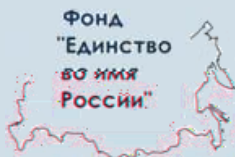


Partnership with Russia in Europe
New Challenges for the EU-Russia-Partnership





Partnership with Russia in Europe

New Challenges for the EU-Russia Partnership

8th Meeting of the Working Group
12th-14th April 2010
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Preface

Every relationship has its ups and downs. Despite the generally positive mood between Russia and the 27 member states of the EU, some exceptions prove the rule, and the overall estimate of the temperature of the political relationship lies well below that of a comfortable spring, not to mention summer. Nonetheless, in economic terms the relationship has always been productive, with the Association of European Business even enlarging its operations in Russia.

Several aspects of the differences of opinion between Russia and the EU were examined at the eighth Russia-EU-Roundtable in Brussels, 12-14 April 2010, under the headline “New Challenges for the EU-Russia Partnership”. It was the first meeting of this format in the EU capital. Politicians and experts from Russia and EU countries discussed the effects of the Lisbon treaty on the Russia-EU partnership, common interests in the South Caucasus, cooperation in Afghanistan and Pakistan and possible partnership in the Eastern neighborhood.

One theme remained constant, and that was the goal of finally achieving a realistic approach towards a visa-free regime between Russia and the EU.

The Unity for Russia Foundation and the Friedrich-Ebert-Stiftung as joint organizers are proud to present the report of the eighth round table with the protocol of the conference and two articles on the theme of new ideas for a strong relationship between Russia and the EU. They highlight the views from Russia, Europe and Germany.

For the first time, the report will be published only in electronic form. This will give us the opportunity to present the results quickly and effectively before the next Russia-EU summit in Rostov on 31 May.

As to how practical and influential our humble thoughts and ideas have been: this will be a topic for discussion at our next meeting, scheduled for spring 2011 in Moscow.

*Vyacheslav Nikonov / Andrä Gärber /
Reinhard Krumm, Moscow 2010*

The hosts of the roundtable „Partnership with Russia in Europe”: Reinhard Krumm, Vyacheslav Nikonov and Andrä Gärber

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On a European Security Treaty, the Russian Federation's Initiative

Vladimir Chizhov, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Russian Federation to the EU

Materials from the speech of Ambassador Chizhov at the conference "New Challenges for the EU-Russia-Partnership" (12 April 2010, Brussels)

Esteemed organizers of the conference,
Ladies and Gentlemen,

I want to thank the heads of the Unity for Russia Foundation and the Russky Mir Foundation for this opportunity to present Russia's ideas on the current state of the Euro-Atlantic security system and possible ways and means of remedying its shortcomings.

As Permanent Representative of Russia to the European Union, I enjoy ample opportunities to contribute to international discussions of the issue. I should mention here that on the whole these have revealed a shared concern (though from different aspects) with the existing European security architecture. Awareness is mounting – and indeed has already reached high levels – that relationships within the present security system are far from perfect and require changes in decision-making mechanisms. Although the Euro-Atlantic space is abundant with structures dealing with security issues, there is no general strategy nor is there any unified international legal standard to be applied in all cases.

In June 2008 Russian President Dmitry Medvedev proposed a new comprehensive and legally binding European Security Treaty (EST). Speaking at the 46th Munich Security Conference last February, EU High Representative Catherine Ashton

confirmed the European Union's readiness to discuss the concept. We appreciated her comments on the inadequate legitimacy and efficiency of current pan-European security arrangements.

The Russian draft EST is intended to remedy this situation by introducing the obligation to refrain from strengthening one's own security at the expense of others and the provision of an undivided security mechanism.

The most frequent question I am asked is: Why is this impossible within the already existing structures?

The answer is not that complicated: Because the European Union, NATO, - and to be objective, CSTO and CIS, as well, are all concerned with the security of their own members, while the EST offers security to all states without exception.

It is not our intention to impose decisions on our partners: the draft EST, which was sent in November 2009 to Heads of State and security organizations operating in the Euro-Atlantic space, is an invitation to a dialogue and to an analysis of the reasons for current security system inadequacies. In other words, we are open to any suggestions regarding EST specifics.

The EST was devised and drafted as a comprehensive document related to

key aspects of “hard” security; international discussions and responses which came from our partners suggested that the Treaty should concentrate on the principle of indivisible security as a key tenet. This means that no state or organization should contemplate strengthening its security at the expense of others.

Our Western partners refer to NATO as the region’s security pillar. It is indeed an important international structure; yet NATO-centrism, or any other “centrism” for that matter, cannot serve as a security instrument for all if it is treated as absolute. As realistically minded people, we know that quite a number of the region’s countries will remain outside NATO, wondering how to realize their legitimate right to security.

Here is a fundamental question: Is the Euro-Atlantic community still devoted to the principle of undivided security? A positive answer suggests that the political commitments which have already been accepted should be confirmed as legally binding obligations.

The process cannot and should not be accelerated – in order to proceed we need a “critical mass” of political will – yet it should be inclusive, which means that all international actors, whether states or organizations, should be involved.

