Chaillot Papers

May 2003

n°60

Russia faces Europe

Dov Lynch

Institute for Security Studies
Institut d'études de Sécurité
European Union
Union Européenne

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ISSN 1017-7566
Published by the EU Institute for Security Studies and printed in Alençon (France) by l'Alençonnaise d'Impressions. Graphic design by Claire Mabille (Paris).

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Kosovo, 11 September and Iraq: it is in relation to these three crises that Russia's foreign policy, and in particular its attitude towards what is referred to as the 'Euro-Atlantic community', has continuously been redefined. Thus, after a period of fairly glacial relations due to the combined effects of NATO's enlargement and its intervention in Kosovo, the 11 September attacks against America were to lead to a spectacular rapprochement between the Russian and American presidents' rhetoric, if not their policies.

For Vladimir Putin, the fight against international terrorism became the priority that justified a new, pragmatic US-Russian coalition. Former resentment against America - over NATO, the ABM Treaty and National Missile Defence - was put on hold, while the Russian president reckoned on achieving substantial benefits regarding Chechnya or Russian entry into the WTO from his new entente cordiale *with America. As for the EU, for Putin it remained a major economic and trading partner. However, the Europeans' strategic weakness, their internal divisions and their haughty attitude towards human rights and the crisis in Chechnya hardly made serious dialogue with the Union on international security issues an attractive proposition in Moscow's eyes.*

In a little over a year, Vladimir Putin therefore deliberately led his country along a westward path towards cooperation with America. Moreover, he was the first leader to see 11 September as an historic event that sounded the death-knell of the Cold War. That strategy of anchoring Russia in the West is the subject of this Chaillot Paper *by Dov Lynch, a new research fellow at the Institute, who for three years was responsible for Russian studies at King's College, London. In addition to analysing the main trends that have changed the direction of Russian foreign policy under Putin, the author in particular suggests a number of practical issues - crisis management, Moldova, proliferation — on which a serious relaunch of strategic cooperation between the Union and Russia might be based.*

Yet might not the war in Iraq confuse the issues once again? How will Vladimir Putin be able to stick to his strategy of cooperation with the West when the Euro-Atlantic community has just split into opposing camps over the handling of proliferation, America's role in the world and the rules that the world order should follow? It is not at all certain that Putin's Russia has

reason to congratulate itself on a division between Europe and America that was the main object of all Soviet leaders. Indeed, it closes off more avenues than it opens up. How is US-Russia alignment on the fight against terrorism to be reconciled with the cooling of relations over America's handling of the Iraq crisis? How is Russia to be consolidated at home against a background of growing instability abroad and noticeable divisions within Russia's big European neighbour? What is absolutely non-negotiable in Vladimir Putin's strategy of anchoring in the West? These are all open questions. Whatever happens, for the European Union Russia will remain a partner that is as necessary as it is difficult to apprehend, so that a renewed security dialogue between the Union and Russia is all the more urgent. One thing is, however, out of the question for Europe: an EU-Russian alliance in opposition to American strategy would be as mistaken as it would be absurd.

Paris, April 2003

Introduction

Developing the partnership with Russia is the most important, the most urgent and most challenging task that the EU faces at the beginning of the 21st century.

Javier Solana, Stockholm, 13 October 1999

The crisis on Iraq has challenged key features of international relations. The United States and Britain intervened in Iraq without the specific support of the United Nations, avoiding a second resolution in February 2003 precisely because they feared coercive action would be vetoed. The UN has taken a serious blow and the parameters of international law on self-defence and the use of force are being redefined by US and British actions. The crisis has also left the transatlantic relationship in tatters, with the appearance of serious divisions in Europe and inside the European Union. France, Germany and Russia coordinated their positions against coercive actions within the UN Security Council, adopting a number of joint declarations in 2003 on how to strengthen the inspection regime. With all this, the very notion of the West as it existed in the Cold War seems under question.

The divisions between the United States and Europe, and within Europe, raise two vital questions for Russia. Is the West finished as a concept? If so, with which West should Russia seek to align? First, the divisions are understood in Moscow. They reflect a confluence of unique, some might say unfortunate, circumstances: a vulnerable and powerful America led by neo-conservative thinkers, the presence of France and Britain in the Security Council as well as Germany and Spain, a French president no longer constrained by cohabitation and a populist German leader. Moreover, the EU faces the double revolution of enlargement and the Convention on the Future of Europe, both of which give rise to as much anxiety as excitement in European capitals. Divisions are to be expected in heady times. Yet these divisions have also objective foundations that reflect profound changes that have occurred in the world since the end of the Cold War and after 11 September. The West is not dead, *but it is changing*.

In the long term, the emergence of a multipolar West may be positive for Moscow because it provides Russia with that which it needs most: options. At the same time, recent events challenge Putin's turn to align Russia with the Euro-Atlantic community launched in 2000: first, by undermining the unity of that community, and, second, by placing Russia in a position where it might have to make a choice between various constituent parts of it. Russia does not have the luxury of choice; Putin is well aware that Moscow needs all parts of the West. It is for this reason that Igor Ivanov stated, at the height of transatlantic tensions, in an article in the *Financial Times* on 14 February 2003, "the preservation of a unified Euro-Atlantic community, with Russia now part of it, is of immense importance." Putin's Russia means it.

Anchoring in troubled seas

When President Vladimir Putin declared before the German *Bundestag* on 25 September 2001 that 'the Cold War is done with', he was not necessarily welcoming this reality.[1]

The end of an era means the beginning of a new one, raising a score of questions vital for Russia. What is the nature of the new system of international relations? What are the new rules of the game? How will power and weakness be played out? And, of course, what role will Russia have?

Always one of Russia's sharpest analysts, Sergei Karaganov argued in April 2002 that the world was witnessing 'the progressive collapse of the international political and strategic systems that were formed after the Second World War and that were canonised in the new level of Russian-American treaties in the 1970s'.[2] 'This process', he continued, 'is absolutely inevitable and is proceeding quite quickly . . . Russia feels uncomfortable in a situation where everything is collapsing and rapidly changing around it.'

From the perspective of the start of the twenty-first century, the 1970s may indeed seem like a heyday of power for Moscow. The Soviet Union was *the other* superpower, with global reach and unmatched military strength. The Cold War had become a system that enshrined the Soviet position in Europe and stabilised the strategic relationship with the United States. The new Russian Federation has good reason to be uncomfortable. Externally,

1. *Daily News Bulletin* (DNB), IPD (IPD), Ministry of Foreign Affairs (MID), Moscow, 25 September 2001, www.mid.ru.

2. Reported in *Nezavisimaya Gazeta* round-table discussion on Russia and the United States, 8 April 2002.

Russia has retreated from Europe, living with borders that had hitherto never existed and surrounded by weak states. Russia suffers the impact of financial and economic globalisation but without the global influence it could previously extend. Russia's demoralised armed forces remain embroiled in combat in Chechnya. The Russian leadership can only hope for the economy to reach that of a medium size European state.

When Putin spoke before the *Bundestag*, therefore, he did so as captain of a ship of state buffeted by weakness and uncertainty.

The terrorist attacks of 11 September 2001 changed everything, or so the story goes, and Putin moved to cooperate fully in the international coalition against terrorism. Certainly, Russia has cooperated. In 2001, in the Afghan theatre of war, Russia offered air corridors, shared intelligence with the United States and the United Kingdom, coordinated its activities with the Central Asian states of the former Soviet Union and provided tens of millions of dollars in military equipment and weapons to the Northern Alliance. The Russian government also welcomed (admittedly, with gritted teeth) the deployment of troops in the Central Asian states and the use of Central Asian air bases by the United States and its European allies. Closer to Russian borders, 2002 saw the launch of a US Train and Equip programme to support the development of the Georgian armed forces.

The scale of Russian movement has been remarkable since 11 September. The changes have marked a shift in Russian policy away from a previous pursuit of *multipolarity* that assumed that Russia was one of the world's 'poles' towards one that seeks Russia's alignment with the Euro-Atlantic 'pole'. Moscow's new approach is founded on a dispassionate recognition of Russia's weakness and a determination to concentrate on the revitalisation of the Russian state. In all the flurry, however, the origins of Russian shifts have been obscured. 11 September was an accelerator, not a turning point.

For Moscow, the 'moment of truth' occurred in 1999.[3] Internally, Russia's economy was still recovering from the crash of August 1998. The crash was financial, but its impact was systemic.[4] The collapse of the rouble confirmed for many Russians the futility of the reform path adopted by the Yeltsin governments throughout the 1990s. This realisation coincided with the destabilising prospects of approaching presidential elections in 2000. Moreover, armed Chechen groups had invaded the fragile Russian

3. The phrase was used across the political spectrum but was especially appreciated by the High Command; see, for example, interview with then Defence Minister Igor Sergeyev in *Krasnaya Zvezda*, 25 March 2000.

4. The term is used by Graeme P. Herd in *Russian-Baltic Relations*, 1991-1999: Characteristics and Evolution (Sandhurst: Conflict Studies Research Centre, RMA Sandhurst, August 1999).

Republic of Dagestan, raising the prospect of further unravelling of the North Caucasus. On the international level, 1999 was a watershed. Operation *Allied Force* in Kosovo confirmed Russia's worst fears about a deepening and enlarging North Atlantic Treaty Organisation (NATO). Moreover, renewed conflict in Chechnya left Russia isolated in Europe, its voting rights temporarily suspended in the Council of Europe and facing limited sanctions by the European Union (EU). In Washington, a new US administration on the verge of power considered Russia not so much as a partner as a problem to be managed.

Vladimir Putin drew five conclusions from this catalogue of failure. Firstly, the world was in flux. The rules of the international game created after the Second World War and during the Cold War were disappearing and new ones were being written *without* Russia's involvement. For Russia, NATO actions in Kosovo were more than bombing raids. They sounded the death knell of the Cold War as a system, in terms of the importance of international law and the United Nations (UN) Charter in international affairs and the primacy of state sovereignty. In addition, the most important trends in international relations at the start of the twenty-first century, in terms of economic and financial globalisation, European integration or the Revolution in Military Affairs, were advancing quickly and *independently* of Russia. Put bluntly, Russia's voice in the world no longer carried weight. This situation might have been acceptable had the world been a friendly place for Russia. It was not.

Secondly, the pursuit of multipolarity by the previous Foreign Minister and Prime Minister, Yevgeny Primakov, left Russia stranded in a no-man's land of international affairs. Primakov's insistence on continuing to believe in Russia as a distinct pole, *albeit* enfeebled, in the nascent post-Cold War system was shown to be a case of the emperor's new clothes. After his appointment in January 1996, Primakov sought to ensure Russian influence at all levels of security decision-making in Europe, including with NATO.[5] Kosovo shattered this policy: NATO undertook an 'aggressive' act without due regard to Russia or the UN Charter, and the OSCE was shown to be useless.[6] In the Russian view, Operation *Allied Force* not only left Russia on the periphery internationally, it weakened the domestic consensus forged under Primakov to engage openly in Europe. An article in the main organ of the Russian Ministry of Defence (MO), *Krasnaya Zvezda*, on

5. See author's 'Russia and the OSCE', in Mark Webber (ed.), *Russia and Europe: Confrontation or Co-operation?* (London: Macmillan and St Martin's Press, 2000); and 'Walking the Tightrope: The Kosovo Conflict and Russia in European Security', *European Security*, Issue 4, Volume 8, 2000.

6. A. V. Grushko, 'Russia-NATO Twenty Appears to be Working', *International Affairs* (Moscow), no. 7, 2002, reproduced in the DNB, IPD, MID., Moscow, 9 July 2002.

7. Colonel General Fyodor Ladygin, *Krasnaya Zvezda*, 7 May 1999.

7 May 1999 was suitably entitled 'March 24 – We Awoke in a Different World'.[7] Russia had to face the reality that it had no influence and that it was as isolated as Yugoslavia, without allies and facing a permanent NATO threat.

The third conclusion that Putin drew was that many past foreign policies had been a waste of energy, and, even more unpardonably, distractions from the primary task of revitalising the Russian state. In a speech to the Russian Ministry of Foreign Affairs (MID) in January 2001, Putin made a point that he has lost no opportunity repeating since: Russian foreign policy 'must enable us to concentrate efforts and resources as far as possible on addressing the social and economic tasks of the state'.[8] In his view, Russia had wasted too much energy seeking to block developments over which it had ultimately little control. Over-zealous objections to the first wave of NATO enlargement, for example, produced nothing except further isolation. Putin grasped the dangerous link between internal and external trends facing Russia, with external isolation reinforcing internal weakness, undermining the consensus on reform and strengthening radical political forces. This vicious circle had to be broken.

Flowing from the domestic focus in state policy, Putin's fourth conclusion was the need for a predictable and 'friendly' external environment. This objective required rethinking the order of priorities in foreign policy. Certain interests, whose pursuit had made international relations less predictable, were to be either moved to the back burner or abandoned altogether. Putin's choice has been to opt for greater *certainty* in international affairs. Igor Ivanov stressed this point in an interview to *Izvestiya* on 10 July 2002, when he declared that Russia's period of *uncertainty* in foreign policy was over: 'In the early 1990s, we were in a state of searching and shakiness, unclear whether to be with Europe or Asia or someone else.'[9] The 'shakiness' had come to an end, the foreign minister argued, with Russia now aligned with the West. Ivanov noted that external threats to Russia arose to the South and the East and *not* from the West.

The final conclusion was the need for pragmatism. As it is understood in Moscow, pragmatism signifies maintaining foreign policy strictly in line with state capabilities. Recognition of the need for compromise does not necessarily flow from this. Igor Ivanov described pragmatism as the search for the appropriate balance between 'the volume of international obligations of the

8. *DNB*, IPD, MID, Moscow, 29 January 2001.

9. *Izvestiya*, 10 July 2002; see discussion by Jeremy Bransten, RFE/RL, Prague, 11 July 2002, htt://www.rferl.org/nca/features/2002/07/11072002154656.asp.

state and the material resources with which these obligations have to be provided'. This is seen to dictate a policy of international engagement: in January 2001, Putin stated 'our strategic course is for integration'.[10] As a point of principle, Russia has no choice but to pursue integration: isolation would leave it on the sidelines of history and without influence over developments that are important to Russia's future. Alignment with Europe and the West, as the leaders in economic development and tone-setters of globalisation, is a particular priority.

Russia's current leadership draws inspiration from the policy pursued by Prince Aleksandr M. Gorchakov following Russia's Crimean defeat in 1856. Writing in late 1998, Igor Ivanov stated:

> The Crimean War left Russia not merely defeated but humiliated: she was facing nearly all the great empires united against her. The Russian empire was on the brink of sliding from its Great Power status into an abyss of a second-rate power. Today, for different reasons, our country is looking into a similar abyss.[11]

In another article, Ivanov identified two specific principles that guided Gorchakov: 'Remove anything that might disturb work in the area of reform', and 'prevent the political equilibrium being upset during this time to our detriment'.[12] These remain guiding points for contemporary Russian foreign policy.

Putin's strategy of alignment, thus, is a response to change, and the pace of change, in world affairs. In Ivanov's words, 'In the new fast-changing world, experiencing the complex process of formation of the principles of its future pattern, for contemporary Russia it is important, perhaps even more than previously, to remain in the centre of world politics.'[13] The lesson drawn from the 1990s was that isolation was dangerous for two reasons: firstly, it undermined the domestic consensus on reform, and, secondly, it closed down channels of international support to Russia. Instead of seeking to obstruct international developments, in particular those that were seen as inevitable, Putin proposed tying Russia to them, in order to avoid being left behind or having to accept imposed decisions. The solution is seen to lie in Russia's 'active participation in international organisations, and in regional integration structures and the dynamic evolution of bilateral ties'.[14]

At the same time, Russian policy remains riddled with ambiguity. The first line of tension concerns the European/American axis.

10. *DNB*, IPD, MID, Moscow, 29 January 2001.

11. See series of articles under the title 'Honoring Prince Gorchakov', in *International Affairs* (Moscow), vol. 45, no. 1, 1999, pp. 154-66; also articles by Primakov in *International Affairs* (Moscow), vol. 44, no. 3, 1998; and Ivanov in *International Affairs* (Moscow), vol. 42, no. 2, 1996. It is not coincidental that Igor Ivanov awarded the A. M. Gorchakov Commemorative Medal to Primakov in April 2001 for 'outstanding services in strengthening peace and the promotion of international cooperation'.

12. *Mezhdunarodnaya Zhizn*, June 2002, reproduced in *DNB*, IPD, MID, Moscow, 28 June 2002.

13. Ibid.

14. Ibid.

Soviet strategy traditionally sought to drive a wedge between Western Europe and the United States, in order to best advance Soviet interests by preventing a united front and by playing one adversary off against the other. While never dominant in Soviet policy, wedge-driving was a constant vein in thinking. Following 11 September, serious differences have arisen between the United States and Europe in terms of interests, ambitions and policies. This rift has offered Russia the opportunity, if not to choose one part of the Euro-Atlantic community over the other – something for which it has neither the desire nor the stomach – then at least to play off internal divisions to its advantage. All the more so, as Russia positions itself closer to the United States in the counter-terrorist struggle than most European states. In the final account, Russia cannot and will not ignore Europe. However, Moscow is more than willing to maintain a dose of ambiguity in its strategy.

A related element of ambiguity concerns the balance between NATO and ESDP. The Russian government is well aware of the nascent status of ESDP. Nor can Moscow ignore the reality that ESDP has secured access to NATO assets, and that there is significant overlap between EU and NATO members. However, from a wedge-driving perspective, ESDP matters for Russia partly also because it is European and not associated with the United States. While this view is no longer predominant, it remains a strong current of Russian thinking.

Another line of ambiguity consists of the balance between multilateralism and unilateralism in Russian policy. Since the end of the Cold War, Russia has become a staunch conservative in its vision of the UN in international peace and security. For Moscow, the Security Council does more than provide Russia with a veto, it symbolises the notion of great power multilateralism. The Security Council is the last guarantor against *diktat* (the Russian term) and unilateral aggression. Given Russia's extreme weakness, this function of the UN is vital.

The surge of American unilateralism is seen to challenge the primacy of the UN. Russia condemns any attempt to bypass the Security Council in decisions on the use of force in international peace and security. At the same time, Moscow sees advantages to be gained by following in the wake of the United States in rewriting some of the rules of the international system. Putin's letter to the UN and the OSCE on 12 September 2002, threatening Russian pre-emptive strikes against its southern neighbour Georgia for

harbouring Chechen terrorist groups, smacked of this. If the United States could redefine the notion of self-defence to include the right of pre-emption, even when not faced with an immediate threat, then so would Russia. While a staunch supporter of the UN system, an instinct of unilateralism lurks in Russian thinking.

Putin's policy has limits: the aim is not to become a member of the Euro-Atlantic community or to merge Russia with it, but simply to align Russia with the most powerful group of states in international affairs. Russia does not seek membership of NATO or the EU but the greatest possible advantages of the closest possible association with them. In fact, Moscow rejects membership because this would allow NATO and the EU, and their member states, leverage over Russia. Alignment, thus, requires strong hands at the helm to steer Russia towards association without moving so close as to become vulnerable to leverage.

Russia's strategic alignment has three attributes. Firstly, Russian policy has an active institutional focus. The United Nations system resides at the heart of Russia's vision of post-Cold War international relations. In contrast to Primakov's tous azimuths approach to institutions, however, Putin displays less institutional fetishism. The OSCE has fallen by the wayside, while the EU has gained in importance as a potential interlocutor on security questions. Secondly, bilateral ties with key states have assumed salience under Putin. In Europe, close relations have developed with the British and German governments, and later with the French leadership. Initially faced with an Administration in Washington that proposed to neglect Russia altogether, Putin has sought to forge close personal ties with George W. Bush. The institutional and bilateral strands are joined in Russian policy, each having specific significance in itself and wider importance in influencing the other. The third attribute is its style. From his first days as prime minister in 1999, Putin has devoted care to image. After the scandals of the Bank of New York in 1999, which cast shadows over Russia's reputation, Putin's businesslike focus contrasts well with the flightiness that sometimes seized Russian politicians. Primakov turning his aeroplane around in mid-flight to Washington at the start of the Kosovo crisis was a case in point. Putin's response to the start of the US Train and Equip programme in Georgia was emblematic: 'This is no tragedy'.[15] Putin's calm towards seemingly radical shifts serves to downplay their potentially negative impact on Russian public opinion. His poise

15. *DNB*, IPD, MID, Moscow, 4 March 2002.

also highlights a new system of priorities in foreign policy in which threats are to be distinguished from risks.

The terrorist attacks on the United States offered Putin an opportunity to accelerate Russian alignment. In fact, 11 September left Putin no choice. There were four immediate factors driving Putin's address on 24 September announcing cooperation. Firstly, Putin noted that Russia had been fighting international terrorism alone throughout the 1990s. It was only natural, therefore, to participate in the new phase of the struggle. Secondly, Putin realised that neutrality would be dangerous. The American response portrayed a Manichean world of 'friendly' states that participated in the struggle and 'unfriendly' states that did not, with no middle ground. Neutrality would mean isolation, with all the dangers this would entail for Russia's transformation. In any case, Kosovo had shown that there was little Moscow could do to halt the inevitable.

Thirdly, 'international terrorism' has proved an excellent aide for Russian purposes. The inherent vagueness of the concept has provided Russia (and other states) with room to instrumentalise the 'war' for more narrow state interests. Specifically, Russia has moved to characterise its struggle to restore 'constitutional order' in Chechnya as another front in the 'war.' While Putin has rejected George W. Bush's notion of an 'axis of evil', he accepted the broad point that 'from the Balkans to the Philippines a certain arc of instability has emerged'.[16]

Finally, many Russian analyses noted the paradoxical implications of 11 September on America. The attacks highlighted the dramatic vulnerability of the United States, with the rise of new globalised threats. At the same time, American policies since have done nothing but underline the country's unparalleled power. America's perception of its own strength was reinforced by the speed of its success in toppling the Taliban regime in Afghanistan, an event that took Russia by surprise.[17] These developments have clarified for Russia one of the main trends in the new era: the world may be multipolar but there is only one hyperpower.

Russian policy shifts since 11 September, therefore, while unprecedented in scale, have had clear antecedents in substance. Putin has sought to exploit the new coalition against international terrorism as a channel to align Russia with the most important Euro-Atlantic institutions and with key states. In May 2002, Igor Ivanov stated: 'After the September 11 events of last year came a sharp acceleration in the formation of a new system of

16. Interview on Greek television, Moscow, 5 December 2001, reported in *DNB*, IPD, MID, Moscow, 6 December 2001.

17. Alexei Arbatov, *Nezavisimaya Gazeta*, 26 December 2001.

international relations . . . It is crucial that Russia is not somewhere on the sidelines of this process but plays an active, initiative-laden role, relying on its ever broader range of associates and partners.'[18] Putin's foreign policy, thus, reflects a vision of Russia that is both withstanding the effects of international change and seeking to catalyse change in directions that sustain Russian power.

Russia and the European Union

The EU is an important strand in the 'Putin Doctrine'.[19] Looking across the Continent with a cold eye, Putin has recognised the reality of the EU not as a pole opposed to the United States, as Russian politicians and analysts often saw it previously, but as a powerful and independent part of the *same* Euro-Atlantic community. Russian policy has started to move away from viewing the EU in terms that are purely functional to NATO and the United States. to recognise the EU as an organisation in its own right, with significant international impact and posing specific challenges for Russia.

At the same time, Russian perceptions of the EU are riddled with ambiguity. The EU is Russia's main trading partner. According to the EU, the Union accounted for nearly 25 per cent (close to €20 billion) of Russia's imports and some 35 per cent (€45 billion) of Russia's exports.[20] The scale of trade imparts strategic importance to the EU as a key economic interlocutor for Russia. At the same time, the relationship is unbalanced, with Russia's share of EU external trade in 2000 standing at only 4.4 per cent of imports and 2.1 per cent of exports.[21]

With enlargement, the importance of the EU for Russia will rise to even greater levels, assuming around 50 per cent of trade turnover. Moscow is worried about the implications of such marked dependence. In November 2000, Putin stated: 'We have no apprehensions about the expansion of Europe . . . we only think that this process should not hurt either our relations with present united Europe or our relations with our traditional partners in Eastern and Central Europe.'[22] In 2002, the negotiations with Brussels on transit to and from Russia's Kaliningrad Oblast, an exclave of some 900,000 people beyond Russia's borders and soon

18. 'Russia's Potential is Called for in the World', *Kommersant*, May 22, 2002, reproduced in *DNB*, IPD, MID, Moscow, 22 May 2002.

19. Many Russian commentators have used the term; see, for example, Sergei Mironov in *Izvestiya*, no. 97, June 2002, reported in *CDI Russia Weekly*, no. 210, 2002.

20. 'The EU's Relations with Russia: EU-Russian Trade', updated May 2002, http://wwww.europa.eu.int/comm/external_relations/russia/intro/trade.htm.

