



## EXECUTIVE SUMMARY

Conference on

# **The Attitude and Contribution of the Member States of the European Union to the Development of the EU-Russia Relations**

*8 and 9 November 2013*

*Jean Monnet Building and Maison de l'Europe, Luxembourg*

### **Introduction**

The relations between the European Union and the Russian Federation are better than their public perception, but neither steady progress in regular cooperation nor recent breakthroughs on issues such as Syria can mask the strategic void at the heart of EU-Russia ties. That was the tenor of a conference convened by the Luxembourg Institute for European and International Studies on 8 and 9 November 2013 in Luxembourg-City. This event was held in association with the Russkiy Mir Foundation, the Russian Centre of Science and Culture and the Representation of the European Commission in Luxembourg. About 30 participants from across the EU and Russia exchanged views and engaged in some frank and robust debates that were chaired by Armand Clesse, the Director of the LIEIS.

In the late 1990s, talk about a new strategic partnership abounded in Brussels and Moscow, not least by the then Commission President Romano Prodi and the then Russian Prime Minister Vladimir Putin. However, the early 2000s saw a growing gulf. Just as EU enlargement was seen by the Kremlin as inimical to Russia's interest in the neighbourhood, so too Moscow's behaviour towards her neighbours Ukraine and Georgia raised old suspicions among many EU member states about alleged intimidation and bullying.

Since then tensions have flared up regularly – whether over the 2003 Iraq invasion, the 2006 and 2009 gas disputes involving Kiev or the Georgian military operation against South Ossetia in August 2008. The Medvedev presidency between 2008 and 2012 led to a marked thaw which Putin's return to the presidency in 2012 seems to have ended. Today the EU appears to forge ever-closer relations with the USA by negotiating a free-trade agreement. Meanwhile Russia seeks to consolidate her pre-eminence in the post-Soviet space by creating the Eurasian Economic Union.

## I. The context of EU-Russia relations

At the start of the conference, Georges Bingen, Head of the Representation of the European Commission in Luxembourg, welcomed all the participants and gave a brief overview of EU-Russia relations from the Partnership and Cooperation Agreement in 1997 via the creation of the 4 Common Spaces to the Partnership for Modernisation. Today, the ties are multi-layered and institutional, encompassing not just economic and trade but also technological and scientific cooperation as well as close cultural and educational exchanges. All this bodes well for broadening and deepening cooperation, even if relations between both sides have never been entirely smooth and uncomplicated.

Mark Entin, Ambassador of the Russian Federation to Luxembourg, began his introductory remark by saying that this conference stands in a long tradition of cooperation between Russian and European colleagues and organisations, including the LIEIS and the European Commission. He remarked that the organisers had changed the title of the meeting to reflect the importance of EU member states. First, this captures the importance of links between the 28 EU member states and Russia. Second, it also highlights how membership in the Union provides countries like Luxembourg with significant leverage. Examples include the issue of visa-free travel, which was supported by the private sector, and also restoring direct flights between Moscow and Luxembourg. However, the Ambassador also acknowledged that EU-Russia relations could be better. The trouble is that we are speaking about deepening ties but they lack concrete action. So it is important not just to be more pragmatic but also more efficient and effective. There is a real deepening of bilateral relations at all levels (political, economic and cultural), so now is the time to make progress through significant decisions.

In his short remarks, Armand Clesse, Director of the LIEIS, suggested that things are rapidly changing not just in Luxembourg but also across Europe, especially in the periphery where the current and next generations will almost certainly be worse off than the previous two. In other words, the EU may not be able to live up to its promise of peace and prosperity. Moreover, relations with Central and Eastern Europe, as well as the EU's neighbours, are evolving, with much more uncertainty and volatility than at any time since 1989/1990. None of this helps ties with Russia.

Laurent Mosar, the (then) President of the Luxembourg Chambre des Députés, said that this would be his last speech as President of the Chambre des Députés. He reported that the Russian community is steadily growing in Luxembourg, both culturally and in terms of economic exchange. His Russian counterpart Sergey Naryshkin, Speaker of the State Duma, visited Luxembourg's Chambre des Députés earlier that year, as just one example of the many exchanges and bilateral visits that were held at all levels. The Grand-Duchy is a haven for financial investment. For Mosar, Russia is a friend and a partner of Luxembourg, since Moscow has been a major player helping in securing peace and security, such as recently in Syria. He expressed his hope that the EU would step up to the plate. On the issue of democracy and human rights, he said that good friends need to be frank and openly discuss their differences, and that's what Luxembourg and Russia have done. He concluded by wishing the conference participants fruitful discussions.

## II. EU Member States and EU-Russia relations: lessons from past failures for future success

The first session of the conference focused on recent relations between the EU and Russia, with a special focus on what both sides can learn from setbacks and failures in order not to repeat the same mistakes but instead progress ahead. Based on two presentations (by Vyacheslav Nikonov and Richard Sakwa), the discussions covered a wide range of issues and offered different perspectives on the reasons for recent failures and on the conditions for future success.

### *1. Presentations*

Vyacheslav Nikonov, Chairman of the Management Board of the Russkiy Mir Foundation, began his remarks by saying that in Western Europe, Russia is perceived as being outside of the wider European space. This flies in the face of some fundamental facts. Russia is the largest European country, in terms of territory, population and economic size (according to Purchasing Power Parity). Gorbachev's bold vision of a Common European Home has not come true. Today the relationship is neither easy nor linear nor dramatic. Russia is quite relaxed about the EU, even if the reverse is not always true.

It is worth remembering the following facts: Russia is the EU's third largest trading partner, and the Union of 28 is Russia's single largest trading partner. The EU is the biggest investor in Russia, with foreign direct investment from Luxembourg especially significant since the Cyprus debacle last year. Within the Union, Russian is spoken as much as Spanish, and it is the preferred destination of Russian tourists.

Historically, bilateral relations were absolutely key for many centuries, but Europe is losing geopolitical importance. We are witnessing the rise of the East and the emergence of a multipolar world. For some time now the EU has been determined to strengthen the Union's eastern dimension (without Russia), while Russia is increasingly involved in other organisations such as SCO and of course will not join the EU or NATO.

As far as the post-Soviet space is concerned, success is defined for Moscow in terms of how friendly countries are towards Russia and how distant they are from Brussels. Far from being self-serving, this is above all in the interest of the countries themselves. Indeed, EU accession for Ukraine and Georgia would contribute to their economic decline, as it already has done for Bulgaria and Romania since 2007. On the issue of democracy, human rights and LGBT rights, these are just not very high on the agenda of ordinary Russian citizens. Compared with Saudi Arabia or China, Russia is most certainly a democracy, albeit with deficiencies. It is for the Russian people to decide how to evolve.

There are certain continuities since the 16<sup>th</sup> century in relations between Russia and its European partners, which include a measure of distrust, hostility and a lack of mutual understanding. Yet, at the same time, much cooperation is already in place and there is plenty of potential for deepening and broadening ties – from nuclear disarmament to industrial relations, V. Nikonov concluded.

In his presentation, Richard Sakwa, Professor of Russian and European Politics in the School of Politics and International Relations at the University of Kent, said that the immediate

context of EU-Russia relations is the forthcoming Vilnius summit and the Union's eastern partnerships, including the offer to sign association agreements with both Ukraine and Georgia. This, coupled with the ongoing turmoil within the euro area and the EU's lack of strategic direction, has generated much talk about Europe's moment of crisis. However, one key etymological meaning of *krisis* is 'a moment of reflection'. Therefore, both the EU and the rest of Europe should confront the following two fundamental questions: first of all, where are we and, secondly, where are we going?

Referring to V. Nikonov's point that Moscow is quite relaxed about the EU, R. Sakwa said that being relaxed is good but there is no common basis or vision between the Union and Russia. Overcoming the logic of conflict was our common endeavour, both after 1945 and 1989, but instead the EU is reproducing conflict, perpetuating new forms of contestation with Russia within their shared neighbourhood. How so? The Union is now becoming post-normative, i.e. the very principles on which EU was established are changing. Indeed, the Union's very normative basis is becoming the instrument of contestation and conflict, e.g. the language of democracy and human rights as part of civilisational tensions with Russia and other countries.

