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The Political and Legal Framework of the Relationships between Russia and the EU

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The Political and Legal Framework of the Relationships between Russia and the EU.

The attempts of evaluating the contemporary EU-Russia relations expose a very controversial picture. From the formal viewpoint the relationship is on the rise. Cooperation develops both on the state level and between business communities. The trade demonstrates high rate of growth. The investment attractiveness of Russia' economy has increased, which is demonstrated by many successful IPO of Russian companies. And vice versa – Russian enterprises expand investments into foreign assets. In 2007 foreign investments in Russia have increased up to \$120, 9 bln. (including \$27, 8 bln. of Foreign direct investments) comparing to \$55, 1 bln. in 2006. Russia invested abroad \$74,6 bln. in 2007; most of these investments were short-term credits, that's why Russian accumulated investments abroad made up only \$32,0 bln. in the end of 2007.¹

Even in the energy field, which has been the subject of wide speculation, practical cooperation goes on quite successfully: new long-term contracts are signed for gas delivery, new infrastructure projects are being implemented. Fourteen dialogues have been launched on the base of the Road Maps on four EU-Russia Common Spaces.

As a whole scientific and technical cooperation is advancing, although it's potential is still far from being exploited in full. Harmonization of educational standards is moving up at a high speed, joint programmes are fulfilled and exchange of students and teachers grows up. Tourism and the level of communications between people have increased tremendously. This trend will continue in future. However, Yuriy Borko notices sceptically: "It is perplexing that as soon as the partners proceed from long-term projects to daily urgent tasks, which demand immediate answer, an embrace is replaced by a fighting stance"².

From the other hand, for the recent years the disputable and often conflict issues have occupied disproportionately high share both in the official bi-lateral agenda and in the public discourse. Among them there are "democracy collapse" in Russia; minority rights in the Baltic states; independence of Kosovo; rivalry on the CIS space; a number of the negative episodes such as the murder of Politkovskaya and Litvinenko; transfer of the monument to the Russian soldiers in Tallinn etc. And there is a principle contradiction in the sphere of Russia and the EU's relations as supplier and consumer of energy resources.

There is an impression that many European and Russian mass media have been engaged in distributing negative information about each other. Harsh declarations are more and more often heard from the officials. Predominance of negative topics threatens with the erosion of political trust and has already entailed the significant deterioration of Russia's image in the EU's public opinion and the EU's image in Russia.

In this rather uneasy situation the negotiations are expected to start on the new EU-Russia Strategic Partnership Treaty, which will replace the Partnership and Cooperation Agreement (PCA).

¹ Following the database of Russian Statistical Agency Rosstat. Downloaded from http://www.gks.ru/wps/portal/!ut/p/.cmd/cs/.ce/7_0_A/.s/7_0_37N/_th/J_0_CH/.s.7_0_A/7_0_FL/.s.7_0_A/7_0_37N

² Borko Yu. Ekonomicheskie otnoshenija: ot sotrudnichestva k obshemu ekonomicheskomu prostranstvu in Borko Yu., Danilov D., *Rossija – Evropeiskiy Sojuz: strategija strategicheskogo partnerstva*. Doklady Instituta Evropy, № 157, Moscva, IE RAS, "Ogni", 2005, P.39.

As soon as the results of presidential elections in Russia and the fate of the EU Reform Treaty became clear the period of “uncertainty” has been expired. Hence, the time-out, which the EU and Russia have taken some time ago, is over as well. Now, when the partners are ready to start negotiations, they can do it. However, they will hardly succeed in completing their important task as long as contradictions are brought to the foreground and overshadow achievements. One can hardly hope that Russia and the European Union will rapidly and effectively find the mutually advantageous decision on the new Treaty. The discrepancies concerning the substance of the document are very high. In their turn, disagreements emerge from the mismatch of goals and the perceptions of the character of relations. Thus the issue of the new format of EU-Russia relations remains open.

