Russia's mainstream perceptions of the EU and its member states

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Veröffentlichungsversion / Published Version
Arbeitspapier / working paper

Empfohlene Zitierung / Suggested Citation:
Russia’s Mainstream Perceptions of the EU and its Member States

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Acknowledgments

I would like to express deep gratitude to the following people for generous support provided in different ways during this research: Adam Balcer, Danila Bochkarev, Katrin Boettger, Mariella Falkenhain, Valentina Feklyunina, Sandra Fernandes, Elena Gnedina, Ulrike Guerot, Uwe Halbach, Mathias Jopp, Stefan Kaegebein, Roger Kanet, Martin Kremer, Kai-Olaf Lang, Stefan Meister, Andreas Metz, Octavian Milevschi, Almut Möller, Arkady Moshes, Christian Pernhorst, Nicu Popescu, Olena Prystayko, Elfriede Regelsberger, Susan Stewart, Marcel Vietor. I am greatly indebted as well to those who shared with me valuable information and opinions but wished to stay anonymous. My thanks also go to Malgorzata Wojcik for paper proofreading. Not the least, I am grateful to the entire staff of the Institut für Europäische Politik for amicable and research-friendly atmosphere during my stay in Berlin.
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ISSN 2191-0006

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Introduction - Perceptions do matter

Over the last decade, the EU-Russia relations have witnessed a further institutionalization of the political dialogue and a fast expansion of trade exchanges, both of which cemented a greater mutual dependence of the partners. At the same time, the amount of misunderstandings in the political field and trade disputes have risen constantly, the normative gap has widened, while perspectives of building trust have narrowed. Explaining these controversial trends, a French expert accurately observed that “the institutionalization of the relationship has not institutionalized confidence between the partners” (Gomart 2008: 2).

Indirectly recognizing dissatisfaction with the current state of bilateral affairs with the EU, an influential Russian law-maker noted that “more or less normal relations are developing perhaps only with China and Kazakhstan” (Kosachev 2009). Similarly, a Russian diplomat provides an optimistic outlook on everything but the EU: “The reset with the US seems working well, there are promising signals coming from NATO, Sino-Russian cooperation is solid as never before, and only political relationship with the EU is trailing behind these dynamics”. After the 6th round of negotiations on the basic treaty between Russia and the EU, the former Deputy Permanent Representative of Russia to the EU criticized the slow progress and the agreements reached on few insignificant articles of the draft of accord (Ivanov 2010: 138). Finally, after the EU-Russia Summits in Rostov-on-Don, a former Russian top government official draws a gloomy conclusion: “The two sides do not share a common agenda on economic cooperation, nor are they willing to do what it would take to bring about a substantive change in the situation” (Aleksashenko 2010).

The pessimistic stance on the ‘strategic partnership’ is echoed by the ‘EU camp’, too. The democratic backslide, a heavy-handed approach towards its neighbours and the overuse of protectionist measures in the economy are seen as driving Russia away from some of the core values of the European Union (Lobjakas 2009). There is a widely shared feeling in the EU that the economic crisis has not opened Russia politically and economically as many have expected and therefore the EU-Russia relationship remains anaemic. EU officials are less pessimistic about the pace and substance of negotiations on the new basic treaty with Russia. However, Russia’s credibility deficit raises concerns in the EU as to whether and to what extent Moscow will abide by the bilateral treaty obligations.

The prerequisite of a sustainable relationship lies in understanding what has hampered the development of a genuine ‘strategic partnership’ up to now. This question gains more relevance in the light of the EU’s renewed attempt to resuscitate the relationship with Russia through the ‘partnership for modernization’ (Council of the European Union 2010). A possible approach to identify what went wrong in the EU-Russia relation is to look into the actors’ perceptions which represent a set of images, views and attitudes that reflect an understanding of the counterpart’s intentions, internal developments, foreign policies and more general positioning on the international arena. The way actors see each other may smoothen or hinder political, economic and security cooperation. This is particularly true for bilateral relationships between geographically close neighbours.

This paper proposes to look at the EU and its member states from a Russian perspective. Analysing Russia’s perceptions of the EU and its member states could prove valuable for several reasons. First, perceptions facilitate an understanding of the other’s behaviour. They help to interpret actions of other international players, which in turn influence an actor’s own responses. Deemed not to be the only factor responsible for a state’s behaviour, the analysis of perceptions could explain to some degree the oscillating relations between the EU and Russia and Russian reactions to EU policies. The empirical interest in perceptions is not entirely baseless as it matches the causal weight Russia attaches to this factor in international affairs (Russian President

2 Translated from Russian by author.
3 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.
4 In early 2009, in order to protect the autochthon producers, Russia has raised import tariffs which impacted negatively EU consumer and industrial goods exports to Russia. This decision also diminished Russia’s chances to conclude negotiations on an accession to the WTO (Lobjakas 2009; Miller 2010).
5 Romanian diplomat, interview by author, 19 March 2010, Berlin, Germany. EU officials, interview by author, 20-22 October 2009, Brussels, Belgium. For domestic reasons on why the economic crisis has not opened Russia politically and economically see Wilson (2009).
7 This initiative, in the short and mid term, seems to be a reaction to the slow progress of negotiations (which might last longer than expected) on the new basic treaty with Russia as well as a tool to support President Medvedev’s modernization agenda for Russia.
2008), and in particular in the relations with the EU. For instance, Russia’s ambassador to the EU has drawn a direct link between the negative perceptions of Russia and the strained relations with the EU (Chizhov 2008).

Second, perceptions never evolve in a normative vacuum. They are always contingent to the identity, which equips an actor with a loupe through which it sees and interprets things (Abdelal et al. 2006). The distinctive version of European-ness is one of the inseparable building blocks of Russian identity. Therefore, insight into Russia’s perceptions of the EU will reveal how Russia sees itself in the European context. But Russia’s European ambitions are not confined to a regional level only. Thus, Russia’s thinking on its place in Europe will also unveil aspects of its global outlook.

Third, there is a strong correlation between perceptions and an actor’s economic or military capabilities (Rousseau/Garcia-Retamero 2007). Rise in national power is likely to encourage self-confidence and adjust an actor’s views in terms of ‘relational power’. Accumulation of the power resources and subsequent mutation of perceptions could turn major states into ‘frustrated great powers’ coveting for others’ recognition of their power status (Suzuki 2008). Hence, Russia’s most recent image of the EU could help establish the link between the cycle of uninterrupted economic growth Russia went through after rapid fall during the 1990’s, its perceptions of Europe and demands to be recognized as a distinct European pole.

Fourth and finally, the environment invariably shapes an actor’s perceptions. Russia’s regional environment along its western border has transformed with the expansion of the EU, i.e. a process that deepened the multi-layered interdependence among the neighbours as well. A close examination of Russia’s thinking about the EU will help to understand how Russia sees interdependence, i.e. the key feature defining its European milieu. The potential findings on what Russia ‘makes of it’ (Wendt 1992: 391) could shed light on why the interdependence served as “a source of permanent frustration” (Medvedev 2008c: 217) rather than an impulse for cooperation between the EU and Russia.

The International Relations (IR) literature provides a comprehensive account of how Russia’s perceptions of Europe and later of the EU evolved from the Tsarist times through the Cold War period up to the post-Soviet transition phase (Neumann 1996; Lomagin 2009; Mueller 2009; Baranovsky 2002). However, the main bulk of literature dedicated to the post-Soviet past keep track of Russia’s perceptions of the EU until the first half of President Putin’s second term in office (Lynch 2004; Allison et al. 2006; Larsson 2006; Kaveshnikov 2007; Anderman et al. 2007). The notable exceptions that stretch beyond this time frame are several sectoral analyses tackling Russia’s attitudes towards the European Neighbourhood Policy (ENP), EU-Russia Energy Dialogue or the EU’s energy diversification strategy (Haukkala 2008a; Haukkala 2009; Stewart 2009; Romanova 2008; Feklyunina 2008; Barysch 2008).

Perceptions often mutate under the impact of domestic and international factors. This paper intends to further research in this field by providing the latest integrated picture of Russia’s perceptions of the EU (covering 2007-2010). In doing so, it seeks to absorb into the analysis the implications of the global financial crisis, the EU’s institutional reform, the short war in the South Caucasus, the Russian-Ukrainian gas crisis (2009), the launch of the Eastern Partnership (EaP), and bilateral dynamics between Russia and the EU member states. There is no shortage of studies assessing the EU member states’ approaches to Russia (Leonard/Popescu 2007; Rahr 2007; Gomart 2007; Dura 2008; Braghiroli/Carta 2009; Hagstrom Frisel/Oldberg 2009). On the other hand, with few exceptions (Guseinov/Monaghan 2009; Leonard/Popescu 2007) little attention has been paid to Russian perspectives on bilateralism with the EU member states. The paper proposes to fill this gap.

Despite an extremely centralized political system, the Russian state is not a monolithic block. There is a plurality of opinions about the EU in Russia. This research has no purpose to cover the entire mosaic of Russia’s perceptions of Europe. Instead it aims to unveil and interpret Russia’s mainstream perceptions, which are widely shared across the political and expert community spectrum and thus influence Russia’s behavior towards the EU.

This study argues that Russia’s mainstream perceptions of the European integration project are multilayered and often contradictory. As the analysis will show, these are very much the product of a deeply engrained ‘great power identity’, political and economic developments in Russia during the last decade as well as conclusions Russian governing elites reached about the direction of the global power shift and the nature of transatlantic divergences (Chapter 1). The study also claims that the mainstream perceptions of Europe’s energy
and neighbourhood strategies breed unsustainable ambitions and policies, fomenting mistrust and frictions in EU-Russia relations (Chapter 2). This very same dynamic can be proved for Russian attitudes towards bilateral relations with EU member states (Chapter 3).

To prove the three levels of the above explained hypothesis, the study will follow a respective three-level approach. The first chapter will focus on how Russia perceives the EU’s internal developments and Europe’s performance as a foreign and security actor with a particular emphasis on relations with Russia and thus prove, whether these perceptions are multilayered and often contradictory. The second chapter will cover sectoral issues, depicting Russian perceptions of and reactions to EU policies in fields where interdependence has deepened over the last decade, such as energy and the ‘common neighbourhood’. Since the bilateral track plays a significant role in Russia’s European strategy, the third chapter will explore Russia’s perceptions of the EU member states. Both the second and the third chapter are to prove whether unsustainable ambitions and policies are increasing mistrust and frictions in EU-Russia relations. The paper will conclude by summarising the main findings and implications for the EU’s strategy on Russia.

To reveal Russia’s perceptions, the paper will make use of Russian official documents, and declarations, articles and press interviews; reports produced by think-tanks close to power; leading experts’ analyses; and interviews with Russian diplomats and experts, as well as European officials and analysts, conducted by the author.
1. Russian perspectives on the EU’s integration project: internal and external dimension

Russia’s perceptions operate with several images that portray the EU both in a positive and a negative light. This chapter will focus on how Russia sees the EU’s integration project at its current stage, looking at both the internal and external dimension.

