



## Russia–EU: The Partnership That Went Astray

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# Russia–EU: The Partnership That Went Astray

FYODOR LUKYANOV

WHEN WE ARE DEALING WITH A COMPLEX PHENOMENON, it is best to describe it from all angles so as to best portray its characteristics. Applying that principle, I will begin by describing three different perspectives on our subject. First, we have the image of an unprecedentedly unique voluntary union of nations that are united by common values and mutual striving for progress and justice. This union peacefully spreads these values to adjacent territories and creates a new political culture based on law, accord and compromise. Second, we have an expansionist empire of a new type that is slowly yet steadily driving Russia out of its traditional sphere of influence, seeking to create a buffer zone on Russia's border and impose its own views, norms and rules on the Russians. Third, there is an overly centralised and excessively bureaucratised association, whose economy is regulated to a point of unceasing stagnation. The association's foreign policy is made up of groundless ambitions that become lost in a chorus of internal dissent and an inability to adopt unanimous decisions.

All three descriptions relate to one international actor—the European Union (EU). None of them fully corresponds to reality, yet each defines certain features of the EU. However, these descriptions are of interest to us from a different point of view. All of them reflect different stages in Russia's perception of Europe over the last 15 years. The European Union, established almost simultaneously with post-Soviet Russia, served as a mirror reflecting the development of Russia's self-identification.

Russia's ambivalent attitudes are reflected in a recent survey. In March 2007 the VTsIOM opinion polling agency examined Russian attitudes towards Europe. For 77% of respondents the concept of 'Europe' evoked a positive response, and for 56% a similar feeling was felt by the idea of the 'European Union'. Some 38% felt that Russia was part of Europe, and that their fate in the twenty-first century would be closely linked. However, 45% felt that Russia was not in full measure a European country and that in the future its centre of interest would shift to the East. A total of 49% against 34% considered that European countries were not in favour of the rise and strengthening of Russia.<sup>1</sup>

<sup>1</sup>Rossiia: dushoy v Evrope, telom v Azii Press-vypusk # 652, available at: <http://wciom.ru/arkhiv/tematicheskii-arkhiv/item/single/4208.html>, last accessed 20 April 2008.

Why are relations between Russia and the EU, which promised so much just a few years ago, today characterised by mutual suspicion if not hostility? The turning point was probably in mid-2003, when crude oil prices on global markets exceeded the average world price in the period from 1947 to 2007 (\$26.16 per barrel). Since then, oil prices—and the demand for oil—have been quickly and steadily growing.<sup>2</sup> This was also the period when the EU formulated a more critical stance towards Russia, prioritising a value-led critique and downgrading a partnership based on interests.

Meanwhile, Moscow gradually became aware of its potential in the new world of rising energy prices, in which all the major powers felt increasingly concerned about their energy security. It was in this context that the idea of an exchange in the energy sector was born, in which it was suggested that the Western partners would pay for participation in the exploitation of Russian energy resources, not with money, but with something even more valuable—their own markets and technologies.

As opposed to previous peak periods—in 1974 after the Arab oil embargo, and in 1980 after the Islamic Revolution in Iran—it is reliability of supply, rather than oil prices *per se*, that is now on top of the agenda for the developed world. The global economy is now much more adaptive to price hikes than 30 years ago. No wonder that efforts to ensure energy security have become the core of the foreign policies of major oil-consuming countries. At the same time, new opportunities, both economic and political, have opened up for oil producing countries. Russia, which is the world's largest hydrocarbon supplier, could not remain on the sidelines of this process, and neither could the European Union, the largest and longest-standing client of Russia's oil and gas sector.

On the one hand, the importance of the situation on the global oil markets for Russia's conduct on the international stage cannot be overestimated. At the same time, it should not be overestimated because the riches that have befallen Russia thanks to the oil price boom have not changed the essence of Russian policy and the aspirations and notions inherent in it. Yet, the oil lever has become a strong stimulant and has given a boost to the process of Russia's new self-assertion in the world. Most likely, this process would have taken place even if there had been a different situation in the oil and gas markets; but in these circumstances it became more rapid. Russian leaders were able to implement, quickly and efficiently, ideas that would otherwise have taken much more effort and time.