This leads to another question regarding the structures best suited for discussions and negotiations on the EST. At first glance, the OSCE looks like the best choice: it is entrusted with the basic principles and obligations in the sphere of interstate relations throughout the Euro-Atlantic sphere and brings together all relevant countries. In fact, however, today’s OSCE is unable to cope with this

pressing task. Individual countries or groups of countries pursue their own selfish aims within the Organization, whose resources are used, not infrequently, for national or bloc aims. The OSCE lacks the necessary legal ability to narrow its potential. We should not blunder by entrusting the EST solely to the OSCE.

It seems that the already functioning multilateral dialogues are a much better option. The Treaty should be discussed by states and international organizations (the EU, NATO, OSCE, CSTO and CIS) at independent venues and platforms. I would like to point out that the Russian document is independent of the Corfu Process unfolding within the OSCE and designed to upgrade its efficiency. In fact, the Corfu Process was born in response to the Russian EST initiative, which makes them complementary, but not interchangeable, trends.

As soon as responses to the Russian initiative are summarized and analyzed we shall move to consultations on specific issues in the best negotiation format, which will take into account the

global security threats. These offer ample and promising opportunities for concerted efforts between Russia and the European Union.

It is too early to speak about the final shape of the European Security Treaty: it is more important to work toward

negotiations, in the course of which all sides will find a common language and reach an agreement on the most sensitive issues. This is what we need today to achieve a healthier atmosphere and to build greater confidence in the region.

Report on the 8th EU-Russia-Roundtable:

New challenges for the EU-Russia Partnership

By Katinka Barysch

1. EU-Russia relations in 2010

The 8th roundtable was the first one to meet in Brussels, all previous ones having taken place in either Russia or Germany. The organisers hoped that the location would bring a larger and more varied representation from the EU side (as indeed it did). And they also wanted to stress that the roundtable was an EU-Russia one, not a Germany-Russia one.

The atmosphere at the one-day roundtable was businesslike and results-oriented. There were none of the recriminations and mutual finger-pointing that had characterised previous such events. Some participants thought the sober atmosphere was the result of mutual disillusionment. Russia and the EU simply do not expect very much from each other any more, so the room for disappointment is much diminished.

Others argued that the lack of conflict represented a window of opportunity, that the EU and Russia were enjoying a “renaissance”. They pointed out that the last EU-Russia summit in Stockholm in November 2009 was “one of the best meetings we have had [between the EU and Russia]”, to use the words of Commission President Jose Manuel Barroso.

Individual participants put forward several reasons for optimism about EU-Russia relations:

First, Russia is changing its foreign policy stance. It no longer acts purely

as a spoiler in international relations. In particular President Dmitry Medvedev has adopted a more pro-active approach to shaping Russia’s international environment, most notably through his proposals for a new European security architecture and a new global energy treaty. Recalling Russia’s disappointment over the West’s lack of interest in its advances after 9/11, one German think-tanker pleaded with the EU participants to not let the current opportunity pass by.

Second, the geo-political environment facilitates better EU-Russia relations. The US administration of Barack Obama is striving for a ‘reset’ in US-Russia relations. Already, the US and Russia have signed a strategic arms reduction treaty and intensified their dialogue on Afghanistan, Iran and other international issues that top America’s priority list. An improved US-Russia relationship would create an atmosphere in which Russia is generally less suspicious of western intentions. EU-Russia relations would benefit. Moreover, both Russia and the West worry (although to differing degrees) about the rise of China. Such shared concerns could perhaps be translated into intensified EU-Russia co-operation, for example in Central Asia.

Third, the EU could be moving towards a more predictable and coherent policy on Russia. The roundtable devoted a whole session to exploring how the new foreign policy machinery established by the Lisbon treaty would

impact on EU-Russia relations (of which more below). Equally important is the fact that the deep divisions among the EU member-states that had paralysed EU-Russia relations in previous years are now much diminished. It was telling that only one German participant at the roundtable even mentioned the issue of diverging views on Russia within the EU.

An outbreak of openness

Fourth, Russian participants appeared to appreciate an EU stance that is now mainly characterised by frankness and pragmatism. National parliamentarians from the EU (as well as some EU officials) were quick to acknowledge past mistakes on the part of the EU and signalled their willingness to re-think long-standing EU positions. For example, EU officials and policymakers are no longer adamant that only a package approach can lead to progress in EU-Russia relations. They seem to be more willing to work with Russia wherever possible while accepting stalemate and even conflict in other areas. Generally, there was agreement that the EU-Russia relationship needed more concrete achievements and less lofty talks. "We have enough road maps", said one participant. Another claimed that the "strategic partnership" between the EU and Russia only existed on paper. It was striking that neither the EU nor the Russian participants felt inclined to examine internal developments in Russia, while intra-EU developments, in particular the Lisbon treaty, were much discussed.

Coupled with this pragmatism was a new openness on the part of EU officials. Talk about a strategic partnership – which has sounded increasingly hollow – has given way to pinpointing concrete disagreements, be it over Russia's planned customs

union with Ukraine or its troop presence in Abkhazia and South Ossetia.

If there is room for a re-launch of EU-Russia relations, it is by no means clear what the EU and Russia could fill it with. At the 8th roundtable, there was a striking lack of discussions about the nuts and bolts of the bilateral EU-Russia relationship: the ongoing talks on a new partnership of co-operation agreement, the four common spaces, trade issues or the EU-Russia energy dialogue. Perhaps the silence on these issues simply reflected the organisers' decision to focus the agenda on international questions and those of the common neighbourhood. Perhaps it reflected the fact that there had been very little progress on any of these bilateral issues – nor are there any big bilateral problems that need to be addressed such as in the past Kaliningrad, Russia's WTO accession or a gas cut-off.

