia and Ukraine.\(^\text{37}\)

This behaviour of the EU sharply contrasts with that in similar situations earlier. Thus, the EU refrained from any interference during the 2006 gas dispute, when Russia cut off gas supplies to Ukraine and Europe for two days. In 2007, when Russia suddenly raised the issue of Ukraine’s energy debt following the early parliamentary elections in 2007, the EU only issued several statements of concern and offered its mediation.

Furthermore, on 23 March 2009 the EU hosted an investment conference in Brussels at which it was agreed to grant Ukraine a € 2.5 billion loan for rehabilitation of Ukraine’s gas transit system, and the Joint EU-Ukraine Declaration committing Ukraine to undertake reforms in the energy sector.\(^\text{37}\)

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sector was signed. This provoked a negative and sharp reaction on the side of Russia, which has been seeking control over the Ukrainian gas transit system (GTS) for a long time. Already back in 2002 Russia managed to obtain the consent of Ukraine to create the Russia-Ukraine energy consortium by which Naftogaz and Gazprom each would have a 50% share in Ukraine’s gas transport system, but it was never implemented. Russia’s negative reaction has also provoked criticism of the Brussels declaration in some member states that are particularly sensitive to Russia’s position. Thus, according to some sources, the issue was debated in Germany, with many voices arguing the need for Russia’s involvement. According to Gazprom, such European companies as E.ON Ruhrgas (Germany), ENI (Italy) and Gas de France (France) were also supportive of Russia’s position.

Both the deployment of the monitoring mission of experts and the joint declaration on modernization of GTS were positive moves, yet these can hardly prevent the next energy crisis. Neither can these measures tackle the key problem of the Ukraine-Russia energy relationship, which is that of lack of transparency. Too many vested interests in Ukraine (as well as in Russia) benefit from this status quo, thus blocking a comprehensive reform of the energy sector as well as the opening of the Ukrainian energy market to foreign investors. This is not to mention that Ukraine is the sixth largest gas consumer in the world, which is disproportionate to the size of its economy, while prices for domestic consumption are too low, which leads to subsidising energy consumption by the state. Both problems make Ukraine too dependent on Russian gas imports. It is primarily because of the lack of transparency that Ukraine fell victim to the energy crisis of January 2006 and agreed to the services of the RosUkrEnergo (RUE) Company as intermediary, which appeared to have the monopoly of selling Russian and Central Asian gas to Ukraine. Starting from 2006 Russia was also able to raise the price of gas to Ukraine from $50 per one thousand cubic meters before 2006 to $360 and $270.95 in 2009, while the price for the transit of Russian gas through Ukrainian territory remained on the same level of $1.7 per one thousand cubic meters transported per 100 km. The two agreements that the Russian Gazprom and Ukrainian Naftogaz signed on 19 January 2009, on gas supplies to Ukraine and transit of gas to Europe for 10 years, which ended the January gas crisis, did not favour Ukraine either. Ukraine committed itself to purchase an amount of gas it is not able to consume (40 billion cubic meters in 2009), while Russia can demand payment of fines if Ukraine does not purchase the agreed amount. Although Premier Putin promised no fines would be demanded from Ukraine, this is not documented. Finally, throughout 2009 Gazprom has been making noises that Ukraine would fail to pay for the gas, thus threatening gas supplies to Europe, although so far Ukraine has managed to meet this obligation. To make a long story short, nothing has changed since the gas crisis, which makes the next gas crisis highly probable.

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42 Ibid, p. 81.
43 The company was not even registered in Ukraine, thus avoiding tax payments to the Ukrainian state budget.
44 The 2006 price was already $95 and then it grew to $130 in 2007 and to $179.5 in 2008.
45 Due to the economic crisis and decreased production Ukraine purchased only 32 cubic meters in 2009.
will be more secure than last year due to internal measures it has undertaken. The EU also made sure that Ukraine has filled its gas storage facilities with the amount necessary to secure smooth transit to Europe. Yet, the problem of increased transparency and security of the gas supplies from Russia through Ukraine has in no way been solved.

