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Jens-Uwe Wunderlich, David J. Bailey

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Natalia Zaslavskaia
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The European Union and Russia

Natalia Zaslavskai

Introduction

The end of the Cold War resulted in substantial changes for regional politics, giving more opportunities for the European great powers. During the Cold War Europe was an arena of confrontation between the two superpowers, which effectively divided Europe along the line ‘from Stettin in the Baltic to Trieste in the Adriatic’ (Churchill 1946) and minimized the role of the European great powers. Today the European states, brought together under the European Union (EU) framework, have regained their influence in the region, creating debates about ‘fortress Europe’ and giving little floor for those states that were left behind in the European integration process and by mainstream European politics. Russia found itself among the outsiders and had to find a way to cope with the political and economic consequences of this situation and to secure its role in European politics. On the one hand, it inherited from the USSR membership in international organizations, including a permanent seat on the UN Security Council and CSCE, nuclear weapons, Soviet property abroad and substantial natural resources. On the other hand, Russia was challenged by political and economic crises, tremendous national debt, a reputation as a state with imperial ambitions, and complicated relations with a number of countries in Central and Eastern Europe. The Russian Government decided to rely on international institutions, either participating in them or reinforcing relationships with them, and on bilateral relations with major European countries. The relationship with the EU was considered an important direction for Russian foreign policy. In order to ensure the stability of this relationship, it should be based on shared values and common interests and arranged in the framework of an institutional structure.

Institutional framework

During the Cold War, when Europe was divided by ideological contradictions, it appeared rather difficult to establish an official relationship between the USSR and the European Community (EC). The first attempt to negotiate an agreement failed in the early 1970s. It was a clear indication that at that time political interests prevailed over economic interests. Though the EC states were important trading partners for the USSR and were united by virtue of their Common Commercial Policy, this lack of official relationship with the EC resulted in economic losses for the USSR. Moscow’s approach to the EC was determined by an environment of ideological confrontation, so that the EC was considered an economic partner of the North Atlantic Treaty Organization (NATO), the USSR’s major political opponent. The Soviet
authorities failed to recognize the EC officially until Mikhail Gorbachev became the leader of the country in the mid-1980s. He was responsible for changes in Soviet foreign policy, including policy towards the EC. He initiated new negotiations with Brussels, which resulted first in the establishment of a relationship between COMECON (Council for Mutual Economic Assistance) and the European Economic Community (EEC), and finally with a trade and economic co-operation agreement between the USSR and the EC.

With the end of the Cold War the political situation in Europe changed significantly. Serious transformations occurred both in Western Europe and in Eastern Europe, and required reconsideration of relations between the EC and the USSR. In the West, the integration process was accelerating, and the European leaders agreed to establish a European Union on the basis of the EC and to reinforce co-operation in the political and monetary areas. In the East, disintegration led to dissolution of the Warsaw Pact and collapse of the USSR. Russia’s relationship with the EU was still based on the agreement signed in the late 1980s, but it was outdated and did not correspond either to the new external relations’ instruments of the EU, or to the economic and political priorities of the Russian authorities. It was clear for both the European and the Russian officials that a new agreement should be negotiated. In 1994, after several years of negotiations, the Partnership and Cooperation Agreement (PCA), which upgraded the relationship from trade and economic co-operation to partnership and political co-operation, was signed. However, it was not until late 1997 that the PCA was finally ratified. Delay was caused by technical problems connected with the 1995 EU enlargement and political tensions because of war in Chechnya. The PCA was initially signed for a 10-year period and was supposed to expire in 2007, but due to the parties’ failure to launch negotiations on a new agreement in time, its validity was extended until the new document could be agreed upon. Today the PCA provides legal basis for the EU-Russian relationship, establishes institutional structure, determines rules of political, trade and economic co-operation, and creates opportunities for co-operation in environment, transport, tourism, culture, research and education.