Stalemate in bilateral relations

Participants did briefly discuss the idea for a 'partnership for modernisation' between the EU and Russia. The next EU-Russia summit in Rostov-on-Don in May 2010 is expected to make an announcement about this. Most participants seemed to like the concept in principle: the EU sides because it thinks it has much to offer in this respect and because it wants and needs a predictable and prosperous Russia as a partner and as a source of stability in Europe. And the Russian side because it (implicitly) ack

different in the EU and Russia. The EU, explained one German think-tanker, had a comprehensive notion of modernisation that included political reform, the rule of law, transparency and accountability. Russia, on the other hand, sees modernisation more as a top-down and partial process. There is much talk about state-led research and innovation projects and much less about the need to create a level playing field, strengthen the rule of law and reduce the ubiquitous corruption that impedes business growth. Ultimately, there was no agreement on whether a modernisation partnership would restore momentum to EU-Russia relations.

If bilateral EU-Russia relations are in stalemate, perhaps the two sides can revive their relationship by working together more to support stability and conflict resolution in the common neighbourhood (or post-Soviet space, as the Russians prefer to call it) and on international issues of importance to both sides, such as Afghanistan and Iraq. Roundtable participants discussed these issues at length. They agreed that there was potential for co-operation but they were also frank in pointing out where the EU and Russia diverge. Two overarching themes emerged: first, the EU and Russia find it easier to work together in far flung places but their ability to work jointly diminishes as they move closer to home. "We often find it easier to be global strategic partners than to be neighbours", concluded one EU official. Second, at all these discussions the US was the 800 lb gorilla in the room. Whether the EU and Russia manage to sort out their disagreements over Georgia or step up their civil co-operation in Afghanistan ultimately depends on what the US does.

2. Possible consequences of the Lisbon treaty for the EU-Russia partnership

Any expectations that the Lisbon treaty may have a defining impact on EU-Russia relations were quickly dismissed. EU experts explained that the treaty mainly aimed at reforming the EU internally. It did not influence the substance of EU foreign policies although its provisions will affect the way such policies are formulated and implemented.

The Lisbon treaty will affect relations with third countries in at least two ways. First, by significantly reducing the role of the rotating EU presidency, the EU should be able to achieve a greater degree of continuity in its foreign policy making. Each six-monthly presidency tended to put its own priorities and pet projects on the EU agenda. The result was too many initiatives and too little follow-up. Russia managed to work well with some EU presidencies (one official mentioned the Slovene and Portuguese ones) but not with others (Moscow initially refused to have an EU summit under the Swedish presidency). Although individual EU countries still chair most ministerial meetings in the EU on a rotation basis, the all-important Council meetings are now presided over by Herman von Rompuy, the EU's first semi-permanent Council president while foreign ministers' meetings are chaired by the new High Representative, Catherine Ashton.

Second, by creating a new 'external action service' the EU has abolished the confusing and counter-productive divisions between the Council's foreign policy departments and the directorate-general for external relations. Catherine Ashton combines the roles previously held by the Council's foreign

policy suprema and the external relations commissioner. One MEP claimed that “now the EU has someone on the phone if Kissinger should call” (referring to the former US Secretary of State’s famous question about who would pick up the phone if he called ‘Europe’). Equally important, the treaty allows a better integration of EU foreign relations with other EU policies, for example enlargement, crisis management, energy policy or development. The result should be an EU external policy that is much more coherent.

Participants from both the EU and the Russian side expressed some scepticism in how far and how fast the treaty would make a difference to foreign policy making. One Russian expert said that Russians had had high hopes for a more coherent and predictable foreign policy but found the EU “completely unprepared” for the treaty. The EU has yet to adopt, let alone implement, a blueprint for the external actions service. Parts of the Commission and some of the member-states are fighting a rearguard action, reluctant to cede authority and resources to the new body. One German parliamentarian acknowledged that the transition period during which the new provisions are being implemented was “confused and confusing”. An EU official sought to excuse the less than smooth implementation by asking fellow participants to “imagine the US having to merge the State Department with the National Security Council, integrate half a dozen other ministries while giving Congress a much bigger say over foreign policy. And then you add the 27 EU member-states, all with their own interests.”

Russian participants also doubted whether the treaty would ultimately solve the ‘Kissinger question’. They

pointed out that Catherine Ashton is by no means the only person speaking about foreign policy on behalf of the EU. Commission President Barroso does so too (and he has much authority due to being the longest-serving head of an EU institution). Herman van Rompuy, for now more focused on internal discussions, will want to take a role in the EU’s external representation. Spain, the country currently holding the rotating presidency, still wants to attend EU summits. And the European Parliament expects to play a much bigger role in EU-foreign policy making in the future.

Most importantly, all participants were clear that the national EU government will continue to be the key players in EU foreign policy, where decisions are still taken by consensus rather than qualified majority. “I am not sure that Catherine Ashton is the person I would call for Europe”, said one Russian participant, “I will keep the phone numbers of Merkel, Sarkozy and the other national leaders”.

3. The common neighbourhood and the South Caucasus

The 8th roundtable devoted two sessions to discussing the countries around the EU’s and Russia borders, one focused on the EU’s neighbourhood policy and the Eastern Partnership, and one on conflict resolution in the South Caucasus.