In this situation the EU has to carry on integrating Ukraine into its energy market and demanding reform of the Ukrainian energy sector. Already in 2005 the EU and Ukraine signed a Memorandum of Understanding (MoU) on energy with the goal of convergence with the EU’s internal market and joining the European Energy Community (EEC). In October 2009 Ukraine had already concluded negotiations with the EEC and was expected to join in December 2009. The Eastern Partnership initiative suggests that Ukraine should fully integrate its energy market with that of the EU. Moreover, the EU-Ukraine Association Agreement currently under negotiation will contain a long list of EU acquis in the energy sector that Ukraine will have to incorporate into national legislation. Finally, the European Neighbourhood and Partnership Instrument (ENPI), a new financial instrument of the EU, provides for direct budgetary support for the reform of the energy sector of Ukraine. It received the first instalment (€23m) of its first allocation (€82m) in December 2008. The second instalment is conditional upon the fulfilment of several specific objectives, one of them being the construction of the first pilot measuring station at the entry point to the Ukrainian GTS. These efforts will not bring any short-term results, and difficulties resulting from the inability of Ukraine to implement the provisions of the March joint declaration speak for the high resistance to reforms inside the country. Yet, there is no alternative to these reforms in the long run and the EU has to be insistent.

The EU also has to support the construction of measuring stations on all main gas pipelines on the Ukrainian side of the border. The special project developed in 2005 and approved by the European Commission, EBRD and EIB provides for this. Furthermore it is worth considering the proposal to create an operational system for on-line communication between the gas control centres of Gazprom, Naftogaz and the European companies (SPP in Slovakia, PGNiG in Poland, MOL in Hungary, Transgas in Romania), which would provide real-time information about the entry of gas into the United Gas Supply System of Russia, movement of gas through the gas pipelines of Russia, Ukraine, Belarus and Moldova and delivery of gas to EU territory at corresponding gas measuring stations.

In the long-term perspective it is important to ensure that the entire chain of gas supply, starting with extraction and transit and ending with consumption, becomes transparent.
In the long-term perspective it is important to ensure that the entire chain of gas supply, starting with extraction and transit and ending with consumption, becomes transparent. A Ukrainian civil society initiative “Energy Transparency” (http://ua-energy.org) advocates for the European Gas Transparency Initiative, which would allow consumers, suppliers and transit operators access to full information, thus making any manipulation impossible. This seems to be a challenging objective, given that lack of transparency is not only the problem of the Ukraine-Russia relationship, but also of Russian and Ukrainian markets and even those of EU member states. The revenues from the lack of transparency are too high and strong resistance to any attempts to pursue transparency should be expected. The Ukraine-Russia Border – Moving towards International Standards

The Ukrainian-Russian border is another problem where EU involvement is necessary. Over the past almost two decades the border has undergone evolution from being nonexistent (administrative borders between the Soviet republics were rather flexible without any official documentation delimiting them, apart from military topographic maps, and traditional border infrastructure) to a more or less institutionalised interstate border, although not yet compatible with international standards (for instance, the physical infrastructure is so far largely missing). It was not until 1997 (when the Ukraine-Russia Treaty of Friendship, Cooperation and Partnership was signed) and 2003 (when the Agreement on the Security”, Oil, Gas and Energy Law Intelligence (Special Issue on EU-Russia Relations, 2009), p. 14, http://www.ogel.org/article.asp?key=2878.


The total length of the Ukrainian-Russian border is 2,295.04 kilometres, including 1,974.04 kilometres on land and 321 kilometres at sea.

Ukraine-Russia State Border was signed55 that the land border between the countries was delimited. The full-fledged demarcation of the border and development of proper border infrastructure continues to be a problem until now. The border between Ukraine and Russia is badly protected and creates opportunities for illegal migration flows, often from third country nationals, that end up arriving at the EU’s territory. According to some estimates, up to 80 per cent of illegal migrants who head to the EU through Ukrainian territory come from Russia (through Russia from third countries).66 Over two thirds of illegal migrants penetrate into Ukraine from the Russian side, bypassing border checkpoints because of the badly-equipped border.7 This puts immense pressure on the EU, but especially on Ukraine, whose border with the EU is seriously protected and which has obligations within the readmission agreement with the EU88 to take illegal migrants who manage to penetrate into the EU back.

There seems to be a lack of political will on the part of Russia to demarcate the land border with Ukraine. When in October 2008 Ukraine raised the issue of possible unilateral border demarcation,59 Russia reacted with a bill envisaging the cancellation of the visa-free regime with certain countries, including Ukraine.80 Recently Russia decided to

55 The Agreement was ratified by both sides in 2004. The Agreement contains annexes with topographic maps, which define the land border between the countries in accordance with international standards.


58 The Readmission Agreement between the EU and Ukraine will come into force as of 2010.


link the issue of the land border demarcation with the issue of delimitation of the sea border. The idea is that Ukraine should accept the Russian vision of the sea border before Russia agrees to move forward with the issue of demarcation of the land border.