The Goals which have not been defined

The key factor, which has until now complicated EU-Russia relations, is the absence of the clearly defined goals. Or the partners declare their aims while being fully aware that they can never be achieved. In any case, there is an obvious lack of either common vision of the future relations or the agreed strategic goals. In this situation only very dense and developed network of micro-level contacts (business, civil society) as well as the high level of mutual trust can ensure stable partnership. However, this network between Russia and the EU is not strong enough yet, and the tradition of trustful relations is still too weak. As a result any quite insignificant complication is able to damage the whole system of bi-lateral relations and reduce it to selective cooperation against the background of political confrontation/rivalry. This very trend has been very obviously observed at the moment. Boris Frumkin is quite correct to outline: “Until now the development of industrial and trade relations has been provided mainly by the interested groups of business community with no sufficient support and sometimes facing sabotage from the part of Russian and European (the EU and national) bureaucracy”.³

In 2003-2004 the European Union realized the failure of its strategy for transforming Russia into a “normal” state, but proved quite unable to develop any other new approach. The former policy of “promoting democratic and market reforms in Russia” has been still mechanically continued, which means spreading to Russia *acquis communautaire* rather than just universal democratic and market principles. It is clear that Russia’s involvement in forming the *acquis* norms has never been supposed. Actually, the EU has strived to construct its relations with Russia on the basis of the ENP (European Neighbourhood Policy), although does not formally rank Russia to the countries with the “neighbour” status.

From her side, Russia has definitely demonstrated disagreement with being listed in 2003 among the ENP states. However, the refusal to follow the conditionality principle (or benchmarks) was not firmly claimed. On the contrary, the Russian political elite has entered into discussion by declaring that Russia shares values, but adheres to her own “sovereign” approach to democracy. This position has not obviously impressed Brussels too much, and now overcoming “value” logic seems more difficult than convincing the EU that Russia will not ratify the Energy Charter Treaty.

In Russia the goal of building strategic partnership has been constantly declared. However, neither experts nor the political elite have ever formulated the main points of this partnership. Being too abstract the idea of strategic partnership lacks support from the majority of Russians. “We got used to this expression, but in fact it lost its original meaning. Russia considers many states as her strategic partners. Putin visits any country, and it is declared as a strategic partner; the President of any country comes to Russia – and this country becomes another strategic partner. Even the ‘eternal strategic partners’ have appeared”⁴.

³ Frumkin B. Otnoshenia Rossii s ES – god posle rasshirenia Evrosoyuza na vostok in *Rasshirenie Evropeyskogo Soyuza: vzgliad iz Moskvy, Berlina i Varshavy*. Doklady Instituta Evropy, № 172, Moscva, IE RAS, “Ogni”, 2006, P.34.

⁴ *Rasshirenie Evropeyskogo Soyuza: vzgliad iz Moskvy, Berlina i Varshavy*. Doklady Instituta Evropy, № 172, Moscva, IE RAS, “Ogni”, 2006, P.46.

The attempt to present four EU-Russia Common Spaces as a goal of Russia's European policy seems not very successful. These spaces are just the means, but it is still not clear for what sake Russia started implementing the Road Maps. It should be admitted that in their time the Road Maps proved to be the necessary measure for preventing from vacuum in EU-Russia political relations. Besides, on the basis of the dialogues, which were designed to develop the Road Maps provisions, several results might be and were achieved. But only their pragmatic and tactical aspects matter. The Road Maps were the EU Commission's, but not Russia's invention, thus they are no more than a version of the ENP "Action Plans". There are no benchmarks in the maps; otherwise there would be no difference at all⁵.