The EU launched the Eastern Partnership (EaP) in May 2009, following a Swedish-Polish initiative. The aim is to offer the EU’s eastern neighbours (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) political dialogue, policy co-operation, support for reforms and economic integration (deep free trade) that goes beyond what was already on offer through the ‘European neighbourhood policy’ (ENP) that also

applies to the countries of the southern Mediterranean.

Russia initially reacted negatively to the EaP, with Foreign Minister Sergei Lavrov describing it as the EU's attempt to create a sphere of influence in its eastern neighbourhood. EU politicians, in turn, have repeatedly accused Russia of seeking to create or maintain such a sphere itself – which they insist is completely unacceptable. The EU's often-rehearsed argument that the EU and Russia share an interest in a stable, democratic and prosperous neighbourhood has not translated into a convergence of views or practical co-operation on the ground. Zero-sum thinking rather than win-win co-operation often dominates this area of EU-Russia interaction. The EU watches with apprehension as Russia tries to bind the neighbouring countries through new institutional and trade initiatives, as well as energy dependencies. Russia resents what it sees as EU attempts to pull former Soviet countries into its normative sphere by imposing not only its values but also its laws and technical standards on them (in the form of the *acquis*).

Competitive integration

At the roundtable, both German and Russian participants cautioned against the damage that 'competitive integration' could do to the region. Both sides insisted that the countries in question should decide their own destiny. Yet both sides also had to acknowledge that EU and Russian initiatives in the region sometimes clashed. For example, Moscow has suggested that Ukraine should join the customs union that Russia is building with Kazakhstan and Belarus, not least so that it could enjoy lower energy prices (something that Ukraine

desperately wants in its current economic crisis). The EU has warned that membership in such a customs union would be incompatible with plans for a 'deep free trade area' that Kiev and Brussels are negotiating.

One Russian expert offered three recommendations on how to defuse risks in the common neighbourhood and achieve more alignment of interest between the EU and Russia.

- **Transparency:** The EU and Russia should keep each other informed about any policy initiatives with regard to the six EP countries so that there could be no surprises.

- **Consistency:** The EU needs to make sure that its co-operation and integration efforts with Russia and those with the EP countries are compatible, for example with regard to technical standards or energy.

- **Neighbourhood forum:** The EU and Russia cannot discuss the plight of their neighbours without those neighbours being present. Therefore, a new trilateral forum is needed where representatives from the EU, Russia and the EP countries meet on a regular basis and at different levels (from summits to technical working groups).

EU participants also had some practical recommendations on how to improve EU-Russia relations in the neighbourhood. One politician who has been actively involved in the Baltic Sea Council and its parliamentary assembly thought that such regional initiatives (also the Northern Dimension) harbour valuable lessons for EU-Russia co-operation elsewhere. First, equality between all the partners was the key for constructive engagement. Second, a focus on 'soft' issues, such as health, the environment or transport, could create the trust needed to progress in other areas. A package approach would be counter-productive.

Vyacheslav Nikonov, Alexander Dzasokhov, Peter Semneby

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Although participants did not dispute the achievements of the Baltic Sea Council or the Northern Dimension, they also highlighted the limitations of their underlying approaches. First, these forums had not prevented bilateral conflict nor contributed to their resolution (for example Sweden's disagreement with Russia over the Nord Stream pipeline). Second, the focus on 'soft' issues is not enough in an area where there are profound disagreements about 'hard' issues such as troop deployments.

Georgia and Nagorno-Karabakh

Roundtable participants agreed that any successful co-operation in the common neighbourhood would remain exceedingly difficult as long as the EU and Russia disagree over Georgia, the most acute source of potential instability in the EP region. The EU insists that Russia is not living up to its commitment under the 2008 ceasefire by barring EU monitors from entering the territories of Abkhazia and South Ossetia and building up military installations there. It would like to see Russia take a more active and sincere stance in the Geneva peace talks. Russia is accusing the EU of standing idle by as some countries are selling arms to Georgia, thus perhaps emboldening President Mikhail Saakashvili to try to recover the regions by force. Russia is complaining that the EU is disregarding realities on the ground by insisting that a solution could be found that returns those territories to Georgia. "Abkhazians and South Ossetians have no prospect of gaining autonomy inside Georgia", argued one Russian think-tanker, "there isn't a single person there who wants to live in Georgia."

While positions over Georgia are far apart, the EU and Russia are converging somewhat over Nagorno-Karabakh. Russia has stepped up its efforts to mediate directly between Armenia and Azerbaijan and it is also a co-chair of the OSCE's Minsk Group that has been trying to resolve the long-standing conflict. Although the EU is not represented there (some individual EU countries are), the Union has sought to take a more active role in trying to find a durable solution to the conflict. So has Turkey which in 2009 signed protocols with Armenia on the re-opening of the bilateral border and the re-establishment of diplomatic relations. If the rapprochement is successful, it would produce a positive dynamic for the entire region. If it fails (a more likely outcome at present), the prospects for a resolution of Nagorno-Karabakh would worsen and some observers even fear a return of military conflict. EU officials were therefore calling for the Union to urgently take a region-wide initiative, such as a 'Caucasus stability pact', that would involve not only the parties to the conflict but also Turkey and Russia.