Symbolically, the first really tough statement by Putin about the European Union was made in 2003: 'The position of EU bureaucrats is wrong and unfair. We view this position as "arm twisting". But Russia's "arms" are getting increasingly strong, and even such strong partners as those in the European Union cannot twist them'.<sup>3</sup> Putin was responding to negotiations on Russia's accession to the World Trade Organization, and specifically to Brussels' demand that Russia raise gas prices at home to the world level. Soon, however, such an approach became general in Russia–EU relations.

<sup>2</sup><http://www.wtrg.com/prices.htm>, accessed 24 April 2008.

<sup>3</sup><http://www.kremlin.ru/text/publications/2003/10/53889.shtml> (in Russian), accessed 20 April 2008.

By the end of Boris Yel'tsin's rule, Russia's relations with the EU were at a very low point. However, the framework of these relations and the model of Russia–EU interaction remained unchanged. This model was based on the Partnership and Cooperation Agreement (PCA), signed in the summer of 1994 and implemented in the autumn of 1997. Without a detailed analysis of this document, we can point out its main idea, namely the Europeanisation of Russia. Without claiming membership in the European Union (an idea that only inveterate idealists voiced even then), Russia would nevertheless gradually approach the 'European model'. The adoption by Russia of the norms and rules of EU legislation, which was recognised by default as more progressive and better than Russia's, was intended to serve as an instrument of this rapprochement. Scholars may now argue at length over whether or not such an idea of integration was realistic. What is more important is that both parties embraced it.

For the European Union, such an approach was quite natural. These years were marked by the active integration of Central and East European countries, and it seemed that the model of pro-European transformation was applicable to the entire post-communist world. It seemed to both the EU and Russia that Russia would move in the same direction as the EU candidate countries from Eastern Europe, even though it would move slowly, with great difficulties, making temporary retreats and U-turns. No one seriously spoke of the possibility of Russia joining the EU, yet it was implied that, as Russia became more Europeanised, it would take a place of its own in the Western world.

Subsequent developments showed that Russia was moving in a very different direction. It failed to become 'another Poland', if a very large one. The size of the country, the state of its economy and society, cultural and psychological peculiarities, and, above all, the post-imperial burden—all these factors prevented Russia from becoming 'a normal country', as perceived by American scholars such as Andrei Shleifer (2005) or Shleifer and Daniel Treisman (2004). This is why the European Union remained a beautiful dream, yet few believed that it could ever come true.

However, Russia's readiness to abide by EU criteria was rather due to its revolutionary inertia. During his first years in office, Vladimir Putin followed the same path, although the upheavals of the late 1990s delivered a serious blow to Russia's 'European choice'. In the autumn of 1999, Putin, who was then prime minister, was introduced to the European establishment at an informal EU summit in Helsinki. The spring of 2000, despite fierce criticism by the EU of developments in Chechnya, saw the beginning of an obvious warming of Russia–EU relations. By the end of the first year of Putin's presidency, a major initiative was announced in the energy field. The EU–Russia summit, held in November 2000 in Paris, discussed plans to build up Russian energy supplies to Europe (unofficially, it was described as the Prodi Plan). Russia and the EU established an energy dialogue and Putin's Address to the Federal Assembly in April 2001 stressed that 'Integration with Europe is one of the key areas of our foreign policy'.<sup>4</sup>

During his visit to Germany in September 2001, two weeks after the tragedies in New York and Washington, Putin made a serious announcement: 'If regional conflicts

<sup>4</sup>[http://www.kremlin.ru/eng/speeches/2001/04/03/0000\\_type70029type82912\\_70660.shtml](http://www.kremlin.ru/eng/speeches/2001/04/03/0000_type70029type82912_70660.shtml), accessed 22 April 2008.

arise somewhere, Russia is ready to supply additional amounts of hydrocarbons to compensate for a possible drop in supplies to the European market. I am saying that in earnest'.<sup>5</sup> The same attitude dominated at the EU–Russia summit in Brussels in October 2001, which decided to establish a High Level Working Group for elaborating the concept of a Common European Economic Space.

