



EXECUTIVE SUMMARY

Conference on

Russia and the EU: the Question of Trust

*28 and 29 November 2014
Abbaye de Neumünster, Luxembourg*

Introduction

In cooperation with the Russkiy Mir Foundation, the Alexander Gorchakov Public Diplomacy Fund and the Russian Centre of Science and Culture, the Luxembourg Institute for European and International Studies (LIEIS) convened an international conference 'Russia and the EU: the Question of Trust' on 28 and 29 November 2014 in Luxembourg. This event, which brought together around 30 leading scholars and experts from Russia and various EU member-states, was supported by the Luxembourg Russia Business Chamber.

Since 2006, this conference was the eighth in a series of events on Russia organised by the LIEIS in cooperation with the Russian State Agency for International Cultural and Humanitarian Cooperation and other Russian partner organisations such as the Association for Euro-Atlantic Cooperation. Over the years the various seminars have analysed both Russia's internal political and socio-economic development as well as relations with the EU, the USA or China.

The latest conference focused on how to restore trust amid the current crisis in Russia-EU relations in the wake of the Ukrainian conflict. Based on short interventions in the course of six sessions, the participants raised a wide range of issues and had a robust exchange of views on Russian and EU perspectives. The discussions revolved around two broad themes: first, the origins and the causes of the breakdown of trust and, second, ideas and policy proposals to avoid further escalation and restore a measure of mutual confidence.

The discussions were steered by Armand Clesse, Director of the LIEIS. In his opening remarks, he stressed the importance of avoiding any kind of propaganda and to have a genuinely intellectual debate in order to come up with new ideas. Unfortunately political and intellectual confusion is currently prevailing: there is much loose talk about trust, but there has never been so little trust since the heydays of perestroika and glasnost.

Roman Grishenin, the Vice Executive Director of the Alexander Gorchakov Public Diplomacy Fund, said that his organisation is committed to improving relations between Russia and the EU. Europe remains full of opportunities but also problems and threats, including in the fields of the economy and security. Restoring trust is key to better ties, but at present both sides are closer to the point of no return, and that is why we have a historic duty to act now before it might be too late. Ekaterina Volotovskaya, the representative from the



Luxembourg Russia Business Chamber said that the impact of sanctions is mutually harmful and that both the Russian Federation and the whole of the EU stand to gain from better business ties and shared prosperity.

I. Origins and Causes of the Current Breakdown of Trust

1. Where We Are

(a) The worst crisis since 1989

Virtually all the participants agreed that the current crisis is by far the worst since the end of the Cold War. 100 years after the onset of World War One, 75 years after the start of World War Two and 25 years after the fall of the Berlin Wall, Europe faces the greatest danger for decades. Since the outbreak of hostilities in Ukraine in early 2014, a new situation has arisen that is hugely perilous – with official talk even about the use of nuclear weapons. Such unrestrained language discredits and delegitimises dialogue and thereby undermines both critical engagement and renewed cooperation (R. Sakwa).

It seems that the Cold War mentality never went away and that it has returned with a vengeance. Faced with such thinking, conferences like these are even more important than in times of peace (T. Bordachev; J. Kavan). In some sense history appears to repeat itself, as Europe ended up sleepwalking into disaster in 1914 and could do so again a hundred years later. The problem is that such bipolar attitudes tend to become self-fulfilling prophecies, as they shape perception, reflection and reaction and – unwittingly or otherwise – bring about the outcome that reflects the assumptions on which they rest. One acute risk is that new structures and policies are fast solidifying and will be hard to dislodge (A. Gromyko).

The post-1989 dream of a common Europe has died, and it cannot be revived on its own terms (A. Balogh). Western Europe in particular faces once again the same old dilemma: can Europe survive without the US but also become an autonomous actor while relying on the USA? In short, Europe is suffering its worst crisis of ‘political identity’ in a century (A. Clesse).

Global interdependence means that sanctions hurt everyone and they have the potential to plunge the entire world economy into a renewed crisis. The same is true for security threats and the escalation of seemingly local conflicts. All players are vulnerable, including China because it cannot thus far assume worldwide leadership (M. Entin).

(b) Whose crisis?

First and foremost, this is a crisis of Ukraine. According to some participants, it is double Ukrainian crisis. Ukraine is one of the most corrupt states in the world and it faces impending bankruptcy. So collectively Europe is heading for a disaster. How does Brussels propose to solve this? At the same time, Ukraine is also a fault-line between east and west: two competing economic systems during the Cold War, and now again, overshadowed by the



failure to integrate Russia into the western-centric economy or political architecture (M. Franco; R. Sakwa).

