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*Between Perceptions and Threats —  
The Fraught EU-Russia Relationship*

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## Between Perceptions and Threats — The Fraught EU-Russia Relationship

Maxime Larivé\*

### Introduction

Since the beginning of the 20<sup>th</sup> century, the relationship between the European Union and Russia has always been extremely complex. The Cold War was considered the highest peak of tension ever experienced; but since Vladimir Putin became interim President of Russia on January 1, 2000, many are readjusting their judgments of instability.

The period between the collapse of the Soviet Union in 1991 to Putin's election in 2000 was a time of domestic chaos for Russia. These political instabilities were reinforcing the United States' perceptions and its victory over communism. In the 1990s, Russia was experiencing crises politically, economically and diplomatically. Meanwhile in 1992, during the Treaty of Maastricht, the European Union was created based on a pillar structure, which made it more transparent and politically and economically efficient. Since the Treaty of Maastricht, the EU has grown from 12 to 27 member states. Its market power is becoming extremely attractive and the European sphere of influence has increased primarily due to two factors: first, its powerful economy and the attraction created by its market, and second, in terms of geography in light of the last two waves of enlargement mostly with former soviet states. This enlargement process is a real preoccupation for Moscow, which perceives it as a loss of its domination over its former territories.

With the accession of Putin to power, Russia has become more powerful economically, coherent politically, and it has regained a certain international recognition. Today, the principal Russian weapons to reestablish its world power status are its abundant resources of hydrocarbons (oil and natural gas). Its main trade partner is the EU. The EU needs Russian hydrocarbons, and Russia needs the access to the European market: EU-Russian relations are based on mutual dependency.

Even while the energy market is a real dilemma, the EU-Russia relationship is 'special' due to a wide number of issues that they share (political, economical, diplomatic, military and so on), and their search for common agreements. In the middle of these tensions, it seems that the major issue comes from a lack of communication between both parties. Many questions need to be raised, such as: how does the EU perceive Russia and vice-versa? What kind of policies should the EU use to promote peace and democracy in Eastern Europe? Is Russia representing any sort of threat to the evolution of the EU?

In order to answer to these questions, this paper will first identify the perceptions of each actor toward the other. Second, the connections between the EU and Russia will be discussed. Third, the threats posed to one another will be identified.

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## I. Perceptions of the “Other”:

### 1. EU on Russia - Russia on the EU

In order to study the ‘special relationship’ of the EU with Russia, one must start by taking a look at their perceptions of one on the other. As Barysch writes, “Russia’s political elite has never loved the EU.” Some Russian politicians even comment that the EU is worse than the Soviet Union because of the ‘dictat of bureaucrats’ (Barysch, 2007b: 1). However, Russian people have a positive view of the EU. “If Russian rhetoric sounds angry and intimidating at times, this could be because Russian politicians are still smarting from what they see as their country’s humiliating weakness in the 1990s” (Barysch, 2007a: 8). The negative perception of the EU stems from the Cold War period, when Moscow had a negative view of the European Community, because the EC was assimilated as a US/NATO tool of imperialism. Since the end of the Cold War and the presidency of Putin, Russia sees the EU primarily as an economic actor, and especially as an open market.

After the Cold War, Russia was living in a period of doubts and trauma. It is only with the beginning of Putin’s presidency that Russia is seeking to reestablish its *grandeur* domestically and internationally. For this reason, President Putin often refers to how “Russia was and will remain a great power”, and sees Russia as a mighty state (Roberts, 2007: 70). Putin’s administration is working on overcoming the trauma inflicted by the ‘loss’ of the Cold War.

If Russia does not always perceive the EU through a positive lens, one can find some reciprocity in Brussels. For example, during the EU-Russia summit in 2007, Russia was criticized on a variety of issues, such as Putin’s political regime, the suppressions of political freedoms and debate, and its strong centralization of power. The heaviest accusation from the EU was about the re-emergence of an authoritarianism regime in Russia (Entin, 2007: 7). Furthermore, European member states perceive Russia as an actor that is increasingly using energy as a weapon against its neighbors in order to reestablish its sphere of influence and regain international credibility. This behavior creates a security dilemma unwelcomed in Brussels (Wiegand, 2007a: 5). But Brussels needs to understand that “Russia today is neither the sclerotic superpower of 1987 nor the weakened and chaotic state of 1997” (Wiegand, 2007b: 2). The EU views Russia as the most challenging task it is facing at the start of 21<sup>st</sup> century (Roberts, 2007: 7). Even if Russian politicians strongly criticize the EU, the Russian permanent representation at the EU is still the largest Russian international diplomatic mission. This representation works with Brussels on the creation of road maps in four sectors: economy, exterior security, domestic security, and science and education (Entin, 2007: 6). Unfortunately, the results are very limited, and the real issues are often not tackled.