So Russia and the European Union keep on working on the Road Maps implementation: a series of dialogues has been launched, which resembles the screening process. The agreements are being signed similar to those concluded with the ENP states (visa facilitation and readmission, for example), and the issue of free trade area is still on the agenda, although the idea is becoming less and less popular in Russia. The EU keeps on delivering assistance for Russia in the frames of financial programmes. Although the new Strategy Paper on Russia refers to moving from "donor-recipient" relations to co-financing, there is no real equal financial participation of partners in various projects and initiatives. At the same time Moscow is constantly declaring her desire of equal footing in relations with the EU and expressing disagreement of the attempts to impose unfavourable conditions, which question Russia's independent role in external policy. In the other words, the certain vague and dual position of Russia's authorities is quite obvious. In reality it is caused by the fact that the economic balance between partners must become the main pre-condition for equal footing. As long as this balance lies upon favourable for Russia energy price conjuncture even cooperation on the basis of common interests⁶ appears unrealisable: any Russia's pragmatic proposal, whatever mutually advantageous it would be, sets against the discussion on human rights and values. For example, while discussing the Agreement on Readmission in the European Parliament, which is much more needed by the EU rather than Russia, the MEPs exposed serious doubts: should they entrust Russia with the fates of illegal immigrants deported from the EU, if Russia can hardly respect their rights.⁷ When basing upon "missionary" logics, Brussels does not understand why Russia is not very eager to follow advices how to build democracy, why she is suspicious towards the EU monitoring and why she does not take criticism into consideration. Besides, as soon as the EU keeps on regarding Russia as the ENP object, it can't accept Russia's desire to play her own role on the post-Soviet space and to put forward her own integration plans in the region, which can be hardly correlated with the ENP perspectives.

Strategic Partnership – what is it?

On the high level strategic partnership was first declared as a goal by President Putin in his speech in Bundestag in 2001: «I am just of the opinion that Europe will reinforce its reputation of a strong and truly independent centre of world politics soundly and for a long time if it succeeds in bringing together its own potential and that of Russia, including its human, territorial and natural resources and its economic, cultural and defence potential».⁸ This idea has not been put into practice, but still it remains popular in the certain circles of elite. For example, in May 2007, a few days before the

⁵ Strezhneva M. *Evropeyskaia politika sosedstva I strategicheskoe partnerstvo RF-ES: popytko sravnenia* in Fedorov V.P., Potemkina O.Yu., Kondratieva N.B (eds.) *Rossija i objedinajushajasja Evropa: Perspektivy sotrudnichestva*. Moskva, Institut Evropy, "Russkii souvenir", 2007, P.51-58.

⁶ The authors of the Report for the Trilateral Commission suggest «practical engagement» as the format for EU-Russia relations. Lyne R., Talbot S., Watanabe K. *Engaging with Russia: the Next Phase*. The Trilateral Commission. Washington, Paris, Tokyo, 2006, P.167.

⁷ European Parliament Committee on Civil Liberties, Justice and Home Affairs. Report on the proposal for a Council decision concerning the conclusion of the Agreement between the European Community and the Russian Federation on readmission, 6.02.2007.

⁸ Putin V. Speech in the Bundestag of the Federal Republic of Germany. September 25, 2001, Berlin http://president.kremlin.ru/eng/speeches/2001/09/25/0001_type82912type82914_138535.shtml

Samara summit it was Frank-Walter Steinmeier, German foreign minister, who stated :”The European Union needs Russia for overcoming international conflicts, but Russia as well depends upon Europe as before, and this idea should be prevailing for both sides”.⁹

In our view, the concept of strategic partnership should be filled with the following content:

- Common values are the basis for the partnership; they should be perceived uniformly and flexibly, with considering the cultural and historical diversity; they should be applied similarly in the partners’ domestic policy and form the basis for the external activities (especially when the partners carry out coordinated actions);
- The goal in policy should be political partnership for the secure, stable and democratic world, which is built upon multipolarity and respect for international law.
- The goal in economy is to increase Russia and the EU’s competitiveness by means of optimal using their advantages on the basis of exchange with assets, as well as creating joint technological chains and advancing towards the establishment of Russia-European trans-national corporations, which would be oriented on the EU, Russia and CIS “common markets”.

In their essence these provisions answer Russia and the EU’s strategic interests, although at the first glance several details might seem unacceptable for politicians both in Russia and the EU. Fixing these (or any other goals) on the bi-lateral level must become the indispensable pre-condition for partnership. It is a very difficult task indeed, and its implementation might require a long period of time as well as significant resources, besides mutual readiness for compromise will be required. No sooner than the partners agree the goals for strategic partnership should they start creating common instruments and institutions, shaping action plans etc. It is clear that practical cooperation in a broad spectrum of fields should be continued in parallel with coordination of goals.

