

# New agenda for Russia-EU relations

**M. ENTIN**  
*professor, MGIMO-University, RIAC expert*

**E. ENTINA**  
*associate professor, NRU Higher School of Economics, RIAC expert*

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## New agenda for Russia-EU relations

*Russia and the European Union are neighbours. Located on the same continent side by side, we share a common history and culture, and the same religious, philosophical and civilizational roots. We are building predominantly the same type of secular society based on a socially oriented economy and public representation.*

*Russians have decisively broken with the past division of the world into two opposing camps. We are no longer separated by the deepest insurmountable gap of antagonistically incompatible ideologies. The threat of nuclear war, on the brink of which we were balancing for some time, has been eliminated.*

*Russia and the EU follow similar strategic goals. Both sides strive for peace, stability, security, prosperity, sustainable development, high standards of living and happiness for their citizens.*

This is an objective reality which is not dependent on wishes, claims, judgments or actual policies. Therefore, there are prerequisites to finding a positive solution to the disagreements between us, no matter how complex they may be. The disagreements do not belong to the higher order but relate to the methodology and tools of achieving strategic goals.

Nevertheless, bilateral relations are experiencing an unprecedented crisis. Attempts to resolve it are deadlocked and the way out is not visible, with significant time required to achieve it.

The crisis has a completely conscious, purely man-made character. It is caused by an unwillingness to seek mutually acceptable compromises that would suit both sides. Each decided that they had been too lenient, sacrificed too much to their own detriment and therefore, will not accept any more concessions.

Russia and the EU are still «playing a zero sum game». In a number of vital areas, they have confrontational positions. If they are going to hold to these, examining and learning from past experiences and establishing what brings us together and divides us are futile.

This work makes sense only if we recognize the following:

- Historically during the formation and implementation of policies relative to each other, both sides committed gross assessment and strategic errors;

- The current situation does not suit us and we do not want the continuation of the policies that led to it;
- Our aim is to improve the relationship, to make it viable and to rely on cooperation, not competition.

### The interests of Russia and the EU: differences and similarities

Russia and the EU are fundamentally different actors on the international scene; because of this they are likely to have diverse interests and build their hierarchy in different ways.

The EU is apparently in transition, transforming from an interstate association to something akin to a supranational federal entity. Consequently, EU internal policy, despite a high level of integration, still remains a dominant element of the foreign policy of each Member State as well as of the EU as a whole.

For the EU, the Union itself and its constituent parts, including economic, monetary, financial, banking, agricultural, social, digital, political and other unions, are an absolute priority. External

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#### AUTHORS:

**Mark Entin**, professor, MGIMO-University, RIAC expert

**Ekaterina Entina**, associate professor, NRU Higher School of Economics, RIAC expert

factors are considered to be of secondary importance.

In its foreign policy, the EU is primarily interested in other countries sharing, supporting and implementing its internal approaches and solutions. It does not recognize that these may be region-specific and as such beneficial only to itself. The EU seeks nevertheless to transform it into a universal approach, with the outside world seen as a peripheral addition, and not as an important base of support to its largely self-sufficient internal efforts.

For years, Russia has more or less successfully or without prominent results supported the modernization agenda, which has largely been dependent upon external factors. Russia's dependence on these has been much greater and more critical than the EU's, although recently this has become less so.

Russia, Russian consumers and the Russian capital aspire to such things that complement the national economy and society. These include:

- foreign investments as a catalyst for the development and establishment of a modern business culture;
- technology and know-how to increase the national economy's level of competitiveness;
- goods and services, including tourism and finance, to satisfy the unfulfilled domestic market;
- external markets for a range of competitive exports and capital investment.

Therefore, the Russian political elite focuses the country's foreign policy initially on creating favorable conditions for internal development, and then on building relations with other states and unions which would contribute to this. In recent years it has been increasingly gravitating towards the implementation of its own geopolitical project, initially with the formation of the Eurasian Economic Union (EAEU), which has now developed into a much more ambitious project. It is largely discussed now by the Russian expert community. The first concrete step leading to the Greater Eurasia was an international agreement to converge EAEU activities with the Economic Belt of Silk Road.

Russia could satisfy a significant proportion of its interests by developing relations with the EU. It is therefore logical that the EU was perceived by Moscow as a natural, organic and like-minded

partner, especially since no other global players for various reasons were able to replace the EU in this sense.

