

DOCUMENTOS CIDOB EUROPA 6

RUSSIA AND THE EUROPEAN UNION. A KEYSTONE RELATIONSHIP

Irina Kobrinskaya

documentos



Serie: Europa

Número 6: Russia and the European Union: a Keystone Relationship

© Irina Kobrinskaya

© Fundació CIDOB, de esta edición

Barcelona, noviembre de 2009

Edita: CIDOB edicions

Elisabets, 12

08001 Barcelona

Tel. 93 302 64 95

Fax. 93 302 21 18

E-mail: publicaciones@cidob.org

URL: <http://www.cidob.org>

Depósito legal: B-10.781-2006

ISSN: 1886-2829

Imprime: Color Marfil, S.L.

«Cualquier forma de reproducción, distribución, comunicación pública o transformación de esta obra sólo puede ser realizada con la autorización de sus titulares, salvo excepción prevista por la ley. Diríjase a CEDRO (Centro Español de Derechos Reprográficos, www.cedro.org) si necesita fotocopiar o escanear algún fragmento de esta obra»

RUSSIA AND THE EUROPEAN UNION: A KEYSTONE RELATIONSHIP

Irina Kobrinskaya*

November 2009

*Leading Research Fellow

Institute of World Economy and International Relations,
Russian Academy of Science

Executive Director, Prospective Studies and Initiatives Foundation

The quest for a renewed EU - Russia partnership

June 24 2009 marked 15 years of formalized partnership and cooperation between the European Union and Russia. On this day in 1994 they have signed the Partnership and Cooperation Agreement (PCA) which came into force on December 1 1997.¹

By the end of 2000s, EU-Russian relations had gone through a number of stages. Nevertheless, the formalization of the relations in the PCA was only one of the factors, that have stipulated their development. Thus the so-called and widely discussed “factor 2007” – when on December 1 the PCA had formally expired – has not dramatically influenced the situation. The sides went on in the same format using the option of the PCA prolongation, meanwhile the unresolved old and acute new problems hindered the partners from elaborating a qualitatively new, effective, comprehensive and future-oriented document instead of the obsolete PCA, “common spaces” and “road maps”.²

From time to time it is questioned whether a new agreement is achievable and necessary at all. In particular in the situation of global economic and financial crisis, this question does at least not sound heretic. The analysis shows, that the real stimulus for cooperation, as a rule, have been the national interests of different states – or groups of EU member states, while the most effective formats have been of bilateral or sub-regional nature (like, e.g., Northern Dimension in the late 1990s). Most recently, - and this might be true for future cooperation - the wider,

1. The EU delayed ratification until the end of the “first” war in Chechnya.
2. The idea to establish “four common spaces” between Russia and the EU was presented at May 31, 2003 summit in St.-Petersburg. It included: common economic space, common space of freedom, security and law, cooperation in the security sphere and common space of science, education and culture. On May 10, 2005 at the summit the “road maps” – action plans for realization the “common spaces” were adopted.

new global (G-20) or continental formats may turn most adequate to answer new challenges and threats. Here, it is worth mentioning that the first EU-Russia summit in January 1998 took place in London, while the Spring 2009 EU-Russia summit was hosted by the Russian city of Khabarovsk. The Europeans, as media noted, 'were very interested' in visiting the Russian Far East.

The geographic shift from Greenwich meridian (GMT) to UTC+10 is a symbol of deep changes in Russia-EU relations, but even more so – of their future development

The partners themselves differ a great deal from what they were in 1994. The European Union has more than doubled the number of its members, from 12 to 27. Its economic potential is huge. But its current economic, political, security and ethnic-cultural landscape and structure makes the decision-making process in the EU even more complicated, and the well-known H. Kissinger's question "whom do I have to call in Brussels" – even more actual. (It is sufficient to remember that only one member's veto – namely, Poland's in 2006 – has postponed talks on a new Russia-EU agreement for more than a year). The EU is hardly overcoming constitutional crisis. It obviously suffers from growing re-nationalization trends, confronting parochial interests and the widening 'generation gap' between so called 'old' and 'new' Europeans. This makes various western scenarios of multi-level or polycentric Europe less marginal, while further deepening of integration within the EU becomes more questionable.