If uncertainty is an important element in the EU-Russia relationship, it is caused by three factors: The first is the nature of each actor. The EU is a political hybrid sharing its decision-makings at a dual level: supranational (pooling of sovereignties) and inter-governmental, whereas Russia is working on reinforcing its national sovereignty domestically and internationally with a realist perspective. The second cause is the uncertainty in the behavior of each actor; and the third deals with the proximity and interdependence of one another. Therefore, according to Entin, in order to improve mutual understanding, the economic links present a primary factor, which, if successful, could contribute to increased mutual understanding. (Entin, 2007: 1).

Thus, both actors diverge in their perceptions of international relations. The EU is seeking to reinforce its power through its market, values, norms, and rule of law, which creates a safe climate of cooperation. However, Russia is more a traditional state (like the US and China) and strongly attached to its sovereignty, and uses Realpolitik as a means, and power as the objective (Perret, 2006: 8).<sup>i</sup> In order to overcome past traumas, the EU is working on this ‘special relationship’ with Russia by involving Russian authorities in global debates. But, according to a policy planner in the foreign ministry, “nothing the West is doing to help Russia join the WTO, to

develop closer cooperation with the EU, to establish equal interaction with NATO, etc ... can be regarded as a complete and adequate compensation for the lost strategic security that took many decades to be created” (Roberts, 2007: 70). Even if perceptions have a strong influence on the way the EU and Russia interact, the EU needs to remember that Russia is reorienting its path. Because of the weak institutionalization of Russia, bilateral agreements are preferable rather to a deeper cooperation between the EU and Russia (Roberts, 2007: 65), in order to first reinforce links through bilateral agreements, and then adapt agreements into reality through domestic modifications.

## **2. Domestic modifications:**

Since the end of the Cold War, each actor has been reshaping its government, institutions, and domestic policies. These modifications have a direct effect on the way the EU and Russia act internationally.

In the case of the EU, it all started with the Treaty of Maastricht, which took effect on January 1, 1993. The Treaty of Maastricht created a union based on a three pillar structure. The first pillar is the only pillar having supranational power, where states pool their sovereignty, and has mostly to do with the economy of the EU. The second and third pillars are still under intergovernmental decision-making. The second pillar deals with the Common and Foreign Security Policy (CFSP) of the EU, and the third manages the Justice and Home Affairs. The treaty of Maastricht was fundamental for the Union in order to function coherently with a larger number of member states. The process of enlargement did not stop with Maastricht. Since then, twelve new countries have become members. However, the last waves of enlargement created led to uncertainties within the Union. According to Mark Entin, it has progressed too fast, and the EU was neither psychologically and nor institutionally ready, which contributed to some European policies becoming incoherent and blurry.

It has also raised many questions concerning European identity (Entin, 2007: 8). In regard to the second pillar, the EU has recently been working on creating a common foreign policy, which is based on two aspects: harmonization of legal norms and exportation of democratic peace. The harmonization of the CFSP is exemplified with the adoption of the European Security Strategy (EES) in December 2003. For the first time in its history, the EU designed a common framework for common security issues. The next ESS will be published in spring 2008, and will incorporate a section on Russia, which was emphasized less in the 2003 EES issue. The Treaty of Lisbon – which was signed on December 13, 2007 by the twenty-seven member states – should contribute to creating improved cohesion in European external relations, including its engagements with Russia.

A little further to the east, Russia has seen enormous domestic modifications since Putin has taken control of the government. During the 1990s, the domestic situation was chaotic: uncontrolled inflation, high level of unemployment, unpaid taxes and so on. As per Mark Entin, Putin’s administration has been able to stabilize the economy with a growth of 7%, by controlling inflation, making the ruble a stable currency, and paying off exterior debts. Overall, Russia is becoming more economically and financially independent. The unemployment rate has decreased while salaries have increased. The government was able to reinstitute taxes, allowing for a better redistribution of profits (Entin, 2007: 8).