For the EU, relations with Russia are less important. Brussels did not have any coherent policy towards Russia until the establishment of the Eastern Partnership, formed as a counterweight to Russian influence, and then the imposition of sanctions. Mantras about creating common spaces and the "Partnership for Modernization", years of negotiations on Russia's accession to the WTO and the new EU-Russia Basic Agreement have not evolved into a proper policy.

Generally, the EU has been prepared to sacrifice its relations with Moscow, as demonstrated several times between 1990 and 2010, with the cooling down of interactions. Facing a choice after the Eastern Partnership summit in Vilnius when the legitimate government of Ukraine refused to sign an Agreement on the "comprehensive deep" Association, and then the escalating conflict in Ukraine, the EU gradually halted its relations with Russia. The start of deterioration in their relations never originated from Moscow.

The EU sacrificed these relations for its own self-interests – asserting such a world order in Europe when everything depends on Brussels. It makes decisions not only of the most important strategic nature, but also on day-to-day issues – political and regulatory. The role of the other players in Europe comes down to accepting, supporting and following the decisions made.

Russia has never accepted the legitimacy of such claims and insisted on equality and joint decision-making, so the EU has led to the ousting of Russia from the European space. However, Russia will never give up its active presence in Europe or agree with the EU-centric order in Europe.

This is a major divergence of interests from which all others, fictional and real, are derived. They can be easily resolved either through diplomatic channels or as a result of joint efforts, once an approach is found to overcome the basic contradiction.

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The divergence in values is absolutely contrived. It does not exist. What exists in reality are the counterclaims for a sole or joint understanding and interpretation of them depending upon the nature of world order perceived in Europe.

With regard to:

Moscow neglecting human rights or selective enforcing legislation - Russia is bona fide member of the Council of Europe, numerous human rights conventions and supranational and inter-governmental monitoring bodies;

Authoritarianism - the recent developments in the EU area from Poland to France have demonstrated that in this respect the EU is applying double standards as well;

The war against corruption is effective only when waged jointly and if partners do not grant sanctuary to dirty money;

The conflicts in the Balkans, Ukraine, Georgia and Moldova, and etc. -all of these could be resolved if Moscow and Brussels integrate them into a framework for a broader settlement;

Security – the situation with it also depends entirely on a broader settlement as well as EU attitudes towards Eurasian integration. Instead of discouraging it, the EU could acknowledge its usefulness and envisage cooperation.

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Thus, the main lesson of the past consists in understanding that Russia and the EU have failed to build an equal, mutually beneficial, long-term relationship because they haven't:

- reached an agreement on the common rules of the game and their shared understanding;
- created institutions necessary for this;
- jointly agreed on what world order in Europe they are trying to achieve.

Once this target is set up and the parties engage in working to achieve it, they can remove any conflict of interests, as these are all secondary and derivative, independent of the nature of disagreement and subject. Unless this is done,

conflicts of interests will continue to arise for unrelated reasons and will remain unclear and unpredictable for both sides.

## **Possible steps for restoring and enhancing cooperation**

Only if the main differences mentioned above are eliminated will EU – Russian cooperation in all areas be consistent, productive and long-term. At the same time in order to make some progress, reduce the intensity of the confrontation and facilitate finding solutions for the larger question, it is important to support cooperation without delay in those areas that are most in demand now.

The terrorist threat in the EU remains very acute. After the Paris bombings, France is in the state of war with international terrorism. This is one of the most threatening challenges to the EU. The initial steps to rebuild cooperation in this direction have already been made but it's critical to go further and promptly establish coordination in the fight against the common enemy and plan joint actions. Cooperation on this serious issue is the driver to subsequently push in many areas.

These include soft security, i.e. the fight against: organized crime, drug trafficking, money laundering, cybercrime, illegal migration.

Soft security may be provided only jointly. Limited cooperation in the mentioned areas is pointless and detrimental to the interests of both sides.

There are many positive practices in this field such as the continuation of interaction within international organizations where progress can be extremely meaningful and specific. A priceless impetus to cooperation could be given through parliamentary institutions. If the relevant committee of the European Parliament by invitation of the Federal Assembly held one of its visiting sessions in Moscow, St. Petersburg or Kazan, it would serve as a prologue to the beginning of professional communication.