The period from the autumn of 2001 to the spring of 2002 was, perhaps, the culmination of declarative rapprochement, a kind of 'honeymoon' between Russia and the European Union. Yet, their very first practical contact on the issue of the transit of Russian citizens to and from the Kaliningrad region after the accession of Poland and Lithuania to the EU provoked a tense conflict between the parties. At the Moscow summit in May 2002, Putin accused the European Union of violating human rights:

We are offered solutions that will actually mean only one thing, namely that the right of a Russian citizen to free communication with his or her relatives living in one or another part of the country will depend on a foreign state's decision.<sup>6</sup>

A year later, in his Address to the Federal Assembly, Putin reiterated that integration into Europe was Russia's historical choice; yet he added that the interests of 'greater Europe' 'require that serious steps be made towards each other'.<sup>7</sup> The key words here are 'towards each other'. It is the need for reciprocity, rather than unilateral moves, which would soon become the basis of Russia's European policy. Putin expressed the same idea more graphically in May 2006, after the Russia–EU summit in Sochi:

Full implementation of the Energy Charter and the additional provisions on transit would mean that we provide free access to oil and gas production and to the transport infrastructure. Of course we cannot help but ask what we are to get in return ... This is very easy to understand if you just think back to childhood when you go into the street with a sweet in your hand and another kid says, 'Give it to me'. And you clutch your little fist tight around it and say, 'And what do I get then?'.<sup>8</sup>

The period between 2002 and 2005 was the time of transition from declarative relations between Russia and the European Union to practical relations. No wonder that there immediately emerged very serious friction between the two parties as their interests objectively differed in many issues. The first disputed issue was Kaliningrad; then there were long and painful negotiations on the extension of the PCA to the new EU member states in 2004; and finally there were endless delays with the signing of World Trade Organization (WTO) accession protocols between Russia and the European Union in 2005.

<sup>5</sup>[http://www.kremlin.ru/eng/speeches/2001/09/26/0001\\_type82914type84779\\_136380.shtml](http://www.kremlin.ru/eng/speeches/2001/09/26/0001_type82914type84779_136380.shtml), accessed 22 April 2008.

<sup>6</sup>[http://www.kremlin.ru/appears/2002/05/29/0001\\_type63377\\_30092.shtml](http://www.kremlin.ru/appears/2002/05/29/0001_type63377_30092.shtml) (in Russian), accessed 21 April 2008.

<sup>7</sup>[http://www.kremlin.ru/eng/speeches/2003/05/16/0000\\_type70029type82912\\_44692.shtml](http://www.kremlin.ru/eng/speeches/2003/05/16/0000_type70029type82912_44692.shtml), accessed 22 April 2008.

<sup>8</sup>[http://www.kremlin.ru/eng/speeches/2006/05/25/2359\\_type82915\\_106123.shtml](http://www.kremlin.ru/eng/speeches/2006/05/25/2359_type82915_106123.shtml), accessed 20 March 2008.

All those developments proceeded against the background of rising oil prices and changes in the post-Soviet space. Simultaneously, the Russian political system grew increasingly centralised. This process, which marked the final departure from the European model, was directly related to changes on the energy market. After the period 2003–2004, the state focused its efforts on taking control over the more profitable sectors of the economy and on the distribution of petrodollars. That inevitably caused the strengthening of the state machinery in all spheres—in the economy and in home and foreign policies.

Interestingly, both Putin and the main ideologist of today's Russia, Vladislav Surkov, who is Deputy Chief of Staff of the Russian President, spoke regularly about Russia's European essence. For Putin:

Above all else, Russia was, is and will, of course, be a major European power. Achieved through much suffering by European culture, the ideals of freedom, human rights, justice and democracy have for many centuries been our society's determining values. For three centuries, we—together with the other European nations—passed hand in hand through the reforms of the Enlightenment, the difficulties of emerging parliamentarianism, and of municipal and judicial branches, and the establishment of similar legal systems . . . We did this together, sometimes behind and sometimes ahead of European standards.<sup>9</sup>

Surkov reinforced the point:

Our difficulties with the West are translation problems, problems of communication between related yet profoundly different European cultures . . . Our long-standing neighbourhood and the vaguely felt distant kinship in religion only increase irritation. Differences between similar people, as you know, are more emotionally charged than between strangers or people indifferent to each other.<sup>10</sup>

