

Russia, the European Union, and the Eastern Partnership

CFR Riga Series Carl Bildt

- It was not predestined that Russia should end up in confrontation with the EU; the beginning of the relationship promised something very different. The Partnership and Cooperation Agreement of 1997 laid out lines for cooperation that seemed to indicate a rosy future. But as Russia's domestic situation changed, the two sides grew further apart. Russia's permanent insistence on being treated as "an equal" implied a growing, though hidden, disagreement regarding the values upon which EU enlargement is based.
- The war in Georgia in 2008 seemed at the time like a mere "dip" in relations between Europe and Russia, but in fact, it presaged the decisive split that we see today. Medvedev's presidency warmed relations, but also made the EU overlook the signs that should have sowed alarm. Then Putin's third term changed things fundamentally. The Kremlin began to actively try to stop the efforts of the EU's Eastern Partners to move closer to Europe. Now Russia has changed from a "strategic partner" to a "strategic problem". Russia wants "new rules" and threatens that the alternative is "no rules at all". The problems that we are facing are deep and multi-layered, and will be here for a long time. But even so, what happens to Ukraine now will play an important and possibly decisive role not just in Russia's relationship with Europe but in the future of the continent itself.

A year and a half after the dramatic Eastern Partnership (EaP) summit in Vilnius launched a chain of events that also led to the first violent change of borders in Europe since the Second World War, the European Union is still trying to extract the lessons of what happened. If the EU's future policies are to be well devised and effective, it is undoubtedly essential that Europe learns the correct lessons from the past.

But for all the soul-searching that has gone on in the debate, a closer examination of the history of the EU-Russia relationship is likely to lead to somewhat surprising conclusions. While European policies have remained more or less the same over years and even decades, Russia's view of the EU has wobbled, repeatedly changed, and ultimately crystallised into an aggressive and confrontational stance. It is a matter for debate as to whether this could have been predicted, but it is not likely that much could have been done to prevent it.

But it was not predestined that Russia should end up in confrontation with the EU. The beginning of the relationship - at which I happened to be present promised something very different. On midsummer's eve, 1994, on the island of Corfu in Greece, we signed the treaties of accession of Sweden, Finland, Austria, and Norway to the EU. At the very same occasion, the far-reaching Partnership and Cooperation Agreement (PCA) between Russia and the EU was signed. I vividly remember the dinner that evening with the 16 leaders of the EU and the accession countries as well as Russian President Boris Yeltsin. The atmosphere was warm, open, and truly forward-looking. President Yeltsin was very clear in his vision of a Russia that would reform, democratise, and integrate with the rest of Europe. There was no reason to doubt his seriousness when he promised to do "everything possible to support European integration".¹ And the EU leaders responded. I remember that France's President François Mitterrand went so far in holding out

^{1 -} Excerpts of Yeltsin's speech on that occasion can be found at "Athens News Agency Bulletin", Hellenic Resources Network, 25 June 1994, available at http://www.hri.org/news/greek/ana/1994/94-06-25.ana.txt.

the prospect that Russia could become a member of the EU that Germany's Chancellor Helmut Kohl, who had an even stronger belief in the necessity of embracing Russia, had to somewhat restrain his French counterpart.

Under the PCA, an elaborate structure of cooperation and integration was set up – much more extensive than the EU had originally envisaged, because Moscow wanted to be more ambitious.² At the highest level, there were to be two summit meetings every year between Russia and the EU – today, no other country or entity in the world holds more than one of these summits with the EU every year, although a similar arrangement did previously exist with the United States. And at lower levels, a network of different committees and councils was foreseen to cover different areas.

Things did not work out entirely as intended. The two annual summits continued until the most recent and quite tense 32nd summit was held more than a year ago. These meetings provided the opportunity for comprehensive dialogue at the highest level. But many of the other working structures never actually materialised; the Russian side insisted on dealing with all issues at the highest level. However, in those early days, it was probably mostly Moscow's own habits, experiences, and internal institutional arrangements that made it hard for it to engage fully. Moscow had been a dominant power in a different world, so it was inexperienced when it came to horizontal relationships and to dealing with multilateral structures as complex as the EU. But it did not dispute either the structure, or, more importantly, the values-related foundations of the relationship that were detailed in the PCA.