Second, Ukraine is a crisis of the EU and its eastern partnership policy. The EU was misguided to believe that Ukraine would be able and willing to implement the Association Agreement, whether the political elites or the oligarchs (who would have committed economic suicide). It would have led to mass unemployment and misery for the Ukrainian population. In short, the EU is guilty of a technocratic exercise that ignores geo-political reality (R. Sakwa; P. Schulze; M. Franco).

For some participants, Ukraine marks the convergence of two wider crises. One is the implosion of the Ukrainian state and the failure to establish proper political institutions and administrative capacity to govern a country that is deeply divided along cultural, social, ethnic, religious and linguistic lines. The other crisis is the demise of the Greater Europe or the 'common European home' (Gorbachev) and the failure to build a robust pan-European security architecture that can avert conflicts such as Ukraine but also Georgia (2008), Kosovo (1999) and indeed the Balkans (1992-95). Both sides are equally responsible for this double crisis, albeit for different reasons and in distinct ways (R. Sakwa; V. Baranovsky).

However, other participants suggested that the main crisis consists in Russia's behaviour towards her neighbours and its aggression in Ukraine, which has cost thousands of lives and led to crippling sanctions. The current conflict between East and West is a civilizational struggle, and Russia according to President Putin is a different civilisation (J. Onyszkiewicz).

Yet other participants stressed that both sides apply a zero-sum logic with supposed winners and losers, but in reality the whole of Europe (including Russia) has emerged diminished and weakened. If there are any winners, then only the USA and China come to mind (A. Balogh; A. Pabst). However, it was also pointed out that the economic losses as a result of the sanctions are asymmetrically distributed, as every US\$1 billion in foregone revenues hurts Russia much more than the EU (A. Steinherr).

(c) The wider significance of the current crisis

The Ukrainian conflict marks a crossroads for the world's main powers. While the 'clash of civilizations' has not come to pass, non-Western powers such as Russia and China are warning against the dangers of Western values for what they see as their own traditional cultures. In 1914, it was a conflict over values that ultimately led to war. The world must also confront the end of globalisation as we know it because emerging markets view themselves as 'minority stakeholders' and are excluded from the main trade agreements: the US trans-Pacific deal excludes China and the US-EU Transatlantic deal (TTIP) excludes Russia. Worst of all, the globe faces a power and an intellectual vacuum, with the USA unsure about global leadership, Russia struggling economically and China hedging its bets – while the EU is hopelessly divided and inept. The non-West hates Western hegemony, which suggests that some kind of new Cold War is already upon us (C. Coker).



2. How We Got There

(a) A long history of failure since 1989

Many participants agreed that the breakdown of trust over the conflict in Ukraine has its origins in a history of failure since the end of the Cold War. Generally speaking, Europe has not been able or willing to solve many territorial and political conflicts, from Macedonia via Albania to Moldova. The two and a half decades following the fall of the Iron Curtain have also been marked by a litany of missed opportunities (A. Balogh).

Arguably, Ukraine represents the fourth watershed moment in post-1989 history: the first was the bombing of former Yugoslavia in 1999; the second was Kosovo separatism supported by many Western countries (with a change of borders by force); the third was the Russia-Georgia war in 2008. Moreover, the stubborn refusal to have talks between the EU and the Eurasian Economic Community show that the Ukrainian crisis is part of a complex jigsaw puzzle (A. Gromyko).

Trust is missing so clearly in almost all spheres of cooperation between Russia and the EU (including energy, visa-free travel, etc.). So Ukraine is not the cause of the crisis, but the consequence of erosion of trust that started long before (O. Potemkina).

(b) "Who's to blame?"

There was much disagreement on who bears the main responsibility for the current crisis and the unprecedented deterioration of East-West relations. For many, it is the EU. First of all, setting a unilateral deadline for the Association Agreement with Ukraine was wrong in the absence of a parallel trade agreement with Russia – even if this had taken effect at a later date (J. Poos). Connected with this is the point that the EU has consistently excluded Russia from approach to the 'near-abroad' – whether the Union's neighbourhood policy or the eastern partnership policy (P. Schulze).

Moreover, the Union is the prime loser, and it lacks an exit strategy, which suggests that it is not yet a serious geo-political actor. Rather than thinking strategically, the EU has been influenced by an anxiety that prevails in central Europe and the Baltic States, but this has blinded it to the impact of sanctions on certain members and also on the long-term relations with neighbouring Russia (F. Kartheiser). Others contended that the legal basis of the Western sanctions is clear but that the renewal will require unanimity among the 28 EU member-states which is increasingly uncertain (M. Maresceau; V. Voinikov).

