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## MISUNDERSTANDINGS AND TENSIONS, A NEW NORMALITY IN EU-RUSSIA RELATIONS?

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Russia poses the greatest challenge to the EU's strategic and foreign policy agenda. The annexation of Crimea, the Russian military intervention in eastern Ukraine, the subsequent European sanctions and Russian counter-sanctions have dragged the relationship between the EU and Russia to its lowest point. The game is being played out in Ukraine, but what is at stake is the European security order and the validity of the principles gathered in the Final Helsinki Act (1975) that uphold it. The constant violations of European airspace by Russian fighter jets and Russian officials playing up the possibility of a military confrontation have created a context plagued by uncertainty and risk. The recovery of a level of trust and normality between the EU and Moscow appears to be particularly complicated. Moscow aspires to EU recognition of what it considers its "sphere of influence", which is difficult for Brussels and the majority of member states to accept, because it would mean accepting the

"limited sovereignty" of the rest of the post-Soviet republics who, for their part, have given no sign of accepting this situation. A move by Brussels towards such recognition would

therefore not necessarily dissipate the tensions in eastern Europe and the post-Soviet space. The rift is deep and the foundations of consensus on the continental order following the war in Ukraine have yet to be defined.

The EU faces serious complications in its neighbourhood policy to the east and south, but also in its internal dynamic. No issue generates more divisions and controversy among and within the member states than Russia. European unity, currently inseparable from the leadership of Chancellor Merkel, rests on fragile foundations and will be put to the test whether the Minsk truce fails or not. Russia shows a growing determination to strategically rival the EU and break the consensus not only on the sanctions but also on the very liberal democratic principles that underpin the European integration process.

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Moscow's profound irritation is rooted in the perception that the West ignores its role as hegemonic regional power in the post-Soviet space, and, above all, its conviction that the West is implementing a strategy of regime change with geopolitical aims.

The key to the tensions in the post-Soviet space is Russia's lack of desire or inability to form a relationship with its neighbours on the basis of real -not just formal- recognition of their full sovereignty.

It is necessary to ask whether Putin really has a well-founded strategy and tactics that are consistent with it.

The Kremlin's ability to conceal its real objectives tends to profoundly distort the debates with and within the EU

The incorporation of the idea of the "Russian world" as one of the discursive axes of the Kremlin's foreign action breaks the post-Soviet consensuses and casts doubt on the validity of the formally recognised borders as opposed to diffuse historical, civilisational or spiritual borders.

The main question that the EU should ask itself is whether it is prepared to accept the Kremlin's demands and, if so, how. That is to say, how to legally accept a flagrant violation of international law and how to reconcile the policy of the Eastern Association with the Russian concept of "indivisible security" that converts its neighbours into subordinates.

Consequently, within the framework of developing a new EU foreign policy strategy and the revision of the neighbourhood policy, including the Eastern Partnership, an in-depth discussion in Brussels on how to address relations with Russia and its neighbours becomes an urgent necessity.

This debate must have a clear awareness of the central role played by the clash of existing perceptions. The dialogue between the EU and Russia is strongly conditioned by the lack of understanding generated by divergent dominant narratives. Brussels and Moscow disagree in their explanations of how we got here and tend to misinterpret the goals of the other. It is not just a question of whether the EU understands Russia or not, but also of whether Russia really understands the EU. The debates on Russia (and the Ukrainian crisis) within the EU are also affected by a great tangle of interests, opposing visions, stereotypes and disinformation. In order to overhaul the EU's stance on Russia, there is a need for a better understanding of Moscow's objectives and strategic approaches as well as of its perceptions.

### How have we got here? The foundations of the clash of perceptions between Russia and the EU

The path that leads to the current distrust and tension between the EU and Russia can be traced back at least as far as the fall of the Soviet Union in 1991. In the last twenty-five years, the clash

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of perceptions has been increasingly accentuated and the dominant narratives on this period in Brussels and Moscow differ significantly. Thus, the most widely-held perception among the European elites – inspired by Gorbachev's idea of a *Common European Home* – is of genuine commitment to progressive integration with Russia through the promotion of the peaceful construction of an open space of shared prosperity with trade as its central axis. In Moscow, by contrast, an interpretation marked by disappointment has been consolidated in which “humiliation”, “deception”, and “betrayal” are recurrent terms. For the Kremlin, the milestones of this phase are the NATO operation in Kosovo/Serbia and the first expansion of the Atlantic organisation to include Hungary, Poland and the Czech Republic, which both occurred in March 1999. The European vision of happy years in the 90s and 2000s until the 2008 crisis contrasts with the “*velvet-gloved...Versailles*” described by the influential Russian political scientist, Sergei Karaganov.

