



Germany and the future of EU-Russia Relations  
Towards a partnership based on common values?

June 13<sup>th</sup> 2007, Conference Report

Opening address: Lord Paddy Ashdown, President of the EU-Russia Centre

Lord Ashdown said that the European Union was at a crucial juncture. The imminent decision by the Council on a timetable for the constitutional treaty meant that the Union needed to demonstrate that it can achieve consensus and take decisions with 27 member states in order to face the major challenges ahead.

The relationship between the EU and Russia was going through a difficult phase with disputes about security policy, energy, democracy and the common neighbourhood.

Lord Ashdown felt that recent trends in Russia were worrying - the increasing state control of the media, the murder of several prominent journalists, restrictions on NGOs, the lack of a genuinely independent judiciary, violence towards peaceful demonstrators. He added that the rule of law and a healthy civil society are as much in the interests of Russia as of any other country. And without the rule of law, and not least corporate law, it would be impossible to attract the foreign investment that Russia says it wants to help diversify its economy.

Finally he said that Chancellor Merkel and President Barroso had been quite right to insist on the principle of EU solidarity at the Samara summit. This solidarity implies responsibility however, and he called upon those countries which have bilateral problems with Russia to recognise the value of the EU negotiating as one with Russia.

Keynote Speech: Dr. Andreas Schockenhoff MP, Coordinator of the German-Russian cooperation for the Foreign Office

Dr Schockenhoff denied that the recent Samara summit had been a failure, and that EU-Russia relations were now in an 'ice age'. The summit had enabled an exchange of opinions that was appropriate for their partnership and which would hopefully lead to fewer misunderstandings in the future.

The EU has a broad and substantial relationship with Russia and shared challenges in the form of international terrorism, climate change, etc. In the field of energy there is mutual dependency which is strengthened by the need in Russia for investment in infrastructure to manage it successfully.

Russia must understand that the EU is united. Difficulties with one Member State mean difficulties with all Member States. The EU must intervene whenever it perceives Russia treating some Member States differently from others. The EU must also not undermine its own solidarity through the pursuit of bilateral relations.

Membership of the Council of Europe, the OSCE and the wording of the Four Common Spaces is an encouraging illustration that the EU and Russia share more than interests, but values as well.

Russia's recent political self confidence has made it a sometimes tricky partner, particularly towards some countries in the neighbourhood. Russia knows, however, that it must use more than just energy, its veto and its military presence to have a meaningful impact on global politics. In addition, bureaucracy and corruption as well as the excessive focus on energy are hindering the progress of its broader society.

If Russia wants to have an active influence in times of globalization it has to decide very soon if it will be mainly an exporter of resources or a modern economic power. If it wants to complete the transition to a modern competitive state, it must exploit the potential of its citizens. This will require a free and independent civil society, and in particular reform of the NGO law.

Panel One, Moderator: Pat Cox, Honorary Vice President, EU-Russia Centre, President, The European Movement

Panellist: Eckart von Klaeden MP, Spokesman on foreign policy for the CDU/CSU parliamentary group, Deutscher Bundestag

Panellist: Prof. Dr. Herta Däubler-Gmelin, MP, Chairwoman of the Committee for Human Rights and Humanitarian Aid, Deutscher Bundestag

Panellist: Dr. Georgiy Bovt, Russian journalist, columnist to Gazeta.ru and The Moscow Times

Panellist: Barbara von Ow-Freytag, Journalist and board member, German-Russian Exchange Foundation

### *Reaching out to Russians*

Georgiy Bovt felt that grass roots communication was key to the relationship. The Kremlin propagandist presentation of the West meant that Russian perceptions derived from negative stories about the missile defence shield, aggressive control of demonstrations and double standards relating to Kosovo and trade. Their view had to be broadened.

Mr von Klaeden agreed with the need to talk to 'everyone' and convince people that Europe was not anti-Russian. Prof. Dr. Herta Däubler-Gmelin said that it was not for the EU to tell Russia what to do, but to concentrate on shaping the future in a manner that was not solely economic. This did not mean that the EU should be non-critical – the Council of Europe had addressed the NGO law, Chechnya and the 14<sup>th</sup> Protocol - but that it should be directed by co-operation, not "knowing better what to do". Many writers and students from Russia shared Western perceptions of democracy and needed to be supported.

Barbara von Ow-Freytag also felt that the Samara summit had been a success in that there had been a clear discussion of values for the first time – and "the world had not come to an end". In fact, the free demonstration by Other Russia in St Petersburg illustrated this new direction, and the value of the new pragmatic tone. She also endorsed the need for universal, horizontal communication aimed at fighting stereotypes and promoting co-operation. This required authentic structures – not existing one such as the Social Space - "a theatre production".