The Kremlin no longer uses the old tradition, deeply rooted in Russian culture, of seeing Russia and the West as opposed to each other. Instead, Moscow demands an 'equal' and 'worthy' place at the Western 'table'. Russian conservatives often criticise Europe for abandoning its own legacy and its Christian roots, which, on the contrary, are being restored and strengthened in Russia. Natalya Narochnitskaya, a historian, recently a deputy of the State *Duma* and now director of the Democracy and Cooperation Institute in Paris, declared:

Even the most uneducated person instinctively feels that he does not want to be part of the present degenerate Europe . . . If you look at their European Constitution, it is a most dull specimen of a liberal Gosplan [State Planning Committee]. There is not a single value in it, for which great Europeans of the past mounted the scaffold.<sup>11</sup>

<sup>9</sup>[http://www.kremlin.ru/eng/speeches/2005/04/25/2031\\_type70029type82912\\_87086.shtml](http://www.kremlin.ru/eng/speeches/2005/04/25/2031_type70029type82912_87086.shtml), accessed 22 April 2008.

<sup>10</sup>V. Surkov, 'Russkaya Politicheskaya Kultura-Vzglyad iz Utopii' ('Russian Political Culture: The View from Utopia') [in Russian], available at: <http://www.edinros.ru/news.html?id=121456>, accessed 22 April 2008.

<sup>11</sup><http://www.narochnitskaia.ru/cgi-bin/main.cgi?item=1r400r070306184751>, accessed 22 April 2008. See also the address of Patriarch Alexy II of Moscow and All Russia to the Parliamentary Assembly of the Council of Europe, available at: [http://www.coe.int/t/dc/files/pa\\_session/sept\\_2007/20071002\\_disc\\_patriarche\\_en.asp](http://www.coe.int/t/dc/files/pa_session/sept_2007/20071002_disc_patriarche_en.asp), accessed 20 April 2008.

The institute was established on Putin's initiative as a response to European criticism of democratic processes in Russia. On another occasion, Narohnitskaya gave an even harsher assessment: 'There is no confusion in our people's minds. Even the most uneducated person instinctively feels that he does not want to be a part of degenerate Europe'.<sup>12</sup>

By 2005 it became clear that the model based on Russia–EU rapprochement and embodied in the PCA had already outlived its usefulness. Timofei Bordachev and Arkady Moshes (2004) asked:

There is something schizophrenic about the Russian–European relations, because neither party wishes to openly admit that they represent absolutely different political and economic systems. Therefore, their integration is unfeasible, at least in the mid-term. And if there is no chance for Russia's membership in the EU, why should Moscow adopt its political and legal standards?

The period from the summer of 2005 to the autumn of 2006 was the most interesting time. Russia and the European Union launched an experiment designed to put aside the values issue, a matter of heated debates over a long time, and start building their mutual relations on the basis of interests only—especially as the complementarity and interdependence of their economies were obvious. At that time Russia proposed a new interpretation of the word 'integration'. The former meaning (harmonisation of legislation, and of economic, political and legal practices) gave way to 'asset swap'. Some time in mid-2005 salutary pragmatism came to the rescue: since we need each other yet differ in views, let us leave those views (that is, the value system) aside and focus on mutual benefits. Russia had long insisted on such a model, and now the European Union, which had attached great importance to value rhetoric, thought it best to depart from it.

The new epoch was symbolised by an agreement for the construction of the North European gas pipeline (North Stream), signed in September 2005 in the presence of the leaders of Russia and Germany. After that, and approximately until the end of 2007, visits by the Russian leader to EU countries focused on energy issues. The EU, in turn, made almost no mention of democracy in Russia, which was particularly striking against the background of growing criticism from Washington. In other words, the provocative humanitarian overhang was removed, so that obstacles to mutually advantageous commerce disappeared.