In this light, it is possible to distinguish two models of politics: first, axiological politics and, secondly, dialogical politics. Axiological politics refers to a model of politics whereby we know what's best for us and for others. It consists in dictating homogenous standards or values to others. By contrast, dialogical politics concerns genuine, mutual understanding and a great deal of listening to others. The EU and Russia need a dialogical politics that makes space for particularity and political subjectivity, so that people and countries can recover a sense of agency and the ability to shape the future, not follow it. However, the trouble is that the EU is no longer seen as an honest broker.

## 2. Discussion

The discussion that followed these two presentations focused on four issues: first, the nature of dialogue and conditions for a dialogical approach to EU-Russia relations; second, the place of the wider Europe in the emerging world (dis)order; third, (new) dividing lines between the Union and Russia; fourth, concrete obstacles to better EU-Russia relations.

On the first issue (dialogue), Christopher Coker, Professor of International Relations at the London School of Economics and Political Science, argued that there is an EU value system, which can be summarised in terms of consensus politics, multiculturalism and detaching social contract from national narratives and thus nations from states. This will further exacerbate the crisis of legitimacy that is engulfing the Union and, in turn, will either lead to disintegration or a great leap forward. Germany will prevail in her determination to deepen EU integration and this will help dialogue with Russia. Dialogical politics is very important. Far from ignoring values, such an approach seeks to reframe the dialogue, insisting on the consistency between values and practices, which would provide the basis for real exchange and cooperation. Geopolitically, the EU and Russia are competitors, e.g. in the eastern neighbourhood. That is why they need a coherent reframing to enable a more useful and constructive exchange, in a non zero-sum game.

For his part, Pasquale Policastro, Professor of Constitutional Law in the Department of Constitutional Law and European Integration at the University of Szczecin, said on dialogue

that, what we need is not new blocs on both sides, but rather people who have greater facility to understand each other. Dialogue between experts is key but what is missing are the parliaments. Instead of constraining legislation, we need greater parliamentary and civic engagement. Crucially, EU member states and Russia should encourage and promote the creation of new institutions, such as interregional interdependent institutions.

On the second issue (the role of the wider Europe in the world), Adrian Pabst, Senior Lecturer on Politics in the School of Politics and International Relations at the University of Kent, argued that we live in a post-European world, not a post-Western or post-US world. It is true that the US economic power and political authority have gone down in relative or even absolute terms, but the United States remain the sole military superpower. By contrast, both Russia and the EU are in decline geopolitically and geo-economically. They lack the demographic weight and innovation to compete with the USA or China. Crucially, the centre of international affairs has moved from the Euro-Atlantic to the Asia-Pacific space. Without each other, the Union and the Russian Federation will be increasingly marginal. For these and other reasons, the two have no longer the luxury to go separate ways.

András Balogh, Professor and Head of the Modern World History Department at the Eötvös Lóránd University, suggested that we could not go back to the Cold War era. Russia is obviously part of European history and Europe's overarching cultural and civilisational space. The question is whether we can go on living while ignoring each other. Russia will not be a member of the EU but the difference between them is not at the level of values. One key issue is that the EU is not a state and that the EU member states are firmly integrated into the Euro-Atlantic architecture. Russia is a nuclear superpower and an independent foreign policy actor, whereas the EU is not. The EU must improve its more important forms of partnership with Russia beyond the current offer, otherwise the relations may by default slip back into Cold War dynamics. Since neither side accepts undue pressure from the other, what is needed is to restore and create trust and confidence.

On the third issue (old and new dividing lines), Heinrich Vogel, former member of the Executive Board of the “Stiftung Wissenschaft und Politik” in Berlin, said that human rights are not the same as LGBT rights, but even accepting some social and cultural differences does not change the fact that it is hard to find a common basis for better EU-Russia relations. Generally speaking, punitive action from Russia's side is not helpful. A purely bilateral approach to circumvent Brussels will not work either because there are divisions among EU members that will block the Union on the issue of relations with Moscow. None of this inspires much trust and cooperation. Linked to this is a loss of trust in the functioning of the international order and institutions. Despite its own problems and bureaucratic inertia, the EU alone is able to set a positive agenda and the first actor to prevail in a non-zero-sum game. What the Union needs is not only soft power but also hard power. Loose talk about a post-European world is unhelpful.

For her part, Olga Potemkina, Head of the Department of European Studies at the Institute of Europe of the Russian Academy of Sciences, recalled that it was Gorbachev who introduced universal values, but soon they were proclaimed by the EU as exclusively European values from which, according to some, Russia is excluded. Meanwhile, at a recent OSCE meeting on free movement and human rights there were no mutual recriminations and accusations, except for very few exceptions. In fact, similar issues related to human rights and gender equality can be observed across the EU and Russia. That is why it is crucial to reframe the EU-Russia relations by placing a greater emphasis on a cooperative approach to human rights.

Janusz Onyszkiewicz, former Member of the European Parliament, argued that Russia no longer has anything like a global status, except for nuclear weapons. But if you leave aside the US, then, Russia matters far more to the EU than any other country. But does Russia have an integrated approach to the EU? Does Russia behave like a ‘great power’ pushing around smaller powers and playing them against one another? Moscow needs to see the EU as a single entity, not just the sum of its parts. Balance of power is usually a response to a perceived threat. Europe needs a change of philosophy. We must work at the level of the whole EU as well as all the individual member states.

On the fourth issue (obstacles to better EU-Russia relations), Vladislav Maslennikov, Deputy Director at the Department of European Cooperation at the Russian Ministry of Foreign Affairs, contended against H. Vogel that it is not true to say that Russia is bilateralist and ignores Brussels for as long as possible. Russia’s EU representation is the largest embassy compared with all the national embassies in EU member states. Moscow views the EU as a multi-faceted, multi-layered organisation that requires a multi-pronged approach. The Union’s democratic deficit is not just an institutional issue but also one of policy, e.g. the new energy package, freedoms within the common justice space, etc. Russia is not trying to play member states against the EU institutions. It is a question of gaining support on all sides. The principle cannot be the lowest common denominator. For example, the Partnership for Modernisation was first established with the Commission and then with most member states. It is a good example of how to cooperate.

Marc Franco, Former Head of Delegation of the European Commission in Russia, said that EU-Russia relations have for some time now been characterised by a mismatch of perceptions and expectations. The EU expected Russia to evolve towards a Western model of democracy and market economy but instead it has seen a resurgence of authoritarianism, weaker human rights and aggressive nationalism towards its neighbours. For her part, Russia expected the EU to deliver on its promise to develop economic ties, but progress was exceedingly slow – with the split between member states and the EU, which Russia skilfully exploited. In the relations between Russia and the EU, there is in some sense a dichotomy: the EU insists on values and on the alignment of the regulatory framework, whereas the member states promote their economic interests (investment, trade, etc.). Therefore, political issues with Russia tend to be concentrated on the EU, instead of EU member states. Every technical or trade issue tends to become a political problem, in contrast to relations EU-US for example, where trade disputes are handled pragmatically at the level of diplomats and experts.

According to Leonid Grigoryev, Associate Professor at the Faculty of World Economy and International Affairs at the Higher School of Economics, for 10 years Russia lost over 43% of its GDP and especially suffered the consequences of ‘brain drain’ – with the best Russian minds studying and working in Europe and the USA. In the 2000s Russia emerged from a terrible crisis, and today Russian society is in a much better shape than expected. So it makes no sense to say that Russia has not lived up to expectations, on the contrary. In fact, Russian history is so appalling and its horrors are unknown to most Europeans. In short, it is a problem of the elite (media, politics, etc.) and lack of leadership.