The institutional structure mentioned above was created in order that it would ensure regular consultations between different levels of the EU and Russian authorities: summits for the leaders to make final decisions, the Cooperation Council for the ministers to discuss particular areas of co-operation, the Cooperation Committee for senior officials to ensure continuity between the Cooperation Council meetings and to prepare ministerial meetings, and even a Parliamentary Cooperation Committee for the Russian State Duma’s members and the European Parliament’s members to involve people’s representatives in co-operation. The EU-Russian summits became major indicators of the development of the relationship between the EU and Russia. The most important decisions were taken during these meetings. For instance, decisions were taken during these meetings. For instance, decisions were taken to create four common spaces during the St Petersburg summit in 2003 and to adopt the roadmaps to implement the common spaces during the Moscow summit in 2005. However, summits were seriously overshadowed by contradictions between the European authorities and the Russian officials, for example during the Hague summit in 2004 when the EU and Russia were divided on the issue of the terrorist attack on Beslan school. In 2006 the Helsinki summit was overshadowed by assassinations of political journalist Anna Politkovskaya and former Russian security agent Aleksandr Litvinenko. Thus the summits witnessed ups and downs in the development of the EU-Russian relationship, while the Cooperation Council and the Cooperation Committee were less influenced by political contradictions. They were responsible for the preparation of negotiations, consultations of leaders and the monitoring of co-operation in different areas. Since the PCA was adopted, the established institutions have gone through mild changes. Originally the PCA prescribed that at the top level the EU would be represented by the President of the Council and the President of the Commission. Later, however, the EU
representation was extended to include the EU High Representative for the Common Foreign and Security Policy (CFSP), a position created by the Amsterdam Treaty. Further, the Cooperation Council was transformed in 2003 into a Permanent Partnership Council (PPC), indicating a bigger workload and the need for more meetings.

In terms of political co-operation the PCA introduced a new form of co-operation, 'political dialogue', which later was extended to other areas of co-operation and new sectoral dialogues were created, such as the 'energy dialogue'. The EU and Russia indicated their intention to move closer to each other, to support reforms in Russia and to develop co-operation in different areas. The objectives of regular political dialogue included the strengthening of the relationship between the EU and Russia, convergence of positions on international issues, and the implementation of principles of democracy and human rights.

In terms of economic co-operation, the PCA recognized Russia’s successful economic transformation and its ‘economy in transition’ status. In 1994 this statement was considered an important achievement for Russia, but after a few years the Russian producers started to feel rather annoyed with multiple anti-dumping cases they faced due to the transition status of the national economy. While they expected Russia’s economy to be granted ‘market’ status, it was not until 2002 that the European Commission finally agreed to recognize Russia as a market economy. This agreement eliminated quantitative restrictions for Russian goods, except for steel, textiles and nuclear materials. The EU and Russia declared their ambition for the ‘future establishment of a free trade area’, but in 1998 Russia faced a serious economic crisis, which caused negotiations to be postponed. The PCA was supported by a number of sectoral agreements, including agreements on trade in steel products signed in 1997, 2002 and 2004, and on textile products in 1998.

By 1999 the EU’s external capabilities were strengthened with the coming into force of the Amsterdam Treaty, which provided the EU with a new CFSP instrument—a common strategy. The new CFSP instrument was supposed to provide more co-ordination in the EU external relations. The first common strategy to be adopted was towards Russia. It determined principles and objectives of the EU’s approach towards Russia, demonstrating European expectations concerning the relationship with Russia and the further transformation of Russia. The strategy also indicated the importance of the EU-Russian relationship by upgrading it to ‘strategic partnership’. A few months later Russia in return adopted its mid-term strategy towards the EU, declaring its vision of this relationship and its priorities. Though the Russian document demonstrated a different approach to the EU-Russian relationship, it supported the ‘strategic partnership’ idea. However, neither in 1999 nor later was clarified ‘where exactly is their relationship headed?’ (Massari 2007: 1; Danilov 2005: 89).