1.1. Internal dimension

Economic giant in trouble
Moscow sees the EU as domestically engulfed by multiple problems. The EU struggles hard to economically absorb the poor newcomers. Russia finds this task particularly challenging in conditions of the current global economic crisis. In fact, Moscow perceives the economic troubles of the Eastern member states as an irritant factor for the ‘old Europe,’ that widens cleavages within the EU (Yuriieva 2009; Vlasova 2009). Squabbles between the Eurozone major members on the rescue package for Greece have shown that fissures transcend the conventional East-West divide and affect also the core of Europe. Thus, the EU’s delayed response to Greece’s financial crisis served to discredit the Union’s reputation in Russian eyes (Bordachev 2010: 8). Despite anti-crisis aid, the Kremlin does not rule out the possibility of an EU dissolution if ‘endless solidarity and assistance [...] gives no result’ (Medvedev 2010a). Russia regards the wakened ‘appetite’ for protectionist measures in the EU as an additional dividing issue that could seriously test the internal market fundamentals with far-reaching consequences for the future European integration (Yurgens 2008: 9).

On the institutional level, Russia thinks that the enlargement has undermined EU cohesion, contributed largely to the rejection of the Constitutional Treaty of the Lisbon Treaty ratification process more painful. The failure to promptly carry out the institutional reforms froze the integration project and diminished the efficiency of the EU’s supranational bodies. As the Head of the Russian Duma Foreign Affairs Committee noted on the repercussion of enlargement on governance “[...] in the rush for quantitative expansion [...] Europe has lost out in terms of quality” (Kosachev 2008: 51). Due to frequent institutional blockages and the lack of a clear perspective on the way forward, Russia believes that the EU is unable to set strategic goals and therefore is forced to focus on rather insignificant and less controversial issues (Yurgens 2008: 9). While the Lisbon Treaty implementation could ease some of the EU’s institutional problems, there is a certain degree of pessimism in Russia whether the reform will pave the way for a more unified EU, being able to deal with urgent domestic tasks in an expedient manner (Kuznetsova 2009a).

The economic and institutional difficulties cited above have implications for Russia’s perception of the EU in the international system. Moscow’s assessment presents the EU as falling behind its main competitors in the race for building a ‘knowledge based economy’. Russia believes that the EU has reduced its chances to compete successfully in the high-tech areas with the United States (US) and Japan due to a weak implementation of the Lisbon Agenda, inferior spending for research and development activities and a weak coordination of funds designated for innovation projects (Bordachev 2007: 114-115; Yurgens 2008: 10). The EU’s troubles during the economic crisis and BRIC members’ (i.e. Brazil, Russia, India and China) robust growth have served as an additional proof for the Kremlin that the gravity centre of economic and political power is gradually moving away from the Atlantic shores towards Asia (Rogov 2010). This explains the Russian government’s energetic efforts to beef up economic and diplomatic ties with its main partners in Asia.

Intrusive commercial power
Apart from systemic calculations, Russia’s interest in Asia is geared up by its concern with overdependence on trade relations with the EU. According to the 2008 statistics, the EU share in the Russian trade turnover reached 52.3% (European Commission 2009), confirming the EU’s status as Russia’s leading commercial partner. However, with a total turnover of 9.7% (Directorate General for Trade 2009) Russia’s place in EU trade is rather modest. Although this issue has never been brought up in public, the Russian leadership perceives the unbalanced distribution of trade as a creeping ‘soft threat’ for its sovereignty. Heavy reliance on the European market provides the EU, in Russian mind, with market provides the EU, in Russian mind, with economic and diplomatic ties with its main partners in Asia.

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Russia into a normative colony of the EU”.¹² In this regard, a Russian career diplomat remarks with suspicion that the Lisbon Treaty maintains the EU’s messianic mission to project its values inside partner states which is seen to have direct implications for Russia (Ivanov 2010: 139). De-sovereignization anxiety is indirectly reflected in Russia's long-term development strategy, which among other guiding principles mentions the “geographical diversification of external economic links” (Russian Government 2008a).

Thus, the perception of an imminent power shift superposed with Russia’s normative drive for greater autonomy on the international arena encourages Moscow to diversify its external economic ties. In search for a multi-vectoral trade interdependence, Russia identifies China and India as the most lucrative markets, which would help to counter-balance the intense commercial exchanges with Europe (Russian Government 2008a). Russia hopes that the implemented diversification strategy will help foster equal and value-free relations with the West. The Agreement on Cooperation between Russia and China through 2018 and a large package of contracts concluded with China (worth €2.4 bn) and India (worth €2.9 bn) in 2009 signify the determination to recalibrate Russia’s foreign economic policy. In the long-term perspective, Russian experts even anticipate a gradual decline of commercial volumes exchange with the EU as a result of Russia’s reorientation to Asia (Bordachev 2007: 117).

Attractive economic partner

Nevertheless and in spite of the grim assessment of the EU’s performance during the crisis and propensity to multi-vectoral economic ties, the EU will remain an attractive economic partner for Russia in the foreseeable future. In the end, diversification does not mean seclusion from Europe, which is to play a vital role in Russia’s ‘managed modernization’ guided by the state. The concept of socio-economic development of Russia until 2020 predicts that “the EU member states will preserve the leading positions in the geographical structure of Russian exports and imports, and also will be the most important source of investments, technologies and business competence in high-tech sectors of Russian economy”¹³ (Russian Government 2008a).

Although Russia plunged in the economic crisis with a strong ‘psychology of rising power’ (Russian President 2008), its leadership is fully aware of the structural vulnerabilities of the Russian economy (Medvedev 2009a). The need to diversify the economy and ignite an intensive development explains Russia’s approach towards the EU as a source of long-term credits and technological transfers. In parallel, the Kremlin assumes that interaction with the EU on its own terms will help to consolidate its grip on power rather than open the way for political liberalization. According to the Presidential First Deputy Chief of Staff Vladislav Surkov “the more money, knowledge and technology we can get from the advanced countries the stronger and more sovereign our democracy will be” (quoted in Shevtsova 2009).

Statistics show that almost 75% of Foreign Direct Investment (FDI) in Russia come from the EU member states (European Commission 2009). Yet, it is worth mentioning that, while the EU is seen as a major source of credits and investments, Russia explores alternative options to finance its long-term projects. In 2009, China provided the oil company Rosneft, the oil-pipeline monopoly Transneft and Russian banks (among which Vneshtorgbank) with $15 bn, $ 10 bn and approximately $1.7 bn in loans, respectively. There is an observable trend among Russian companies (close to state power) to use Asian financial gates (Hong Kong stock exchange) to attract investments.

The issue of technological exchanges also displays certain peculiarities. Although Russia voiced criticism on the implementation of the Lisbon Agenda, the government expressed interest in joining the EU’s 7th Framework Programme for research and technological development for 2007-2013 as an associate member and engage in joint innovative projects (Russian Government 2008b). Moreover, Russia’s cooperation in this field is not confined to the civil sector. The imperatives to modernize its armed forces and the dire situation of the defence industry push Russia to seek military technology transfers. For instance, top Russian military official declared that the European partners’ willing to sell a helicopter carrier for the Russian navy will have to share the vessel’s construction technology (Kommersant 2009).

Confident that the reserves accumulated during the last decade would help overpass the economic turbulences, Russia regards the economic crisis as an opportunity to expand its presence on the European market. The Central and East Europeans, i.e. those hit the hardest by the crisis, are targeted with predilection (Secrrieu 2009: 6-7). However, investments are restricted neither geographically to former satellites nor sectorally to the traditional energy industry. Some Russian acquisitions pursue a modernization agenda eyeing the access to industrial technologies. The attempted takeover of Opel by Magna and Sberbank consortium is the most glaring example of this. But Russia is not only a high-tech hunter. It also seeks to make profits in Europe from its own advanced technologies, like those in

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¹² Danila Bochkarev, political analyst, interview by author, 19 October 2009, Brussels, Belgium.

¹³ Translated from Russian by author.
the nuclear industry or civil aircraft construction. Moscow foresees new openings on the European nuclear market, as the EU member states will strive to abide more to a renewable and clean energy agenda (Kramer 2010).

European Integration as a model to emulate in the post-Soviet space
Moving beyond a profit driven agenda, the EU bears an impact on Russia’s strategies and discourse in the post-Soviet space. Looking through a longue durée lens, Russia perceives the European integration project as a success story that brought peace and prosperity to the continent, which was until then torn apart by wars (Karaganov 2009). Thus, Moscow considers the European integration project very useful for the reconstruction of its sphere of influence by presenting advantages of the economic cooperation in the CIS framework and playing the role of economic integration engine in the ‘near abroad’. One of the Russian top diplomats regards the EU as an example for regional integration and urges to make use of the rich European experience in the CIS space (Chizhov 2010). Behind the EU’s debt crisis that is expected to deflect EU’s attention from the Eastern neighbourhood, Russia detects ‘a geopolitical opportunity […] to push for an economically viable form of integration in the former Soviet space’ (Frolov 2010). The Kremlin believes that a ‘simulation’ of European integration ‘technologies’ in the post-Soviet space will help portray Russia as a benign power in the ‘near abroad’.

Russia’s multilateral pseudo-integration initiatives in the economic field can be seen as inspired by the EU example. During the opening ceremony of the Customs Union (with Belarus and Kazakhstan) the Russian President explained using EU jargon that ‘this really will result in a completely new freedom of movement of goods, services, capital and labor,’ a process which, as Moscow hopes, other fellow post-Soviet republics will adhere as well (Medvedev 2009b). In his plea for deeper economic integration with Kazakhstan and Belarus, Deputy Prime Minister Igor Shuvalov argued for the introduction of a common currency, taking the Euro as an example (Halpin 2010). Addressing issues of various economic integration formats in the post-Soviet space under the auspices of the CIS, the former director of Russia’s Foreign Intelligence Service and current Executive Secretary of the CIS Sergei Lebedev compared this situation to the EU’s multispeed and multilevel integration providing examples of the Monetary Union and the Schengen space. Finally, Russian officials sound upbeat about the success of the integration projects in the ‘near abroad’, hoping to advance faster than the EU during its 50-years history (Lebedev 2010).

1.2 External dimension

Underdeveloped hard power
Assessing the EU’s external actorness, Russian experts see a major discrepancy between its economic potential and the real political force (Lukyanov 2009a: 4). Moscow believes that the EU – despite having ambitious goals – has not been successful in building a coherent common foreign policy and strong military pillar that would elevate it to the status of an autonomous international player.16

The EU’s underinvestment in independent hard power instruments is the very fact that makes it rely on other actors in the security field. The EU’s caution to engage Russia in the development of its Common Security and Defence Policy (CSDP) and the preference for a NATO-based security system further undermined the chances for a genuinely independent security and defence policy of the EU in Russian eyes (Yurgens 2008: 14-15). In technical terms, the lack of the EU’s autonomy is particularly evident for Moscow in the area of airlift capabilities. When the EU makes some efforts to build elements of own defence identity, Moscow sees no success without Russia’s technological input. For instance, Russian experts assert that without Soyuz rockets launches the EU could not develop the global navigation system Galileo, which will have military applications as well (Ivanov 2010: 143).

Despite an increased number of CSDP missions, the EU mostly avoided risky operations, deploying predominantly civil or civil-military missions. Hence, Russia regards the EU’s military arm as a peacekeeping rather than a fighting force (Bordachev 2007: 115). Although European peacekeeping contingents have rapidly expanded over the last years, the resources allocated for their maintenance and training are regarded insufficient (Ivanov 2010: 143). Moscow expects little improvement as the economic crisis will make Europeans even more reticent to commit additional

14 This section will not deal with Russia’s perception of the EaP which will be treated in the second chapter. It will tackle the impact of the EU integration model on Russia’s policy style and institutional projects in the CIS.

15 Translated from Russian by author.

16 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.