21. Ibid.

22. Putin interview with French media, 23 October 2000, *DNB*, IPD, MID, Moscow, 1 November 2000.

to be surrounded by EU members, Poland and Lithuania, symbolised Russia's concerns with the distinctly ambiguous effects of enlargement. After years of seeming neglect, Moscow woke up to the urgency of the question in 2002, with its statements about violations of the fundamental human right of freedom of movement within one's country (in this case between Kaliningrad and Russia proper), Brussels's inability to understand the sharp impact of the question in Russia and unwillingness to compromise with legitimate Russian concerns. Moscow's tone was full of high rhetoric – new 'walls' were being erected across Europe – and not a little menace – 'conclusions' were going to be drawn by Moscow if Brussels did not listen. In the end, both parties compromised – Moscow on substance, Brussels on form – with the Commission's Communication in September 2002 on means to 'facilitate' transit for Russian citizens to and from Kaliningrad, paving the way for a Joint Statement at the EU-Russia summit in November.[23]

Moreover, deepening inside the EU is seen by Russia as strengthening the Union as an actor on the international stage. The lacklustre statement in the Russian Foreign Policy Concept of 2000, which said that the 'EU's emerging political-military dimension should become an object of particular attention', belied an increasing interest in the EU's CFSP and ESDP.[24] In late 2001, Putin stated: 'The point is that all relevant actions [on ESDP] should be absolutely transparent. These processes are occurring in Europe regardless of whether Russia wants this or not. We are not going to hinder these processes or encourage them or spur them on. But we are ready for cooperation.'[25] This statement highlights the essence of Putin's approach. Moscow recognises that it does not control dynamic forces in Europe. In response, it seeks to align Russia *with* these forces and not against them.

Further ambiguity lies in the balance between the Russia and the EU as *demandeurs* in the relationship. The Russian government has recognised the potentially powerful and independent role the EU is acquiring in world affairs. From this conclusion flows Russia's insistence on developing close ties. At the same time, Russia views the EU as needing *Russia* in order to become a truly great power. Putin's speech to the *Bundestag* in September 2002 carried a hint of this: 'However, I simply think that . . . Europe will better consolidate its reputation as a powerful and really independent

23. *Kaliningrad: Transit* (Communication from the Commission to the Council COM(2002)510Final, Brussels, 18.9.2002), and *Joint Statement on Transit between the Kaliningrad Region and the Rest of the Russian Federation* (Brussels, 11 November, 2002); http://www. europa.eu.int/comm/external_relations/russia/summit_11_02/js_kalin.htm.

24. *Foreign Policy Concept of the Russian Federation*, 28 June 2000, www.mid.ru.

25. Press conference with Tony Blair in Moscow, 21 November 2001, *DNB*, IPD, MID, Moscow, 24 November 2001.

centre of international politics if it combines its own possibilities with Russia's human, territorial and natural resources, with Russia's economic, cultural and defence potential.'[26]

Building close relations with the EU is seen to tie Russia more firmly into the Euro-Atlantic community. At the same time, relations with the EU are functional to the primary task of internal revitalisation. This means Russia does not propose to become a EU member. Putin rejects the constraints such a choice would impose on domestic policy, not only in the economic sphere but also towards Chechnya. In January 2001, Putin clearly set out the limits of Russia's horizons: 'We do not at present set [ourselves] the task of becoming a member of the EU but we must seek to dramatically improve the effectiveness of cooperation and its quality.'[27]

Russia's turn to Europe presents the EU with a series of challenges. Firstly, the EU faces the problem of developing an appropriate security relationship with Russia that advances both parties' interests. The difficulty lies in determining which are interests shared by Russia and the EU. The second challenge concerns the EU's eastward enlargement, a process that has a double effect on Russia. On the one hand, the EU's notion of 'Europe' will be brought much closer to Russia. At the same time, Russia will move further away from Europe in terms of membership of its most exclusive club. EU enlargement presents Brussels with the need for an active security relationship with Moscow, as Russia's political weight on the EU's new border is undeniable. The EU will need to work with Russia in this shared border zone.

Thirdly, the EU faces the challenge of seizing an opportunity. Russia remains a prickly partner for Europe, at times confused and confusing, certainly always defensive. None the less, Putin's Russia offers an opportunity to be grasped. Under Putin, the new Russia, born in the Soviet collapse, has never been so predictable or so pragmatic in its relations with Europe and the West. With the EU's interests moving eastwards, Brussels must exploit the chance of locking in a tighter security link with Russia. The climate is propitious for this; it may not remain so.

26. *DNB*, IPD, MID, Moscow, 25 September 2001.

27. *DNB*, IPD, MID, Moscow, 29 January 2001.

Structure of argument

Russia poses both positive and negative challenges to Europe. At the positive level, Russia matters for the EU as a source of energy, representing over 15% of fuel provisions. European dependence on Russian oil and gas will only increase. Moreover, since the end of the Cold War, Russia has provided added value to European diplomacy. Often, as with the Russia/EU/US/UN 'Quartet' on the Middle East, Russia's role is quite passive. Its presence is important largely because it contributes to the image of international consensus on a particular question. In other crises, Russia has played a more active part. Moscow's key role during the Kosovo crisis is a case in point. At a wider level, Russia may be a major security partner for Europe. In the areas of non-proliferation and combating organised crime, for example, Russian cooperation brings significant added value to European security.

Russia is also a source of challenges, posing a spectrum of risks stretching from the humanitarian spillover from conflicts inside Russian to the use of Russian territory by international criminal organisations. As noted in the *Country Strategy Paper 2000-2006*, drafted by the Commission, 'soft security threats from Russia are a serious concern for the EU and require continued engagement – nuclear safety, the fight against crime, including drug trafficking and illegal immigration, the spread of disease and environmental pollution.'[28]

Three years into the Putin presidency, it is vitally important to take stock of Russia's new European policy. This *Chaillot Paper* examines Putin's policy of strategic alignment with key states and security institutions of the Euro-Atlantic community. The heart of the argument lies in the EU-Russian political dialogue, and specifically, ESDP.[29]

The paper is divided into four chapters. The first examines aspects of decision-making in Moscow and explores further the conceptual premises driving Putin's foreign policy. The second chapter analyses Russian policy towards international institutions, specifically the UN, NATO and the OSCE, as well as key states, with a view to elucidating the scope of change in Russian

28. *Country Strategy Paper 2000-2006, National Indicative Programme, 2002-2003, Russian Federation* (Brussels: European Commission, 27 December 2001).

29. The focus of the argument will not carry on a number of related topics, some of which have been extensively analysed, such as the troubling question of the Russian Kaliningrad Oblast. See Sander Huisman, 'A new EU policy for Kaliningrad', *Occasional Paper 33* (Paris: EU Institute for Security Studies, March 2002).

policy. Russian-EU security relations, indeed, are best understood as one strand of this wider approach. The third chapter explores the EU-Russia political dialogue, starting with the relationship before Putin and finishing with a discussion of the range of challenges facing the EU-Russia 'strategic partnership'. Finally, the paper looks at how the EU-Russia security dialogue might be taken further by focusing on questions of concern to both Brussels and Moscow, such as peace support operations, non-proliferation and military reform. The final chapter raises also the need for a high-level institutional mechanism to lead a security dialogue, which is for the moment dispersed and irregular. In the Annex a case study of a possible joint EU-Russia approach to the conflict in Moldova is developed.

1

Drivers of Russian policy

Compared with the Yeltsin era, foreign policy under Putin has reflected an unprecedented degree of coordination. This 'concentration' rests on two pillars.[30] The first consists of greater coordination in decision-making in Moscow. Given the confusion that characterised the Yeltsin era, this is a not insignificant factor affecting Russia's interaction with Europe. The second pillar is a consensus on the basic premises of foreign policy and the nature of international relations. The foundations of Russian policy must be clarified before discussing its substantive directions.

Decision-making concentration

Foreign policy under Putin has profited from a strong degree of decision-making coordination. Article 86 of the 1993 Russian Constitution enshrines foreign policy as an area of presidential prerogative.[31] This Constitution marked the end of the struggle for power between the President and the Congress of Peoples' Deputies. It had little effect, however, on attenuating decision-making clashes *within* the executive. Moreover, Yeltsin's sporadic attention to foreign policy and increasing bouts of illness left the system in disarray. Speaking in 1995, Vladimir Averchev, then Secretary of the Duma's International Affairs Committee, stated:

> Formally, the president is the focal point of an elaborate network of units and positions intended to provide information, support and coordination for making and implementing major security decisions . . . In practice, this network lacks clarity in terms of authority, subordination and procedural coordination.[32]

Russian foreign policy between 1993 and 1996, ending with the first presidential elections, was characterised by inconsistency. The MID had been given a coordinating role by Yeltsin but was

30. The notion of 'concentration' in Russian foreign policy is a reference to a well-known statement by Gorchakov: 'Russia is neither angry nor withdrawing, Russia is concentrating.'

31. http://www.constitution.ru/index.htm.

32. Cited in Stephen Blank, *The OSCE's Code of Conduct and Civil-Military Relations in Russia* (Sandhurst: Conflict Studies Research Centre, RMA Sandhurst (henceforth CSRC), November 1995), p. 6.

prevented from assuming this position as a result of three factors: firstly, the political weakness of the then foreign minister, Andrei Kozyrev; secondly, episodic attention from the president himself; and finally, the challenge from the defence ministry (MO) under Pavel Grachev to lead Russian security policy. By late 1995, the MID had been largely sidelined to the role of implementing policy rather than formulating it.[33]

Yevgeny Primakov's appointment as foreign minister in 1996 marked a shift towards greater coordination and consistency. A well-respected and long-experienced politician, Primakov quickly gained support from across the political spectrum for a policy of engagement. His appointment also coincided with the dismissal of Grachev and the withdrawal of the MO from active involvement in foreign policy. Reeling from the first war in Chechnya, the MO turned to housekeeping and the task of military reform. In these circumstances, Primakov moved to establish the MID as the central player.

Russian foreign policy stagnated in the period between the 1998 crash and the presidential elections in 2000. Since then, however, Vladimir Putin has lent unparalleled consistency to decision-making. For the first time, foreign policy has become truly presidential. In the words of one Russian analyst: 'The question about the driving force of Russia's policy mostly boils down to Putin's personal motivations and purposes.'[34] The President has assumed a unique degree of control, leading from the front in all of Russia's foreign policy changes of direction since 2000. The decision to provide support to the United States following the terrorist attacks of 11 September was taken by Putin himself with a small group of advisers in the Presidential Administration and a few trusted ministers.[35] In crisis moments, Putin has shied away from making use of such decision-making bodies as Russia's Security Council, preferring to build a consensus with a smaller and tighter group rather than in a much larger and formal setting.

Foreign policy has reflected the general pattern of personnel policy under Putin, bringing together a mixture of former Yeltsin officials and close associates of the President from St Petersburg and the power structures, especially the secret services.[36] Former Secretary of the Security Council and current Defence Minister, Sergei Ivanov, combines both of these latter attributes. On the basis of a close personal relationship with Putin, Sergei Ivanov initially bolstered the role of the Security Council.[37] Putin's past

33. For a more full discussion, see the author's *Russian Peacekeeping Strategies towards the CIS* (London: Palgrave in association with the RIIA, 2000).

34. Dmitry Glinsky-Vasliyev, from IMEMO, 'The Myth of the New Détente: The Roots of Putin's Pro-US Policy', *PONARS Policy Memo* no. 239, December 2001, p. 2.

35. On the role of these two bodies, see Mark A. Smith, *Putin's Power Bases* (Sandhurst: CSRC, June 2001).

36. See Gregory Feifer, 'Putin's Foreign Policy as a Private Affair', *Moscow Times*, 12 April 2002.

37. See Sergei Ivanov interview on the role of the Security Council, *DNB*, IPD, MID, Moscow, 29 November 2000; and *Nezavisimaya Gazeta*, 29 November 2000.

experience as Secretary of the Security Council also strengthened its role in policy formulation and decision-making.[38] Then, in March 2001, Putin reshuffled the Government, transferring Ivanov to the MO and Vladimir Rushalio to the Security Council. The central position of the Security Council has weakened as a result.

Russian policy towards the EU has followed a similar trend. Putin has played a prominent role during the twice-yearly Russia-EU summits. He has also used his personal ties with other European leaders to advance Russia's case on EU questions. Given the technical nature of much Russia-EU interaction, Putin has also sought a greater role for the Russian government, exemplified in his creation of a Russian Inter-Ministerial Commission for Cooperation with the EU in 2000, directed by Deputy Prime Minister, Viktor Khristenko.[39]

Russian foreign policy has not been exempt from inconsistency. Since his appointment as Defence Minister, Sergei Ivanov has made quite a few statements which have seemed to counter the more moderate views put forth by the President. Ivanov, parachuted into the MO, may be adopting such positions in order to strengthen his position with the Russian High Command, an unreservedly conservative institution. Some of these 'differences', however, may be more wilful than not. Sergei Karaganov has argued: 'Eighty per cent of such cases reflect a policy of good cop-bad cop. The rest are the result of incompetence.'[40]

However controlled the differences may be, Putin has acquired an unprecedented degree of autonomy in foreign policy. Dmitry Trenin has argued that several factors underpin his control.[41] Firstly, Putin's approval ratings have remained consistently high, providing him with a cushion of comfort. Also, foreign policy issues only temporarily impinge as vital issues of the day for the Russian public. Putin has also sought greater control over Russia's television and press, decreasing the power of the so-called 'oligarchs'. In addition, Putin's policies have received substantial support from segments of Russia's business elite. Finally, no substantial foreign policy alternative to Putin's foreign policy has been articulated. This does not mean that there is no opposition to Putin's course; simply, the opposition has no significant alternative vision or figure around which to organise.[42]

These circumstances do not mean that Putin is invulnerable. Quite the contrary: leading from the front, Putin has tied his fate

38. See discussion in Carolina Vendil, 'The Russia Security Council', *European Security*, vol. 10, no. 2, Summer 2001, pp. 67-94.

39. For further details, see Decree 804, *DNB*, IPD, MID, Moscow, 12 October 2000.

40. Cited by Gregory Feifer, *Moscow Times*, 12 April 2002.

41. Dmitry Trenin, 'Putin's "New Course" is Now Firmly Set: What Next?' *Moscow Carnegie Center Briefing*, Issue 6, June 2002.

42. Dmitry Furman of the Institute of Europe argued more strongly that there was no 'substantial and open opposition to the new course among the political establishment' in 'Putin's Doctrine', *Vremya MN*, 25 July 2002, reproduced in *Johnson's Russia List*, no. 6370, 2002.

to the policies undertaken. Moreover, as Trenin has noted, Russia's vast bureaucracy, and especially the MID, remains a largely sullen obstacle to reform. None the less, this is a unique moment in post-Soviet Russian foreign policy.

Conceptual consensus: weakness, change and engagement

The conceptual consensus behind Russian foreign policy consists of three points. Firstly, policy is driven by recognition of weakness. The Russian Federation is not without a number of areas of residual strength that allow it to retain a degree of influence over developments in international affairs. At the most basic level, Russia's geographic size imparts to Moscow if not the ability then at least the right to voice its opinion on European, Caucasian, Central Asian and Asian affairs. Most prominently, Russia remains a resource-rich country, even briefly becoming the world's first oil producer in 2003. With rising instability in the Middle East and consequent shifts in American thinking, energy resources provide Russia with a long-term and stable venue of profit as well as influence in a critically important area of the international political economy. In military terms, Russia inherited the poisoned chalice of the massive Soviet military and military-industrial system. While this has largely collapsed and atomised as a sector, there are areas where Russian equipment remain highly competitive. Of course, Russia inherited the USSR's stockpile of tactical and strategic nuclear weapons, an inheritance that has become less important in purely military/deterrence terms and more important in political terms as justification for quasi-permanent discussions with the United States. In addition, Russia retains forward military positions throughout the former Soviet Union, which provide it with elements of strategic early warning and power projection at least in its immediate geographical vicinity.

These residual traits of strength are not insignificant. However, the reality of the last decade is that of extreme weakness, internally and externally. Even more important than this reality is the perception of it. Throughout much of the 1990s, Russia vacillated between recognising weakness and acting accordingly (sometimes abjectly), and ignoring it in gestures of bluff and bluster. This has changed under Putin.

The 'National Security Concept of the Russian Federation,' approved in December 1999, marked a key step in Russian thinking. Previous official documents and thinking took note of the internal problems facing Russia but were dedicated to exploring the range of external threats. The 1999 Concept was blunt about the real nature of threat. A decade of inconclusive reform, the document argued, had resulted in 'inadequate organisation of state power and civil society, socio-political polarisation of Russian society . . . the weakening of the system of state regulation and control, an inadequate legal base and the absence of a strong state policy in the social sphere.'[43] At the start of the twenty-first century, Russia faced a multilevel social, economic, demographic/health and political crisis. In response, the Concept insisted that the main task was the pursuit of 'economic revival', which would occur by strengthening the state in regulating the economy and society and restoring a powerful constitutional regime across the Russian Federation. Vladimir Rushailo, Secretary of the Russian Security Council, made the point clear: 'We can't overlook external threats; they demand close attention. But counteracting internal threats undoubtedly takes priority.'[44]

In response, Putin has concentrated on strengthening the state as the centre of gravity of Russian reform. Putin's emphasis on creating a 'dictatorship of law', a feature of his election campaign in 2000, is best understood as a centralising, statist reflex. The creation of seven federal districts in May 2000, layered above the republic/region system and staffed mainly by former members of the 'power' ministries, is another case in point. Putin inherited a weak state which was characterised by enfeebled federalism with varying levels of autonomy that undermined Russia as a unified space and rendered the conduct of reform difficult.

Chechnya brought all of these problems together. The incursions of Chechen groups into Dagestan in August 1999, followed by a series of bombs laid in Russian cities, were striking signals of weakness. In Russian security thinking, the North Caucasus is linked with the rest of the country in a tightly woven 'security complex'. A further weakening of central power in that region, therefore, would echo throughout the entire Federation. In Putin's view, the Chechen problem could no longer be contained. It had to be uprooted and destroyed, and the price paid in so doing would not be more than the threat that separatist Chechnya posed to the

43. 'National Security Concept of the Russian Federation,' Decree no. 1300 of 17 December 1999; *Rossiskaya Gazeta*, 18 January 2000.

44. Interview in *Izvestiya*, 21 July 2001.

Russian state. In Putin's words: 'If we retreat today, they will come back tomorrow . . . By localising the conflict, we will drive them into caves. That is exactly where they belong. And we will destroy them in those caves.'[45] The second Chechen war was more than a ticket for Putin to win the presidential elections in March 2000. The Russian Federation had never looked so weak as it did in August 1999; for Putin, Russia's rebirth was to start in Chechnya

In parallel, Putin has launched a wider reform programme, encompassing reform of the federal system, simplification of the tax code, measures to ease the return of billions of dollars from abroad, as well as some movement on land ownership and the labour code.[46] Military reform has been an important, if disappointing, plank of Putin's programme. Although it remains confidential, its main lines are clear. The plan focuses on the professionalisation of the armed forces by 2010, a switch to simply three services (ground, air and naval forces) with the reorganisation of the Strategic Rocket Forces and emphasis on strengthening the Ground Forces, and reform of the military district system.[47] More broadly, Putin has set the strategic objective of accelerating Russia's accession to the World Trade Organisation (WTO).[48]

The Russian economy recovered quickly after the 1998 collapse, and Russia has since achieved sustained growth rates. However, much of the recovery has been driven by import substitution resulting from a weak rouble and high energy exports. The Russian economy remains perilously fragile, with falling growth rates in 2002. Moreover, significant obstacles remain before accession to the WTO, including reform of the banking sector and the question of intellectual property rights. The main repayment period for Russia's debt to the Paris Club ($36 billion) lies between 2003 and 2005, marking these as the heaviest years. On top of these immediate concerns, long-term structural weaknesses have not disappeared.

The Russian leadership is vulnerable and fearful. Putin's first Address to the Nation was illuminating in its honesty:

> For several years now the population of the country has been diminishing by an average of 750,000 a year. To believe forecasts – and they are based on the real work of those who know what they are doing and have devoted their life to this research – the population of Russia could dwindle by 22 million in 15 years. Please, think about it. A seventh part of the national population. If the current

45. Interview in *Vremya MN*, reported by Federal News Service, 27 September 1999, *BBC Summary of World Broadcasts* (SU), SU/3651, B/1-3.

46. For a succinct summary, see Nikolai Petrov, 'Politicization versus Democratization: 20 Months of Putin's "Federal" Reform', *PONARS Policy Memo* no. 241, 25 January 2002.

47. See, for example, the interview with Sergei Ivanov in *Krasnaya Zvezda*, 10 August 2001, reproduced in DNB, IPD, MID, Moscow, 10 August 2001.

48. See discussion in Randall Stone, 'Russia and the World Trade Organization', *PONARS Policy Memo* no. 233, 25 January 2002.

> trend persists, the nation's survival will be threatened. We are facing a real threat of becoming an ageing nation . . . Another serious and persisting problem is the economic weakness of Russia. The growing gap between industrialised countries and Russia is pushing us into the ranks of Third World countries.[49]

Putin has lost few opportunities since of reiterating that the main task of state policy is 'to ensure economic growth and higher living standards'.[50] The corollary of this, according to Putin, follows logically: 'One cannot achieve it [growth] without creating a favourable political environment around Russia.' It is interesting to note that Putin has evoked de Gaulle and Erhard as 'models' of statesmanship, and as leaders who, in his view, dedicated themselves to getting their country 'back on its feet.'[51] Weakness is the fundamental factor conditioning Russian policy.

The second point of consensus is that, despite all earlier declarations, the Cold War came to an end in 1999 with NATO's actions in Kosovo. The Cold War, as a system regulated by certain rules of behaviour and codes of interaction between states, was shattered. In Moscow's view, the air campaign undermined respect for the sovereignty and territorial integrity of states and the limitations on the use of force which lie at the heart of the UN Charter. NATO operations also undermined the post-1989 consensus on the need to forge consensus in the Security Council on important issues of peace and security. NATO actions left 'lying in ruins the foundations of international law and political trust which seemed so firm only yesterday'.[52]

Left standing amidst the rubble are certain realities of a nascent system. The first is the rise of the United States as the 'new goliath'.[53]

In a typically dialectic vision, the Russian leadership has concluded that international affairs are caught between two trends, the first characterised by the rise of US unipolarity and the second featuring the existence of multiple poles of power in the world.

The 'Foreign Policy Concept of the Russian Federation', approved by Putin shortly after his election in 2000, was unequivocal. A new challenge to Russia, the Concept noted, was 'a growing trend towards the establishment of a unipolar structure of the world with the economic and power domination of the United States'.[54] The Concept drew attention to the emergence of dangerous new concepts that belittle the role of the sovereign state,

49. Reproduced by RIA Novosti, 8 July 2000. According to the *CIA World Factbook 2002*, life expectancy for Russian women was approximately 72 years, while for men it had fallen to 62; http://www.cia.gov/cia/publications/factbook/geos/rs.html#People.

50. See Putin statement on Reuters report, 17 April 2002, reproduced on *Johnson's Russia List*, no. 6173, 2002.

51. Interview with *The Wall Street Journal*, 11 February 2002.

52. See Aleksandr Matveyev, 'Washington's Claims to World Leadership', *International Affairs* (Moscow), no, 5, 1999.

53. Ibid.

54. 'The Foreign Policy Concept of the Russian Federation', 28 June 2000, www.mid.ru (source for all subsequent citations).

undermine the norm of non-intervention in the affairs of other states and violate the UN Charter. The Concept was blunt: 'Attempts to introduce into the international parlance such concepts as "humanitarian intervention" and "limited sovereignty" in order to justify unilateral power actions bypassing the UN Security Council are not acceptable.' According to Ivanov, the concept of humanitarian intervention was illegal, dreamt up to provide a veneer of legitimacy to blatant violations of international norms.[55]

Russia's isolation during the Kosovo crisis magnified the wider reality that Russia stood on the sidelines of international affairs. The Revolution in Military Affairs, economic and financial globalisation, the increasing role played by international economic and financial institutions, deepening regional integration processes – Russia was not subject but object to these trends. In his book *The New Russian Diplomacy*, Igor Ivanov argued that 'the international community has crossed the threshold into a new millennium on the wave of a veritable explosion that is transforming all facets of life and human endeavour . . . In the area of international relations we now seem more akin to the Ancient Mariner sailing forth to discover new lands.'[56] The future was full of uncertainty: 'We still do not have a clear idea what will be the security model on our continent in ten to fifteen years.'[57] This uncertainty combined with a sense of lack of control to produce deep anxiety in Moscow.

Not only were global trends occurring independently of Russia, they were impacting negatively on Russia. The 2000 Foreign Policy Concept noted: 'Along with additional possibilities for socio-economic progress, the expansion of human contacts, this tendency gives rise to new dangers, especially for economically weak states, and increases the probability of large-scale financial and economic crises.' Russia's internal weaknesses exacerbated its vulnerability to the negative effects of globalisation. The financial collapse of 1998 and the subsequent economic meltdown were seen to result from this dilemma. Clearly, Russia's voice no longer carried in the world.

Thus, on the eve of the presidential elections in 2000, Russia was caught in a cycle of overlapping internal and external trends. Russia's domestic problems weakened its ability to channel positively the effects of globalisation and to promote Russian interests

55. See, for example, article by Ivanov in *Nezavisimaya Gazeta Diplomatic Courier*, no. 5, March 2000, reproduced in *FSU 15 Nations: Policy and Security*, March 2000, p. 23.