The EU enlargement process contributed to the development of new opportunities for co-operation with Russia. First, after Finland joined the EU it initiated the Northern Dimension, which resulted in new regional co-operation projects with north-western Russia and contributed to economic growth and social stability on the EU-Russian border. The preparation of the EU’s eastern enlargement resulted in the reconsideration of relations with the countries of Eastern Europe that did not have membership prospects, including Russia. The idea of an Eastern Dimension suggested by Poland, then an acceding country, was taken up by the Commission, which proposed the European Neighbourhood Policy (ENP). In contrast to the original Polish proposal, though, limited to the eastern neighbourhood countries, its geographical scope was extended also to southern neighbours and included Mediterranean states. The ENP was meant to create ‘a zone of prosperity and friendly neighbourhood’ (European Commission 2003a: 10). The EU was going to prepare action plans for each of the participating countries. Russia was one of the EU neighbours considered a potential participant of this new
policy. However, the Russian authorities found the ENP not to be in Russia’s interests, as they had a more ambitious vision of the relationship with the EU (Cameron 2007: 117). Already the PCA was meant to ‘provide an appropriate framework for the gradual integration between Russia and a wider area of co-operation in Europe’, so Russia expected special relations with the EU (Zaslavskaya 2005: 45–64). However, under pressure from the Russian regions neighbouring the EU states and interested in various forms of co-operation with the EU, a compromise decision was agreed, leaving Russia out of the ENP with other frameworks for the EU-Russian co-operation under consideration, but transforming the ENP financial instrument into the Neighbourhood and Partnership Financial Instrument and making it applicable to Russia.

One of the alternative forms of rapprochement between the EU and Russia that was considered was an idea to further stimulate economic co-operation and to create the Common European Economic Space (CEES) similar to the European Economic Area (EEA). In 2001 at the summit in Moscow, the EU and Russia decided to explore the potential of the CEES idea and created a High-Level Group in which Russia was represented by Deputy Chairman Victor Khristenko and the EU was represented first by the External Relations Commissioner Chris Patten and later by Enlargement Commissioner Gunter Verheugen. In 2003 they presented to the EU and Russian leaders the concept of CEES, suggesting ‘an open and integrated market between the EU and Russia’, based on the implementation of common or compatible rules and regulations’. According to the concept paper the CEES implied ‘market opening, regulatory convergence, and trade facilitation’. However, the concept referred neither to ‘a free trade area’ nor to ‘a single market’ and did not include the ‘four freedoms’ principle, essential for an integrated market, this created disappointment among the Russian political and economic elite (Romanova and Zaslavskaya 2004: 84–103). During the St Petersburg summit in 2003 the EU and Russian top officials decided to extend the common economic space concept to other areas and to create four common spaces: an economic space; a space of internal security; a space of external security; and a space of research and education, including culture (EU-Russia Summit 2003). They launched negotiations on action plans and details of common spaces implementation. By the time of the Hague summit in 2004 negotiators were ready to finalize agreements on two spaces out of four, but the EU officials insisted on further negotiations and the need to agree the whole package, so the final decision was postponed and the roadmaps for common spaces were agreed only in 2005 at the Moscow summit. On the one hand, the roadmaps did not provide a clear understanding of the final goals of common spaces and concrete steps of their implementation, thereby reinforcing disappointment about the result of several years of negotiations. On the other hand, they provided a framework for intensified sectoral co-operation.

Today, the efforts of the EU and Russian negotiators are concentrated on a new agreement. It has already been mentioned that the parties failed to launch negotiations in time. In fact, the EU states failed to agree on a negotiating position and mandate for the European Commission because of the Polish veto. Russia faced both a reality in which eastern enlargement undermined its relationship with the EU and the experience of one EU state damaging the EU-Russian relations and preventing the negotiations of a new agreement. Though the PCA agreed in the early 1990s was considered outdated as it did not correspond to a transformed Russia and strengthened EU, the parties had to rely on the old agreement (Pankov 2008). It was not until June 2008 that the EU managed to overcome its internal obstacles and start negotiations with Russia, which were further interrupted by another crisis in the EU-Russian relationship—this time war in Georgia in August 2008. Negotiations were resumed later in 2008, but considering the complicated nature of the EU-Russian relationship, and problematic bilateral relations between Russia and some of the EU states, these negotiations are expected to be long and difficult.
Common values

A stable relationship depends on the capability of partners to share their values. Values are particularly important in dealing with the EU, which traditionally pays special attention to them. This devotion to values constituted the EU’s reputation of ‘a force for the international diffusion of civilian and democratic standards’ (Duchène 1973: 20) and a ‘normative power in world politics’ (Manners 2002: 236). The EU traditionally has developed ‘values-based foreign policy’ (Cameron 2007: 117), and today it is one of the world’s leading advocates of democracy. Democratic principles were included in Community law for internal use and for external policies, for instance in CFSP and development policy. The conditionality principle and requirement for EU partners to correspond to certain conditions, including democracy, the rule of law and human rights protection, are essential elements of the EU’s policies towards third countries, including Russia.