To cooperate "as equals"

The PCA entered into force in 1997. The next formal step in the relationship was taken in the early years of the new century, by which time the Yeltsin era had given way to Vladimir Putin's first presidency, and at a time when the upcoming enlargement of the EU to take in the countries of Central Europe made it necessary to revisit these issues.

The answer was the launch of the European Neighbourhood Policy (ENP) by the Prodi Commission led by former Italian Prime Minister Romano Prodi. The policy's aim was ambitious.

^{2 -} See "Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of one part, and the Russian Federation, of the other part - Protocol 1 on the establishment of a coal and steel contact group - Protocol 2 on mutual administrative assistance for the correct application of customs legislation - Final Act - Exchanges of letters - Minutes of signing", European Commission DG Trade, available at http://trade.ec.europa.eu/doclib/docs/2003/november/tradoc_114138.pdf.

By offering the countries in the neighbourhood the opportunity to participate in "everything but institutions", it sought to facilitate the development of a "ring of friends" around the EU. Another key objective was to prevent a new dividing line from opening up between the new members of the EU and countries with which they had previously closely cooperated. Russia was most certainly also made this offer at the time, but early on, it declared that it did not want to be part of this approach. Its rejection was less about refusing the details of cooperation and integration, but more about not wanting to be treated in the same framework as what it considered lesser nations, and about a wish to establish more direct and equal relations with the EU.

This stance is more important than it may seem. Instead of merely representing a big country's demand for red-carpet treatment, it quietly but clearly questions the fundamental values upon which EU enlargement is based. When Moscow asks to be treated as "an equal", it effectively means that it does not want to join Europe by accepting EU principles of behaviour, but that it wants to be an equal partner with whom Europe should negotiate these principles in the first instance. At the time, Russia had not yet clearly spelled this out, but the attitude was ever more present in Russia's vision of the world and began to complicate its attitudes towards Western organisations. As described by Stephen Sestanovich in his analysis of Russia-NATO relations. the same dilemmas also prevented NATO membership from ever becoming a realistic prospect for Russia: "How one felt about Russia being a member depended on how it became one. [...] Was membership a matter of geopolitical entitlement, or was it something to be earned? Was Russia to be asked to join because of its power or because it honestly embraced NATO's goals?" 3

In reality, the West often tried to bend over backwards to integrate its former adversary along with its former allies into Western networks of institutions. But it is also true that the West never considered doing this on the basis of principles other than those of liberal democracy. It cannot be blamed for that: after all, what would those other principles have looked like? Thus, contrary to Moscow's claims, the West did try to treat Moscow as an equal, as a member of the Western family, sharing the same worldview. And it is regrettable that Russia's domestic developments gradually laid the foundations for an autocratic regime, which, as it was consolidated, took Russia further and further away from any chance of truly qualifying for membership of Western institutions, and thus further from actually becoming a member of the Western family. And the frustration of a permanent underqualifier slowly started to tarnish Russia's whole view of the West.

^{3 -} See Stephen Sestanovich, "Could it have been otherwise?", The American Interest, 14 April 2015, available at http://www.the-american-interest. com/2015/04/14/could-it-have-been-otherwise/.

Gearing up to 2008

The EU never excluded or neglected Russia. It was Russia that, for its own reasons, opted out of EU neighbourhood policies as they began to develop. Still, the EU went along with Russia's wish to be treated as a separate case and focused relations between the two on the development of what came to be called four common spaces, as laid down at a summit in St Petersburg in 2003. In Moscow in 2005, agreement was reached on very ambitious "road maps" for the common economic space, the common space of freedom, security, and justice, the common space for external security, and the common space of research and education.⁴

These were indeed ambitious road maps, but in essence, what they outlined was very similar to the areas identified in the Action Plans for the different countries involved in the neighbourhood policies. However, divergences soon started to emerge, due to developments in the policies of the neighbourhood countries. After the Orange Revolution in 2004, Ukraine expressed its wish to move forward with closer relations with the EU, notably in the areas of free trade. But the process of having Russia join even the World Trade Organisation turned out to be far more prolonged and difficult than had been anticipated.