The EU’s role here so far has been too modest and it is only recently that the EU started paying attention to the need for border demarcation. Although the EU and Ukraine have cooperated in Justice and Home Affairs since 2001 within the EU-Ukraine Action Plan on Justice and Home Affairs, the document did not mention the problem of Ukrainian-Russian border demarcation. Some of the objectives of the document concerned only improvement of the management of migration, border management, readmission and visa. The EU-Ukraine Action Plan adopted in May 2005 was already more specific, as it envisaged the “development of a system of efficient, comprehensive border management (i.e. border control and border surveillance) on all Ukrainian borders [emphasis added by the author]...” The real step forward was the Revised EU-Ukraine Action Plan on Freedom, Security and Justice adopted by the EU-Ukraine Cooperation Council in June 2007, which clearly states that the objective is to “support the process of delimitation and demarcation of Ukrainian borders that are presently not demarcated according to international standards.” This was a clear reference to Russia. Where specific support on the border demarcation with the issue of delimitation of the sea border. The idea is that Ukraine should accept the Russian vision of the sea border before Russia agrees to move forward with the issue of demarcation of the land border.

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In addition, the EU and Ukraine started the visa dialogue aimed at specifying the conditions that would make Ukrainian citizens eligible for visa-free travel with the EU. While the duration of this dialogue and its result (the Ukrainian objective is to have a visa-free roadmap, a document similar to those the EU offered to the Western Balkan countries) are not definite, it is clear that Ukraine has to undertake specific reforms. These include integrated border management and security of documents among other things. Apparently, demarcation of Ukraine’s border with Russia would be a necessary prerequisite for visa-free regime with the EU.

What could the EU do in this direction? It seems that in this situation Ukraine has to move forward with its border demarcation, albeit unilaterally. This after all is what Latvia did and it nevertheless became an EU member, while Russia never agreed to support this process. The EU could further support Ukraine in this process by making the visa-free regime more credible and linking it specifically to border demarcation. Given that Russia might react with introducing a visa regime for Ukrainian citizens, the credible prospect of a visa-free regime with the EU might help to downplay Ukrainian domestic opposition to unilateral demarcation. Furthermore, the EU has to continue supporting development of the physical infrastructure on the Ukrainian side of the border.

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61 The sea border, which divides the Azov Sea and the Kerch Strait has not even been delimited.
64 “EU-Ukraine Action Plan” (February 2005).
67 Opinion expressed by Volodymyr Ogryzko, the National Security and Defence Council’s First Deputy Secretary and former Foreign Minister of Ukraine at a conference in Berlin, October 2009.
the border as well as training the border guard personnel in order to make the border more secure and regulated.

Secondly, it would be useful to agree on some sort of multilateral arrangement among the EU, Ukraine, Russia and Belarus in order to at least equally divide responsibility for managing illegal migration among Ukraine and its Eastern neighbours. When the EU was pressing Ukraine to sign the readmission agreement with it in June 2007, which always comes packaged with a visa facilitation agreement, Ukrainian officials complained that the EU was unwilling to think in broader terms of setting up a readmission space that would cover Ukraine, Russia and the EU. The need for setting up such a readmission space has been often mentioned since then by Ukrainian officials. Separate readmission agreements that the EU has with Russia and with Ukraine put tremendous pressure on Ukraine, given that the Ukraine-Russia border is badly protected.

Thirdly, the issue of the demarcation and delimitation (the sea border) of the Russian-Ukrainian border should become a part of the EU’s political dialogue with Russia. There are clear signs that Russia is blocking the process of border settlement for broader political reasons. As a representative of the Russian MFA put it “they [Ukraine] need the border for one simple reason: to join NATO as soon as possible”. The diplomatic means and political dialogue on the EU side might contribute to defusing the zero-sum thinking on the part of Russia. Moreover, given that Russia aspires to a visa-free regime with the EU, the EU could possibly link the two issues in its dialogue with Russia.

Finally, although Russia is not a party to the Eastern Partnership (EaP), the initiative envisages the involvement of other countries on the level of specific projects. Since the EaP puts a strong emphasis on integrated border management, but also envisages cross-border cooperation between partner countries, there is probably room for a Ukrainian-Russian project, supported by the EU. The project could be aimed at putting the common border in order (demarcation and infrastructure development) and at the same time facilitating cross-border cooperation, making clear that well-regulated borders do not necessarily hinder contact for people who travel legally. The EUBAM70 model gives useful insights into how the EU can be innovative and prompt in setting up an initiative on the one hand, and how bilateral cooperation between the two neighbouring countries can be facilitated with the EU’s involvement on the other hand. Given that Russia is a beneficiary of the European neighbourhood and Partnership Instrument (ENPI), relevant projects could be funded from the ENPI Eastern Regional Programme, where border and migration management are listed among the five strategic categories. Such an initiative on the Ukrainian-Russian border would be relevant precisely for the purpose of improved cooperation between border guard and customs agencies, capacity building for relevant services, increased surveillance and border control, delivery of equipment, all of which are considered to be the successes of the EUBAM. A joint request of the authorities of both countries (Russia and Ukraine) would apparently be needed to invite such an initiative (as was the case with the EUBAM). This might be somewhat