56. I. Ivanov, *The New Russian Diplomacy* (Washington DC: The Nixon Center and Brookings Institute Press, 2002), p. 5.

57. Speech to the Russian International Studies Association, 20 April 2001, reported in *DNB*, IPD, MID, Moscow, 23 April 2001.

on the international stage. In turn, Russia's international isolation exacerbated its internal problems. Putin inherited a state that was spiralling towards catastrophe.

As Igor Ivanov noted, the process of globalisation could not be 'outlawed' by Russia, nor could Russia 'alter its strategic course towards economic openness and full integration'.[58] However, Russia was to seek to 'lend civility' to these external trends. This required Russia to align itself into the major regional and international organisations, and most importantly with the Euro-Atlantic community. The third basic premise in Russian foreign policy is that only engagement would allow Russia to develop an international climate favourable to the pursuit of domestic reform. The overall aim is to pull Russia out of a limbo in international affairs. In the words of Sergei Karaganov, Putin's foreign policy seeks to 'enable Russia to get out of the no-man's land it found itself in after the Cold War as a semi-partner semi-enemy of the West.'[59] In 2000, Russia stood on the periphery of world affairs, with few allies, little sympathy and dwindling sources of support. In response, as Putin argued: 'From a country that used to be an antagonist or enemy of most of the world's industrialised nations, Russian should become a partner.'[60]

Much Russian expert analysis has argued that Russian interests coincide largely with those of the West, whereas the main threats originate from the south and the east.[61] The essence of this policy is not pro-Western; it is pro-Russian. Many in Moscow understand that solutions to the threats facing Russia can to be found only in an association with the West. Vyacheslav Nikonov, writing in 2001, made a clear distinction between a pro-Western choice for Russia and a pro-integrationist one.[62] In his view, 'Russia will not become the West, but there is no need for it to become anti-West or an island in the world ocean.' As he saw it, Russia had to pursue revival through the most 'maximally possible and realistic integration' with the Euro-Atlantic institutions and international organisations.

The essence of Russian policy under Putin, therefore, has little to do with Kozyrev's pursuit of pro-Westernism in the early 1990s, where Russia was to merge into the Western 'family of civilised countries'. Current policy has a much sharper edge. Russian differences with the West have not disappeared. Simply, Putin has

58. Ivanov, T*he New Russian Diplomacy, op. cit., p. 58.*

59. Interview by Yelena Aleksandrovna in *Parlamentskaya Gazeta*, 12 March 2002.

60. Putin Press Conference, 24 June 2002; *DNB*, IPD, MID, Moscow, 25 June 2002.

61. See, for example, *International Affairs* (Moscow), no. 4, 2000, and V. N. Tsygichko, 'Russia's National Security Interests in the 21st Century, '*Voennaya Mysl*', March, 2001.

62. 'Towards Russia's National Revival', *International Affairs* (Moscow), no. 4, 2001.

decided that they are best resolved with Russia comfortably inside the tent rather than with one foot jammed in the doorway. Russia's changes in foreign policy since 11 September, therefore, are based on calculations of priority and interest, where risk is distinguished from threat and real needs are separated from false ambitions.

However, with its vital interests tied to internal developments, Russia can in particular be expected to vehemently pursue foreign policy issues that are linked to economic reform, sovereignty and territorial integrity. For example, the second war in Chechnya quickly became a sore point in Russia-Western relations. However, Putin has displayed no inclination to compromise in the face of international concerns. The pursuit of external alignment is overridden when domestic requirements are perceived as more important. In this sense, the 'pragmatism' pursued by Putin is not based on compromise but calculation. The objective of international integration flows from the goal of internal consolidation, and not vice versa. Putin has recognised also that there are limits to Russia's alignment with the Euro-Atlantic community. Russia has no intention of joining the EU over the medium term. This policy reflects recognition of the impossibility of accession any time soon and the desire to avoid wasting energy on even pretending to try. It also highlights Putin's desire to allow the EU little leverage over the conduct of Russia's domestic reforms. Sovereignty is paramount.

In April 2001, Igor Ivanov admitted that 'we [Russia] still do not have a clear idea of what will be the security model on our continent in ten to fifteen years.'[63] 11 September made the picture even more blurred. However, the government *is* aware that Russia is profoundly weak and is likely to weaken further before it becomes stronger. Russia's strategy of alignment is presaged on the fear and caution stemming from this premise. Put simply, Russia has to align itself now to main states and institutions of the Euro-Atlantic community (although not exclusively) in order to avoid isolation, increase Russia's voice and promote international support for Russian reform. In essence, Russia's minimal foreign policy objectives are defined negatively: not to be afflicted by international developments, not to be isolated on the margins of wider trends and not to pursue external 'adventures' that might threaten internal reform.

63 Speech to the Russian International Studies Association, 20 April 2001, reported on *DNB*, IPD, MID, Moscow, 23 April 2001.

The 1990s had shown a Russia swept away by international and domestic change. Putin's gamble since 2000 has been that of embedding Russia into key bilateral relations and international institutions in order to gain some influence over their development. As a result, a window of opportunity has opened for Europe to lock into tighter security relations with Moscow.

2 Strategic directions of alignment

Before the Kosovo crisis, Russian policy to European security rested on three pillars. First, Russia sought a partnership with NATO to secure some voice inside the Alliance. The 'Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation', signed on 27 May 1997, provided for the creation of a Permanent Joint Council (PJC) between Russia and NATO 'to develop common approaches to European security and to political problems'.[64] The forum was to engage in three types of activities.[65] Firstly, the PJC was to allow consultation on any agreed issue. Secondly, it could develop 'joint initiatives' on specific issues between the parties. Finally, on issues where there was agreement, the PJC could take joint decisions and undertake actions. Russia seized upon the Founding Act as recognition of Russian equality in European security. While falling far short of this, Russian-NATO relations did quickly improve. The Russian MO participated in a number of Partnership for Peace (PfP) exercises, and the PJC started work on a wide programme, stretching from discussion of peacekeeping doctrines to military reform.

The second pillar focused on the OSCE. Having abandoned earlier ambitions of setting the OSCE at the apex of Europe's security institutions, Russia still sought to use the organisation to codify legally the status quo in Europe and prevent NATO from becoming its main axis.[66] For Moscow, the OSCE was the forum to elaborate 'modalities of cooperation' between security organisations and create a network of *equal* institutions in Europe.[67] Combined with ties between Russia and NATO, the OSCE was to formalise rules of the game in which Russia would have a 'special' as well as an 'equal' voice.[68] As the crisis in Kosovo gathered pace in 1998, Moscow sought to use the crisis to enshrine a central position for the OSCE.

The third strand was the UN Security Council. In Europe, Russia sought to use Security Council primacy to constrain NATO decision-making on the use of force in Kosovo and other areas

64. 'Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation', Paris, 27 May 1997.

65 See discussion in Myron H. Nordquist, 'The Framework in the Founding Act for NATO-Russia Joint Peacekeeping Operations', in Michael N. Schmitt (ed.), 'The Law of Military Operations', *International Law Studies*, vol. 72 (Rhode Island: Naval war College Press, 1998), pp. 129-56.

66. See author's 'Russia and the OSCE', in Mark Webber (ed.), *Russia and Europe: Cooperation or Confrontation?* (Basingstoke: Macmillan, 2000). The following section draws from the argument developed in that chapter.

67 See 'Speech by Y. M. Primakov to Meeting of Council of Ministers in Copenhagen, 18 December, 1997', *Diplomaticheskii Vestnik*, no. 1, 1998, p. 25.

68. See author's 'Russia and the OSCE', op. cit.

beyond the Alliance's remit. Russia feared that a NATO operation would set a precedent for more out-of-area activities that might undermine Russia's strategic interests.

Operation *Allied Force* marked the collapse of this strategy. Moscow suspended its ties to NATO. An attempt to mobilise the UN Security Council in late March 1999 against the NATO operation left Russia isolated.[69] Russia's prized organisation, the OSCE, was discredited. Russia's initial reactions seemed to indicate a radical shift away from partnership with the West. The MO pledged to take appropriate 'counter-measures,' including a review of the reduction programme of the armed forces and Military Doctrine.[70] However, despite all the heated rhetoric and the dash to Pristina airport in June 1999 by airborne troops, Russia did not shift towards aggressive isolation. Russia's role in mediating with Yugoslavia and its participation in the KFOR operation were signals of a desire to remain positively engaged in Europe.

The following sections examine the main directions of Russian policy towards European security following Kosovo. Putin launched Russia's active engagement with key states and institutions of the Euro-Atlantic community before 11 September. The terrorist attacks accelerated this policy and altered the context in which it is being pursued.

A new quality in Russia-NATO relations

Russian policy towards NATO following Kosovo has been marked by three distinct periods. The first ended with Putin's invitation of Secretary-General George Robertson to Moscow in February 2000. Before this, Russian ties with the Alliance lay frozen, limited only to questions relating to SFOR and KFOR. Discussions in the PJC focused solely on operational issues. Robertson's visit to Moscow marked the start of the second period, which lasted until 11 September 2001, during which Putin moved to restore formal ties with the Alliance across the board. There were several dimensions to Russian policy towards NATO during this second period.

In December 2000, Igor Ivanov made the point bluntly: 'There is a reality in Europe. The reality of NATO.'[71] As developed by Vladimir Baranovsky, this reality consisted of the fact that the Alliance, far from becoming a political organisation as Moscow wished, was undergoing a triple expansion in terms of function,

69. See interview with Sergei Lavrov in *Nezavisimaya Gazeta*, 30 March 1999.

70. See Sergeyev, *Interfax*, 31 March 1999, SU/3498, B/3 and *Itar Tass*, 7 April 1999, SU/3504, B/7-8.

71. *DNB*, IPD, MID, Moscow, 18 December 2000.

membership and zone of responsibility.[72] This thinking led Putin to restore full-scale relations with NATO following Robertson's visit. NATO and Russia agreed on a work programme for the PJC on a scale similar to the situation prior to the Kosovo crisis, with topics ranging from the Balkans and nuclear questions to search-and-rescue cooperation.[73] Moreover, Igor Ivanov and Igor Sergeyev resumed participation in the foreign and defence ministers' meetings. Russia retook its place in the Euro-Atlantic Partnership Council in May 2000.

However, the intensity of relations remained low. In April 2001, Deputy Foreign Minister Yevgeny Gusarov explained Russia's enduring fears: 'What makes NATO expansion plans dangerous is that the future system of European security may boil down to a schema with NATO at its centre. We do not deny NATO should take a worthy place in the future system of European security. But we do not consider the Alliance as the only deciding factor in the creation of such a system.'[74] In this respect, the MID never abandoned previous ambitions of using the PJC to influence developments within the Alliance. Indeed, a Russian statement, issued in December 2000, called on the PJC to 'move from an exchange of information, views and assessments to the elaboration and adoption of joint decisions on key aspects of the military-political component of European security.'[75]

While recognising the 'reality' of the Alliance, the Government realised that too much time and energy had been devoted to it in the past. Put bluntly, the triple expansion of NATO was not seen to pose a vital threat to Russia, nor was the Alliance seen to impact negatively on genuine threats. In terms of the priorities being set then by Vladimir Putin, relations with NATO were secondary. This view explains Putin's rhetorical coup as acting president, when he answered a question from a British journalist about Russia joining NATO with a nonchalant 'why not?'.[76] Putin sought to deflate the importance that NATO had in domestic politics and foreign policy. As Sergei Karaganov put it: 'For a certain time, all Russia's European policies and foreign policy [were] focused on this issue alone, so Russian government foreign political resources were diverted from many other issues, some of which were much more relevant.'[77] This had to change.

The terrorist attacks of 11 September altered the context of Russian-NATO relations. The global war on terrorism has emerged as a bridge between Russia and NATO, where both

72. See 'Russia's View', in François Heisbourg (ed.) 'NATO Enlargement', *ESF Working Paper* no. 3, July 2001, pp. 9-15.

73. George Robertson, 'Principles for NATO-Russia Relations', published in *Military Parade*, May 2000, as well as PJC Statement, Florence, 24 May 2000, www.nato.int

74. Speech reproduced on *DNB*, IPD, MID, Moscow,6 April 2001.

75. 'A Propos the PJC,' *DNB*, IPD, MID, Moscow, 13 December 2000.

76. See, for example, Dmitry Gornostayev, *Nezavisimaya Gazeta*, 7 March 2000.

77. Interview in Vek, no. 26, 6 July 2001, p. 4, reproduced in FSU, *Fifteen Nations: Policy and Security*, no. 7, July 2001, pp. 14-15.

parties are *demandeurs* and each can provide added value to the security needs of the other. This common cause has inspired Russian and NATO officials to rhetorical heights. Speaking in Volgograd (not coincidentally, the former Stalingrad, destroyed in the Second World War), George Robertson stated that 'like fascism sixty years ago international terrorism can only be defeated by a coalition of like-minded countries working together.'[78] More practically, the PJC issued a statement a few days after the terrorist attacks that pledged increased cooperation in the fight against international terrorism. By 2002, this cooperation had expanded to include the regular exchange of information and consultation on non-proliferation as well as civil emergency planning.[79]

The development of substantive cooperation in the fight against terrorism ran parallel to negotiations on deepening the institutional relationship between Russia and NATO. On this question, Moscow found itself in the rather novel position as *receveur*. Launched by Tony Blair and others soon after 11 September, the idea of a new institutional mechanism for Russia-NATO cooperation was quick to gather pace. During the November summit in the United States, Putin and Bush issued a joint statement that called for the creation of a 'new effective mechanism for consultation, cooperation, joint decision and coordinated/joint action'.[80] While the PJC in early December issued a similar statement, negotiations on the new council (briefly and memorably known as 'RNAC', too close for comfort to the French slang term *arnaque* – a rip-off) were slowed down by the US administration. Conservative minds in Washington, in agreement with a number of NATO members, indeed, sought to ensure that, in all the haste to forge a new relationship, Moscow was not given a veto on the autonomy of the Alliance.

In the final account, the NATO-Russia Council (NRC), agreed at the Reykjavik summit in May 2002, was a compromise. In form, the NRC provides for greater cooperation and consultation between Russia and NATO than the PJC, allowing the two parties to 'work as equal partners in areas of common interest'.[81] Working on the basis of consensus, the NRC is to represent a 'mechanism for consultation, consensus-building, cooperation, joint decisions and joint action'. The NRC is also designed to allow for continuous dialogue between the parties, supported by a bolstered institutional framework, including a Preparatory Committee and numerous targeted working groups. The statutes of the Council

78. George Robertson, 'NATO and Russia: A Special relationship', Volgograd, 22 November 2001, www.nato.int.

79. See MID note on 'NATO-Russia Cooperation against Terrorism', *DNB*, IPD, MID, Moscow, 31 January 2002.

80 Reproduced in *DNB*, IPD, MID, Moscow, 15 November 2001.

81. See 'NATO-Russia Relations: A New Quality', *Rome Declaration*, 28 May 2002, www.nato.int.

go some way to addressing Russia's definition of optimal partnership, providing for 'early identification of emerging problems, determination of optimal common approaches and conduct of joint actions as appropriate'.

In many respects, however, the NRC differs little from the PJC. The PJC has been over-written, its work programme for 2002 was transferred to the NRC. The nine areas for NRC cooperation, which range from the fight against terrorism, crisis management and non-proliferation to theatre missile defence and search and rescue at sea, are not vastly different from those discussed under previous auspices. Moreover, on the question of pre-prepared bloc positions, the Bush administration noted pointedly in May 2002 that allies retained the right to take common positions in the NRC. In some ways, therefore, the NRC is old wine in a new bottle.

Russian views on the new council, even on the importance of the Alliance itself, have displayed ambivalence. Russia maintained a cautious position throughout the negotiation on the council. In fact, many Russian commentators argued that NATO had lost its central place in European security and, more importantly, in US thinking. In the words of one Russian MID official, 11 September confronted NATO with the paradox of its own irrelevance.[82] In some Russian views, NATO's push for a new relationship with Russia could only be explained by the Alliance's search for new purpose after its sidelining.[83] The more NATO was interested in a genuine relationship with Russia the less important in fact the Alliance was becoming. The Deputy Secretary of the Russian Security Council, Oleg Chernov stated: 'Under present circumstances, the North Atlantic Alliance must be interested in Russia more than we are in NATO . . . Without Russia, it will basically lose its identity and become unnecessary.'[84]

Moreover, Russia's cooperation in the struggle against international terrorism in Afghanistan and further afield has not been channelled through NATO. Sergei Ivanov has been blunt on this point, downplaying the importance of the Alliance in terms of intelligence sharing and information exchange. These circumstances have led some Russian commentators to advise the Government not to rush towards a new relationship with NATO but instead to focus on bilateral ties with Washington.[85] Vyacheslav Nikonov was especially critical of closer ties with the Alliance: 'NATO makes no decisions at all – it is just a bureaucratic structure situated in Brussels. Decisions are made first in Washington,

82. A. V. Grushkov, 'Russia-NATO Twenty Appears to be Working', *International Affairs* (Moscow), no. 7, July 2002.

83. See, for example, Yuri Kovalenko, 'NATO is Becoming a Club', *Novye Izvestiya*, 7 December 2001, reproduced in FSU Fifteen nations: Policy and Security, no. 12, December 2001, pp. 6-7.

84. *DNB*, IPD, MID, Moscow, 16 March 2002.

85. Alexei Pushkov has been especially outspoken; see *Nezavisimaya Gazeta*, 27 November 2001 and 27 December 2001.

and second in Washington.'[86] Some in Moscow interpreted the Prague summit as a confirmation of the declining utility of the Alliance, with further enlargement making it unwieldy politically and unusable militarily, especially given the current rift in transatlantic relations.

By contrast, Moscow has trumpeted the proximity of Russian and American positions. In the words of one Russian commentator:

> Afghanistan has convinced Bush that Russia is an even more reliable ally in the fight against international terrorism than Western Europe is. Prague and St Petersburg highlight a telltale trend to the effect that both Washington and Moscow, which are joining hands, are thus distancing themselves from Western Europe to some extent.[87]

None the less, Russia has recognised the importance of the NRC, and of the Alliance more widely. In uncertain and rapidly developing international circumstances, the new NATO-Russia relationship may act as a lever on the United States, if not constraining American policy, then at least influencing its direction. Russian-European cooperation has become especially important in this respect. Moreover, Putin has used the NRC as a diversion in domestic politics to offset the negative reactions that will follow the next wave of NATO enlargement. In an interview with *The Wall Street Journal*, Putin stated that new mechanisms for joint action would lead Russia 'to look at expansion in a different way'.[88] The Russian government has remained firmly against any 'mechanical expansion' of the Alliance. However, as with the case of the ABM Treaty, the Russian president reacted with nonchalance to the decisions of the Prague summit.

Yet for all its similarities, the NRC is not the PJC. It is true that member states may consult on topics before meetings with Russia, and that a topic may be withdrawn from discussion 'at twenty' at the request of a member state. In some areas, cooperation in the NRC has been strained. For example, Russia has sought to mitigate the impact of enlargement to the Baltic States by insisting that the new member states commit themselves formally to the revised CFE Treaty. Work on a joint framework document for rescue at sea was slowed down by Russia's insistence on having a 'special' relationship with NATO in this area, outside the usual

86. 'Does Russia need NATO?' *Trud*, 16 March 2002, reproduced in FSU Fifteen nations: Policy and Security, no. 3, March 2002, pp. 19-20.

87. M. Sturua, 'Does the United States Need NATO?' *Moskovsky Komsomolets*, no. 264, November 2002.

88. *The Wall Street Journal*, 11 February 2002.

agreements developed through the Euro-Atlantic Partnership Council (EAPC). The position of the NRC in NATO decision-making in the case of a future crisis remains to be clarified. Moscow, indeed, is worried that it will suffer a similar fate to the PJC and be sidelined.

However, thanks to change in the overall climate of Russia-NATO relations, work in the NRC has taken off. The agenda for 2002 was finalised in the first ministerial and ambassadorial meetings in June and July. A number of working groups in the NRC made quite substantial progress throughout the year. The meetings have been much more dense and numerous than those of the PJC, with more in the first six months of the creation of the NRC than in the entire history of the previous institution. Moreover, the Secretary-General himself chairs the NRC, giving it greater concentration and leadership than had the PJC. Cooperation in emergency response has been notably positive. A substantial joint exercise, 'Bogorodsk 2002', was held near Moscow in late September 2002, simulating a terrorist attack on a chemical plant in Russia.

Moreover, the NRC adopted on 20 September 2002 a 'Joint Document on the Political Aspects of the Basic Concept for Russian-NATO Peacekeeping Operations', laying out the principles of political control of joint peace support operations. The working group on theatre missile defence has embarked on a two-year programme of assessment. The working groups have agreed to a number of other documents, including on international terrorist threats to joint peacekeeping operations in the Balkans. The tasks for 2003 cover military reform, civilian defence exercises, cooperation in the management of airspace, and assessment of terrorist threats to the Euro-Atlantic area. The NRC has also created a working group to coordinate concepts for the struggle against international terrorism. Moreover, a NATO Military Liaison Mission was opened in Moscow in late May 2002, with seven staff officers and two Russian liaison officers.

The creation of the NRC falls in line with Putin's strategy of alignment. It is in Russia's interest to strike a deal with NATO while the iron is hot in order to lock into a tighter institutional relationship. In the longer term, the NRC may act as a form of insurance for Russia. The rapidity and depth of change in international affairs means that the NRC serves as a locus of stability that ties Russia and NATO together and aligns Russia more broadly

with the transatlantic community. In December 2001, Putin stated that 'a change in the quality of Russian relations with NATO could be a good bridge to the participation of Russia in the future system of European security.'[89] NATO was very supportive of Russian actions during the hostage crisis in the theatre in Moscow in late October 2002. George Robertson stressed Russia's right to defend its territorial integrity, folding the Moscow events into the global struggle against international terrorism. This is precisely what Moscow wants from NATO.

Relations with NATO, therefore, have instrumental value for Moscow in creating a more predictable climate in Europe. Despite ambivalence, better relations with NATO are an important part of Putin's policy of anchoring Russia institutionally within the Euro-Atlantic community. The struggle against international terrorism has provided an umbrella shielding Russia-NATO relations from the kind of problems besetting Russia's relations with the OSCE, the Council of Europe and the EU, which have continued to press Russia on its domestic developments – something NATO publicly tends to avoid. Despite enduring problems, Russian-NATO relations have never had it so good.

The demise of the OSCE in Russia's eyes

Russian policy towards the OSCE changed dramatically after Kosovo. Under Primakov, Russia had sought to use the organisation as a forum to enshrine the status quo in Europe. The 'Charter for European Security', agreed at the Istanbul summit in November 1999, stated that the OSCE was to be 'the primary organisation for the peaceful settlement of disputes within its region and a key instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation.' [90] In addition, the Charter contained a 'Platform for Cooperative Security' designed to ensure transparent relations between security organisations in Europe. In all this, Moscow sought to prevent NATO from obtaining a monopoly on the use of force. As witnessed in Kosovo, that policy failed.

Russian concerns with the OSCE reside at four levels. Firstly, far from setting a positive precedent for the organisation, the Kosovo crisis did the opposite. Andrei Fedorov, from the Council for Foreign and Defence Policy, wrote in 1999 that Kosovo showed

89. Putin, speaking to Greek media, *DNB*, IPD, MID, Moscow, 5 December 2001.

90 Charter for European Security, Istanbul, 19 November, 1999, www.osce.org/docs1999.

that the hopes Russia 'pinned on the OSCE as an efficient and multi-sided mechanism of European security and conflict settlement on the continent were vain'.[91] Writing in the General Staff journal *Military Thought*, V. V. Voblenko argued that the OSCE 'not only failed to tap its peacekeeping potential in averting the conflict, but in fact objectively facilitated NATO aggression against the FRY, adopting a biased approach to assessing the separatists' action and the response of the Yugoslav authorities.'[92]

Secondly, Russia has objected to what it has perceived as a narrowing of the OSCE's functions. Speaking in November 2000, Igor Ivanov was critical of the 'incipient tendency to reduce the OSCE to considering above all humanitarian and human rights problems'.[93] Deputy Foreign Minister Yevgeny Gusarov went further in late 2001, accusing some countries of exploiting the OSCE as a tool of interference in the internal affairs of other states.[94] This criticism was linked to Russia's wider objection to the concept of 'humanitarian intervention' in international affairs. The MID issued a statement in August 2000 that 'the OSCE should not become a mechanism for interference in the internal affairs of participating states and even less so an instrument of "humanitarian intervention". '[95]

Thirdly, Russia has criticised the geographical narrowing of OSCE activities. Moscow argues that, as a result of the interests of particular states, the scope of OSCE work has been limited from its supposed Vancouver to Vladivostok area to focus on the Balkans and the former Soviet Union. This narrowing has undermined one of the organisation's primary advantages in Russia's view: its pan-European purview and membership.

Finally, the Russian leadership resents the criticism it has received from within the OSCE about the conduct of its operations in Chechnya. From Moscow's perspective, this criticism encapsulates all of the weaknesses of the organisation. As a result, Russia has been more circumspect about the role of an OSCE mission in Chechnya than it was during the first war between 1994 and 1996. It took a long time for Moscow to allow the deployment of the assistance group on the ground, and its activities have been restricted. In late December 2002, Russia vetoed a renewal of the mandate of the OSCE mission in Chechnya.