Within Russia, the years 2004-2008 were marked by deep suspicion of the West. Moscow grudgingly accepted the outcome of Ukraine's 2004 Orange Revolution, but nevertheless, it considered it to have been a Western-inspired regime change and it suspected that something similar might be on the cards for Russia. It was during those years that "counter-revolutionary" youth movements were created in Russia and grew to enormous size, and information campaigns – although modest by more recent standards – were launched against democratic neighbours and against Western institutions. The agenda changed only after 2008, when a controlled handover of power to the new president, Dmitry Medvedev, calmed down some of the revolution-related paranoia, and economic crises combined with a slump in oil prices brought the need for economic modernisation forcefully onto the agenda.

Of course, the most important event of 2008 was not Medvedev's assumption of the presidency. The recognition of the independence of Kosovo in February and the question of the enlargement of NATO at the Bucharest summit in April led to sharp divergences of views between the Kremlin and the West. At an informal meeting in Bucharest, President Putin expressed himself in a way that was interpreted as questioning the very statehood of Ukraine, and sharp rhetoric over Kosovo led to Russian hints at some sort

⁴⁻ For details of these "road maps," see "15th EU Summit: Road Maps for Four Common Spaces", European Commission, available at http://ec.europa.eu/research/iscp/pdf/policy/russia_eu_four_common_spaces-%20roadmap_en.pdf.

of retaliation directed against Georgia. One after another, steps were taken that eventually led to the outbreak of the war between Russia and Georgia in August.

The outcome of that war was important in several respects. First, it demonstrated that Russia had a lower threshold than most had previously believed for using military force in its immediate neighbourhood. Secondly, Russia had begun to establish a doctrine of the right to intervene militarily on the pretext of protecting Russian nationals or other interests. Thirdly, Russia demonstrated a blatant disregard for international law in proceeding quickly to recognise South Ossetia and Abkhazia as independent nations. So far, it should be noted, virtually no one else has followed Russia in extending recognition to the two breakaway regions – not even as close a Kremlin ally as Belarus. And finally, from the Russian point of view, it also demonstrated problems in its armed forces, and served as a further inspiration for the military reforms that really got under way in 2008.

Russia's war with Georgia caused a distinct dip in relations between Russia and the EU. The PCA of 1994 had expired in 2007, and after the events in Georgia, the launch of talks to replace it with a more ambitious and legally binding agreement was postponed. However, the pause lasted only a few months, and in 2009, most things were on track again. Negotiations on the so-called New Agreement were begun, and at the summit in Stockholm in November 2009, talks started on the so-called Partnership for Modernisation, which was officially launched at the summit in Rostov in June 2010.

All this was undoubtedly helped by Medvedev's presidency in Russia. The discourse inside Russia during this period was very much focused on the need for economic modernisation, and relations with the EU were seen as important in this regard, since the EU was, in every single way, by far Russia's most important economic partner. In spite of serious differences on some international issues, notably Kosovo, progress was made in other areas. The period even saw some breakthroughs on emotional and contested historical issues, such as Moscow's admission of the 1940 Katyn massacre and the subsequent warming of relations with Poland.

However, the Medvedev presidency and the prospects it seemed to offer may also have been one of the reasons that the West at the time did not properly understand the lessons of the Georgia war. The war was considered to be an aberration. Few were willing to examine the patterns of thought and strategic aims behind it or to ask whether and how these could possibly manifest themselves again. In retrospect, this might well be seen as one of the mistakes EU made in its relationship with Russia. Inadvertently, Europe might have sent the signal that it was prepared to tolerate a more aggressive Russian stance in what Russia considers its "near abroad". This might have led President Putin in 2014 to believe that his actions against Ukraine would cause only a "dip" of the sort that happened after the war with Georgia.

The second coming of Putin

Meanwhile, for the EU, 2008 was also the year in which the Eastern Partnership was launched, at the initiative of Poland and Sweden. It addressed Europe's relations with the six Eastern European and Southern Caucasus countries of the ENP and sought also to further regional cooperation between these states.