It turned out that the non-economic component of Russia–EU relations played the role of a cushion that absorbed the conflict potential. This shock absorber alleviated the general negative picture and balanced relations. When it was gone, all differences shifted into the economic sphere, which was already plagued by objective and inevitable differences of its own. So, instead of pragmatically separating apples from oranges, there emerged a resonance effect where grounds for discontent overlapped and multiplied each other. The deliberate exclusion of the value component nullified the parties' efforts, even though they were not very successful, to achieve mutual

<sup>12</sup>Channel 1, 'Vremena' talk-show, available at: [http://www.1tv.ru/owa/win/ort6\\_main.main?p\\_news\\_title\\_id=100189&p\\_news\\_razdel\\_id=102&p\\_pagenum=3](http://www.1tv.ru/owa/win/ort6_main.main?p_news_title_id=100189&p_news_razdel_id=102&p_pagenum=3), accessed 22 April 2008.

understanding. The only common conceptual basis that helped them maintain communication on abstract subjects thus ceased to exist.

The idea of exchanging assets (the participation of European companies in Russia's extraction industry in exchange for Gazprom's access to the EU's marketing outlets) is a serious integration proposal that can lay the foundation for a basically new future. In his famous speech in Munich in February 2007, Vladimir Putin explained this approach in the following way:

I shall remind you of the transaction that took place between Gazprom and BASF. As a matter of fact, this was an asset swap. We are ready to continue to work this way. We are ready. But in each concrete instance we must understand what we give, what our partners give, calculate, have an independent international expert evaluation, and then make a decision . . . We have actually just recently done something similar with our Italian partners, with the company ENI.<sup>13</sup>

A year later, in February 2008, Vladimir Putin said at his annual press conference: 'Give us the corresponding assets, money is not what is needed—in today's economy paper is not what we need—we need assets. This is an honest, open position'.<sup>14</sup>

For Russia and the European Union, this can play the same role as that played by the European Coal and Steel Community for West European nations (France, Germany, Italy and the Benelux countries) in the early 1950s. That is, it can serve as a prototype of deep integration based on stable mutual dependence and a mechanism for joint development in a strategic industry, which earlier generated conflicts. To this end, however, the parties need mutual understanding or, rather, rationally agreed rules of conduct necessary for effective interaction. But this concerns exactly those 'common values' from which Moscow so resolutely dissociates itself. Common values emerge in the course of dialogue—even though it may be very difficult—on a wide range of issues, rather than as a result of a bitter bargaining on specific commercial aspects. Without this, a promising economic idea turns from an impetus for rapprochement into a source of conflicts and competition. The pragmatism experiment has produced an unambiguous result—three consecutive summits of Russia and the EU that came to nothing.

But it takes mutual understanding to translate this position into life. Russia and the EU lack such an understanding. This means that they are unable to agree on any interests, as they speak different languages. Even when they use the same words, they mean different things. It is this principled mutual misunderstanding—and not disagreement over Polish meat, nor even the murders of Anna Politkovskaya and Alexander Litvinenko—that was the real cause of the deadlock in Russia–EU relations. In the autumn of 2006, the two parties were still full of enthusiasm about their negotiations on a new basic agreement in place of the PCA. A year later, no one even mentioned these negotiations. The EU's hopes that it would encourage Russia into playing according to European rules and, in particular, to ratify the Energy

<sup>13</sup>[http://www.kremlin.ru/eng/speeches/2007/02/10/0138\\_type82912type82914type82917type84779\\_118123.shtml](http://www.kremlin.ru/eng/speeches/2007/02/10/0138_type82912type82914type82917type84779_118123.shtml), accessed 22 April 2008.

<sup>14</sup>[http://www.kremlin.ru/eng/speeches/2008/02/14/1011\\_type82915\\_160266.shtml](http://www.kremlin.ru/eng/speeches/2008/02/14/1011_type82915_160266.shtml), accessed 22 April 2008.



Charter, did not come to pass—as also with Moscow’s hopes for a ‘big deal’ with Europe, namely the consistent unification of their energy infrastructures on the principles of mutual benefit.

Due to differences in political culture, Russians find it very difficult to understand the complex post-modernist logic which Europe declares. The European Union categorically refutes assumptions that its actions may stem from a geopolitical logic. Contemporary Europe rejects the very principle of geopolitical contradictions, and instead emphasises the need for a win–win situation. Meanwhile both parties seek to broaden and consolidate their influence through the projection of force. But for Russia, this is the traditional understanding of force, based on economic and military–political levers; whereas for the European Union, it is soft power used to expand the European legal space and make the European model more attractive to neighbouring countries.

