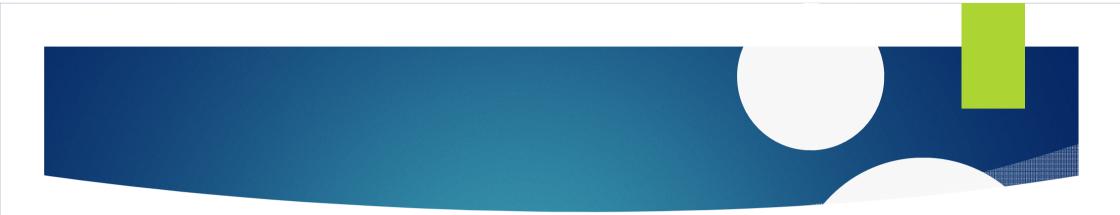


Is this Ukraine crisis the end of a Russia –EU Partnership?

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Structure of Relationship from 199

- Partnership with new democratic Russia
- Partnership and Cooperation Agreement 1997
- EU's Common Strategy on Russia 1999
- Strategic Partnership
- Common Economic Space 2001
- ▶ St. Petersburg Summit 2003
- Four Common Spaces:-
- Freedom, Security, Justice
- External Security
- Research and Education



- Road Maps
- ▶ EU-Russia summits, Cooperation committees
- Regional Dimensions:-
- Northern Dimension -1997
- Black Sea Synergy- 2007
- Funding programmes:-
- TACIS
- European Neighbourhood and Partnership Instrument
- Key relationships bilateral

Periodic Problems

- NATO bombing of Serbia 1999
- Orange Revolution in Ukraine 2004 change Russian perception of EU
- Russo-Georgia War 2008
- Eastern Partnership 2009
- Problems with individual member states UK

Reset 2010

- Partnership for Modernisation 1st June
- Based on mutual interests
- Technical cooperation
- Move way from conditionality
- Medvedev 'special modernisation alliances with our main international partners'

Ukraine 2013/14 – End of Partnersh

- Kiev 'revolution'
- Seizure of Crimea
- Eastern Ukraine rebel strongholds Donetsk, Luhansk backed by Russia
- Western sanctions
- ► Earlier 'partnership' period fundamental long-term flaws
- Need for 'partnership' with Russia still necessary (and inevitable) for EU,
 Russia and for the countries in-between Ukraine, Moldova

Robert Gates – US Defence Secretary

"When Russia was weak in the 1990s we did a poor job managing the relationship for the long-term"

Problems of Earlier 'Partnership'

- ► EU's 'external governance' approach to neighbours
- Conditionality
- Partnership and Cooperation Agreement
- Since 2000 Russia rejects conditionality
- Different approaches:-
- ► EU- normative power talks values post-modern
- Russia speaks interests

Values and Interests Gap

- Differences in priorities with neighbours:-
- EU priority democratisation, rights
- Russia stability, security, strengthening of state since 1990s
- Differences in political philosophy:-
- Relationship between state and society
- Asymmetry of interests:-
- ► EU opening of markets, transparency
- Russia strong state input energy, Gazprom

However

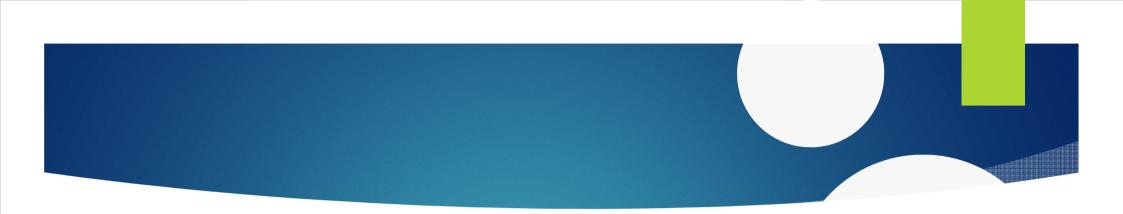
- Not overgeneralise differences
- Debate within EU and within member states on priorities, values, role of the state
- Debate within Russia:-
- westernisers, modernisers (?)
- statists

Security issue overlaid the relation

- NATO enlargement to former soviet states
- Open to Ukraine, Georgia
- Eventually linked to EU enlargement
- Crises see return to bloc mentality
- Lack of pan-European security architecture

The Shared Neighbourhood

- Russia:-
- Self-perception as a 'great power'
- Strategic and security interest Crimea naval base, Caucasus
- Prestige loss of influence and parts of 'Russia' since 1991
- NATO and EU enlargement to former Soviet space



