

EU-RUSSIA RELATIONSInterview for *Fondation Robert Schuman***James Sherr**

Q: What kind of neighbour is Russia for the European Union, and how could we classify Russia's role and importance for the EU today? Is Russia a key partner and ally? A strategic rival? A risk or a threat?

Russia is the EU's most important neighbour, but it is not a partner in any honest sense of the term, even if governments choose to call it one. It is a problem, and the worry is that our most important neighbour will become our most important problem. Even trade, the area that should be the greatest source of partnership—let us not forget that Russia is the EU's third biggest trading partner—is a source of discord, suspicion and anxiety. Russia is not a threat in any twentieth-century or Cold War sense of the term. But some of its policies in its neighbourhood, part of which is also our neighbourhood, challenge our view of Europe's future, and Russia's mode of business, particularly in energy supply and investment, is putting pressure on business and legal cultures that are integral to our way of life.

Q: What lessons have EU Member States drawn from the Georgia war in their relations with Russia?

At one level, the policy level, the Georgia conflict was not a 'tipping point' in the EU's relations with Russia. Everybody knew that EU-Russia partnership was in trouble before Georgia, and whilst some Member States were intent on repairing it, others had already begun to think about how to supplant it with a different kind of policy. The Georgia conflict did not overcome these divisions. It reinforced them. It also added to the stock of recriminations about US and NATO policy. Yet at a psychological level, the conflict shifted the tectonic plates. Angela Merkel called it a *caesura*. After Georgia, the *bien pensant* view of Russia has fallen apart. Even as Russian nationalism was growing in the 1990s, and again most visibly after the coloured revolutions of 2004, most EU members persuaded themselves that as Russia became more prosperous and confident, as trade and investment developed, as a middle class emerged and matured, the Darwinian, *Realpolitik* instinct would mellow, 'enemy images' would dissipate, and Russia would become more 'normal' and *communautaire*. Well, the desired conditions have been met, but what kind of Russia have they produced? Before, we had divisions between Member States about Russia. Now we have divisions within them, notably inside Germany. Many of those who talk the loudest about partnership know in their bones that it is not enough. There are very few who now believe that a strong Russia is good for Europe. So whilst we are no closer to drawing collective lessons than we were, we are closer to losing our collective illusions.

Q: What is Russia's present perception of the European Union? Has it been changing, for example, after Medvedev became president or due to the economic crisis? Are there possibly diverging views in Russia?

Russia's perception of the EU is far more negative than it used to be. But this perception began to change about five years ago and for three reasons. First, it took until then to discover that the EU was not primarily an instrument for counter-balancing the United States, but an instrument for achieving integration through normative, legal

and institutional harmonisation. These norms and Russian norms were and are, for the most part, very different. For this reason, 'deepening integration' within the Union can easily lead to the erection of barriers outside it. At that time I wrote of the risk that the old military-ideological demarcation lines of the Cold War would be replaced by new demarcation lines between business cultures. Second, this concern about 'new dividing lines' became palpable and significant once the EU began its process of enlargement. Third, Russian perspectives darkened once it became clear that the emerging European Security and Defence Policy, instead of countering NATO, would develop alongside it and in cooperation with it. So today, Russia's view of the EU has come almost full circle—from an economic-geopolitical project seen as favourable to Russian interests to a geo-economic project which, like NATO, is seen as expansionist and designed to 'isolate' Russia. This to be sure is a simplistic rendering of Russia's still very mixed views about the European Union. But it does explain why these views have become more ambivalent and more negative than they used to be. Of course, today and in the past, the Russians make profitable use of an antidote provided by the EU itself: plurality and division. Hence the determination to use bilateral relationships to circumvent and undermine a multilateral relationship which they see as biased against Russian interests. On the rare occasion that the EU pulls together over any project unfavourable to these interests—for example, the Eastern Partnership—the response is acidic and sharp. In itself, the financial crisis is unlikely to alter this ambivalence.

Q: Can Russia be persuaded to adopt the principle of a shared neighbourhood, and how can the European Union bring Russia to this conclusion? In this regard, do you expect a further destabilising of Ukraine-Russia relations as the next presidential election in Ukraine approaches?

Russia will only adopt this principle if and when it is persuaded to do so by what Gorbachev called 'life itself'. 'Life' will not do this until Ukraine (or for that matter, Belarus) demonstrate a capacity to overcome its internal difficulties and transform 'European integration' from a slogan into a fact. In the absence of concrete changes—the changes the Orange Revolution was supposed to foster—and a reciprocal change in European attitudes, Russians will continue to believe that their neighbourhood is *theirs*. But Russia's conduct during Ukraine's forthcoming elections depends on something different: whether the lessons of the Orange Revolution were learnt. Not for the first time, the events of 2004 demonstrated that overt Russian interference has a counterproductive effect—and that covert interference rarely remains covert. It would be difficult to overestimate the degree of frustration that Russians have about Ukraine. An unhealthy number of individuals now view the very existence of the Ukrainian state as, in Putin's words, 'artificial' and as an anti-Russian plot—as part of the West's geopolitical rivalry and *kulturkampf* with Russia. These sentiments are probably greater now than at any time since the Soviet collapse. On the other hand, Russians are continually surprised by the ingenuity and unpredictability of their Ukrainian neighbours, particularly when they are put under pressure. As a result, Russian policy oscillates between impulsive bullying and extreme caution, and I don't think this will change to mutual benefit, or to the benefit of EU-Russian relations, until Ukraine becomes a more reliable, confident and effective actor.