These approaches seem to be mutually incompatible and belong to different historical epochs. However, the solution of regional problems requires coordination of efforts, despite the differences—especially as it turns out on closer examination that ideological differences are one thing, but practical politics is something else. This century is likely to be characterised by the sharpening of competition and confrontation. The growing economic success of the developing countries and the slowing down in the developed world are creating a new situation. The security of energy supply is increasingly determining both prospects for development and the feeling of self-worth of great powers.

Western politicians constantly repeat that it is necessary to give up zero-sum thinking and look for win–win models. But at the same time, the European Union is convinced in the historical superiority of its political model. There is no need to add that the same holds true for the United States. In other words, in the West there is an *a priori* conviction that what is good for Europe and the US is good for everyone else, because the Western model is the correct one.

There are two paradoxes about the EU. The first lies in the enormous attraction of the EU model, which has created a great demand for countries to join or associate themselves with it. This is a demand which the EU cannot meet, at least in the short-term. The European Union will be digesting the new members it absorbed in the enlargements from 2004 and 2007 for a long time. The more discussion there is about further enlargement, the more nervous and divided the debate inside the EU will become. Accordingly, all those countries who still want to join are likely to be left outside and will feel let down. Second, the tremendous success of the European model—the highest level and standard of living, strict environmental standards and labour norms—is widely seen as one of its great strengths and advantages. But what was an achievement in the past may not be a strength in the future under the conditions of global competition, including competition with Asia. Today one can see that all types of geopolitical competition and confrontation are coming back. Politico–military pressure is again becoming an important factor in world politics, and the readiness to use force is again an important issue. Meanwhile, Europe is actually the only region in the world where defence spending is not growing.

European politics is a wonderful phenomenon, which is very difficult to understand. This is difficult not only for outside partners but, as it turns out, for the Europeans

themselves. After the ‘orange revolution’, Moscow began to speak of the European Union as an ‘empire of a new type’, as an unfriendly force that seeks to extend its influence into Russia’s zone of interests. Europe reacted with ironic comments on this point of view which, it believed, attested to a complete misunderstanding of the essence of European integration. However, the President of the European Commission, José Manuel Barroso, last year suddenly echoed the ideas of Russian geopoliticians. He said that the European Union has ‘the dimension of empire’ and that this is ‘the first non-imperial empire’.<sup>15</sup>

No-one wants to admit that good old geopolitical competition has not vanished with the collapse of communism. The twenty-first century world is still a world where great powers and their interests, coinciding or conflicting, play an increasingly important role. But we have lost the habit of living in such a dangerous and complicated world. For half a century, we lived in the rigid conditions of bipolar confrontation, when the rules of the game determined our behaviour. Then, for another decade, we existed in the conditions of domination by the West, when Russia lost for some time its significance, and the implementation of Western ideas about the world order did not meet with systemic geopolitical opposition.

‘Competition’ evolved during Putin’s presidency into a notion that is most typically used to describe the world around us. It was found in the president’s annual state-of-the-nation addresses to parliament and in the statements made by Foreign Minister Sergei Lavrov and other high-ranked officials. Vladislav Surkov, the chief ideologist of Russian politics, linked ‘competition’ directly to ‘sovereign democracy’, which he viewed as the basic concept: ‘Sovereignty stands for openness, rapport with the world and participation in open struggle, and I’d rather say sovereignty is a political synonym of competitiveness’.<sup>16</sup> The prevalence of competitive motives in the process of defining the tactics towards partners inevitably pushes the Russian government (and, frankly speaking, the leaders of other powers as well) into a situation where it has to solve the prisoner’s dilemma every single day.

During the first 10 years of our joint history (after 1994, when the parties signed their current Partnership and Cooperation Agreement), both Russia and the EU shared the view that they were bound not only by vast economic ties but also by almost equal understanding of how a modern democratic state should behave. Formally, it was expressed by the notion of ‘common values’. In practice, it was reflected in more or less acute debates on how far Russia met European political and humanitarian standards. As a rule, the Kremlin’s reaction to criticism from Europe was negative; however, the dialogue was never stopped. That tiresome discussion was an inseparable part of Russia–EU interaction. The other part comprised efforts to broaden their economic cooperation, which was greatly stepped up under President Putin.