### 3. Responses to comments and questions

In conclusion of the first session, V. Nikonov repeated his earlier point that Gorbachev's vision never happened and other attempts have failed, yet a new institutional framework is still necessary. The common denominator is, indeed, very low when one considers the EU-Russia summits. Similarly, the Russia-NATO council tends to disagree, whether about the war in South Ossetia or the anti-ballistic missile shield. There is a gap in values, in terms of universalism and all sorts of Western ideologies (communism, nazism, fascism, racism, etc.), which means that the West has no monopoly over universal values or principles. Most worryingly, killing 1 million Iraqis, bombing Libya, keeping Guantanamo Bay open or persecuting whistleblowers are neither very good ideas. The West is not always right, the USA is not a 'shining city on the hill' or a 'beacon of democracy to the nations'. Russia has her own challenges in terms of democracy, but it is not authoritarian. We are equals, V. Nikonov said.

M. Entin intervened to say that we have emphasised problems but not the various success stories. First of all, Russia held the chairmanship of the G20 in 2013 and will chair the G8 in 2014. Among the concrete results (based on working groups and a strong focus on common policies), common action was pursued with the EU against tax havens, on Syria and on pragmatic cooperation in the areas of space exploration, agriculture and standard setting, etc. A new European Studies Institute was created by the Presidential Administration and the European Commission. Much progress was made at the level of the UN on a whole range of issues, such as drugs trafficking. So are the problems in EU-Russia relations linked to lack of knowledge? This does not seem to be true, as there is much mutual information. Rather, it appears to be a problem of lack of trust on questions of responsibility. The EU is a regional power as opposed to a world, global power. But there is a misperception: Russia is seen either, as a continuation of the Soviet Union or of the situation in the 1990s. Therefore we are confronting a gap between real and perceived interests. Concrete cooperation is needed to close this gap. We need to adopt good practices, identify interests, find strategies, develop a culture of cooperation and achieve results.

## **III. Common interests, rival values? Trade, energy and the partnership for modernisation**

The second conference session focused on the tension between interests and values – with a specific emphasis on trade, energy and the Partnership for Modernisation. After L. Grigoryev's presentation there was a wide-ranging discussion of various issues, including reforms and the need for diversification.

### 1. Presentation

In his presentation, L. Grigoryev briefly sketched the context of Europe's economic situation before analysing the issue of energy. Following the deep recession in Europe, including the unresolved eurozone crisis, the European continent is not really moving towards a green economy. This is not the result of abnormal price fluctuations but rather the outcome of political choices. First of all, the gas-to-coal switch is real and happening around Europe. Secondly, solar and wind power are inherently limited because of weather conditions, so a huge reserve capacity is needed to make them viable. This will always affect countries such as

Germany, which have promised a move away from fossil fuels and the carbon economy. Third, ‘fracking’ and the so-called shale gas revolution are proceeding apace in the USA but not necessarily in Europe. It is far too soon to say whether this marks a permanent change.

Based on the projected oil and gas consumption in OECD countries, it is hard to imagine that Western and Central Europe will not need Russian energy supplies. On the contrary, Russian gas will become increasingly, not less, important. Crucially, the EU needs €1 trillion to modernise its energy infrastructure in the next 20-30 years. But the vested interests of energy companies and other structures tend to limit investment. There is some renewable energy in Russia, but it is small and some of it is being exported to Europe. Are not the Europeans doing damage to themselves? Brussels is not always right. The EU may harm the prospect of Europe itself.

## 2. Responses

There were three main responses to L. Grigoryev’s presentation. First of all, M. Franco argued that giving Gazprom monopoly status is bad for Russia and the rest of the world. It harms the development of gas production in Russia, in particular from independent suppliers. Gazprom is badly managed – because of the lack of competitive pressure, its pricing policy lacks transparency – and it is too close to the interests of the political class. Contrary to Russian perception and accusations, EU legislation is not anti-Gazprom. Competition policy (and its handling of “dominant position”) goes back to the Treaty of Rome. In a Common Market a level playing field has to be ensured for all participants. ‘Unbundling’ of major public utilities (including energy) has been ongoing in the process of establishing the Single Market. Since the crises of 2006 and 2009, the EU’s energy policy has moved on quite a bit, *inter alia*, due to the perceived lack of reliability of gas supplies from Russia. It is difficult to understand what Gazprom’s problem really is. Like all companies operating in the EU market, it has to comply with the rules. Moreover, it is doing quite well not only as a supplier but also as an important investor in transport and distribution. That Gazprom cannot own transport networks is normal: no country (and certainly not Russia) would allow foreign interests to control crucial infrastructure.

Second, Nikolai Kaveshnikov, Head of the European Integration Department at the Moscow State Institute for International Relations (MGIMO), contended that Russia talks to both the EU and its member states depending on competence and issue, including in the complex field of energy. There are several myths. One is about values, because the EU is no more committed to competition in agriculture as it is in the energy market. Indeed, ‘unbungling’ has been applied in very arbitrary ways. There are thus inconsistencies in the Western case. Another myth concerns the cost of gas in Europe. Gas is expensive not because of Gazprom but because of the existing infrastructure and the legal/regulatory regime. For example, Gazprom received only 34% of money paid by EU households in 2009. There is insufficient investment, both in Russia and in the EU. It is true that Gazprom is badly managed but high prices are not Russia’s responsibility. A third myth was that Moscow simply cut off gas to Ukraine and Central European countries. The problem lay with Ukraine’s refusal to pay for gas supplies from Russia. Nord Stream was in large part a response to this transit crisis, paid for not only by Russian, but also by German, Dutch and other investors.

Third, J. Onyszkiewicz suggested that energy is often misunderstood: Europe can extract oil from the North Sea, the Middle East and North Africa. Therefore it does not depend nearly as

much on Russian gas as is commonly supposed. Nevertheless, common interests between the EU and Russia extend to shared markets and even security (including security of supply). Greater trust requires more transparency and cooperation. The new proposed pipeline involving Poland was aimed at circumventing Ukraine, which was unacceptable for Warsaw. For the time being, the main obstacle to better energy relations is the sheer extent of corruption and the lack of transparency by the Russian side.

### 3. Discussion

In the discussion, three issues were prominent. First, the reliability of Russian supply; second, the question of investment; third, the geopolitics of energy and trade.

On the first issue, Russia is still the main, stable supplier of energy to Europe – compared to North Africa and the Middle East (Nina Bachkatov, Visiting Professor at the Faculty of Law and Political Science at the University of Liège). Moscow is a reliable partner and it has never used energy as a political tool (V. Nikonov).

On the second issue, there were many missed opportunities in a context of mutual interdependencies. The gas crises of 2006 and 2009 were transitory problems resulting from lack of trust. It was bad for all sides, including Ukraine (N. Bachkatov). It is encouraging to know that Russia is no longer just spending the windfall gains that it makes from consistently high energy prices, but, instead, it will have to invest these profits in its capital-intensive production (H. Vogel).

On the third issue, dialogue with influential EU member states is more relevant than with politicians like van Rompuy, Ashton, etc. because they lack authority and power. Russia is not trying to split the EU or the transatlantic alliance. If there are disagreements within the Union or NATO, it's not because of Russia – as the cases of Iraq or Libya illustrate. Perhaps geopolitics is not a zero-sum game, but it takes two to tango (V. Nikonov).

## **IV. Beyond East-West? Potential for cooperation between the EU and the Eurasian Union**

The third session turned to the question of overcoming the East-West divide and the potential for cooperation between the EU and the Eurasian (Economic) Union. R. Sakwa's presentation was followed by a number of responses and a discussion about certain issues, such as the coherence of the Eurasian integration project and the implications for EU-Russian relations.

### 1. Presentation

R. Sakwa sought to provide some conceptual clues and addressed one fundamental question: what is the Eurasian (Economic) Union? What is it not? By pursuing close ties with certain countries in its neighbourhood, Russia is looking for more options, away from both the EU and China, towards a greater support base in Eurasia. It is the most ambitious project in the post-Soviet space, closely connected with Putin's return to the presidency and his third term. However, this is not Hillary Clinton's claim about a re-creation of the Soviet Union. Rather, it constitutes a Eurasian analogue to the European Economic Community (and later the

European Community and then the EU) – with a supranational dynamic. As such, it is a complement to the EU, not a substitute for it.