- ▶ EU Shared neighbourhood less significant
- Lack of support post Orange Revolution
- Limits of Eastern Partnership
- Lack of support to Yanukovich prior to Association Agreement
- No hope of EU membership
- ▶ Underestimate the significance of "European" idea for Ukraine
- Russia offered concrete benefits
- ▶ EU underestimate importance of Ukraine to Russia more than economics

Shift in Russian Self-identity since

- ► Early 1990s 'westernisation'
- NATO enlargement, economic problems
- Mid-1990s multi-vectored foreign policy
- Assert special status
- Early Putin pragmatic nationalism
- Mutual pragmatic interest with West, no conditionality
- Great power Russia



- Russia's right to defend interests of Russians elsewhere
- West source of technical help, not aspire to 'westernisation' of system,
- Sovereign democracy
- 2012 onwards:-
- Russia defend traditional European values
- Conservatism
- Suspicion of western-backed NGOs
- 2014 accelerate this
- Putins's 18th March 2014 speech lists humiliations of 18 years

Separate Russian Development and End of Partnership?

- The Russian Idea
- Separate Russian model of modernisation?
- Traditional model
- Strong state as a vehicle for modernisation
- Self- sufficiency
- Putin's 'restorationist' model
- Re-orientation of interests China
- ► Eurasian Economic Union January 2015

Big Problem

- Not a solution to Russia's needs for modernisation
- Good for catch-up
- Now need diversification from raw materials economy,
- new technology, innovation, knowledge economy, inward investment
- Recognised by Putin and Medvedev from 2010
- Obstacles:-
- Corruption
- Lack of transparency in business
- World Bank Doing Business Russia 112th (Kazakhstan 49th)
- Arbitrariness of state

Contradictions of the System

- To maintain "great power", stability of current system
- Need modernisation of economy
- Strengthening of state entrenched positions of those who be affected by reform
- Pressure on opposition, media further reduces accountability
- Conservatism, greater control discourages innovative intelligentsia
- Lack of impulse to efficiency
- Development occurs at cost of great resources

Russia's need for EU relationship

- Current sanctions exacerbate crisis
- Temporary (?) way out:-
- Maintain support via nationalism
- But still needs EU relationship
- ▶ 80% of oil exports
- 70% of gas to EU
- Exports to EU 40% of Russian state budget
- ► EU largest direct investor 25.5 billion Euros

2014 – Crisis also for EU

- Limits of ENP, Eastern Partnership
- Aim democratisation, stability on EU's borders, ring of friends, greater integration with EU
- ▶ Belarus ?
- Armenia join Customs Union
- Azerbaijan ?
- Georgia Abkhazia, Ossetia -?
- Moldova Transnistria, Russian trade embargo?
- ▶ Russia lost?
- Further ENP North Africa, Middle East destabilisation, civil war, democracy?

EU – needs Russia Partnership

- Energy dependence on Russia
- ▶ 34% of gas imports
- ▶ 33% of crude oil
- More with individual countries Bulgaria, Lithuania, Poland
- Permanent instability on EU Eastern border
- "Failed state" in Ukraine have wider consequences
- Divisions open up within EU on Russia

Prospects of a renewed relationship?

- Obstacles -
- Crimea
- Status of and Russian military presence in Donetsk and Luhansk "Republics"
- Putin and relationship with EU
- Rhetoric on both sides
- Nationalism, anti-westernism in Russia

Positives?

- Russia not recognise independence of new republics
- Say elections strengthen hand in relation with Kiev
- Stands by Minsk Accords (?)
- Have to subsidise them and Crimea
- Temporary energy deal Naftogaz and Gazprom brokered by EU
- New EU foreign policy chief Mogherini
- Lavrov to John Kerry willing to see US help in resolution

New Realism in EU-Russia Relation

- A new realism in relations out of pain of Ukraine
- Putin :-
- End of Eurasian Union as a geo-political project with Ukraine
- Other former soviet states wary of Russian relationship, potential to use force
- ► Eurasian Economic Union Russia not get own way
- Russian economic situation worsening
- ► EU :-
- End of 'external governance' model, EU as centre of ring of friends
- Instability on borders

Long-term Scenario

- A Common Space of Cooperation between EU and Eurasian Union
- Recognises geo-strategic interests of Russia
- Recognises geo-economic and geo-political position of states between
- Recognises the asymmetry of priorities and interests with neighbours
- Benefit Russia and current elite
- ▶ Benefit EU stability on borders and economic interests
- Benefit Neighbours in-between avoid impossible choice between EU and Russia
- Present situation is a zero-zero game for all
- End to unipolar and bipolar approach to the area