The favourable situation on the raw materials market added confidence to hydrocarbon producers and increased the nervousness of consumers. Energy was

<sup>15</sup>Barroso Hails the European “Empire”, available at: <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2007/07/11/weu111.xml>, accessed 24 April 2008.

<sup>16</sup>Speech by the Russian President’s Deputy Chief of Staff and presidential aide Vladislav Surkov to students of the Educational and Personnel Training Center of the United Russia party, 7 February 2006, available at: <http://www.edinros.ru/news.html?id=111148>, accessed 24 April 2008.

becoming ever more important, while Russia's enhanced self-rating and internal political changes added fuel to foreign-economic discussions. When factors that burdened Russia–EU relations were coupled with geopolitical conflicts in the post-Soviet space, economic interests came into conflict with ideological and political differences. Moscow categorically refused to listen to the EU's lectures, while the EU could not understand how to treat Russia, which it needed but which was moving, in its view, in the wrong direction. Brussels and Moscow keep emphasising that over the 15 years of their mutual relations they have gained extensive experience of interaction. However, experience is useful only when it is correctly interpreted and when the right conclusions are drawn from it. This requires intellectual freedom and readiness to make unorthodox decisions. Today, neither Russia, nor the European Union yet shows any sign of these qualities.

In broad terms Putin's foreign policy can be divided into two unequal periods. The first one lasted from 2000 to late 2006, and the second one developed from 2007. The first period was actually the continuation of the policy line that the Russian leadership had been conducting since the break-up of the Soviet Union. Without going into much detail, I can say that this policy aimed at integration with the Western system, although views of forms and conditions for such integration differed at different times. The second period is marked by renunciation of the integration idea and by a transition to a concept according to which Russia should retain the freedom of action and seek the consolidation of its independent positions on all issues. This is a time of 'strategic breakthrough' to a basically new status of Moscow in the international arena.

We can expect that the basic precepts of the 'Putin policy' will remain in force after Putin. These precepts are as follows. First, the main notion characterising the present world is competition—competition for access to resources and markets, and for ideological and political domination. This competition will grow. Second, the present world is chaotic and is in a state of transition. Therefore, there is no sense in adapting to the current situation—it will change anyway. Prior to 2007, when Russia made public its renunciation of the Treaty on Conventional Armed Forces in Europe (CFE), a Cold War era fossil, and toughened its stance on the Organisation for Security and Cooperation (OSCE) in Europe, stakes were placed for the greater part of Vladimir Putin's presidency (roughly until July 2006) on the consolidation of Russia's position in the world through an engagement in various multilateral formats. The entire approach to foreign policy hinged on the idea of Russia's integration in the community of advanced countries. At the same time, the understanding of integration, its forms and conditions, changed over time. With rare exceptions, Russia proceeded ever more from the principle of the necessity of strengthening its own position and asserting its own views.

The G8 summit in St Petersburg in July 2006 can be viewed as the peak of Moscow's intense attention to international institutions. Although the format of the conference hosted by Russia did not envision any serious discussion of anything at all, even its symbolic significance made the spending for its preparations worthwhile. That moment also coincided with the peak of Russia's efforts to join the WTO, the maximum intensification of interest in the signing of a new basic agreement with the

European Union, and the stepping-up of activity in the Shanghai Cooperation Organization.

Nevertheless, the cooperative approach failed to meet Moscow's expectations, and there were a number of reasons for it. First and foremost, the Western partners had unequivocally adopted an instrumental approach to international institutions and rules. In their view, one must manoeuvre and take risks for creating the prerequisites for more advantageous positions in the future world order. In that framework, Russia focused on independent actions aimed at increasing its strength and influence. Second, Western principles, which seemed to be the only right ones after the end of the Cold War, are now failing. The solutions proposed by the West are often erroneous and fail to produce the desired results. The West has largely weakened itself over the last few years by making ill-thought-out or ideologically motivated decisions. Quite a number of problems that have arisen over the last 15 years were caused by the implementation of erroneous approaches. Those approaches stemmed from the feeling of indisputable moral and intellectual self-righteousness, which swept the West after the collapse of communism. In its forecasts for the development of the global system, Russia proceeds from the assumption that things have not been developing as anticipated after the Cold War. This is evident from the new growth of the role of nation states and the universal rise of protectionist ideas, together with the significance of the military force factor. Third, since new rules and norms have not yet been established, Russia does not need to integrate with anyone. Freedom of action broadens possibilities. Russia will not be absolutely alone—even if it has no official allies. Problems keep growing, and many people in the world understand this, although not all dare to speak about it. One can say that Russia is deliberately assuming the role of a spokesman for that part of the world political elite that is dissatisfied with the current situation.