17 In the Russian interpretation, a genuinely independent CSDP is the one uncontrolled by the US/NATO and which does not exclude close cooperation with Russia.
resources to defence spending. Moscow believes that disregard for rough power substantially diminishes the EU’s prospect to increase its influence in the international system, particularly in hard security matters (Yurgens 2008: 14-15).

Still underdeveloped, the EU’s independent defence pillar subscribes to Russian interests to weaken NATO-centrism in Europe and forge a new security architecture. After a failed attempt to shape CSDP from inside\(^\text{18}\), Moscow believes that there are more chances to strengthen it through practical cooperation (Yurgens et al. 2009: 26-28). Russia’s contribution to the EU operation in Chad followed this logic. More than that, cooperation with the EU in this field provides a chance for Russia to prove its ‘positive’ global security potential as well as to observe and learn from relevant partners’ experience.

Nonetheless, the ‘half-born’ CSDP is also perceived as a challenge for Russia’s interests in the post-Soviet space, especially in the conflict ridden areas. Russian diplomacy’s negative reaction to the proposal to internationalize the Russian-led peacekeeping operation in Transnistria through greater EU involvement, made by the Dutch OSCE chairmanship-in-office, is illustrative in this sense. Although exceptional circumstances have forced the Kremlin to accept an EU monitoring mission (EUMM) in Georgia, it did so to limit both the US and NATO influence. At the same time, to preserve control on the ground and weaken the EU’s hand, Russia blocked EUMM access to breakaway republics via its protectorates in Abkhazia and South Ossetia.

**Incoherent foreign policy player**

Another aspect that is seen as hindering the EU’s rise to a global power rank is represented by its internal divisions and deficient foreign policy decision-making mechanism (Bordachev 2010: 7). The enlargement is once more considered as having a negative effect on the EU (Lukyanov 2009b: 57). The accession of some staunch transatlantic sympathizers, in Moscow’s opinion complicated the internal process, constraining the EU’s ability to reach a consensus and formulate a coherent foreign and security policy. As a result, Russia believes that member states are forced to achieve the ‘lowest common denominator’ in order to adopt a decision. This, in turn, is seen as undermining the EU’s international credibility and has reduced its capacity to promote ambitious foreign policy goals (Yurgens 2008: 13-15).

As a Russian diplomat confessed “we thought that the Constitutional treaty will give birth to an absolutely new and powerful international actor; however, when the process of ratification stalled we understood that the EU will remain just another inter-governmental organization where states struggle to advance own interests.”\(^\text{19}\) Although the rejected Constitution for Europe has been replaced by the Lisbon Treaty, Russia remains sceptical about whether the new document could make the EU a more coherent foreign policy actor (Lukyanov 2009a: 4). While it is unclear how the EU’s foreign policy apparatus will work in the new institutional setting, Moscow expects various groups of states inside the EU to continue pushing for diverse foreign policy initiatives preserving the EU’s inconsistency in foreign policy matters (Busygina/Filippov 2010: 128).

The reasons given above led Russian political elites to the conclusion that “the EU cannot be viewed as a significant player in the world’s political and especially military-political area” (Karaganov et al. 2009: 6). Looking into the future, Russia assumes that “the global influence of the EU in the medium term may not increase, but perhaps even weaken”\(^\text{20}\) (Yurgens 2008: 15). More categorical voices in Moscow already sense that “Europe is losing its global significance and is turning into a secondary player, mired down by its own internal problems” (Lykyanov 2010).

**Mediator of conflicts and ‘ecological powerhouse’**

In spite of major handicaps in erecting a hard power base or improving decision-making mechanisms, Russia still regards the EU as a competitive international player in several areas. Moscow recognizes the important role the EU plays in the mediation of conflicts (Yurgens 2008: 15). This dimension of external action renders a selective regional influence on security dossiers, such as Iran’s nuclear programme, the Middle East peace process and, lately, Georgia. Moscow views the peace broker facet of the EU’s foreign policy positively. Nevertheless, the success of the EU’s diplomatic missions is contingent on the involvement of the so-called ‘big three’, i.e. the UK, France and Germany. For instance, Russia tends to see the French presidency of the EU as an important factor behind the success of the EU mediation of cease-fire in Georgia (Medvedev 2008a). On the other hand, Russia deemed the EU performance during the 2009 gas standoff, which has coincided with the Czech

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18 In the aftermath of the EU-Russia summit in Paris (2000), the Russian government has presented proposals on EU-Russia cooperation in the field of security and defence policy which among other points mentioned common decision-making. For more, see Rontoyanni (2002) and Lynch (2004).

19 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.

20 Translated from Russian by author.
presidency of the EU, as unhelpful (Associated Press 2009).

Another area where Moscow sees EU attempts to boost its clout is the environmental policy. Russia perceives the EU's global initiatives in setting high standards in environmental protection as a bid for an ‘ecological superpower’ status. But Russia anticipates that the EU’s clean environment ambitions could generate some problems in relation with its foreign commercial partners and negatively influence the dynamics of its own economic growth (Yurgens 2008: 12-13). Russia foresees that climate change will figure high on the global agenda of great powers fomenting acerb competition in this field. Tensioned negotiations behind the doors during the Copenhagen summit seem to confirm this outlook (Rapp et al. 2010). However, recently the EU’s ‘ecological power image’ has been shattered. Russia regards the EU’s failure in Copenhagen as the most recent example of “Europe’s inability to convert its cumulative economic and cultural weight into political influence”21 (Karaganov 2010).

Magnet for the post-Soviet states22 ‘Soft power’ is regarded by Moscow as the most efficient instrument of the EU’s foreign policy toolkit. The attractiveness of its political and economic model of development provides the EU with a greater influence in its neighbourhood (Bordachev 2007: 114). There are voices in the Russian mainstream claiming that as a result of the Greek debt crisis ‘the gravitational pull of the EU is abating’ (Frolov 2010). Nevertheless, infiltration over the last years of EU’s ‘soft power’ in the ‘common neighbourhood’ had and still has a direct impact on Russia’s policy in the ‘near abroad’.

The EU’s enlargement and the ‘colour revolutions’ compelled Russia to seek a plausible explanation “for the purpose of its [i.e. the Russian] presence in the post-Soviet Union”23 (Kosachev 2004). Thus, in an attempt to counter the ‘seductive pull’ of the EU in the eastern neighbouring Russia has devoted substantial resources to cultivate its own ‘soft power’ in the ‘near abroad’ by promoting in alternative ideology (centred on the ‘sovereign democracy’ concept), investing in loyal civil society in the post-Soviet states and articulating a discourse which depicts Russia as a legitimate actor in the region (Popescu 2006). Russia sincerely recognized that, by setting its own network of Non-Governmental Organizations (NGOs) in the post-Soviet states, it follows the example displayed by the EU and the US.24 Legitimizing its leading role in the post-Soviet space, Russia refutes the existence of the hidden domination agenda. To prove Russia’s benignity in the ‘near abroad’, Foreign Minister Lavrov explained: “To us, the CIS space is not a ‘chessboard’ for playing geopolitical games. This is a common civilizational area for every people living here, one that keeps our historic and spiritual legacy alive” (Lavrov 2008).

Normative Empire25 While igniting a gravitational pull in the neighbourhood, the EU’s ‘soft power’ is less appealing to the Russian leadership. Russia’s ‘sovereign choice’ does not imply full membership or any form of association with the EU (Putin 2007a). Such stance from the very beginning deprives the ‘normative power’ of its persuasion and consequently reduces the potential of the EU’s transformative effect. On the symbolical level, Moscow rejects the expropriation by the EU of the term ‘Europe’ and does not see any dichotomy between Russia and Europe (The Economist 2010; Chizhov 2009). Russia regards itself as a distinctive part of Europe which does not look necessarily like the EU on the inside. Hence, rather than seeking to merge with the EU, Moscow demands recognition of its own European-ness.

The struggle for peculiar European-ness makes Moscow challenge the premises of what is seen as the EU’s paradigm of ‘hierarchical inclusion’ (Prozorov 2009) under which Russia is supposed to unilaterally assimilate EU norms and practices without participating in any norm-making processes. This stance is best reflected in the observation of an influential Russian thinker: ‘[…] the Europeans would prefer a moderated and truncated version of Russia that has been specially designed to be manageable by them’ (Pavlovsky 2009: 76). From the Russian perspective the nature of EU-Russia relationship has changed fundamentally. According to a Russian diplomat “it is not the all-knowing EU playing God and descending to earth to modernize the savages” (quoted in Belton/Buckley 2010). It implies that the EU has plenty problems to deal with on its own and is not in a position to lecture others. Moscow rediscovered

21 Translated from Russian by author.
22 This section will not deal with Russia’s perception of the EaP which will be treated in the second chapter. It will tackle the impact of the EU’s soft-power appeal on Russia’s efforts to build an own soft-power base in the CIS.
23 Translated from Russian by author.

24 Remarks by a Russian diplomat, Seminar “EU & Russia in the Common Neighbourhood: Competition or Cooperation”, October 23 2009, Brussels, Belgium.
25 The EU has been defined as ‘normative empire’ because “its claim to enforce its norms beyond its own frontiers […] communication; the spread of these [European] standards is increasingly based on a balance of power rather than genuinely mutual consent […]”; regulations are both fixed and coercive […]” (Laidi 2008: 1).
the discursive attack, extensively used during the Cold War (e.g. on the violation of the civil rights of African-Americans), as one of the recipes against the EU's normative hegemony. Thus, in response to EU's criticism, Russia often invokes allegedly unsolved human rights problems in the new EU member states or fret about discriminatory treatment of Russian investors in Europe (RIA Novosti 2007; Bindman 2010).

Divided partner
Russia is ready to deal with the EU provided that two conditions are met: (1) the EU refrains from a demandeur approach in the future; and (2) the relation is based on jointly agreed rules.26 However, a sustainable cooperation under this formula is unfeasible unless the EU overcomes its internal divisions on Russia.27 Moscow sees the formulation of the EU policy on Russia as a never-ending struggle between those who push for containment of Russia and those who oppose such a strategy (Lavrov 2007), with neutrals sandwiched in the middle. The result of this tag war is the lack of a common EU approach on Russia (Lukyanov 2009c).

Meanwhile, as the EU failed on many occasions to build an internal consensus on Russia, the Kremlin sought 'refuge' in bilateral dialogues with European partners, which proved to be more rewarding (Baranovsky 2008: 7; Ivanov 2010). There are expectations in Moscow that the economic crisis will weaken the 'anti-Russian' wing inside the EU, located partially in Central and Eastern Europe. This in turn could lift some obstacles in the bilateral relations and help the EU to speak with one voice on Russia, opening fresh avenues in the EU-Russia dialogue (Melvil 2009: 65); but not every European 'single voice' suites Russia's interest.

As practice has shown, the EU's common position on Russia has not always been received well in Moscow. Often, the EU's solidarity, which facilitated a joint approach, has been perceived by the Kremlin as running against Russian interests (Russian Ministry of Foreign Affairs 2008). Referring to the impact of the EU's principle of solidarity on Russian relations with Europe, President Medvedev recognized that "things would probably be simpler for us without it" (Medvedev 2008b). Although Russian basic documents stress the interest for more unity in the EU (Russian President 2008), when it has been reached on particular issues related to Russia, the EU was blamed for "recurring inertia of block-based policies and ideological dogmas inherited from the times of the Cold War" (NewEurope 2008).