All this is separate from the question of whether it will work as an alternative complement. Here there are numerous doubts. Neither Belarus nor Kazakhstan are hugely enthusiastic. Russia's preponderance makes this project very difficult. At the same time, it offers a response to the deadlock on the Western side, and even the rise of China in the East, which is spectacular by any measure. The Eurasian (Economic) Union is a response to the new neighbourhood and to the EU's Eastern Partnership policy. Therefore, this project raises questions about border formation and the emergence of new divisions. From Moscow's perspective, the EU's Eastern Partnership was a revisionist step, drawing new boundaries, by perhaps exacerbating the danger of splitting countries such as Ukraine.

Here it is instructive – according to R. Sakwa – to refer to the idea of a Union of Europe that has been developed by some of the members of the Valdai International Discussion Club. The key point is a multi-polar Europe, with an EU-centred pole, a Moscow-centred pole and a third pole centred on Turkey. In turn, this leads to the issue of bi-continentalism. Two key types of bi-continentalism are emerging. Firstly, Russia's 'pivot to the East', as evidenced by its swift re-orientation of energy sales to China, and, to a lesser degree, Japan. Secondly, the plan for an intensification of the transatlantic free trade area, signalled by the beginning of the Transatlantic Trade and Investment Partnership (TTIP) negotiations.

In its current configuration, TTIP would be an agreement with a power that fundamentally repudiates European values (e.g. GM crops, health standards, etc.) – part of a neo-liberal logic that failed so conspicuously in 2008. Far from being anti-American, this argument insists on Europe's difference. Economically, Europe was shaped decisively by Catholic social teaching, not Lockean individualism. Similarly, Europe used to be committed to Karl Deutsch's idea of a security community, not a unilateral anti-missile defence shield.

Finally, on the issue of 'soft power', Joseph Nye recently argued that only the US has soft power – an idea that emerged from the realist tradition of IR based on a hegemonic vision. Against this competitive logic, the EU used to uphold a cooperative logic. But that raises the question of how to include Russia in a wider European project, R. Sakwa concluded.

## 2. Responses

In his response, V. Nikonov commented that this is a most unusual topic because the Eurasian Union does not as yet exist. He himself never had such discussions with Western colleagues. Interestingly, most people do not know the difference between the various bodies (Council of Europe, EU, etc.). Politically, the Commonwealth of Independent States (CIS) is the main institutional framework. It still exists, but it does not work very well. Economically, the Eurasian Economic Union concerns the creation of a Customs Union, including free trade between Russia, Belarus and Kazakhstan – with the ambition of becoming a common economic space that possibly includes Armenia, Tajikistan and perhaps even Turkey and India. In terms of security, some CIS states have set up a body called the Collective Security Treaty Organization (CSTO) and some of them (as well as others) have created the Shanghai Cooperation Organization (SCO). Typical reactions and objections include, first of all, that these projects are impossible or, secondly, that they are nostalgic or reactionary. And when it comes to the SCO or the BRICs, it is worth noting that neither organisation is recognised as

such. Cooperation takes place only among and between individual states, with little or no institutional underpinning. Recently, a new organisation has been created with Mexico, Indonesia and Turkey. Notwithstanding this proliferation of new groupings, Russia is clearly positioning itself as a Euro-Pacific power.

A. Pabst argued that the plethora of supranational projects and inter-regional organisations have to be understood in the context of a growing backlash against the dominant model of globalisation. What we are seeing in the case of ASEAN and Mercosur is an attempt to promote cooperation and integration as opposed to the logic of neo-liberalism, which rests on a complicit collusion of big government with big business. Neo-liberal globalisation also marks the primacy of space over time, in the sense that global finance may abstract from the real economy but ultimately needs to be secured against material values (e.g. financial instruments, such as derivative trading, needs to be secured against physical values, such as real estate or commodities). By contrast with this capitalist logic of de- and re-territorialisation, cooperation and inter-regional integration privilege time over space – the pursuit of shared ends, such as peace and prosperity, over time with an inclusive group of countries. Finally, the model of integration that has underpinned the process of European integration and enlargement is based on the neo-functionalist idea of spill-over effects from economic interaction to political cooperation. This contrasts with other models, according to which cultural and social ties are indispensable to the trust and cooperation on which a robust political project depends. This matters to various ideas for a wider Europe: what has happened to the bonds and ties that bind all Europeans together? How can they be mobilised to build a project that includes Russia?

### 3. Discussion

In the discussion, the following interventions were made. First of all, V. Maslennikov said that Eurasian integration is a strategically important vector of Russian foreign policy and as of 2015, quite a few competencies will be transferred to the supranational level. The members are engaged in a number of complex trade and customs issues, as well as investment flows. Far from being an anti-EU project, the Eurasian Economic Union was proposed long before the Union's Eastern Partnership. Since Russia has no intention of joining the EU, why offer it the same arrangement as (potential) candidate countries by extending an invitation to the Eastern Partnership?

Second N. Bachkatov suggested that in the case of Russia the habit of favouring competition over cooperation is firmly established and here to stay. Indeed, we are witnessing ever-greater Russian influence across the former Soviet space. The EU has often been taken by surprise in relation to the evolution of the post-Soviet space. It was the Kazak President Narzabayev who proposed the project of an Eurasian Union, a romantic vision that harkens back to Soviet times. The EU and Russia have both escalated this looming conflict over their shared neighbourhood and ratcheted up tensions.

Third, J. Onyszkiewicz contended that Russia is not part of the EU's Eastern Partnership because she refused to join. There is now a clear danger of authoritarian consolidation, such as in Belarus and also elsewhere.

Fourth, Anton Ilin, European Representative of the Russkiy Mir Foundation, disagreed with those participants who spoke about Russia refusing to take part in the EU's Eastern

Partnership, saying that Russia had already refused to join the (former) EU neighbourhood policy. After all it was the former Commission President Romano Prodi who said that Russia shares with Europe everything except institutions. Of course Russia received the European Christian civilisation directly from the Byzantine Empire, thus, it does not depend on the West for the achievements of Antiquity, the Middle Ages and the Renaissance. The current leaders of the EU may not be great statesmen and stateswomen but the founding fathers have left an impressive legacy, including Jean Monnet. Russia respects very much this heritage but it is more sceptical about the contemporary state of affairs. So, what are the obstacles for the Eurasian Union? First of all, direct EU opposition. Second, the EU's Eastern Partnership (e.g. Ukraine). Eurasian integration is a real opportunity and holds potential, but it is not fulfilled or realised. Finally, today's conception of human rights is totally different from its origins, because it is libertarian, not universal and not concerned with perennial principles, such as human dignity, the inviolable character of the person and other Christian ideals.

Fifth, O. Potemkina pointed out that Russia is becoming more post-modern by transferring several national competences to the supra-national Eurasian Economic Commission, which theoretically should be appreciated by the EU. However, there is no enthusiasm or support for new projects such as the Eurasian Economic Union. Meanwhile, the reality of the multi-polar world demonstrates that besides the EU and the USA, other actors emerge which are able to make attractive economic and political proposals. A country just needs to decide which proposal is more competitive. It makes the powers work upon their own role, image and place in the international arena.

Finally, M. Franco stated that in principle the Eurasian integration process should be welcomed, although there are some doubts as to whether it will work or not. The EU's position, tending to ignore the initiative, is not coherent with EU's overall policy to support the development of regional cooperation schemes in other parts of the world. As far as the present conflict around Ukraine is concerned, the signing of an Association Agreement, including a Deep and Comprehensive Free Trade Agreement, should not be problematic because it leaves open the participation in and further development of the CIS-Free Trade Agreement. However, participation of Ukraine in the Eurasian Economic Union is problematic because it is a customs union and, therefore, precludes the participation of Ukraine in other free trade initiatives.

## **V. Allies or rivals? Security, conflict management and global challenges**

The fourth session focused on geopolitics and common global security challenges for both the EU and Russia. C. Coker's presentation gave rise to a lively debate that covered a vast array of issues, including the anti-ballistic missile defence shield.