The EU and Russia agree superficially that the conflicts of the South Caucasus present a threat to regional stability and security. At closer inspection, however, the EU's underlying vision and objectives differ from those of Russia. One EU diplomat who has been actively engaged in the region for years listed the areas of disagreement:

- **Stability:** The objective of the EU's neighbourhood policy and EaP is to surround the EU with well-governed countries. A chaotic neighbourhood with unstable states would be a breeding ground for organised crime and trafficking and a threat to European security. Russia's idea of

regional stability is power projection through military presence.

- Conflict resolution: From an EU perspective, conflicts are a threat to prosperity, order and human rights and they entail the risk of escalation. Durable solutions are needed. Russia is less interested in resolution. It hopes that conflict management can be a source of influence in the region.
- Idealism: The EU is based on values and hopes to project and nurture these values in its co-operation with the neighbours. Russia merely insists that it must protect Russian citizens abroad.
- Regional integration: The EU has a vision of a Caucasus region that is at the cross-roads for transportation, travel, energy and communication links between various regions. Moscow is predominantly interested in north-south links that tie these countries to Russia.
- Security: The South Caucasus is a test case for the existing European security order and it highlights how this order needs to be improved. Russia's sees it more as a test case for the revision of the existing order, including the Helsinki Final Act that guarantees countries' rights to choose their own destiny.

The EU diplomat concluded that the South Caucasus was a "prime example of intersecting interests for the EU and Russia, where we are bound to align our interests, respecting first and foremost the interests and aspirations of the countries of the region". Based on the discussions and disagreements at the roundtable, it will take the EU and Russia time and effort to put this positive vision into practice.

4. Afghanistan, Iraq, Pakistan: How realistic are joint strategies between the EU and Russia?

Participants struggled to map out constructive co-operation between the

EU and Russia on Afghanistan and Iran (Iraq and Pakistan were less discussed) because so much depends on other developments, in particular the policies of the US. Both sides agreed that Russia and EU shared basic interests in keeping Afghanistan and its neighbourhood stable and in preventing Iran from building a nuclear bomb. But it was not clear how the two sides could translate this basic agreement into a joint strategy.

With regard to Afghanistan, Russian participants explained that Russia shared the West's objective in stabilising the country but that it was no longer optimistic that the US and NATO could 'win' the war, even after the surge, and that the planned drawing down of troops would leave a stable central government capable of guaranteeing Afghanistan's security.

One participant from Eastern Europe explained that there had already been growing signs of Russian re-engagement in Afghanistan since around 2007. Previously, he said, Moscow could not quite decide whether it wanted NATO to succeed in stabilising Afghanistan so that Russia would find fertile ground for increasing its influence there, including its economic influence. Or whether Moscow hoped that NATO would get bogged down in Afghanistan, which would give Russia more leverage vis-à-vis the alliance (for example by negotiating overflight rights).

Now Russia was mostly worried that an overly rapid and comprehensive troop withdrawal could leave behind a

Afghanistan “went back to the Middle Ages, and it spread the Middle Ages to its neighbours”.

They said that in case of a precipitous and destabilising withdrawal of western troops, Russia would have little choice but to get more engaged in Afghanistan as well as increase its troop presence in Central Asia in an attempt to create a buffer zone against spreading instability.

Russia was still prepared to support the West’s efforts in Afghanistan, for example by granting over flight and transit rights. However, since Russia was seriously worried about NATO’s failure, it now needed to attach some conditions on such support and co-operation, for the sake of its own stability.

Extending ISAF’s mandate

Russians said one of the most immediate conditions was that the US and the allied forces should pay much more attention to fighting drug production and trade. Russian participants claimed that

- opium production in Afghanistan had risen tenfold in the last eight years and heroin production by much more;
- that the coalition forces had closed their eyes to this development (“We are not talking raw materials here,” said one Russian participant. “Heroin production needs large amounts of imported chemicals – imported into a country under occupation!”)
- the money from this was not only financing the Taliban but also

jihadist groups in other countries and was. It was not only making NATO’s war efforts harder but destabilising the entire region;

- that the drugs trade was destroying some of the countries along the route by spreading corruption, crime and massive addictions. Some rural areas of Tajikistan are said to be close to social collapse.

Russia therefore insists that ISAF amend its mandate to including a clamp-down on poppy growing and heroin productions – something that NATO has so far been unwilling to do.

Russia would also demand more clarity about the West’s strategy. Would there be a permanent western troop presence in Afghanistan? If so, how strong would that presence be? How many resources was the West willing to invest in economic rehabilitation? Would Afghanistan be a neutral state or form part of some alliance? Who would protect the border with Pakistan?

As long as questions such as this were still open, it was premature to think about increased co-operation between Russia and the EU in Afghanistan. Participants from both sides thought that once the outline for (and chances of success of) the West’s strategy was clearer, there would be plenty of things the EU and Russia could do together. Among the areas mentioned were training civil administrators, fighting the drugs trade and reviving other economic sectors, and building up border protection.

Speakers of the 1st Session: Mark Entin, Reinhard Krumm, Vyacheslav Nikonov, Andrä Gärber, Knut Fleckenstein, Angelica Schwall-Düren

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Russia, the EU and their Neighbours: Partners in Modernization

By Sabine Fischer and Andrei Zagorski

Relations between Russia and the EU are in flux. And not just between the two: there are shifts as well in the so-called “common neighbourhood” and in the tension-riddled relations between Moscow and Poland, which have so often hampered contacts between the EU and Russia. Things are moving now for the first time in many years – and they are heading in a positive direction.