This is Russia's general view on the developments in the world. How is this view put into practice in relations between Russia and the European Union? First, Russia does not view the European Union as the final form of the political and economic order of Europe. From Moscow's point of view, the EU is in a state of a very difficult transformation, and there is no guarantee that it is developing toward deeper integration. In practice, this means that the conclusion of any agreement today is either impossible or unnecessary, and that it is quite possible that in the future the role of large European powers will grow again, while the significance of supranational bodies will not. Of course, this does not mean a degradation of the European Union, yet it can change the balance of powers within the Union and produce a new type of politics.

Second, the EU's and Russia's ideas about the principles of operation of contemporary Europe differ so much that agreement between them is hardly possible. Without mutual understanding, even an ultra-pragmatic approach, based solely on interests, will not work—which was witnessed in the period 2006–2008. Meanwhile, mutual understanding requires an unbiased approach and renunciation of attempts to impose one's own views on partners.

Third, in the present conditions of profound mutual mistrust, mutual dependence does not alleviate conflicts but is their source. In addition, relations between Russia and the EU cannot exist beyond the general political climate in Europe, which is very

complex today. The United States plays a role of its own, as Washington seeks to retain its influence and prevent Europe from growing more independent, and Russia from growing stronger.

Fourth, politics dominate over economics. Countries that historically have had poor relations with Russia have blocked the whole range of Russia–EU relations. From Moscow’s point of view, this fact proves the primacy of politics over broad economic interests. The growth of external protectionism was also provoked by purely political reasons. The EU’s enlargement has changed the content of the basic notion of European integration. Formerly, ‘European solidarity’ meant readiness of the EU member states to limit their national ambitions for the sake of their joint development. Now, ‘solidarity’ means that all EU nations must support an EU member in its conflict with an external force, which basically implies Russia. The domination of politics over economics is manifested also in growing protectionist sentiments which are largely of a political nature, rather than dictated by economic logic.

Putin’s eight years of relations with the EU have been an experience of discarding illusions and making abortive attempts to lay the foundation for a new type of relationship. Putin failed to achieve his goals in Europe, which he had set at the beginning of his presidency. There was no breakthrough between Russia and the European Union, although several times it looked like a rapprochement between the two parties would be possible. In 2000–2001, Moscow and Brussels spoke of their energy cooperation and joint struggle against terrorism. In 2003, Moscow sided with Paris and Berlin in denouncing American policy in Iraq. In 2005, it seemed that pragmatic interests were taking the upper hand over ideological and political differences. However, the parties never built a stable model for their mutual relations.

Perhaps, this was simply impossible objectively. The world order is now in a state of degradation, which has damaged all international institutions. Building long-term relations is hardly possible when the surrounding world fails to react to a constantly changing situation. Russia constitutes a unique formation. It is a developed state, which has for centuries participated in European and global politics and which has traditionally held conservative positions. At the same time, it is a fast-developing country with an ‘emerging power’ psychology. Russia is bitterly seeking recognition as a European nation and is offended by Europe’s reluctance to recognise it as such. At the same time, it rejects Europe as an alien model (which it has recently found to be economically and politically ineffective) and is gravitating towards South and East Asia, although it has nothing in common with those regions.

Simultaneously, Russia is seeking to preserve the world order in those elements where it finds it advantageous, and to promote changes in all the other elements. Russia is dreaming of a great future but is trying to find its sources in the past. Russian political cynicism is so overt and aggressive that it is turning into a principled position, from which a new ideology is emerging. But the most important thing is that Russia is changing at such a speed that makes it impossible to fix and comprehend any particular moment of its development. Here, however, Russia differs little from the world in which mankind has lived since the beginning of the twenty-first century.

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