Thus, from the Russian perspective, the last fifteen years amount to a succession of Western interferences in the Eurasian space and contempt for Russia's attempts to seek a mutually satisfactory accommodation with the EU and NATO. Moscow's profound irritation is rooted in the perception that the West ignores its role as hegemonic regional power in the post-Soviet space, and, above all, in its conviction that the West is implementing a strategy of regime change with geopolitical objectives that ultimately seeks to usurp and break Russian power. From the Kremlin's perspective, the colour revolutions are no more than a Western instrument for carrying out “post-modern coups

d'état” in such a way that the role of local actors and the endogenous roots and dynamics of these phenomena are concealed. The cycle of colour revolutions<sup>1</sup> and the second expansion of NATO<sup>2</sup> reaffirm the Kremlin's perception and have led to the gradual hardening of the Putin regime both inwardly – the conceptualisation of “sovereign democracy” – and outwardly.

In his relationship with Europe and the United States, Putin has placed the idea of designing a new “modern, lasting, and firm international security architecture” (Berlin, September 2001) at the centre of the debate, under the principle of the “indivisible character of security” and warned of the danger that “serious provocations” (for which read: Western policy) will produce an environment in which “no one feels safe” (Munich, February 2007). On occasions it has even suggested that the Kremlin's demands, particularly when formulated by Medvedev in 2009, are made particularly redundant by the existing agreements and structures (the Helsinki Final Act and the OSCE). Nevertheless, the overlap exists in appearance only. Helsinki endorses “sovereign equality among states”, but when Moscow invokes the principle of the “indivisibility of security”, it is implicitly asking for strong recognition of its right of *tutelage* over its post-Soviet neighbours in what it sees as its “*natural* sphere of influence”. That is to say that the central question – although never spelled out as such in the EU-Russia dialogue – is the freedom and full sovereignty or otherwise of Russia's neighbouring countries or, what amounts to the same thing, Moscow's capacity to control their strategic orientation.

President Putin made this clear during his speech at the NATO summit in Bucharest (April 2008) when he put the focus on Georgia and Ukraine. The latter he categorised as a “complex state formation” whose move closer to the Atlantic organisation could, according to the Russian leader, “put the state on the verge of its existence”. In a similar vein, Putin questioned the legitimacy of Ukrainian sovereignty over Crimea (“**there were not even any state procedures on transferring this territory**”). In August 2008, barely four months later, Russia intervened militarily in Georgia following Saakashvili's clumsy operation attempting to retake control of the regions of South Ossetia and Abkhazia, effectively seceded since 1991 with Russia's backing. The tepid support given to Russia at the time by the Shanghai Cooperation Organisation (SCO)<sup>3</sup> and the Collective Security Treaty Organisation (CSTO)<sup>4</sup> was the first clear indicator of the scant enthusiasm and the fear provoked in its members (including, to a degree, China) by the adoption of an assertive and potentially revisionist line. And the key to explaining the tensions in the post-Soviet space and Moscow's difficulties are not, as the Kremlin argues, “Western presence and actions” (the recurring “provocations”) but also Russia's lack of desire or inability to form a relationship with its neighbours on the basis of real – not just formal – recognition of their full sovereignty.

1. Serbia (October 2000), Georgia (November 2003), Ukraine (November 2004), Kyrgyzstan (March 2005).

2. Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia joined in March 2004.

3. Formed of China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

4. Comprised of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan.

Moscow reacts (or overreacts) to the strengthening of ties between the EU and any of the former Soviet republics by interpreting it as a Western advance that, ultimately, questions its regionally dominant position and contributes to the construction of a containment barrier around Russia. Thus, faced with the EU's launch of the so-called Eastern Partnership (June 2009),<sup>5</sup> it established the Customs Union (January 2010) with Belarus and Kazakhstan as the germ of a future Eurasian Economic Union (EEU). The EEU is as much the response of its members to the global crisis of 2008 as an attempt by Russia to change its peripheral position in relation to the EU and China, with the underlying idea that Moscow leads one of the poles that will shape the emerging multipolar order. The EEU is, as a result, strategic in nature for the Kremlin and the inclusion of Ukraine is crucial.