However, a large gap between the rich and poor still remains in Russia and social mobility barely exists. The rate of competition is low, and exterior trade remains unstable, partially because the economy is strongly dependent on energy prices (Entin, 2007: 9). In order to institute all these measures and reestablish the legitimacy of the government, which was lost under the presidency of Yeltsin, Vladimir Putin had two primary intentions: first, the recentralization of power domestically, and second, a return to strong state power internationally.

Unfortunately, the return to a stable economy and government has a cost. In terms of political freedom, United Russia, the main political party of Putin, dominates the political stage, as the

parliamentary election of December 2, 2007 confirmed: United Russia won with 64% of votes, which represents two-thirds of the majority in the Duma. Putin destroyed any form of political debates, and political opponents were arrested. As per Anders Aslund, “Putin has established a purely personal dictatorship. He rules through the presidential administration and competing secret police forces without ideology or party” (Aslund, 2007: 1). The second cost is the process of re-nationalization of industries, also instituted by Putin. According to Aslund, the private sector is losing economic power in the Gross Domestic Product (GDP). The reporter believes that “re-nationalization has not been justified ideologically, but rather cynically: the purpose is simply to generate corrupt revenues for top Kremlin officials” (Aslund, 2007: 2).<sup>ii</sup> In addition, as Roberts explains, Putin concentrates a large level of capital and monopolies in the Kremlin because “he sees them as levers of control, the ultimate means of political patronage and instruments of foreign policy (Roberts, 2007: 68).

Lastly, what do Russian citizens prefer? The answer is: a prosperous economy generated by a high level of prices of natural gas and oil. According to Charles Grant, “most Russians do not worry that the chaotic democracy of the 1990s has been replaced by an authoritarian, Kremlin-managed political system” (Grant, 2007).<sup>iii</sup>

Even if Russia and the EU do not have the same domestic aspirations, they are sharing one similarity: both actors are working on increasing their international legitimacy, starting with a domestic restructuring. The European-Russian dilemma starts with the difference in the way each seeks legitimacy and power domestically and internationally.

## **II. A ‘special relationship’ deeply integrated**

### **1. The Partnership and Cooperation Agreement:**

After the collapse of the USSR, two partnership agreements between Russia and the EU were signed: the first is the Partnership and Cooperation Agreement (PCA) concluded in 1994, and which took effect in 1997 for a period of 10 years, with an extension of one year if no further agreement. The second is the agreement on the four “common areas”, concluded in 2005. Until today, “the legal basis of the EU-Russia relationship remains the Partnership and Cooperation Agreement” (Roberts, 2007: 21). According to a publication of the European Commission, the objectives and purposes of the PCA are to promote international peace and security, and to support democratic norms for political and economic freedoms (European Commission, 2007: 4). The PCA, as designed, should be based on an idea of mutual partnership.<sup>iv</sup>

Therefore, in order to understand why the EU pushed for the PCA, it is necessary to recall that European politicians had previously established three principles in order to deal with Russia: first, to transform Russia to a market democracy; second, to organize Russian political and economic reforms; third, to make Russia committed to ‘common values’ and frameworks of western norms (Roberts, 2007: 21). The PCA was agreed on in 1994 when Russia was at its weakest and the most vulnerable in its desire to be attached to the West. Nowadays, such agreement would not exist, and may be the reason why Russia is not likely to renew the PCA.

Through this agreement, European politicians wanted to see the liberalization of Russia. But with the opposite evolution of Russia towards becoming extremely centralized, it cannot be considered as a complete success of European policies. On the other hand, Russia has been using this agreement in order to change European perceptions in regard to Russian politics and to regain Russian power. Therefore, one of the problems of this cooperation resides in the lack of coordination between European and Russian bureaucracies, in addition to a shortage of qualified personnel in the Russian civil service for this type of cooperation. The 1990s were also an intense period of transformation for the EU, as it was preoccupied by a series of institutionalized changes established by the Treaty of Maastricht and the Treaty of Amsterdam.

Today, at the end of 2007, the PCA is ending and no further renewal is planned. In order to make the relationship mutual, the PCA needs to be rethought. The EU and Russia are working on

a new agreement that would incorporate the changes that have occurred since 1997. Thus, in the 90s, “the PCA reflected the EU’s market power and Russia’s relative weakness” (Roberts, 2007: 21). A decade later, Russian positions have clearly evolved due to the economic implications of expanded hydrocarbon production. Now that Russia is reestablishing its power, the relationship has to be more balanced.