### 1. Presentation

C. Coker made three points. First, he stated that the security links between the EU and Russia are at an all-time low. According to Bill Clinton, the West and Russia have hit the 'pause button'. Viewed from the EU, Russia is guilty of bullying neighbours, intimidating the Baltic States, engaging in provocative military manoeuvres in the skies over Stockholm, etc., and also issuing veiled threats to Ukraine's unity. But the West also faces difficulties and accusations, whether over the aerial bombings during the 1999 Kosovo war, or the vast

vandalism in Iraq and Afghanistan, or Obama’s proposed ‘drive-by shooting’ in Syria, or, again, the absence of strategic thinking.

Second, there is no shared geo-political culture that binds Russia and the West together. Both are anchored in particular histories that are mutually conflicting – whether in the 19<sup>th</sup>, the 20<sup>th</sup> or the early 21<sup>st</sup> century. Linked to these are very different strategic narratives that are unlikely to change anytime soon. Another aspect of this lacuna is the ‘revenge of geography’, as opposed to the dominant model of globalisation, as Robert Kaplan has argued in his recent book *The Revenge of Geography*. Bound up with this is the contrast between conventional security and the EU’s focus on ‘human security’, telling ourselves increasingly implausible stories about the nature of the threats and risks confronting our societies.

Third, there is a growing gap between a cosmopolitan Europe and a communitarian Russia. Whereas the EU tends to follow Kant and Rousseau on questions of overcoming the nation-state and building a post-national identity, Russia is much more Hobbesian and close to counter-Enlightenment thinkers, such as Joseph de Maistre, emphasising the national community against foreign and minority influence. In the 1990s, the US unipolar moment and later EU multilateral moment seemed to displace communitarianism in favour of liberal or neo-conservative interventionism. However, as the West turns away from its interventionist stance, the new conflict with Russia is increasingly over the issue of ‘soft power’: Moscow rejects the ‘regulatory imperialism’ (i.e. the use of NGOs by Western governments), which has become an instrument even of power politics and hard power.

Two conclusions arise from these three points. First, there is a competitive relationship between the EU and Russia, which is not unlike the relationship between China and the US. Both sides are neither partners nor enemies. But competition does not have to be a zero-sum game. Second, other neighbouring countries are not locked into alliances. Rather, they have choices (e.g. Kazakhstan with Russia, China, SCO, India and even possibly the US).

## 2. Responses

In his response, J. Onyszkiewicz argued that in Russian military thinking, there is still confusion between capabilities and intentions, i.e. that if a country has options, it may be tempted to use them. For example, missile defence could give the US the possibility of launching a first nuclear strike. More worryingly, Russian military spending has soared from US\$60bn in 2005 to US\$108bn in 2012. Third, even more frightening is the fact that the Kremlin is prepared to make use of pre-emptive war, such as in Abkhazia in August 2008.

Against these points, V. Nikonov contended that Russia is not alone in thinking about a nuclear first strike. Since the late 1940s, the West has had detailed plans to strike the Soviet Union (and later Russia) first. Indeed, Russia is part of a group of four countries on the US hit list (in addition to Iran, North Korea and China). Moreover, Russian military expenditure is still small by comparison. NATO represents 75% of global military expenditure. Events in Abkhazia are analogous to Kosovo.

### 3. Discussion

On the issue of the anti-ballistic missile defence shield, A. Clesse insisted that the widespread fears about the proposed project are unfounded because you cannot hit a bullet with a bullet. This is a very basic technological challenge, which no scientists in the world have even come close to solving. In terms of the ‘security dilemma’ idea, it is crucial to distinguish between a first and a second strike. In the context of deterrence, the key concept is Assured Destruction, not Mutually Assured Destruction or MAD – a polemical acronym coined by the Hudson Institute strategist Donald Brennan. We should not forget that massive retaliation was a genuine prospect in the 1950s, at least at the doctrinal level of the US and NATO. At the same time, Kenneth Waltz – just before his death – advocated Iranian nuclear weapons, because they would make the regime more responsible. In other words, there are different forms of deterrence, which are variously narrower or more extended. We are dealing with a combination of extreme rationality and total irrationality. Nuclear disarmament does not change the underlying logic and may in fact make the balance more delicate. There is no minimum deterrence because that would mean no deterrence at all.

In her brief intervention, O. Potemkina gave examples of ‘soft’ power cooperation between the EU and Russia. Anti-drugs cooperation in Eurasian has been recently very successful, breaking up a formidable drugs network that includes sources in China, as well as production in Russia and the EU member states. Two lessons can be drawn from this. First, trust is very important in this kind of cooperation, and it has been maintained on a bi-lateral level since the Soviet period. Second, the EU member states (and even the most difficult partners) trust Russia to exchange information on organised crime, but as soon as they come together in the Council, this trust disappears. That’s why the sides are not able to conclude the Agreement between Russia and Europol, which is vitally needed to add a European level to bi-lateral cooperation.

In conclusion of the fourth session, A. Pabst highlighted an analogy between economic and security cooperation. In each case (though for different reasons), there is an absence of shared community and shared institutions. This goes back to an absence of shared goals or finalities. Without some commitment to the pursuit of a joint *telos*, it is hard to see how the current stalemate can be overcome. What is needed is to break the vicious circle of mutual distrust and conflict – not just competition and rivalry, which is also true for allies like the US and EU member states. Here modern, post-Westphalian conceptions on national state sovereignty do not work. International affairs are far more fluid than an international system of sovereign states would suggest. Things are less absolute, as countries have sovereignty in some areas but either choose, or are forced, to pool sovereignty in other areas.

The Helsinki Final Act provides a historical precedent for new forms of cooperation. Today it may not be either desirable or feasible to revive the OSCE, but the US retreat from Europe and Central Asia may intensify the vacuum, which can either be filled by forces of extremism and escalation or by forces of reason and cooperation. The EU and Russia face a host of common threats: organised crime, terrorism, rogue states, financial risks, epidemics, etc. Brussels and Moscow have no real choice: either they cooperate or both will be worse off. Neither the status quo nor a carve-up of their shared neighbourhood is a viable option, A. Pabst concluded.

## VI. Relations between Russia, the EU and its Member States in a post-European world – towards a strategic partnership, *ad hoc* cooperation or confrontation?

The fifth session turned to the possible modalities of relations between the EU and Russia in the current and future context. The presentations by R. Sakwa, A. Gromyko and C. Coker were followed by a number of responses and a wide-ranging debate.

### 1. Presentations

R. Sakwa argued that ‘post-European world’ does not imply that Europe is not important or central, but that it is less central than in the past. However, the current phase of international affairs is characterised by two fundamental principles that are in contradiction with each other. On the one hand, the principle of modernisation has sought to transcend the logic of old-fashioned geopolitics and borders towards global civil society and cosmopolitanism. On the other hand, the logic of conflict, borders and ‘othering’ (‘us’ against ‘them’) is still very powerful. The clash of these two principles has led to multiple tensions within and between states.

For these and other reasons, it makes sense to speak of a Cold Peace, that is to say, the inability and/or unwillingness to unite the European continent and create the conditions for genuine peace and prosperity. At both the micro- and meso-levels, there is a lot going on between the EU and Russia – not just trade and energy cooperation, but also tourism, consumption, etc. But at the macro-level, there have been no key moves towards a real political community or a new institutional form.

Linked to this is the question of post-globalisation. Globalisation is an ideology, not simply a process of interdependence that will continue to proceed apace. Indeed, the process of internationalisation is progressing, and so is the process of universalisation in terms of human rights. But the ideology of globalisation, which was born in the immediate post-Cold War era, is disintegrating. The so-called ‘new center’ or ‘third way’ of Bill Clinton and Tony Blair was no different way at all. It was only ever neo-liberalism masquerading as modern social democracy that combines public investment with global markets. Today, global forces are no longer seen as external, given and unalterable. On the contrary, individual countries and groups of states are committed to the recovery of political subjectivity and autonomy, R. Sakwa concluded.

