



*Robert Schuman*

## **Russia-EU: A Dangerous Relationship?**

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# Russia-EU - A Dangerous Relationship?\*

Heinrich Vogel ♦

## Introduction

Warming up for this occasion I read a number of recent analyses dealing with relations between the European Union and Russia. Most of them arrive at gloomy results, diagnosing an asymmetrical interdependence, where the EU is at odds with itself while Russia basks in its new glory as an energy great power taking a position of “Pay your energy bill and shut up”. I am wondering about the premises of such assessments and to what extent these results are irreversible, provided they are realistic. I hope to stir your critical reflexes and I hope for your indulgence with a true believer in European integration which in my view is a model for the future of international relations.

European relations with Russia used to be Western relations. Over the last six years, however, I had an increasing feeling that the old West had ceased to exist while the Russia policies of Washington still had a considerable, mainly negative impact on European dealings with that country. To some extent Brussels has been held hostage to a thinly veiled confrontation between Moscow and Washington. Given the almost paranoid fixation of the Putin administration on US policies, European dealings with Russia became a troubled relationship.

The change in the American presidency makes it now possible to return to the premise of a more united not only European but Western position in the discourse with Russia on issues of foreign, economic, and security policies. I share the view of the German Foreign Minister Steinmeier who now sees a “window of history”. But it is not only the magic of the “Obama-factor” that invites a fresh look at relations with Russia. The impact of the financial crisis on the real economies of all countries worldwide indiscriminately forces a new understanding of interdependence upon the leaders of the world. If they like it or not: Global recession with all the ugly, yet unknown consequences will only be reversed collectively or not at all.

This realization has already become visible in the pattern and style of statements regarding relations between Russia and the West. The boasting sounds are gone on all sides: The Russian Foreign Minister Sergei Lavrov states “We cannot afford the luxury of playing geopolitical games any more”<sup>1</sup>, the Russian President Medvedev expects “expects honest talks with Obama”, and the American Vice-President Joe Biden declares no less than a total reversal in relations with Russia: “The United States rejects the notion that NATO’s gain is Russia’s loss, or that Russia’s strength is NATO’s weakness. The last few years have seen a dangerous drift in relations between

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<sup>1</sup> Der Spiegel, February 16, 2009

Russia and the members of our Alliance. It is time to press the reset button and to revisit the many areas where we can and should work together.”<sup>2</sup>

But are we really heading for a golden age in Western relations with Russia? Many structural obstacles on the ground still have the potential to sabotage even the most credible political will to improve the relationship. Resetting the button cannot delete the past. All it can do is to increase the willingness to rise above former conflict and to change attitudes and postures. This is where we stand today.

I want first to take a look at the two main actors, the EU and Russia, their self-perceptions and their views of the international environment as they have been developing over the last years, and what seems to be left after a reality check. I then want to discuss the hard issues in relations between the EU and Russia. And lastly, I will try to come up with a few ideas for discussion how the recent spirit of departure can be preserved and brought to bear fruit.

### “Ach, Europa”!

Timothy Garton Ash, one of the few British supporters of accelerated European integration, opened a recent article in “The Guardian”<sup>3</sup> with this solemn outcry adapted from the German writer Hans-Magnus Enzensberger. Like many others before him he challenges European politicians for “*intellectually accepting the long-term case for a stronger, more coherent European voice in the world*”... “*but while they are politicians in office this insight will be trumped by considerations of short-term political advantage.*”

Right he is when we think of the year-long bickering about the Lisbon Treaty, the unfinished project of a European constitution, which was expected once and for all to settle the issue of sovereignty in relations with the outside world. The debate about “undemocratic, centralistic, bureaucratic procedures and structures” in Brussels goes on and on, not only in France, Holland or Ireland. Even in Germany, the long time stronghold of the process of European integration, the proponents of the Lisbon Treaty are worried that fundamentalist legalism may prevail over political foresight as the Constitutional Court may hand down a final verdict in April that blocks the country’s accession to the treaty.

No doubt, the European project is struggling. The more you may be surprised that I take a position best described in Galileo Galilei’s defiant claim: “E por si move”. Madeleine Albright’s dismissive view of the EU only a few years ago for not having a consolidated phone-number or the mocking characterization of the EU as a “normative power only” by Sergei Karaganov (one of the leading figures in the Russian foreign policy establishment) have a different ring today. Over time the European integration has been growing from a diffuse and controversial process into a more and more functional system. But I am aware of the basic rule for academic reasoning about phenomena which are difficult to grasp: “If you don’t know, what it is, call it a process, and if you don’t know how it works, call it a system”.