Linked to this, the Russian government has objected to certain practices inside the OSCE that are seen to undermine the principle of consensus. Moscow has always highlighted OSCE decision-

91. See 'New Pragmatism in Russia's Foreign Policy', *International Affairs* (Moscow), no. 5, 1999.

92. V. V. Voblenko, 'Multinational Peacekeeping Operations in the Balkans: past and Present', *Voyennaya Mysl (Military Thought)*, September-October, 2001.

93. Ivanov to the Council of Foreign Ministers in Vienna, 27 November 2000, reported by *DNB*, IPD, MID, Moscow, 29 November 2000.

94. Gusarov to Political Committee Meeting in Vienna, *DNB*, IPD, MID, Moscow, 5 October 2001.

95. *DNB*, IPD, MID, Moscow, 1 August 2000.

making as one of its most positive features. Tensions came to a head in late 2000, when Russia vetoed an OSCE official statement that contained criticism of Russian actions in Chechnya. The Russian veto, however, did not prevent the then Chair-in-Office, Austria's Foreign Minister Benita Ferrero-Walder, from expressing the same criticism in her Chair's Statement. Moscow objected to this as a threat to the culture of consensus. Russia also criticised the decision to terminate the OSCE missions in Estonia and Latvia in December 2001. In the Russian view, the missions had not yet completed their tasks. Moreover, the decision was not taken by the Permanent Council but by a technical procedure bypassing the need for consensus. In a statement of 18 December 2001, the Russian Delegation noted that 'the serious malady of double standards from which the OSCE has been suffering for a long time is becoming stubborn and chronic.'[96]

At the same time, Russia has worked comfortably with the OSCE in some areas of the former Soviet Union. Cooperation has been harmonious when OSCE requirements tally with Russian concerns. Moscow has moved to fulfil the requirements set at the Istanbul summit for the withdrawal of Russian troops, equipment and bases from Moldova and Georgia. Falling in line with the defence ministry's overall policy to reduce forward basing, the deadlines for completing the Istanbul agreements are largely, if very slowly, on track.

Moreover, Russia has not abandoned all hopes of strengthening the OSCE. Following the Vienna debacle, in January 2001 Russia presented the OSCE Secretary-General, Jan Kubis, with an 'Agenda for the OSCE in the 21st Century', designed to optimise the working of the Permanent Council.[97] In September 2001, Russia proposed to reform the Forum for Security Cooperation (FSC), with the aim of strengthening the peacekeeping role of the OSCE as both a mandating authority and lead operational agency.[98] In a move reminiscent of ambitious past policies, Russia proposed the elaboration of a 'General Concept of Peacekeeping Activities under an OSCE Mandate'. In 2002, Russia actively sought discussion inside the FSC on its 'Food-For-Thought Paper on Guidelines for OSCE Peacekeeping Operations'.

The Kosovo experience was a serious blow to Russian ambitions for the OSCE. In response, Moscow has become increasingly critical of the organisation. At the same time, the Government has continued to pursue, albeit less actively and insistently, the

96. 'Statement of the Delegation of the Russian Federation', *PCJOUR/374*, 18 December 2001.

97. See *DNB*, IPD, MID, Moscow, 11 January 2001.

98. 'Proposal on the Future Course of the Work of the FSC', *OSCE FSC.JOUR/340*, 19 September 2001.

organisation's reform with two objectives. Russia still seeks to strengthen the pan-European role of the OSCE as a central hub of European security. Secondly, Moscow wishes to prevent the OSCE from becoming an instrument manipulated by other states against Russia. These objectives explain the vacillation in Russian policy between reform of the OSCE and ambivalence about its potential.

The primacy of the UN Security Council

After the end of the Cold War, the UN Security Council assumed vital importance as a forum enshrining Russia's voice on all issues of international peace and security.[99] Prior to the Kosovo crisis, Russia sought to use Security Council primacy in Europe to constrain NATO decision-making on the use of force. In his first speech to the General Assembly in September 1998, Igor Ivanov stated: 'We must not allow a precedent to be set in which one or another military potential is used in crisis situations without the consent of the UN Security Council.'[100] Russia feared that a NATO operation would set a precedent for more out-of-area activities that would undermine Russia's interests. Unsanctioned by the Security Council and justified as 'humanitarian intervention', Operation *Allied Force* was a blow to Russian plans. None the less, under Putin's leadership, Russia has continued to lay emphasis on the role of the Security Council in global affairs and European security.

Three dimensions of this policy must be noted. Firstly, in his speech to the UN's Millennium Summit in September 2000, Putin referred to the existence of a 'UN School' in international affairs, arguing that 'the existence of this organisation is a guarantee from the arbitrariness of hegemony, from the right to absolute truth and from *diktat*.'[101] Russia subscribes to a conservative interpretation of the UN Charter. Thus, when Putin argues that 'no [UN] reform should loosen up its fundamental principles', he is referring to the strict notion of sovereignty that emerged with decolonisation during the Cold War. The official Russian reaction to the Brahimi report on UN reform was indicative: 'Russia acts on the premise that only the UN Security Council may authorise the use of force as a means of enforcing peace . . . It rejects as utterly unacceptable any attempts to invoke concepts such as humanitar-

99. See, for example, Primakov, 'The World on the Eve of the 21st Century', *International Affairs* (Moscow), vol. 42, no. 5/6, 1996.

100. Cited by Dmitry Gornostayev, *Nezavisimaya Gazeta*, 23 September 1998.

101. Speech given on 6 September 2000, reproduced on *DNB*, IPD, MID, Moscow, 8 September 2000.

ian intervention and limited sovereignty to justify the unilateral use of force in circumvention of the UN Security Council.'[102]

Linked to this, Russia seeks a limited reform of the organisation, rejecting any changes of the Security Council that would dilute the position of the Permanent Five (P5). In a statement in 1999 regarding proposals to expand the Security Council, the MID argued that such plans would 'destabilise the UN'.[103] For Moscow, the right of the P5 to veto represents the 'backbone' of the organisation, and the ultimate guarantee against increasing 'arbitrariness' in international security.[104]

In an interview given the day before 11 September, Sergei Lavrov, Russia's Ambassador to the UN, outlined Russia's vision for UN reform.[105] His proposal began with a call for the reinforcement of UN primacy in any operation using force and in the regulation of regional security (read Europe). Lavrov also called for the activation of the Military Staff Committee, a long-dead provision in the Charter. Finally, Russia advocated a greater UN role in disarmament and strategic stability. Russia has been active in seeking to define within the UN limits on the 'right to self-defence', in order to set constraints on the use of force by states and groups of states.[106] However, attempts to push on these last two fronts have met with no success.

Finally, Russia has sought to ensure that US and international reactions to 11 September set a positive precedent for the UN in the global war on terror. Immediately after the attacks, Russia argued for the creation of a 'global system,' based on international law and the UN, to counter-act new threats. At the least, Moscow has insisted on the Security Council as the only mandating authority. As such, Russia presented Resolution 1373, calling on all states to participate in the struggle, as a 'major historical document'.[107] Following the toppling of the Taliban regime in Afghanistan, Russia insisted on a UN mandate for any further use of force in Iraq or elsewhere. Russia has also called for a UN conference on the anti-terrorist struggle that would take its place in the new 'global system for counter-acting contemporary threats and challenges'.[108]

Russian reactions to US policy towards Iraq during the summer of 2002, and following George W. Bush's speech before the General Assembly on 12 September 2002, followed these lines. While not entirely satisfied with UNSC Resolution 1441, the Russian government was overjoyed at the precedent it set for ensuring

102. Vladimir Shustov, 'Can the UN Fight a War?', *International Affairs* (Moscow), no. 1, 2001.

103. Interfax, 26 November 1998, SU/3397, B/10.

104. See the statement of first deputy foreign minister, Gennady Gatilov, to the UN General Assembly, 17 November 2000, *DNB*, IPD, MID, Moscow, 21 November 2000.

105. *DNB*, IPD, MID, Moscow, 11 September 2001.

106. See statement of Russia's representative, Vladimir Tarabrin, *DNB*, IPD, MID, Moscow, 16 October 2001.

107. Russian statement to the Counter-Terrorism Committee, 18 January 2002, *DNB*, IPD, MID, Moscow, 23 January 2002.

108. Igor Ivanov speech to the General Assembly, 13 September 2002, *DNB*, IPD, MID, Moscow, 16 September 2002.

109. See comments by Sergei Lavrov, 14 November 2002, *DNB*, IPD, MID, Moscow, 15 November 2002.

a UN role.[109] The United States may well be setting the direction of the counter-terrorist struggle but Russia, with some of its permanent and non-permanent partners in the Security Council, have sought to shape something of the pace of events. This is no mean feat for such an enfeebled country.

Moreover, Russia has sought to fold its war in Chechnya into the global struggle. While international criticism of Russian actions in Chechnya has been muted since 2000, it has not disappeared. In a speech to the General Assembly in November 2001, Igor Ivanov made a point that the Government has lost no opportunity in reiterating: 'There must be no double standards in the fight against terrorism.'[110] Russia has also used the new urgency to place pressure on its southern neighbour Georgia, which it accuses of harbouring Chechen terrorists and allowing their free passage.[111]

In sum, the importance of the UN for Russia's European policy resides at two levels. Firstly, when Russia talks about the primacy of law, one should read the primacy of the norms of non-intervention in the internal affairs of sovereign states. Secondly, when Moscow insists on the centrality of the UN, one should understand the centrality of Russia. The Security Council enshrines a Russian 'voice' on all major questions of international peace and security, locking in a special Russian position for the long term. The UN principles and system lie at the heart of Russia's conservative approach to European security, which seeks to stabilise the status quo and ensure some Russian influence on any changes that occur. Russia's approach to the crisis over Iraq was driven by these motives.

Bilateral links

Vladimir Putin is far less romantic about personal contacts with Western leaders than was Yeltsin, but he clearly recognises the facilitating role such relations may play, and Putin has devoted significant time and energy to building close ties with key states and leaders in the Euro-Atlantic community. In this sense, the Euro-Atlantic community largely coincides with the Cold War notion of the West, stretching from the United States through Europe to Japan. The President has thrown himself into the task with surprising ease and skill. Bilateral relations are considered

110. *DNB*, IPD, MID, Moscow, 13 November 2001.

111. Russian pressure was intense in late 2001 and early 2002 and fell away with the announcement of a US 'Train and Equip' programme in Georgia in February. As the limited scale of the US programme became apparent in 2002, Russian pressure for a joint operation to 'clean out' the Pankisi Gorge of Chechen rebels rose again to a high pitch.

important in their own right, especially for the trade and economic benefits they may provide. However, Russia also views bilateralism instrumentally, as a conduit for advancing Russian interests inside the EU and NATO.

The United States is the sun in Russia's universe, affecting the most powerful gravitational pull on Moscow. Russia and the United States still have the largest arsenals of nuclear forces. Moscow recognises that these capabilities are less important now as pillars of strategic stability and more vital as bargaining chips in the relationship with Washington. Still, Russia's nuclear forces ensure that Moscow retains a seat at the highest and most exclusive table of international relations with Washington. Given Putin's focus on domestic modernisation, the United States is vital for securing access to international financial institutions and economic organisations. Indeed, strong ties with the United States are seen to add weight to Russian foreign policies in other areas.[112]

The backdrop to Moscow's vision of the United States is the fundamental recognition that, although the world may be multipolar, there is only one hyperpower. As the sole hyperpower, the nature of US policy, the degree to which its allies are taken into account and the manner by which the United States exercises power, will all determine the texture of international relations. 11 September presented an image of American vulnerability, but it also gave birth to a United States cognisant of its unprecedented power and seeking to refashion the international rules of the game.

The implications for Russia are profound. In the words of one Russian commentator, Alexei Pushkov: 'To prevent the US from becoming a latter-day Roman Empire and to prevent the establishment of a Pax Americana is practically impossible. But there are empires and empires. Some have unlimited sway and some have limited sway. There are reasonable empires and unreasonable empires. The question is, what will the US be like and, accordingly, what will *we* be like?'[113]

Russia's view of the United States after 11 September reflects a mixture of fear, fascination and interest. Fear and fascination stem from the scale and rapidity of the American reaction to the terrorist attacks. However, Russia also looks on the United States with interest, because of new opportunities for creating tight Russian-US ties opened by the counter-terrorist struggle. In his

112. Many Russian commentators have noted the importance of strong ties with the United States for a better overall international position for Russia. This goes not only for Europe but also the Far East and China.

113. Round Table with Pushkov and others, 2 October 2002, Federal News Service, reproduced in *David Johnson's List*, no. 6478, 2002.

speech to the MID on 12 July 2002, Putin made this point clearly: 'In the consolidation of global stability a special responsibility, without doubt, falls in Russia and the USA . . . The confidential partnership between the Russia and the USA is not only in the interests of our peoples. It exerts a positive influence on the *entire system* of international relations [emphasis added].'[114] Close ties with Washington provide benefits to Russia across the spectrum of international questions. Even more, a unilateralist United States may set precedents that could be exploited by Russia in the pursuit of its own interests. Russian pressure on Georgia to satisfy its demands against Chechen rebels follows this logic. At the same time, Russia seeks to restrain the United States from adventures that might rent the very fabric of international relations as it emerged in the twentieth century and relegate Russia to pure third-rate status. Russia seeks to round off the sharp edges of the new American 'empire'.

When Putin was elected President in 2000, US-Russian relations stood at their lowest since the end of the Cold War. As presidential candidate, George W. Bush publicly castigated the Russian government and its previous leaders for corruption.[115] Russian actions in Chechnya were condemned outright. Bush and his advisers, especially Condoleezza Rice, pledged an end to the era of 'happy talk' with Moscow. Russia was seen as weak and sometimes dangerous – overall, a problem to be managed by the United States but no longer a central partner. Upon becoming president, Bush dismantled the Bureau for Newly Independent States in the State Department and demoted the importance of the region in Washington's bureaucracy. It was only reluctantly that Bush agreed to meet with Putin at the end of his European tour in summer 2001.

Faced with the threat of estrangement from the United States and the vicious circle of isolation this would create, Putin sought to reach out to the Republican Party and subsequent Administration. In the run-up to the US presidential elections, the Russian government initiated a number of behind-the-scenes meetings with the Bush campaign team in order to open channels of communication. In February 2000, Putin sent Sergei Ivanov to Washington to lend official confidence to relations. Subsequent summits in Europe, America and Russia between George W. Bush and Vladimir Putin dissipated, at least rhetorically, Moscow's initial fears that the new Administration had little interest in Russia. The

114. Speech to Enlarged Conference of MID, 12 July 2002, *DNB*, IPD, MID, Moscow, 15 July 2002.

115. On the evolution of Bush policy towards Russia, see James Goldgeiger and Michael McFaul, 'George W. Bush and Russia', *Current History*, October 2002, pp. 313-24.

first summit in Slovenia in June 2001 marked a turn in American policy.

Putin has sought to ensure that the new American 'empire' is, to borrow Pushkov's words, reasonable. Firstly, Putin has sought to imbue Russian-American relations with what he has called a 'new quality', as allies in a coalition against international terrorism. Most fundamentally, this has meant that confrontation with the United States will be avoided as much as possible. Putin is becoming skilled at making a virtue out of necessity, accepting with little protest the American withdrawal from the ABM Treaty, a watered-down treaty to reduce strategic nuclear warheads, a new round of NATO enlargement and US troop deployments in the South Caucasus and Central Asia. The Russian leadership recognises that the United States would take these measures regardless of Moscow. More than simple compromises, Putin's reversal on so many points marks a shift in Russian understanding of the notion of strategic stability, which is no longer based on a parity of capabilities but on the pursuit of a relationship of *entente*. In all this, Putin has accepted the rise of the United States as a hyperpower, and the consequent asymmetrical partnership it may hope to strike with Washington.

Putin's televised address on 24 September 2001 announcing Russian support in the struggle against terrorism marked a further upgrading of the relationship. The terrorist attacks confirmed what Moscow had been saying for years about the nature of new threats. Based around a similar vision of threats and responses to these, US-Russian relations have accelerated rapidly. Russian intelligence services and military played an important supporting role in Afghanistan. Bush's early concerns about Chechnya and the development of democratic institutions in Russia have largely dissipated. To Moscow's obvious pleasure, the relationship has become strategically driven, based on common external interests and not American attempts to transform Russia in its own image, as the Clinton administrations had seemed to pursue.[116]

On this basis, some officials in Moscow see the potential for a new Russian-American condominium in the war on international terrorism, with Washington and Moscow working together in the struggle, on the basis of similar definitions of the nature of the threat and the means necessary for countering it. The hostage

116. This explains the vehement Russian reaction to the 'pedantic' tone of the US Russian Democracy Act 2002, passed in November 2002, which seemed a throwback to the interfering approach of the Clinton administrations. See RIA Novosti, Moscow, 4 November 2002.

crisis in Moscow in October 2002 was Russia's '9/11', and the United States seems to have accepted this, thereby forging new bonds of solidarity as self-declared 'target states'.[117]

Many Russian officials argue, indeed, that Russia has never mattered more for the United States, and that Moscow had better take the most advantage of the situation.[118] The Russian government has lost no opportunity of reminding the United States of the support it provided in Afghanistan. A few days before the Prague summit, Putin's Adviser, Sergei Yastrzhembsky, put the point bluntly: 'I want to recall that it was Russia to offer the most efficient assistance for the process of the anti-terrorist operation in Afghanistan and give its fundamental support in the negotiations between the US and a series of former Soviet states.'[119] Russia accepted the second wave of NATO enlargement without protest partly because the Alliance has decreased in importance for Washington. The Alliance has only just embarked on a process of transformation, which may make it a more fitting instrument against international terrorism – but it is not there yet. Moreover, further enlargement will make decision-making in the Alliance ever more unwieldy. In these circumstances, as noted by Yastrzhembsky in the same article, 'mechanisms of international coalitions, flexible structures are becoming more valuable'. Moscow seeks to ensure that it has some say over such flexible mission-led structures.

The crisis over Iraq in late 2002 and 2003 demonstrated the central role of the United States in Russian thinking. On the one hand, the crisis underlined the dangers for Russia of an increasingly unilateralist United States, willing to use force without the sanction of international law and despite international objections. In response, Russia has placed increasing emphasis on the need for *all* states to respect the primacy of the Security Council, and Moscow developed joint positions with a number of European states to this effect. At the same time, the very fact the United States intervened in Iraq without full international support has strengthened the perception in Moscow of the need to retain close ties, even a partnership, with Washington. As Putin stated almost three weeks into the war, Russia seeks to avoid any confrontation with the United States, not only because it is Russia's largest trading partner but also because the importance of the UN can only be reaffirmed with the United States.

117. This point emerged in discussions with Russian officials in Moscow in December 2002.

118. See, for example, Alexei Pushkov, 'Why Russia Should Not Join NATO', *Nezavisimaya Gazeta*, 27 November 2001.

119. 'Russia and NATO in the Same Boat', *Izvestiya*, November 2002.

The dividends of rapprochement with the United States have paid off in other areas also. For one, Russia has sought to position itself as an alternative to the Middle East for oil and gas supplies. Despite the relatively higher price of Russian energy, the United States is open to exploring the possibilities of such a long-term direction.[120] More importantly, the United States was instrumental in pushing to integrate Russia fully into G-8 structures at the 2002 summit in Canada. Russia will assume the presidency of the organisation in 2006. Moreover, the US decision to recognise Russia as a market economy in May 2002 was a turning point for Russia's integration into global trade on more advantageous terms. It is not coincidental that the US recognition came a day before that of the EU. Closer ties with the United States have had positive impact on Russian relations with Europe.

At the same time, Russia has sought to use its ties with European states and organisations as leverage over the United States. In an interview in July 2002, Igor Ivanov stated that the task of Russia and Europe was 'to persuade the political elite of the United States that it is in their own interests to take part collectively and in solidarity in solving current problems'.[121] The desire to use Europe as a constraint on the United States is driven by anxiety over future US policy. It also reflects Russia's recognition of the fundamental power disparity between Russia and the United States, and the weak basis for a 'partnership' that follows from this. Alexei Arbatov spoke for many when he wrote, in late 2001, that there was no stable and long-term foundation to Russian-US relations.[122] These relations could change quickly, and for the worse. Close ties with European states are seen as both a channel of influence over the United States and insurance in the case of a turn for the worse.

Russian ties with major European states thus matter in terms of their impact on the transatlantic relationship, but Moscow also views these relations as important for their specifically European resonance. Following Tony Blair's visit to St Petersburg during the presidential elections in 2000, Russian-British relations have assumed significance for both countries, with five personal meetings in 2000 and four in 2001.[123] In the Russian view, Tony Blair has acted both as an initiator and a facilitator for deeper Russian integration into the Euro-Atlantic community. The Blair government was first to call for a new mechanism for Russia-NATO relations in October 2001. Britain also supported greater Russian

120. An Energy Summit was organised in Houston in October 2002, bringing together all Russian and US majors and the two governments.

121. Interview on ORT television, 7 July 2002, reported in *Russian Reform Monitor*, no. 947, 9 July 2002.

122. Alexei Arbatov, *Nezavisimaya Gazeta*, 26 December 2001.

123. For an overview, see 'Russian-British Relations', *MID Statement, Information Bulletin*, Moscow, 19 May 2002.

involvement in the G-8. The two countries have also developed close military ties. The 'Russian Resettlement Programme' is a notable example, providing retraining for demobilised Russian officers. During the war in Afghanistan, defence ties gained depth, with information and intelligence exchanges.

Russian-French relations fell to a low point in 2000 when the French government criticised Russian actions in the second Chechen war. The weight of French criticism had some impact on Russia's interaction with the EU and the Council of Europe. Still, summits at the highest level have become annual events, with two meetings between Jacques Chirac and Vladimir Putin in 2002. Whereas Russian-British ties are important for their transatlantic resonance, Moscow values relations with Paris for the similarity in Russian and French views on international relations. Following Putin's first visit in October 2000, the Russian MID noted 'the conceptual similarity of the approaches of Russia and France to key issues of today. At its base lies our countries' adherence to a multipolar organisation of the world system that excludes the individual sway of one power.'[124] Both France and Russia are, indeed, wary observers of US power. Russia was content to work with France in the Security Council in 2002 and 2003 to push for strengthened weapons inspections in Iraq and then for a UN role after the end of the war.

The EU-Russia Paris summit of October 2000 was an important moment. Then President of the European Council, Chirac was instrumental in pushing through the 'Joint Declaration on Strengthening Dialogue and Cooperation on Political and Security Matters in Europe'.[125] This declaration gave priority to the development of a strategic partnership between Russia and the EU, calling for regular consultation on defence matters and discussions on modalities for Russia's contribution to future EU crisis management operations. Russia views ties with France as a conduit for influencing relations with the EU. France and Russia took up the theme of Russia-EU strategic dialogue on defence again during Chirac's visit to Moscow in July 2002.[126]

The end of *cohabitation* in French politics in 2002 saw a relaunch of Franco-Russian ties. In July, Foreign Minister Dominique de Villepin agreed in Moscow to the creation of a Russian-French Council for Security Cooperation, designed 'to deepen the bilateral cooperative effort on international security issues'. Despite its flimsy appearance, the Council reflects an effort to enhance the

124. 'Russian-French Relations, *MID Statement*, 31 October 2000, reported on DNB, IPD, MID, Moscow.

125. 30 October 2000, Paris, www.europa.eu.int/comm/external_relations.

126. Joint Statement, 4 July 2001, *DNB*, IPD, MID, Moscow.

relationship, on the French side to recapture 'lost ground' and on the Russian side to maximise contacts with its European partners.[127] The importance of these ties was brought home during the flash visit of Chirac to Sochi on 20 July 2002, when the French president untied the Chechen knot in Franco-Russian relations.[128] Chirac also showed sympathy for the Russian position on Kaliningrad, much to the dismay of future EU members, Lithuania and Poland.[129]

While Britain and France are important, Germany has pride of place in Russia's European policy. The two countries maintain regular contacts at the intergovernmental level and Putin has placed special emphasis on developing ties with the German chancellor. This continues the long-held emphasis on Germany developed by Yeltsin, starting with financial commitments made by Helmut Kohl on the occasion of German reunification, which made Germany Russia's foremost donor and lender. Throughout the 1990s, Yeltsin never quite abandoned the notion of developing a strategic triangle (dubbed the Yekaterinberg triangle after the location of the first summit) between Russia, Germany and France as a new directoire in Europe.

Putin's speech in the *Bundestag* on 25 September 2001 marked the importance of these relations for the Russian president. Speaking, as he put it, in the language of Goethe and Kant, Putin stated that Germany was a symbol of Europe for Russia. Germany was also Russia's 'leading economic partner, most important creditor, one of the principal investors and a key interlocutor in discussing international politics'.[130] Trade and economic relations are, indeed, vital for Russia. Germany holds 40 per cent of Russian debt to the Paris Club, and trade turnover in 2000 stood at DM41.5 billion. The Russian government has sought to increase the level of trade with Germany. In 2000, a High-Level Working Group on Strategic Questions of Trade, Economic and Financial Cooperation was created with this objective in mind. Despite the political will, Russian-German economic ties have not deepened as much as Moscow would like, particularly in the high-technology spheres, where Putin and Schröder have designated a number of 'pilot' projects.