Alexei Gromyko, Deputy Director of the Institute of Europe at the Russian Academy of Sciences, began his remarks by saying that there are three different actors: Russia, the EU and the 28 member states. Within this triangle of relations, it is clear that the Union is not yet ready to present a strategic vision. That is why other powers deal directly with European capitals, not just Russia, but also India, the US, Brazil or China. On the idea of a post-European world, he argued that this has been the case at least since 1945 when Europe was eclipsed by two super-powers. Moreover, the two world wars weakened Europe much more significantly than the previous centuries. Since the end of the Cold War when Europe was still central to international affairs, we have seen successively the rise and fall of multilateralism, unipolarity and more recently a poly-centric or multi-polar order. Today we can say with some degree of certainty that there is no euro-centrism and not even a Euro-Atlantic centre. On the contrary, the old geopolitics of hard power has given way to the use of soft power as

the main instrument. Connected with this is the existence of international law, which is considered to be a ‘sacred cow’.

Among the three options mentioned in the title of this session, it is true that direct confrontation is part of some kind of scaremongering on both sides. *Ad hoc* cooperation is not the same as pragmatic cooperation and, therefore, not particularly desirable (though sometimes necessary and useful). The EU and Russia may not be heading towards a strategic partnership, but the pattern of their cooperation can be called systematic, i.e. spanning many areas even if it largely excludes geopolitical cooperation. Finally, the idea of a United Europe is no pipedream. The spectre of 1930s-style mass unemployment, especially among 18-25 year-olds in countries like Spain where the rate is around 50%, is back to haunt Europe and threatens social cohesion. In this context, a United Europe or a Greater Europe – linked to the shared European civilisation of which both the EU and Russia are an integral part – might not necessarily become a global superpower that can rival the US or China. However, it could be capable of banishing the ghosts of the Cold War.

For his part, C. Coker made a series of brief points. First of all, there is the cultural factor. For most Europeans, Russia is *of* the West, but not *in* it. By contrast, for Russians, it’s the other way round. Here Richard Nixon’s question about ‘who lost Russia’ is apposite. The West expected Russia to become westernised. Writing in the *International Herald Tribune*, Thomas Friedman recently argued that Russia is a *sort-of* Western country but *not really*. There is disappointment and anger about Russia that it has not taken this expected path. As one writer said to Vaclav Havel, we are not Indians to you cowboys; we are not the executors of your historical testament. Russia feels similarly about her relations with the West. At the same time, Russia is going through an identity crisis: is the country European? Eurasian? Russian-Pacific? Is it not the case that losing Ukraine and Georgia to the EU would be for Russia to lose her Western anchoring?

Second, how Western is the West? How European is Europe? The gay issue that divides Russia from the EU is not just an internal issue but also a reflection of a loss of traditional values. This, coupled with Russia’s nuclear weapons, pushed Moscow towards Washington DC, not Brussels. And in terms of size, Russia is much closer to the US than to Europe. The latter lacks geopolitical clout, while the former is serious (space, nuclear arms, relations with China), etc.

Third, Norman Angell died in 1967 thinking that he had won. But today it is banks that are in charge. As a result, society is characterised by enormous social fractures and fault lines. Indeed, economic interdependence goes both ways in relation to reciprocal risks. Fourth and finally, Noah Feldman’s *The Cool War* (between US and China) is about the changing nature of geopolitics and warfare. But the standoff between the EU and Russia is becoming institutionalised and mutating into a norm: cyber attacks in the Baltics, attacks on Georgia, the odd suspension of energy supplies to Ukraine; the intimidation of civil society, NGOs. Both sides are chipping away at each other’s foundation.

## 2. Responses

A. Balogh drew attention to the importance of terminology. First, the EU is not Europe. Russia is in the latter, but will never be part of the former. Second, the complex process of globalisation started after the colonial discoveries in the late 15<sup>th</sup> and the early 16<sup>th</sup> century.

The interconnectedness of the world is here to stay. Third, most Europeans do not have any emotional connection with Europe. Instead, both far-left and far-right movements are successful in painting Europe as the enemy. Fourth, more professionalism and less emotionalism are needed. Europe is known for its rationalism but this does not seem to extend to politics or relations with Russia.

M. Entin reported the discourse in Luxembourg. First of all, there is a widespread agreement that both the EU and the eurozone are in decline in terms of output, world production and, above all, demography. Europe, especially the Russian part, needs to confront the fact that its share in the global population is small and that it has a rapidly ageing population. Thus, greater unity within the EU and better relations with the outside world are necessary. Second, the extent of deindustrialisation is worrying. In Luxembourg industry represents just 6% of national output. So more investment is required, which also favours closer ties with Russia. Third, the policy of austerity was a mistake in the way it was implemented, creating chaos and misery for 10 years or longer. More unity and cooperation are badly needed within the EU and with its neighbours.

Fourth, the fact that the most unhappy people in the world live in Europe speaks volumes about the parlous state of the ‘old continent’. Finally, the loss of identity on the part of Europeans is a dangerous development. For all these reasons, the EU needs to rethink its own internal organisation, its role in the world and its cooperation with friends who share its culture. Better relations with Russia also require that Brussels recognises the interests and values of its partners and implements standards consistently, M. Entin concluded.

In his intervention, J. Onyszkiewicz made the point that there are three areas where more mutual understanding and trust are needed. First of all, trade and energy; second, the common neighbourhood and the so-called ‘frozen conflicts’, which are issues of division; third, security, an area that requires greater transparency and higher levels of cooperation, because countries such as Poland or the Baltic States are not Cold war warriors. In order to achieve more stability, it would be crucial to take three concrete steps. In the first instance, returning to the issue of conventional forces in Europe and enhance both transparency and verification on site, while, at the same time, recognising Russia’s legitimate concerns. Thereafter, addressing the issue of nuclear and tactical weapons NATO’s storage sites of warheads are known, but not on the Russian side. Finally, dealing with the thorny issue of missile defence: why not for Russian and NATO officers to work together at the level of command structures to collect and analyse data?

For his part, A. Clesse argued that Russia is rightly criticised in the West for its political system, but are we not witnessing a steady erosion of freedoms in the West? Is it not the case that we are taking away freedoms in small, homeopathic, incremental ways? Perhaps we are not aware of it, but there are more and more humiliations in daily life. Johan Galtung calls the USA a semi-fascist country. The word may shock, but is it wholly wrong? There are things that are profoundly problematic in Russia and with Putin, but what about Manuel Valls’s quasi-fascist discourse overtaking Marine Le Pen on the right?

H. Vogel suggested that across Europe there are Russia empathisers vs. Russia haters. But does the EU have a real choice between cooperation and confrontation? First of all, both are neighbours. Secondly, shared interests in relation to stability, peace and prosperity. The trouble is cooperation. Modernisation seems to be promising, but what kind of investment? Which sectors? Skolkovo encapsulates the poor record. Statistics on patents and Russia’s

structure of exports all bode ill. What is needed is real cooperation on innovation – not just some beacon projects.

In his remarks, Valery Smirnov, Permanent Representative to the European Public Law Organization, proposed some concrete steps to improve relations. Here the example of Greece and Russia in the last year is instructive: trade has soared from US\$1bn in the past to US\$6.5bn in 2012 and more than US\$7bn projected for 2013. For instance, tourism has grown from 200.000 Russians to 1 million Russian tourists in 2013 in just four years. The forthcoming Greek presidency of the EU will seek a renewed commitment to bring about visa free travel (people movement) and also provide concrete content to the EU-Russia Partnership for Modernisation.

Mario Hirsch, political scientist and an expert of the Middle East, contended that there are four recent cases, which are success stories in the West's cooperation with Russia. First, Libya where many Western countries now recognise the failings of the Franco-British intervention, which marked the worst kind of neo-colonial gunship intervention leaving the country in a worse state than at any point under Col. Gaddafi. Second, the deal between Serbia and Kosovo, which was not just a rare success for Catherine Ashton but which would have been impossible without major Russian support behind the scenes – something that Moscow did not publicise. Third, Russia's diplomatic offensive to prevent Western military strikes against Syria and push the Assad regime to give up its chemical weapons. Fourth, Russia's constructive position on dealing with Iran's nuclear ambition. Both Kosovo and Iran are excellent examples of successful constructive *ad hoc* cooperation with Russia. Nobody should underestimate the power of diplomacy and Russia's ability to deliver on her own commitments to stability and non-proliferation of WMDs.