Pat Cox asked whether the Russian middle class was a mechanism for change – or whether this was a Western delusion. Bovt felt that they cared more about consumerism than democracy and questioned whether there was a link between the two. Prof. Däubler-Gmelin said that students were looking increasingly to Europe for direction, and that this was the "soul" of a new professional middle class. The EU's strategic direction should be to reach out to them and promote a relationship that went beyond the solely economic.

Von Klaeden agreed with the encouragement of a wealthy, intelligent middle class, but Europe was not a role model for this. The Russian market economy and democratic system were an imitation, and Russian/USSR nationalism remains a problem. Russia had become neither a western democracy, nor an autocratic and brutal regime, but something between the two. With the right support, the former was the more likely outcome.

### *Stability and Democracy*

Von Ow-Freytag emphasised the importance of stability as well as democracy. Putin had described himself as the last true supporter of democracy, whilst Presidential candidate Ivanov said that democracy in Russia in the future would be vivid. These

statements were encouraging – Russia was not Iran. 50 000 NGOs had been established in the last fifteen years.

Prof. Dr. Däubler-Gmelin indicated that stability and democracy as concepts were linked in the EU, but not in Russia. Under Yeltsin, people's priority became the protection of their assets. Under Putin, media control had increased, but life had improved.

Pat Cox asked whether worrying developments in Russia required a hardening of the EU's stance. Von Klaeden said yes. 22 journalists had been murdered in Putin's time and yet only one arrest had been made – and clearly not the culprit. He felt that by comparison, Yeltsin had been criticised too much.

Now even the Kremlin did not trust stability. Media control had left it totally cut off from society – hence the need for security measures and controlled elections. Bovt explained that the Internet was the only remaining tool for people to use for participation in politics and to share their ideas and opinions.

#### *The EU: Values versus economics?*

On the subject of the business relationship, there was consensus that verbal pressure from EU leaders had little impact on Russia as long as the EU continued to invest there. According to Bovt: 'The EU will continue to swallow problems because of the need for oil and gas.' He added that reformers – and particularly journalists had to persuade society as much as the Kremlin.

Pat Cox said that the Russian political elite was not cynical, but objective. 60% of Russian FDI comes from the EU: 'European business is doing business.' Von Klaeden felt however that Chancellor Merkel's stance on Poland and Lithuania was an example of the EU standing up for its values. He said that business exchange was also an opportunity for reform and gave the example of the success of the OSCE in opening up the East.

Prof. Dr. Däubler-Gmelin said that, whilst companies were not interested in human rights, a successful economic network depended on the rule of law – as such this was a good mechanism whereby business might improve society.

#### *Energy*

The Panel agreed that bilateral deals undermined the EU's position. Von Klaeden felt that there had been progress in promoting the EU's united strategic partnership under the German Presidency. Europe should develop a gas network which would benefit all countries, and which would prevent Russia from being able to blackmail individuals.

Prof. Dr. Däubler-Gmelin felt that Russia had attempted a 'divide and rule' approach to the EU – but that it was not the only country to do so. She said that energy power

was never a one sided relationship, and that Europe's network of energy companies should prevent this from happening.

Von Ow-Freytag felt that long-term business contracts in Russia should encourage greater rule of law.

In summary, Pat Cox said that Russia knew exactly how to deal with the EU. It could dismiss its words because the EU's behaviour was 'business as usual'. Russia also thinks that the EU operates according to double standards, and that the Arcelor deal was an example of this, whilst current Visa arrangements between Russia and EU member-states make ordinary Russians feel unwelcome in Europe. Increasing contact between people was the key issue to bring Russia and EU together. Otherwise the EU would find itself promising much and delivering little.

Panel Two Moderator: Dr. Peter Fischer-Bollin: Head of Team Europe/N America, Head of Russian Federation Division, Konrad Adenauer Foundation

Panellist: Helga Schmid, Director of Policy Unit, Council of European Union

Panellist: Stefan Liebing: Shell International Corporate Affairs

Panellist: Nadia Arbatova: Research Director, Russia in the United Europe Committee

Dr Jochen Thies: Journalist and Editorial Board Director, Deutschland Radio

### *Status of the Relationship*

Dr Fischer-Bollin began by quoting a source who said that the Russian delegation had left the recent G8 summit saying that the relationship with Europe would recover, and that trust had been renewed. Helga Schmid said that Russia was one of the EU's strategic partners and no other country enjoyed a closer relationship. Despite this, Samara had been a difficult summit. Chancellor Merkel had been right to say that solidarity is not empty, but the expression of 27 Member States.