Answering to the wishes of Ukraine, talks with Kyiv were launched in March 2007. After Ukraine also joined the WTO, negotiations aimed at concluding an association agreement, and, as part of it, instituting a deep and comprehensive free trade area (DCFTA). The agreement was said to be "deep and comprehensive" because it tried to tackle different non-tariff barriers to trade, along the lines of the Europe Agreements made with the Central European states before their accession to the EU. In March 2012 the talks were concluded and the 2,000-page agreement was initialled. ⁵

There negotiations were highly public, and Russia raised no questions or issues related to them either in its frequent summits and other meetings with the EU nor bilaterally with Ukraine. In general, up until 2012/2013, the Russian attitude towards the EU was essentially quite positive. The EaP was a non-issue; it was most likely seen as another fairly irrelevant Brussels exercise. Furthermore, in late 2004, in the immediate aftermath of the Orange revolution, President Putin even said that Russia could look favourably on Ukraine becoming a member of the EU.⁶

Modernisation still dominated the agenda in Moscow, and cooperation and integration with Europe were seen as an important instrument in achieving this end. But then everything changed, in a dramatic way.

In 2012 Vladimir Putin returned to take a third term as president of Russia, and his political platform now included the aim to move from the customs union with Kazakhstan and Belarus launched suddenly in June 2009 to a fully fledged Eurasian Union with Kazakhstan, Belarus, and other countries willing to join. The

^{5 -} For the full text of Association Agreement, see "Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part", European External Action Service, available at http://eeas.europa.eu/ukraine/docs/association_agreement_ukraine_2014_en.pdf.

^{6- &}quot;Press Conference Following Talks with Spanish Prime Minister Jose Luis Rodriguez Zapatero", Official website of the President of Russia, 10 December 2004, available at http://en.kremlin.ru/events/president/transcripts/22742.

sudden move to a customs union effectively brought to a halt the New Agreement talks with the EU. Instead of moving step by step towards the often discussed free trade area from Lisbon to Vladivostok, Russian policy now sought to establish a customs union with in international perspective fairly high tariff barriers and numerous restrictive practices. This sudden change also came after a joint report by the then European Commissioner for Trade and the Russian Minister of Economy was made in 2008 concerning informal negotiations on establishing a free trade area. The change in Russian policy was not preceded by any consultations or informal talks.

I remember a number of official meetings at which EU efforts to move forward the free trade agenda were met with the response that this was not Russia's agenda at the moment. Reference was made to the need to focus on the implementation of WTO membership, finally secured in 2012 – although, from the EU's point of view, this implementation left much to be desired.

In late summer 2013, the Kremlin launched an aggressive effort to stop Ukraine, Armenia, and Georgia from signing the DCFTA and Association Agreements at the Eastern Partnership Summit, which was to be held in Vilnius in November. First, in an all-night session, Armenia was convinced to change track and to apply to join the Customs Union and the forthcoming Eurasian Union. Total gas dependency on Russia, Russian military presence in Armenia, and the conflict with Azerbaijan provided extremely convincing arguments. It should be noted that, although eyebrows were raised, the EU in no way objected to or criticised this very sudden U-turn in Yerevan. Every country should have the sovereign right to choose its own direction.

But Ukraine was obviously key. Russia's absolute priority became the struggle to turn Ukraine away from its European path and to have it included in the Eurasian Union. All conceivable means were to be employed for this purpose. Trade embargoes against Ukraine started early, followed by what can only be described as open information warfare. The rest, as they say, is history.

This crisis has now brought us to open war between two great European nations and to a dramatic change in the entire security outlook for our continent, and every step has been driven by action taken by the Kremlin. It was Russia, not the EU, that presented Ukraine with a zero-sum choice and tried to force it into arrangements that the country was simply not prepared to accept. The DCFTA agreement was perfectly compatible with existing free trade agreements between Ukraine and Russia, and the EU had in no way questioned these arrangements. ⁷ On the

⁷⁻ For the text of the CIS free trade agreement, see "Dogovor o zone svobodnoi torgovli", Official portal of the CIS, 18 October 2011, available at http://www.e-cis. info/page.php?id=20062.

contrary, the agreement was seen as a building block in a more ambitious wider future arrangement and thus something that was fundamentally in Russia's interests as well.

Independent studies suggest that the simple implementation of the agreement would bring benefits of 6 percent of additional GDP over the medium term and 12 percent in terms of increased welfare for the Ukrainian people. And much more can be expected if Ukraine genuinely implements the reforms foreseen by the Agreement, since the reforms would improve the business climate and help to attract foreign investments and technology transfers.