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68 Author’s interview with a Ukrainian official in September 2009.
69 Cited in Razumkov Centre’s National Security & Defence magazine on Ukraine-Russia: from Crisis to Effective Partnership, No 4 (2009), p. 7.
70 European Union Border Assistance Mission to Moldova and Ukraine.
71 The EUBAM mission was deployed via the Rapid Reaction Mechanism (see the website of the European Union for information about the mechanism http://europa.eu/legislation_summaries/foreign_and_security_policy/conflict_prevention/r12701_en.htm), but after 6 months the funding of the Mission was secured via TACIS and later on via ENPI.
problematic, but the EU could try to facilitate this idea via diplomatic channels and political dialogue with both Russia and Ukraine.

The Black Sea Fleet – The Current Challenges and the Prospect of 2017

The Russian Black Sea Fleet stationed in the harbour of Sevastopol in Crimea is another legacy of the Soviet Union, evidencing the unfinished state-building process in Ukraine. The Black Sea Fleet of the Russian Federation (RF BSF) is the part of the former Soviet Black Sea Fleet that Russia received following the division of the fleet between Russia and Ukraine in 1997. Today its military capacity is rather weak, which allows some experts to argue that the stationing of the RF BSF in Crimea plays a political and ideological role rather than a military one.

The stationing of the RF BSF creates important challenges for Ukraine, Ukrainian-Russian relations and European security in general. Firstly, the stationing of the RF BSF in Ukraine creates a number of problems related to security, the environment and the socio-economic situation in the city of Sevastopol and Crimea in general. These challenges speak for the need to withdraw the fleet on the due day and pave the way for Sevastopol to become a commercial harbour and tourist attraction. Secondly, the issue of withdrawal of the RF BSF from Ukraine by 2017 has to be dealt with and, given the scale of the task, one probably has to start early to be ready for the date. Meeting these challenges requires a lot of diplomatic and expert work and the role of the European Union here could be rather constructive.

Why is the stationing of the RF BSF in Sevastopol a problem? It is widely believed that it creates a significant number of workplaces – indeed, the RF BSF is the largest employer of Sevastopol with 17,000 or 9% of employees in the city being employed by the fleet. Also, public opinion in Sevastopol and the Crimea in general is rather supportive of the fleet. Yet, a deeper look reveals a number of challenges that outweigh what might seem to be benefits. For instance, the 1997 agreements, according to which the fleet was divided and that specify the status and conditions for stationing the RF BSF, do not elaborate on in what situations the Russian fleet would become involved in a military conflict. Thus, in the course of the Russian-Georgian conflict in 2008, when Russia deployed its BSF vessels to Abkhazia’s shores, Ukraine found herself de facto involved in the Russian-Georgian conflict. Some media indicated that several Ukrainian citizens working as service personnel were actually on the ships sent to Abkhazia. Moreover, Ukraine is unable to control any reshuffling of the military objects in the Russian BSF and there have been a number of cases where replacement of weapons was done without the consent of the Ukrainian side and those were openly dragged through the city.

Related to this is the inability on the Ukrainian side to control the crossing of the state border by vessels and crews of the RF BSF, resulting from the refusal of the latter to submit to the border control when entering Ukrainian waters.

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73 It consists of only 13 large vessels of different types and 13 small vessels and 2 submarines. Information cited from different Ukrainian sources. According to a Russian source the RF BSF consists of ca. 50 military and service vessels taken together. For comparison, Turkey, Bulgaria and Romania together have over 90 large vessels, 40 smaller vessels, 44 missile and torpedo boats and 15 submarines.

74 See Razumkov Centre’s National Security & Defence magazine on Ukraine-Russia: from Crisis to Effective Partnership, No 4 (2009), p. 9.


76 Modernisation of the fleet is not envisaged by any of the agreements signed in 1997, which means that particular ships and weapons can only be replaced with the same class of weapons. See V. Kravchenko, “Volodymyr Ogryzko: Podgotovku k vyvodu ChF Rossii nuzhno nachinat’ uzhe segodnya”, DT 14 (643) (April 2007), http://www.zn.ua/1000/1550/56417/.