The interaction between the two initiatives is greatly affected by the clash of mutual perceptions and cognitive biases. Thus, while in EU eyes, the Eastern Partnership is an instrument that does not include the prospect of joining the European Union, for Moscow it represents a first step towards rapid integration into the EU that will, it presumes, be accompanied by entry to NATO. Brussels, along with most member states, has great problems understanding the existential fear the EU's soft power in the post-Soviet space provokes in the Kremlin. Hence the fact that the wave of anti-government demonstrations in December 2011 and March 2012 in St Petersburg and Bolotnaya Square in Moscow in response to electoral fraud in the parliamentary elections and the announcement of Putin's return to the Kremlin were seen by the Russian leader as a challenge with both internal and external dimensions.

Putin's third term, which, if possible, is even more marked by his personality than those before, is indissolubly linked to this Bolotnaya syndrome, which triggered the "conservative and traditionalist" agenda, the "nationalisation of the elites", growing social control and the stigmatisation of the opposition as "fifth columnists" or "traitors" in the administrative and public spaces. So, for example, a law adopted in July 2012 obliges every civic organisation that receives international funds to be registered as a "foreign agent", seeing them as little more than Western instruments for provoking regime change in Russia. The inability to politically and institutionally tolerate even the slightest criticism weakens the system rather than strengthening it, but may not prevent its unproblematic survival until 2024. Just in case, Putin himself has already announced (and delegitimised in passing) waves of protests in 2016 (parliamentary elections) and 2018 (presidential), orchestrated, of course, by the West – another of those recurring "political provocations". This is the context in which the EU and its member states' relationship with Russia and the tensions that have been crystallised by the crisis and subsequent war in Ukraine, is today unfolding.

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5. In which Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine participate.

## Does Putin have a strategy?

In order to formulate its response, the EU must first of all properly evaluate and understand the Kremlin's perceptions and main objectives. A crucial difficulty for this is that, given Russia's serious setbacks, it is necessary to ask whether Putin really has a well-founded strategy and tactics that are consistent with it. Because having strong political will and firm convictions – *that Russia must be the hegemonic regional power and one of the leading poles in the global order* – does not necessarily mean having a strategy – *the adaptation of the means to achieve certain ends* – although the Russian leader's thinking seems to be anchored in some of the specific historical and geopolitical parameters of the Russian state tradition. Neither is it useful to confuse Putin's tactical ability and mastery of the international political moment with a strategy – both are undoubtedly facilitated by his executive capacity (or concentration of power) when compared with the complex European decision-making process.

With his direct intervention in the war in Ukraine, Putin has managed both to win time and ensure that its future is, to a large extent, in his hands. But, by contrast, Russia's position in Ukraine and its strategic options in the rest of the post-Soviet space have been weakened. In Ukraine, the Kremlin seeks, as has been noted, strategic control of the country or, at least, to secure the capacity to block its foreign policy in the case of an eventual coming together with the EU or NATO.

## The dialogue between the EU and Russia is strongly conditioned by the lack of understanding generated by divergent dominant narratives.

In this sense, Donbas is just an instrument. The "decentralisation" of Ukraine or the "national inclusive dialogue" interests Putin only in terms of this goal and not in terms of Ukrainian domestic policy. The Kremlin's ability to conceal its real objectives tends to profoundly distort the debates with and within the EU. The problem for Ukraine is that, until now, Donbas has been enough to force Kyiv to accept the terms agreed in Minsk, but not to bend its will on maintaining its full sovereignty and freedom. In this sense, from Moscow's point of view, Ukraine has not been sufficiently defeated.

Despite the imbalance in the Russian and Ukrainian forces, a large-scale military intervention does not seem to be the most likely option given the military and diplomatic risks it would involve. The sanctions imposed by the EU contribute to reining the Kremlin in. For this reason, the possibility remains of a tactical repositioning by Moscow with a view to extending the instability to other parts of Ukraine (Mariupol, Kharkiv, Odessa and others) which, in contrast to Donbas, cannot be contained and kept on the margins of Kyiv's political dynamics. In fact, Moscow seems to be toying with the idea that Kyiv's possible collapse, allied to Ukrainian disappointment at the lack of a deal with the EU, could end up redrawing the landscape in the capital, leaving it more favourable to the Kremlin's interests. And here, again, the Kremlin, conditioned by its cognitive biases, seems to read the situation incorrectly. In a foreseeable future, Ukraine will be lost

from the Eurasian Union project. In the eyes of a majority of Ukrainian citizens, the Russian military intervention has completely transformed the frame of reference of its relationship with Russia.