Moscow conceives the EU's Russian-friendly unity differently. Inserting Moscow's relationship with Europe in the 'Russia-US-EU' triangle, a career diplomat and Deputy Head of the Russian Duma Foreign Affairs Committee outlined the most desirable version of the EU's unity: "We would prefer to deal with a more feeble European Union, however strong and united enough to create some kind of counter-balance and able to oppose the US on important issues. At the same time, [we would like to have] a weak enough EU which could not do this without Russia's help. This would be an ideal situation which would enable us, first, to cooperate with the EU; second, to exercise effective influence on its policy" (Kvitinskyy 2009). Explaining why the EU has to cooperate closer with Russia today, Moscow invokes the greater focus of the US on Asia, a move which in turn diminishes Europe's importance in the US foreign policy thinking (Karaganov et al. 2010: 5, 16). According to this line of thought, the EU could stay in the global game by working closely with Russia. Thus, Moscow sees itself as a player, which boosts the EU's international weight, predominantly via cooperation with Europe's major states (Yurgens 2008: 15). This 'great powers bilateralism' in turn should lay foundations for the EU's common position towards Russia 'formulated on the basis of more advanced views existing in the European Union towards the partnership with Russia rather than being the least common denominator of the 27 member states' (Chizhov 2007).

This chapter has shown that Russia's mainstream perceptions encompass multiple and often conflicting images of the EU, which in turn generate contradictory aspirations. It has demonstrated that Russia wants to be – and sees itself as – a part of Europe, however, the way Moscow understands European-ness places it apart from Europe the way the EU understands it. Russia wants a strong EU to act as a soft counter-balancer to the US. However, Moscow works to weaken the European unity to be able to influence its course. Russia decry's the EU's lack of military autonomy, but at the same time, the Kremlin is concerned with side effects of CSDP development in the 'near abroad'. Moscow wants to trade with Europe, but also struggles to limit the unintended consequences of interdependence on its political autonomy. Russia wants the EU's investments and technologies, but these are supposed to serve, in essence, an authoritarian rather than a liberal agenda. Russia follows a shallow imitation of EU's post-modern integration technologies in the post-Soviet space, but the objectives it aims to accomplish remain 'modern', inter alia through the strong focus on bilateral relations and the use of coercion.

26 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.
27 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.
28 Translated from Russian by author.
2. Russian perspectives on EU’s policies: energy and the Eastern Partnership

This chapter intends to examine Russia’s perceptions of EU policies in fields considered to be of mutual interest both economically and in terms of security. Thus, it will tackle Russia’s perceptions of and reactions to the EU’s gas policy and the ENP’s eastern dimension.

2.1 Looking for redemption from Russian gas over-dependence

Energy as foreign policy instrument
The Russian-Ukrainian disputes and the successive interruptions of gas flows raised the problem of securitization of the gas deliveries to the EU. In order to strengthen its energy security, the EU, among other measures, intensified its search for alternative sources, revamped efforts to diversify the routes of transportation, promoted legislation supposed to create favourable conditions on the internal market through its liberalization, and repeatedly invited Russia to ratify the Energy Charter Treaty (ECT).

On the other hand, Russia attaches high value to its energy resources as a means for promoting foreign policy goals. The Energy Strategy of the Russian Federation until 2020 underlines the strong linkage between how the country positions itself on the energy markets and its geopolitical influence on the international stage (Russian Ministry of Energy 2003). In a retrospective evaluation, Russia’s National Security Strategy states that pragmatic utilization of natural resources enhanced Russia’s opportunities to boost its influence in the world (Russian President 2009a). Since Moscow openly recognizes that energy resources serve as a useful tool to advance its foreign policy ambitions, Russia interpreted the EU’s gas strategy as a challenge to its positions in the post-Soviet space and an attempt to switch the regional balance in the energy relations in the EU’s favour. In turn, Russia tried to prove the “counter-productiveness of attempts to solve questions of European energy security without Russian participation” (Agence France-Presse 2009). Russia acted to obstruct the EU’s gas policy by promoting concurrent pipeline projects, discouraging gas producers in the Black-Caspian Sea region from joining EU-backed energy projects and proposing norms which would grant the ‘security of (gas) demand’.

Trans-Caspian pipeline and Central Asian gas
The EU’s inroads in Central Asia caused concern in Moscow for two reasons. If built, the trans-Caspian pipeline (between Turkmenistan and Azerbaijan) would liquidate Russia’s gas export quasi-monopoly. Furthermore, if the EU managed to find available volumes for the planned pipeline, Russia’s gas imports from Central Asia – which help Gazprom meeting its European obligations (A. Medvedev 2010) especially during the peak of energy consumption – could significantly decrease. Such a scenario would go against the stated goal of keeping control over the gas inflows from Central Asia (Russian Ministry of Energy 2003).

Moscow questioned the rationales of the project, arguing that Russia is delivering Caspian gas to Europe, thus there would be no need for the new routes (Najibullah 2009). Russia has also invoked environmental concerns and the unsettled status of the Caspian Sea linking any progress on the trans-Caspian pipeline with its final settlement (Blagov 2006). In 2008 the Kremlin acted preemptively to absorb all the available volumes from the Central Asian republics by significantly hiking the price of imported gas, advanced projects to upgrade the existing gas transportation network and tried to convince Kazakhstan, Uzbekistan and Turkmenistan to build a new pipeline along the Caspian coast. According to experts, Gazprom’s contracts with the Central Asian gas producers are not cost-effective, a fact which demonstrates the prevalence of political objectives over the profit agenda of the Russian state monopoly (EurasiaNet 2009). This can also be accounted for the Kharkiv Agreement with Ukraine, which trades cheap Russian gas for the right to keep a military base in Crimea beyond 2017 (Medvedev 2010b), thus confirming Moscow’s primacy of geopolitical calculations over commercial ones.

Nabucco
Backed by the EU, the Nabucco project has been openly declared by Russia as a competitor of the South Stream pipeline planned to be built on the Black Sea bed stretching from its western coast further to Europe (Putin 2009a). Conceived to ease the dependence of the most vulnerable member states on South-Eastern Europe, Nabucco is viewed as a threat to Russian positions in the region where Gazprom, according to the governmental strategy, is set to increase its market share (Russian Ministry of Energy 2003). Moreover, its successful implementation will connect the reserves of the Caspian region (via trans-Caspian pipeline) to the European market, challenging Russia’s status as the main transit country for Central Asian gas. Ultimately, Russia suspects that Nabucco could link Iran to the European market in the future, jeopardizing Gazprom’s position on the continent.29

To make sure that in the ‘alternative routes race’ Nabucco will lag behind South Stream, Moscow took several measures. Gazprom decided to double

29 Danila Bochkarev, interview by author, 19 October 2009, Brussels, Belgium.
the capacity of South Stream, while Russian officials kept stressing on the (alleged) lack of a resource-base for Nabucco. Moscow also asked the EU to consider South Stream as a priority project in order to be eligible for the Union’s funding. At the same time, Moscow courted Azerbaijan, the only real source of gas for Nabucco so far, trying to absorb Azerbaijani gas available for the export by paying the European price for it. To dissipate enthusiasm and breed confusion among the Nabucco stakeholders, Russia claimed to get the ‘pre-emptive’ right to buy gas from Azerbaijan’s Shah Deniz offshore field during the second phase of development, which is designed to fill Nabucco (Pannier 2009). Not the least, the Kremlin hopes that Turkey’s difficult chapter in relations with the EU will at least delay the realization of Nabucco, if not obviating it completely.30 The reason behind this is that Turkey might speculate about the EU’s interest for energy diversification to overcome the opposition to its membership and reenergize membership negotiation talks. While the EU is reluctant to accept such a kind of trade off, Moscow expects Turkey to play a spoiling game over Nabucco.

Market liberalization and energy charter
Furthermore, the EU’s liberalization plans met a stiff resistance on the Russian side. Moscow perceives the EU’s Third Energy Package31 (in particular its ‘reciprocity clause’) as a legal instrument that “seeks to contain our [i.e. Russian] justified objective to invest in the energy sectors of EU member states [and] to dictate to Russia the way in which it should regulate the operation of its energy companies in its domestic market” (Yastrzhembsky 2008: 37). Instead, the Kremlin would like to further expand unrestricdely its presence on the European energy market, where, contrary to allegations about discriminatory treatment of Russian investors, Gazprom already holds stakes in more than 20 distributions, marketing or gas transportation companies in 16 states (Kuznetsova 2009b). Russia’s discomfort with the EU’s ‘reciprocity clause’ contradicts the Kremlin’s previous statements, which underpinned the importance of reciprocity in EU-Russia energy relations. However, it seems that the Kremlin conceives reciprocity as a one-way street. Moscow undermined the reciprocity application in Russia by significantly restricting the access of foreign investors in the energy sector and overtaking control over mega projects previously administrated by foreign multinationals (for example Shell – Sakhalin II).

Russia brushed away the EU’s insistent calls to ratify ECT and in 2009 officially informed the depositary of the treaty about its decision not to ratify the document. Moreover, it floated its own proposals for a new legally binding international agreement in the energy field showing zeal to switch its post-Cold War status from a ‘norm-taker’ to a ‘norm-maker’ in the European context (Haukkala 2008b: 54). A Russian observer underscored in this regard: “Everywhere we Russians are expected to support something without participating in creating it” (Pavlovsky 2009: 75). Seen in this light, the Russian energy initiative is partially a reaction to the EU’s Third Energy Package (Bochkarev 2010) that comes to oppose the EU’s ‘monopoly’ in formulating norms in the energy field (Belyi/Nappert 2009: 18). Paradoxically, despite the norm-making drive in this sector, Russia firmly believes that major energy deals will always be based on informal agreements intermediated and approved by the White House.32 While Russian proposals reiterate some principles enshrined in the ECT or the Third Energy Package, it seeks to strengthen the energy producers’ positions introducing an economically dubious principle of ‘security of demand’, which would limit the consumer options to choose or to change the supplier (Milov 2009a). A further interpretation of the draft also reveals Russia’s interest in having a say in diversification projects, facilitating the implementation of its own infrastructure projects, which face obstacles for various reasons, as well as providing access to the much needed know-how for development of its large offshore gas reserve and expand the Liquefied Natural Gas (LNG) production infrastructure (Russian President 2009b).

2.2 Craving for a ‘sphere of influence’ in the Euro-East

EaP still has to show its teeth
Since its launch in 2004 the ENP has been treated by Moscow as inconsistent, weak and lacking support of concrete ideas and policies.33 This attitude changed noticeably once the EU initiated the EaP in 2009 aiming to strengthen its relations

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30 Danila Bochkarev, interview by author, 19 October 2009, Brussels, Belgium.
31 The Third Energy Package aims to further liberalize the internal electricity and gas market and formulates a framework for competition in these sectors. Among other provisions, package introduces ‘a reciprocity clause’ which requires non-EU members willing to operate on the EU market to comply with unbundling conditions applied to the EU member states.

32 Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.
33 Russian diplomat, interview by author, 6 November 2008, Cluj-Napoca, Romania.
with Russia’s western and southern post-Soviet neighbours. It is perceived by the Kremlin as an initiative, which has been cooked in the laboratories of the unfriendly EU member states in the aftermath of the 2008 war in the South Caucasus (Haukkala 2009: 6). Although previously Russia was already reluctant about NATO enlargement, it seems that the EU’s forward-looking approach towards the east (which grants no membership perspective so far) is not welcomed either (Barysch 2010: 5). While the Speaker of the Federation Council Sergei Mironov declared that “the EU should not have a separate eastern policy (partnership)” (Baczynska 2008), President Medvedev confessed that, despite the European representatives’ concerted effort during the EU-Russia summit in Khabarovsk to dissipate Moscow’s suspicions about this program, “they did not completely succeed” (Medvedev 2009c).