77 Roughly half of the reported crossings of the Ukrainian state border by RF BSF vessels are done with violations of Ukrainian
Ukrainian law often reported by the media have to do with the Russian side’s unilaterally having occupied many lighthouses, although according to the BSF agreements those have to be used by Ukraine and Russia jointly. Although the Ukrainian MFA addressed a number of notes to Russia concerning violations of Ukrainian law by the RF BSF, no response followed on the Russian side. The presence of the fleet causes serious environmental problems resulting from improper treatment of wastewater and storage of ammunition and explosive substances not suitable for use. Finally, the BSF has been the source of socio-economic problems such as unemployment and shortage of revenues for the local budget (due to reduced number of taxpayers, but also due to the debts of the BSF, low leasing prices, and use of some land and property by the RF BSF free of charge.

In many cases the ships and crews of the RF BSF refused to submit to the border control when crossing the state border of Ukraine. “Viiskovi Chornomorskogo Flotu vse chastishe porushuyut ukrainski zakony”, UNIAN (January 2009), http://crimea.unian.net/ukr/detail/9100.

Almost a third of ammunition and explosive substances stored in the fleet locations is no longer suitable for use and so far the Russian side has been able to cope with disposing of only 2% of the required amount of ammunition. V. Mikhailov, “Cherno-norslii Flot Rossiiskoi Federatsii kak “chemodan bez ruchki”: moscowskie mify i krymskaya real’nost’”, http://flot2017.com/80/ru/analytics/4160.

Massive downsizing of the RF BSF staff has taken place in 2009 with almost 1,500 employees fired in the first months of 2009 and 9,000 more expected to follow. Prytula. Materials of the roundtable.

A comprehensive inventory of the RF BSF has never been compiled, which has led to illegal occupation and use of some sites and premises that otherwise could be offered for rent on a commercial basis and attract revenues to the local budget. The former Foreign Minister Volodymyr Ogryzko argues that Russia deliberately resists any specifications, since it benefits from the low rent prices and the possibility of occupying some property without even paying for it. V. Kravchenko, “Read-

Clearly, withdrawal of the fleet would benefit the local economy, if prepared properly, and make the situation in Crimea more secure. The legal grounds for the withdrawal in 2017 are provided for by the 1997 interstate agreements and the Ukrainian Constitution adopted in 1996. The situation, however, is not free of conflict: while the Ukrainian authorities initiated consultations to prepare for the withdrawal of the RF BSF, the Russian side has so far been reluctant to move forward. It has argued that the issue can be discussed just before 2017, but also that it would be interested in prolonging the stationing of the RF BSF in the Crimea. The bilateral dialogue on the BSF issues has in general not been constructive enough.

Although the presence of the RF BSF in Ukraine might seem to be an exclusively bilateral issue, it has an important security dimension and it would therefore be in the EU’s interest to take a role. Firstly, the EU could work with making public opinion in Crimea and Sevastopol more supportive of the EU. While Russian media dominate public opinion in Sevastopol, the EU could work via visible infrastructure projects. Secondly, in the long-term perspective, Sevastopol

82 The RF BSF is supposed to move to the Russian harbour in Novorossiisk. Russia has allegedly started the preparatory works and already allocated 2.2 billion RUB. See Oruzhye Rossii, http://www.arms-expo.ru/site. xp/049057054048124057053051049.htm.

83 Ukraine accelerated the relevant efforts in May 2008 and December 2008 as the President of Ukraine adopted two Decrees aimed at preparing the ground for the RF BSF to leave Ukraine as of 2017, concerning matters both legal and having to do with the potential non-military and commercial use of the Sevastopol bay. Razumkov Centre op. cit., pp. 11-12. The Ukrainian side also attempted to put the issue on the bilateral Ukraine-Russia agenda. For instance, in May 2008 Ukraine suggested that a special working group is created within the Bilateral Subcommittee to develop a roadmap on the RF BSF’s leaving the Crimea as of 2017.
While the Ukrainian authorities initiated consultations to prepare for the withdrawal of the RF BSF, the Russian side has so far been reluctant to move forward. The EU could use the framework of the Eastern Partnership initiative, which envisages regional development programmes, to this end. The European Commission’s twinning programme within the ENP, which is currently targeted at the central authorities’ level, could be expanded to cover the regional level, with Sevastopol being a pilot region. Some of the cities in the EU have successful experience of being transformed from industrial hubs into services-oriented tourist attractions and these could share their experience with Sevastopol.

Finally, some diplomatic efforts are necessary. It is important to put the issue of the RF BSF future withdrawal on the agenda of the EU-Russia political dialogue. The EU might also consider introducing a Special Representative on Crimea, who would cover Sevastopol as well. He would not only provide mediation, but also raise visibility of the EU on the ground. The efforts the EU has already undertaken via the opening of the two EU information centres in Simferopol and Sevastopol in May 2009 and the development of a Joint Cooperation Initiative in Crimea are steps in the right direction.