On May 31st, the 25th EU-Russia Summit will be held in Rostov-on-Don. This is the first meeting between the European Union and the Russian leaders on the basis of the recently ratified Lisbon Treaty. The main topic of the summit will be the adoption of a “modernization partnership”, an idea born at the December 2009 summit in Stockholm.

The EU and Russia are at a crossroads. After years of crisis they now have their first chance to put their relationship on a positive footing. If they want to succeed in paving the way for a substantial improvement of relations, they must be aware of both this opportunity and of the inevitable pitfalls. It is up to them to find new forms of cooperation which include constructive dialogue not only on a bilateral but also on a regional level.

What has changed?

The Russian discourse. Russia is heavily affected by the global economic crisis. The crisis once again revealed the structural problems of the Russian economy: its dependence on natural resources and its lack of investments in infrastructure, advanced

technologies, research and development. Against this background, and to help strengthen domestic policies, the Russian president has kicked off a modernization debate that has not been heard since the early Putin years. In the view of those arguing for modernization, the EU is seen as one of the key partners.

Polish-Russian relations. A certain change in the extremely tense relationship between Warsaw and Moscow has been in evidence already since autumn 2007, when the Tusk government took power. As in many such cases, efforts to improve relations focus on the historical-symbolic level. It has apparently become clear to both sides that historical fears and political resentments must be overcome in order to set the stage for constructive cooperation. An additional incentive for both countries may well be the fact that their tensions spilled over at the EU level, negatively affecting relations between Brussels and Moscow. Finally, the distinct shift in US foreign policy also encouraged Poland to engage more actively within the EU and to counter Russian uneasiness on questions of security policy.

The catharsis in relations between Warsaw and Moscow in recent months was evidenced in careful attempts to approach common historical experiences. Katyn was the focal point of this development, even before the shocking tragedy of Smolensk. The handling of that catastrophe by the Russians, as well as the Polish response, are both a result and a part of a process that is hopefully irreversible. Within the EU this could

be an important step in the direction of a common position regarding relations with Russia.

And finally the Russian view on Ukraine and the neighbourhood. Presidential elections in the Ukraine seem to have relieved the Russian political elite of the fear that their neighbour could be “lost to the West”. It is not the place of this article to discuss the underlying reasons for this fear. However, it is important to observe that the change in government in Kiev did not only help improve relations between Russia and the Ukraine; the change in Russia’s stance towards the Ukraine had a similar positive effect on the whole neighbourhood.

From an EU perspective, these developments might not be assessed as solely positive. In particular, the probable stumbling blocks in reforms in the Ukraine should worry Brussels and the capitals of the member states. However, the fact that Moscow can now view the EU’s policies towards the neighbourhood with more self-confidence and ease provides a welcome opportunity. The Eastern Partnership, which until recently served as the rhetorical target of high-ranking Russian government officials, is now viewed with a new, if cautious, openness. Cooperation in this area might be taken into consideration.

The above points are the key changes in relations between Russia and the EU. Both sides now bear responsibility for using this momentum and focusing these tendencies into a lasting trend. We believe that the modernization partnership and the neighbourhood offer the prime areas for mutual engagement.

Modernization partnership

On the occasion of the next EU-Russia summit on May 31st, a modernization partnership is to be concluded.

This is very much appreciated in Moscow’s upper echelons. As mentioned above, the idea of the modernization partnership is President Medvedev’s initiative and is shaping his domestic agenda. For this reason, the EU’s offer of expertise (“best practices”) to support the plan’s implementation is highly welcome. Such support will also bolster the Russian President domestically.

For the EU, the modernization partnership offers an opportunity to channel relations with Russia towards a strategic partnership. Such a partnership was already envisaged in the 2003 European Security Strategy and has since been reiterated countless times. The reality, however, looks different. This has been due, on the one hand, to the EU’s inability to agree on a common position and approach for relations with Russia. While Brussels has dithered over the correct approach, Moscow has focused increasingly on improving bilateral relations with individual member states. This has stirred up even greater tensions within the EU. At the same time, the number of contentious issues between Brussels and Moscow continued to increase, culminating in open discord during the Russia-Georgia war in August 2008.

Today, an opportunity to change course has arisen once again. The adoption of a modernization partnership at the Rostov summit represents a new start in EU-Russia relations. The partnership can thus be seen as a kind of “reset” button, which shall help the EU and Russia to find a way out of the recent deadlock.

This would indeed be an important step towards stability and security on the whole European continent. But we are well advised to remain cautious. Initial enthusiasm for the modernization partnership can quickly change into disappointment and bitterness if no clear progress results. One has simply to recall the first years of the last decade, when then-President Vladimir Putin introduced his “turn towards the West” in a very similar fashion. Within a short time, little was left of the positive spirit, with both sides indulging instead in mutual accusations and suspicions. Some 10 years later, it is time to learn from the past.

Three questions are of key importance: Will Russia and the EU succeed in developing a common understanding of the nature of the modernization partnership? Will they be able to agree on certain measures that can lead to concrete and tangible results? Finally: Will it be possible to create synergy between the bilateral relationship and the neighborhood region?