Q: Russia has been thinking about changes to the European continent's security architecture. Where do views converge with the European Union, and what are the red lines on both sides which will be hard to bridge? What consequences will US President Obama's 'reset button' policy have on EU-Russia strategic security issues?

Strictly speaking, President Medvedev has not proposed a new security architecture, but a new security treaty. It might or might not amount to the same. The

European Union is quite divided on this issue, so the first part of the question is not easy to answer. There are, I think, only two points of consensus. First, it is right to welcome Medvedev's decidedly vague proposal and important to discuss it. Second, it would be wrong, for the sake of including Russia, to devise a new architecture of security—or sign new agreements—that undermined the centrality of today's institutions, including NATO and the EU itself. For all their divisions, the latter two have real capacity; they embody values and standards as well as interests, and it would therefore be folly to weaken them or abandon them. Many inside the EU are discomfited by the Russian suggestion that we should only be discussing 'hard' security, when it is clear that the principal problems affecting us lie in the domain of 'soft' security. Many more are discomfited by the suggestion that Russia's inclusion is somehow our challenge rather than Russia's.

As to the 'reset' issue, it is not always easy to distinguish the comparatively cautious (and still internally diverse) views of the Obama administration from the views of external circles of 'great and good' people who hope to influence this process. But on some of the 'hard' security issues, notably strategic nuclear arms, no one inside the EU should be remotely apprehensive. Yet the Americans are discovering even here that progress is not easy. Moscow is already implying that progress on replacing START should be linked to agreement on missile defence, whereas Washington is linking the missile defence issue to Iran. But on two other fronts, the EU must be concerned and, indeed, active. The first is Russia's neighbourhood. It is of secondary importance that Obama, Biden and others have 'no intention' of recognising Russia's claim to a sphere of influence there. What is of primary importance is the signal given and the conclusions drawn by the change of emphasis in Washington, which is blatantly obvious to any state in the region. If Russia's neighbours are not to lose hope—and the West influence—then additional measures are needed on Washington's part to complement its initiatives with Russia. And if Washington is unwilling to undertake these initiatives, then the EU must rise to the challenge. In my view, this means investing much more political, not to say financial capital in the Eastern Partnership.

Moreover, by emphasising their respect for the 'sovereignty' and 'territorial integrity' of Russia's neighbours, some inside the USA are displaying a decidedly dated, twentieth-century view about European security. Russia is a power pursuing classical nineteenth/twentieth century aims with twenty-first century means: intelligence and covert penetration, commerce and joint ventures, 'lobbying structures' and litigation, energy and downstream investment and, in the former USSR, Russian diasporas and other 'civilisational' forms of soft power. Since 1991 the key issue has been not how states can be threatened, but how they can be undermined. The EU understands the tools required to meet that danger, but is fairly meek in the way it uses them.

Q: Regarding energy, Gazprom's pledges to be a reliable gas supplier have been seriously questioned during the gas crisis of January 2009, although Russia is irreplaceable as a supplier and has the greatest proven gas reserves which the EU needs. Why is the EU, Russia's principal export market, not able to defend its energy security? What can we expect from the new agreement in the field of energy? Are there domains in which Russia is also vulnerable to the European Union, and has the European Union instruments which could have an effective influence on Russia?

The answers to the first question are brutally clear and deeply unpleasant: the vanity and corruptibility of individuals; the balance sheets of leading energy companies who, if they wish to do business in Russia are obliged to do business on Russia's terms; the failure of many governments to distinguish the financial from the national interest, and the extraordinary investment made by Russian energy companies and the Russian state to understand these pressure points. In this miserable environment, it stands to reason that those determined to turn the Commission's recommendations (*An Energy Policy for Europe*, 2007) into reality will lack the clout to do so. Their failure is Europe's shame. How is it that those incapable of addressing, let alone overcoming, Russia's chronic weaknesses are so good at exploiting ours? How can those who have no legal

system worthy of the name utilise ours to such malign effect? Until we put our own house in order, Russia will have no incentive to change.

In answer to the second question about the new agreement, I fear we can only expect further compromises that persuade Russia there is no need to change its way of doing business. Many forget that Russia signed the Energy Charter Treaty under a variant that obliges it to observe its provisions *until it is ratified*. In law the failure to ratify the ETC does not remove the obligation to observe it. To pretend this is not so, to accept the Russian case for a new treaty, will only reinforce the conviction in Moscow that politics is everything and that contracts do not bind.

My answer to the third question is yes, but only in principle. The Commission has abundant means at its disposal to ensure that when Russian entities operate in our legal space, they do so in accordance with our rules. But in practice, enforcement of the EU's normative and legal provisions depends to a large degree on national jurisdictions and national institutions. In some EU Member States, these jurisdictions are still weak, inexpert, poorly resourced and easily compromised. Older members are not immune from these shortcomings and others. The result is that shadow networks can take root, and opaque deals can be done. I don't believe that Russia will respect the EU's standards until they are respected within the EU itself.

Q: Looking at the development of EU-Russia relations, which have become increasingly conflictual in recent years (Georgia war, energy, trade), where are the areas in which cooperation is working well, where interests are common or where progress in strengthening cooperation could be made easily? Can the next EU-Russia summit help this?

Oddly enough, some areas of security cooperation—counter-terrorism, counter-narcotics and larger diplomatic initiatives, such as the Middle East Quartet—proceed more successfully than cooperation in the economic realm, where we have a strong interdependency and a presumptive common interest. Our failure to pursue supposed 'common interests' to mutual benefit damages Russia as much as the EU. But we have not demonstrated this yet, and until the EU displays an ability to understand and advance its own collective interest, I fear that we will not.

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