Stefan Liebing described a crisis in confidence in the relationship that had started with the Ukraine gas crisis. This illustrated a clear need for transparency which was essential to improve confidence – both for consumers and for suppliers. Russians will become more interested if there is talk of security of demand as well as security of supply.

Nadia Arbatova said that energy was not the only link between the EU and Russia, but that Brussels concentrated too much on it, and that a broader context was needed. Too many countries who were used to the 90's relationship were struggling

to recognise Russia's status as a partner. They viewed Russia only through the prism of energy and Kosovo.

Dr Thies identified mistakes at the G8 summit where the media had focused too much on Russia and not other issues. In addition, Poland had been annoyed at the Samara summit by Germany's approach. Germany was becoming far more critical of the US than of Russia – it was drifting East – and Russia would use this.

Arbatova said that future cooperation would depend on efforts on both sides – It was not true that there was an inherent compatibility between the two. For example there was competition between Russia, the EU and NATO in the post Soviet space. In addition, Russia was being judged according to standards of democracy not met in the EU (particularly Poland). There was not a gap in values, but a gap in democratic expectations and political structures.

### *Role of Germany*

Schmid said that the outcomes of the Samara summit could be split in two. The discussions over Poland and Lithuania had been difficult, but foreign policy discussions had been quite productive. Russian support on Iran for example had made it easier to bring China and South Africa on board.

There was a consensus that even after the end of the German Presidency, Germany would continue to be the mediator of the relationship, and that much was still expected of them. Germany and Russia have the closest bilateral relationship in the EU, but the EU must continue to speak with one voice.

### *Future Relations*

Schmid was sceptical about the possibility of what Putin had referred to as a Eurasian Free Trade Area, but was confident that the barriers relating to WTO accession could be overcome. Arbatova said that a trade zone would be a central part of the post PCA arrangement, but questioned whether Russian companies would be able to compete within it.

Dr Thies called for Russia to be more consistent in the future. Without this it was hard to deal with them. As a journalist he felt strongly about Russia's treatment of the press, which made journalists uneasy. The EU could also have been more supportive of Lithuania and Estonia in their recent difficulties with Russia.

Arbatova felt that the EU still had no strategy towards Russia. The Four Economic Spaces were a good basis to integrate Russia more with the EU. If Russia was not properly integrated, why should it play by the rules? Putin's successor will continue to seek good relations with Europe, but the success will depend on the Western governments.

Keynote Speech: Dr. Alexandr Vondra, Deputy Prime Minister for European Affairs of the Czech Republic

Alexandr Vondra outlined a range of issues where the EU desperately needed a comprehensive and united approach to Russia: The Polish meat embargo, energy pressure on Ukraine and Lithuania, and the unnecessary attacks on Estonia and Georgia. He explained how the pretext of these acts had been technical, but the behaviour had been the same as the USSR with the Berlin blockade in 1948.

The Kremlin's policies are now far more aggressive than they were under Yeltsin. It now sets the agenda while the EU is reactive – with Angela Merkel's approach as the notable exception.

Vondra explained that Russia's values are patriotism, state-ism, solidarity and collectivism – and that these values contradict those of the EU. Russians are almost as different from us as the Chinese.

The EU needs to recognise what Russia wants to achieve – particularly in their sphere of interest – and treat Russia seriously. Russia has great pride in its stability, growth and consolidation as a power.

Russia was lagging behind in terms of democracy while seeking to restore the glory of a former power. Control over this power must come from outside and within. Russia should be treated as a great power in return for freedom and democracy because it is the best way of controlling unpredictable power from within.

A comprehensive, active approach is right for the EU. We are not weaker and must not make the fatalistic admission that we are dependent on Russia. Our strength lies in a united approach towards Russia.

#### Contributions from the audience:

Mark Entin emphasised how much Russia had changed in recent years, and the impact that this had had. He said that there had been a 25% increase in income there, and that this had resulted in the creation of a middle class in Russia that supported Putin. He called on participants to look to the future, not the past in working with Russia.

Evgeny Kiselev said that, as a journalist in Russia, he had suffered under Putin when MTV in Russia had been shut down. He said that the EU human rights dialogue with Russia was a source of irritation in Russia – they saw it as an instrument of interference. On balance he said he would be leaving the conference with a feeling

that the EU was at a loss as to how to deal with Russia, and that it was pursuing a policy based on appeasement rather than engagement

Concluding Remarks: Dr. Fraser Cameron, Director of the EU-Russia Centre

Dr Cameron said that there had been much agreement between the speakers on:

- The need for more dialogue
- The EU to remind Russia of its obligations, while not preaching
- The need for a united EU
- The need to emphasise the rule of law

All agreed on the importance of the EU-Russia relationship, and that that it would require a major effort to get it back on the right tracks.