85 This is supposed to be a joint initiative of the European Commission and the EU member states. The European Commission will allocate 12 million Euro for 2010 for social integration, development of tourism, and investment attractiveness in Crimea. Information provided by a representative of the Delegation of the European Union to Ukraine during a conference in Sevastopol in December 2009.

Conclusions and Recommendations

The EU needs to have a more coherent Eastern policy in the sense that it should make sure its objective of ‘Europeanizing’ the Eastern neighbours is supported rather than hindered by the EU’s policy towards Russia. So far, norms and values are often compromised when interests come into the picture, which sends wrong signals to the Eastern neighbours. Also, the inability of the EU to speak with one voice where Russia is concerned and lack of consensus on the degree to which (if at all) Russia should be taken into account when the EU’s policy towards Eastern neighbours comes into the picture, undermines objectives of the ENP and Eastern Partnership initiative.

While Russia has clear interests in the neighbourhood it shares with the EU and has been an active and visible actor in the region long before the EU stepped in, the EU has to send a clear message that it has strategic interests in the region as well. This message has to be made clear to Russia, but also to domestic audiences in the Eastern neighbourhood. The policy of incremental transformation and integration the EU has pursued towards these neighbours needs to be topped up with more visible incentives. Only in this case European reform minded parts of society, which is otherwise rather ambiguous about the direction Ukraine should move in, can become mobilized around pro-European reforms and move Ukraine towards the clear choice in favour of the EU. Under these circumstances dividend-seeking and shortsighted political elites will have no choice but to support the course in their attempt to get popular support. As a result Russia’s leverage in Ukraine, which is strong largely due to internal divisions in the country, will be undermined.

The EU also has to look beyond its separate bilateral relations with Ukraine and Russia and become involved in the Ukraine-Russia bilateral agenda where problems have persisted since the collapse of the Soviet Union. Energy wars, the unsettled border between Ukraine and Russia, and the
presence of the Russian military in the Ukrainian territory (Russian Black Sea Fleet in the harbour of Sevastopol) create challenges for European security and undermine the EU’s efforts to promote stability and reforms in the neighbourhood. While the EU can hardly become involved directly, it can find ways to facilitate solutions. Firstly, it can strengthen its policies of integration of Ukraine where particular issue-areas are concerned, be it integration into the EU energy market, making the prospect of visa-free travel more credible or promoting regional development and the investment potential of Crimea. Secondly, the EU can put the issues that create problems in the Ukraine-Russia relationship on the agenda of its political dialogue with Russia and even link them to some incentives that might appeal to Russia. Thirdly, the EU could support joint projects in some cases where cooperation is possible.

4. Policy Recommendations

By Alexander Duleba

Summing up the experience of the EU-Russia cooperation within the Common Spaces the following might be the main three conclusions:

☒ First, the Common Spaces structure is a well established institutional framework to maintain a wide-ranging political and sectoral dialogue between the EU and Russia, and should be preserved;

☒ Second, except for some positive samples of progress achieved on sectoral issues CS has brought rather modest outcomes in relation to the initial expectations of both sides; and

☒ Third, the reason for the limited results of the dialogue and cooperation within all four CS is of a political nature: a lack of political will or mutual trust, inability of both sides to agree on terms and values, Russia’s reluctance to accept EU standards, etc.

In the end “micro lessons” from the experience of the Common Spaces bring us back to “macro political lessons” learned from EU-Russia relations over the last two decades. Based on the analysis of the main political “hot potatoes” in EU-Russia relations, the evolving nature of Russia and the EU as international actors, including the changing external environment of their relationship, the following are trends and limits that will frame the EU-Russia agenda for years to come:

☒ First, the EU neither needs nor is willing to take over the role of NATO and/or OSCE in a “hard agenda” of European security. Russia-NATO Council and OSCE are the places where Russia’s hard security concerns should be accommodated.
Second, the EU is the “soft superpower” with a capacity to deliver peace, stability, and sustainable development in Europe and its neighbourhood. The “Western Balkan lesson” is important to bear in mind since it shows the limits of hard power in European affairs as well as the strength of soft power, which the EU, as it proved, can deliver.

Third, the EU cannot turn away from its energy security interests in the region of Eastern Europe with the aim of ensuring security of energy supplies from Russia, Central Asia and/or the Middle East. In this field, the EU and its concerned member states cannot conclude agreements with Russia over the heads of Ukraine, Belarus and/or any other common neighbour of EU and Russia.