## 2. Energy

The strongest link between the EU and Russia today is probably in hydrocarbons and not the PCA. In this beginning of 21<sup>st</sup> century, the energy sector is experiencing a period of unprecedented growth, allowing Russia to become wealthier and wealthier, especially with the recent high price of oil. Many see the EU as energetically dependent on Russia. The other aspect however, is Russia’s need to access the European market in order to build its economy. There exists a real interdependence between them. This interconnection can be proved by the level of imports and exports between the EU and Russia. As highlighted by Gunnar Wiegand, two-thirds of EU imports from Russia consist of energy, and two-thirds of Russian total exportation of energy goes to the EU. Thus, 44% of European gas import comes from Russia; this number is expected to attain 60% in the next year (Wiegand, 2007a: 5). In addition to the hydrocarbons, Russia also furnishes 35% of the uranium for EU nuclear energy production. From this standpoint, it seems that Russia dominates the EU-Russian relationship, but in fact, Russia depends on the European needs for its hydrocarbons, because China is not interested in the Russian supply, as it already has contracts with Australia, Indonesia, and other suppliers, such as Africa. China prefers these as an oil source, as it can establish control over resources in the ground there. Furthermore, China is unwilling to pay the high gas prices of the European market (Barysch, 2007a: 6). In light of this, Russia does not have many market options, and so far European dependency makes Russia more stable, richer and self-confident.

When Russia cut off the supply of gas to Ukraine, it created panic among EU member states because their over-dependency on Russian energy was painfully undeniable. What should the EU learn from this event? First, the EU must become more transparent, because as remarked by an EU official, “the more Europe frets about energy security, the more tempted Russia will be to play this card” (in Barysch, 2007a: 5). Second, the EU needs to rethink its energy policies with Russia. Hence, “the West does have the economic and political leverage to force Russia to become more transparent and commercial in its foreign energy policies” (Smith, 2006: 4). The EU should not let Moscow threaten European member and non-member states, and dictate the relationship. Third, the EU needs to deal with a variety of petroleum sources, and diversify its energy management in order to limit its dependency on Russia. “The challenge is to ensure a continued high level of diversification of supply” (Roberts, 2007: 63).<sup>v</sup>

The fact that the EU has not sufficiently diversified its energy suppliers is remarkable. In theory, it would be in the best interest of the EU to cooperate with different suppliers in order to negotiate tariffs and not have to worry about energy shortages. However, it seems that the EU voluntarily decided to depend on Russian hydrocarbons in order to control the development of Russia based on western values. One could say that by creating a ‘mutual dependency,’ the EU would rather play a non-zero sum game than a zero-sum game. In the short term, a zero-sum game, might have been victorious for the EU, but the cost could have been the creation of a hostile government right next door to the EU.

Lastly, the EU is suffering from the fact that Russia is among the most energy inefficient countries of the world. For example, Russia is the second largest consumer of gas after the US, despite an economy 20 times smaller (Roberts, 2007: 61). The EU should be concerned about this fact, which could result in more shortages.

From a Russian standpoint, Putin is using the ‘energy weapon’ in order to create division among European member states, and tries to reinforce Russian domination over former Soviet

countries. Thus, Putin, who was a former KGB director, purposely let Russian energy policy be formulated by former intelligence officers (*siloviki*) working for his administration.<sup>vi</sup> In addition, “Putin’s government has also made it clear that it has no intention of ratifying the Energy Charter Treaty, a set of rather liberal international rules for trade and investment in the oil and gas sector” (Barysch, 2007a: 5). The other reason why Russia refuses to ratify the European charter of energy is due to the fact that it would open its energy sector to foreign investments (Perret, 2006: 5). Russian authorities are not interested in foreign investments, because Putin has centralized and created monopolies over the energy sector. The best example is illustrated by the monopolies of two Russian companies over pipelines and the Russian market: Transneft (oil) and Gazprom (natural gas). It is only recently that Gazprom decided to change the price of gas from a political price to a market price. The Kremlin has consolidated Gazprom’s gas monopoly. By 2008, more than half of Russia’s oil production will be under state control.