So I will change terminology: The EU may not yet be a fully fledged **actor** in any traditional meaning of foreign relations, but it has grown into a veritable **factor**. There is no way to ignore Brussels today when it comes to setting economic and technical standards or even defusing international crises on a global scale. The GDP of EU-27 is almost as big as that of the US, with competitive high-tech industries, declining rates of inflation, fairly progressive environmental standards, and positive foreign trade balances over the last ten years. Last but not least, the Euro became the most sought-after international currency. All this happened thanks to a “combination of careful deregulation and smart regulation”<sup>4</sup>, strong social safety nets, and sufficiently big

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<sup>2</sup> <http://www.america.gov/st/texttrans-english/2009/February/20090209110808xjsnommis0.9254267.html>

<sup>3</sup> Europe is failing two life and death tests. We must act together, now, The Guardian, January 8, 2009

<sup>4</sup> Paul Krugman, “The Comeback Continent”, New York Times, January 11, 2008

government. Contrary to the horror visions of a loss of national identity, cultural diversity has survived, it even turned out to be one of the motors of development.

At the same time (and under considerable pressure from outside) the sense of urgency to become more efficient within the framework of a Common Foreign and Security Policy has intensified. Let me again quote Timothy Garton Ash's article: "Unless and until we Europeans gather our strength, our American, Chinese and Russian friends will be richly justified in their contempt." Which brings me to the temptations of national bilateralism: Indeed, our American as well as our Russian friends indulged in interfering in the decision making process of "Brussels" on major security issues such as missile defense or the diversification of energy imports by offering special deals to key countries. Blocking or at least slowing down the process of convergence towards an integrated European Foreign and Security Policy has been nothing less than a welcome by-product of those deals.

The understanding in European capitals, however, has been growing that only unity produces the right answers for defending Europe's common interests and standards. In hindsight there can be no doubt that those painfully slow multilateral negotiations on the fairest possible pattern of integration for such diverse countries as France or Estonia have been producing vastly more reliable foundations for European security than the alleged quick fix of bilateral deals - not to mention the unilateral deliberations of great deciders.

One could even state that the comparative good-will of the EU has been growing due to the failure of its main competitors. It brings no pleasure to have been right in the first place - but it was the EU commission and its continental members, who urged stronger collective oversight over the global financial markets. US and British failure even to consider their dissenting views, now strengthens the credibility of the EU in the international arena. On the whole, global challenges, external pressures, even the contemptuous sneering over "those Europeans" have been paradoxically helpful to maintain and deepen the sense of European identity.

Sounds good, but not good enough, you will argue. And indeed, the reality check comes with the melt-down of financial markets and a global recession triggering the same old conditioned reflexes of protectionisms and nationalism in Europe as in all other parts of the world. This is particularly painful for a European Union poised to closer integration, particularly when the economies of its members are in bad shape. The paradox became sufficiently obvious with the former and the current Presidents of the European Council, Sarkozy and Topolanek at the center of polemics about the location of a French car factory in the Czech Republic.

No, there is no reason for European euphoria and, above all, it is the deeply rooted different interpretation of history's lessons that continues to overshadow the European agenda. Divisions persist between "new" and "old" members, but also among the "old" Europeans, divided in their reactions to discretionary moves in US foreign policy as well as Russian temptations with bilateral arrangements - without much regard for European unity.

## **Neighbor Russia**

Before becoming too skeptical about Europe, let me turn to the new Russia which has been an uncongenial neighbor for the European Union from the outset. Contrary to the hopes for peace-dividends and visions of an ultimate victory of "market-democracy" it turned out to be more of a spoiler than a partner, more part of European problems than of their solution, and totally insensitive with regard to the feelings of nations who had been victims of Stalinism and Soviet occupation for 45 years.