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Increased attention should be given to this topic in view of the EU migrant crisis which has many dimensions. The migration problem and its consequences are long term and everything that the EU is facing is familiar and understandable to Russia. Restoring dialogue on the issue of combating illegal migration and the subsequent transition to a joint search for solutions would allow, among other things, a reduction in the sharpness of the ongoing information war.

Another unavoidable key area of cooperation is disarmament. The EU Member States are now embarking on a fundamentally new stage of military construction. Decisions are being made that will have long-term adverse effects on hard security in Europe. It should in part be prevented, requiring a wide range of issues to be discussed:

- non-proliferation of WMD and missile technology;
- prevention of an arms race in outer space;
- control over fundamentally new weapon types and systems;
- confidence and transparency;
- missile defence issues;
- issues specific to the European theatre.

A fundamentally different approach from the previous one would be extremely useful. The fact that in the past only the North Atlantic Alliance was perceived as a serious partner, and the OSCE failed to achieve anything positive, made bilateral dialogue on Russia-EU security relations meaningless. It would be desirable to make this dialogue more independent and remove it from constraints of other formats.

With regard to specific interaction in the economic sphere, it is conducted at the level of private business and supervised by national authorities. However, the legal framework and nature of additional control depends on the EU supranational institutions and consequently it would be logical and natural to focus on the restoration of dialogue in this regulatory area. Everyone on both sides is suffering due to the lack of this and the loss of profit runs into billions of Euros.

The direction of the real focus has to be the areas of finance, investment, the fight against tax evasion and erosion of the tax base, the new digital economy and technical regulations. The main damage to the Russian economy achieved by the EU was in the finance. It is logical to start with this, whilst simultaneously attempting to determine

how to prevent such extremely harmful “experiments” in the future. In addition, there is intensive and close cooperation on these issues within international organizations and forums, and the EU completely changes and updates the operating conditions of the common capital market.

Attraction and the guarantee of investment are key issues of any economic policy. Work on mega regional projects such as Transatlantic Trade and Investment Partnership (TTIP) and Trans-Pacific Partnership (TPP) and the conclusion of trade agreements of a new generation (particularly between the EU and Canada) have introduced new opportunities. They also represent the abandonment of old practices. This cannot be ignored.

The fight against tax evasion is currently one of the most vital topics for all states and political unions. At an international level, agreements have been reached on the abolition of bank secrecy, automatic exchange of confidential information, levying taxes in proportion to the volume of activity by country, etc. However, they need to be implemented at the national level so that they could work on de-offshorization and achieving mutual goals.

Information and communication technologies are changing the nature of economic activity in all areas of trade, manufacture, delivery of products and services. With these technologies, both the EU and Russia expect to accelerate the resolution of problems of accelerated development and increased competitiveness. The EU has started building a digital economy and cooperation in this area is most promising.

In the previous period, joint work on the rapprochement of technical regulations was intense. It has become diversified in nature and a significant impact was achieved from the use of different methods. The convergence of technical regulations is critical for free access to each other’s markets. Specifically, it can decrease the intensity of the struggle for the markets of third countries.

Many of these issues, not only in the EU, but on the Russian side as well, are already administered by supranational structures. Therefore, no progress in these fields can be achieved without the establishment of contacts between the EAEU and the EU and gradual discussion of specific issues. It is necessary for Brussels to cooperate with the EAEU to at least avoid the emergence



and deepening of differences in regulatory sphere. If appropriate measures are taken now, the transition will be much smoother and easier to implement in the longer term, when prerequisites for an “integration of integrations” are there.

Promising areas of cooperation which are of great interest for both sides also include energy, sustainable development, the environment and climate change. The EU will be dependent on Russian gas and oil supplies for a long time and energy matters need to be de-politicized first. The situation where the parties are so strongly dependent on each other but continually create obstacles to a stable and predictable cooperation in this area is abnormal, unacceptable and has to be changed.

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Cooperation in settling international conflicts is already in progress. It has not been interrupted and it will continue. The EU and its Member States understand its importance, not only in respect of Iran and Syria, but also in respect of many other cases, including a large number of African conflicts (in which even schemes of operational cooperation were used in the past). However, it will offer a greater return if and when we succeed in overcoming the crisis of confidence in the relations between Brussels and Moscow.