Thus, coming to terms with the European Union on concrete issues needs high diplomatic skills and profound preparation in order to take into account all eventual barriers, such as foreign as well as domestic policy interests of particular EU member states, etc.

Russia, in its turn, has overcome the first post-soviet shock, has strengthened its sovereignty, and has increased economic and political weight. It

is again recognized as one of the key international actors. Though more self-confident, Russia is still in the process of building a new national identity, accompanied by the paroxysms of nationalism and xenophobia, “sovereign democracy” deviations in domestic affairs, moderate oscillations in the choice of foreign partners, rather often – excessive assertiveness. All that in no way makes Moscow an easy partner for the EU.

Summarizing, the 15 years-long road led the partners from mutual illusions, misvaluations, even ignorance and disappointments to more realistic, pragmatic and simultaneously *more tough* approaches. Though the problems of perception and self-perception remain a substantial element of the dialogue – or rather its deficit – the pressure of the globalizing economy, finance and security, in particular in the period of the crisis, puts the EU and Russia in front of a choice, formulated by Joschka Fisher as ‘confrontation or difficult partnership’.

Whether to make this choice or not, the sides have to ask themselves a simple question: Can the EU and Russia *afford confrontation*? If not – and this is the only sensible answer – they have to start the quest for a renewed EU-Russia Partnership.

The majority of experts agree that though in very different circumstances as compared to 1994, the key points and problems of the common Russia-EU agenda remain the same. These are: the energy sphere, common neighborhood and European security. Nevertheless, the evaluations of the state of the art and prospects for their solution for Russia-EU relations vary: from ‘regrettable continuation’³ to ‘the pursuit of synergetic benefits’.⁴

3. EU-Russia Relations: a regrettable continuation. By Arkady Moshes 23rd February 2009 http://www.robert-schuman.eu/question0_europe.php?num=qe-129.

4. Rather utopian suggestion of Michael Emerson: “Could we now be on the eve of a third phase, in which the pursuit of synergetic benefits from EU-Russian cooperation in projects and policies towards their common neighborhood would become the name of the game?” CEPS European Neighbourhood Watch. Issue 46 (3(31), 2009) www.ceps.eu/files/NW/NWatch46.pdf.

This incongruity between a *relatively static agenda* and *diverse evaluations* and approaches to Russia-EU partnership lead to the following topics to be analyzed:

- Look at the issue in a broader global dynamic context, of which these relations are one important – but not the only existing element;
- Analyze the positions and intentions of both sides;
- Distinguish the issues and elements – benchmarks in the approaches that allow for not only a ‘regrettable continuation’, but a mutually profitable dynamic development of Russia–EU partnership.

World 2020: Quo Vadis?

Recently, there is no deficit in the scenarios of the future, provided, say, by World Economic Forum, or the CIA (“Global Trends 2025: A Transformed World”), American, European and Russian research centers and influential NGOs like Council on Foreign and Defense Policy (SWOP - Russia), or world known politicians.⁵

In spite of differences, sometimes substantial, these scenarios agree in the main points:

- The world with increasing speed is moving from a unipolar order to another structure, which is characterized – depending on the assessments of the role of the United States – as ‘unipolar minus’ (or in R.Haas words – ‘the end of the American era’) or multipolar or non-polar order (in the worst case scenarios – a global chaos). In this new world order the main centers of power will remain the United States, Europe (European Union) and BRIC countries: Brazil, Russia, India and China. Russia – volens (though more often) nolens – is regarded among key world actors in the scenarios of the future.
- The global financial-economic crisis has accelerated the dynamics and uncertainty of the world order transition. The current moment can be best characterized as a strategic pause, preconditioned by the crisis, on the one hand, and – by the start of the new US Administration, revising concepts and priorities of the previous 8 years, on the other. Simultaneously, the levers, most effective in the period of crisis are far from strategic planning or vision, and in this way the current economic-financial, political and even security international activities

5. The title of the last book of the former Russian head of Foreign Intelligence, ex-minister of foreign relations and former prime-minister Academician Yevgeniy Primakov is “World without Russia?”

prevent from using strategic approaches, levers and formats. Looking into the future nowadays needs special dedication and skills.