Behind this programme, the Kremlin detects an attempt to pull the rug under Russia’s feet in the post-Soviet space. As the Russian Foreign Minister bluntly put it, the EaP is ‘an attempt to extend the EU’s sphere of influence’ (Pop 2009), which in realpolitik terms takes place at the expense of others. Moscow’s initial harsh reaction to the EaP launch has been followed by a more sanguine assessment. Russian experts identified several hurdles on EaP’s road to success, ranging from post-Soviet leaders’ weak commitment for democracy to negative effects of ‘frozen’ conflicts and lack of support for EaP on the part of the EU member states (Sergunin 2010). Thus, the general feeling in Moscow is that the EaP is weak and still has to show its teeth. At the same time, “Kremlin remains cautious because of the risks the EaP bear for Russia’s plans in the ‘near abroad’” 34. Thinking about its neighbourhood in terms of ‘exclusive love’, Moscow believes that the EaP may intensify or could set several unwelcoming developments in motion.

**EaP’s potential risks for Russia**

The partnership could change unfavourably the behaviour of Russia’s immediate neighbours. Moscow anticipates that irrespective of EU membership intentions, post-Soviet states will use the EaP to strengthen their bargaining power in relations with Moscow (Nezavisimaya Gazeta 2009). Thus, the EU’s initiative will boost the still asymmetric positions of the post-Soviet Republics to negotiate with Russia by presenting the alternative European offer as a refuge in case Russia overplays its hand as it has often done in the past. In this regard, Moscow’s concerns mainly revolve around its ally and balancer par excellence Belarus (Bordachev 2010: 7), which was reluctant to engage in ENP before. If successful, the EaP support for institution-building would strengthen the post-Soviet states from the inside. Generally, Russia showed little interest in strong states on its periphery. 35 Instead, the Kremlin manipulated their weak statehood to cement its influence. To attain its objectives, Russia quite often supported authoritarian governments or speculated nascent pluralism and dire economic conditions to challenge disloyal political regimes. Therefore, internally consolidated and institutionally solid post-Soviet neighbours would be a disappointing reality for Moscow.

Although ‘unthreatening’ in financial terms from the Russian point of view, the EaP is expected to encourage a more intensive projection of the EU’s ‘soft power’ in the eastern neighbourhood. Moscow is particularly preoccupied with the EU or its member states’ investments in the young generation and mass-media outlets that could speed up erosion of the roots of Russia’s so-called ‘geo-cultural sphere’ centred around Russian media, pop-culture products and Russian speaking minorities (Trenin 2009: 17). In one of its resolutions on developments in the post-Soviet space, the Russian Duma decreed the reduction of Russia’s information presence in the ‘near abroad’ over the last 15 years, warned against foreign players filling this space and urged the government to take measures to reverse this tendency (Interfax 2010).

Other possible outcomes Russia are apprehensive of represent the long-term policy effects of the EaP. Moscow explains the initiative’s primary focus on ‘low politics’ with the EU’s aspiration to pull the post-Soviet states under its supranational governance in various fields (Gromglasova 2009: 9). The “sectoral integration through absorption of *acquis communautaire* and free trade areas will consequently embed the eastern neighbours in the EU’s legal system and thus undermine Russia’s influence” 36 as this process would run against Moscow’s plans to assemble free trade area and harmonize economic legislation within the CIS (Shuvalov 2010).

Moreover, the Kremlin foresees a possible shift on the ‘high politics’ platform, as well. Russia perceives the EaP as an instrument to enforce ‘geopolitical conditionality’ that would seek to bind neighbours to EU positions on foreign and security issues. In this context, Moscow is concerned that the ex-Soviet states will be forced to choose between “either bright future with the EU, or dark past with Russia” 37 (Chizhov 2009). The alleged EU pressure

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34 Arkady Moshes, Programme Director – Russia in the Regional and Global Context, Finnish Institute for International Affairs, interview by author, 23 March 2010, Helsinki, Finland.

35 EU official, interview by author, 20 October 2009, Brussels, Belgium.

36 Olena Prystayko, interview by author, 19 October 2009, Brussels, Belgium.

37 Translated from Russian by author.
on Belarus not to recognize the independence of Abkhazia and South Ossetia confirms, in Russia’s view, its bleak forecast. Russia’s own failure in forcing Belarus to recognize the ‘separatist regions’ reconfirmed for the Kremlin the sharp competitive reality of the neighbourhood.

**Resistance and cooperation**

Kremlin’s realpolitik mind-set breeds a discursive resistance to the concept of ‘common neighbourhood’, which is seen as the EU’s rhetoric vehicle for expansion to the east. A Russian diplomat remarked that the ‘common neighbourhood’, as it is conceived in Brussels, does not exist in reality. It is worth mentioning that Russia avoids by all means referring to the synonym concept ‘shared neighbourhood’. This stems from the belief in an unambiguous division of the continent in a ‘non-Russian Europe’ (Karaganov 2009) or ‘Brussels Europe’ (Ivanov 2010: 140) and Russia’s Europe. Such vision is best captured by Russia’s concept of the ‘bipolar Greater Europe’ according to which the EU-27 on the one hand and Russia including the ‘near abroad’ on the other hand, form two distinctive European sub-orders governed by supranational institutions such as the EU, the Collective Security Treaty Organization (CSTO), the Eurasian Economic Community (EurAsEc) and the Customs Union between Russia, Belarus and Kazakhstan. The concept does not envision the existence of a rigid bipolarism on the continent but implies various cooperative formats between supranational structures (Suslov 2010; Chernyshev 2010).

Being more than a simple theoretical construct developed by experts, the concept of ‘Bipolar Greater Europe’ shapes the discourse and behaviour of Russian decision-makers to a large extent. On the eve of the EaP launch, the Russian Foreign Ministry warned that “such an architecture of EU cooperation with Russia’s neighbours should not come into conflict with the integration obligations of these countries with the CIS and the CSTO” (Nezavisimaya Gazeta 2009). To legitimize its stance, Russian officials argued that under the road map for the common space of external security the EU and Russia recognized each other’s integration process. Moreover they agreed “to actively promote them in a mutually beneficial manner […]” (European Commission 2005: 35). In case of the EaP, Moscow finds the EU in breach of this agreement and qualifies the EU policy as a “betrayal of the Russia-EU partnership” (Bordachev 2010: 5). To remedy the situation, Russian Deputy Foreign Minister Alexander Grushko suggested that “the EU should not move ahead with projects in the Eastern Partnership that are not also the fruit of Russia-EU dialogue” (The Economist 2010). Thus, Russia favours the establishment of links between European sub-orders, only if these have been agreed between Moscow and Brussels in advance.

The vision of a ‘bipolar Greater Europe’ prompted Moscow to neutralize perceived risks of the EU regional policy in the east and to attempt to establish inter-institutional connections between Russian-led structures in the CIS with the EU. For instance, Moscow invested diplomatic and financial resources in economic integration projects (e.g. Customs Union) at the expense of WTO membership perspectives for itself and relevant partner countries. Russia also tried to speculate on the opportunity provided by the new leadership in Kiev to involve Ukraine in Moscow-sponsored initiatives (Putin 2010), aimed to solidify Russia’s grip on local economy. In search of recognition and legitimacy, Russia cautiously pushed, without much success so far, to formalize relations between the CSTO and EurAsEc with the EU. Finally, Russian diplomats have been very active in organizing joint consultations with CSTO member states’ ambassadors to the EU and NATO to coordinate their positions.

This chapter has shown that Russia sees the EU’s energy and neighbourhood policies negatively. Both policies target fields and regions deemed by Russia as vital for the preservation of its great power status. Therefore, the Kremlin believes that the EU aims to weaken Russia’s position on the European energy market and squeeze it out of the post-Soviet region. This perception breeds Russia’s reactions designed to obstruct or dilute the effects of the EU policies. This in turn poisoned the bilateral atmosphere in EU-Russia relations. At the same time, this perception foments Russia’s self-assertiveness in the post-Soviet space. However, given the developments on the global energy market (expansion of LNG segment and shale gas ‘fever’) and the long-term tendency of the post-Soviet states to closer engage on an economical and political level with other dynamic regional actors (e.g. the EU and China), Russia’s claims for a ‘privileged sphere of influence’ seem unfeasible.

38 Remarks by a Russian diplomat, Seminar “EU & Russia in the Common Neighbourhood: Competition or Cooperation”, October 23 2009, Brussels, Belgium.

39 Translated from Russian by author.

40 Remarks by a Russian diplomat, Seminar “EU & Russia in the Common Neighbourhood: Competition or Cooperation”, October 23 2009, Brussels, Belgium.

41 In 2005, the EU and Russia agreed on Road maps for four common spaces: common economic space, common space of freedom, security and justice, common space on external security, common space on research, education, culture. See, European Commission 2005.
3. Russian perspectives on bilateral relations with EU Member States

Bilateral relations with the EU member states figure prominently in Russia’s European agenda. This chapter attempts to understand how Russia sees the EU member states, to which purposes bilateral relations serve and by what kind of issues they are overburdened.

3.1 Instrumentalization of bilateral relations

Russia tends to instrumentalize bilateral relations with EU member states to influence the EU’s foreign policy decisions. As the Russian former Ambassador to the EU argues, “Russia can (and does) influence the concentration of positions of EU member states and elaboration on the basis of their joint positions (fragments) on some urgent international issues” (Likhachev 2003: 60). However, Russia’s interests in the bilateralization of relations stretch far beyond international issues. In effect, Moscow is pursuing a more complex agenda. Russian experts argue that the Lisbon Treaty significantly boosts the powers of big European states and inter-governmental decision-making bodies, making bilateral cooperative tracks with them even more important than before (Bordachev 2009; Busygina/Filippov 2010: 127).

Russian official documents describe relations with several West European states as “an important resource for promoting Russia’s national interests in European and world affairs, as well as contributing to put the Russian economy on an innovative track of development” (Russian President 2008). Yet, by delineating geographically useful EU member states, Russia indirectly implies the existence of bilateral rapportts that failed to live up to Moscow’s expectations or, even worse, working against Russian objectives on the European azimuth. Hence, the Kremlin naturally differentiates its bilateral relations with EU member states. Instead of operating with rigid divisions, the Russian perception works with utility-damage criteria. Accordingly, the EU member states form three big clusters each one with its own subdivisions inside: ‘psychologically compatible’ partners, utilitarians and neighbours with the ‘phantoms of the past illness’. The EU member states’ assignment to one or another group is not permanent. Depending on bilateral dynamics, a state may migrate inside as well as outside of the group it has been nominated to in Russian mind. This paper seeks to draw the most recent picture of Russia’s perceptions of the EU member states.

3.2 ‘Psychologically Compatible’ Partners

Compatibility and political dialogue
Judging by Moscow’s attitudes, this group of states comprises Russia’s preferential partners in Western Europe (France, Germany, Italy, Spain) and friendly EU members from the south (Cyprus, Greece) with whom Moscow not only agrees on a wide range of issues but also shares what Russia defined (referring to relations with Germany, but applicable to all states nominated) as “cultural and psychological compatibility” (Volkert 2009). Beyond strong economic interests, Russia’s favourable attitude rests on reconciliation, positive historical experiences or religious bonds.