The ‘special relationship’ based on hydrocarbons simply shows us that “Europe wants security of supply – Russia wants security of demand” (Wiegand, 2007a: 4). The comments made by Viktor Chernomyrdin, Russia’s former Gazprom chief, Yeltsin’s prime minister, and now Russian ambassador to Ukraine, affirmed that “where there are bad political relations, good economic [affairs] just don’t happen” (Roberts, 2007: 57). But Russia needs to keep close links with the EU, because it represents 60% of Russian exportations of oil and 50% of its gas, which correspond to 40% of profits for the Russian state. And 75% of Russian exportation profits come from its energy exports (Perret, 2006: 4). In light of these data, Russia is not really in a position to threaten or even stop its exports towards the EU.

### III. What are the Threats?

Even if Russia and the EU are dependent on the other for their survival, this ‘special relationship’ is also mixed with tensions and disagreements. Katinka Barysch clearly distinguishes the current troubles facing the EU-Russia relations:

angry mobs outside the Estonian embassy in Moscow; Russian energy deals in Central Asia that seek to frustrate the EU’s hopes of diversifying its energy supplies; trade dispute over meat; concerns over the murders of Vladimir Litvinenko and Anna Politkovskaya; Kremlin threats towards the Czech Republic and Poland over missile defense; disagreements over Ukraine’s EU aspirations and the ‘frozen’ conflicts in Georgia; Russia’s threat to veto UN plans for Kosovo’s independence (Barysch, 2007b: 1).

In addition to previous concerns, Brussels expresses three worries concerning Russia: first, concerns about the respect of democracy and human rights in Russia; second, concerns about the harsh tone of Russian foreign policy; and third, Russia’s position on EU enlargement (Wiegand, 2007a: 1). These concerns from Brussels are central in the way it behaves towards Moscow.

#### 1. Military divergences:

From a military and security standpoint, Russia and the EU are still divided over current political issues. This division starts with the American project to build missile shields in Poland and Czech Republic. In case of construction of the missile shields in both host countries, Moscow will decide to retarget nuclear missiles onto major European cities. This new West-East confrontation has been used strategically by Putin to portray himself as a statesman who does not fear confrontation with the West (Slocombe, Thränert, Pikayev, 2007: 14).

The EU is experiencing an important period for the future security of its borders. The EU has to make a decision: stand up and oppose Washington’s influence on EU territory, or see a new threat from Russian missiles targeting its major cities. One might speculate that this situation



is created by the desire of nation-states to establish a new world order under their supremacy. This current dilemma also highlights the weaknesses of the EU, which needs to become more independent in term of security and increase its military power. In order to strengthen the voice of the EU, European member states must act unanimously when it comes to global security matters. The challenge is caused by the fact that the European defense remains under the authority of sovereign member states, and decision-making occurs at the inter-governmental level.

If the EU lacks of a ‘common unified foreign policy,’ Russia poses another challenge. The problem of Russia is that Moscow has yet to decide which role it wants to play on the international stage. What is certain is that Moscow is seeking to regain its lost world power rank. But, the question is “what does Russia stand for, and what are its foreign policy priorities?” (Slocombe, Thränert, Pikayev, 2007: 13). This fuzzy foreign policy generates doubts among European member states wondering if Russia can be trusted when it comes to security matters. That is the question.

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In parallel, recently Russia has been working on the modernization of its strategic nuclear forces. Programs of development of new long-range cruise missiles, and of fourth generation of nuclear weapons research have been launched (Slocombe, Thränert, Pikayev, 2007: 15).<sup>vii</sup> This comes at a moment where NATO enlargement is a concern for Russia, which feels insecure knowing that NIS are becoming, or are already, NATO members (Slocombe, Thränert, Pikayev, 2007: 21). However, the EU does not view it from this angle. Brussels believes that it has a strong interest in engaging Russia in strengthening stability on the European continent (especially with respect to their common borders). The current situation can be summarized by this statement made by Cynthia Roberts:

The foremost unresolved challenge for European security at the beginning of the 21<sup>st</sup> century is how best to engage a Russia that is not a member of the leading international and Euro-Atlantic institutions composed of market democracies, notably the North Atlantic Treaty Organization (NATO) and the European Union (EU), and is lurching back towards authoritarian rule (Roberts, 2007: 1).

## 2. What does Democracy mean?

The aspect of tension discussed in the preceding paragraph is based on the concept of democracy. Since the collapse of the Soviet Union, the EU hoped that Russia would adopt democracy. One of the solutions to democratize Russia resides in the European contribution to building a strong middle class. A conscious middle class would allow for the development of democracy from inside Russia (Centre for European Reform, 2007). But, what is happening in Russia is the opposite. President Putin is purposely enforcing a strong private sector based on energy, which implies a return to totalitarianism. Thus, the use and actions of intelligence officers and police have set back Russia’s democratic development (Smith, 2006: 3).