Values as the Basis for Strategic Partnership

There is more similarity than difference in the value systems (political and cultural) of Russia and the EU. The majority of Russians consider themselves Europeans, and Russia – the European state, although possessing substantial peculiarity. Respecting human rights, democracy principles and rule of law have been laid in the basis of Russia’s political system. The majority among political elite recognize their significance. By cooperating with the EU and the Council of Europe as well as with the other international organisations and by signing dozens of international conventions and agreements Russia admitted that human rights violations are not solely an internal matter. So as such the EU activities aimed at promoting democratic trends in Russia must not excite negative reaction; the attempts to formulate the certain minimal standards and monitor them cause ambiguous reaction, but basically they do not run against Russia’s interests. Just three nuances of the EU approach provoke Russia’s justified irritation:

- 1) the attempts to impose Russia the EU’s own perception of values and its own detailed standards;
- 2) the EU’s aspiration to consider itself a sample for respecting democracy principles and human rights and the higher authority, which owns the right to evaluate the others;
- 2) the double standards in the EU political practice.

Common values and human rights could be transformed from the method of political pressure into the functioning partnership instrument in the following way:

- 1) To fix bi-laterally the basic list of common values (it can be found upon the European Convention on Human Rights). In future it would be feasible to pass to elaborating common minimal standards in this sphere.

⁹ “Izvestia”, № 82, 15 May 2007.

- 2) To agree that while sharing common values the cultural and historical peculiarities must be acknowledged. Unity in diversity – this EU internal principle must become the rule for the external policy.
- 3) To insist upon constructive dialogue on all the facts of violating human rights and common values both by Russia and the EU Member States and fix clearly the partners' mutual commitments in this sphere. These violations are neither Russia's nor the EU internal matters. A number of provisions included the Treaty on European Union In 1997 obliges the Member States to respect basic values and introduces the system of sanctions against the countries infringing these provisions. These sanctions were already applied against Austria. And lastly, many facts of violation of human and minority rights in the new EU Member States demonstrate that this problem is no more of a theoretical interest only.
- 4) Human rights issues cannot be used as a bargain instrument to achieve other goals. Thus the dialogue must be initiated on the issues, which cause mutual understandable concerns (for example, immigrants in Russia and the EU Member States, the inadequacy of the system of putting people in the terrorist list etc.).

If the EU insists upon using conditionality principle in the external policy, the mutually accepted decision might be in putting conditionality upon the reciprocal basis – establishing bilateral principles of political conditionality. If the EU wants preserve the possibility of applying sanctions towards Russia for violation of common values, it should be accepted that Russia applies the same sanctions towards the Member States, and these sanctions must not be regarded as a step against the EU as a whole. Human rights issues should not be considered just as the EU's claim to Russia; this is the common problem, although it differs in particular aspects, and the area for joint efforts and activities. EU-Russia permanent consultations on human rights are the main instrument for the dialogue. It still has not yielded any tangible results - previous EU-Russia meetings have often been clouded by mutual accusations of human rights abuses. The main achievement in this sphere is the mere fact that the dialogue is taking place, in the course of which not only problems inside Russia and EU are discussed, but global issues as well, for instance, through the recently created the UN Human Rights Council (Russia was elected as a member in May 2006). The idea of reciprocity in respecting human rights was supported by Russian human rights organization in their open letter in July 2005 just after the first round of consultations took place. Human rights activists enlisted a number of issues of mutual concern – migration, terrorism, mass media, electoral rights, independent judicial system.

In the other words, the political dialogue about values should be transformed and placed upon reciprocal basis on all stages: formulating of common values, mutual commitments, symmetrical character of mechanisms of negotiation and monitoring.

The Quality of Political Partnership

The European Union's positions on the basic issues of world policy stand closer to Russia's approaches than those of her other main partners. First, the adherence to democratic values and peaceful settlement of conflicts should be mentioned as well as multipolar vision of the world, the UN role, the priority of preventive diplomacy, support of the non-proliferation regime and fight with terrorism. For all that it is also important that both Russia and the EU feel the responsibility for the situation throughout the world.