This should objectively be in the interest of Russia as well. We all benefit more from having prosperous rather than poor neighbours, and a better economy in Ukraine would obviously translate also into better economic prospects for Russia. But this economic and trade logic, so important for an EU in which economic integration has always been the fundamental basis for political cooperation and integration, was obviously alien to a Kremlin that had started to think in older geopolitical terms.

The perspective in Kyiv remains different. It should be remembered that even Viktor Yanukovych's regime, up until its very end, insisted that it intended to sign the Association and DCFTA Agreement with EU and rejected the option of joining the Russian-centric Eurasian Union.

The trade and propaganda wars of late 2013 triggered a political crisis inside Ukraine in early 2014 and then, suddenly, moved into a military conflict between Russia and Ukraine. The invasion, occupation, and annexation of Crimea from 27 February to 18 March went relatively smoothly in military terms and led to a surge of heavily promoted nationalist feelings in Russia. In a concerted propaganda offensive, this was all portrayed as a necessary counter-strike against fascists in Kyiv, who in cohort with NATO wanted to take over the country, persecute Russian speakers, and prepare for military aggression against Russia itself. Of course, there was no factual basis for this. A mission by the OSCE High Commissioner for National Minorities to Crimea could find no trace of any discrimination against Russian speakers.

If Crimea went relatively smoothly from the Kremlin's point of view, the follow-on operation launched in the Donbas from mid-April, explicitly aimed at establishing a Novorossyia mini-state all the way to Odessa, soon turned out to be more difficult – although it used very much the same methods as the invasion of Crimea. Heavy support with weapons, propaganda, and special forces was simply not enough; the population turned out to be reluctant to go along with the Russian agenda. And by then, Russian policy had made of the rest of Ukraine a far more united and determined nation than it perhaps ever had been. Invading countries is, historically speaking, not a good way to make friends.

As the inflows of heavy weapons and special units increased, catastrophe was bound to happen, and it came with the shooting down of Malaysian Airlines flight MH17 on 17 July. The exhaustive Dutch investigation will report its findings, but an independent investigation published by, among others, Der Spiegel in Germany has traced the responsible unit back to the 53rd Air Defence Brigade in Kursk south of Moscow.

In August, there was a real risk that the entire separatist effort would collapse under pressure from Ukrainian counteroperations, in spite of all the support it had been given by Moscow. Then, Russia chose open intervention. A number of battalion battle groups of regular Russian forces had to be sent in to rescue the situation and make it clear that defeat for the separatists was simply not going to be accepted by the Kremlin.

Since then, Ukraine has seen first the Minsk agreement in September, then the resurgence of offensive operations in winter, followed by new Minsk negotiations and the so-called Minsk II agreement, officially a "package of measures" for the implementation of the original document.⁸ These developments clearly demonstrate that a lasting political solution is a long way off. The basic Russian objectives of destabilising Ukraine and preventing its European orientation remain unchanged, and military, diplomatic, and information warfare means are being deployed to achieve these ends.

What now?

Because of all these, we are in a fundamentally different situation on the relationship between Russia and the EU than that which we had sought to achieve in the years up to 2012/2013. Previously labelled a "strategic partner" to the EU, Russia is now obviously a strategic problem. In some important respects, it could even be called a strategic adversary. The formal dialogue between the EU and Russia has effectively been suspended, although certainly there are no lack of diplomatic channels, with high-level talks on the Russian aggression against Ukraine being held almost on a weekly basis. Brussels policy discussions, notably on the issue of sanctions, are of great importance, although operational diplomacy these days is primarily coming out of Berlin. And the cohesion of the EU has been better than it is given credit for.

8- For the text of the so-called Minsk II agreement, see "Full text of the Minsk agreement", Financial Times, 12 February 2015, available at http://www.ft.com/cms/s/0/21b8f98e-b2a5-11e4-b234-00144feab7de.html.