## **VII. Where to go from here? Conclusions and policy recommendations**

The final session featured a number of tentative conclusions and provisional policy recommendations. Based on a number of short presentations, the discussions touched on issues of institutions, politics and policy.

### 1. Presentations

In his remarks, C. Coker said that occasional talk about strategic partnerships between the EU and Russia ignores the reality that we find ourselves unable on both sides to think strategically. Conflict avoidance would be a good start. According to Edward Luttwak, 'strategic autism' is attributing conflict to the other and blaming them for doing it, e.g. in the 'near abroad', which is at once Russia's 'backyard' and the EU's Balkans. In addition to 'strategic autism', the EU and Russia also suffer from the 'strategic deficiency' syndrome. When it is not about being able to manipulate others to get your interest, then it's about social intelligence. That includes, first, empathy (putting yourself in other people's shoes) and, secondly, emphatic listening, which is absent because all parties involved are axiological powers.

Moreover, on the issue of soft and hard power, the EU has tried to be a different kind of power but it now faces a normative crisis. By contrast with both the EU and Russia, China operates a tributarian system that has evolved significantly over time. In the past, Beijing used to deploy soft power buying off others. Later this collapsed when nomadic tribes invaded

using hard power. In future soft power will work for China in parts of Asia but not with others (e.g. the USA). Russia still thinks in hard power terms and seems unable or unwilling to listen to others – or both at once. Both the EU and Russia live in the most dangerous part of the world. The US can choose isolationism and China will extend a protective umbrella, leaving EU and Russia with some of the most volatile areas of the globe. But according to a report by the European Council on Foreign Relations entitled ‘Europe’s Strategic Cacophony’, the EU is ill-equipped to deal with this challenge.

Elsewhere, Brazil will be like Argentina, the country that never arrived – though with the happiest people. Meanwhile Europe will have the least happy people doing hard power. India will not get its act together. Certain African states are growing but are too unstable to matter globally. For all these and other reasons, Russians and Europeans – who live in a common neighbourhood – need to find commonalities, C. Coker concluded.

M. Franco focused on regional blocs as the mediating instance between globalisation and nation-states. This potentially applies both to the EU and the emerging Eurasian (Economic) Union. European integration is not to be blamed for the economic crisis in the EU member states. On the contrary, the Union is an essential part of the solution, as bigger markets and integration through trade will better equip EU member states to compete in the global economy. Since the start of the European Integration process, all problems have been solved by further integration and transfer of more sovereignty from the national to the EU level. But in the present crisis, solutions involving less Europe are also possible (cf. the 2017 UK referendum). As far as the EU-Russia relations are concerned, a more constructive form of cooperation will require a greater focus on specific policy areas where progress can be realised. Complementarity between EU and the 28 member states is crucial and it would be counterproductive to try to drive a wedge between them. In this context, the Lisbon Treaty has reinforced the role of the EU by conferring upon the European External Action Service (EEAS) the representation of the EU in third countries.

## 2. Discussion

The discussion focused on six issues: first, values, norms and interests; second, ‘high politics’ vs. ‘low politics’ and geo-strategic thinking; third, bottom-up or top-down models; fourth, the functioning of the EU; fifth, new areas of cooperation; sixth, education.

On the first issue, it was said that values are not fundamentally different between the EU and Russia: justice, fair treatment, security, etc. The real problem is the hierarchy and the implementation/application of values, all of which is a function of political priorities and economic means (N. Bachkatov).

On the second issue (high vs. low politics and strategic thinking), it was suggested that post-1945 Europe started with ‘high’ politics (Pleven Plan), but, after its failure, Europe went for Coal & Steel, a customs union and ultimately the EEC. So perhaps we should come back to ‘low’ politics and neo-functional ideas, e.g. preserving the biosphere of the Black Sea (Gerhard Michael Ambrosi, Professor Emeritus and Jean Monnet Chair for European Economic Policy at the University of Trier). Other participants took a different line, saying that the concept of compatibility is useful because it is used either in a minimal or in a maximal meaning. As such, it encompasses political mechanisms, economic processes and

cultural perceptions. Unlike complementarity, compatibility is understanding and adaptation, which is exactly what the EU and Russia need (H. Vogel).

Yet others, by contrast, argued that sovereignty in Europe is more diffused and less centralised than the Westphalian settlement posits. With the nation-state facing an unprecedented crisis of legitimacy, other forms of political organisation are once again coming to the fore, including the city (or city-state), the Church (and other religious institutions) and even the Empire – both in the sense of neo-colonialist patterns, but also forms of imperial protection of smaller countries and projection of (hard and soft) power beyond national borders. More fundamentally, the glue that holds the wider Europe together is neither formal (rights and contracts) nor institutional (state and market), but embodied in certain social and cultural practices – from architecture via language, food and education to fashion, art, music, religious traditions, etc. Linked to this is the question of which institutions at the local, regional, national and even supranational level can re-establish long-term thinking and integrate Russia into a new architecture for the wider Europe (A. Pabst)?

On the third issue (bottom-up vs. top-down models), one argument, in relation to NGOs, bottom-up is better when the top level does not work. But at the same time, that would be to compensate for the lack of strong, robust institutions, which are indispensable for the rule of law and other basic features of a democratic state. In any case, the whole discourse on global civil society is a very Anglo-Saxon, Protestant vision that is not shared by the Catholic countries or even some of the Scandinavian states – let alone Orthodox Russia (N. Bachkatov). Others contended that the whole of the Russian and even the European economies are dominated by large structures that are variously more market-driven or more state-controlled (L. Grigoryev).

On the fourth issue (the functioning of the EU), it was said that until now the discussions have ignored one key aspect in EU-Russia relations, namely the rotating presidencies. EU-Russia relations rise and fall depending on which country holds the presidency. For example, the Polish EU presidency moved things forward politically. The forthcoming Greek Presidency might be also beneficial for Russia. In that sense, bilateral relations do matter because they have an impact on ties between the EU and Russia at the supranational level too (O. Potemkina). Other participants went further and wondered whether the EU is not disintegrating while the Eurasian countries are integrating. In some sense, Russia's economy is more liberal because it is not captured by vocal minorities. But why has finance grown so much in the West? Have we not witnessed some kind of Faustian pact between minorities and finance that involves high profits for the few and low salaries for the many. For these and other reasons, Europe lacks any kind of soul (Michel Verlainé, Professor of Finance at the ICN Business School).

On the fifth issue (new areas of cooperation), it was suggested that public services are becoming more and more transnational, e.g. workers or immigrants. The same seems to be true for education and training, including the possibility of a joint training of the workforce. The best thing would be to devise a new treaty that involves the EU, the Council of Europe, Russia and, possibly, both Mediterranean and North African countries (P. Policastro).

On the sixth issue, the question of education, some argued that millions of largely well-educated Russians live and work in Europe. The elites are old-fashioned and often irrelevant and they ignore the new youth: highly educated, highly mobile and pluri-lingual people who are fully adapted to multiple cultures. In fact, Russia is much more developed: only half of

GDP per capita in the EU, but twice in terms of tertiary education (more enrolment in colleges than high-school graduates). Challenged by one participant to cite statistics and to refute the results of the OECD, which do not show this (A. Clesse), the argument was that the brain drain to the West continues (L. Grigoryev). Yet other participants interjected that it is obviously the quality of education, not the quantity that matters (H. Vogel). Finally, it was reported that according to UNESCO data on enrolment in tertiary education, Russia is among the countries with more than 55% of people – along with many but not all EU member states (N. Kaveshnikov).

### 3. Responses

In his response, A. Gromyko argued that the Soviet social system was not the reason for the collapse of the USSR. It was much more the failure of the nominally federal model of government and, therefore, the inability to deal with nationalism and secessionism in the regions. Globalisation has a long history and pre-dates the 20<sup>th</sup> century – from the era of Columbus until today. It is a fact of life, but a critical perspective is not necessarily like fighting windmills. There may be different models of globalisation, and the dominant model of globalisation is clearly not the best one. It requires radical overhaul. As for the EU, euroscepticism is strongly on the rise and corrodes the Union from within and fuels both estrangement and hostility towards Russia.