More recently, its policies have been caricatured as those of a "bully on steroids" meaning that the unexpected role of an "energy-great power" got to the head of an immature and unprepared leadership in Moscow. Particularly for the Baltic and Central European states, Russian hegemonic posturing continues to be a nightmare, a perception which was bound to complicate the agenda of relations between the EU and Russia, irrespective of all the talk about

“Partnership and Cooperation”. The de-facto annexation of South Ossetia and Abkhazia in 2008 seems to corroborate the worst of fears.<sup>a</sup>

A closer look at Russia’s foreign policy reveals two traditional myths, which have been dominating the world view of the political elites in Moscow. The first myth is that of “vastness” of its land, i.e. the potential of a territory too big to conquer and endowed with inexhaustible natural resources. No wonder that Vladimir Putin chose to write his doctor’s dissertation at the university of St. Petersburg on “Planning in the Natural Resources Sector” which may have inspired geostrategic designs for reconstructing Russia as a great power. It boils down to a simple one-dimensional formula: “Centralization of power (one would add: in the hands of Chekists) plus control over the distribution of energy throughout Eurasia” - very similar to Lenin’s recipe for the victory of communism in Russia: “All power to the Soviets plus electrification of the whole country”.

The second myth which survived the end of the Soviet Union is that of an almost natural right to recognition as global power, rival to none less than the United States. This world view draws on a narrative of Russian history shaped by a pattern of encirclement and eventual victory against all odds. The Bush administration’s Russia policy, above all the project of stationing interceptor missiles in Poland and X-band radars in the Czech Republic, provided Russian propaganda with the perfect evidence of real threats to Russia’s security and the general need to beware of bad intentions in the outside world. Putin spoke the feelings of the Russian political elites when he called the collapse of the Soviet Union “the greatest catastrophe in the century”. In their view Russia has now returned to its rightful place on the stage of world politics as a key player, having overcome internal turmoil and humiliation by “the West” (meaning: the US) during the Yelcin years.

Over the last two years the *topos* of successful Russian “stabilization” has been growing roots in the West, too, not least with the help PR-agencies working out of New York and London, well versed in the art of information management. The trick was and is the “Time-Magazine”-style reduction of complex political networks and precarious correlations between social, economic, and psychological developments to the story of a superman’s fight against all odds of chaotic systemic change, criminal looting of national assets, and vicious foreign manipulation.

But let’s be fair: The story of Russia’s dramatic rescue from the brink of collapse and the stabilization of state and economy is not wrong altogether. Vladimir Putin and his men indeed mastered quite a few dangerous situations with more than one possible outcome playing a very weak hand when we take the inherited problems of physical and psychological decay into account. Since 2003 growth-rates of GDP compared quite favorably with those of Western Europe, Moscow and St. Petersburg turned into boom-towns, new oligarchs have been boasting about top positions on the Forbes-list making news with their investments in football-clubs and other symbols of conspicuous wealth. Private consumers in Russia enjoyed a remarkable trickle-down, too, if mainly in the metropolitan regions. To sum it up: Recognition of Russia’s role as an independent actor has become overdue. It is not by accident that over the last six months a majority of Western analytical writers, including staunch geo-strategists like Henry Kissinger have been advocating more “understanding and consideration for Russian feelings and legitimate interests”.<sup>5</sup>

On the other hand it cannot be denied that the political system called Putinism has been designed in a way first and foremost to protect the ruling clans against any challenge from within Russian society. It is the total lack of transparency and the absence of checks and balances which make neighbors wonder about the degree of freedom and the range of options possibly considered in the Kremlin when it comes to foreign policy and security issues. Most observers consider the Russian military backlash against Georgia and the annexation of South-Ossetia and Abkhazia as

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<sup>5</sup> c.f. his article “Unconventional wisdom about Russia”, in: International Herald Tribune, July 1, 2008 (<http://www.iht.com/articles/2008/07/01/opinion/edkissinger.php> >

the final wake-up call after years of blue-eyed attempts of “engaging” Russia. Even the change in the Russian presidency from Putin to Medvedev did not make much difference so far. Here the neo-containentalists were caught in embarrassment, too: The debate in NATO about “Would not the Russians have acted differently had we agreed on awarding Georgia the status of “Membership Accession Process” is not so different from the helpless embarrassment the of “the appeasers” calling the annexation of Abkhazia and South Ossetia “unacceptable”. Let’s face it: Going to war with Russia to support a well connected megalomaniac in Tbilissi never was an option – with or without Article 5.