During negotiations of the PCA in the early 1990s, the EU insisted on making reference to democratic principles and Russia agreed with it. This resulted in several references to democratic principles being included in the document: first, the preamble emphasized the ‘importance of the rule of law and respect for human rights, particularly those of minorities, the establishment of a multiparty system with free and democratic elections …’ then one of the declared objectives of the EU-Russian partnership was ‘to support Russian efforts to consolidate its democracy’ one of the general principles stated in the PCA was ‘respect for democratic principles and human rights’ (Article 2). Political dialogue was designed to ‘foresee that the Parties endeavour to cooperate on matters pertaining to the observance of the principles of democracy and human rights, and hold consultations, if necessary, on matters related to their due implementation’. The joint declaration annexed to the agreement stated that ‘reference to the respect of human rights constituting an essential element of the Agreement and to cases of special urgency’. Thus democratic principles were mentioned in the preamble, among the objectives and principles of the EU-Russian partnership and as an objective of political dialogue. The EU and Russia recognized them in the PCA as ‘the common values that they share’. They agreed that the shared common values were a basis for the EU-Russian relationship. While the democratic principles were mentioned, there was a lack of enforcement mechanisms, including only a vague statement about a possibility of taking ‘appropriate measures’ in case of violation.

Since there was no proper enforcement mechanism, the democracy clause of the PCA could be efficient in only three scenarios: the first one if the EU and Russia truly had a shared perception of values and there was no disagreement on this issue, the second scenario if the Russian authorities were eager to adopt the EU rules and European values in Russia, and the third scenario if Russia was seriously dependent on the EU and its economic, political, financial and technical assistance. When the PCA was negotiated the EU was successfully expanding its influence, while Russia was trying to find a way to recover after political and economic crisis and its leaders, including Minister of Foreign Affairs Andrei Kozyrev, were in favour of close relations with the West and radical political reforms in Russia. As a result, they were ready to recognize common values with the West. However, by the mid-1990s it became clear that the EU and Russia had serious disagreements over their perception of values and the importance of these values for politics, as it was demonstrated in their differences over war in Chechnya. This contradiction was further indicated in the late 1990s when the EU and Russia adopted strategies towards each other.

In 1999 the EU Common Strategy towards Russia definitely demonstrated the EU’s concerns about the prospects of democratic reforms in Russia. It was emphasized that the EU expected Russia to be ‘a stable, open and pluralistic democracy’ and that further development of relations
was possible only on the basis of ‘shared democratic values’. The EU declared ‘consolidation of democracy, the rule of law and public institutions’ in Russia as one of its principle objectives. In order to strengthen the public institutions and support the emergence of civil society they suggested a variety of particular measures. These included the encouragement of institutional reform, the arrangement of training programmes for young politicians and civil servants, expertise in the conduct of national elections, support for human rights implementation, equal opportunities for men and women, and independent media and non-governmental organizations (NGOs). In contrast to the EU strategy, the Russian Middle Term Strategy towards the EU (2000–10) adopted in 1999 paid hardly any attention to the democratic principles and their importance for the EU-Russian relationship. It did mention importance of the EU experience that could be used to support ‘further construction of a democratic rule-of-law State’ in Russia, but it was the only reference to democratic principles and potential assistance from the EU. The strategy demonstrated that the Russian authorities ignored the possibility of the EU’s participation in the enforcement of human rights in the country. Russia’s priorities in EU-Russian relations included ‘strategic partnership’ between Russia and the EU, widening the scope of political dialogue, development of trade and investments, financial co-operation, protection of Russia’s interests from the negative impact of enlargement, development of transport co-operation, cross-border co-operation, justice and home affairs co-operation, and the approximation of technical standards. The European concerns about civil society, independent NGOs and media were ignored. ‘Shared common values’ were not mentioned at all. Thus it became obvious that the EU and Russia had different opinions about the importance of democratic values, the meaning of these values and their role in the political transformation of Russia.