Russia enjoys strong political relations with these ‘psychologically compatible’ partners. There are frequent high level visits and ministerial bilateral contacts, which often take place within a bilateral inter-governmental commissions’ framework. These are seen as pivotal for the promotion of economic mega projects or the discussion of the most important regional and international dossiers affecting both states. In some cases, a regular political dialogue with the involvement of the business elite and civil society has been institutionalized. The Russian-German ‘Petersburg Dialogue’ which gathers politicians, business circles and the non-governmental sector exemplifies the institutionalized multilevel dialogue. Moscow also supports a web of cultural and Diaspora organizations in these states to strengthen societal links that would support the bilateral political and economic agenda.

Economic and military links
Russia’s partnerships with states from this group are built on a strong economic foundation. Moscow’s goals are double-headed: (1) generation of profits and (2) economic modernization. Asset swap deals and joint infrastructure projects dominate the energy cooperation agenda. Companies from Germany, France and Italy have been granted ‘controlled’ access to Russian energy development projects in exchange for stakes in their own downstream assets. Moscow hopes that the energy memorandum with Spain signed in 2009 will pave the way for similar bilateral deals (Gazprom 2009). Russia’s preferential partners in Western Europe are also perceived as the main sources for the know-how in advanced sectors of economy. Close partners from the south are economically useful, too. Greece is seen as an important transit terrain and final destination for Russia’s oil and gas new export routes. Cyprus serves as a financial safe heaven for Russian capital or host subsidiaries of Russian companies set for expansion in Central and Eastern Europe (Vdovin 2007; Kupchinsky 2009).

A high level of trust encouraged Russia to develop a close security and military cooperation with the ‘psychologically compatible’ partners.
Russia has concluded air military transit agreements to Afghanistan with Germany, France and Spain and expects to sign a similar accord with Italy (Lavrov 2009). Greece and Cyprus are among Russia’s traditional buyers of military hardware with acquisitions ranging from tanks to infantry fighting vehicles (RIA Novosti 2009a; Alekseev 2010). But military cooperation is a two-way-street process. Russia is geared for high-tech acquisitions or technology transfers to modernize its armed forces and increase arm exports to third countries.\(^{42}\)

Contentious issues
Russia’s relations with preferential partners are not free of sporadic economic disputes, occasional frosty rhetoric or mild suspicion.\(^{43}\) Moscow also sees its partners sometimes hiding behind the ‘Eastern’ vetoes to conceal their own dissatisfaction with Russian policies or decisions.\(^{44}\)

However, the Kremlin does believe that temporary obstacles on the road are unlikely to reverse the bilateral cooperative routine. There is confidence that the huge market and lucrative deals that the Kremlin offers to its partners (which often compete against each other to secure them) will defuse contentious bilateral issues, providing Russia at the same time with a stronger bargaining position. More than that, Moscow sensed that the global economic crisis exposed its privileged partners’ vulnerabilities and made them more amenable. For instance, President Medvedev underscored that Russia is not the only one who looks for investments, since Germany demonstrated a great deal of interest in Russia’s participation in industrial projects, mentioning deliberately troubled Opel and Wadan shipyards (Medvedev 2009d).

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\(^{42}\) Moscow has developed a multilateral partnership with French Thales which provided export versions of Russian made aircrafts and helicopters with advanced avionic systems, as well as tanks with thermal image devices. Russia also plans to make acquisitions for its navy. France is considered the frontrunner for the contract to supply the Russian navy with Mistral-class helicopter carriers. The Russian Ministry of Defence confirmed that Russia will buy armour for cars and light military vehicles from Germany, as domestic products are not providing necessary level of protection. For more see Naumov (2010) and Vedomosti (2010).

\(^{43}\) One could think about the Lufthansa cargo hub row with Russia (2007), tensions over the Austrian Airlines (owned by Lufthansa) flying rights to Russia (2010), President Sarkozy’s remarks on Russia’s unconstructive behaviour on the international scene (2007), former German Foreign Minister Steinmeier’s response to the Kremlin’s threat to deploy missiles in the Kaliningrad region (2008).

\(^{44}\) Russian diplomat, interview by author, 21 October 2009, Brussels, Belgium.

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EU-Russia relations and regional dossiers
Diverse political, economic and security-military interconnections provide, in the Kremlin’s opinion, fertile ground for solving the EU-Russia problems on the bilateral level and to advance the dossiers Russia has an interest in inside the EU. For instance, it seems that Russia ‘cultivates’ Italy, France and Spain as the most active advocates in the EU of the visa free regime for Russian citizens (RIA Novosti 2010; Voice of Russia 2010). Moscow worked closely with the Spanish EU Presidency, to receive a road map towards visa-free travel to Europe (Pravda 2010). In the energy field, the Kremlin tried to make use of its connections in Germany and Italy in order to get EU funding for South Stream (Socor 2010). In late 2008, Russia tried to speculate France’s supportive attitude on President Medvedev’s initiative on the European Security Treaty (EST)\(^{45}\) to push for a hastily organized summit on this matter, while the EU has not formulated a joint approach to the proposal.

Apart from this, Moscow perceives these states as valuable channels to voice its concerns inside the EU or neutralize potentially negative decisions. Russia sees the ‘privileged partners’ Germany, France and Italy displaying sensitivity to Russian interests in the ‘near abroad’ and constantly demonstrating support for a greater engagement between the EU and Russia. Even the launch of the EaP, “which made some people in Moscow wonder why Germany has not blocked this initiative, did not shatter Russia’s trust in its closest European partner who was seen by the Kremlin working pre-emptively to water down the EaP”.\(^{46}\) Converging positions in the Balkans or the Black Sea region facilitates coordination of Russia with Cyprus and Greece (Russian Ministry of Foreign Affairs 2008). Cyprus’s instant support for President Medvedev’s initiative on the EST, designed by Russia to delimitate spheres of influence in Europe, has been much appreciated in Moscow (Russian Ministry of Foreign Affairs 2009a). The balanced Spanish chairmanship of OSCE in 2007 made Russia enlist it promptly in the group of fully-fledged preferential partners (Russian Ministry of Foreign Affairs 2008), sealing it with a declaration on strategic partnership signed in 2009.

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\(^{45}\) First mentioned in Berlin (2008) by President Medvedev, the idea of concluding a legally binding document in the field of European security (European Security Treaty) took the form of the draft prepared by the Russian diplomacy and made public in late 2009.

\(^{46}\) Arkady Moshes, Program Director – Russia in the Regional and Global Context, Finnish Institute for International Affairs, interview by author, 23 March 2010, Helsinki, Finland.
3.3 Utilitarians

In the Russian mind, this heterogeneous group reunites the states from Western as well Eastern Europe whose relations with Moscow are not overburdened by ‘memory wars’ and are primarily driven by economic incentives. Russia distinguishes between apathetic utilitarians (Belgium, Bulgaria, Ireland, Malta, Portugal) and enthusiastic utilitarians (Austria, Finland, Hungary, Luxembourg, Netherlands, Slovakia, Slovenia).

Apathetic utilitarians
The group includes states, which Russia would like to engage in the economic field, but Moscow’s efforts are not always reciprocated by practical measures or have a vacillating character. Russia tends to explain inconsistency on the part of the apathetic utilitarians by domestic political evolutions (crisis or elections), temporary inward concentration after joining the EU or alternative trade policy priorities. However, Russia often makes use of opportunities to reignite bilateral contacts.

Moscow seized the moment of the Portuguese EU Presidency to re-launch commercial relations and advance its interests in relations with the EU (Russian Ministry of Foreign Affairs 2008). The Russian government has been energetic in building commercial ties with Ireland whose investments in Russia grew rapidly since 2007 (Russia-InfoCentre 2008). In 2008, Russia participated in bilateral diplomatic consultations in Dublin and signed with Ireland a programme of actions for 2008-2010 in the field of education, science and culture (Russian Ministry of Foreign Affairs 2009b). Maltese authorities’ assistance in the case of the ‘Arctic sea’ cargo vessel triggered Russia’s efforts to beef up commercial and cultural ties with Malta (Ministry of Foreign Affairs - Malta 2009). Moscow has agreed on a joint plan of actions for 2010-2011 with Belgium hoping to infuse new dynamic in the bilateral relationship (Russian Ministry of Foreign Affairs 2010a). Russia has exercised pressure on the former enthusiastic utilitarian Bulgaria, which launched a review of its participation in the Russian-backed regional energy projects under its new government (EurActiv 2010).

By acting in this manner, Moscow hopes to turn these apathetic into more enthusiastic utilitarians ensuring ultimately their, if not helpful, at least non-harmful stance on the EU-Russia relations and Russia’s interests in Europe.

Enthusiastic utilitarians: political dialogue and economic links
Russia has regular political exchanges and diversified economic relations with the enthusiastic utilitarians. The volumes of bilateral trade with states from this group (before the economic crisis struck in 2008), evolved constantly along an ascending trajectory, the fact praised by the Russian leadership during bilateral meetings. The Kremlin sees behind this cooperative attitude of the enthusiastic utilitarians the need to secure uninterrupted gas or oil supplies and wishes to gain or assure a permanent access to the Russian market in order to stimulate the domestic export industries and financial services sectors. Except for the Netherlands and Luxembourg, states from this group cover more than 50% of their gas needs from Russian imports (Noel 2008: 10). The Kremlin is fully aware of these vulnerabilities as well as of the commercial incentives, and works hard to convert them into real economic and political dividends.

Russia promotes an active economic diplomacy to assist its companies in securing lucrative deals with the enthusiastic utilitarians. The most intensive cooperation with the EU members comprising this group takes place in the energy sector (both gas and nuclear), where Moscow strives to keep and, wherever possible, boost its market shares. Enthusiastic utilitarians play a role in Russian energy diversification projects. Hoping to outpace the EU in the pipeline race Gazprom sealed Slovenia’s participation in South Stream (Bierman/ Shiryaevkaya 2009). In order to diversify support for North Stream, 9% of shares in the joint company have been offered to Dutch Gasunie (Socor 2007). In return, Russia generally welcomes exports, investments and financial services originating from enthusiastic utilitarians.

Enthusiastic utilitarians: contentious issues
Despite multiple business linkages, relations with several enthusiastic utilitarians are not free of problems. Economic matters and the human rights agenda poison occasionally the bilateral atmosphere. Dutch concerns about the human rights violations in Russia, and the situation in Chechnya have constantly been an irritant factor for the Kremlin. The activity of a Dutch human rights NGO - the Russian Justice Initiative providing assistance to victims of violence in Chechnya - has been temporarily suspended by Russian authorities in 2006-2007 (Ortung 2007). Finland’s environment concerns and early allusions to consider an overland terrestrial route for North Stream have been received with annoyance in Moscow (Putin 2008).

In such cases, Russia often applied economic coercion and diplomatic pressure to convey an unambiguous message. In 2004 and 2007, Russia banned the import of flowers and plants from the Netherlands claiming phytosanitary
pretexts. Still raised during bilateral meetings, the Dutch government’s criticism on Russia’s human rights record has visibly subsided ever since. Since 2007, the Russian government raised timber tax twice delaying further increase till the autumn of 2009 when ‘by coincidence’ Finland, one of the major European importers of Russian timber, announced its decision on North Stream (granting ultimately the permission consortium needed). In each case, Russian officialdom was confident that the prospect of damaged economic relations with Russia and consequences to follow would force the enthusiastic utilitarians to find accommodation with Kremlin.