– *Among negative consequences of the dominating uncertainties for the EU-Russia relations of particular importance is the fact, that the third parties, namely ‘common neighbors’ (in fact the huge region, including Eastern Europe, Caucasus, Middle East, the Balkans and Central Asia) are – in a predictable way – playing on the controversies between the key players to gain current and future dividends. In fact, Russia and the EU have become the objects of parochial games of politicians with questionable reputation, such as leaders of Belarus or Turkmenistan.*

– There is a common consensus among politicians and experts regarding the continuing and accelerating eastward shift of the gravity center in the global economic and political development.

– These changes in the long run mean the eventual shift of the global development axis – from traditional during the last centuries trans-Atlantic to trans-Pacific. The fact that as a result of ice-melting two oceans connected in the Arctic is a symbolic sign of the coming new world realities.

– If so, the place of Europe and Russia on the world map will look different. The traditional outskirts of the continent – Russia and its vast Eastern (Siberia and the Far East) areas become central in view of the new trans-Pacific angle. Meanwhile traditionally central Europe becomes western outskirts of the continent. Whatever science-fiction looks this picture it reveals the actual trends – its pivotal element being the non-precedent rise of the Asian giant - China.

These new realities are perceived in different ways in Europe. Most of the EU ‘heavy-weights’, like Germany, France, Italy – realistically accept the increasing role of Russia in the widening EU-Asian-Pacific trade-economic relations. At the same time, many of the Central European EU members and post-soviet Eastern European countries openly insist (like Ukrainian prime-minister Yu.Timoshenko in her article in “Foreign Affairs” or Georgian President M.Saakashvili, or Polish President

L.Kachinsky) or covertly prefer to 'contain' Russia, trying to implement 20th century scenario in the new 21st century environment.

The transition of the world order at the present stage can be more correctly defined as *degradation of the world order*. The contours of the new structure are dim, while the basis of the old structure – the leading traditional international institutions (financial, political, economic, security: IMF, World Bank, the UN, NATO, OSCE and the EU) and international law – are in the stage of decay and urgently need reforms.

The degradation of the world order is, as already stressed, aggravated and accelerated by the economic-financial crisis, which itself demonstrates an impotence of the Breton-Woods system. The manual anti-crisis management in order to keep a fragile social-economic and financial balance automatically strengthens the role of the national states in contrast to international integrationist structures, like the EU.

– Finally, the recession of the world order and global economy is accompanied by the global recession of democracy, undermining the European or Western values, with most detrimental consequences for the countries with 'imperfect' democracy, including Russia.⁶

6. One of the most subtle political thinkers Anatol Lieven wrote: "In circumstances of sharp economic decline, I wouldn't give ten cents for the survival of democracy in Georgia or Ukraine. If these countries have been made members of NATO, we will all be faced with a horrible embarrassment—something that may already be around the corner in Turkey, if the military establishment, via the courts, presses ahead with its apparent desire to ban and disempower the ruling Islamist party. Indeed, if living standards worsen drastically, democracy in parts of Eastern Europe, relations with immigrant communities in Western Europe, and the attraction of the entire Western democratic model could be called into question, at least for a while. In these circumstances, it is hard to see what conceivable rational calculation could support the extension of NATO membership to two new countries, one of them (Georgia) involved in unsolved civil war, and the other (Ukraine) with a population a large majority of which opposes NATO membership. And this is called "spreading democracy"?" – Three Faces of Infantilism: NATO's Bucharest Summit. - "The National Interest", 04.04.2008. <http://www.nationalinterest.org/Article.aspx?id=17298>.

All these revelations of multifaceted global recession can be estimated – and we can find such opinions among anti-western conservative forces in Russia – as an additional option for Russia's *unconditional* return to one of the leading positions in the world. Still, in reality the global crisis, on the one hand, has demonstrated Russia's vulnerability – which finally means, that the country is already deeply involved in the global economy and finance. On the other hand, degradation of the international institutions, including the EU, hinders the movement of Moscow towards the Euro-Atlantic community.