Yet other participants stressed that Russia is guilty of violating international treaties, rules of behaviour and norms, especially the sovereignty of countries and their freedom to choose their alliances. The referendum in Crimea was a complete sham that bears absolutely no relation to the independence referendum in Scotland (J. Onyszkiewicz; C. Coker). Yet others acknowledge that Russia made many mistakes, especially in 2013 in the area of economics, most of all the counsel given by certain advisers in the Presidential Administration. Crucially,



Moscow did not sufficiently anticipate the consequences of intervening in the east and the south, namely civil war, because of the country's deep divisions (T. Bordachev).

Many participants agreed that both sides shoulder equal responsibility (G.M. Ambrosi; G. Kirsch). If the Cold War mentality never went away, it is because there was *Schadenfreude* on the Western side, coupled with the idea that "if you scratch a Russian, you find a Soviet". Meanwhile on the Russian side, there was a perpetual sense of being humiliated, marginalised and destroyed, which has fuelled a sense of resentment and paranoia (M. Franco; P. Schulze; R. Sakwa).

(c) axiological, monist vs. dialogical, pluralist thinking

One root cause for the crisis is the nature of contemporary thinking about East-West relations. In the West, axiological thinking has prevailed: there is only one true form of being modern and being democratic, e.g. the USA, the EU or the pro-European parties in Ukraine. The rest are reactionary, oppressive and on the 'wrong side of history'. This approach contrasts with dialogical thinking, which emphasises shared principles and practices and thereby seeks to strengthen the political subjectivity of all actors. Ultimately, the real reason for the deterioration of East-West relations was the asymmetrical end to the Cold War (the triumphalism of Western 'winners' vs. the humiliation of Russian 'losers') and the concomitant failure to give proper political form to the greater Europe (R. Sakwa).

Moreover, all sides in the Ukrainian conflict are guilty of engaging in the worst kind of propaganda campaigns since the height of the Cold War. There is a targeted, systematic campaign in Russia against the West in general and against the USA in particular, and on the other side it is all Moscow's fault. That is why all parties need to be self-critical and examine their ideas and actions. We need to consider the whole history, not just a single episode (V. Baranovsky). Amid much fear, mutual accusations and endless recrimination, the main problem is that the EU seems far more self-critical than either Russia or indeed the USA (V. Weitzel).

(d) No common security architecture

Many participants made the point that the wider origins of the crisis in Ukraine can be traced to Europe's failure to create a genuine common security architecture after the end of the bipolar world order. First of all, the 1990 Paris Charter already enshrined many shared principles, not only the freedom to choose alliances (J. Onyszkiewicz), but also the respect for the security of others, i.e. the alliance chosen by one European country should not be a threat to another European country (T. Dovgalenko). That is why the two waves of NATO expansion undermined and even destroyed this nascent pan-European security framework (P. Schulze).

Others went much further to argue that collective defence is very different from cooperative security. It was the Russian expert Alexey Arbatov who said that Russia did the worst possible thing to NATO, which was to deprive it of its enemy. Without an enemy, NATO



lacks a real *raison d'être*; in fact it has turned into an aggressive alliance that spreads insecurity and instability (A. Clesse). The result has been an encirclement of Russia, a half-moon around Russian territory. Coupled with NATO's military might and the anti-ballistic missile defence shield, it is no wonder that Moscow feels threatened. In Brussels, Jose Manuel Barroso and Catherine Ashton did the dirty work of the neo-conservative cabal in Washington (J. Steiwer).

Other participants disagreed completely with this line of argument, contending that the lion share of responsibility lies with Moscow. Even if the West in general and the EU in particular might not know where they want to go, we know where President Putin wants to take Russia: the intention is to create a Russian world, not just an area of influence but one of domination, which includes all Russian-speaking people and all Orthodox believers. The signs have been clear since at least 2008, when all the fuss seemed to be about South Ossetia, but in fact military action in Abkhazia at that point was a case of preventive war. The same argument was later deployed in Crimea where there was no oppression of the Russian population. Thus we are confronting a complete breakdown of trust, not some slow erosion, because of Russia's violation of existing treaties, rules of behaviour and widely accepted norms in Europe, including the refusal to change borders by military force (J. Onyszkiewicz).

3. What the Crisis Might Lead to

(a) in the short and medium term

In the short and medium term, the creation of *Novorossiya* represents a frozen conflict with continual violence and civilian victims (J. Kavan). But since *Novorossiya* is not a clearly defined entity or 'statelet' (unlike Transnistria, Abkhazia or South Ossetia), it is a perpetual source of war and not a frozen conflict (R. Sakwa).