According to Nicu Popescu, Russian ambition of soft power starts domestically. Russian officials have been working on the development of the concept of ‘sovereign democracy,’ which should be understood as non-interference from the West (Popescu, 2006: 1).<sup>viii</sup> This idea has two functions: first, to provide Putin’s authoritarianism some legitimacy, and second, to challenge the western concepts of democracy and human rights. (Popescu, 2006: 2). But the dark side of Russian ‘soft power’ is that it is created in order to support and legitimize current Russian authorities. “It is the new face of ‘smart authoritarianism’ that speaks the language of Western norms and is very flexible, but has very little to do with the values of democracy, Eastern- or Western- style” (Popescu, 2006: 3).

Since the election of Vladimir Putin as President in 2000, he has brought stability to Russian politics -- but at what cost? Putin organizes the centralization of power in the Kremlin and the state, and increase the influence of *chekisty* (former KGB). But, “the use of supports from

military and security services at the expense of private business and civil society raised doubts about the credibility of Russia's commitment to market reforms and property rights, let alone to what Putin referred to as 'managed democracy'" (Roberts, 2007: 37). From Brussels, Putin modifications of power and interpretation of democracy is not always welcomed. For example, during the Samara Summit in May 2007, German Chancellor Merkel criticized Putin for eroding civil liberties domestically. At a different occasion, President Nicolas Sarkozy of France spoke of Russia's democratic weaknesses. According to Barysch, if Germany and France cooperate closely on Russia policy, Italy would probably follow the same path toward Russia (Barysch, 2007a: 2).

In addition, since 2005, the number of EU member states increased considerably and is essentially composed of NIS. These states are entering into a period of post-communist transition symbolized by their integration process into the EU, i.e. the challenge of the EU to implement true democratization in these states and their withdrawal from Russia's sphere of influence (Emerson, 2005: 3). One can say that those states, which have become EU-members are not the problem anymore. The issue is the European Neighborhood Policy (ENP) established by the EU in 2004. The objective of the ENP is to avoid the emergence of new dividing lines between the enlarged EU and its neighbors. The ENP is the unified institutionalized approach for the EU to deal with its Eastern and Southern neighbors. The ENP offers a privileged relationship built on mutual commitments such as democracy, human rights, rule of law, good governance, market economy, and so on. However, Russia is not within the sphere of the ENP, and views this program negatively, especially for its loss of domination over previous Russian territories. The recent events in Georgia ("Rose Revolution") and Ukraine ("Orange Revolution") increased the level of disagreements and tensions between the EU and Russia. In both cases, Russia is opposed to the development of western-style governments. Russian pressure and threats on these countries are enormous. Moscow simply uses the energy weapon as a mean of precaution. As previously pointed out, during winter 2006 Russia closed down the gas supply to Ukraine. This event had huge consequences on the way Germany is today rethinking its energetic policy and interactions with Russia

Beyond the ENP, the EU maintains a regular dialogue with Russia and diverse international NGOs on human rights issues. The issues raised are the situation in Chechnya and the North Caucasus, freedom of expression and media, situation of civil society in Russia, functionality of judiciary, and the problem of racism and xenophobia (European Commission, 2007: 15).

In 2005, Michael Emerson raised the following question: "when and how may Russia really converge on modern European values?" (Emerson, 2005: 3). The answer can be found in the Russian parliamentary elections of December 2007. As the elections were organized and resulted, many European countries criticize the way elections were controlled, and the absence of political debates before the period of elections. Additionally, Russian authorities have been limiting the number of NGOs on Russian ground since early 2007, and did not deliver visas for OSCE election observers. These events lead to the deduction that Moscow is restraining the access of its territory to Western-style institutions and values.

## **Conclusion**

The principal challenge of the 'special relationship' between the EU and Russia could be summarized with one word: communication. Since the end of the Cold War, the paths of the EU and Russia have been extremely different. The EU has grown enormously, and its legitimacy is more and more recognized internationally. Foreign countries want to have access to the European market. In contrast, Russia is still living a period of reformation and continues to seek a 'new legitimacy.' The dialogue between both actors was set according to a hierarchical frame (dominant-dominated). Now that the Russian economy is stronger and more under control, the dialogue is more equal. As a matter of fact, the EU needs to redefine its interaction, dialogue, and cooperation with Russia.