When looking at the Russian and the EU-European debates on the modernization partnership, it soon becomes clear that they are comparing apples and oranges. The EU assumes a systemic concept of modernization that incorporates the economy as well as politics and society. The basic assumption of the concept presumes a strong link between these three areas, meaning that a flourishing market economy cannot exist without the rule of law, democracy and a free society. Consequently, the rule of law is one of the core aspects of the discussion paper on the modernization partnership that was put on the table by the European Commission in February.

In contrast, the Russian leadership applies a selective approach, which

limits itself to the modernization of the Russian economy. Technical regulation, knowledge, technology and investments are welcome if they stimulate this process. The rule-of-law approach of the EU is still rejected as an attempt to interfere in the internal affairs of the Russian state. The political aim of the Russian government is not democracy but rather the retention of the system and of its power. This is a basic misunderstanding between Brussels and Moscow.

In order not to end up again in the above-described deadlock, both sides must be aware of this misunderstanding and must work together to avoid any negative consequences. An open dialogue is one part of the solution to the problem. The other part is an agreement on concrete measures that prove noticeably successful in a relatively short time. Mutual respect should not merely be demonstrated with platitudes but must be experienced by all participants as cooperation grows. The prompt relaxation of travel requirements, improved investment protection, more legal certainty and protection against bureaucratic bullying need to be tackled first. The Russian leadership should clarify as quickly as possible if and when they are ready to restart the WTO accession process.

Such an approach demands a high degree of pragmatism, openness and the ability to compromise from both sides. Thus far, both Brussels and Moscow lag far behind the necessary commitment, particularly regarding the solution of practical questions.

In the short time that remains until the summit all participants should concentrate their efforts on the elaboration of proposals for concrete steps. Equally important is for both

sides to communicate clearly to one another what improvements, simplifications and progress can be expected in which areas.

Neighbourhood

Differences relating to the so-called common neighbourhood have severely tested relations between the EU and Russia in recent years. Moscow's claim of a special relationship with the post-Soviet states and the right to engage them in its own *security and integration space* conflicts with the European Neighbourhood and Eastern Partnership Policy. Both policies offer political association and economic integration to countries such as the Ukraine, Moldavia, Georgia, Armenia, Azerbaijan and also Belarus.

In addition, the EU has decoupled its policies towards its Eastern partners from EU-Russia relations. In 2004, Moscow turned down an EU offer to take part in the European Neighbourhood Policy and instead insisted on a special position for its relations with the EU. Consequently, EU cooperation and negotiation with its Eastern neighbours moved steadily away from EU-Russia cooperation.

Russia's influence in its immediate neighbourhood has fallen dramatically. The Ukraine, Moldavia and Georgia have turned further and further towards the West, at least economically, while at the same time partly or fully withdrawing from integration initiatives in the post-Soviet space. Only Belarus still participates in both core projects of Russian integration policy – the customs union and the Collective Security Treaty Organisation – though even the regime in Minsk has evidenced changing priorities in the last two years, actively seeking closer cooperation with the EU.

In the context of the debate on NATO membership for the Ukraine and Georgia, Russia has increasingly come to believe that there is a competition for regional integration. Countries affected by this rivalry might one day be put in the position of having to choose whether to side “with Brussels or with Moscow”.

Brussels, on the other hand, has not offered any perspective for membership to the states in question, leading in part to strong dissatisfaction within these countries. Nevertheless, since 2004 the EU has strategically extended its economic and political influence in the region. And even within the EU, some actors perceive the “triangular relationship” between the EU, Russia and the neighbourhood as a competitive process for integration.

For quite some time we have been observing a process of regional realignment that can be interpreted in different ways and whose roles and positions are not yet clearly assigned. This will strain EU-Russia relations in the future until both sides begin jointly seeking solutions and compromises by including their common neighbours. Regarding the economic, political and social interconnections in the region, any serious competition for integration, not to mention continued competition for influence in Eastern Europe and in the South Caucasus region, would entail high risks for all countries and societies involved. As outlined above, the recent positive developments should be taken as a window of opportunity to shift relations from competition to cooperation.

Nonetheless, it would be naive to expect complete harmony in the Eastern Neighbourhood and EU-Russia relations. By the same token, it seems unlikely that Moscow would participate in the Eastern Partnership

and contribute financially to projects without having a voice in the process. Mutual transparency, cross-border joint projects and other activities could help to attenuate the alienation and strong resentments between Russia and its Western neighbours in particular.

Above all, the Eastern Partnership Policy can finally be seen as another offer for a modernization partnership. This provides a clear parallel for a modernization partnership with Russia, as well.

In Rostov, political leaders from Russia and the EU should agree on an exchange between high officials in order to compare agendas and future projects for dialogues on both the EU-Russia partnership agreement and on the Eastern Partnership. In this way commonalities in both programmes could be elaborated, and a common agenda and joint action could be defined.

However, Russia and the European Union would be ill-advised if they failed to engage their neighbours in the dialogue. The dialogue should be integrated into an overarching regional forum for modernization partnerships that is open to all countries of the

region. This does not mean that a new institution should be created. The EU, Russia and the Eastern Partnership countries should rather bring forward and finance public/private partnerships. Research centres and political consultancies, as well as civil society organisations and trade associations, should be engaged in the debate and should contribute ideas for synergy and common ground.

One should not expect miracles in the neighbourhood. These projects are planned for the medium and long term to calm a crisis-riddled region. At present, there is the opportunity to take a step in the right direction – and all partners should make use of it.