Fourth, a “Samara lesson” as an outcome of Russia’s individual approach towards EU member states in the 2010s should be learned well by Russian diplomacy. “Personal alliances” of President Putin with political leaders of “big European powers” are a good illustration of a belief that Russia can manage its interests vis-à-vis the EU by developing special relations with traditional European powers, e.g. France, Germany, Italy, etc. This is a deep misunderstanding of what the EU is and how it works, especially in the field of external relations. The above misunderstanding will become even deeper after the Lisbon Treaty enters into force from 2010.

Fifth, the EU can be easily criticised for its many shortcomings and from this or that political party’s point of view, including criticism coming from inside and/or outside, there is however, nothing else that could be labelled the European project for the 21st century. The EU has been able to manage both the deepening and widening of the European integration process via expanding the area of four freedoms, community laws and standards, and improving its institutional framework and decision-making process.

Sixth, although there are many things the EU still cannot do in external relations, what it can do is export its community law and standards to its neighbourhood. Member states of the EU can disagree on many international issues, often on relations with Russia; however, there is a consensus within the EU that it should boost modernization of its neighbourhood through the export of its standards. That’s why the EU enlargement policy has been the most successful part of its foreign policy over the last three decades.

Seventh, in the Eastern part of Europe we get a completely different picture when it comes to integration trends. None of the integration initiatives aimed at bringing things into order within the former Soviet Union and/or a group of former Soviet countries over the last two decades might be labelled a successful project. Moreover, the growing number of conflicts between Russia and its post-Soviet neighbours shows Russia’s increased inability to manage its relations with post-Soviet neighbours by peaceful means and by refraining from coercive actions, which is compelling the EU to expand its offer of cooperation to its Eastern neighbours and to deliver stability to its Eastern neighbourhood.

Eighth, the EU cannot stop doing vis-à-vis Eastern Europe what it has been doing vis-à-vis Southern, Central and South-Eastern Europe over the last decades. If there is any East European country that wants to follow the EU way of modernization, the Union can do nothing but assist it in this effort. And that’s exactly what the EU’s Eastern Partnership initiative is about.

Ninth; the growing competition between Russia and the EU in their common European neighbourhood is evidently a trend that will frame EU-Russia relations for years to come. Actually, both Russia and the EU did make their offers to their common East European neighbours. Now it is up to them to make a choice.
There is only one way to eliminate competition between the EU and Russia, including in their common neighbourhood. It assumes that both the EU and Russia are able and capable of finding common ground for working together on a joint European project, in which countries in their neighbourhood must be equal partners and participants. Definitely, the common denominator of any attempt to find an exit strategy from the present “lowest ebb period” in EU-Russia relations should be a European project, a vision of a future Europe that might be shared by all European nations. Russia and the Eastern neighbours are “European countries” and the EU policy towards them must be an inclusive policy leading to the unification of the European continent. This does not mean automatically, however, that all European countries in the end must or will be EU members. By referring to a “united Europe”, one should understand a Europe of democracies that recognize the same political values and in which the same political and economic principles are in place. If this is to be a reality in the future, EU membership must no longer be such an acute issue for European “non-EU” countries.

The EU should aim at finding a way to bridge its Eastern Partnership (EaP) initiative with its Common Spaces agenda with Russia. Regional policy instruments and/or cooperation formats with participation of the EU, Eastern European countries and Russia are still missing. A workable way to develop these could be the Eastern Partnership initiative strengthened by some important elements of the ENP Plus proposal of 2006. The regional sectoral policies based on sectoral agreements with EaP countries could lay the foundations for institutionalized regional sectoral dialogues of the EU with EaP countries plus Russia as their superstructure. Another way would be creating such a regional format for a dialogue between the EU, EaP countries and Russia along the lines of the EU-Russia Common Spaces. However, the political momentum was lost in 2006 after Russia’s move to project its foreign priorities differently. Certainly, Russia at present or even in the medium term has no interest in a regional format of cooperation with the EU that would allow the participation of “common neighbours”. However, this does not mean that the EU should give up on its key regional interests in Eastern Europe and stop searching for a political solution to reach its goals. It has to start with those East European partners willing to cooperate with the EU within the regional formats of cooperation.