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## **The future of the institutions and mechanisms of cooperation**

Much of the responsibility for the current deterioration in EU - Russian relations lies in failure of the bilateral cooperation management system created by the two parties. It was the first which suffered from it. Summits and meetings between the Russian government and European Commission, and sessions of the permanent cooperation

councils at ministerial level are no longer occurring. Numerous industry and specialized dialogues and the work of joint committees and bodies serving them have been frozen as a result of decisions from Brussels.

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Dissatisfaction with their activities gave rise to a storm of criticism in relation to such cooperation institutions. It was not constructive. The institutions themselves are not bad. The EU has similar arrangements with China and other countries and they justify their worth. To overcome their shortcomings in the future we need to proceed with serious revisions of their organization, focus, functioning and interconnection with the internal control and management systems within the EU and Russia.

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Summits give an incomparable impetus to the development of relations and add to them a touch of personal confidence, which is why they definitely should be renewed. However, they need a fundamentally different focus and to be completely freed from the mutual familiarization with each other's position, which are already well known. They should be dedicated to discussing the relationship strategy, building relations and establishing a real dialogue, while taking the form of negotiations.

It seems more reasonable to leave all the routine matters for meetings at a government level. Such meetings should summarize the efforts of many working bodies, including joint regulatory documents prepared by them, and focus on finding solutions that cannot be achieved at a lower level.

The permanent councils at the ministerial level are absolutely necessary. They correlate with the mixed nature of the EU, where competence has been only partially transferred to the supra-national level. Not only the EU institutions, but also the participation of countries, is essential for cooperation to become genuinely inclusive. It is sensible that the councils should be held on a regular basis.

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However, all of these bilateral control and management bodies should only deal with those issues that cannot be solved at a lower level, between the civil bureaucrats or in an inter-agency format. All understandings and agreements they reach should become regulatory, either immediately or after an appropriate legal due process. It is essential to link cooperation and internal management together to overcome deficiencies of the past.

Numerous dialogues and working groups which formed the lower level of cooperation structure, began to deteriorate shortly after their formation or after a reset, were emasculated or degenerated into mere meeting for meeting's sake, for the same reasons. They could not take binding decisions and were cut off from the internal control and management systems. If we want to recreate these "work horses" of cooperation, then it should be done in a way so that we could really move forward with their help. The elements of success include:

- clear strategic objectives;
- authority to issue binding texts;
- integration of their work into the general operative and legislative process;
- transparency to make national and international lobbying interested in their activities.

One of the failures of the past cooperation management system was their inability to produce binding decisions. Russia and the EU do not easily work in the mode of recommendations. Neither party feels bound by agreements which are for-

mulated in this way. Such a situation must be changed and it is necessary to work on jointly adopting rules that could have a direct effect on each other's territory. This would give legal certainty to business and the state apparatus (public service) enabling everybody to plan for the future.

In addition to the vertical cooperation management chain, a major role in giving institutionalized relations a panoramic nature was played by joint bodies representing parliamentarians, business and expert communities as well as by territorial policies such as the "Northern Dimension" and cross-border cooperation.

There is no real sense in restoring such bodies to their earlier form as they proved inefficient and existed mostly on paper or for show. However, they could facilitate mutual understanding and rapprochement if they are radically restructured and focused on tangible results.

In the past the Parliamentary Cooperation Committee wasted time and energy discussing the international agenda and mutual claims and it failed to have any positive impact on the agenda or activities of either the European Parliament or Federal Assembly. Everything will change, if the Committee, or its equivalent, focuses on normative standard-setting work proper to their legislative mission. There is a plethora of possible topics:

- environment protection;
- inheritance law;
- common property passports;
- common application of family law;
- making law compatible with requirements of the digital economy;
- creating a pan-European free market of legal services;
- developing a legal framework for soft security, etc.

The Committee will have meaning in the future if it is established as an umbrella structure, and dialogues and practicalities are transferred to the committee level.

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*Russian-EU cooperation at the expert level has always been very helpful for mutual understanding and also had a great restraining impact.*

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The Business Council, designed to connect businesses working on each other's markets, has never functioned properly. Its sessions were convened in connection with summits and were mainly engaged in appealing to the leaders. For business communities on both sides it was of no relevance and its claims to a role in cooperation management have not been justified. However, businesses are quite capable of driving it to create an operating structure with a system of sectorial and specialized committees, a busy agenda, and regular meetings. In addition, it should have representation in international and national unions of entrepreneurs ensuring that the Council provides a link between the business communities.