Although less important, Russian bilateral ties with Italy have also acquired greater substance following the election of Prime Minister Silvio Berlusconi in 2001. Berlusconi has been a responsive partner for Russia, also placing emphasis on personal

127. The first meeting of the Russian-French Council for Security Cooperation occurred in Paris on 15 November 2002 with the foreign and defence ministers.

128. *Le Monde*, 21-22 July, 2002.

129. At Seville, the EU agreed to take no decision on the Kaliningrad question without first consulting Lithuania and Poland.

130. Putin to the *Bundestag*, 25 September 2001, reproduced on *DNB*, IPD, MID, Moscow, 26 September 2001.

relations in Italian foreign policy. Berlusconi played a notable role in pushing along negotiations on the NATO-Russia Council, which was signed in Italy in May 2002. Economic ties are not negligible, with trade turnover in 2001 estimated at $9.3 billion, and Italian investment in Russia standing at six per cent of total foreign investment.[131] In 2002, the Russian government sought to strengthen the impact of Russian-Italian relations on wider European questions. The Joint Russian-Italian Statement on Cooperation of 3 April 2002 stated that the relationship would seek to develop further the 'process of rapprochement by the Russian Federation with Euro-Atlantic organisations' and 'to impart a more intensive character to cooperation between Russia and the European Union'.[132]

This Joint Statement highlights the duality in Russia's approach to bilateral relations. These ties are valuable in their own right for economic and financial reasons. At the same time, bilateral relations are viewed as conduits for the pursuit of wider Russian interests in the European and transatlantic arenas. For example, Putin drew on the foundation of personal/bilateral relations in the final stages of negotiations with Brussels to find a solution to the Kaliningrad problem in 2002. France, Italy and Spain adopted a position that was not fully concordant with the Commission, clearing the path towards the 'compromise' that was reached in the autumn.[133]

The Moscow hostage crisis and the Prague summit

The Moscow theatre hostage crisis in late October 2002 and the NATO summit the following month shed new light on Putin's European policy. All Euro-Atlantic states pledged solidarity with Russia during the crisis. However, the crisis brought Russia and the United States closer together. Both states perceive themselves as being the main targets of international terrorism and the most important actors in the counter-terrorist struggle – this 'reality' is seen to endow them with special responsibilities as well as special rights. Washington and Moscow have similar definitions of the international terrorist threat and the means that are to be used to counter it. While some in Washington have misgivings about Russian heavy-handedness in Chechnya, the Russian-US strategic dialogue strengthened in late 2002. NATO has adopted a similar

131. 'Russian-Italian Relations', *MID Statement, Information Bulletin, MID*, Moscow,14 May 2002.

132. See *DNB*, IPD, MID, Moscow, 4 April 2002.

133. *Communication from the Commission to the Council, Kaliningrad: Transit* (COM(2002) 510 Final: Brussels, 18.9.2002), http://eurpa.eu.int/comm/external_relations/north_dim/doc/com02_510.pdf.

approach. While noting the need for a political solution to Chechnya, George Robertson has lent a warm voice to Russia's role in the struggle against international terrorism.

The Prague summit marked a turning point in Russian perceptions of the Alliance. Far from being obsolete after 11 September, as many Russians had argued, Prague launched NATO's adaptation to the counter-terrorist struggle. The agreements reached at Prague on capabilities and force specialisation, as well as the projected development of a 'Response Force', added new purpose to an institution that had been thrown into crisis. Since Prague, Russia has turned to ponder the implications of the Alliance's new identity. For one, the proposed 'Response Force' has ambiguous implications. Some analysts in Moscow have started to consider how Russia might participate in the Force. On the other hand, the rapidity with which the Force is to be deployed will sideline the role of the NRC. For Moscow, this gives rise to the threat of a repeat of Kosovo, when Russia and the PJC were bypassed.[134] Despite these concerns, NATO has once again become a key vector in Russia's approach to European security.

The same cannot be said for the EU. The EU took a principled stand against the terrorist attack in Moscow, expressing solidarity with Russia and condemning all forms of terrorism. However, the EU drew different conclusions about the implications of the attack. Following the crisis, Putin rejected any talk of negotiations in Chechnya: the hostage crisis was seen to confirm the Government's view that the conflict was part of the global struggle against terrorism. This position was not new, but its impact on Russia's European policy has been. Russian relations with Denmark soured briefly, because the Danish government allowed a privately organised 'World Chechen Congress' to be held in Copenhagen. The EU-Russia summit in November had to be transferred to more 'neutral' Brussels as a result. Moreover, Moscow voiced similar concerns about complicity with Chechen terrorism to other European states, including France, Germany and the Netherlands. Still, Europe has been reluctant to accept Russia's line that 'there are no good Chechens – only terrorists'. All of this confirms once again for Moscow that the EU, and many of its member states, can be frustrating partners as well as significant allies on key questions of international security, as witnessed in the joint positions elaborated by Paris, Berlin and Moscow on the crisis over Iraq.

134. Interviews with officials in the Russian MID and State Duma, December 2002.

Russia and CFSP

3

None the less, the EU and CFSP, including ESDP, are not completely devoid of interest for Moscow. While the United States, NATO, the OSCE and the United Nations are traditional directions of Russian policy, much less is known about Russian interaction with the European Union and its views on CFSP and ESDP.

An MID statement on 'Russian European Priorities', released in April 2002, affirmed that 'it is here that [Russia's] key interests are concentrated'.[135] This is far from being simple 'official-speak'. The statement argued that Russia could not afford to ignore developments in Europe: 'Of all the external factors, the processes unfolding in Europe exert the most significant influence on what is happening in our country.' The EU is Russia's first trading partner, giving it an importance that will increase with enlargement. The development of CFSP and ESDP adds additional urgency to Russia's search for closer ties. Put bluntly, Russia is vulnerable to developments within the EU. Russian policy towards the EU, thus, has reflected anxiety as well as opportunism, mixed with real interest in cooperation. Still, a number of questions remain. What changes has Putin brought to Russia's EU policy? What importance does Russia attribute to the political dialogue and ESDP? More fundamentally, what is the political dialogue and what are its limits?

The following discussion examines first the state of EU-Russian relations before Putin's election and the shift that followed his arrival in power. The paper then discusses Russia's views on ESDP before considering the limits of the political and security dialogue.

Putin's shift towards the EU

Under Yeltsin, policy to the EU reflected the problems affecting Russian foreign policy as a whole. In the words of David Gowan, 'Russia paid lip service to the EU but did not make a sustained effort to understand its structure, its powers, or the relationship

135. 'Russian European Priorities', *DNB*, IPD, MID, Moscow, 24 April 2002.

between the EU and its member states . . . Russian policy towards the EU remained largely declaratory and sterile.'[136] EU policy towards Russia was not much better. Before examining the shift that occurred in 2000 in Russian and EU policy, it is worth discussing the main features of their relations in the 1990s. The legacy of this period has not dissipated.

The Partnership and Cooperation Agreement (PCA) was agreed at the Corfu European Council in June 1994 after difficult negotiations. Composed of 112 articles, ten annexes, two protocols and a joint declaration, covering no less than 178 pages, the PCA is mostly concerned with trade and economic concerns. The overall objective of the 'partnership' reflects a wide range of ambitions, from increasing economic ties and supporting Russia's democratic and market transition to the eventual creation of a free trade area.[137] Classifying Russia as a state with a transition economy, the PCA goes some way to liberalising trade, based on the mutual exchange of most-favoured nation status. Despite a heavy technical focus, the PCA also sets the objective of developing a 'political dialogue' between Russia and the EU to 'bring about an increasing convergence of positions on international issues of mutual concern, thus increasing security and stability.' The PCA also determined a number of institutional mechanisms for Russia-EU interaction, with biannual presidential summits, annual meetings of a Cooperation Council (at ministerial level), biannual meetings of a Cooperation Committee (at the level of senior officials), regular meetings of nine functionally designated Sub-Committees, and the launch of Parliamentary Cooperation Committee to meet annually.

The PCA provides an enduring framework for cooperation between Russia and the EU on an extensive range of economic and trade issues as well as political questions, underpinned by multiple institutional links ensuring almost constant discussion. More than anything, the agreement highlights the deeply technical nature of the Russia-EU relationship, which, despite a quick reference to political dialogue, remains overwhelmingly focused on trade questions. Moreover, the institutional layers of the dialogue highlight the heavily bureaucratic tone of relations. The structure and pace of the dialogue is more a function of the internal requirements of the EU than those of the relationship itself. For example, the six-monthly summits are determined by the rotating EU presidency and not the need for continual high-level dialogue.

136. David Gowan, *How the EU Can Help Russia* (London: Centre for European Reform, December 2000), p. 1.

137. http://www.europa.eu.int/comm/external_relations/ceeca/pca/pca_russia.pdf.

The application of the PCA was quickly upset by internal Russian developments. The governments that served under Yeltsin throughout the 1990s never pushed for the full implementation of many of its provisions. As a result, in the words of Rodric Braithwaite, a former British Ambassador writing in 1999, 'the practical results of the PCA have been disappointing'.[138] Moscow's reluctance stemmed from a desire to control the pace of reform and protect certain sectors of the economy. Russian governmental inefficiency and lack of competence were additional explanations for Moscow's lack of diligence. Moreover, the entry into force of the PCA was delayed until December 1997 because of EU concerns with the first war in Chechnya (1994-96). The Chechen problem forced Russia and the EU to approve an Interim Agreement, signed in July 1995, to regulate their relations.[139]

In the period between the end of the first Chechen war and the start of the second in August 1999, the EU and Russia made progress in defining more clearly their objectives towards the other. Current relations remain conditioned by the work completed during this period. The Common Strategy on Russia (CSR), approved in Cologne during the German Presidency in June 1999, was the Union's first attempt to formulate a common vision and interests related to a third party.[140] The CSR is a limited exercise: it remains underpinned by the PCA, and no additional resources are dedicated to developing relations with Russia. At the same time, the stated aims of the CSR are nothing less than to assist 'Russia's return to its rightful place in the European family in a spirit of friendship, cooperation, fair accommodation of interests and on the foundations of shared values, enshrined in the common heritage of European civilisation.' To achieve this grandiose aim, the CSR sets out four aims:

1) the consolidation of democracy, the rule of law and public institutions in Russia;
2) the integration of Russia into a common European economic and social space;
3) cooperation to strengthen stability and security in Europe and beyond;
4) cooperation in responding to common challenges on the European continent, such as on nuclear safety, organised crime and environmental problems.

138. Rodric Braithwaite, *Russia in Europe* (London: Centre for European Reform, 1999), p. 33.

139. *European Community-Russian Federation: Trade and Trade-related Matters/ Interim Agreement* (Press: 224 Nr: 9010/95).

140. 'Common Strategy of the EU on Russia of 4 June 1999', 1999/414/CFSP, *Official Journal of the European Communities*, 24 June 1999.

Three dimensions of the CSR are important to note. Firstly, the Strategy calls for a more efficient, operational and permanent political dialogue 'to bring [the EU and Russia] closer together and to respond jointly to some of the challenges to security on the European continent'. Joint foreign policy initiatives are specifically supported. In addition, the EU allows for the possibility of Russian participation in EU operations 'when the EU avails itself of the WEU for missions within the range of the Petersberg tasks'. The CSR envisages cooperation with Russia on all stages of peace support, from conflict prevention and conflict management to resolution. Moreover, the political and security dialogue is placed within the context of the development of a 'new European security architecture' that was to include the OSCE and its 1999 Charter for European Security. These points in the CSR laid the basis for the development of security dialogue launched under president Putin.

The second feature of the CSR is its assumption that for Russia to return to the 'European family' it had to become like Europe. The Strategy seeks the full transformation of Russia.[141] The list of actions required by Russia is dizzying. A few examples illustrate the point: 'In the first instance, an operational market economy needs to be put in place'; 'The rule of law is a prerequisite for the development of a market economy which offers opportunities and benefits to all the citizens of Russia'; and 'The emergence of civil society in all areas is indispensable for the consolidation of democracy in Russia'. The CSR's tone is at once condescending and vapid. The Strategy recognises that Russia will not become a candidate for membership. And yet, the Union's approach resembles the heavily conditional and interventionist style it developed with candidates for accession. There is a tension between the comprehensive demands placed on Russia by the Union and the limited endgame that is envisaged for these relations.

A third feature of the CSR that has complicated relations between Moscow and Brussels is the emphasis on values at the core of relations. On the one hand, the Strategy states that the EU has a 'strategic interest' in Russia. At the same time, it explicitly declares that a reinforced relationship between the EU and Russia must be based on 'shared democratic values'. The CSR, thus, contains two yardsticks for measuring a partnership with Russia: the 'strategic' and the 'democratic'. The tension between these two has yet to be resolved in EU-Russian relations.

141. See discussion in Hiski Haukkala, 'The Making of the EU Common Strategy on Russia', *Working Paper* 28 (Helsinki: Finnish Institute of International Affairs, 2000).

The CSR stimulated Russian thinking on the EU. In some respects, serious thought in Russia had started already in 1998 by then foreign minister Primakov. The entry into force of the PCA, indeed, launched the various institutional mechanisms of EU-Russia interaction, forcing Moscow to formulate policy more clearly than it had previously.[142] The result was a more sober understanding of the EU by Russian officials, with increasing recognition that EU enlargement, in particular, might represent a cause for concern.[143] The CSR led Moscow to commission a group of Russian experts inside and outside the Government to draft a Russian response in 1999. The result was 'The Medium-Term Strategy for the Development of Relations between the Russian federation and the EU (2000-2010)', written in mid-1999 and presented to the EU by then still Prime Minister Vladimir Putin in October.[144]

The Russian Medium-Term Strategy (MTS) is notable in several respects. Firstly, it places great stress on Russian autonomy with regard to EU demands. The document declares that Russia will not seek to become an EU member: 'As a world power situated on two continents, Russia should retain its freedom to determine and implement its domestic and foreign policies, its status and advantages of an Euro-Asian state and the largest country of the CIS, independence of its position and activities at international organisations.' The yardstick for relations with the EU is that of 'ensuring national interests': there is no reference to shared values. The MTS also refers to Russia's right to protect certain sectors of the economy, implying that this will be done even if such provisions contradict the terms of the PCA or hinder negotiations on accession to the World Trade Organisation.

The MTS, therefore, highlights Russia's refusal to allow the EU a right to interfere in its sovereign affairs. This point reflects a strategic disconnect between the EU's and Russia's definition of the scope of their 'partnership'.

Secondly, the MTS views the EU in heavily instrumental terms. In the document, relations with the EU stem from Russia's objective of establishing a multipolar world. There are several dimensions to this objective. Russian-EU relations must contribute to the development of a pan-European collective security system. In this respect, the MTS reflects elements of Primakov's earlier strategy, which sought to offset NATO dominance with an increased

142. 'EU-Russia: Cooperation Council, First Meeting, CFSP, Presidency Statement', (27/1/1998) (Pres: 15Nr:05273/98).

143. On early Russian policy, see Igor Leshukov, *Beyond Satisfaction: Russia's Perceptions on European Integration* (Bonn: Center for European Integration Studies, ZEI, 1999).

144. Available on the website of the delegation of the European Commission in Russia: http://www.eur.ru/eng/neweur/user_eng.php?func=apage&id=53.

role for the OSCE. Cooperation in EU crisis management is seen to 'counterbalance, *inter alia*, the NATO-centrism in Europe'. Moreover, the MTS calls for an intensification of work with the EU on strengthening the OSCE as 'a key basis of European security'. In this sense, security cooperation with the EU is perceived as important for its impact on the wider shape of European security and less for its intrinsic value.

Another instrumental dimension was related to the former Soviet Union. The MTS presents EU integration as a model for the development of the CIS. More bluntly, the Russian Strategy states that 'the development of partnership with the EU should contribute to consolidating Russia's role as a leading power in shaping up a new system of interstate political and economic relations in the CIS area.' The implications of this line are not spelt out. However, Moscow seems to be advocating that the EU approach the former Soviet Union *via* Moscow. Russia is to be Europe's gateway to the former Soviet Union.

A final notable feature of the MTS is its sobriety. Compared with earlier statements, the Russian Strategy raises a serious note of anxiety about EU deepening and enlargement. The MTS lists a range of specific objectives Russia should seek in trade relations. The document states that Russia will move towards the 'approximation and harmonisation with EU legislation in the areas of most active EU-Russia cooperation' as well as in the areas of standards and certification. However, counterbalancing this recognition that Russia must become more like Europe is a list of concerns that its interests will be negatively affected by EU enlargement ('expansion', as the Russians put it). The MTS calls for negotiations with the EU and the candidate states to ensure the protection of Russian interests, raising a threat to refuse an extension of the PCA with candidate countries which 'do not ensure fulfilment of the generally recognised norms'.

The difference between the two documents highlights a strategic gap separating Moscow and Brussels. Their tone reflects divergent concerns. The EU focuses on values and Russia's need to change profoundly, while the Russian document stresses national interests and sovereignty. The CSR is vague, while the Russian strategy is quite specific. Moreover, both strategies have unresolved internal tensions that undermine their coherence. The aims of the CSR are balanced between the promotion of strategic

interests and democratic values. The MTS seeks to combine Russia's insistence on autonomy with its desire to deepen cooperation.

In 1999, Moscow and Brussels declared a 'strategic partnership'. Clearly, both parties had a different vision of the partnership, its scope and the obligations it entailed.

The second war in Chechnya brought these tensions to the surface. The EU pledged support to Russia after Chechen rebel incursions into the republic of Dagestan in August 1999. However, the movement of the Russian armed forces back into Chechnya in October, and the resulting massive displacement of hundreds of thousands of Chechens, led Brussels to criticise Russian actions. This criticism came to a height during the Helsinki European Council in December and the meeting of the EU Council of Ministers in January 2000.[145] The Presidency Conclusions condemned the bombing of cities and threats made against civilians by Russia as violations of international humanitarian law. The EU called for an immediate halt to such actions and for Russia to allow international humanitarian agencies into Chechnya and launch an immediate dialogue with Chechen authorities. Failing this, the Council pledged to 'draw the consequences from this situation', setting forth a series of quasi-sanctions against Russia. Some of these were vague, such as the possible revision of the terms of the Common Strategy and the more strict application of the trade provisions of the PCA. More specifically, however, the EU decided to limit TACIS 2000 programmes to priority areas, to suspend the signature of the Science and Technology Agreement with Russia and not to carry over to 2000 unspent food aid from 1999. The Conclusions declared: 'Russia is major partner for the EU . . . but Russia must live up to its obligations if the strategic partnership is to be developed. The EU does not want Russia to isolate herself from Europe.' The tone was full of menace.

Moscow received these injunctions with a mixture of surprise and resentment. With presidential elections scheduled for March, the Russian government could hardly have reacted positively to EU concerns, even if it had so desired. The central plank of Putin's electoral campaign was the struggle to restore the constitutional order in Chechnya, with the limits of the military campaign being those of operational effectiveness and not European concerns. Little heed was paid to EU demands. The crisis over Chechnya

145. *Presidency Conclusions*, Helsinki European Council, 10/11 December 1999, (Brussels, 11/12/99.Nr: 00300/1/99).

shed stark light on the strategic disconnect between Russia and the EU. More than anything, it showed that the EU had little leverage in Russian domestic politics.

The crisis ebbed after Putin's victory in the presidential elections. Brussels made the first gesture. There never had been full consensus in Brussels and amongst the member states on the imposition of quasi-sanctions. Chris Patten took an early position against these in a statement before the European Parliament in November 1999.[146] Patten agued that 'it would be a historic error to begin the next century by locking Russia out of European affairs.' Instead, he called for EU engagement with Russia to persuade it that its actions in Chechnya were short-sighted: 'It is only by trying to maintain the partnership that we have any chance of getting the Russians to heed our message. That is the awful dilemma.' In parallel, from inside the Council, the High Representative of the EU for CFSP, Javier Solana, was pushing for greater engagement with Russia. In October 1999, Solana stated that a meaningful security dialogue with Russia was 'long overdue', arguing that 'developing the partnership with Russia is the most important, the most urgent and most challenging task that the EU faces at the beginning of the 21st century.'[147] Solana insisted that a secure Europe could not be built without Russia.

Putin's election was welcomed with a sigh of relief. The EU moved quickly to resume full ties with the Russian government after realising its dearth of influence. Putin's first summit with the EU as President in Moscow in May 2000 marked the relaunch. The Joint Statement noted the EU's concerns with the situation in Chechnya, but reaffirmed a desire 'for the progressive development of our relations in all areas [emphasis added].' All talk of sanctions and 'drawing conclusions' was quietly abandoned.

Patten's 'awful dilemma' of engagement for persuasion became EU policy following the Moscow summit. The Swedish Report of June 2001 on the implementation of the Common Strategy on Russia phrased the approach more diplomatically but its essence remained the same.[148] In the words of the Report, the EU has a 'dual track' policy on Russia based on engagement to raise its concerns about developments inside Russia, including the conduct of the Chechen war, and also to promote Russia's integration and advance 'shared values'. Brussels had little leverage over Moscow and could not afford to suspend ties. At the same

146. 'Declaration on Chechnya', Chris Patten to the European Parliament, Strasbourg, 17 November 1999, SPEECH/99/166.

147. Javier Solana, 'The EU-Russia Strategic Partnership', Stockholm, 13 October 1999. The speech can be found at: www.ue.eu.int/solana.

148. *Report on the Implementation of the Common Strategy of the EU on Russia to the European Council Göteborg* (Brussels, 12 May 2001, 9805/01 PESC 226).

time, the emphasis on 'shared values' as the basis for partnership did not disappear. The EU remains a judgmental and intrusive partner for Russia.

Despite a cantankerous Brussels, Putin accelerated the pace and scope of Russian policy towards the EU. After his election, he brought immediate focus to EU-Russia relations. This focus had several features. Firstly, Putin strengthened the decision-making capacities inside the Government with the appointment of a deputy prime minister responsible for relations with the EU and the creation of an Intergovernmental Coordination Committee. More importantly, Putin brought the weight of the Russian president to the task, something that Yeltsin had never done. His personal role in stimulating Russia-EU relations in the bi-annual summits cannot be underestimated.

Secondly, Putin's turn to the EU was part of what he called Russia's overall 'European vocation'. As he stood poised on the brink of major reform, the new president recognised the need to strengthen the whole range of economic and political ties with the EU. More than this, the idea was that Russia had better do so as soon as possible. With deepening and widening, the weight of the EU as a political, financial and trade power was bound to increase. Consequently, one MID official stated in 1999 that 'the EU will have levers for influencing Russia in a direction which is advantageous for itself and may not necessarily be so advantageous for Russia.'[149] In addition to presenting a challenge, Putin recognised that the EU was an opportunity, not only in economic and trade terms but also in terms of European security.

The results were immediate. During the Moscow summit, Putin expressed an enthusiastic, if still sober, view on ESDP. The Joint Statement noted that Russia might be invited by the EU to participate in further crisis management operations. The potential for practical security cooperation with the EU was most appealing for Moscow as it arose barely a year after the Kosovo crisis. The EU emerged as a new security actor in Russia's pursuit of a multi-polar European model of security.

Putin's presidential election, therefore, marked the start of a more focused and more realistic approach by both parties to the 'partnership'. At the same time, the problems that had characterised relations in the Yeltsin era did not disappear, nor were the internal tensions in EU and Russian policy fully resolved. None the less, the stage was set for deeper dialogue across the board.

149. V. N. Pozdnyakov and S. P. Ganzha, *Mezhdunarodnaya Zhizn'*, vol. 13, 1999, cited in David Gowan, *How the EU can Help Russia* (London: Centre for European Reform, December 2000), p. 7.

Wide-ranging relations: the Energy Dialogue

EU-Russian relations are unique for both parties in terms of the multiplicity of their dimensions. These range from technical trade cooperation, large-scale regional cooperation frameworks such as the Northern Dimension and space cooperation to joint action in combating organised crime and nuclear safety programmes.[150] Russian-EU relations are multifaceted, complex and wide-ranging. While not within the scope of this paper, it is worth discussing briefly one non-ESDP area where relations have accelerated quickly since 2000: the Energy Dialogue between Russia and the EU.[151] The Energy Dialogue illustrates the long-term nature and scale of ties between Moscow and Brussels. It has also a strategic dimension, given the importance of Russian energy supplies for the EU. Moreover, the Dialogue is an area of rough parity between Russia and the EU. Unlike trade, where Russia needs Europe far more than Europe needs Russia, energy presents a more balanced relationship. Finally, the Energy Dialogue highlights the divergent visions of the nature of the 'partnership' held in Moscow and Brussels.

Initially an idea of Commission President Romano Prodi, the Energy Dialogue was launched during the Paris EU-Russia Summit in October 2000 with the objective of providing 'an opportunity to raise all the questions of common interest relating to the sector, including the introduction of cooperation on energy-saving, rationalisation of production and transportation infrastructures, European investment possibilities and relations between producers and consumer countries.'[152]

The Dialogue was based on the recognition of three realities by Russia and Europe. Firstly, trade in energy is vital to both. In 1999, 21 per cent of EU oil came from Russia (representing 16 per cent of EU consumption) and 41 per cent of EU gas was supplied by Russia (representing 19 per cent of consumption). The European market was equally significant for Russia. In 1999, 53 per cent of Russia's oil exports went to the EU; in 2000, 63 per cent of Russia's natural gas exports were supplied to European markets.