It goes without saying that the perspective on Russia differs between Tallinn and Lisbon - and these days between Warsaw and Athens, too. But Europe's internal discussions have so far resulted in the EU making a unified and strong stand. The member states share a recognition of the gravity of the situation as well as a common determination to support Ukraine and to oppose Russia's aggression, even if there are different degrees of optimism as to the chances of getting Russia to change course. Observers in the West in general – within as well as outside the EU – failed to see the magnitude of the change in Russian policy that has been witnessed since the beginning of the third Putin term. And it is clear that, in view of this change, we must also reconsider our long-term assessments of Russia. Russia has come full circle: eager in the early 1990s to become part of the Western democratic community, it soon started to fake democracy, and then, after Putin's comeback, it began to openly challenge it.

What we are now faced with is not just "a dip", as we – mistakenly, as it turned out – considered the 2008 war with Georgia to be. And we should be aware that, under the Constitution of Russia, Vladimir Putin might well be president until 2024 – into the possible second term of the next president of the United States. Therefore, we have ample reason to listen to what he has to say. The triumphalist 18 March speech marked the emergence of a Russia intent on reuniting "the Russian lands", even those that were divided during Soviet times, as had been the case with Crimea.⁹ This caused distinct unease not only in the three Baltic countries – which were part of Russia for a longer period than Crimea was – but also in Kazakhstan and Belarus. There is an inherent conflict between this Great Russian approach and the wider, but no less power-oriented, Eurasian one.

Of even greater significance was the Valdai Club speech delivered by President Putin on 21 September. In it, a clear policy of Russian revisionism was presented to the outside world. Under the heading of "New Rules or a Game without Rules", Putin said that "this formula accurately describes the historic turning point we have reached today and the choice we all face." Continued adherence to the agreed and existing rules was not an option. And he went on to say that "history's lessons" showed "first of all" that "changes in the world order – and what we are seeing today are events on this scale – have usually been accompanied by if not global war and conflict, then by chains of intensive local-level conflicts." ¹⁰

The message is stark. New rules – or a game without rules. And

⁹⁻For the text, see "Address by President of the Russian Federation", Official website of the President of Russia, 18 March 2014, available at http://en.kremlin.ru/events/president/news/20603.

^{10 - &}quot;Meeting of the Valdai International Discussion Club", Official website of the President of Russia, 24 October 2014, available at http://en.kremlin.ru/events/president/ news/46860.

the likelihood of a chain of intense local-level conflicts. Russia has cast aside first any effort and then any pretence of adapting to the European order based on liberal democracy and OSCEbased rules. We are confronted with a Russia that in words as well as deeds has demonstrated a distinct departure from what we have seen before as well as from the basic principles upon which the security and stability of Europe have been built in the past few decades.

As for the future, it is my belief that much will be decided by what happens to Ukraine. To put it simply: the future of Ukraine is the future of Russia, which is the future of Europe. If Ukraine sinks into division and decay, it will develop into a zone of continuous confrontation that is likely to drive further militarisation and authoritarian development in the politics of Russia. If this should happen, we can by no means exclude the possibility that Russia's revisionist ambitions may acquire wider geographic dimensions in the years ahead. A desperate regime might resort to desperate policies. A wider war in Europe suddenly seems possible.

On the other hand, if the democracy of Ukraine should be consolidated, and strong reform policies turn the economic future of the country around, also anchoring it in integration with the European Union, then this might well over time serve as an inspiration for a more democratic and reform-oriented era in the development of Russia. In this eventuality, we might, at some time in the future, return to the strategic partnership we so clearly have been seeking with the country and pick up the efforts to create free trade and integration from Lisbon to Vladivostok.

However, we need to be aware that arriving at such a result is likely to take a long time and will require significant efforts. The EU will need to do its best to boost the sovereignty of its eastern neighbours and grant them a real opportunity to choose their own future. Europe also needs to address the outstanding vulnerabilities of existing EU members – whether they be loopholes related to defence or other issues. We will also need to make Russia's aggressive behaviour costly, and therefore less appealing. By doing all this, we have the chance of seeing Russia one day change its ways and means – grudgingly or not.

But we need to give up hope of finding a quick fix, a miracle deal that can act as a silver bullet to fix the situation overnight. Most likely, there will be no quick fixes – and insisting on finding one might very well lead to bad mistakes. We must clearly see the both fundamental and long-term nature of the challenge that this development represents. Only then can we succeed in addressing it.

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We would like to thank the Permanent Representation of the Republic of Latvia to the European Union for the production of these EaP summit papers.