Russia's approach towards partnership and cooperation with the European Union

What is the key to Russian foreign policy since 2006-2007 (as the sadly famous speech of V. Putin in Munich in February 2007 can be regarded an earmark)? *The name of the game is ambivalence*. Meaning abrupt changes in rhetoric (e.g. Munich 2007 vs. Bucharest April 2008), incongruity between rhetoric and practice (harsh rhetoric without practical steps, or to the contrary: right words in Berlin in June 2008 followed by the military operation in the Caucasus in August, 2008), often shifts in political practice, etc. The ambivalent policy causes even more ambivalent and controversial moods and comments – in Russia and abroad.

In regard to the relations with the EU, the developments of the last year – since the start of D. Medvedev's presidency – make some experts come to the worrying conclusions, that Moscow has downgraded the priority of cooperation with the European Union on its foreign policy agenda. To prove the thesis, that the process 'of mutual alienation' of Russia and Europe has accelerated the following arguments are put forward: Moscow has not liberalized its domestic policy and, thus, has not narrowed the so-called value gap; it has for the first time in its post-Soviet history used the military power outside its own territory and claimed for "zones of privileged interests" in the post-soviet space; it went too far in the Russian-Ukrainian gas conflict in January 2009, threatened European energy security and lost its reputation of Europe's reliable energy supplier. The key concept of an emerging energy community that could serve as a cornerstone of the bilateral partnership suffered a severe blow. Finally, if Russia's Foreign Policy Concept of 2000 considered Russia-EU relations to be "of key importance", the new edition of the document of 2008 treats the EU as "one of the main trade-economic and foreign policy partners".⁷

7. http://www.robert-schuman.eu/question0_europe.php?num=qe-129.

Such assessments are grounded, but they suffer the same parochial syndrome, not taking into account, on the one hand, the complex and dynamic global context, including the influence of financial-economic crisis, the coming changes in international relations due to the change of Administration in Washington, and on the other – specifics of Russian polity and policy-making.

Only an accurate account of a combination of all these factors may give a relatively balanced picture of Russia's position and intentions. Of *special importance is the correlation of real and wishful in analyzing Russia and formulating policy towards Moscow*. The best advice in this regard recently came from the most unexpected place in Europe – from Warsaw. Polish Prime-minister D. Tusk suggested *talking with Russia as it is*. The best – effective, non-confrontational – practice in this regard is consequentially demonstrated by Helsinki.

Russia's ambivalence has several sources and roots

One of them has to do with the problems of national social identity. Having no democratic history and traditions modern Russia has to elaborate a democratic model, allowing – in the absence of deeply rooted democratic institutions and weak civil society – for autocratic management to make up for: the deficit of coordination between federal and regional powers; excessive political claims of financial-industrial groups; the deficit of public control over state; lack of independent judiciary in war against overwhelming systemic corruption.

True – the autocracy hinders the development of democratic institutions and civil society and reproduces even less democratic and more autocratic rule. Russian and western politicians, analysts and media, closely following peculiarities and nuances in the 'ruling tandem' D. Medvedev – V. Putin in reality observe the hard attempts to find the proper balance between these models with the general understanding and knowledge that 'freedom

is better than non-freedom' (D.Medvedev in Davos in January 2008) and that nobody has invented the better social-political system than democracy. That is why Russian domestic policy develops along ambivalent formula, characterized by Lenin as 'one step forward – two steps back'.

In the situation of the current financial-economic crisis Russian leadership, as everywhere in the world, on the one hand, tries to stimulate small and medium businesses as the anti-crisis lever and simultaneously, the basis of liberal economy and civil society-building. At the same time, in order to preserve industry and keep social stability the government in the manual regime subsidizes huge – and quite often non-effective – enterprises, thus undermining liberal trends and prospects for badly needed economic reform.

The choice between autocracy and democracy for Russia means as well the choice of the model of economic development – between mobilization and modernization. It should be stressed that now even the orthodox left in Russia admits, that Russia has gone too far along the road towards democracy and cannot modernize according to the Chinese model. For modernization on the new innovative technological and economic-political basis Russia needs an external stimulus, sources and partners. In the modern world and in the existing trade-economic realities the best partner can be only Europe, the European Union.