Since 1999 repeated cut-offs in Russian energy deliveries have been hanging as a Damocles-sword over the heads of Central Europeans and the EU at large. Particularly the well timed disruptions of supplies to seven EU countries amidst show-downs with Ukraine over prices for natural gas and royalties for onward transportation have been interpreted as a severe blow to the energy security of the EU, not to forget hopes for continued NATO-expansion. Natural gas, due to the rigidity of transport primarily in pipelines, is considered as a “natural monopoly” - the weapon of choice for Moscow’s gambit of arguing in economic terms and harvesting political gain.

This is where we stand today, numbed by unexpected Russian defiance, which claims a “legitimate sphere of interest” and the “obligation to defend Russian minorities”, a repetitive pattern of interruptions of energy supplies, and aggressive debt-for-equity-swaps in neighboring regions, topped only by announcements of military cooperation with notoriously anti-Western countries around the globe. In this perspective, Russia is the winner.

The **reality-check**, however, disproves the stories of unchallenged Russian power versus doom and gloom accordingly for the Europeans. Any deeper analysis of economic, technological, and military developments over the last ten years, not to mention the alarming demographic situation, render astoundingly weak comparative results for Russia. Let me summarize some of the easily accessible and consistent statistics: A considerable part of public funds, private capital, and precious time which should have been earmarked for the modernization of totally obsolete industrial equipment and infrastructure has been squandered between 2001 and 2006 in an economic system that ran on “hand control”, i.e. with lots of sudden interventions. A recent analysis of the EU-Russia Center in Paris characterizes the system as “corporatist, corrupt, short on effectiveness and efficiency, and riddled with cronyism”.<sup>6</sup>

It was only in 2007 that the Russian economy took off for a consistent start with high rates of investment in fixed capital. Foreign direct investment also grew to unprecedented levels. But 2008 brought a sharp down-turn – months already before the financial crisis. Hhome-grown scandals like the clash with foreign investors over TNK-BP and the invasion in Georgia made foreign capital shy again.

The structure of Russia’s non-energy exports is still painfully similar to that of the Soviet Union in the 1980s, R&D is simply not competitive with that of Western countries, and corruption so typical for petro-states around the globe keeps choking the evolution of the private sector, particularly the medium and small enterprises.

In the energy sector, which was expected to thrive, prospecting, production, and transport of energy within Russia are precariously unreliable, depending on huge inputs of capital and technology. The most striking result, however, is that Russian known energy reserves have been diagnosed to peak as soon as 2020 for oil and 2030 for natural gas at the prevailing rates of production (some specialists even expect earlier decline of availability). Depending on the growth of domestic demand this is bound to impact on Russia’s export potential, even to challenge it’s capability to fulfill existing long-term contracts. The Russian strategy to dominate the gas exports of neighboring countries in Central Asia, buying as much gas as they can get at world market

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<sup>6</sup> <http://www.eu-russiacentre.org/eu-russiacentre-news/gas-crisis-opportunities-eu.html>)

prices and reselling it via Russian pipelines, can be interpreted as a strategy to compensate the shrinking volume in national production.

Everything seemed to proceed according to the Kremlin's plan. However, the row over gas-deliveries to Europe via Ukraine in January 2009 turns out to be a shot in the foot of Putin and not of Barroso. It is the opaque nature of transportation networks created under the umbrella of Gazprom as well as the unpredictability of politics in Kiev which make it hard to blame Moscow alone.

"Gas Trading" companies have been playing an extremely negative role destabilizing and partially criminalizing it. In the case of the Ukrainian "gas war" it was a shady Ukrainian company RosUkrEnergo, partly owned by Gazprom and registered in Switzerland, which had been inserted in the previous agreement with Ukraine and complicated the renegotiation in January 2009 by claiming ownership of 11 bcm of gas in Ukraine's storage facilities.<sup>7</sup> The damage to Gazprom's reputation as a "strategic partner" for European corporations, but also to Russia's pretense under no circumstances to politicize economic relations, is huge.

The biggest embarrassment for Russia new claim to power, however, is the sorry state of its military which paradoxically became obvious during the victorious war against Georgia. Victory in this short war was possible by overwhelming Russian force. But it is also no secret that the communication among Russian units had to be secured in part via the personal cell-phones of their commanders.