But there is also a ‘tyranny’ of geography, history, culture and a common system of interests and values, all of which are centripetal forces keeping Europe together in the 21<sup>st</sup> century. There are many attempts to compare the beginning of the 20<sup>th</sup> century with that of the 21<sup>st</sup> century. Europeans cannot afford to be complacent, or historically blind, or to act as if it was business-as-usual, or the luxury of euroscepticism. What is needed is horizon scanning and strategic thinking. Both the EU and Russia should break away from electoral cycle and short-term thinking, instead moving towards long-term thinking, thus creating the greater Europe or avoiding that Europe collapses.

In his concluding intervention, M. Entin made the point that the aspirations of people around Europe are the same. They want good education, a good life, a stable environment, etc. In reality, integration between different parts of Europe is everywhere, including the Russian side. Therefore, the real impediment is the conservative attitude of elites and leadership, and especially the way our political systems are organised: they are all short-sighted and fail to promote strategic thinking. Therefore, one option is to discuss long-term strategy, not with Mr. van Rompuy, Ms. Ashton and Mr. Barroso but with all 28 member states. For Russia, preparing this should be the aim.

At the same time, more emphasis on stories of success is needed (using the European Studies Institute). The focus is on a few areas that are irrelevant. In the end, discussing problems is not enough. Working groups are needed to make progress (e.g. Russo-Polish Commission on History). Russia apologised publicly for past crimes and tried to make amends, which is a significant step forward in the right direction. There is already a parliamentarian commission between the EU and Russia, but it does not create common legislation. This is, in fact, suggested in the PCA agreement (...“committed to creating joint commissions for common legislation”). “Let us sit down, compare agendas and get on with the work”, M. Entin concluded. Europol is, one example where cooperation is good but could be extended, so this can serve as a reminder of progress and the potential to achieve much more.

G. Bingen wrapped up proceeding by expressing his gratitude to the organisers and participants. He said that the EU institutions are not seen by many (Russians and non-Russians) as particularly suitable and useful, but that the Commission Representation tries to do its best to help provide a contribution to the public debate. What is at stake is the willingness to cooperate in a ‘Europe-shrinking’ world. The EU and Russia need to pull together, which is why it is right to conclude on a positive idea such as building a greater Europe.

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December 2013

International Conference

## **The Attitude and Contribution of the European Union and its Member States to the Development of the EU-Russia Relations**

8-9 November 2013

Luxembourg

### **Programme**

*Jean Monnet Building (Rue Alcide de Gasperi, Luxembourg-Kirchberg) - 8 November*

*Maison de l'Europe (7, rue du Marché aux Herbes, Luxembourg) - 9 November*

#### **Friday 8 November 2013**

- 09.00 – 09.15 Welcome by Georges Bingen, Head of the Representation of the European Commission in Luxembourg; Mark Entin, Ambassador of the Russian Federation in Luxembourg; Armand Clesse, Director of the Luxembourg Institute for European and International Studies  
Introductory remarks by Laurent Mosar, President of the Luxembourg Parliament; Vyacheslav Nikonov, Chairman, Management Board of the Russkiy Mir Foundation; Russian State Duma Deputy; Chair of the State Duma Committee on Education, Russia
- 09.15 – 10.45 **Session 1:** EU member states and EU-Russian relations: lessons from past failures for future success
- 10.45 – 11.15 Coffee break
- 11.15 – 12.45 **Session 2:** Common interests, rival values? Trade, energy and the Partnership for Modernisation
- 12.45 – 14.15 Lunch (Restaurant: Jean Monnet Building)
- 12.45 – 13.15 Media briefing (Restaurant: Jean Monnet Building)
- 14.15 – 15.45 **Session 3:** Beyond East-West? Potential for cooperation between the EU and the Eurasian Union
- 15.45 – 16.15 Coffee break
- 16.15 – 17.45 **Session 4:** Allies or rivals? Security, conflict management and global challenges
- 20.00 Reception (Embassy of the Russian Federation in Luxembourg)

#### **Saturday 9 November 2013**

- 09.15 – 10.45 **Session 5:** Relations between Russia, the EU and its member states in a post-European world – towards a strategic partnership, *ad hoc* cooperation or confrontation?
- 10.45 – 11.15 Coffee break
- 11.15 – 12.45 **Session 6:** Where to go from here: conclusions and policy recommendations

International Conference

## **The Attitude and Contribution of the European Union and its Member States to the Development of the EU-Russia Relations**

*8-9 November 2013*

*Luxembourg*

### **List of participants**

**Ambrosi, Gerhard Michael**, Professor Emeritus, Jean Monnet Chair for European Economic Policy, University of Trier, Germany

**Bachkatov, Nina**, Visiting Professor, Faculty of Law and Political Science, University of Liège, Belgium

**Balogh, András**, Professor, Head of the Modern World History Department, Eötvös Lóránd University; Former Hungarian Ambassador, Hungary

**Bingen, Georges**, Head of the Representation of the European Commission in Luxembourg

**Clesse, Armand**, Director, Luxembourg Institute for European and International Studies

**Coker, Christopher**, Professor of International Relations, London School of Economics and Political Science, UK

**Entin, Mark**, Ambassador of the Russian Federation to Luxembourg

**Franco, Marc**, Honorary Ambassador; Former Head of Delegation of the European Commission in Russia; Senior Associate Fellow of the Royal Institute for International Relations- EGMONT, Belgium

**Grigoryev, Leonid**, Associate Professor, Faculty of World Economy and International Affairs, Higher School of Economics, Moscow; Chief Adviser, Analytical Centre for the Government of the Russian Federation, Russia

**Gromyko, Alexei**, Deputy Director, Institute of Europe of the Russian Academy of Sciences, Russia; Principal of the Centre of British Studies; Director of European Programmes at the Russkiy Mir Foundation, Russia

**Hirsch, Mario**, Political Scientist, Luxembourg

**Ilin, Anton**, European Representative, Russkiy Mir Foundation, Belgium

**Kaveshnikov, Nikolai**, Head of the European Integration Department, Moscow State Institute for International Relations (MGIMO-University), Russia

**Koff, Harlan**, Professor of Social Sciences-Migration Studies, Director of the Political Science Institute, University of Luxembourg

**Maganda, Carmen**, Research Associate in the Laboratoire de Sciences Politiques at Université du Luxembourg; Executive Director of the Consortium for Comparative Research on Regional Integration and Social Cohesion (RISC), Luxembourg

**Maslennikov, Vladislav**, Deputy Director, Department of European Cooperation, Russian Ministry of Foreign Affairs

**Mosar, Laurent**, President of the Luxembourg Parliament

**Nikonov, Vyacheslav**, Chairman, Management Board of the Russkiy Mir Foundation; Russian State Duma Deputy, Chair of the State Duma Committee on Education, Russia

**Onyszkiewicz, Janusz**, Former Member of the European Parliament; Former Defence Minister and Chair, Executive Council, Euro-Atlantic Association, Poland

**Pabst, Adrian**, Senior Lecturer, Department of Politics and International Relations, University of Kent; Research Fellow, Luxembourg Institute for European and International Studies, UK

**Policastro, Pasquale**, Professor of Constitutional Law, Department of Constitutional Law and European Integration, University of Szczecin, Poland

**Potemkina, Olga**, Head of the Department of European Studies, Institute of Europe of the Russian Academy of Sciences, Russia

**Sakwa, Richard**, Professor of Russian and European Politics, Department of Politics and International Relations, University of Kent, UK

**Smirnov, Valery**, Permanent Representative to the European Public Law Organization, Deputy Dean of the Speransky Faculty of Law, Russian Presidential Academy of National Economy and Public Administration, Russia

**Sokolov, Vladimir**, Director of the Russian Center of Science and Culture, Luxembourg

**Sokolov, Yuri**, Counselor, Embassy of the Russian Federation to Luxembourg

**Verlaine, Michel**, Professor of Finance, ICN Business School and Founder of CAPM-Consultancy, Latvia

**Vogel, Heinrich**, Former Member of the Executive Board of the “Stiftung Wissenschaft und Politik”, Berlin; Professor for European Security Studies, University of Amsterdam, Netherlands