Another challenge to the EU-Russian relationship was the Russian authorities’ decision to resume war in Chechnya in 1999. The EU officials were disturbed by information about human rights violations in Chechnya, casualties among the civilian population, and the prevention of international observers and independent media from being able to follow the situation. Though the PCA did not provide it with any instrument of political influence, the EU could use its economic influence. In the late 1990s Russia had serious economic problems and relied heavily on trade with the EU member states. As a result, economic instruments could be extremely sensitive for Russia. These measures were considered in the EU (Haukkala 2008: 182–89). In December 1999 the Helsinki European Council threatened Russia with sanctions because of the situation in Chechnya. However, limited sanctions could hardly influence Russia and at the same time they put at risk the EU-Russian relationship. The European Council in Feira six months later reiterated the necessity of ‘a strong and healthy partnership’. In 2004 the European Parliament members again discussed the possibility of putting economic pressure on Russia and freezing the financing of Technical Assistance to the Commonwealth of Independent States (TACIS) projects (apart from the ones promoting democracy and civil society) (European Parliament 2004). While European officials were considering ways to influence Russia and to prevent tendencies they considered neo-authoritarian, e.g. the conduct of national elections and distortion of independent media, Russia (supported by growing oil and gas prices) demonstrated economic recovery. Growing gross domestic product (GDP) and lowering inflation rates together with increasing interdependence between Russia and the EU made it difficult for the EU to apply sanctions. Instead of penalizing Russia, the European Commission suggested the EU further ‘engage’ with Russia, arguing that this engagement would help to discuss problematic issues and to influence Russia. Deepening of co-operation would be more efficient than conflict in terms of strengthening Russian democracy (European Commission 2004b).

In response to the EU criticism of Russian practices, the Russian authorities developed a concept of ‘sovereign democracy’ that explained the special nature of democracy in Russia. In
2005, during the US-Russian summit in Bratislava, Slovakia, President Vladimir Putin explained the Russian approach to democracy. He confirmed the importance of democracy in Russia. Major democratic principles should be implemented and essential democratic institutions should exist as required in a contemporary democratic society. However, democratic institutions should correspond to the Russian political and societal traditions. This concept was not about a special Russian form of democracy, but about universal democratic principles implemented in accordance with national traditions (Putin and Bush 2005). Putin’s aide, Vladislav Surkov, further elaborated on this idea and produced the ‘sovereign democracy’ concept, which described a state based on democratic principles, but free from the influence of third countries, sovereign within its borders and based on its national traditions (Surkov 2006; Lipman 2006).

Therefore, the EU and Russia found themselves in a difficult position when the declared ‘shared common principles’ were far from being implemented. The parties had different perceptions of the values being discussed, and they had a different vision of their importance. Moreover, the Russian authorities demonstrated a lack of interest in the thorough copying of the European values. The values that were supposed to be the basis of their relationship became a serious point of contradiction. The EU’s tradition of linking its policy towards third countries to their implementation of the EU’s requirements was challenged by its ‘strategic partner’. The EU found it difficult to follow a conditionality principle towards Russia. While the EU had limited resources to influence Russia and use of these resources and pressure on Russia could undermine the EU-Russian relationship, the EU officials were concerned about further development of relations with Russia and a secure forum for negotiations with the Russian partners (European Commission 2004b). As a result the EU values-based policy towards Russia did not work.

Common interests

If the common values between the EU and Russia have been often considered a sensitive issue of their relationship, the common interests were indeed the locomotive that drove them together. In fact, the current ‘strategic partnership’ and four common spaces are based on the interests and concerns that they share. In order to understand the origin of the common interests between the EU and Russia, one needs to take into account several factors: the first factor was growing interdependence between the EU and Russia, with Russia depending on EU imports and investments and the EU depending on the energy supply from Russia. The second important factor was the new world order, which made it difficult for actors to rely only on their own resources in international politics and required co-operation between the major actors to solve political problems. Finally, geographical proximity was another factor that resulted in matters of common interests.