But on the European way towards modernization there is another barrier: civilizational dilemma. History, Euro-Asian geography, vast space, multiethnicity prevent Russia, in spite of good intentions, right words and knowledge, from finalizing the process of its civilizational identity. Looking to the West and to the East Russia has not overcome ages old schizophrenia. Is it a part of the Euroatlantic civilization, a part of the 'mainstream' – or does it pose itself as the 'Other'?

Correspondingly, the 'Russian factor', though remaining still secondary for the solution of many problems which the Euro-Atlantic community faces nowadays, nevertheless, may become influential in two cases. First,

the West consolidates in face of strengthening and assertive Russia and makes not two, but four steps back – to the pre-Gorbachev era, i.e. turns back to the containment of Russia. Second, to the opposite, it involves Russia into closer cooperation on global matters (*rapprochement* through engagement – *Annäherung durch Verflechtung*). For now, the chances for the two scenarios are more or less equal. At least in the analytical circles in the West, before September 17, when President Obama denounced the plans of G.Bush Administration, there was an understanding that in such acute and politically dividing issues like anti-missile defense the main question is not AMD, but what role Russia will play in European and global security in the changing world order.

There are chances for the ‘mainstream choice’ of Russia. For already two years the Russian leadership (including V. Putin and D. Medvedev) comes forward with a formula, suggested by the Foreign Minister S. Lavrov. “A broad non-prejudiced approach is needed on both sides. Such an approach could be provided by the perception of Russia and the United States as two branches of European civilization, each of which gives it an ‘added value’. A practical formula of preserving of the Euro-Atlantic space intact in the global politics could be a triple interaction in international affairs – between the USA, Russia and the European Union.”⁸

In Berlin on 5 June, 2008, D. Medvedev *instead of atlanticism*, which ‘as principle has become obsolete’, has developed the concept of a common *euro-atlantic civilization* with Russia and the United States being two wings of European civilization. In a new situation, ‘when the West has lost control over processes of globalization acquiring civilization dimension’, the Kremlin thinks it necessary to restore the unity of the whole European civilization, including Russia, the EU and the US, and that ‘could strengthen our common competitiveness’.

8. Lavrov, Sergey. “Containment of Russia: back to the future?”. *Russia in Global Affairs*. No 4 (July-August 2007).

On the one hand, this formula is an attempt to preserve the manageability of the world affairs on the background of the weakness and degradation of the existing old post II world-war or 'cold-war' institutions (the UN, NATO and the European Union) and degradation of the international law, including the sphere of the arms control and disarmament.

On the other hand, this is a trial to find new uniting grounds, even *ideology* instead of 'western democratic values', which were compromised by the United States in Iraq and in too many cases by Europe. In fact the Kremlin feels that the previous course of de-ideologization of the foreign policy, which was intended to neutralize the controversies with the West, does not work any more. The ideology which may substitute 'the end of the history' of F. Fukuyama who has admitted his mistake and S. Huntington's 'clash of civilizations'. *A sort of two-wings European a 'bird-troyka'*. And then after N. Gogol we may ask rhetorically: 'Where thee fly'?

The proposed formula is definitely good news in one – but very important – aspect: Russia wants to follow along the European, Western way. The road of Peter the Great, but not Ivan the Terrible. At least for now and in the foreseeable future it means a definite victory of the westerners over eurasianists in Russia on the official policy level.

Another interesting – not only for Russia, but for the West – aspect of a euro-atlantic concept or ideology could be its non-block, non-institutional nature, which could better provide for non-confrontational management of different national interests of the states, sometimes causing sharp controversies within such entities as the EU or NATO. The euro-atlanticism, which of course, is no novella in international thinking, assumably, could level down a destabilizing *re-nationalization* trend, caused by the processes of globalization and integration, and challenging and threatening European integration and transatlantic relations.

9. N. Gogol. "The dead souls". A poem.

But in a broader context a narrow format of the 'tripartite union' of the US, EU and Russia is the attempt to repeat past in the future. This formula lacks a global dimension and cannot work if not enlarged and enhanced by the new emerging great powers. But then will it be a working format at all?