Today the political dialogue is purely declarative in its many aspects. In the best case it leads to formulating common positions on a number of world problems, that does not entail the agreed actions of partners. Besides, even in case it comes to taking mutual commitments, they often remain unfulfilled.

From the EU side the low quality of partnership can be explained by the increasing gap between the external policy positions of the Member States (mainly the discrepancy between the "old" and "new" Europe) and the intensified practice of adopting external policy decisions on the base of the

“lowest common denominator”. This, combined with a strongly ideological component in foreign policy, engenders the exclusive approach towards Russia. Some technical peculiarities also impede EU ability to develop relations with Russia, notably cross-pillar nature of the EU foreign policy that complicates coordination of CFSP, external relations and external trade; pending CFSP construction because of failure of the EU Constitution; vague distribution of competence between the EU and Member States.

From the side of Russia there are fears to lose the opportunity of “laissez-faire” and of carrying out multi-vector foreign policy. There are concerns that acceptance of the value concept as the basis for external policy would threaten Russia’s relations with some of her traditional partners. Russia perceives the current reality of external policy as the zero-sum game, and thinks that many EU activities are aimed at decreasing Russia’s role in the regions of her historical influence. These perceptions are often justified.

The development of political cooperation depends mainly upon the partners’ ability to agree their strategies in the CIS region, which belongs to the sphere of Russia’s special interests and at the same time is becoming more and more significant for the European Union. Nowadays the post-Soviet space has turned into the area of rivalry between Russia and the EU. Russia justly regards the region as the sphere of her special interests and tries by all means not to admit the other actors to play on this field. The EU, while constantly stressing the need for the agreed policy, perceives it as just its own unilateral actions and exclaims sincerely at Russia’s refusals to join them (for example, ENP in general or the Black Sea Synergy). Basically, the situation on the CIS space looks like *Zugzwang*: neither Russia, nor the EU is able to implement their own strategies, but they block each other efforts quite successfully. Transition from the strategy of concurrence to that of cooperation is the extremely difficult task, which will demand serious compromises from both partners.

Political partnership between Russia and the EU could be based upon the following principles:¹⁰

- Real partners’ equality, which pre-supposes common shaping of political positions and further joint activities for their practical implementation. It seems unfounded making references to the fact that the EU political positions have already emerged from the complicated compromise and thus can’t be changed. If the EU aspires to political partnership, it should start considering the partner’s positions.
- Common values as the basis for the external policy. Russia should reconsider her cautious approach towards value-oriented foreign policy, and the EU, from its side, needs to weaken the value aspect of external activities. For example, Russia’s policy in Belarus should be based not just upon interests (especially because their realization is often complicated by the very substance of Belarus’ political regime), but also upon unbiased and clear evaluation of the political situation in Belarus. The EU, in its turn, should review the obviously ineffective strategy of Belarus isolation.
- The comprehensive approach to political partnership implies, first, the principal willingness to discuss and carry out the agreed external policy in all spheres, when feasible. Second, it means execution of the agreed positions by means of the whole tool kit – diplomatic, political, economic and military-political, that will allow using the strongest sides of both partners.
- Shared responsibility, which should not be understood as dividing the spheres of influence. It is supposed that on the basis of the agreed positions and with the account of the partners’ mutual interests and their resources, one of them takes the leadership in one or other practical actions.
- Accepting that the partners’ positions might differ in the certain, but at the same time rather significant issues of external policy. For example, the EU specific interests in the Mediterranean and Russia specific interests in the Central Asia and in relations with China. It is necessary to learn how to live with these differences and avoid tying various external aspects to each other. The

¹⁰ Danilov D. Sostojanie i perspektivy sotrudnichestva Rossii i ES v sfere vneshnei bezopasnosti in Borko Yu., Danilov D., *Rossija – Evropejskiy Sojuz: strategija strategicheskogo partnerstva*. Doklady Instituta Evropy, № 157, Moscva, IE RAS, “Ogni”, 2005, P.7-35.

objectively different partners' interests in several spheres should not block the agreed partners' actions in the other fields.