Growing interdependence required the development of economic relations and the establishment of frameworks that would be able to ensure stability of economic relations in general, and in particular the stability of the most important sectors, including trade, energy and investments. The EU and Russia were interested in further economic co-operation. The EU15 was an important trading partner of Russia, accounting for 37% of its foreign trade. However, after eastern enlargement when the Central and Eastern European countries famous for their intensive trade relations with Russia joined the EU, it acquired half of Russian foreign trade. In fact, trade was always a major element of EU-Russian relations (Tkachenko 2006: 267). The PCA had already granted the EU and Russia the most favoured nation status, facilitating trade and envisaging the prospect of a free trade area. Then in 2005 the Common Economic Space roadmap announced as its objective ‘an open and integrated market between the EU and Russia’ (EU-Russia Summit 2005a). However, these plans for an integrated market required
approximation of laws and convergence of regulations. The PCA explicitly stipulated that it was Russia that was supposed to ‘ensure that its legislation will be gradually made compatible with that of the Community’ (PCA Article 55). Agreed in the early 1990s, this obligation to move closer to EU regulations later caused serious consternation for the Russian authorities in their search for equal relations, and was even seen as a threat to sovereignty. Frankly speaking, people dealing with technical issues relating to a decision’s implementation were much more in favour of regulatory influence by the EU than top officials. This division among the Russian officials enabled Emerson, Tassinari and Vahl to speak of a ‘two-level Russian discourse and practice’ (Emerson, Tassinari and Vahl 2006: 73).

Energy was another matter of common interests as over 60% of Russian exports to the EU were energy products. Gas and oil were the foundation of the Russian economic recovery and ensured growing influence of Russia on the international arena. No wonder that energy products were regarded as a crucial instrument of Russia’s foreign policy, which the Russian authorities used in dealing with the EU partners and other states (Tkachenko 2008: 219, 247). On the other hand, for the EU, Russia was the most important single supplier of energy products as it provided around 25% of oil supply and 25% of gas supply in 2007 (Tarradellas Espuny 2008). Both the EU and Russia were interested in developing this trade with energy products as EU experts expected the supply of Russian gas to increase further and Russia was interested in this growing revenue. However, the EU and Russia had different views on how the energy market could be stabilized. The EU was concerned about security of energy supply and about its growing dependency on one single country, particularly because energy companies in Russia were either controlled by the state or were dependent on the state. The EU, therefore, sought liberalization of the Russian energy market, access by the European energy companies to Russian energy resources and transit facilities, and diversification of EU imports of energy products. By diversification the EU meant the search for alternative sources of energy supply, including northern African and Central Asian countries. Russia had opposing interests. It was concerned about the stability of demand for its energy products and safe transit routes. It was extremely disturbed by EU plans to interfere in the Russian market and its search for alternative supplies. The Russian energy companies were eager to get direct access to the European market, to buy distribution networks and petrol stations, as Gazprom and Lukoil did. Not all of these activities were successful as some EU states prevented them, for example as the United Kingdom did when Gazprom tried to move into its market and buy a stake in British gas distributor Centrica. The third package of liberalization measures for the European energy market proposed in 2007 and its ‘third country clause’ was perceived in Russia as an instrument to limit the Russian companies’ investments in the EU. However, the biggest challenge for Russian gas appeared to be transit, particularly its transit routes via Ukraine responsible for the transit of 80% of Russian gas exports to the EU. The Russian–Ukrainian ‘gas wars’ have already caused two major failures of Gazprom to provide gas to its customers in Europe—in January 2006 and January 2009—damaging the reputation both of Russia and Gazprom, and leading the EU–Russian relationship to a critical stage. As a result, Russia is seeking to diversify transit routes leading to the EU states in order to minimize dependency on Ukraine and develop bypassing pipelines: Yamal-Europe, Blue Stream, South Stream and Nord Stream. The European energy companies, such as ENI, are participating in these projects. Energy dialogue with its joint thematic groups (investments, infrastructure, trade and energy efficiency, then in 2008 rearranged into energy strategies, forecasts and scenarios, market developments and energy efficiency) and regular progress reports has proved to be an efficient instrument for consultation and co-ordination of energy activities.