**Enthusiastic utilitarians: EU-Russia relations and eastern neighbourhood**

Russia perceives this group as unproblematic for its relations with the EU, most of the states supporting at various degrees an engagement strategy or at least do not raise major obstacles to it, following the course of European major powers. For instance, Moscow appreciated the efforts of the Luxembourg and the Slovenian EU Presidency to finalize negotiations on the road maps for the four common spaces and to start the negotiation for a new EU-Russia agreement (Putin 2007b, Russian Ministry of Foreign Affairs 2009a). After Russian-Finnish talks, minister Lavrov praised Finland’s constant support to deepen the EU-Russia partnership (Lavrov 2010). Moscow’s gratitude to Helsinki is not just rhetorical as Finland became the main gate to the EU for numerous Russian tourists, because of an efficiently applied visa facilitation agreement (over 700,000 visas were issued in 2009) (Stubb 2010). Though enthusiastic utilitarians develop bilateral economic relations with the post-Soviet states as well, Russia tends to regard them as unthreatening for its positions in the region because these generally neither target strategic sectors, nor critical infrastructure or jeopardize Russian economic interests. These states are seen as promoting a non-irritating approach in the eastern neighbourhood for Russia inside the EU.

3.4 Neighbours suffering from ‘phantoms of the past illness’

**Psychological gap**

There is an extensive list of EU member states viewed in Moscow with deep suspicion. Russia believes that these states’ thinking on many issues is stuck in the past and is outdated from the perspective of radical political-military changes that swept across Europe after the Cold War. The distorted image of Russia based on its imperial past projected in the present or future, is seen at the origin of grave misperceptions about Russia’s domestic or foreign policy. In some cases, Russia sees residual colonial thinking behind the disfigured vision of Russia (Putin 2007c). Hence, the neighbours are labelled with ‘phantoms of the past illness’. Coined by the Russian ambassador to the EU (Chizhov 2009), this label caught accurately the Russian perception of Moscow’s ‘difficult’ European neighbours. The list of neighbours affected by this ‘syndrome’ is opened by the EU’s heavy-weighter UK, followed closely by the Baltic states, Sweden, Poland, the Czech Republic, Romania and, to a lesser degree, Denmark. While lately relations with many ‘difficult’ neighbours have improved and consequently Russia sees them in a slightly positive light, it is premature to speak about profound changes in Russia’s perceptions in this regard. However, if cooperative dynamics continue and sensitive disputes subdue over time, several states from this group could migrate into the utilitarians category.

**Political dialogue**

Generally, Russia’s bilateral political dialogue with the ‘difficult’ neighbours is unstable and less intensive than with privileged partners or enthusiastic utilitarians. As non-communication or very limited one is another way of sending foreign policy messages, Russia purposefully downgrades contacts or keeps them half-frozen for a certain period of time. In such circumstances, major exchanges take place mostly on the ministerial or parliamentary level and quite often on the sidelines of multilateral or regional meetings. During significant regional crises or international events, high-level dialogue occurs between top officials.

There are few bilateral state visits paid by Moscow to ‘difficult’ neighbours. The Baltic states do not figure on the Russian President’s trips map, which serve as barometer of Russia’s attitudes towards these states. Furthermore, when visits take place (2007-2010), they are not exclusively bilateral and mostly linked to international events or occur in exceptional circumstances.47

In turn, the Russian side is quick to extend invitations to Moscow when there are prospects for resetting relations. Sensing rhetorical and factual changes on governmental level towards Russia, Moscow welcomed the Prime-Minister from Latvia (2007) for the first time since the mid 1990s’, Poland

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47 Some examples confirm this approach: Romania (NATO Summit 2008), UK (G20 Summit 2009); Denmark (UN Climate Summit 2009), Russian head of state paid first, since 1960s, official visit to Denmark in April 2010 as relations warmed; Sweden (EU-Russia summit 2009), in the case of Stockholm the Russian side initially wanted to move the venue to Brussels; Czech Republic (signing ceremony of START between US and Russia 2010); and Poland (funeral of President Kaczyński 2010). In Poland’s case, Prime-Minister Putin visit in 2009 aimed to reciprocate his counterpart efforts to improve relations and strengthen those voices in Poland who support rapprochement.
(2008) after a six years pause, Denmark (2009) after a five years break and Sweden (2010) for the first time in a decade. But when the Kremlin sees that a state has squandered early its chance, invitations issued before to come to Moscow are usually shelved (for example Romania in 2009).

**Economic links**

In spite of the frosty political atmosphere (spy scandals, Russia’s economic blockades, harassment of investors and flexing of energy muscles) investments and trade between the ‘difficult neighbours’ and Russia have flourished. 48 However, from the Kremlin’s point of view even as Russia opened up economically, its uncomfortable neighbours remained extremely suspicious about Russian investments or projects in Europe. Until recently, the neighbours’ mistrust was seen mainly in Russia’s energy sector expansion strategy. Nevertheless, Russia remarks a gradual adjustment in how several ‘difficult’ neighbours treat the energy agenda. Thus, Sweden and Denmark granted permission to lay down the North Stream pipeline crossing their waters in 2009, Poland and Russia reached the deal on ownership of Polish chunk of the Yamal-Europe gas pipeline. Romania, strongly committed to Nabucco and developed a more flexible attitude towards South Stream. The Russian leadership openly recognize a causal link between energy deals and improved bilateral relations (Putin 2009b).

**Contentious issues**

Various political, diplomatic, historical and security disagreements make Russia regard this group of states with circumspection. Russia’s dissatisfaction with its ‘difficult’ neighbours is a result of what Russia sees as: lecturing on human rights and democracy; refusal to extradite political immigrants, extremists or shut down their website; unsettled border or potential territorial disputes over the Arctic; anti-Russian rhetoric; discrimination of Russian speaking minorities; politically motivated limitations of visa issuing; reallocation of WWII monuments to

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48 The UK is among the biggest investors in Russia, while Sweden’s and Denmark’s financial inflows into Russia significantly increased over the last years. Russia is the largest trade partner outside the EU for Poland, the Baltic States and the Czech Republic. Despite a bilateral trade deficit with Russia, the pace of Romania’s exports to Russia grew faster than Russian exports to Romania (Telegraph 2010; PAP Economic Bulletin 2009; Ministry of Economy of the Republic of Lithuania 2009; Ministry of Foreign Affairs of the Republic of Latvia 2010; Ministry of Foreign Affairs of the Republic of Estonia 2010; Rasmussen 2010: Medvedev 2009e; Churilin 2009).

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Soviet soldiers; agreements to host elements of the US missile defence; attempts to bring extra-regional actors (code name for the US) in the Black Sea; and reinterpretation of history with the aim to downgrade Russia’s role in Europe (Russian Ministry of Foreign Affairs 2008, 2009a, 2009c, 2009d, 2009e, 2010; Vzglyad 2010; Regnum 2009).

Russia often retaliates in reaction to perceived hostile gestures. Besides economic pressure, Russian governmental agencies or Kremlin-friendly young movements (‘Ours’ or ‘Young Guard’) harassed country’s ambassadors and NGOs accredited in Russia (Andreev 2008; BBC 2008). Although very combative, the Russian stance on the difficult neighbours is also opportunistic. Moscow often seizes on positive events or favourable pretexts to launch a ‘charm offensive’ aimed to show multiple advantages of accommodationist attitudes towards Russia on sensitive matters. Such an attempt partially failed in Romania (2008-2009), but there are similar diplomatic campaigns underway in relations with Denmark and Poland, which helped to score some positive points for Russia (Russian Ministry of Foreign Affairs 2009f; Stratfor 2010; Moss 2010). Moscow also periodically picks a favourite among the Baltic states to show an example to the rest and in parallel play them off against each other.

**EU-Russia relations and eastern neighbourhood**

Moscow perceives ‘difficult’ neighbours as the main trouble makers in the EU-Russia relations. These states push the EU to take a harder approach on Russia and challenge it in the immediate periphery. Poland’s and Lithuania’s veto on the launch of negotiations on a new EU-Russia accord, overwhelming negative reaction of these states (primarily UK, Sweden, Baltic states, Poland) to Russia’s ‘enforcement of peace’ in Georgia, as well as the Eastern Partnership initiated by Poland and Sweden have been interpreted by the Kremlin in this light. Russia has also shown discontent with its ‘difficult’ partners tutoring the post-Soviet neighbours on their way towards the EU. Not surprisingly, Moscow assessed pessimistically the Czech and Swedish Presidency of the EU (2009) both seen injecting more competition in EU-Russia relations (Bordachev 2010: 5).

In order to neutralize the spoiling behaviour of ‘difficult’ neighbours Moscow acts to isolate them inside the EU. Portraying them as frustrated states, which keep the EU-Russia relationship a hostage of their bilateral misunderstandings with Russia, Moscow strive via bilateral channels to dilute solidarity inside the EU. In the middle of the meat ban dispute with Poland, Moscow offered several EU member states (among others Italy and Germany) to sign bilateral agreements that would guarantee the access of their meat products to the Russian market. Besides the bilateral track, Russia often raised issues related to ‘difficult’ neighbours...
behaviour at EU-Russia summits, while reassuring the EU leadership that the Russian side is ready for both open dialogue and cooperation. For instance, Russia’s Presidential Aide Sergei Prihodko, ahead of the EU-Russia summit in Khabarovsk (2009) declared that Russia would raise “questions of the EU responsibility for foreign policy of its member states which violate common standards”49 targeting Romania for alleged involvement in orchestrating post-electoral violence in Moldova in this case (RIA Novosti 2009b).

This chapter has depicted the most recent snapshot of Russia’s perceptions of the EU member states. It has reconfirmed that bilateralism remains at the core of Russia’s European policy. It has also shown that when Russia looks at the EU members, it distinguishes between the most preferential partners, utilitarians and ‘uncomfortable’ neighbours. Moscow relies mainly on ‘psychologically compatible’ partners and utilitarians to advance its European agenda. However, Russia’s divide and rule strategy often provoked tensions and widened the gulf of mistrust between the EU and Russia. This in turn pushed the EU to seek a common approach towards Russia raising a question mark over sustainability and deliverables of Kremlin’s ‘great power bilateralism’.

49 Translated by author from Russian.
Conclusions

This study aimed to make a detailed radiography of Russia's perceptions of the EU and to provide a better understanding of Russia's motivations in its relations with Europe. The following conclusions present a detailed summary of the main findings, critically reflect Russia's mainstream perceptions of the EU and lay down preconditions for a successful EU policy towards Russia.