The intensive discussion for finding common strategic goals and interests of the partners should become the first step to build political partnership. On this basis it would become possible to start elaborating the agreed positions in a number of external policy issues, and further on working out joint action plans. The military-technical cooperation can become the element, which is able to significantly increase trust in partners' relations.

The task of constructing political partnership seems realistic regardless its difficulty, and in the light of the feasible alternatives it looks necessary. In the middle-term perspective Russia in the absence of political partnership with the European Union will face the growth of isolationist trends, which will inevitably decrease her role in the world (even the functions of a balance between East and West, which is very popular among some Russian experts, can be fulfilled by Russia only if she would have trustful relations with both). In the absence of political partnership with Russia the EU will not have chances to become the real world pole of influence and will be doomed to the secondary role on the world arena. And, finally, the task of ensuring stability in the region of Eurasia/Greater Europe can not be fulfilled without political partnership between Russia and the European Union.

Economic Integration

Russia's strategic goals in the sphere of economic policy are diversification of economy and export; transition from the resource-oriented development to innovation; decreasing resource intensity of GDP; completing the process of inclusion into world system of division of labour and gradually becoming one of the key actors shaping rules of world economic system. Thereupon Russia is interested in the EU as the source of technologies and investments as well as potential partner in forming principles of the world economic system. In addition, intensive and constructive economic cooperation must become a basis for political partnership and might soften probable contradictions in the certain issues (the latter situation one can observe in the USA-China relations).

In economic sphere the EU aspires to increase competitiveness on the base of innovative development and decrease in labour costs (Lisbon strategy); to develop new markets for sale of industrial production; to ensure energy security.

The potential effectiveness of EU-Russia economic cooperation (integration) is determined by mutual complementary of the partners' resources. Among Russia's concurrent advantages there are relatively cheap and qualified labour force; natural resources, including recreation capacities and the "ecologic" agriculture potential; the developed fundamental science and still preserved scientific and technical resource; Russia's transit position, which opens access to the Asia Pacific; the large and already solvent national market as well as the access to the CIS markets. The European Union possesses the competitive advantages as well: capital stocks; high technologies and the mechanisms for transforming scientific and technological developments into economically effective technologies; experience and know-how in the sphere of management; energy saving technologies and economic mechanisms for stimulating energy saving; high level of influence upon the global economic rules.

Joining EU-Russia resources is able to provide the breakthrough in increasing global competitiveness of the partners' economics. To achieve this it is necessary:

- To continue the work for lifting trade barriers: facilitating administrative and custom procedures, harmonizing certification rules etc;
- To study possibilities for technologic integration (establishing technologic chains) in some sectors with a key task to minimize costs of production.
- To spread the exchange of assets (which has always been Russia's main idea) to the whole sphere of economy. Here the key task is fair sharing of responsibility and profits.
- To shape the task for the perspective: this is the establishment of Russian-European trans-national corporations, which can be competitive in a global scope. They will base upon aggregated internal demand of the EU, Russia and CIS markets.

- From the ad hoc scientific and technical cooperation (by means of engaging in a number of joint research projects) to advance to synchronizing the strategies of scientific and technical developments, and perhaps to elaborating common framework programmes. In the strategic perspective the scientific and technical cooperation is much more important for the partners than that in the field of energy.

Economic cooperation can and must be denser than political one; it must possess the character of integration. Otherwise there will be no chance to achieve the defined goal. In view of this the harmonization of legislation is inevitable, and it can be implemented in two forms. First, in the form of mutual recognition of standards (certification etc), which is preferable for Russia, but still is not always feasible because of the EU position. Second, in the form of harmonization of standards, normative and regulative rules as well as of business practices. Naturally, it is feasible only in the form of adapting Russia's legislation to *acquis communautaire* (the EU will never agree to changing *acquis* either for Russia or for any other state, neither will any outsider be admitted to forming *acquis*). In essence, Russia might favour from the creative and selective incorporation of *acquis* into national legislation not only in the light of the relations with the European Union, but for the sake of the internal economic development (why to invent a bicycle?). However, it should be done very carefully basing upon the detailed analysis of Russia's interests and in a voluntarily way, with no fixation in advance of any commitments of legislative adaptation.