The strident difference between short-term constraints to and long-term visions of military power can be characterized in a comparison of Defense Minister Anatoliy Serdyukov's announcement of "radical military reform and modernization" in October 2008. He announced the integration of air defense, missile defense, space defense, and radio electronic warfare into one system. At the same time, the ministry has to buy back MiG29 fighter planes originally produced for export to Algeria (the Algerians had withdrawn from the contract because of serious technical problems with this weapons system). And yet, these newly produced deficient aircraft is being considered more reliable than the entire fleet of MiG-29s of the Russian air-force, 70 percent of which were found unfit to fly due to corrosion. The grand plan of modernization has now been called off.

Foreign Minister Sergei Lavrov still loves to talk about "strategic balance" with the US. However, this approach, so reminiscent of the debate about INF in Europe in the late 1970s, became fully absurd when Medvedev announced Russia's readiness to drop plans of stationing *Iskander Missiles* (which have yet to become operational) in exchange for the willingness of the US to withdraw from plans with its (equally non-operational) anti-ballistic missiles earmarked for stationing in Poland and the Czech Republic. Russia and the US had become hostage to a political contest in the categories of the Cold War.

Russian propaganda plays a delicate game of overstating resources and underreporting shortfalls. Again and again, the missing link to reality is derived from stories about the West trying to undermine trust in the leadership and alleged military confrontation by "bringing the military infrastructure of Nato up close to the borders of Russia". The specter of clear and imminent danger to Russia's territorial integrity and political sovereignty continues to serve as justification for the repression of any criticism. But the contrast between the Kremlin's nervousness on one hand and the façade of strategic defiance and tactical triumph on the other (take a look at the Home-page of RIA-Novosty) is in my view a reliable indicator of inherent instability, not strength.

Russian presidents Putin and Medvedev have a record of addressing economic and social shortcomings and even legal nihilism in Russia in an astoundingly frank manner. But when it came to action they preferred to shift all the blame on regional and local bureaucrats. So far, the

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<sup>7</sup> Pavel Korduba, Who owns the gas in Ukraine's underground reservoirs, in: Eurasia Daily Monitor, The Jamestown Foundation, Feb. 6, 2009, vol. 6, issue 25



country has been managed according to a motto formulated by one Russian critic: “The most important thing is that the people remain quiet and money falls from heaven.” Real change of administrative procedures and legal standards remained elusive. But there is always the fall-back position of shifting the blame at least on Western NGO’s which, in the words of FSB-director Patrushev, are a “threat to Russia’s security”.<sup>8</sup>

The collapse of financial markets e.g. is targeted in strong condemnations of US irresponsibility and by assurances that, contrary to the situation in the West, everything is under control in Russia due to widely kept financial reserves which are sufficiently big to bail out national banks and to support the exchange rate of the Ruble. But the party is over – money no longer falls from heaven: The Moscow stock market lost 60% of its value in just one week in October 2008, the big monopolies as well as the planners of the state-budget had to reduce their basic assumptions for the oil price in 2009 down from 40 to 25 \$/gallon. Politically even more important: The people are about to wake up and start asking nasty questions about jobs, domestic security, continued trickle-down. Even the nightmare of the Yelcin-era is coming back: Centrifugal tensions are building up again.

### **The hard issues that are going to stay**

The fundamental problem that clouds the relationship between the European Union and Russia is of course the incompatibility of two political systems – one striving for regional hegemony and global recognition in terms of twentieth century nationalism while the other continues to test alternative answers for the issues of the twenty-first century. Geographically they are close neighbors but they remain hundred years apart in their understanding of governance, legal standards, and rules of behavior. Continued disputes, even clashes over the essentials of cooperation are therefore unavoidable.

The obvious conclusion is: Working for compatibility in economic and technical cooperation must by no means compromise the very substance on which the EU has been founded - good governance, transparency, and the rule of law. To the contrary: Russian challenges regarding the overall framework of “Partnership and Cooperation” have to be countered by insisting in the long-term advantage for all participants who are willing to play according to the rules.

Overexposure to Russia as the supplier of 60 percent of imports of natural gas is of course the most pressing concern on the European agenda. In the short-term only countries with a well developed energy infrastructure like Germany, France or Italy have a chance to survive interruptions of deliveries originating in Russia and the Central European transit region for up to three months. The real losers in the “asymmetrical interdependence” with Russia are countries in the Baltic, in Central and South-Eastern Europe with a totally obsolete energy infrastructure and industries and communities totally dependent on the continuity of energy flows from Russia. It is quite natural that they are receptive for political slogans like “energy-Nato”, although such tough talk is nothing more than whistling in the dark.