Western sanctions against Russia are economically disastrous but politically ineffective, even counterproductive, with President Putin's popularity skyrocketing. That is why it is important to lift sanctions and return to the negotiating table with Russia (G.M. Ambrosi; T. Bordachev; G. Gromyko; J. Kavan; R. Sakwa; P. Schulze). However, why are we talking about ending sanctions when they are the only instrument to stop Russian adventurism? There is a real danger that otherwise more hostility will follow, starting with a land bridge from Russia to Crimea (J. Onyszkiewicz).

Delaying the implementation of the EU's Association Agreement with Ukraine until later in 2015 opens up the possibility of more detailed negotiations that could and should include Russia. This is the only way of averting an acrimonious divorce between Russia and the EU (M. Franco).

(b) in the long term

In the long term, the continual crisis in Ukraine is perpetuating an East-West schism that was never overcome after the end of the Cold War. Even if there is no all-out war between the major powers involved in the Ukrainian conflict, Europe faces the distinct prospect of a



permanent divide at its very heart. The EU increasingly looks like an annex to the United States, which oscillates between isolationism and interventionism. Meanwhile Russia risks becoming a vassal state that supplies cheap resources to China (A. Pabst).

And instead of a 'greater Europe' that includes Russia, we get 'wider Europe' that is Brussels-centric and a sole function of EU enlargement. This is illustrated by the EU's Eastern Partnership, which was an explicitly geopolitical project to increase the Union's influence at the expense of Russia. But since the EU cannot do geopolitics, the USA can step in. That, in turn, produces a new form of Atlanticism, which is becoming hermetic and hegemonic. Over time, we will see the merging of the EU into the Euro-Atlantic alliance (already formalised in the Lisbon Treaty). If this came about, it would mark the abandoning of the European Peace project and also of attempts to bring Russia into a larger political framework (R. Sakwa).

II. Ideas and Policy Proposals to Avoid Escalation and Restore Trust

1. On Ukraine

Europe faces a choice between another war, as in 1914, or another peace settlement, as in 1814/15 and in 1975. Similarly, when it comes to Ukraine the option is between federalism or a violent break-up – with or without Russia's involvement (A. Gromyko). In such an explosive context, we need to accept demarcation lines, buffer zones and no stationing of heavy military equipment (P. Schulze)

Other participants stressed the importance of respecting the Minsk agreement and the wider principles and rules of behaviour that all European powers seem to have signed up to (J. Onyszkiewicz; C. Coker). But it was contended that while the Minsk agreement is welcome, the federalisation of Ukraine is absolutely needed. However, neither Kiev nor the separatists are currently being constructive (J. Kavan; A. Gromyko). Here the objection was that devolution is needed, not federalisation because Ukrainians are in a majority everywhere, including Donbass, and federalisation would grant Moscow undue influence. The reason why the Minsk agreement works only in very limited ways is because Kiev has no control over the borders due to Russian obstruction and intervention. Ultimately, the question of Ukraine is not purely logical in terms of true *vs.* false, but much more like a complex mathematical problem that requires a complex response nonetheless based on clear principles (J. Onyszkiewicz).

Some participants proposed a second referendum in a few years' time (organised by the OSCE), so that either the decision to join Russia is legitimated or else Crimea returns to Ukraine (under a special status), and all sides can move on and lift both sanctions and counter-sanctions (F. Kartheiser). Others said that this would neither play well with the people of Crimea nor be recognised by Kiev (O. Potemkina).

There was also deep disagreement about how divided Ukraine is: whereas some said that the current approach is pouring fuel on fire (P. Schulze; A. Gromyko; O. Potemkina), others



claimed that the elections have unified the country and demonstrated that a vast majority of the people want a future with Europe, not Russia (J. Onyszkiewicz).

Over time, the only solution to the Ukrainian crisis is a trans-regional system of peace and development for the whole Black Sea and Caucasus region, under the joint aegis of the EU, Russia and the USA (J. Kavan). Linked to this is a need for more balanced economic and political ties between Ukraine, the EU *and* Russia because Kiev's debt burden is so unsustainable, and neither Brussels nor Moscow are in a position to bail out Ukraine on their own. Only a solution involving both the EU and Russia can save Ukraine, most of all the Ukrainian population. In a world economic context, the country requires much more trade with all neighbours and partners in Europe, which can also be a catalyst for serious negotiations with the Eurasian Economic Union. The latter may lack economic viability, but it is a political reality and as such the EU needs to engage with it (M. Franco).