To overcome the numerous civilization barriers and solve the acute global issues it is stressed in foreign policy documents that Russia in the forthcoming years will also need a '*network diplomacy*'. The question is: how does this networking correspond to the 'tripartite union' or triple leadership? How to make Russian activities in non-Western institutions, including in the post-soviet space, like Shanghai Treaty Organization, or in the Northern Asia – Asian Pacific region, or its relations with the anti-American South American left regimes compatible with the 'bird-troyka' mainstream? The other side of the same coin is: how will Russia re-formulate its reaction to the EU and the US activities in the post-soviet space?

European experts (Thomas Gomart) consider this ideological paradigm proposed by Moscow as mainly aimed to provide an *equal* position in relations with the West. Still, new Russian euro-atlanticism is more a lever, firstly, against isolating Russia 'in a regional shell' (S. Lavrov), secondly, against pushing it into an Asian dimension (which still remains, though marginal, a vision of some Russian politicians) – against '*aziatchina*' (so extraneous to both European-oriented D. Medvedev and V. Putin), thirdly, against an imposed choice between Europe and the United States (see Russian and Western debates of the 90ies), finally an instrument to *legitimize continental or even global scale* for Russia's activities.

After all, the very fact of 'nominating' D. Medvedev as a 'successor' to V. Putin was a clear step towards Europe, towards the West, its demand for liberalization and democratization of Russia. V. Putin since the end of 2007, when the name of D. Medvedev as his 'successor' was pronounced, has put all efforts to change the tone of Russian foreign policy from

harsh Munich-like to cooperative, as in Bucharest, in order to level, to *'de-putinize'* (meaning very personified assertive style and 'free' lexicon) Russia's relations with the European Union and the United States for the new president. Thus presented as a liberal to the West and to the country D. Medvedev has come to a more leveled international play-ground.

Still the sober analysis of Russia's strategic plans and vision¹⁰ witnesses for the forthcoming re-orientation towards the East, China and India. The same show increasing activities in drawing and diversifying investments from Asian-Pacific region countries (China, Japan, South Korea) into Russian Far East and Eastern Siberia. The very geography of D. Medvedev-V. Putin first trips (Kazakhstan – twice, China, Germany, Azerbaijan, Turkmenistan, France, G 8 in Japan) and their first public speeches (in Berlin and Paris) demonstrate, that the CIS and the EU remain key foreign policy priorities, though the attention to Asian region is increasing.

These trends in Russian political and economic thinking are not a signal of the change of priorities but rather demonstrate a realistic and pragmatic assessment of the global economic and political tendencies. More – they fully coincide with similar tendencies in Europe and in the West in general.

Many other political gestures and steps can be assessed along the same ambivalent paradigm. Russia further integrates into the world economy and international affairs, but simultaneously makes a stake on independent foreign policy and strategy. (The public opinion polls in Russia show, that the foreign policy is regarded as a main achievement of Putin's presidency: the situation when Russia is back on the stage is welcomed by the former super-power citizens). It has dropped the ideas of becoming an EU member rather popular in the beginning of the 2000s. (Surprisingly, but

10. In Autumn 2008 in Russian newspapers appeared the leaks from the document 'The Main Directions of Foreign Economic Strategy For the Period 2020'.

according to pro-Kremlin VTSIOM opinion poll in June 2008 more than 30 % of respondents would prefer that Russia becomes an EU member!). Moscow identifies itself as a European state with the ambitions to restore the position of the regional European power. Russia comes forward with the concepts of economic and security integration and cooperation – but followed along unilateral patterns in the Caucasus.

In spite of these ambivalences, Russia is relatively consistent and pragmatic in its approach towards cooperation with the European Union. Russia can hardly be blamed for ‘dividing’ Europe. The divisions regarding the Lisbon Treaty vividly witnessed problems, which could be solved only through profound re-thinking of the EU socio-economic policy and long process of the new members’ adaptation to it. It was the Iraqi war and NATO operation in Afghanistan which have caused European debates on security, including the role of the United States in European security.