The question is: Can the Russian energy providers (including the political leadership) afford continued brinkmanship? In the years preceding the financial crisis they had indeed some financial leeway for political experiments. Now the situation has changed considerably and the Kremlin’s inner circle may not be so sure if it makes sense to – as Maria Ordzhonikidze of the EU-Russia Center pointedly put it - “sacrifice their own money for the sake of ensuring Russia’s political grandeur?” But this question is easy to ask and hard to answer as it speculates about uncharted territory of Kremlinology.

For the EU direct energy trade with Central Asia seems to offer alternatives at least for the medium term. “Nabucco”, a pipeline project, which is directly to link the gas resources of the

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<sup>8</sup> <[www.newsru.com/russia/20may2005/janes.html](http://www.newsru.com/russia/20may2005/janes.html)>

Caspian basin with the EU via Turkey, Bulgaria and Romania, has been on the drawing board for years. In the meantime Russia was quite successful signing long-term contracts which bind Azerbaidzhan to reserve large parts of its gas-production for Russia. Besides it keeps promoting a parallel pipeline controlled by Gazprom which intends to monopolize gas transport from the Caspian Basin to Europe – this time via Russian territory.

So far, the EU failed to come up with a plausible, consolidated energy strategy, not least because countries like Germany and Hungary, under the pressure of their big energy providers, got entangled in bilateral pipeline projects with Gazprom. Now the situation has become untenable and the Commission is now working hard to come up with realistic alternatives to an unacceptable situation. Regional diversification of supplies (including Iran) and massive investment in energy infrastructure (i.e. pipelines, gas-storage, LNG-installations, and the systematic improvement of energy efficiency) are obvious avenues, costly and time-consuming, but feasible. Technological breakthroughs for large-scale substitution of oil and gas will be achieved only over the longer haul. The most efficient strategy in the short term is to forge an integrated energy market with clear rules for competition and shared responsibilities.

The key issue here is the willingness and/or capability of national governments also in Western Europe to open their energy markets for the partners in the EU. So far, the big national providers like Eon in Germany and “Gaz de France” have been rather recalcitrant. The combination of the Ukrainian crisis and global recession has now increased pressures to create a unified energy market. The European Commission’s position has been strengthened in its bargaining with Russia when it comes to achieving concessions in terms of transparency and competition under the European Energy Charter Treaty. It will be important, however, to maintain the nexus with negotiations for a new Partnership and Cooperation Agreement which is of great interest to the Russian side.

On the other hand it has to be admitted, that nobody has a quick fix for the nightmarish financial and political problems of Ukraine, even all the new member states of the EU, which are at the brink of default – which makes them more vulnerable to price hikes for those vital imports of energy from Russia. The next “Ukrainian crisis” is just around the corner. I suspect that in the end the bills will be handed on to the International Monetary Fund – and/or the EU.<sup>9</sup> But this will not eliminate the fundamental asymmetry in energy relations with Russia.

### **Some general observations**

Fundamental questions about Russia as a partner remain unanswerable, and yet many analysts and pundits are not shy to draw powerful, even visionary, conclusions from weak assumptions. Let me only mention two:

1. Is the trajectory of Russia’s future open to democratic modernization *or* hopelessly entangled in authoritarian traditions? More often than not, this philosophical dichotomy shapes our perceptions, implicitly or explicitly introducing an element of ideology. As we have to wait for the answer this paradigm is unsuitable for finding answers to solve today’s practical problems.
2. Postulates of “grand Russian strategy” beg the question: “Who is Russia anyway?” Closer to the practice of foreign policy again, we should rather ask: What do we actually know about decision making and the lines of command within Russian government? So far, there are no leaks, no memoirs, no investigative reports. The Walls of the Kremlin are tight and nosy enquirers face serious risks. But it makes quite a difference whether we assume a monolithic *apparat* faithfully executing decisions of the leadership, *or* if we allow for a) slack and corruption up to the top levels of administration and/or b) two clans

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<sup>9</sup>C.f. Argentina on the Danube, in: The Economist, February 19, 2009

fiercely fighting, with changing scores, over the agenda of foreign policy - the economic realists who understand the inevitability of integration into the global context or the neo-imperialists aiming at restoration of the empire.