Dr. Sabine Fischer is Senior Research Fellow at the EU Institute for Security Studies in Paris; Dr. Andrei Zagorski is Leading Researcher and Professor at the Moscow State Institute of International Relations (MGIMO).

Andrei Zagorski and Hans-Henning Schroeder

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Programme

Monday, 12.04.2010

Arrival of the participants of the Working Group

19.00-20.00 **Welcome of the participants**

20.00-22.00 **Dinner:**

Dinner Speech – Vladimir Tschizhov, Ambassador of Russia to the EU, Brussels

Tuesday, 13.04.10

9.30 – 9.45 **Opening ceremony of the event**

Andrä Gärber, Director of the EU Office of the Friedrich-Ebert-Stiftung, Brussels

Vjatscheslav Nikonov, President of the foundation “Unity for Russia”, Moscow

Reinhard Krumm, Director of the Office of the Friedrich-Ebert-Stiftung Moscow

1st Session

Possible consequences of the Lisbon Treaty concerning the EU-Russia Partnership

9.45 – 11.15 **Moderation:** Vjatscheslav Nikonov, President of the foundation “Unity for Russia”, Moscow

Inputs:

- Mark Entin, Director of the Institute for European Studies (MGIMO), Moscow
 - Angelica Schwall-Düren, Member of the German Bundestag, Berlin
 - Knut Fleckenstein, Member of the European Parliament (S&D Group), Chairman of the Delegation for Parliamentary Cooperation “Russia-EU”
- Coffee break

11.15 – 11.30

2nd Session

Russia – EU: The Southern Caucasus as a Common interest?

11.30 – 13.00

Moderation: Reinhard Krumm, Director of the Office of the Friedrich-Ebert-Stiftung Moscow

Inputs:

- Alexander Dzasokhov, Member of the Federation Council of Russia (Representative of the Republic North-Ossetia-Alania), Moscow
- Peter Semneby, EU Special Representative for the South Caucasus
- Walter Kolbow, Federal College for Security Studies, Berlin

13.00 – 14.00

Lunch

3rd Session

Afghanistan, Iraq, Pakistan: How realistic are joint strategies between the EU and Russia?

14.00 – 15.30

Moderation: Andrä Gärber, Director of the EU Office of the Friedrich-Ebert-Stiftung, Brussels

Inputs:

- Ivan Safranchuk, Editor of the newspaper “Bolschaja igra: politika, biznes, besopasnost’ w Zentralnoj Asii” (Big Game: Politics, Business, Security in Central Asia)
- Hans-Henning Schroeder, German Institute for International and Security Affairs, Berlin
- Marek Menkiszak, Head of Russia Department at the Centre for Eastern Studies, Warsaw

15.30 – 16.00

Coffee break

4th Session

The Common Neighbourhood and the Strategic Partnership
between Russia and the EU

16.00 – 17.30

Moderation: Sabine Fischer, EU Institute for Security Studies, Paris

Inputs:

- Sven-Olov Carlsson, Deputy Head of Unit „Russia and Northern Dimension Policy”, European Commission (DG Relex)
- Andrei Zagorski, Professor at MGIMO, Moscow
- Franz Thoennes, Member of the German Bundestag, Berlin

17.30 – 18.00

Wrap-up of the sessions and summary of the results

Wednesday, 14.04.10

Departure of the participants of the Working Group

List of participants

	Surname	Name	Organisation/Institution
1	DZASOKHOV	Alexander	Federation Council of Russia, Moscow
2	ENTIN	Mark	Institute for European Studies (MGIMO), Moscow
3	GROMYKO	Alexej	Foundation Russkij mir , Moscow
4	ISTRATOV	Vassilij	Foundation Russkij mir, Moscow
5	KULIK	Sergej	Institute of Contemporary Development, Moscow
6	LIKHATSCHJOV	Vassilij	Deputy Minister of Justice, Moscow

Participants from the EU

15	ALBANI	Martin	European Commission, DG External Relations
16	BALFOUR	Rosa	European Policy Centre, Brussels
18	BARYSCH	Katinka	Centre for European Reform, London
19	BOCHKAREV	Danila	East West Institute
20	BOMASSI	Lizza	Carnegie Europe
21	CAMBAZARD	Pierre	

37	MONDEN	Luisa	European Parliament
38	PACE	Isabelle	Permanent Representation of France to the EU
39	PALECKIS	Justas Vincas	MEP
40	PANJUCHOW	Andrej	Permanent Mission of Russia to the EU

Organisation

56	GÄRBER	Andrä	EU Office, Friedrich-Ebert-Stiftung
57	GEIGER	Alexander	EU Office, Friedrich-Ebert-Stiftung
58	HEIMBACH	Henriette	EU Office, Friedrich-Ebert-Stiftung
59	KAMM	Friederike	EU Office, Friedrich-Ebert-Stiftung
60	KRUMM	Reinhard	Moscow Office, Friedrich-Ebert-Stiftung
61	MEUSER	Stephan	Berlin Office, Friedrich-Ebert-Stiftung
62	RICKEN	Stefanie	EU Office, Friedrich-Ebert-Stiftung
63	USACHEVA	Maria	Moscow Office, Friedrich-Ebert-Stiftung
64	ZOTOVA	Ekaterina	Foundation "Unity for Russia"