The second recognition was that European demand for energy would only increase over the next twenty-five years. The Commission's Energy Green Paper, presented in November 2000, noted that the EU's dependence on energy imports was expected to increase overall from 50 per cent to 70 per cent by 2030, with oil

150. The website of the Delegation of the Commission to Russia has an overview of areas of cooperation: http://wwww.eur.ru/eng/neweur/user_eng.php?func-coopeng.

151. See the EU website: http://www.europa.eu.int/comm/energy_transport/en/lpi_en_3.html#ref.

152. 'Communication of President Prodi, V. P. de Palacio, and C. Patten to the Commission', May 2001.

reliance increasing from 76 per cent to 90 per cent and natural gas from 40 per cent to 70 per cent.[153] The Green Paper called for measures to ensure the stability of such energy supplies. Clearly, in circumstances of rising demand and decreasing room for manoeuvre, the energy relationship with Russia has gained in significance. It is no coincidence that the Energy Dialogue was launched at the same moment as the release of the Energy Green Paper.

The third recognition, indeed, concerns the role of Russia in this area over the long term. For its potential to be realised, the Russian energy sector requires reform, and especially, investment. Russia's capital needs to 2020 are estimated at around $100 billion for the natural gas sector and $150 billion in the oil sector. For the Russian energy sector to become attractive for such massive investment, however, substantial reform is required. For Brussels, the Energy Dialogue is a framework for channelling European expertise, not to say pressure, to reform Russia's energy sector.

For these reasons, the Dialogue took off at a quick pace. Two high-level interlocutors were designated to conduct the dialogue, Russia's Deputy Prime Minister, Viktor Khristenko, and European Commission Director-General (Energy and Transport) François Lamoureux. Four working groups were created in November 2000 on energy strategies, technology transfers, investments and energy efficiency issues. Since late 2000, Lamoureux and Khristenko have presented three Progress Reports on the dialogue, the latest revealed in November 2002. The Dialogue has progressed in a number of areas. Two pilot projects for energy saving and efficiency were designated in Astrakhan and Arkhangelsk, to be financed by TACIS. In November 2002, a EU-Russia Technology Centre was inaugurated in Moscow, with joint EU and Russian directors and financing, to provide a locus for expert cooperation and exchange. In parallel, the Russian government has also made progress towards designing a more appropriate Tax Code for Power-Sharing Agreements, an issue of vital importance for foreign investment. Also, a group of independent experts, which was created to examine projects of 'common interest' for Russia and the EU, has recommended setting up a guarantee fund to help protect investors. The dialogue has also promoted better transparency between the two parties in some important areas. For example, Russia was able to clarify its concerns about the imposition of limits (30 per cent) on natural gas supplies to a EU

153. 'Towards a European Strategy for the Security of Energy Supply', (COM 2000 769, 29 November, 2000).

member state from a non-EU member, which were never justified.

These positive measures remain marginal, however, because the Energy Dialogue has been held up by divergent interpretations of its meaning by the two parties. Put bluntly, the priorities of Russia and the EU are different.[154] More than anything else, Russia seeks European investment to modernise its energy sector. In Moscow's view, the Energy Dialogue is to serve as a channel for Russian advocacy for European capital, particularly from the European Investment Bank, to support a range of production and infrastructure projects. Secondly, Russia seeks to ensure that the terms of its energy supplies are not affected adversely by Community regulations on market liberalisation and competition. In particular, Russia seeks to protect the notion of 'destination clauses' for its energy supplies to prevent resale within the Community. The EU and Russia have also clashed over Russia's desire to retain long-term gas supply contracts, which contradict Community law.[155]

In contrast, European priorities for the Dialogue are to ensure the long-term stability of its energy supplies. The primary means by which to achieve this is to seek access to the Russian market through its reform and liberalisation. As such, the EU has pushed for open and non-discriminatory access for exploration, production and transport. These objectives explain why the EU has pressured Russia to ratify the Energy Charter Treaty, which was signed in 1994 but held up by Russia's domestic energy lobby. More fundamentally, the EU does *not* seek, through the Energy Dialogue, to replace private sector companies or direct private sector decisions.

The differences run deep: Russia wants EU support to modernise its energy sector and protect its position in the Union, while the EU seeks the reform and opening of the Russian market through the creation of a positive business climate.[156] The results of the Dialogue thus far have been mixed, even in this area of strategic interest where both parties are *demandeurs*.

The political and security dialogue

The Moscow summit in May 2000 marked the start of a more substantial political and security dialogue between Russia and the EU.[157] Since then, the political and security dialogue has broached the following subjects of cooperation:

154. For a summary of these differences, see the unpublished presentation by Christian Cleutinx, Head of Unit, DG Energy and Transport, 'Towards an energy partnership', Warsaw, 21 March 2002.

155. A compromise was reached on some of these contracts at the 9th summit; see Celine Bayou, 'Les Relations Russie-UE – Vers Quelle Integration?', *Le Courrier des Pays de L'Est*, May 2002, pp. 4-16.

156. On these differences, see discussion of Isabelle Facon, 'Les Relations Politiques et de Securite entre la Russie et l'UE', *FRS Documents* no. 28, Septembre 2002, pp. 20-3.

157. *Joint Statement*, EU-Russia Summit, Moscow, 29 May 2000.

1) Foreign policy issues

Following the Kosovo crisis, a number of security questions have returned, sometimes prominently, as subjects of the political and security dialogue. For example, the EU and Russia have issued joint statements of concern on the conflict between India and Pakistan.[158] However, statements on such questions, so far away from the immediate concerns of the dialogue, have been superficial, indicating no joint effort by the two parties to work together on a particular question.

The EU and Russia have made efforts to coordinate their positions on two questions that are closer to home: the Balkans and the Middle East. After the collapse of cooperation in the Balkans during the Kosovo crisis, a shift occurred in Russian-European approaches to the region. Since 2000, Russia has largely taken a back seat in the region, insisting only on a strict application of relevant UN resolutions and no changes to state borders. The EU and Russia have issued a number of joint statements on various questions arising in the region, but the EU has taken the lead with Russia's tacit consent. For example, Russia was kept informed about EU policies during the crisis in Macedonia in 2001 but had no say in the development of European policy.

Russia and EU foreign policy cooperation in the Middle East has been relatively greater and more equal, even if both stand in the shade of the United States. Over the course of the 1990s, Moscow and Brussels developed similar views on the Israeli-Palestinian conflict. At first, both called for negotiations on the basis of the 'Madrid Principles'.[159] This was followed by joint emphasis on implementing the recommendations of the Mitchell Commission. In 2002, their roles became sharper in the framework of the Quartet. Contrary to expectations, the Quartet has achieved a working pace. In 2002, the Quartet developed a three-year, three-phased 'road map' based on the vision of two states.[160] While US-led, the EU and Russia have coordinated their positions through this forum.[161]

Dialogue on the former Soviet Union has been limited. The EU has sought to use the political dialogue to influence Russian policy towards the conflicts in Moldova and the South Caucasus. These attempts have been to little avail. EU efforts to

158. *Joint Statement*, Annex 4, EU-Russia Summit, Moscow, 29 May 2002.

159. *Joint Statement*, EU-Russia Summit, Moscow, 17 May 2000.

160. *Joint Statement on Middle East*, EU-Russia Summit, Brussels, 11 November 2002.

161. As a result, officials in the Russian MID expressed very positive views of the Quartet in discussions with the author in Brussels in October 2002 and Moscow in December 2002.

discuss the question of Belarus with Russia, while always on the agenda, have also been in vain.

Thus, while there are broad similarities between Russia and the EU on a number of important international security questions, ranging from the role of the UN to the Middle East, the political dialogue has produced few, if any, meaningful joint foreign policy positions.

2) Dialogue mechanisms

As noted in the Press Background Note issued before the 9th EU-Russia Summit in May 2002, 'the dialogue with Russia is more frequent than with any other third party'.[162]

In addition to the summits that occur on a six-monthly basis, the EU and Russia agreed in 2000 to entertain consultations on security and defence matters between the EU Political and Security Committee (COPS) and the Russian Ambassador in Brussels. Russia and the Union also agreed to start expert-level discussions on the issues of disarmament and arms control. The expert groups have met on a regular annual basis, and the subjects for discussion have come to include the conflicts in the former Soviet Union.

October 2001, Brussels and Moscow decided to increase the tempo, with the creation of a monthly meeting between the Russian Ambassador and the COPS Troika 'to take stock of consultations on crisis prevention and management'.

In addition, contacts have developed at the military level. The first meeting of the EU Military Committee Chairman with officers in the Russian MO was held in May 2002. In November 2002, the Russian MO assigned a liaison officer to work with the EU Military Staff in Brussels.

In many respects, the security dialogue between Russia and the EU is over-institutionalised. Meetings occur too often for the good of the relationship, contributing to a formalistic and bureaucratic climate. None the less, the multiplicity of contact levels is not without advantages in terms of mutual habituation with the other party.

The monthly meetings of the COPS Troika and the Russian Ambassador have proved more successful than expected, instilling an informal and continuous pace into the dialogue. By all accounts, this format has been the most positive experience.[163]

162. See also Clelia Rontoyanni, 'Russian and Ukrainian Views of ESDP', unpublished paper, 1 July 2002.

163. Interviews with members of the secretariat of the Council in October 2002 and with Russians officials in Brussels and Moscow in October and December 2002.

3) EU conflict management operations

Russia and the EU have also launched a dialogue on future EU conflict management operations. In the first instance, at the initiative of the Russian government, Brussels and Moscow have exchanged views on concepts of conflict prevention and management.

Two Russian 'power' ministries took the lead in this area. In early 2001, the MO developed detailed proposals for joint work on crisis management with the EU, with an emphasis on joint planning and possible multinational peace support units. In 2002, the Russian Ministry for Emergency Situations presented to the EU an elaborate concept for civilian crisis management. This was followed up by further proposals on disaster management in March 2003. Direct contacts have been established with both ministries in Moscow. However, the EU has not yet developed its own concepts, so this area has not advanced.

Since the Nice European Council, EU member states have worked out modalities for the participation of Russian forces in EU crisis management operations. The latest clarification of procedures was issued in the Presidency Report on ESDP in June 2002.[164] The procedures state that the EU will start an intensified dialogue with Russia in case of an emerging crisis. Russia will also be informed if the EU is considering an operation. Once the EU has determined a Concept of Operations, Russia may be invited to participate in the EU operation and attend the Force Generation Conference. If Russia provides 'significant forces' to the operation, Moscow will have the same rights as participating EU member states in the Committee of Contributors, the main body for daily operational management. Brussels has elaborated similar arrangements for civilian crisis management operations, such as police missions.

The possibility of actual Russian involvement was raised in 2001, and took shape in 2002 during EU planning for the EU Police Mission (EUPM) in Bosnia-Herzegovina that was launched in January 2003. In October 2002, the Russian government put forward five Russian candidates for participation in the EUPM. This hardly constitutes a 'significant contribution' to the operation. However, Russian involvement in the EU's first crisis management operation, even if non-military and small-scale, is not without symbolic importance. At the very least, the EUPM signals Russia's willingness to work *under* the

164. *Presidency Report on ESDP*, Brussels, 22 June 2002, 10160/2/02 REV 2 ESDP 188, Annex IV, Arrangements for Consultation and Cooperation between the EU and Russia on Crisis Management.

EU in the Balkans.

Russia's military liaison officer in the EU Military Staff is also concerned with crisis management. According to the Common Strategy Implementation Report to Seville of 18 June 2002, one of the designated functions of the officer is to 'promote practical information exchange on military crisis management matters'. This function remains to be developed.

4) Counter-terrorism

The attacks of 11 September brought counter-terrorism to the table of the Russia-EU political dialogue. At summit level, the two parties have issued two relevant joint statements. The first followed the Brussels summit in October 2001 and pledged to increase cooperation to form an international coalition.[165] The EU and Russia agreed to exchange information on terrorist activities and networks, and not to allow any such groups on their territories. The two parties also agreed to block the financial sources for terrorism and exchange intelligence on dubious transactions.

Russia and the EU issued a second statement on the fight against international terrorism after the Brussels summit in November 2002.[166] This statement placed emphasis on the need to bring to justice the 'perpetrators, organisers and sponsors of terrorist acts'. More practically, the statement declared that an agreement was to be finalised between EUROPOL and Russia on the exchange of technical and strategic information. This agreement will lay the basis for greater police and judicial cooperation between the EU and Russia. The Joint Statement also stressed the role of the UN as the central legal and political authority in the counter-terrorist struggle.

Moreover, Russia has been invited as a special guest to a number of conferences on the question organised by the EU. The two parties have discussed the topic and exchanged views at the expert level and with the COPS Troika since November 2001.

Both Moscow and Brussels have noted the link between terrorism and illegal activities. As a result, EU-Russian cooperation in the struggle against organised crime is an indirect facet of their cooperation in counter-terrorism. In 2000, the two parties agreed to a joint Action Plan on combating organised crime in the Russian Federation.[167] While cooperation has taken a slow start, meetings of Russian and EU justice and home affairs

165. *Statement on International Terrorism*, EU-Russia Summit (Press: 342Nr 12423/01: Brussels, 3 October 2001).

166. *Joint Statement on the Fight against Terrorism*, Russia-EU Summit, Brussels, 11 November 2002.

167. *European Union Action Plan on Common Action for the Russian federation on Combating Organised Crime* (2000/C 106/02, Official Journal C 106, 13 April 2000, pp. 0005-0012).

ministries have become regular events. In so much as the focus has been on money laundering, arms and drugs smuggling, these discussions are not completely unrelated to counter-terrorism.

(Real progress in this area has been largely formal for the moment, in part held up by the scale of the criminal challenge emanating from Russia and the dispersed attention of the Russian government.)

As will be discussed later, Russian-EU counter-terrorist cooperation has been held up by differences between Moscow and various European capitals over the definition of terrorism and the means that are appropriate for countering it. The difference in vision became most apparent after the Moscow hostage crisis in October 2002, when many European states were reluctant to accept Russia's definition of the Chechen conflict as counter-terrorism. Russian efforts to secure the extradition of the Chechen representative, Akhmed Zakayev, from Denmark and Britain, produced little more than frustration in Moscow.

5) Military-technical cooperation

In addition, the Russian government has been keen to develop technical cooperation in areas of perceived comparative advantage. The lack of European strategic airlift has long been noted, and Russia (like Ukraine) has eagerly put forward its capabilities as a logical option for the EU. However, European states have decided to develop a specifically European capability in this area with the projected development of the A400M, planned for delivery in 2008. Although the main funder of the project, Germany, faces serious financial problems, the A400M remains a European priority.

Russia offered aircraft to the EU for use in Afghanistan in late 2001. The offer was rejected for two reasons. Firstly, the cost of renting the aircraft was considered exorbitant. Secondly, Russia sought to impose political limits on the use of the aircraft, limiting the distribution of humanitarian assistance by ECHO to areas under the control of the Northern Alliance. Quite naturally, Brussels rejected the Russian offer.[168]

None the less, driven mostly by inertia, the question of using Russian aircraft remains under assessment in Brussels. A questionnaire on assets and capabilities has been given to the Russian MO for completion. In September 2002, the Russian

168. Interviews with EU officials in Brussels in October 2002.

Ministry for Emergency Situations also proposed its assets for use in ESDP.

The Russian government has also proposed that the EU draw on its satellite imaging to bolster ESDP capabilities. The EU Satellite Centre in Torrejon has bought Russian satellite images in the past but no special relationship has been established. At the wider level, Moscow and Brussels launched a Space Dialogue in 1998. Russian-EU space cooperation has run parallel to the wider development of a European joint space strategy. The decision to develop the civilian satellite navigation system, Galileo, taken in March 2002, marks an acceleration of EU policy in this area. Russian-EU cooperation in the Space Dialogue envisages possible Russian involvement in Galileo as well as the Global Monitoring for Environment and Security (GMES) initiative.[169]

For the moment, however, cooperation in military-relevant satellite imaging is very limited. Russian images have been bought by the EU Satellite Centre but on a commercial basis and not always with the most reliable results.[170]

The EU has no pressing need for access to Russian satellite capabilities.

In addition, Russia and the EU decided to conduct a regular dialogue on mine-clearance during the May 2002 summit. In all, issues of military-technical cooperation between Moscow and Brussels have more longevity than substance. Some of these questions were bandied about throughout the 1990s, but few have developed seriously. Nor are they likely to in the future.

6) Non-ESDP security-related issues

Russian-EU relations also feature cooperation on a number of non-ESDP questions that have security relevance. Some of these have already been mentioned, such as the Joint Action on combating organised crime in the Russian Federation.

In addition, Russia and the EU have agreed to a framework for cooperation in the spheres of nuclear safety and disarmament. At the wider foreign policy level, both parties maintain similar stances on the need to enforce multilateral arms control and disarmament agreements, such as the Non-Proliferation Treaty and the Missile Technology Control Regime. More specifically, the EU Council approved a Joint Action in

169. A joint memorandum agreed on 19 December 2000 by the European Commission, the European Space Agency and the Russian agency *Rosaviakosmnos* established a political framework for cooperation between Galileo and Russia's GLONASS.

170. See Mark Webber, 'Third-Party Inclusion in European Security and Defence Policy: A Case Study of Russia', *European Foreign Affairs Review*, vol. 6(4), 2001, pp. 407-26.

December 1999 (at the height of the crisis over Chechnya) establishing a Cooperation Programme for Non-Proliferation and Disarmament in the Russian Federation.[171] A follow-up Council decision in June 2001 was approved for the further implementation of the 1999 Joint Action.[172]

The thrust of the EU programme is threefold. Firstly, the EU seeks to support the development of a nuclear safety culture alongside the monitoring agencies inside Russia. The EU funds jointly the International Science and Technology Centre in Moscow to support Russian nuclear scientists. Secondly, the EU has provided support to studies and experiments regarding the disposal of nuclear materials, in particular, with regard to mixed oxide fuels. Finally, the EU supports a number of projects related to chemical weapons destruction in Russia.

Since the Kananaskis summit of the leaders of the G-8 in June 2002, EU programmes in this area have been part of the wider international effort to support on a much more extensive scale the process of dismantling and securing Russia's nuclear, biological and chemical weapons, agents, materials, and infrastructure. The G-8-led Global Partnership, indeed, consists of a pledge of $20 billion over the next ten years, to which the EU has promised €1 billion.[173]

While not part of the ESDP-related political dialogue, these programmes bring added value to the security relationship. The joint statement issued after the November 2002 summit placed emphasis on the connection between international terrorism and organised crime, money-laundering, and illegal movements of nuclear, chemical and biological materials. These dimensions are likely to gain in importance.

While the political and security dialogue is quite wide, it lacks real depth. Before examining the reasons why the partnership is limited, it is worth discussing Russian perceptions of ESDP and how these have evolved.

Russian views on ESDP: from enthusiasm to realism

Russian views on ESDP have evolved rapidly since the St-Malo declaration. However, it is possible to identify four core perceptions.

171. *Council Joint Action of 17 December 1999 establishing a EU Cooperation Programme for Non-Proliferation and Disarmament in the Russian Federation* (1999/878/CFSP).

172. *Council decision of 25 June 2001 implementing Joint Action 1999/878/CFSP with a view to contributing to the EU Cooperation Programme for Non-Proliferation and Disarmament in the Russian Federation* (2001/493/CFSP).

173. For more on EU programmes in this area, see Kathrin Höhl, Harald Müller and Annette Schaper, in Burkard Schmitt (ed.), 'European Union,' in *Protecting against the Spread of Nuclear, Biological and Chemical Weapons: An Action Agenda for the Global Partnership, Volume 3: International Responses* (Washington DC: Center for Strategic and International Studies, January 2003).

Firstly, and most fundamentally, Russia perceives ESDP as a project which has just been launched and whose future remains uncertain. Igor Ivanov, who had worked on Russian policy towards the EU before being appointed Foreign Minister and, therefore, has quite unique experience in a Russian setting, has repeatedly emphasised this aspect of ESDP. At a moment of particularly enthusiastic rhetoric from some Russian circles, Ivanov stated in April 2001: 'I would like to stress we are at the beginning of the road. You see the policy of the EU in the field of security and defence is in its formative stage.'[174] Russia is not blind to the reality that ESDP must be implemented at the same time with the results of the Convention and the enlargement of the EU to twenty-five member states. ESDP is nascent; Moscow is prepared to wait and see the nature of the creature that will finally be brought to life.

Russia's 'wait-and-see' approach has imparted a dose of caution in its dealings with ESDP. At the same time, the very fact that ESDP is emerging concurrently with the deepening and widening of the EU has led Moscow to take it seriously. For all its weakness, Moscow cannot ignore the fact that the EU is 'pregnant' with power. The second core Russian perception of ESDP, therefore, is the need for Russia to get involved early and heavily. If Russia is likely to remain weak while the EU becomes stronger, then Russia must secure a foothold in ESDP as soon as possible, while the tables are not too unbalanced. Moreover, Russia seeks to affect the kind of ESDP that is being formed, in order to ensure that it is not threatening to Russian interests, and secure maximum influence over its activities. Igor Ivanov stated in May 2001 that the EU was 'the largest integration association in the world and a major pole of an emerging world multipolar system.'[175] Russia cannot afford not to have special ties with it.

Thirdly, inherited from some of its previous dealings with the WEU, the Russian government sees potential financial gains in cooperation with ESDP.[176] As the deficiencies in European military capabilities became clear in the late 1990s, and, most notably, during the Kosovo crisis, Russian proposals for the EU to draw on Russian strategic airlift capabilities as well as space reconnaissance technology have resurfaced.

Finally, ESDP matters for Russia in terms of its instrumentality. In 1999, Yeltsin sought to tie the development of the EU as a security actor to the strengthening of the OSCE.[177] Following the

174. Remarks during a joint press conference with Javier Solana, reported on *DNB*, IPD, MID, Moscow, 5 April 2001.

175. Igor Ivanov, 'Russia and EU: Prospects for Strategic Partnership', *Europa Magazine*, no. 5, May 2001.

176. See discussion in Dmitriy Danilov and Stephan de Spiegeleire, 'From decoupling to recoupling: a new security relationship between Russia and Western Europe?', *Chaillot Paper* 31 (Paris: Institute for Security Studies of WEU, April 1998).

177. *EU/Russia Summit, Moscow, 18 February 1999* (Brussels, 18/2/1999, Press 43 Nr: 6118/99).

Kosovo crisis, Moscow seized on ESDP to fill the vacuum left in European security. To date, the link between ESDP and NATO remains in Russian policy. As noted in the 1999 Medium-Term Strategy towards the EU, Russia views the EU as contributing to the development of a multipolar world to offset the rise of one dominated by a single power. A wider and deeper EU, entertaining strong ties with Russia, is said to provide for the 'interrelated and balanced strengthening of the position of Russia and the EU in the international community of the twenty-first century'. The development of ESDP and the dialogue with Russia is presented in the Russian Strategy as a means to counterbalance 'NATO-centrism in Europe'. At the very least, the development of ESDP may dilute NATO's predominant role, providing an alternative locus for decision-making, with different membership and rules of behaviour.

Russian approaches to ESDP have evolved over three periods since 1999. The first period was one of Russian enthusiasm for ESDP and proactive attempts to develop cooperation as far and as quickly as possible. Starting in 1999 and lasting till May 2001, the Russian leadership acted in the shadow of the Kosovo crisis, desperate to dilute NATO predominance and restore to Russia some place in the Continent. Under Putin's leadership, Russian policy came quickly to place its hopes in ESDP as the means to build a 'Greater Europe'. The EU-Russia summit in Paris in October 2000 marked a high point of Russian enthusiasm. Russia's Ambassador to Brussels called the Paris summit a 'sputnik – a rocket to launch relations into a new orbit', whose possibilities were 'gigantic'.[178] Vasily Likachev declared in rosy tones that 'we are approaching a new concept of European security'. The Russian MO was particularly proactive in early 2001 with proposals for joint conceptual work, joint operations, and military-industrial cooperation. In a meeting with Patten, Solana and Swedish Foreign Minister Anna Lindh, Sergei Ivanov went so far as to state that 'the Russia-EU dialogue ought to be no less intensive than the Russia-NATO dialogue'.[179] This moment of Russian enthusiasm corresponded with proactive statements within the EU about the need to develop ties with Russia.

The following summit in Moscow in May 2001 marked a blow to burgeoning ties. The Moscow Joint Statement noted that the two parties would continue to inform each other about their security policies, and concluded that 'cooperation should continue to evolve gradually and in a structured way'. Nothing more.

178. See 'EU/Russia: What are the Next Steps?', *European Report EIS*, 4 November 2000.

179. *DNB*, IPD, MID, Moscow, 16 February 2001.

The EU had cooled off. Prospects for developing ties further with Russia were dim, while a host of more important questions, such as access to NATO assets, remained unresolved. Moreover, the EU had no desire to tie itself too tightly to Russia while ESDP remained in formation because of the political ramifications this might have on relations with the United States. Increasing frustration with EU passivity marked this second period of Russian policy. An article written by Sergei Prikhodka, the Deputy Head of the Presidential Administration, in summer 2001, highlighted Russian concern, not to say anger, at the slow pace of cooperation.[180] Prikhodka argued that the EU and Russia had failed to develop a serious dialogue, calling on both parties 'at last to move from words to action . . . we have no more time for feet dragging and procrastination.' The Brussels summit in October 2001 marked the end of this second period, resulting in a decidedly low-key joint statement that conditioned the Russia-EU dialogue on ESDP 'in light of progress made by the EU'. Given the modest pace of progress until then, these words were not promising.