In terms of necessary co-operation between the major actors seeking to solve political problems, the EU and Russia did share interests in consolidating their positions on international issues.
Their capabilities to act independently without supporters were limited: Russia suffered a serious decrease in its political capabilities in comparison with the USSR, and the EU developed its own political and military capabilities, such that political consultations and preparation of common approach could ensure the efficiency of their international activities. Another important development is that both the EU and Russia are interested in stability in the Western Balkans, Middle East and Afghanistan, in the control over the nuclear programmes of Iran and the Democratic People’s Republic of Korea (North Korea), a strong non-proliferation regime, and the fight against terrorism. In fact, the PCA created opportunities for ‘increasing convergence of positions on international issues of mutual concern thus increasing security and stability’. However, until 2000 EU-Russian political co-operation lacked real substance. It was only during the EU–Russian summit in Paris in 2000 that the EU and Russia decided to strengthen political co-operation. A year later it was decided to arrange regular consultations enabling Russian representatives to meet with the EU’s Political and Security Committee. Later Russian military officials started to meet with their colleagues from the EU Military Committee and EU Military Staff. In 2003 Russian officers joined the EU Police Mission in Bosnia and Herzegovina. Though the EU and Russia have been involved in regular consultations on political issues and have worked together to solve international problems, such as through the Quartet to settle the Israeli–Palestinian conflict, they nevertheless have disagreements on political issues. They had opposite opinions on such issues as the independence of Kosovo and lately the independence of Abkhazia and South Ossetia. Russia was disappointed at the EU’s arrangements for third country participation in the EU crisis management operations. Russia expected that participation would enable it also to take part in decision-making, but the EU was not going to give that role to an external power (Council of the European Union 2002c). There is a debate about Russia’s attitude to the EU’s political activities, and a widespread opinion is that the Russian authorities have not been happy with the increasing security role of the EU since the late 1990s, instead being ‘concerned that the EU’s European Security and Defence Policy (ESDP) may challenge Russian interests’ (Lynch 2004: 100; Forsberg 2004: 253). The common space on external security did not result in real added value, in contrast to the decisions made in Paris (Danilov 2005: 86–91).

Geographical proximity resulted in common problems such as environmental pollution and criminal activities, including illegal immigration, organized crime and drugs-trafficking. Efficient solutions to these problems required co-ordinated policies and joint activities of the EU and Russia in areas of environmental protection, border control and the fight against organized crime. The EU eastern enlargement led to the extension of the common border from 1,300 km to 2,200 km, and increased common problems demanding stronger co-ordination of border control. The enlarged EU also moved closer to destabilized areas on the post-Soviet territory, e.g. the Transnistrian region, Abkhazia and South Ossetia. The EU and Russia shared an interest in stabilization on the post-Soviet territory, but their approaches were quite different (Zagorski 2005: 74–46). Russia felt responsible for this area and was not ready to share its responsibility with the EU. The Russian authorities perceived this situation in zero-sum terms. Potential common interest was transformed into a conflict of interests, which could be illustrated by disagreement on ‘common neighbourhood’ and the EU’s Eastern Partnership. However, in 2008 the EU played a key role in pacifying conflict between Russia and Georgia. Nicolas Sarkozy’s diplomacy demonstrated the capabilities of the CFSP led by a strong leader and strengthened the EU’s reputation as an important actor in the post-Soviet territory.

Therefore, there are a few areas in which the EU and Russia definitely have common interests, such as trade and energy. Even though they might have different priorities in these areas, they are motivated to intensify trade and energy co-operation. Disagreements on the
issues of energy security and energy market regulations did not prevent the EU and Russia from development of regular consultations in the framework of energy dialogue. However, common interests and the necessity to solve common problems do not always help to overcome disagreements on the practical measures to solve these problems. External security could become an area of active co-operation between the EU and Russia as they share the same concerns about stability and a secure environment in Europe, but so far they have had problems negotiating specific actions and practical arrangements. The EU and Russia are also interested in a political and economic stability on the post-Soviet territory, but they do not try to co-ordinate their activities in the region, they implement competing policies instead. Nevertheless, common interests and necessity to ensure security in the region eventually will require consultations and even co-ordinated policies.