The first chapter unveiled Russia's multilayered and often conflicting attitudes towards the internal and the external dimension of the EU integration project. It found that from the Russian perspective the EU enlargement complicated decision-making processes in the EU and apparently put on hold the European project, while the severe economic crisis dispelled an image of EU's invulnerability. Russia's views are influenced by what the Kremlin sees as encouraging domestic developments and a favourable international context: the political regime escaped the economic crisis relatively unscathed, preserving a strong grip on power; the economic recovery proceeds at a satisfactory pace; oil prices have stabilized and are likely to jump in the future. This chapter also showed that Russia's self-confidence is accompanied by a growing demand for modernization, a process in which the EU has an important role to play. However, Russia aspires to modernize itself without ceding an inch of sovereignty to the EU. The Kremlin hopes to conduct modernization, understood as absorption of Western technologies, without political liberalization. Russia believes that the Asian track – in particular the relationship with China – could provide more space for manoeuvre with the EU and deliver tangible benefits in terms of modernization. It seems that Moscow ignores incompatibility of these aspirations, which would lead to quite the opposite of what Russia intends. Without political liberalization, estrangement between Russia and the EU will widen. At the same time, greater economic recovery proceeds between a structurally unreformed Russia and a rapidly developing China will accentuate the asymmetry between the neighbours, in favour of the latter. Thus, 'sovereign great power' ambitions are likely to keep Russia in a resource-based economy trap unless the Kremlin fundamentally revises its approach towards modernization and model of the economic interaction with the EU. The first chapter also discovered that the Kremlin tries to channel the bulk of hegemonic energies and aspirations through institution-building in the post-Soviet world under a multilateral label. On surface, the EU serves for Russia as an example. But at a closer look, Russia's integration projects in the CIS are merely a hollow imitation of the EU model. Russia – a modern project under construction – is neither mentally nor structurally ready to promote a post-modern enterprise in its periphery. The Kremlin utilizes the European integration language and forms stripped off the European substance. Explaining this situation, one expert noted: “Russian elites cling tightly to the country's sovereignty, use coercive methods to induce post-Soviet fellows to join supranational bodies, and aim for a relationship in which Russia plays the dominant role.” Thus, Moscow-sponsored initiatives reject a consensual integration philosophy, contradicting the European integration spirit from the outset. At the same time, Russia's bravado about fast-track integration seems to disregard the EU project's non-linear history of development, which required a good dose of 'strategic patience'.

This chapter also highlighted Russia's sceptical stance about prospects of EU's transformation into an autonomous security and military actor unless Europe's current defence spending will rise. This critical view is reinforced by Russia's efforts to invest, with mixed results so far, in the modernization of its own armed forces, reflected in consecutive defence budget increases since 2000. Russia's decision-makers' deeply engrained respect for the 'military muscle', seen as gaining more relevance in times of world order transition, also contributes to Russia's pessimism. However, a closer look reveals that Russia's attitudes towards CSDP are contradictory. On the one hand, Russia welcomes CSDP, which would develop at the expense of NATO, and inclines to encourage this process. On the other hand, Russia worries that a better articulated CSDP would challenge its positions in the post-Soviet space. These concerns are able to explain the Kremlin's effort to sabotage CSDP missions in the region, which ultimately undermines the EU's attempt to foster an effective CSDP. The chapter also revealed that Russia regards the EU's foreign policy performance critically. Russia's thinking about the EU's foreign policy-making is heavily influenced by its own perspective on how efficient decision-making mechanisms ought to look like. Thus, it is not surprising that the executive power, which has a 'blank check' from Parliament to use military force abroad51 when considered 'necessary', regards the foreign policy making in the EU as extremely slow and unnecessarily lengthy.

This chapter presented two areas where the EU is seen by Moscow as a highly competitive player (mediation of conflicts and environment) using a tool ('soft power'), which yields at greater

50 Susan Stewart, Senior research associate, German Institute for International and Security Affairs, interview by author, 25 March 2010, Berlin, Germany.
51 In December 2009, the Russian Upper House voted a resolution which endows Russian President to deploy armed forces abroad without consultation and approval of the Federal Council. For more details, see Felgenhauer (2009).
influence in the neighbourhood. This perception exposed to Russia what it has not itself. As a result, this understanding fuelled the Kremlin’s cautious involvement in global ecological diplomacy and inspired a ‘soft power’ discourse in the ‘near abroad’. Seen in this light, Russia’s ecological diplomacy is driven by great power ambitions rather than by domestic environment concerns. Russia’s ‘soft power’ discourse, which underscores continuity between the common past and the future, aims to bolster legitimacy of institutional engineering in the post-Soviet space under the Kremlin’s patronage. This chapter also revealed Russia’s aversion to the EU as an institution, which sets the normative standards for overall ‘Europe’. Finally the chapter disclosed Russia’s predilection for the ‘great power bilateralism’, essential for Kremlins contradictory aspirations to divide and unite the EU on foreign policy dossiers. Russia interprets the EU’s low standing in US key priorities and trans-Atlantic divergences, ranging from response to the global economic crisis up to the strategy in Afghanistan, as providing the Kremlin with opportunities to pull Europe closer to Russia within the ‘Russia-US-EU’ triangle.

The second chapter aimed to examine Russia’s attitudes and reactions to European energy (with a special focus on gas) and neighbourhood policies (EaP). These views also constitute Russia’s inflated ambitions in the post-Soviet region, suspicion and misunderstandings in relations with the EU. The chapter showed that Moscow perceives Europe’s gas policy aiming primarily to lessen EU’s dependence on gas deliveries from Russia. The Kremlin thinks that, if successful, (1) European policy will weaken Russia’s overall negotiating position with the EU, (2) challenge its grip on energy resources in the Caspian region and (3) reduce Gazprom’s market share in Central and Eastern Europe. Although the Russian leadership has been increasingly loud about plans to build up an innovative economy, Russia is still very much entrapped in the ‘energy superpower’ logic. Energy remains the key tool of the Russian foreign policy. Thus, realpolitik, which guides Russia’s energy policy, often overshadows profit rationales. This rationale is contradictory to the official line, which speaks about an exclusively commercial nature of Gazprom’s projects. For instance, exports to the EU via South Stream are likely to shrink Russian gas monopoly revenues as the transit fee will be almost three times higher than the Russian monopoly pays for the transit route via Ukraine. The example of the South Stream pipeline demonstrates Russia’s intention to neutralize Ukraine’s gas transit lever employed in the past to withstand the Kremlins economic and political pressure.

This chapter also exposed Russia’s duplicity in energy relations with Europe. It pointed to Russia’s declarative support for reciprocity in energy deals on the one hand, and Russian legislation, which significantly restricts foreign investments in the energy sector on the other hand. Finally this chapter unveiled Russia’s aversion towards liberalization, transparency and greater competition on the gas market, which is envisioned by the EU’s Third Energy Package. This comes at no surprise, as Gazprom is structurally unfit to compete on the ‘buyers market’ (Milov 2009b). The inclusion of the ‘security of demand’ principle in Russia’s energy proposals derives from Gazprom’s vulnerabilities, confirmed during the economic crisis. Data for 2008-2010 vividly illustrate that Russia’s competitors on the world gas market – Norway, Qatar and Libya – boosted sales of gas to Europe, while Gazprom’s share on the European market dramatically dropped (Grib 2010). Thus, contrary to Russia’s unsustainable gas policy, the ratification of the ECT coupled with the reform of Gazprom could be the best recipe to secure Russia’s long-term interest in Europe.

Furthermore, this chapter illustrated that Moscow thinks about the ‘common neighbourhood’ with the EU in zero-sum terms. Thus, this logic does not confine exclusively to the NATO expansion to the east as it was widely assumed. In the Russian reading, the EaP is an attempt to spread Western influence in the post-Soviet space by other means. It also showed that Russia did not come fully to terms with the fact that the ‘near abroad’ is not and cannot be its own sphere of privileged interests. Russia’s exaggerated assumptions about its economic weight in the region as well as the perceived competition with the EU in the eastern neighbourhood fuelled unsustainable ambitions. A preliminary assessment of the effects of the global financial crisis indicates that the post-Soviet neighbours’ recovery increasingly depends on the EU and China (market and financial assistance both bilaterally or channelled via IMF), while Russia’s role appears to shrink gradually. This does not only undermine Russia’s ability to convince its aspiring partners, but also to act as an economic integration engine in the post-Soviet space.

A critical glimpse at Russia’s EaP perceptions unveiled Moscow’s preoccupation with the construction of supranational structures and little interest to support nation-building in the post-Soviet space. However, Russian officialdom claims to play a role in deciding on the level of interaction between the EaP states and the EU, proves Russia’s fear that the post-Soviet neighbours would foster a more advanced relationship with the EU than Russia will do in future. Instead, views emanating from Moscow confirm that Russia would prefer the post-Soviet states’ cooperation with the EU to be a hostage of the bumpy relationship between the EU and Russia.

The third chapter dealt with Russia’s perception of the EU member states. It showed that Russia sees liberalisation as the best way to promote its multidimensional European agenda with the EU. From a Russian perspective this strategy has yield palpable results. Moscow was able to ‘seduce’ Europeans with attractive business offers converting economic interests in political influence.
The Kremlin is also confident that it induced respect among almost all ‘difficult neighbors’ for its interests in the post-Soviet region. Moscow anticipates that the most stubborn ones will follow what it sees as ‘Polish pragmatism’; it would be only a matter of time. Otherwise, they have no choice other than to gain irrelevance, as the Lisbon Treaty, in the Russian eyes, empowers larger European powers, which can easily overthrow any anti-Russian coalition inside the EU. Russia’s ‘great power bilateralism’ also shows that the Kremlin sees Europe in terms of nation states.

While bilateralism has rendered results, it also exposed limits. Despite Moscow’s energetic lobby in European capitals to conclude the EU-Russia visa-free agreement, Germany made clear that visa liberalization will neither come quickly, nor without hard work (Merkel 2010). When a member state has been cornered by Russia, the EU (sometimes reluctantly) exercised solidarity. After the Russian-Georgian war the debate on Russia inside the EU become less polarized. There is strong sense that Russia should be engaged, but at the same time, some red lines of what is not acceptable should be drawn (Stelzenmüller 2010: 6). At the same time, European heavyweighters tend to broaden coalitions inside the EU on Russian related matters, bringing on board the member states with strong regional interests in the eastern neighbourhood and significant number of votes in the Council of the European Union (e.g. Poland, Romania). In addition, given the EU’s efforts to streamline its foreign policy through a new diplomatic apparatus, Russia is likely to face a more coherent EU on the international stage than before. Russia also seems to ignore the European Parliament proclivity to gain a bigger say in EU’s foreign policy matters (e.g. involvement in setting up of the European External Action Service) and its co-decision powers on visa policy. In these circumstances, bilateralism alone will not be enough to advance Russia’s agenda in Europe. Therefore, without active engagement with the EU institutions Russia’s European policy is likely to hit a wall.

What do Russia’s perceptions mean for the EU? From Moscow’s vantage point, an approach which rests on cold calculations and bilateralism would pave the way for a genuine and value-free ‘strategic partnership’ between the two major European poles. However, this logic again advocates drawing lines in Europe, a perspective running against the EU’s integration philosophy, the implementation of which made the reconciliation of the long time bitter rivals possible. Russia’s foreign policy stance is set to outline the economic turbulences. The EU is unlikely to give up on its values as well. The challenge the EU will face in the years to come on the eastern azimuth is to devise and implement a smart strategy that would effectively neutralize Russia’s paternalistic view of Europe and at the same time engage Russia whenever it is willing to step in a broad cooperative framework which would make the best of the EU’s transformative power.

The task is not an easy one given the image Russia holds about the EU. The key to success lies in Europe’s ability to coagulate a large functional consensus on Russia-related issues on the inside, develop synergies between bilateralism and jointly agreed policies on Russia as well as promote a neighbourhood policy, which besides offering long-term rewards helps to tackle urgent economic problems and vital security concerns of the post-Soviet states. The EU’s eastern policy could benefit from post-Lisbon institutional innovations in the foreign policy field. The EU, dealing successfully with domestic challenges and demonstrating leadership on the global stage, might amend favourably Russia’s perception of the EU. A combination of all these aspects could ultimately pave the way for an atmosphere in the EU-Russia relations conducive to sustainable cooperation.
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