It becomes more and more clear that Russia, just due to its increasing strength, becomes – like the United States – a prominent factor of European political life, as ‘Ostpolitik’ has for a long time been in Germany. As former Federal Foreign Minister Steinmeier said in his speech at the Willy Brandt Foundation the next day after presidential elections in Russia, European Ostpolitik means building a ‘peace order’ encompassing transatlantic allies and eastern neighbors, while Russia is and remains an indispensable strategic partner if a pan-European peace order is to become reality.

It would be strange if Russia did not use its good bilateral relations with key partners in Europe (Germany, Italy) to provide for its interests in the European Union. Today these are: overcoming the barriers for Russian investments in Europe, making economic interdependence even deeper, to provide for the EU support for Russia’s WTO membership etc. Thus, keeping in rhetoric to an *independent* line, using bilateral instruments, Russia in practice longs for *closer and binding cooperation* with the EU as a *multilateral institution*.

Last but not least. In its attempts to strengthen and formalize partnership and cooperation with the European Union Moscow takes into account the importance of cooperation with the EU in the foreseeable future but also the increasing tensions, controversies and geopolitical and geo-economic competition, insisting on *the priority of rules* and norms as the basis of the relationship. Of the triad – values, interests, rules – the last in the current circumstances of global financial-economic crisis, recession of global order, global recession of democracy and increasing geopolitical rivalry may not only preserve the EU-Russia partnership but serve as the pattern for the settlement of numerous conflicts of interests.

During the last year, Russia and the European Union have gone through an unprecedented experience of two conflicts – ‘hot’ and ‘cold’: the August 2008 war in the Caucasus and the Russian-Ukrainian gas conflict in January 2009. These conflicts fully encompass the combination of the most acute problems in their relations: energy, security and common neighbors. More, these conflicts are being settled by Russia and the EU and the lessons of these crises may serve as a manual.

Lesson Num. 1

The conflict in the Caucasus has vividly demonstrated that Russia is incomparably more open for the mediation by and in cooperation with the European Union, than any other international structure or external player (in particular, NATO, OSCE and the United States). The EU is regarded as much more objective and at the same time receives profound legitimacy as a moderator for the settlement of the conflicts in Europe. Moscow has positively reacted to the prompt and timely proposals of N. Sarkozy, and in the end of the day agreed to the solution, it had refused from for more than 15 years: the conflict settlement in the Caucasus has been internationalized.

Though the situation is unstable (and it cannot be stabilized on the background of permanent social-political unrest in Georgia), the EU observers are in regular contact with the Russian peace-keepers and military; the EU representative P. Semneby talks to all parts in the region, including Georgian power, Georgian opposition, South Ossetia and Abkhazia. Though very uneasily, the talks in Geneva continue. On this wave the EU was active in settling social unrest after first Spring elections in Moldova, and Moscow did not protest against its moderation, as was in other cases with the US or OSCE in post-soviet space.

Lesson Num. 2

The EU membership remains ‘a sweet carrot’ and, thus, an effective lever. It is no secret that one of the key stimulus for Ankara has become obtaining additional scores in its strive for the EU membership. The moment was regarded as a proper one for the claims of Turkey to be a peace moderator in the region, putting forward a “Stabilization Pact for the Caucasus”. The internationalization of the conflict settlement in the Caucasus brought unexpected positive changes in the region. After 94 years of hostilities Turkish-Armenian dialogue has started and the countries are close to the normalization of their relations. The peace process may give the stimulus to the settlement of another ‘dormant’ conflict in the region – in Nagorny Karabakh between Armenia and Azerbaijan. Finally, on the background of these activities one of the most urgent problems of international security – the Iranian problem – could find additional solutions by means of ‘socialization’ of Teheran in the regional economic and political life.

At the same time, the initiatives envisaged to substitute the membership, like “Neighborhood” or the latest “Eastern Partnership” are perceived by their addressees (Belarus, Ukraine, Georgia) – just by definition, as it was with the Central-Eastern European and Baltic countries 10 years earlier – as aimed to shift the eastern border further to the East and to strengthen the buffer between the EU and Russia. Correspondingly,

the leaders of a number of ‘common neighbors’ transfer the EU support into a lever in their talks or bargains with Moscow, causing unnecessary tensions and irritation in the EU-Russian relations.