The first step that the EU should take in relation to the development of a regional strategy towards Eastern Europe is to start building it in cooperation with the EaP countries, having in mind the ultimate – engaging Russia whenever it is both willing and ready to join. From the very beginning it has to be clear to the EU, but especially to its Eastern partners, that building a regional format for cooperation does not mean a replacement for or an alternative to their bilateral agenda of relations with the EU. Bilateral basic agreements, bilateral trading agreements, bilateral Action plans etc., are and have to remain a subject of the partner country’s bilateral relation and an individual approach of the EU towards each EaP country. Action plans together with new EaP instruments for individual countries have to remain the primary tool of an EU policy with the particular priority objective of helping them with their political modernization, building democratic institutions and civil society. Bilateralism and an individual approach towards each country in the Eastern Partnership have to remain the building blocks of EU eastern policy. This should be adequate for the level at which specific countries comply with the fulfilment of agreements and implementation of democratic standards and norms of the EU and, vice versa, EU accommodation in the question of opening a single market and development of trading relations with them. The regional component of relations should be a supplementary level that extends their bilateral agenda with the EU.

It is not possible to arrive at a meaningful regional format of cooperation overnight and it is absolutely counter-
productive for the EU to come up with an instant recipe and present it as a finished dish to partners who are ready to engage in regional cooperation, as happened in the case of the BSS. It must be added that the EU does not at present need, nor is it ready, for one complex regional format of cooperation in Eastern Europe. What the EU needs to begin with is to achieve the establishment of perhaps several regional sectoral partnerships in Eastern Europe and first definitely only in a few sectors that are of strategic importance for EU interests: priorities are energy and JHA. It would be good to return to the primary idea of sector agreement – as ENP instrument - as it was initially presented in the German ENP Plus proposal in mid 2006, because what is left of this idea in the documents and the EaP planning is only a misty fragment in the form of “thematic approach” or “community programmes”.

The name for this new EaP tool does not matter, but rather its essence, which was included in the original German proposal on the ENP Plus. Let it be called the “community programme”, but each of these sector community programmes should consist of three basic components: a) a binding sector agreement between the EU and the EaP country; b) binding implementation of a respective sector acquis by the EaP country; and c) observer status for the EaP country and access to the EU institutions that are planning and implementing the respective sectoral policy of the EU. This way the EaP could evolve to the model of EEA (European Economic Area), e.g. Norway, Iceland, etc. The EEA countries are not EU members; however, they fully accept respective EU acquis and have their experts on sectoral policies working as observers (without voting rights) together with EU experts in the EU institutions on the creation of respective sectoral acquis.

In order for a sector agreement, e.g. about energy with Ukraine, to become a substantial instrument leading towards building a regional sector partnership in Eastern Europe, it is necessary for it to be open to the accession of a third country or third countries, e.g. in the case of signing an energy agreement with Ukraine, the accession of Moldova or other eastern partners of the EU. The openness of sector agreements within the EaP should become their attribute in so far as they are to help the EU build regional partnerships in Eastern Europe. Sector Agreements can be signed bilaterally at first, but at the same time they should remain open to further regional multilateralization, which is the basic assumption for building a treaty-anchored sectoral regional partnership with EaP countries in Eastern Europe.

Following the EEA model, any EaP country/countries that would sign an appropriate sector agreement should gain observer status in the EU institutions planning and implementing the respective sectoral policy. Here, as a next step, the EU should start to conduct a full-value common sector regional dialogue with these countries. In this dialogue the same should apply as in a sectoral agreement – it should be open for other countries of Eastern Europe that did not sign a sector agreement with the EU at the time in question and regardless of whether or not they participate in the EaP. The regional sector dialogue should go beyond the EaP framework and should also be open to countries that are not part of EaP.

In other words, in the case of Eastern Europe, the EU together with the EaP countries should leave the door open for Russia to join – once it is ready – the regional sector dialogue. In any case EaP countries that will sign the sector agreements with the EU must be given privileged status in this dialogue, particularly in the way they are to gain access to EU institutions. Sectoral cooperation between the EU and EaP countries based on permanent contact of Commission representatives and the respective agencies of EaP countries, including business and civil society actors, will have a substantitive effect, one which will not appear immediately but can be expected in the medium term.
try/countries signing the sector agreement and becoming partners in the regional sector dialogue will become much more dynamic, intensive and qualitatively different than e.g. the common space between EU and Russia, which will not be built on a sectoral agreement basis. Common spaces between the EU and EaP countries will therefore gradually become “more common” in the Eastern European region than Common Spaces between the EU and Russia. At the same time, they should remain open to Russia whenever it is both ready and willing to join.

It will remain only a matter of time before a format of regional sectoral cooperation built in this way, e.g. in energy, will become beneficial enough for Russia to join it. Sooner or later this will happen. The above way of developing the tools of the EaP policy towards East European countries will lead to the creation of a functioning regional format and or formats of sectoral cooperation between the EU and its Eastern partners. In the end it will lead to the creation of a single and complex format for regional cooperation between the EU and its European neighbours, including Russia.

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