After Russia's joining WTO the preferential regime between Russia and the EU will lose its privileged character. It is the economic integration on the basis of the analysed positions, which will allow establishing EU-Russia economic partnership on a new level. The partners should not head for any particular form of economic integration; the form will arise from their interests and goals. One can suppose that EU-Russia economic integration will stand a chance to be implemented in the form of FTA "plus-minus", i.e. with exclusions in some sectors and more integrated regimes in the other ones.

The Treaty on Strategic Partnership

The legal base of EU-Russia relations was established in the form of the Partnership and Cooperation Agreement (PCA) in 1992-1994, when Russia was quite different. Nowadays qualitative changes have occurred in Russia. The legal basis was formed for the quite new business management, which in fact corresponds to the international requirements and standards. Russia's economy is advancing. Russian business and capital have achieved the level, which allows them becoming active participants of the investment processes in Europe. Ideally, to break the "missionary" logic of Brussels Russia needs the new basic Treaty. The endless annual prolongation of the existing PCA might cause regular uncertainty every time as the moment for extension is coming. Besides, discussion on the new Treaty will give an opportunity to raise all the controversial issues in the relations. The new treaty must become more holistic document, which would go beyond the WTO frames and provide for the deeper, more advanced and more fundamental basis for EU-Russia relations. However, even when the Commission gets the mandate for negotiations, there exist no reasons to believe that these negotiations could be completed in the short time and the result would suitable for both sides. Because this is not just a new Treaty, which is needed, not the agreement at any price, but the document, which will differ from the new neighbourhood agreements that the EU plans to sign with the ENP states after the fulfilling of the "Action Plans" by the latter. Now it is already clear that in certain directions Russia and the EU have initially demonstrated different approaches to the priorities for cooperation, as well the balance of interests

First, the new Treaty is supposed to include provisions on common values as the basis for partnership. The procedure and rules of the dialogue are expected to be discussed in the negotiations about the new Treaty. In the other words, will the human rights clause be included and in what way?

The first option supposes excluding everything that could be interpreted as political conditionality, which would allow the European Union conditioning Russia's internal developments

by putting the whole system of relationship in dependence of the evaluation of Russia's achievements in her domestic reforms. If the political conditionality is preserved in its current interpretation and is inserted into the Treaty, it threatens to become the instrument for bargaining and forcing concessions from Russia, mainly in the field of energy. However, another option seems to have more chances for being accepted: if the conditionality principle or value-based foreign policy is reconsidered – both partners must make decisions whether they answer the requirements of democracy, human rights and common values.

Value-based policy can be effective only in case, when Russia is recognized as an equal actor of partnership, but not the passive object of the EU policy. Thus the answer might be the conditionality clause in the Treaty, which pre-supposes reciprocity. To have conditionality principle work upon reciprocal basis, it is needed clearly formulate the human rights clause so that to avoid ambiguity, and, besides, elaborate procedures and rules for implementation of agreements in this sphere.

Russia demonstrated her interest in human rights issues in the EU Member States by creating the Russian-European Institute for Freedom and Democracy based in Paris. The goal of the new institution was formulated by President Putin at the EU-Russia summit in Marfa in October 2007 as facilitating dialogue between members of the non-governmental structures and experts on issues such as organisation of the electoral process, monitoring of elections, situation with national minorities and migrants in the territory of the EU and Russia, freedom of expression and other vital questions. So Russia is going to put the whole system of relations with the EU in dependence upon human rights situation in the Member States.