Lesson Num. 3

The EU is the best ground for international security initiatives and building. It is no chance that D. Medvedev has come forward with the initiative on Pan-European security firstly in Berlin and later presented it in more detail in April, 2009 in Helsinki. The future treaty on European security should contain a common mechanism for peaceful conflict resolution, it should set out the basic principles for developing arms control regimes, confidence building measures, and measures on restraint and reasonable sufficiency in military development. The Kremlin regards that such a comprehensive and inclusive treaty could be reached and developed through multi-faceted cooperation between Russia, the European Union, and the USA.¹¹

On the eve of the new phase of arms control talks between Russia and the United States, which were in fact frozen for the last years, Russia obviously addressed the European Union and its leading members to articulate their position on the whole range of security matters – in Europe and beyond. The current moment – the renewed strategy of the US Administration, the stalemate in Afghanistan and embarrassment in Iraq, the deadlock in the Middle East, the Iranian and Northern Korean problems, the deadline of START I and progress in negotiations, the halt of G.Bush ABM project in Europe, independent behavior of Turkey – and all that with a common denominator of financial-economic crisis – have chances for the first time in modern history to make a new *grand* security project a win-win game.

11. http://kremlin.ru/eng/speeches/2009/04/20/1919_type82912type82914type84779_215323.shtml.

Lesson Num. 4

In Russian political behavior in both conflicts a certain logic and continuity can be traced through: starting with unipolar steps or actions Moscow draws the situation to a critical phase and afterwards suggests (or rather easily concedes to) internationalization of the crisis management with an active participation of the European Union. In the course of the January gas conflict with Ukraine Moscow came forward with the proposal to create a consortium on technological gas, a sort of mini-Energy Charter, which Russia refuses to ratify. In other words, Russia tries to draw the EU into the settlement of its energy conflicts with the New Independent States – former soviet republics.

In most cases, it is the renewed competition for energy (and natural) resources in the Caspian-Central Asian region and transit routs, which brought the EU-Russian relations to their present *uneasy* state. While Russia, where export of energy makes the bulk of the budget revenues, has been trying to get control over all post-soviet oil, gas and pipes, being over-dependent on the single – European market, Europe in its turn has been trying to loosen or avoid over-dependence on Russian supplier, not only for market and energy security reasons, but also motivated by suspicions, that Russia can use energy as a political weapon at any moment. Russia resists letting in foreign investors to its oil and gas strategic deposits (upstream), though badly needs technologies and modernization of the branch. Europe by all means (MOL case, e.g.) resists to let Russian investors to its ‘downstream’.

The vicious circle made both sides dependent on unreliable regimes in unstable regions, but did not diminish mutual interdependence. To that, in the situation of economic recession and decreasing energy demand, Russia's biggest companies, first and foremost Gazprom, lose billions of dollars.

One of the recent initiative of the Kremlin in the energy sphere – it is worth stressing, also put forward in Europe, in Helsinki – was also

aimed at internationalization of its regulation and setting the rules of the game.¹² It presupposes elaboration of the new document, which will contain a) principles of energy cooperation (stability, transparency), mutual investments and optimization of tax regime; b) the transit agreements and mechanisms of conflict-regulation and c) inclusion of all types of energy, such as coal, electricity.

Though there was no optimism even in the Russian expert community regarding the success of this initiative, it was clear signal that Russia is open for negotiations on energy matters. The direct EU-Russia energy dialogue with the participation -when necessary- of third parts (Ukraine or Azerbaijan, or Turkmenistan) would be less detrimental to Russia-EU partnership, than separate races of Russian and European leaders to the Caspian – Central Asian capitals.

It became a common place to repeat that the time of crisis is a time to re-start the EU-Russian Partnership. Russia-EU partnership has gone through good and bad times, but it cannot stop physically. The partners need it.

Re-phrasing H. Kissinger would be: *‘where is the ‘reset’ button in Moscow and Brussels that we have to press?’*

12. Conceptual Approach to the New Legal Framework for Energy Cooperation (Goals and Principles <http://kremlin.ru/eng/text/docs/2009/04/215305.shtml>).