One of the challenges of the European construction is learning how to interact with exterior sovereign states. In the case of Russia, the EU has to interact with a state that does not share the same values and norms. Russia possesses a strong economy, but has an authoritarian regime, and follows an assertive foreign policy. The EU should not expect to interfere with Russian politics and make it change. Today, it would be counter-productive in trying to reach this illusion (Grant, 2007: 2).

Many think that “Russia may be seeking a ‘grand bargain’” (Grant, 2007a). But, most of the tensions are between Washington and Moscow. This is where the EU can intervene between the West and Russia. Europeans have an advantage over Washington due to their strong economic ties with Russia. European legitimacy starts with its economic connections. In order to build cooperation, the starting point will be first to focus on economic interests rather than values. This could be done based on three specific issues: first, trade of energy; second, integration of Russia into the global financial system; and third, enforce common interests on a stable “common neighborhood.”

With the intention of limiting tensions, Brussels and Moscow need to come up with common solutions. So far, the number of meetings between the EU and Russia is very low, so by increasing their numbers, and defining key issues – such as immigration, Kosovo, ENP, Chechnya, and so on – the EU and Russia will be able to establish first, a partnership based on mutual trust and cooperation, second, cooperate in the solving of international issues, and third, enforce stability on the European continent. Then, the EU and Russia need to enforce the quality of information brought by the media in order to limit the existence of prejudices and ignorance among Europeans and Russians (Entin, 2007: 9).

The year 2008 will be important in the evolution of this ‘special relationship’ for two reasons: first, in March 2008, Russians will vote for their next president. The way the elections will be organized and its outcome will be fundamental for the future of EU-Russia relations. Second, during the second half of 2008, France will have the presidency of the EU. With its hyperactive President, Nicolas Sarkozy, it is very probable that the relationship between the EU and Russia will become a central theme in this presidency. Thus, one question can be raised: How will the EU position itself towards Russia?

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ENDNOTES

<sup>i</sup> Even if the EU and Russia diverge in their understanding of governance and politics, it is fundamental to recall that a lot of stereotypes and prejudices are deeply engraved in public opinion and create a distortion of the reality. In fact, both civilizations share a large variety of common values such as history and culture.

<sup>ii</sup> According to Cynthia Roberts, “every year, \$2 billion to \$3 billion, disappears from Gazprom through corruption, nepotism, and simple theft” (Roberts, 2007: 64). The amounts inside a company are already high, so at the state level one can assume the proportion might be even higher.

<sup>iii</sup> The problem of the public opinion is complex. Western media tend to exaggerate the reality, and mainly interview the political opposition. There exists few data on the perception of the government by the middle or lower classes.

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<sup>♦</sup> Paper presented at

<sup>\*</sup> **Author’s name** and bibliograpny

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<sup>iv</sup> “The provisions of the PCA cover a wide range of policy areas including political dialogue; trade in goods and services; business and investment; financial and legislative cooperation; science and technology; education and training; energy, cooperation in nuclear and space technology; environment, transport; culture; and on the prevention of illegal activities” (European Commission, 2007: 4).

<sup>v</sup> Cynthia Roberts made an interesting comment based on Churchill’s comments. She wrote: “Europe must heed Winston Churchill’s strategy as First Lord of the Admiralty for ensuring oil supplies to the Royal Navy after shifting its power source from coal to oil: ‘Safety and certainty in oil,’ he insisted, ‘lie in variety and variety alone’.” (Roberts, 2007: 63).

<sup>vi</sup> Concerning the influence of the intelligence sector on Putin’s administration, Smith wrote that “the actions of the intelligence sector have only set back Russia’s own development as a democracy and as a market economy from providing long-term benefits to Russia’s own population” (Smith, 2006: 3).

<sup>vii</sup> On December 8, 2007 Russian Rocket Forces spokesman, Aleksandr Vovk, stated that the Russian military successfully test-fired a RS-12M Topol ballistic missile (so called SS-25, or Sickle). He added that the test involved trying out new, unspecified equipment that Moscow hopes will render Washington’s missile defense systems useless (Moore, 2007).

<sup>viii</sup> “‘Sovereign democracy’ is a term coined by Kremlin ideologist and deputy presidential-administration head Vladislav Surkov to describe Russia’s unique path of democratic development (Coalson, 2007b).