Second, the title on energy, which is being highly emphasized by the EU, is certainly very important for both sides. There is no doubt that the discussion on Russia's ratification of the ECT (Energy Charter Treaty) should be taken off the agenda. But should the energy issue become the core of the Treaty? Then why not to include the provisions on innovation and technical cooperation, which is very important for Russia, in the core of the new Treaty as well? It is worth mentioning that providing research and high-tech remains among the less prepared parts in the draft Treaty. Or the energy cooperation might become the subject of the Treaty along with the other blocks (transport, infrastructure, agriculture, industry).

Third, the title on the free trade area (FTA). The consultations on this issue have neither brought visible results. Russia is considering FTA very cautiously, more cautiously than joining WTO, believing that interests of manufacturing industry should be protected. Russian Ministry of Trade and Development and the respective European Commission General Directorate continue informal consultations for the feasible study of concluding a new trade agreement. The consultations are informal, while the formal process can be launched as soon as Russia joins WTO and her rights and commitments in the frame of the organizations are fixed in the final shape.

Russia's proposals on the Treaty structure are as following: the legally binding general part (rather than just the political declaration on strategic partnership), where the mechanism of interaction should be fixed as well as the general principles of cooperation. The Treaty as a framework document by its content and sense might include provisions, which allow supplementing it with the system of sectoral agreements as well as making references to the already existing and designed agreements. The Treaty will fix the consistent goals and the main provisions of the Road Maps. However, it does not mean that the whole text of the Road Maps should be transferred to the new document. The economic part must become the most important element of the Treaty. However, it should be formulated in the most general manner – as the majority of the special issues like the trade regime, movement of capital and labour, intellectual property etc. will be the subjects of the special agreements. The Treaty can not fix the details of the trade regime in view of its frame character; besides the respective commitments imply Russia's membership in WTO.

It should be stressed that the true strategic partnership is unachievable as long as Russia keeps on accepting financial assistance, even considering its very modest range. The Resolution of the European Parliament on the EU-Russia summit in Samara held in May 2007 reiterates its view “that a

robust defence of human rights and democratic values should be a core principle of any EU engagement with Russia” and urges the Commission “to ensure that these values do not have a subsidiary status in the EU-Russia negotiating package and that any financial assistance granted to the Russian authorities takes into consideration the strengthening of democratic standards in that country”.¹¹ The expert opinion survey carried out by the EU-Russia centre in Brussels showed: the majority of recipients point out the EU’s ineffective evaluation of Russia’s reforms, which have been supported from TACIS¹², in the other words, the EU is not strict enough in demanding from Russia the results in domestic reforms. And these demands could be understood: if Russia keeps on relying on the EU financing the administrative or judicial reforms, whatever small it is, there should be no surprise that the EU tries to influence the process, criticizes its stagnation and express dissatisfaction with the outcome of TACIS audit in Russia.

In this consequence Russia’s initiatives seem very comforting for joint financing trans-border projects in the “Northern Dimension” frames as well as the programmes of regional cooperation based on the European Instrument of Neighbourhood and Partnership (ENPI). The latest co-financing was agreed at the Samara summit and concretised in October 2007 at the summit in Mafra (Portugal). There exist very prospective undertakings like the joint financing the educational and training programme (the European Studies Institute at the Moscow State Institute of International Relations (MGIMO-University) of the Ministry of Foreign Affairs). Russia could and should invest as well in educational programmes in the EU states, organize seminars, distribute grants to the students, who wish to study in Russia, and lastly, support non-governmental pro-Russian organizations, i.e. do the same as that the EU and the Member States have successfully implemented.

Of course, there is a high probability that the new Treaty would be a rather banal document, another exercise of bureaucrats in hiding the complex reality in vague polite phrases. In this paper we’ve tried to show that the EU and Russia have real common strategic interests. This is a common challenge: to overcome everyday irritations and to transform common interests into the shared interests and mutual vision of future.

¹¹ European Parliament resolution of 10 May 2007 on the EU-Russia Summit to be held in Samara on 18 May 2007
10.05.2007, Brussels

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0178+0+DOC+XML+V0//EN>

¹² The EU and Russia: Perspectives on Strategic Partnership. Expert Opinion Survey. A Report by EU-Russia Centre, May 2006