Since October 2001, Russia has become more sceptical about ESDP. In some respects, Russian policy is no less proactive and ambitious than it was in 2000. Russia has continued to make ambitious proposals for military and military-technical cooperation. Russia's 'Russia-EU Action Plan in the field of ESDP' presented to Brussels in May 2002 showed the range of its ambitions in terms of dialogue mechanisms and substance. Moscow's expectations had by then changed as a result of the upheaval in international relations caused by 11 September. ESDP as originally envisioned seemed out of sync with Europe's strategic needs. The Petersberg tasks were fitting for the wars of the 1990s but not the twenty-first century. Moreover, if the EU has made any progress in responding to new threats, they reside mainly, if anywhere, within the purview of its third pillar (justice and home affairs) and not ESDP. The terrorist attacks also catalysed a more self-consciously unilateralist United States that had a jaundiced view on any entangling alliance that was not mission-led. British policy in Europe changed as a result, with Tony Blair seeking to position Britain ever more as the transatlantic bridge. Russian policy has also taken on a strong US-focus, with the rise of a strategic relationship with Washington based on similar visions of international security. Moreover, although not related to the ESDP, EU-Russian relations in 2002 were affected by the difficult

180. Sergei Prikhodka, 'Russia-EU Cooperation: The Need for a New Impetus', *Europa Magazine*, no. 3, October 2001.

negotiations occurring on transit to and from Russia's exclave of Kaliningrad, with Moscow insisting in vain that the rules of the Schengen regime be relaxed in this case. Finally, following a year of quivering uncertainty, the Prague summit breathed new life into NATO.

With all this, the importance of ESDP for Russia has taken a blow.

The limits of the partnership

In addition, the political and security dialogue has been affected by six factors related to the nature of the two parties, their objectives and interests.

1) **Clashing visions**

As noted above, Russia entertains a number of different perceptions of ESDP, which coexist, not always coherently, in Russian policy. The bottom line, though, is that relations with ESDP should advance Russian interests in Europe, which consist in creating a model of European security that ensures Moscow an 'equal' voice in all security dimensions. In this sense, ESDP is essentially an instrument to create a 'Greater Europe'.

ESDP is nothing of the sort for the EU.[181] For Brussels, ESDP is not a motor for the creation of a common European security space. It is a limited instrument of EU foreign policy: ESDP serves the EU and not 'Greater Europe'. Future EU operations have similarly limited scope and objectives. Their aim is not to create a common 'space', or to accommodate the interests of all parts of Europe; it is solely that of crisis management.

2) **Modalities for third-party involvement**

As a result, the modalities for third-party involvement in ESDP operations fall short of Russian demands. The Russian government has sought to ensure that it has equality with EU member states at every level of decision-making in a crisis situation: that is, joint Russian-EU assessment of a situation and agr eement that it is indeed a crisis (Russia did not see Kosovo in the same way as NATO), joint planning and joint command and control.

181. Interviews with officials in the Council Secretariat, Brussels, October 2002.

Russia's insistence on 'co-decision making' is completely inappropriate for Brussels. For the EU, third parties may participate if they so desire but only if their participation is considered necessary. Automatic co-decision making is out of the question.

Most importantly, third-party involvement allows for only that – involvement. Nothing more. Joint decision-making may be envisaged only if a third party provides 'significant forces', a notion that has remained wilfully vague in Brussels. Moreover, even if a third party does provide significant forces, it will not necessarily be involved in the drafting of the Concept of Operations.

In sum, the present modalities for Russian involvement in EU operations seem less accommodating than those of NATO. In fact, Russia has called on Brussels to create a forum similar to the NATO-Russia Council.

3) Grey areas of future EU operations

There are a number of grey areas surrounding EU operations that give cause for concern in Moscow. In 2002, Vladimir Baranovsky cited an extremist Russian view that the 'common European Security and Defence Policy is potentially more dangerous than NATO'.[182]

Firstly, after Kosovo, the definition of what constitutes a crisis is a source of worry for Moscow. Russia fears that what it might see as an internal problem may be considered an international crisis for Brussels. For this reason, Russia has proved extremely reluctant to discuss Belarus with the EU. For Moscow, Belarus poses no international threat and is not a 'crisis' in any way.

Linked to this, the EU has remained wilfully vague in answering the question of whether it will seek a UN mandate for its operations.[183] The EU's desire to keep its options open in this respect is a source of worry for Russia, which seeks to prevent a repetition of the Kosovo precedent of non-UN mandated use of force by a regional organisation.

The Russian government has also shown concern over the geographical scope of potential EU operations. Unofficially, the EU may consider mounting operations in a radius of 4,000 km from Brussels, which takes in part of the Caucasus. Russia is concerned that ESDP might be turned against Russian interests in the future with forces deployed on its borders.

182. This excellent work is the most thorough analysis of the range of Russian attitudes towards the EU: V. Baranovsky, *Russia's Attitude towards the EU: Political Aspects*, Finnish Institute of International Affairs, Programme on the Northern Dimension of CFSP, no. 15: Finland, 2002, p. 113.

183. See discussion in Martin Ortega, 'Military Intervention and the European Union', *Chaillot Paper* 45 (Paris: Institute for Security Studies of WEU, March 2001).

Finally, the significance of the agreement on EU access to NATO assets and capabilities, reached in December 2002, is unclear for Russia. This arrangement may offer an opportunity for greater Russian involvement in EU operations through the NATO-Russia Council. It may also have the opposite effect.

Russia's basic concern with ESDP is that it will follow the path of the OSCE, towards the 'narrowing' of its functions and focus, but with a strong link to NATO. Russia seeks to be a subject of ESDP, not its object.

4) Different actors – different security agendas

Russia and the European Union are different kinds of actors.[184] Russia is a sovereign state, with a unified political, economic and military system, an elected leadership dedicated to advancing the state's interests and institutions for coordinating means to desired ends.

The EU is nothing of the sort. The European Union is a unique, not to say strange, political actor, with divided and clashing institutions, unclear sovereignty, a weak sense of common interests and few institutions in the political area yet able to achieve its declared ends.

These differences have rendered the development of genuine strategic partnership difficult. In interviews, Russian officials in Brussels and Moscow note the difficulty of dealing with the EU because of its complexity in terms of different loci of decision-making and opacity.

(In the view of some EU officials, however, Russia has come to master using EU complexity for its purposes, playing various levels of the organisation off against each other – the Commission and the Council, the Presidency foreign ministry and EU bodies. Russia's skill was evident in the final stages of negotiations on the transit questions surrounding the Kaliningrad Oblast in 2002, where Moscow drew on close bilateral ties to reinforce and exploit differences between EU institutions.[185])

The security agendas of Russia and the EU are radically different. At the widest level, this clash is between a state that is deeply defensive about its sovereignty and territoriality and an association where sovereignty is pooled and traditional notions of territoriality are diluted.

184. See also discussion of Marius Vahl, 'Just Good Friends? The EU-Russia 'Strategic Partnership' and the Northern Dimension', *Working Document* no. 166 (Brussels: CEPS, March 2001).

185. Discussions with officials in the Commission and the Council, October and November 2002.

Russia has become a staunch conservative in some areas of international affairs. By contrast, the EU and its member states stand at the forefront of the elaboration of new customs of international relations, including the notions of 'humanitarian intervention' and 'limited sovereignty'.

Russia's security agenda is that of a state under siege from external pressures and internal conflict, where terrorism mingles with separatism and institutional weakness to produce a volatile cocktail. In the case of Chechnya, defined by the government as a case of outright international terrorism, Russia continues to believe in the utility of military force.

The EU's understanding of the Chechen problem is different: Brussels has refused to allow the conflict to be folded into the wider struggle with hyperterrorism. Moreover, the EU's approach to security places less emphasis on the use of force than on the widest possible range of civilian responses and primarily political tools.

EU objectives in relation to Russia reflect the peculiarity of Europe as a political project. Europe is as much a community of interest between member states on hard issues of economics and politics as it is a community of shared values. This duality renders the EU a prickly foreign policy partner.

The Commission's *Country Strategy Paper 2002-2006* of 27 December 2001 highlights the duality in EU objectives. On the one hand, 'the EU's cooperation objectives with the Russian federation are to foster respect of democratic principles and human rights, as well as the transition towards a market economy.' The same document states that the long-term objectives of the EU are a 'prosperous market for EU exports and investment and reliable source of energy supply, as well as a predictable and cooperative partner for security on the European continent.'[186]

While the simultaneous pursuit of values and interests may not seem contradictory for Brussels, it does from the Russian perspective. The emphasis on values is seen as intrusive: the EU wants Russia to become like it is, while not being willing to pay for this transformation. This EU policy may have been appropriate for accession candidates but it is less fitting for Russia, a country that is not seeking membership.

186. *Country Strategy Paper 2000-2006, National Indicative Programme, 2002-2003, Russian Federation*, European Commission, 27 December 2001, Brussels.

Russian objectives are not vague notions of shared values but hard interests. The EU also defends hard interests in relations with Russia, but mixes these with values and aspirations. In these circumstances, the scope for misunderstanding and wasted time is large.

5) Need for the other?

Moreover, in security terms, neither Russia nor the EU has yet an immediate and pressing need for the other. Both parties are caught up with their own transformation projects: the EU towards deepening and widening, and Russia towards state consolidation and economic revitalisation.

In security terms, Russia remains deeply embroiled in the marasma of the Chechen war, while simultaneously seeking to reform the Russian armed forces and power structures. EU member states (some at least) are fixed on the implementation of ESDP goals. In the view of the Russian analyst Dmitry Danilov, neither party sees the other as either the solution to its security needs or as a threat to its security.[187] The different priorities of Russia and the EU dilute any urgency either party may have in developing significant tries with the other.

6) Internal obstacles

The political and security dialogue is also held up by internal factors specific to the decision-making processes in Russia and the EU.

On the Russian side, policy towards ESDP is heavily presidential. This situation has lent greater concentration to Russian policy. It is also a sign of weakness. The vast bureaucracies of the foreign ministry and the power ministries standing behind Putin remain, at the least, conservative and, at the most, obstructive to the President's plans.

For example, a number of Russian ministries have for years blocked Russian ratification of the Multinational Nuclear Environmental Programme in the Russian Federation. Various ministries in Moscow have placed obstacles to greater cooperation with the EU and other partners seeking to support the dismantling and securing of Russia's nuclear, biological and chemical weapons complex. Most notably, despite the pledge of $20 billion by the G-8-led Global Partnership in 2002, the Russian government has made slow progress in clearing the

187. D. Danilov in 'The EU's Rapid Reaction Capability', *ESF Working Paper* no. 4 (Brussels: CEPS and IISS, November 2001).

legal, financial and security-related problems that have held up cooperation in the past. In sum, the summit-led nature of relations marks the weak institutional base of Russia's European policy.

The dispersal of decision-making power across the various EU institutions dealing with Russia impacts on the Union's ability to interact strategically with Moscow. This situation concerns the different responsibilities of the Commission and the Council. More fundamentally, the internal make-up of the EU is projected onto the relationship with Russia. The six-monthly summits are a function of the rotating presidency of the EU and not the actual needs of the relationship, which might require more or less summit meetings.

4 Proposals for the political and security dialogue

Despite its limitations and the blows it has taken, Russia has not written off CFSP and ESDP. Russia's approach is less urgent than it was in 2000, and Russian hopes for the strategic partnership have become more realistic. But it is exactly for these reasons that there remains fertile ground for closer security cooperation between Russia and the EU. More than that, the EU *needs* to develop this cooperation further.

Why is there a need for a deeper political and security dialogue? The most important reason is that the EU and Russia will need each more with increasing urgency in the future. There are several levels to this urgency. First, the EU and Russia share a number of foreign policy concerns about the international system, where greater cooperation would add value to each party. Brussels and Moscow share similar visions of the importance of the UN, and the Security Council, in the new system of international relations. After 11 September, while neither has completely unambiguous policies, Russia and the EU member states all recognise the importance of the body of international law and customs built up during the Cold War. In more concrete terms, Russia and the EU, and many of its members, take common approaches to a number of key questions affecting current international affairs, from the conflicts in the Middle East to those in the Balkans. The need to strengthen the international regime of non-proliferation is pursued by both the EU and Russia, although with different levels of intensity and not without mishaps. The internal and external transformation of the EU that will follow the Convention on the Future of Europe, the Intergovernmental Conference in 2004 as well as enlargement will increase the potential weight of the Union on the international stage. For part of this weight to be realised, however, the EU will need closer strategic ties with Russia, ties which can add value to European diplomacy.

The second level of urgency resides with ESDP. 11 September and the rise of hyperterrorism have not rendered ESDP obsolete.[188] Quite the contrary. As the dust settles from 2001, it is clear that the original plans for a European Rapid Reaction Force to undertake a limited range of Petersberg tasks are all the more vital. If the EU does not undertake peace support operations in Europe and its immediate periphery, no other organisation will. 11 September accelerated a trend of the United States to withdraw militarily from direct responsibility for such activities in Europe. The advent of a Balkans without America is not far off. NATO is changing as a result. In this process, NATO may lose its middle range, focusing, at the lowest level, on PfP-related activities and, at the highest, on high-intensity conflict, but no longer undertaking peace support operations of long duration.

The EU will have to step into this breach. The Copenhagen Council of 2002 marked a turning point in this respect. With the unblocking of EU access to NATO assets, the Council noted the EU's readiness to take over the NATO operation in FYROM and, more ambitiously, to assume responsibility for a post-SFOR operation in Bosnia. For all the clarion calls of its imminent death, ESDP is still alive. All the reasons for arguing that ESDP is weak – Europe's capabilities gap and the difficulty of increasing defence budgets – remain true, but these affect little the political reality that Europe will assume greater responsibility for peace support operations, all the more so as European states can undertake such operations *despite* these problems.

These trends have not gone unnoticed in Russia. Since 2000, the Russian government has been reducing its contribution to NATO-led operations in the Balkans. At the same time, Russia has sought to participate in new EU operations in the region, partly in a classic reflex to retain influence, however little, in all aspects of European security, but also because of a genuine desire to develop ties on the ground with a nascent EU security actor. Russia is participating in the EU's first operation, the EUPM in Bosnia. The contribution is minimal but symbolically important: the United States, for one, is not involved in EUPM. Moreover, the Russian government is well aware that future EU-led peace support operations are likely to move beyond an increasingly stabilised South-East Europe towards zones closer to Russia's borders. This

188. See Nicole Gnesotto, 'Reacting to America', *Survival*, vol. 44, no. 4, Winter 2002-2003, pp. 99-106.

realisation explains something of Russia's insistence on clarifying the modalities for third-party participation in EU operations, as well as its participation in EUPM. The reality is that Russia and the EU will be forced to cooperate more deeply in undertaking Petersberg tasks.

The third level of urgency is geographical. EU enlargement will bring the Union much closer to the Russian homeland, increasing the common border between the two. Enlargement creates a new EU 'Europe' with the inclusion of the Baltic states that contain substantial Russian minorities.[189] Based on Russia's active diplomacy to advance the interests of these minorities through the OSCE in the 1990s, similar pressure from Moscow can be expected on the EU. Also, Russia's exclave, the Kaliningrad Oblast, will present an enduring challenge to Russia-EU relations, in terms of transit concerns for Russian citizens and the wider problems posed by the region to its neighbours, such as crime, smuggling and environmental threats. The agreement on facilitating transit to and from Kaliningrad in 2002 marks the opening of the Kaliningrad dossier, and not its closure.

In addition, enlargement will create a new non-EU 'Europe' in the states of Ukraine, Belarus and Moldova. This new borderland is replete with *potential* problems, from regime collapse to economic implosion, in addition to *actual* threats, ranging from organised crime, a frozen conflict in Moldova and endemic corruption. In 2002, the Council Secretariat started an internal process to develop a new neighbourhood strategy – known as the New Neighbourhood Initiative – towards the region. In September 2002, Solana and Patten presented the basic framework for this new regional approach. In November, the General Affairs and External Relations Council agreed that the new initiative towards these three states would be long-term and differentiated, and that it would work *with* Russia.[190] Patten and Solana have been tasked to take this further.

The Presidency Conclusions at Copenhagen in 2002 affirmed that the EU was 'determined to avoid new dividing lines in Europe and to promote stability and security within and beyond the new borders of the Union.'[191] As enlargement gathers speed, the attention of the EU to this new borderland has gained substance with the 11 March 2003 Communication from the Commission on *Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*. The Communication proposes to

189. The Russian minorities in Latvia and Estonia represent respectively 29.6 per cent and 28.1 per cent of the populations, while the proportion is smaller in Lithuania, standing at 8.7 per cent; see *CIA World Factbook 2002*; http://www.cia.gov/cia/publications/factbook/index.html.

190. *Council Conclusions, New Neighbours Initiative*, 18 November 2002, (doc 14078/02); http://www.europa.eu.int/comm/external_relations/ceeca/gac.htm#cs280102.

191. *Presidency Conclusions*, Copenhagen European Council, 12 and 13 December 2002.

build closer ties with Europe's new neighbours, including Moldova, Russia, Ukraine and Belarus, through the formulation of an Action Plan jointly with each country that would determine a set of clear objectives for each state to pursue in return for greater access to the EU in terms of the four freedoms. Overall, neither Brussels nor Moscow will be able to ignore the other's interests in these three states.

Finally, it is important to distinguish between frustration and disdain in Russian policy. If Moscow is frustrated with the EU, it is not *yet* disdainful. Certainly, the enthusiasm evinced towards ESDP in 2000 has waned. However, this is largely a positive development – Russia's enthusiasm then was misplaced and its vision of the EU purely instrumental. A more profitable security relationship can and must be built from the bottom-up and on low – that is, realistic – expectations. As many officials in Moscow pointed out in late 2002, the EU must now take the first step.[192] In 2003, the EU faces a window of opportunity to take the political and security dialogue further while Russia remains open to this prospect.

If there are good reasons for developing the political dialogue, the next question is: how might cooperation be pursued? This question has particular salience, as the renewal of the EU's Common Strategy on Russia is due in June 2003. The EU's experience with common strategies has not been positive. Negative assessments have not come only from academic circles. In his first review, Javier Solana was outspoken, arguing that the strategies lacked detailed proposals and provided little added value.[193] The EU Common Strategy on Russia is riddled with the same weaknesses: it is high on rhetoric and low on substance. As the deadline for renewal approaches, a discussion has emerged in Brussels on the future of the Common Strategy, with some arguing that the drafting of a new document should be postponed until after the completion of the Convention on the Future of Europe and the Intergovernmental Conference in 2004, at which point the interests of a new and enlarged Europe concerning Russia will be clearer. More ambitiously, others have called for a joint strategy document that would be drafted with Russia, in order to ensure better understanding and coordination of policies between the two parties. The experience of the Northern Dimension has also been put forward as a path to follow with Russia. The strength (and weakness) of the Northern Dimension lies in its combination

192. Interviews with officials in the Russian MID in December 2002.

193. 'Council – General Affairs', Brussels 2331, 26/27 February 2001 (Press: 61 Nr: 6506/01).

of horizontal and vertical approaches within a regional context. In this view, a new EU strategy would profit from borrowing elements from the philosophy behind the Northern Dimension. The Commission Communication on Wider Europe (11 March 2003) introduced the new notion that an Action Plan could be drafted with Russia that would set forth more detailed objectives and measures to be undertaken by both parties. However, it seems unlikely that Moscow will choose to be involved in this part of the Wider Europe exercise.

Any common strategy towards Russia will necessarily reflect the disparate and inconsistent nature of the EU as a political actor. The renewal of the Common Strategy has so far been an uninspiring process. Instead of focusing on doctrinal points, the argument here explores specific functional areas where security cooperation between the EU and Russia can and must progress.

Focus on peace support operations

Russia and the EU should focus on security issues that combine *interest* and *urgency* for both parties. In the first place, the question of peace support operations (PSO) fits these criteria. PSO are already an area of mutual interest for Moscow and Brussels. They will gain in urgency as the EU assumes responsibility for peace support in the Balkans, including with Russian participation. Moscow contributes to the EU Police Mission in Bosnia, and most likely will participate if the EU launches larger operations in FYROM and Bosnia.

The question assumes urgency with the possibility of a EU operation outside the Balkans and closer to Russia's borders. It is only a matter of time before Brussels considers a peace support role in the new border states that lie between the enlarged EU and Russia. Neither Brussels nor Moscow should wait until this possibility becomes an issue of contention. It is incumbent on the EU to lead in this area. Cooperation on peace support operations with Russia must be undertaken proactively to avoid misperceptions in Moscow about EU intentions and to maximise possibilities for joint activities in this region.

There are two dimensions to developing cooperation in peace support operations. The first concerns joint actions on the ground. The case explored here is that of Moldova. The second

dimension relates to the creation of a new mechanism for high-level EU-Russia dialogue in this and other areas of mutual interest.

Joint EU-Russian peace support in Moldova

(*See Annex for detailed case study*)

The Republic of Moldova lies in the immediate periphery of the European Union and Russia. For Brussels, Moldova's importance will increase with enlargement. This small state is already a criminal gateway into Europe for drugs and arms smuggling, and, in particular, human trafficking. Until now, Moldova has not received the international attention it requires. It is all the more important for the EU, given its close ties with Romania. In 2002, the Moldovan parliament decided to allow dual citizenship, opening up the possibility for Moldovan citizens to obtain Romanian citizenship. With Romania scheduled for EU membership in 2007, such citizenship questions assume vital importance for Brussels. Until now, the EU has sought to work with Romania to strengthen a future external border. In parallel, however, the EU must work closely with Moldova.

The EU has not addressed Moldova's conflict with Transnistria (Pridniestrovskaya Moldovskaya Respublika, or PMR), Moldova's eastern-most region that declared independence after the conflict in 1992. Despite the OSCE's involvement, there has been little progress towards resolving the conflict. Should the situation continue, there is a danger that Moldova will become a black hole on Europe's border, radiating instability externally while collapsing internally. The self-declared PMR is the centre of gravity of all of Moldova's weaknesses. A new international push is required to launch a full settlement process. The EU and Russia are well placed to execute a strategy that would combine high-level political pressure with targeted economic assistance and a limited military observer presence.

Situated at the juncture of the former Soviet Union and the Balkans, Moldova is unique in bringing together both the *interest* and *influence* of Russia and the EU. If carefully managed, this thin area of convergence may provide a positive venue for practical cooperation. Moreover, the struggle in Moldova does not pose an impossible challenge. The conflict is not so much ethnic or communal as a clash between élites. Moldova presents nothing similar

to the communal tensions that exist in other Balkan conflict zones. Put bluntly, there are few dangers for an international presence on the ground. This relatively peaceful situation allows time for planning between the EU and Russia, in order to ensure optimal coordination of instruments in the EU (political, economic and crisis management) and its relations with Russia.

Settlement of this conflict requires a major political kick-start. Here lies the EU's advantage over the OSCE. Brussels can bring to bear a mixture of political and economic weight across the region that the OSCE cannot. Moreover, much more than the OSCE, the EU needs to do so with urgency. The aim of the EU must be to launch a new dynamic in the region. Constant high-level political pressure is required to edge the parties, and the PMR in particular, towards formal settlement of the conflict. The EU's political and economic weight in its relations with Romania, a candidate for accession, Moldova and Ukraine, provide it with some leverage over the behaviour of these states with regard to the PMR. Future EU members, especially Poland, are very keen on an increased EU role in the region. In advance of membership, the Polish government has developed with its neighbours the proposal for an 'Eastern Dimension' for the EU, focusing on Ukraine, Belarus and Moldova. Moreover, the Communist-dominated government in Moldova is *demandeur* for a greater EU role in the conflict with the PMR. Certainly Ukraine (and perhaps even Belarus) would support a greater EU role in the region. In addition, Russia's diplomatic weight in Moldova and Ukraine will be vitally important. The EU could also draw upon the Russian peacekeeping forces already deployed in the conflict zone. These forces would have to be reduced and integrated into a new operation with a new mandate. From peacekeepers, they would become military observers, working alongside observers from EU member states. 2003 and 2004 could be turning-point years in this conflict, bringing together a Communist pro-Russian leadership in Moldova, a more accommodating Russia, with greater international coordination on an OSCE draft plan to settle the conflict. As examined in the Annex, a joint EU-Russian approach to the Moldovan conflict, encompassing political, economic and crisis management strands, could provide a positive framework for securing lasting progress.

There are two arguments against a joint approach. First, the EU has its hands full in the Balkans. What is more, no blood is being

spilled in Moldova, so there is no urgency. The status quo has existed for a decade; let it continue for another ten years. With a short-term perspective, this argument is not entirely wrong. The outline of an EU policy towards the Moldovan conflict has been developed in the EU Council Secretariat but it never got anywhere largely for these reasons (and because of bureaucratic clashes within Brussels). However, the EU will have to turn towards Moldova soon. And in developing relations with Moldova, the EU cannot ignore the conflict with the PMR. A new approach would impact not only on Moldova itself but throughout an unstable region on the EU's immediate border, with positive spillover effects on relations with Belarus and Ukraine. The EU cannot enlarge, build a new wall and then retire behind it.