The Eurasian Union project has been seriously weakened not only by the loss of Ukraine, but by the fears the Russian military intervention has raised in the other two key members, Belarus and Kazakhstan (Armenia and Kyrgyzstan have marginal political and economic weight in the project). According to the idea launched by Putin in October 2011, the project was inspired by other regional integration processes such as the EU, NAFTA, APEC or ASEAN and aspired to be “an essential part of Greater Europe united by shared values of freedom, democracy, and market laws”. However, in the light of the war in Ukraine, it has acquired a neo-imperialist, ethnic dimension that provokes uncertainty and great fear in the other members. The incorporation of the idea of the “Russian world” (*Russkiy Mir*) as one of the discursive axes of the Kremlin’s foreign action breaks with the post-Soviet consensus and casts doubt on the validity of the formally recognised borders (Charter of Paris, 1990; Memorandum on Security Assurances in Connection with Ukraine’s Accession to the Treaty on the NPT, Budapest 1994; Charter for European Security, Istanbul 1999) as opposed to diffuse historical, civilisational or spiritual borders. Hence the growing reluctance of Minsk and Astana to deepen the process of integration and their rejection of any step that includes a political dimension.

## Ukraine is neither peripheral nor accidental in all this, and, from Moscow’s point of view, has not been sufficiently defeated.

The economic impact of the military intervention in Russia also begs the question of whether Putin’s policy and actions are consistent with a sound, clearly-defined strategy. The Russian economy stagnated in 2014 and the OECD predicts (January 2015) that in 2015 its GDP will contract by almost 5% and the country will enter recession. Undoubtedly, the fall in international oil prices (from \$110 in June 2014 to \$60 in April 2015) is the key factor in this, given Russia’s structural dependence on the hydrocarbon sector (19% of GDP, 68% of exports and the source of 50% of the federal budget). But the capital flight (\$151bn in 2014, far above 2013’s \$61bn) is the result of the climate of distrust and the European sanctions. The decrease in Foreign Direct Investment (FDI) and the technology transfers that will cease to arrive should also be added to the mix. The improbable but necessary modernisation and diversification of the Russian economy will be even more difficult in a context of confrontation with the West.

The Kremlin’s expectations of improving the economic situation seem now to rest on a turn towards China, symbolised by the bilateral agreement signed in May 2014. No doubt the strengthening of relations with China makes strategic sense. But the moment chosen, including the rush to close lengthy negotiations that had been underway for years, was due, above all, to Putin’s interest in showing that he was not internationally isolated. It should be noted that, as with other authoritarian regimes, the interests of the regime are confused

with those of the country, but they do not necessarily coincide. In the best case scenario, Russia/Gazprom will export 38 billion cubic metres of gas a year to China by 2030. That is to say, about a **third of what it exported to the European market in 2013** and, it is to be expected, at a notably lower price. Similarly, in the same year the EU was the source of 76% of the FDI in Russia (\$60bn) while China contributed only 0.9% (\$683 million); and, as conveniently recalled by Kadri Liik, Senior Policy Fellow at the European Council on Foreign Relations (ECFR), it should be borne in mind that “**unlike European countries, Asians do not see Russia’s modernisation as their strategic interest**”. To which should be added that the strengthening of relations with China will not necessarily be accompanied by greater Russian projection towards the Asia-Pacific region. For all these reasons, for the moment, though the Asian option may become a strategic alternative for Russia, it will only happen in the long term. For the moment it merely represents a complementary vector, which is something the EU should not lose sight of.

## So what now? What must the EU consider when formulating its response?

These strategic setbacks to Russia and the fragility of the political and economic landscape do not, in any way, increase the likelihood of the Kremlin taking a more conciliatory position. Much to the contrary, they encourage an inward-turn and aggravate the mutual strategic distrust with the EU. Uncertainty surrounds the foundations on which this bilateral relationship could be rebuilt and the possible basis of a new continental status quo that allows coexistence without too many shocks and the ghost of possible military escalation. Ukraine is neither peripheral nor accidental in all this. Nevertheless, beyond the backing for the unlikely, fragile road map drawn up in Minsk, it does not seem that greater reflection is underway in the EU. But what happens if Minsk collapses? And what if the collapse is not clearly visible? The prospect of a prosperous, functioning, and, in consequence, potentially autonomous Ukraine does not fit Moscow’s plans. Neither does the idea of creating the rings of “shared prosperity” that underpin the European neighbourhood policy. The EU must be sure it has a clear understanding of this in any strategic planning.