Russian-EU cooperation at the expert level has always been very helpful for mutual understanding and also had a great restraining impact. Unfortunately, there hasn't been enough of it. The ability for individual participation in Pan-European and international specialized associations hasn't compensated for this. Permanent functioning dialogues, joint expert councils and institutionalized channels of communication are a necessity, such as the St. Petersburg Russian-German dialogue which is currently failing. New fora could be more diversified, extended to all areas and designed to serve relations between Russia, the EU and its Member States as a whole.

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***Permanent functioning dialogues, joint expert councils and institutionalized channels of communication are a necessity.***

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In Russian-EU relations, technical assistance programs and neighborhood policy instruments have not justified themselves. They were built to create one-day projects, which did not leave behind any tangible traces once external fund-

ing ceased. Only institutionalized cooperation between structures that have real weight and focus on the same issues are promising and should be supported.

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***Cooperation in the field of science and education also gives examples of joint projects of the highest standard, which are extremely beneficial for both parties, it is necessary to focus on guaranteed support for long-term cooperation.***

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The cross-border cooperation and the cooperation in the framework of the "Northern Dimension" can certainly be described as positive. The success of the "Northern Dimension" is explained by the fact that Brussels has agreed to the Moscow proposal not to treat it as an EU policy. It only needed to be a joint creation and introduce co-management to start to work. Nevertheless, for Russia, with its vast territory, such forms as the "Northern Dimension" and cross-border cooperation are insufficient. They are too "small" but due to acquired experience can serve as a model for future formats of interaction.

Cooperation in the field of science and education also gives examples of joint projects of the highest standard, which are extremely beneficial for both parties, albeit to the scale of EU - Russian relations this is miniscule. It means that it is necessary to focus not on a constant restart of new short-term projects (three years), but on guaranteed support for long-term cooperation.

The cooperation management system is blamed as well by members of the expert community for a huge deficit of democracy. How to cope with this should be a subject of a separate discussion but it is obvious that Moscow and Brussels will have to start from scratch.

## THE CHOICE OF COOPERATION SCENARIOS

Experts and politicians of both parties have been predominately discussing the following six options in accordance with which further developments can follow:

- Returning to a *“strategic partnership”* is firmly rejected by both sides, but it is understood differently. In Brussels it is believed that the renewal of *“business as usual”* would be an undeserved gift or dangerous concession to Moscow. Russia is convinced that the type of relationship that led to the conflict in and around Ukraine is not a *“strategic partnership”* as it infringed on Russian interests and hence a return to the *“pseudo-partnership”* should not be allowed.
- The current type of *“frozen relationship”* may persist for some time, unless an EU country breaks the anti-Russian consensus in the near future. It is a *situation of “neither war nor peace”* and satisfies few people in Russia or EU. It would be absurd to retain what is detrimental to both sides under the guise of a *“new normality”*, although at the moment this approach is winning.
- The Ministry of Foreign Affairs of Germany and the German establishment recently suggested maintaining relationships in a *mixed mode of cooperation and competition* as a possible option. This option is extremely dangerous for Europe as it is fraught with a spontaneous slide into confrontation; competition, as long as it is officially legitimized, will always prevail over cooperation.
- For its part, some experts in Moscow started talking about the *parallel existence of Russia and the EU*, which is also not desirable. This was experienced in the days of the Soviet Union and hopefully, coexistence remains a situation of the distant past. Furthermore, in the context of global interdependence it is now physically impossible.
- The only reasonable and realistic paradigm is *cooperation*. The logic of cooperation should dominate. We need co-operation, even in areas where divergence of interests is very high. Then it will be possible to smooth them out and consequently, cooperation will be much more convincing.
- No one wants to even contemplate the *“Greater Europe” from Lisbon to Vladivostok and “integration of integrations”* at the moment. Allegedly, such an option has been buried, at least for the foreseeable future. If we are slaves of events, rather than those who dictate them, there is no doubt about this. However, never say *“never”* and if we agree that after some time the situation may change, we must prevent taking action that may impede it. This is an imperative for Russian-EU relations.

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Tel: +7 (495) 225 6283  
Fax.: +7 (495) 225 6284  
E-mail: [welcome@russiancouncil.ru](mailto:welcome@russiancouncil.ru)  
119180, Moscow, Bol. Yakimanka St., 1.

[www.russiancouncil.ru](http://www.russiancouncil.ru)