If Ukraine is an apple of discord, it can by the same token be a channel for cooperation. The following seven steps can avert an ever-greater escalation:

1. there is no military solution to the conflict, so all parties need to refrain from further aggression.
2. the Minsk agreement shows that a political solution is possible, but the important technical details were too hastily defined and need to be revisited soon.
3. the role of the OSCE is not sufficient and should be expanded because it is the only common security organisation in Europe.
4. both Russia and EU need to put pressure on their respective partners and proxies.
5. long-standing mediation channels and conflict settlement mechanisms need to be re-activated.
6. there are numerous political obstacles on both sides, but they are not insurmountable as long as the main parties are committed to a resolution of the conflict.
7. restoring the partnership beyond individual issues will be necessary in order to avoid future conflicts and lay the foundations for lasting cooperation (V. Baranovsky).

2. On Russia-EU Relations

The starting point for renewed Russia-EU relations is the recognition that both sides are currently deploying two competing integration strategies: first, the EU's neighbourhood policy and eastern partnerships and, second, Russia's doctrine of 'sphere of privileged interest' and the Eurasian Economic Union. The long-term goals are not necessarily that different, above all free trade from Lisbon to Vladivostok. But in the short-term there is plenty of conflict, so the key question is how to align both strategies. Common rules and common interests need to be centre-stage, including WTO standards that have been ignored even though Russia finally became a member (P. Van Elsuwege).

Both the EU and Russia need to think very critically about what has gone wrong in terms of their respective approach, demands and proposals in terms of Russo-EU relations and on Ukraine. Two points are central: first, partnership is a matter of principle, not convenience, so



merely emphasising national interest won't work. Second, there are shared interests, which should override short-term tactical calculations (V. Baranovsky).

Ultimately, Russia is first and foremost a European state. As such, it should accord relations with the EU the highest possible priority, starting with visa-free travel, possibly unilateral in the first instance. Cultural relations as well as cooperation in the area of sports and other fields are absolutely indispensable. Rebuilding trust will take a long time, but conferences such as these are precisely needed to achieve (A. Blinov).

3. On East-West Ties

There was a fierce debate about whether to accept or reject the notion of 'new Cold War'. For some, this would be nothing short of catastrophic, for it would legitimise all those who accuse Russia of revisionism. Yet this flies in the face of evidence, e.g. two referenda held in Transnistria to join Russia, but nothing happened. Russia is neo-revisionist in that it wants to revise the rules of the game but not overthrow the current system of international relations, but this has come about largely in response to Western attempts to exclude Russia. To speak of a 'new Cold War' would betray a new generation pro-Europeans in Russia who are serious about rapprochement, reconciliation and peace. Of course there are revanchist forces in Russia who have been mobilised by events, but the EU needs to be impartial and not settle for either Cold War or just peaceful co-existence (R. Sakwa).

Other participants preferred to speak of a 'Cool War' (a notion coined by David Rothkopf) in which the weapons used by all sides allow 'plausible deniability' and do not cause too much suffering. Such weapons include support for local proxies, economic sanctions and cyberwarfare. In other words, conflict happens without any party ever declaring war. During the Cold War, trust was a matter of transparency. There was plenty of lying on all sides, but people knew. In the new 'Cool War', you can get away with lying all the time, especially in cyberspace. So what East and West need once again is a set of rules and norms of behaviour – red lines. Europe is on the threshold of huge risks (e.g. missiles and near-crashes of airplanes), so we need to be more realistic and not yield to either pipedreams or cynicism but finding some concrete steps out of the current mess (C. Coker).

Concluding Reflections

At the heart of the current crisis lies a clash of interests and an increasingly different understanding of supposedly shared principles and rules of behaviour. In response to this, the main problem – and challenge – is an intellectual and power vacuum, coupled with an absence of strategic thinking for the whole of Europe.

All sides have made mistakes and blunders. First of all, the EU cannot think geo-strategically and it suffers from 'strategic cacophony' (with at least 7 different understandings of what a strategy is, not mention all the different national strategies). Second, the US has always mistaken democracy for liberalism, and the promotion of the former does not lead to the promised peace and prosperity of the latter. Third, post-Communist Russia suffers from



strategic autism, which is the inability to accept that you would act the same way if you were your enemy (i.e. the US) and also the inability to make many friends.

Ultimately, strategy is both about coherence and social intelligence, i.e. the capacity to influence and manipulate friends, allies and partners. Europeanising Russia through EU norms never had any traction. At the same time, an anti-Western bloc (headed by Iran, Russia and China) is not an option because it will leave the international system fundamentally unchanged. Therefore all sides should accept competition and reframe it positively and cooperatively. For the foreseeable future, the EU, the USA and Russia are competitive partners, with different interests and values, who can work together on certain issues.

A. Pabst
LIEIS
December 2014