Those who advocate nothing more than restoring relations and continuing to consider Russia “a strategic partner of the EU and NATO” – something which, by the way, has never been true except in rhetoric – seem to underestimate the depth of the rift and to fail to understand the nature of the new Russian context, since Putin’s return to the presidency, that is. The ideological confrontation with the EU is one of the new sources of legitimacy for his regime. The “conservative values agenda” is constructed in opposition to a purportedly morally decadent and politically dysfunctional Europe. The Kremlin seeks not only to break European unity around the sanctions but to contribute to the questioning of the consensus on the liberal democratic values that sustain the process of European integration. The question is not, as is

argued by those who privilege commercial aspects, about economic complementarity between Russia and the EU. That is not in question. Neither is the fact that the sanctions “benefit no one”. What is certain is that they are not an instrument of trade policy and that what is at stake is the European security order and the validity of the principles that uphold it.

Russia’s real Achilles’ heel when it comes to its neighbours is that it does not know how to use its potential soft power: it is unable to attract and seduce its neighbours and tends to confuse fear with respect and imposition with triumph. The question the Kremlin should ask itself is not why NATO has expanded but why all of its neighbours, apart from China and Mongolia, fear Russia. The Russian Federation has all the elements (material and human) on which to build solid regional leadership in the Eurasian space, but it will continue to have a conflictive and problematic relationship while it remains trapped in its own neoimperial myths and identity and insists on not fully recognising its neighbours. NATO, it should be remembered, is an organisation that is by nature defensive. Its strength and *raison d’être* reside in its Article 5 (an attack on one is an attack on all). It does not, therefore, represent a genuine threat to Russia’s security, although it is strongly perceived as such. The key, once more, is the perception of Russia’s European and Caucasian neighbours, who see NATO as the most solvent guarantee for safeguarding their independence and territorial integrity.

The EU cannot, in its calculations, avoid these fears and the importance of the military dimension in its relationship with Russia, which

for some time has been modernising its armed forces more than its economy. It is no coincidence that the Kremlin is resorting to the tool that gives it the most manifest advantages and with which it may pressure and force Brussels to accept a solution in Ukraine on the terms that it wants. Insisting on the importance of seriously considering this aspect is not tantamount to committing to a military option: it is necessary to acknowledge the difficulties that European diplomatic forces will encounter if they do not seriously consider the main vector of Russian projection towards its neighbours at this time. It is necessary, on the other hand, to avoid the distortion generated by the reiteration of the idea that “there is no military solution”. Here, again, the perceptions and objectives come into play. Everything depends on the solution chosen and the goals pursued. For the moment, the Kremlin has reached two goals via military means and the use of force: the annexation of Crimea and the hindering of the reformist agenda in Kyiv. In other words, if the immediate objective is to avoid the strengthening of Ukraine’s relationship with the EU and NATO – although they are more the product of the Kremlin’s cognitive biases than anything else and have never really been on the table – inserting an armed conflict into the east of Ukraine could be an appropriate solution. If the objective is to achieve a stable, prosperous, democratic Ukraine, as the EU wants, then, in effect, no military solution exists.

Russia’s *sine qua non* demand, it should be noted, is EU’s recognition of what it considers to be its “natural sphere of influence”. The main question, then, that the EU should ask itself

is whether it is prepared to accept that, and, if so, how. If it were prepared, as the sympathetic suggest, to “accommodate Russia’s feelings and interests”, Brussels and its member states would then have to ask themselves how to articulate this from a formal point of view. That is to say, how to legally accept a flagrant violation of international law and how to reconcile the policy of the Eastern Association with the Russian concept of “indivisible security” that converts its neighbours into subordinates. It is, therefore, necessary to accept that even after this one ends other similar crises are likely to occur in the post-Soviet space. The fall of the Soviet Union was the “greatest geopolitical disaster of the 20th century” only in the eyes of the Kremlin and of Russian nationalists, not in those of the rest of the former Soviet republics.

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