Conclusions

Since the early 1990s the EU and Russia have demonstrated serious progress in the development of their co-operation both in terms of quality and quantity. In terms of quality they have steadily upgraded their relationship from trade and co-operation, to partnership, then to ‘strategic partnership’, and finally to ‘common spaces’. In terms of quantity, in the traditional areas of trade the EU and Russia have intensified their activities with the EU becoming by far the largest trading partner for Russia, accounting for over 50% of Russian foreign trade. Meanwhile, Russia has been recognized as the most important single supplier of energy products to the EU. The EU and Russia also extended their co-operation into new areas like security co-operation, regional co-operation and border control. Today the EU-Russian relationship is based on the PCA with additional agreements on textiles and steel. The PCA created an institutional structure enabling different levels of European and Russian officials to meet regularly in order to discuss political and economic issues. For particular policy issues or projects they have established new arrangements, for example to discuss energy policy they created an energy dialogue and to examine the common economic space idea they established a high-level group. Finally, for rapprochement between the EU and Russia in four particular areas—economy, internal security, external security, and research, education and culture—they decided to create common spaces. Thus, the EU-Russian relationship has significantly developed.

However, the final goal of this development is not clear. It is considered obvious that Russia has no ambitions to join the EU, while the EU does not have the resources to absorb such a country. Thus, EU membership for Russia is not an option as a final goal. There are some references to the EFTA (Iceland, Liechtenstein, Norway and Switzerland) states and EEA model of relations with the EU. The common spaces were suggested with clear reference to EEA, though the concept paper on the common economic space lacked the content of EEA, particularly as ‘an open and integrated market’ did not imply the four freedoms principle. The Russian approach to this model was also not clear. On the one hand, Russian officials supported rapprochement with the EU and special relations. Then President Putin even agreed to the ‘everything but institutions’ principle. On the other hand, Russian leaders insist on equal relations and the reciprocity principle, they question legal approximation based only on the Russian move towards the EU, and argue that it could undermine Russian sovereignty.

In fact, the EU-Russian relationship has never developed smoothly: periods of progress have been followed by pauses and even periods of regress. The progress achieved with the PCA negotiations was followed by difficulties with its ratification, serious crisis in the late 1990s and then new agreements at the Paris summit in 2000, the common spaces decision in 2003 and serious contradictions in 2004, finalized negotiations on the common spaces roadmaps in 2005.
and then difficulties with the negotiations of a new agreement to replace the PCA. Various factors contributed to such developments in EU-Russian relations, including Russia’s relations with particular member states and external factors, such as the terrorist attacks in the USA on 11 September 2001, and other events in the USA. However, the two most important factors that determined development of the EU-Russian relationship were values and interests.

The EU with its values-based foreign policy and normative power ambitions has pushed for values as an essential basis for the EU-Russian relationship. Russia has pursued a more pragmatic approach, and emphasized mutual interests and growing interdependence that could be used for further integration between the EU and Russia. This serious difference in the approaches towards each other and in the expectations from partnership caused disappointment and made it more difficult to develop co-operation. Lack of understanding on the issue of values, the EU’s concerns about democracy in Russia and Russia’s reluctance to follow the EU’s recommendations resulted in several difficult periods in EU-Russian relations, for example in the mid- and late 1990s. In contrast to common values, common interests seem to be a more solid ground for further relations between the EU and Russia. Common interests do not mean totally identical positions on the issues, and different approaches might lead to conflict of interest, but the EU and Russia appear to find it easier to identify shared interests than they do shared values. Common interests resulted in active development of trade and energy co-operation. For development of co-operation in other areas of common interests, in which the EU and Russia share concerns about particular problems, such as security challenges, they still find it difficult to agree on a common approach and co-ordinated activity. Nevertheless, the EU and Russia demonstrate their support for further co-operation, they are interested in this relationship and they do not want to risk it. They try to be flexible in order to strengthen their co-operation. The EU, instead of traditional conditionality principles, is trying to engage with Russia, while Russia uses the institutional framework of political dialogue to explain its concerns to EU officials. Frankly speaking, the EU failed to promote common values as the priority for EU-Russian relations. Today EU-Russian relations are interest-based, or rather energy-based. This approach of limited co-operation might seem efficient in the short term, but in the longer term for real rapprochement it will be necessary to develop co-operation in other areas of common interests and definitely agree on the issue of values.