On these and many other empirically inaccessible questions, it is tempting to join one or the other school of thought (or church) and to accept whatever is being presented under the irrefutable cover of "If you knew what I know". Whatever the tentative answers - we should be aware that Western actions and reactions are a critical part of the evolving political realities, possible power struggles, and plausible strategic debates in Moscow. So far, Washington and Moscow have been entangled in a game of "Mutually assured Regression". Positive answers may turn out to be wishful, but negative answers have a tendency of becoming self-fulfilling. This is what decision-making under uncertainty is all about.

### **My conclusions**

1. Further expansion of NATO, even of the EU, is no cure for lack of credible governance in candidate countries. Free elections are an indispensable step towards democracy, but without the follow-up of institution building and the enforcement of the rule of law failure is almost assured. Nato's "Open Door Policy" is in serious trouble if seen as a tool for preemptive containment which only triggers reflexes aiming at rollback. The masters of "political technology" in Moscow drew their most powerful arguments for perpetuating the system of "sovereign democracy" from Western tough talk based and inadequate regional analysis.
2. The temptation for the current leadership in Moscow to destabilize neighboring countries by aggressive buy-outs of critical assets (what Anatoli Chubais once called "liberal imperialism") and mobilizing Russian minorities seems overwhelming. But a continued effort at recollecting a conventional empire of apparently easy prey like South Ossetia and Abkhasia has a price to be paid by Moscow, and the currency is credibility as a reliable, "civilized" participant of international politics and recipient of foreign direct investment. The response of even close Russian allies to the adventure in Georgia and the net-outflow of Western capital was a clear warning of this correlation.
3. The only reasonable response open to the West will be to resume the policy of comprehensive stabilization, i.e. persistent, yet conditional, economic, and political support for plausible endeavors of hopefully new elites in Ukraine, Moldavia, Georgia, Armenia, and in Central Asia. This approach takes time and stamina and success seems elusive when we look at the frozen conflicts in the Caucasus and in Moldavia, but also at the precarious statehood of Ukraine. The least to be said with regard to Western sponsoring is: Crooks and hot-heads should be out of bounds, even if they studied at Columbia University.
4. Western policy towards Russia desperately needs a make-over. It makes sense, not to stick to the rules of face-saving when it comes to anti-ballistic missiles in Poland and in the Czech Republic and to revitalizing and even upgrading the Russia-Nato-Council. The best start will be to test the seriousness of President Medvedev's suggestion of a new forum for the discussion of European security issues. It can be interpreted as an indicator of both, assertiveness and embarrassment, but it should be seized as a late chance to create a breathing spell after all the turbulences of the last years. To resume the efforts which triggered the "Helsinki-process" of the 1970's and made the Paris Charter for a

new Europe possible in 1990 is worth serious testing. At any rate, the potential of this signal must not be spoiled only because it came from a Russian president. The contrary makes sense.

5. The European Union will not be needed as some kind of mediator between Russia and the United States. At the same time, there are no more excuses or options for individual member states of the EU to pursue national agendas under the cover of special relationships with Washington. Times have changed and unity is the only plausible answer. The EU-Commission now has a better chance to enter negotiations with Moscow about the new Partnership and Cooperation Agreement with a strong mandate. Vital projects for a less complicated neighborhood like the Energy Charter Treaty and the principle of territorial integrity must not be for sale.
6. And it should not be forgotten that Russia continued to honor the decisions of the European Court of Human Rights even in times of confrontation and that it is interested not to lose its seats in the Parliamentary Assembly of the Council of Europe (PACE) despite facing fierce criticism in recent debate. Obviously Russia is anything but ten feet tall - and so is everybody in the current situation. This should be the most convincing argument to wage a new beginning in the relationship between Europe and Russia.

My final remark relates to a distinction made by Jean Monnet, the patron saint of this Center: "Some people want to be something, others want to do something". Russian politicians may be tempted to continue in their almost habitual pursuit of conventional greatness. The appropriate response of the EU must be to do what has been overdue for years - to muster the unified political and economic strengths of its superior model and to engage Russia in the alternative vision of neighborhood in a wider Europe.