EU/RUSSIA: Relationship suffers from lack of strategy

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EVENT: EU and Russian leaders tried to improve their relationship at a summit in Sochi on May 24-25.
SIGNIFICANCE: While no concrete agreements on energy were struck, tensions eased on a host of other difficult issues. Long off the agenda, these are now being openly and realistically addressed by both sides.
ANALYSIS: In recent years, the EU-Russian relationship has been beset by friction:

- Visa arrangements for travel between Russia and the EU were seen as overly restrictive.
- EU criticism of Russia's approach to the North Caucasus drew resentment from Moscow.
- The EU and Russia found themselves on opposite sides in the 'colour revolutions' in the newly independent states.
- Negotiations begun in 2003 over the 'four common spaces' for freer trade and joint action in security, research and education initially proved very difficult (see RUSSIA/EU: Geographic pull will see close relationship - November 22, 2004).

Resolving issues. However, the signing of the Four Road Maps of the Four Common Spaces in May 2005 illustrates the more realistic and systemic approach that both sides have adopted (see RUSSIA/EU: Agreement sets out steps to closer ties - May 11, 2005). The Road Maps offer a broad framework for the development of every dimension of the relationship. Officials on both sides view them as an opportunity to start the relationship afresh.

Furthermore, an agreement on easing visa regulations and readmission struck during the United Kingdom's presidency of the EU last year, and signed last week in Sochi, resolves a long-standing problem. It should be ratified by the end of the year, and will reduce the cost and bureaucracy for those with valid reasons for frequent travel. It is the first such agreement by the EU with any third party, and is further complemented by EU contributions to Russian border infrastructure and passport security initiatives. In return, Russia has pledged to improve its porous southern borders.

Finally, the context of engagement on the issue of Chechnya has been altered, with the focus now on the EU providing assistance for the socio-economic development of the North Caucasus, allocating 20 million euros (25 million dollars) for investment in the region.

Institutional improvement. Part of the improvement in atmospherics is due to changes in the structure of the relationship to facilitate dialogue and cooperation:

- The committees which formed the basic working-level structure of the relationship have been replaced by specialised mini-dialogues, which both sides consider to be more effective, particularly in the Economic Space Road Map. These highly technical dialogues include exchanges on product standards, intellectual property, transport and investment.
- The Permanent Partnership Council (PPC) format which meets at ministerial level has broken the relationship down into more manageable parts. The meetings are now between the appropriate authorities, enhancing their effectiveness. They also introduce new contacts with vested interests. PPCs have begun to meet with increasing frequency to discuss foreign policy, justice and home affairs, and energy.
- Both sides have expressed concerns about human rights -- the EU about rights in Chechnya, Russia about the treatment of Russian minorities in the Baltic states. Three Human Rights Consultations have been held since March 2005. This new format provides a depoliticised forum for discussion of issues which have until now been mere exchanges of

accusations. Both partners have also agreed to discuss the issue of brutality and abuse in the Russian military.

- **Energy strategy lacking**. Yet political differences remain on key issues -- notably energy (see EUROPEAN UNION: EU to address security of gas supply - January 6, 2006). Strategic vision for the relationship is lacking:
- Neither side has a clear image of its own long-term development (see EUROPEAN UNION: Energy policy is short on substance - March 28, 2006). The Road Maps provide an agenda for short- to medium-term cooperation, but there is no commonly developed strategy for the long-term evolution of the relationship.
- The key legal document is the Partnership and Cooperation Agreement, which is due for renewal in 2007. Negotiations to prepare a new document will be difficult and protracted. The agreement will be automatically prolonged on a yearly basis unless one party disagrees, but there are concerns, particularly in Moscow, that without a new agreement the relationship lacks a solid legal foundation.
- **Neighbourhood policy**. While the EU and Russia's positions on the Middle East and UN cooperation are drawing closer, they have differing views of the common neighbourhood they share:
- **Georgia and Ukraine**. While the EU has sought to support democratic change and values in the newly independent states, Moscow sees such change as destabilising and potentially threatening to Russian interests.
- **Secessionist states**. Moscow considers the new EU-supported border observation mission in Moldova tantamount to a blockade on Transnistria. This will affect cooperation on conflict resolution in Georgia should Moscow support South Ossetia's secession.
- **Crisis management**. A perceived lack of equality affects cooperation in crisis management. Moscow maintains that the EU should show willingness to include Russia as an equal rather than simply an observer or junior partner. Despite the improvement in structure, problems in the decision-making chains on both sides affect the implementation of crisis management projects.
- **Diplomatic resources**. On the Russian side, the relationship is essentially driven by the Presidential Administration, since the Ministry of Foreign Affairs (MID) has limited resources for engaging the EU effectively; there are few EU specialists in MID. Moreover, it has not been an effective coordinator of the various Russian ministries involved in cooperation with the EU and has impeded progress in some areas, particularly in establishing cooperation in the North Caucasus.
- **EU disunity**. On the EU side, unity between the member states about how to deal with Russia is absent. Two broad groups of member states exist: those which pursue a relatively critical approach to relations with Russia, and those which are more willing to overlook shortcomings in order to ensure a positive relationship with Moscow. The inability of the EU to pursue a unified line towards Russia undermines its ability to develop the relationship practically.

These flaws mean that the positive progress being made in the relationship is vulnerable to a change in the political wind or leadership in Russia, which could render much of it irrelevant (see RUSSIA: Stability at home means independence abroad - May 19, 2006). In this context, the forthright foreign policy positions taken by both sides, and the elections in Russia in 2007 and 2008, take on added significance for the long-term development of EU-Russia relations.

CONCLUSION: The Finnish presidency of the EU (which begins on July 1) will continue to promote the steady improvement in EU-Russia relations through the renewed dialogue frameworks, particularly the energy dialogue. However, the gap between political vision and bureaucratic progress will remain, and any concrete progress will be slow, particularly on energy issues.

Source: Oxford Analytica