The Commission Communication on Wider Europe (11 March 2003) recognises this. The PMR is seen as a threat to Moldova's overall process of 'state building, political consolidation and sustainable development'. In response, the Communication notes that the EU should be ready to engage in a post-conflict internal security arrangement and take the lead in the provision of post-conflict reconstruction and development. The stage is being set for an EU role in the Moldovan conflict.

The second argument is that Russia will never allow such an operation: the former Soviet Union has been declared an exclusive zone of Russian interests. In interviews in late 2002, views held in part of the Russian government on a possible EU operation in Moldova ranged from outright rejection by some to a cautious 'maybe' from others.[194] If the EU can offer Russia significant participation in a new approach to the conflict, Russian doubts might be dispelled. The key is to determine how Russia can participate without diluting EU interests. This will require work with Moscow in discussing a joint approach. The existing modalities for third-party involvement in EU operations allow for the possibility of assuaging Russia's concern of being excluded.

Many Russian experts, and not a few officials, recognise that an increasing European presence, including military, in the CIS region is only a matter of time. On this basis, some have argued that Russia should seek to bring the EU into the former Soviet Union *early* and with Russia rather than *later* and in conflict with Russia.[195] A joint approach to Moldova may be developed with Moscow on this basis. Nor would the aim be, as it is in the Balkans, to secure Russia as a pliant junior partner. A new approach to

194. Interviews in Brussels and Moscow, October and December 2002.

195. See Dmitry Danilov, 'Borderland Europe – A Russian View of the Stability Pact for the Caucasus', *CEPS Commentary*, March 2001.

Moldova requires joint efforts; If Russia has to accept the inevitable, it might as well agree to it on the best terms possible.

High-Level Group on Wider Security

In addition, EU-Russia cooperation on PSO must be developed at the conceptual level. The EU has only just started to develop concepts of military and civilian crisis management, whereas Russia has well-developed doctrines and some practical experience.[196] The EU may profit from discussions with Russia on its conceptual approach and experience with crisis management. The current institutional mechanisms linking the EU and Russia, however, are insufficient to sustain a productive security dialogue on such a specific question. A high-level institution providing for a continual security dialogue is required in EU-Russian relations.

There are mechanisms of interaction that the political dialogue might emulate. The Energy Dialogue is relevant, with its combination of independent expert groups and high-level focus. The EU-Russia High-Level Group on the Common European Economic Space (HLG CEES) is another model. The HLG CEES was launched in May 2001 to start discussions on the long-term creation of a common European economic space. Its work is directed by the Russian Deputy Prime Minister, Viktor Khristenko, and Commissioner Chris Patten. Despite an overly ambitious title, the group got off to a quick start. A two-stage work plan was developed by late 2001 for two years, and a number of expert groups were created.[197] Work has not been easy because of different visions of its purpose: in Brussels, to push for Russian harmonisation to EU standards, and in Moscow, to secure advantageous access to Europe. None the less, the experience has been worthwhile in some respects. High-level leadership has provided a positive mechanism for Russia-EU discussions on a range of important questions, such as WTO accession.

The political dialogue has no similar high-level institutional link.[198] It advances by spurts every six months, driven to and by the presidential summits. In between, the dialogue is diluted in a variety of low level and disparate links. On the question of PSO, the EU-Russia security 'partnership' would benefit from a targeted institutional link that reflects the needs of both parties and brings concentrated focus to specific areas.

196. Of course, this does not include Russia's wars in Chechnya, which are nothing like peacekeeping. On the other hand, Russia has participated in all of the NATO-led peacekeeping operations in the Balkans (IFOR, SFOR, KFOR) and deployed a peacekeeping operation in Moldova, two operations in Georgia in its conflicts with the regions of Abkhazia and South Ossetia, and also in the conflict in Tajikistan.

197. See, for example, the report to the 9th EU-Russia Summit, May 2002; http://www.europa.eu.int/comm/external_relations/russia/summit_05_02/rep.htm.

198. Officials in the Council Secretariat have turned to elaborating the option of creating a permanent high-level institutional link with Russia on security matters in 2002, but with little progress.

A 'High-Level Group on Wider Security' (HLG WS) could be directed jointly by the High Representative, Javier Solana, and a Russian deputy prime minister. In order to maxmise the work of the group, an agenda could be determined for two years to span several EU presidencies, the completion of the Convention and the Intergovernmental Conference, as well as the upcoming Russian elections. Initially, the HLG would focus on the question of peace support operations. In this area, the agenda could follow two stages. First, the group could exchange and explore respective concepts of civilian and military crisis management, building on a process that is already under way. Two working groups (civilian and military PSO) could be created at this stage, with appropriate officials from both parties to lead activities. During the second stage, the two parties could organise joint exercises and even PSO training programmes.

The overall aim of the dialogue would be limited: to jointly examine Russian and EU concepts of and experience in crisis management, and to explore ways by which the approaches of both parties might best be coordinated in potential and actual operations on the ground. The EU and Russia should not allow the political dialogue to become entangled in a search for the impossible. Rather, the dialogue should focus on an area of interest and urgency for both parties, both at the practical and doctrinal levels.

While initially focusing on peace support operations, the remit of the HLG WS could be expanded to include other security questions that combine urgency and interest for Brussels and Moscow. One area where high-level political attention would provide significant benefits concerns EU-Russian cooperation in non-proliferation. Since the 1990s, the EU has supported a range of programmes to strengthen Russia's nuclear safety culture and regulatory system. In addition, a number of EU member states have developed significant profiles in supporting so-called 'cooperative threat reduction' in Russia. The launch of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction by the G-8 in June 2002, to raise $20 billion over ten years, represents an upgrading of international attention to ensure that Russia does not become a source of nuclear, biological or chemical proliferation.

The EU has pledged to raise €1 billion to support the process. The designation of projects to be supported, and their implementation, requires high-level discussion and follow-through by the

EU and the Russian government. In late 2002, Putin designated Prime Minister Kasyanov as head of an intergovernmental committee to coordinate Russian cooperation. Moreover, the Russian government has drafted legislation unblocking some of the legal and tax-related problems that held up past assistance in this politically sensitive area. For all this progress, all of the work remains ahead. A High-Level Group on Wider Security could play a catalysing role, providing high-level support to unblock the myriad of problems encountered at lower bureaucratic levels as well as weighty political coordination to lead an extensive range of programmes.

The high-level dialogue could also explore further ways and means for cooperation with the Russian Ministry for Emergency Situations in terms of its assets and concepts of civilian crisis management. This would widen the scope of interlocutors in Moscow. In addition, the HLG could wrap up the endless exploratory talks with Russia on the use of its air transportation assets and satellite imaging. It would also be relevant for discussions with Russia on involvement in EU operations in the Balkans.

Finally, the high-level dialogue could touch on the hitherto unexplored area of Russian military reform. The idea here would not be to replace the activities undertaken by other organisations, such as NATO, or by member states at the bilateral level, but to use the strength of the EU as a multilateral framework to support Russian reform measures at certain specific levels. Over the 1990s, a number of European states (Germany in the first half of the 1990s, the United Kingdom and Norway since) have developed programmes to support the demobilisation and retraining of retiring Russian military officers. Thus far, these programmes have been relatively small (the United Kingdom had spent £8.3 million by March 2002) but quite successful in supporting Russia's difficult process of reducing the size of its officer corps. A Joint Action by the EU on this question might follow the model of the Joint Action on non-proliferation and disarmament, seeking not to replace national programmes but to act as an umbrella for these and as a catalyst for further contributions by other member states as well as non-member states. Germany and the United Kingdom have cleared some of the ground in this area, useful experience has been gained and retraining centres have been built.

An EU framework for existing programmes would galvanise further support on a critically important issue that spans defence with social and economic development and meets the interests of both Moscow and Brussels.

Conclusions: changing the logic of Euro-Atlantic relations?

In December 2001, Putin declared that Russia was seeking to change the 'logic of interaction' in international affairs.[199] At the heart of Putin's foreign policy lies an attempt to drag Russia out of the no man's land in which it found itself at the end of the Cold War – neither a friend of the West nor a foe but something uncomfortably in-between. Russia's avowed objective is to craft an 'alliance' with the Euro-Atlantic community. 'Alliance' is to be understood more as an informal regime than a formal structure. What matters most for Moscow is, indeed, changing the logic of interaction. It is worth repeating that Russian policy is pro-Russian and not pro-Western; the strategy of alignment is a means to an end. The most important end is that of domestic revitalisation. In Putin's view, this objective is best pursued *with* the Euro-Atlantic community rather than outside it. Serious differences remain between Russia and the West. These range from policy divergences to more fundamental value-based clashes. However, changing the 'logic' means that Moscow seeks to prevent such divergences from impacting on an overall positive relationship.[200] During the crisis over Iraq, Moscow was notably careful to maintain open communication with Washington, reiterating that differences would not impact on the overall partnership. Russia remains deeply interested in alignment with the Euro-Atlantic community. However divided and shaky this community may be, it is the only real option open to Russia.

Russian foreign policy is not free of inconsistency and ambiguity. It is riddled with both. There are tensions in Russia's vision of the Euro-Atlantic community between a focus on the United States, as the world's behemoth, and Europe, as a burgeoning power. This ambiguity translates at a number of levels, in Russian assessments of the relative weight of NATO and the EU, as well as in the balance between unilateralism and multilateralism. Despite these notes of confusion, the thrust of policy is clear: Russia seeks the closest possible association with the Euro-Atlantic commu-

199. DNB, IPD, *MID*, Moscow, 5 December 2001.

200. Reproduced on *DNB*, IPD, MID, Moscow, 22 December 2001.

nity without merging into it. As a result, Russia remains a prickly partner, but Moscow has never been so open to cooperation or so predictable for the West.

The EU is one strand in Putin's strategy of alignment. It is not the most important in security terms, and its weight has decreased since 2000. Since 11 September, Russian ties with the United States and NATO have surged forward whereas the EU-Russia political dialogue has stagnated. However, the political dialogue is not dead, nor should it be abandoned as wasted effort. Both Russia and the EU are interested in developing security ties despite *and* because of the changes that have occurred in international relations since 11 September. For the EU, Russia's significance remains paradoxical. On the one hand, Russia is a security challenge, mainly in terms of soft threats. Russia presents also a security opportunity that cannot be ignored. In the short term, EU borders will move closer to Russia and create a new non-EU Europe in Moldova, Belarus and Ukraine (and beyond in the South Caucasus). Brussels will need to work with Moscow in this new and unstable borderland. Over the longer term, the EU needs a solid and permanent security relationship with Russia on a range of areas of mutual interest. The idea need not be to create a common European security 'space' or a reheated version of Gorbachev's 'common European home'. The focus must fall on specific security questions that are urgent for both Russia and the EU.

At an initial stage, a joint EU-Russia approach to Moldova would be one way to combine the EU's need to develop a political presence in its new neighbourhood with Russia's existing influence and greater openness with regard to the former Soviet Union. Practical cooperation on the ground on Russia's borders would provide the security dialogue with a bottom-up impetus that might satisfy the interests of both parties. The EU political dialogue with Russia can only take off if it focuses on areas of genuine mutual need and interest. With the EU becoming Europe's peacekeeper and its borders expanding further east, cooperation in the first instance in peace support operations is a must. More importantly, it is feasible. This cooperation, in turn, could provide the basis for the creation of a 'High-Level Group on Wider Security' to lead cooperation on other areas of interest to both parties, such as civilian and military crisis management, non-proliferation and disarmament, and Russian military reform.

Case study of a joint approach to the Moldovan conflict

The following presents a case study of a possible joint EU-Russia approach to settling the conflict in Moldova. This approach would be primarily political, demanding coordinated attention and policies from all parties, with a limited crisis management strand. 2003 presents a window of opportunity in a conflict that has been frozen for more than ten years. A constellation of factors create a situation that is pregnant with potential. The OSCE has developed a settlement package which has the support of the main external parties, Ukraine, Russia and even the United States through their leadership of the OSCE mission. The regional context is also favourable, with neighbouring Romania in line for EU membership in 2007, and Ukraine (and perhaps even Belarus) keen for closer ties with Brussels. Russia under Putin has never been so open to international involvement in the former Soviet Union. Moreover, for all its frustration with Brussels, Moscow is ready to develop a deeper political and security dialogue with the EU and its members states. At the same time, the EU has started to consider the reality of the new borders and new neighbours it will face after enlargement. What is more, the costs of a new approach to Moldova are essentially political, with no military requirements except a limited observer mission.

All the pieces for a settlement are in place in Moldova; the EU's role would be to integrate them in order to break the inertia that has set in over the last decade. The Commission Communication of 11 March 2003 on Wider Europe proposes that the EU undertake a post-conflict security operation in Moldova and reconstruction, but without giving further detail. The approach developed below can help fill in some of the blanks.

The status quo

Before exploring the shape of a possible operation, it is worth examining the state of affairs surrounding the conflict in Moldova. Until 2000, six factors wove together to produce a sustainable status quo.

1) **Moldovan weakness**

Moldova is a very weak state. Formerly one of the USSR's poorest republics, Moldova is today Europe's poorest country. It has made headway towards reform, which is reflected in its accession to the WTO in 2001. However, Russia's 1998 crisis was a severe blow. Growth rates slipped, output fell, inflation rose, public salaries fell into arrears and Moldova's balance of payments plummeted. An estimated 700,000 Moldovans have left the country as economic migrants. In addition, Moldova has heavy external debt, with servicing accounting for over 50 per cent of the budget.

2) **The separatist PMR**

On the left bank of its Dnestr River, Moldova's easternmost region of Transnistria has declared independence. The PMR has developed all the features of statehood, including armed forces and a president (a Russian, Igor Smirnov).[201] The conflict there has an ethnic shape (Russians and Ukrainians represent about 51 per cent of some 650,000), but its root cause is not ethnicity. Rather, it is a political struggle by PMR élites to control the area.

Since 1992, the PMR has consolidated thanks to its position as a transit point for smuggling and crime crossing its long border with Ukraine and from the Black Sea. An authoritarian throwback, the deep criminalisation of the region affects Moldova through massive losses in revenue and impacts on the region with arms and other forms of smuggling.

Moldova's energy pipelines pass through the PMR, which also contains a range of important industries and Moldova's only energy plant, so that meaningful economic reform is impossible without it.

3) **Unfavourable regional context**

The regional context works against Moldova's consolidation. Moldova owes significant debt to Russia, which provides all of its energy needs. Repayment is a constant bone of contention. On its western border, Moldovan relations with Romania are not fully settled. A bilateral treaty was initialled in 2000 but not signed by the new Romanian government that came to power in 2001. On its eastern border, ties with Ukraine are strained

201. According to Russian estimates, the PMR maintains around 5000 troops; *Former Soviet Union Fifteen nations: Policy and Security*, no. 11, November 2002, pp. 122-3.

because of Moldovan allegations that Kyiv has not cracked down on smuggling into the PMR.

4) Russian interest

Russian military support was important for the PMR's victory in 1992.[202] In the 1990s, Russia continued to provide limited support to the PMR, through gas supplies and the presence of Russian peacekeeping forces on the banks of the Dnestr River. In addition, the Russian Ministry of Defence inherited from the Soviet Union the 14th Army and its massive arms and equipment stocks, based throughout the PMR.[203] In the 1990s, Russia was reluctant to abandon its military presence in Moldova, given its strategic position on Ukraine's flank and as a forward position in the Balkans.

5) Distorted peacekeeping

A peacekeeping operation was deployed by Russia in 1992 with the consent of Moldova and the separatists. The operation is tripartite: it comprises troops from Russia, Moldova and the PMR.[204] The operation is directed through weekly meetings of a Joint Control Commission (JCC), where Russia, Moldova and PMR have equal rights. The OSCE and Ukraine also participate in the JCC as observers.

This peacekeeping arrangement has become part of the problem. On the ground, the peacekeeping troops maintain static posts, which has allowed the PMR to deploy additional 'security forces' in the Security Zone along the Dnestr and has done nothing to halt smuggling across the Dnestr river between the two Moldovas. Moreover, the veto right accorded to the PMR in the JCC has prevented a more extensive OSCE role and stymied Moldovan proposals to clean up the Security Zone.

6) Thin international presence

Moldova has not featured high on the radar of international organisations. The OSCE Mission was deployed in April 1993 with tasks ranging from inspecting Russian weapons' disposal to supporting negotiations between Moldova and PMR.[205] But the Mission comprises only eight members, and thus faces serious physical constraints.

The EU has a low profile in Moldova. Some shifts occurred in 2001, when Moldova joined the Stability Pact for South-Eastern

202. See author's *Russian Peacekeeping Strategies towards the CIS* (London: Palgrave and RIIA, 2000), pp. 109-26.

203. Russia's military presence has been reduced to around 1,500 troops with the transformation of the 14th Army into an Operational Group; see *Former Soviet Union Fifteen nations: Policy and Security*, no. 11, November 2002, pp. 122-3.

204. The numerical strength of the peacekeeping forces stands at 1,750 men (446 Russian, 779 PMR and 495 Moldovan); ibid.

205. See *OSCE Mission to Moldova*, Mission Survey; http://www.osce.org/publications/survey/survey04.htm.

Europe and the Commission agreed to Strategy Paper 2002-2006.[206] However, the spirit of EU policy has not changed: the EU has limited weight in Moldova, and there is no strategy towards the PMR.

Throughout the 1990s, the status quo was sustained by a combination of these factors. In addition, as long as the wars of the Yugoslav dissolution continued, there was no urgency for greater international involvement to resolve the conflict in Moldova, where, by contrast, a cease-fire held without interruption. And, Russia's exclusive pursuit of its interests in Moldova made the costs of international engagement too significant to consider, especially given a relative lack of urgency. These conditions allowed the separatist PMR to consolidate itself despite non-recognition.

These factors are undergoing change. First, despite ongoing instability, the wars in the Balkans have ended and a regional framework has been created for long-term stability. This circumstance provides the EU with more room to consider its security needs arising from new neighbours in the east. As already noted, the EU has recognised the need to develop a neighbourhood strategy towards the region. This strategy will include a particular focus on Moldova and its conflict.[207]

Russian policy towards Moldova has shifted. Under Putin, Russian relations with the PMR have become more circumspect, and close ties have developed with Moldova's communist president, Vladimir Voronin, including agreement on a new Treaty on Friendship and Cooperation. Overall, the regional context is more favourable now for Moscow than it was earlier in the 1990s: Relations with Moldova have ameliorated and closer ties have been forged with Ukraine. As a result, Moscow is less reflexively defensive about the region and the possibility of a greater international presence. Moreover, Putin is intent on developing closer relations with the EU. Under the right conditions, an enhanced EU role, even a joint approach, may fall in line with Russia's new interests towards Moldova – to support a 'friendly' Moldovan leadership – and towards Europe – to add substance to the Russia-EU strategic dialogue.

Moreover, since the OSCE Istanbul summit of 1999, the conflict has received a new degree of international attention. In Istanbul, Russia committed itself to withdrawing the huge stocks of

206. See the website of the European Commission's Delegation to Ukraine, Moldova and Belarus: http://www.delukr.cec.eu.int/en/index.php, and the Commission's website: http://www.europa.eu.int/comm/external_relations/moldova/intro/index.htm.

207. Interviews with members of the Council Secretariat, October 2002.

military equipment and ammunition, mostly in the town of Kolbasna, in the PMR by late 2002. Progress has been very slow; only six trainloads of equipment have been repatriated. None the less, the process has started with OSCE monitoring. The OSCE has also provided support to the destruction of equipment stocks that are too dangerous to remove. More importantly, the OSCE Mission presented a 'non-paper' in 2002 for a final settlement of the conflict, which would lead Moldova to become a federative republic and accord significant rights to the PMR as a 'state-territorial' unit.[208] For the first time in the history of the negotiations, which have stalled and restarted for over a decade, there is an international consensus: the draft agreement has the backing of Russia and Ukraine as well as the United States, which has also taken a stronger position in the conflict through its chairmanship of the OSCE mission. More importantly, in February 2003 Moldova's president, Vladimir Voronin, presented a potential breakthrough proposal to redraft the Moldovan constitution with Transnistrian participation in order to find a constitutional solution to the conflict. The redrafting of the Constitution will require external support and expertise, and, more widely, a comprehensive international push to sustain and complete the process, which could easily become obstructed by internal Moldovan differences and Transnistrian hard-headedness.

The EU can step in here to provide the necessary wider framework to keep the constitutional talks on track and ensure obstacles that do emerge are overcome.

A joint catalyst operation

It is worth reiterating the limits of EU objectives in Moldova. The aims would *not* be:

1) to paint Moldova blue and gold;
2) to 'push' Russia out of the region;
3) to deploy a military operation in the PMR.

By contrast, a new approach would have three strands:

Political strand

1) The aim of the EU-Russian approach at the political level would be to spearhead international engagement through the creation of a Regional Task Force (RTF), comprising the OSCE, Russia,

208. 'Negotiations process on Transdniestrian settlement restarts in Chisinau', OSCE Press release, 23 August 2002; http://www.osce.org/news/generate.php3?news_id=2663&uid=2.

Ukraine, Moldova and Romania, as well as representatives from international financial institutions. It is vital also that the authorities of the PMR be invited to participate in the RTF, in order to include their view and create a forum to place pressure on them. The RTF would give strategic direction to the negotiations and provide a wide framework to coordinate the policies of all the actors concerned.

2) Chaired jointly by the EU and Russia, through Special Representatives, the Regional Task Force would work to place political pressure on the Moldovan and, especially, PMR parties to accept the OSCE draft agreement of 2002. This would require high-level visits and significant visibility to create an impression of inevitability and join together the various strands of international presence in the area.

3) Political pressure would have to include a focus on Ukraine, with the aim of closing its border with the PMR and putting a halt to regional smuggling. Current EU policy is already dedicated to reinforcing Ukraine's borders. More attention and material support must be given to its border with the PMR in particular.

4) The Regional Task Force would act as a 'security guarantor' to the implementation of the OSCE settlement plan.

Economic strand

1) As the EU moves to develop a New Neighbourhood Initiative in the region, consideration must be given to the creation of incentives to underpin settlement in Moldova. The example of the Stabilisation and Association Process in the Balkans is interesting in its explicit use of future association with the EU as a means of applying leverage over states in the region. The idea is not to offer the possibility of membership to Moldova, which is unfeasible for now. However, the longer-term possibility of a close form of association, as a new 'neighbour,' with the EU can be raised as an option.

2) At the same time, the political sensitivities of the PMR leadership, a section of which is deeply anti-Western, must be taken into account through assurances of a long-term process where their views would also be heard.

3) In addition, the EU should consider coordinating its policies towards Moldova with the IMF and World Bank in order to achieve optimal targeting of leverage. Resumption of their activities in Moldova and an extension of their activities to the PMR could be considered so as to add positive leverage to the negotiation process.

Crisis management strand

1) There is no need for a military operation in Moldova. The area is far too militarised, and Russia already has peacekeeping forces deployed. The Security Zone between Moldova and PMR is crammed full with the tripartite peacekeeping forces and illegal PMR 'security forces' and 'customs points.'

   However, a joint EU-Russian Military Observer Mission which is larger in size than the present OSCE operation and has more formal rights and responsibilities could be considered. Elements of Russian peacekeeping forces could participate in the Military Observer Mission, alongside military observers from EU member states.

2) The mandate of the Military Observer Mission could be to demilitarise the conflict zone through the following actions:
   — By providing additional material support to the Russian government to help dispose of the arms stocks of the former Soviet 14th Army;
   — By providing support to the PMR for the demobilisation of its numerous 'border guards', 'customs officers' and 'security forces' through the creation of a single unarmed force (to be called the Dnestr Force), based in the PMR, and drawing on the local population, that would follow the model of the Kosovo Protection Corps;
   — By providing training and material support to the creation of joint Moldovan/PMR border guards that would be deployed on the PMR's border with Ukraine;
   — By replacing the functions of the OSCE Observer Mission in its monitoring of the Security Zone, with the Military Observer Mission, acting under a wider mandate. This mandate would include monitoring of the Dnestr Force and the joint border posts on the eastern border with Ukraine;
   — By abolishing the old JCC and creating a new 'Joint Security Commission' to meet on a weekly basis to monitor all develop-

ments in the Security Zone and on the borders. The new Commission would be chaired jointly by Russia and the EU, and include the OSCE, Moldova, the PMR and Ukraine. The Joint Security Commission would come under the overall control of the Regional Task Force.

The costs of EU coordination of a new approach would be mainly political, calculated in terms of energy and attention expended by Brussels and member states in kick-starting a process and following it through with high-level pressure and visibility. Such action has not in the past been beyond the reach of Brussels. Rapid and heavy EU pressure in Macedonia, coordinated with other key actors, was a case in point. The benefits of progress in Moldova would impact not only on this weak state itself but also throughout an unstable region. A joint approach would also set a precedent for joint action with Russia (useful in the eventuality of an active Belarus crisis) and certainly add impetus to the political dialogue with Russia in an area of mutual interest and urgency.

Abbreviations

ABM	Anti-Ballistic Missile
CFE	Conventional Forces in Europe (Treaty on Conventional Armed Forces in Europe)
CFSP	Common Foreign and Security Policy
CIS	Commonwealth of Independent States
COPS	Political and Security Committee
CSR	Common Strategy on Russia
EAPC	Euro-Atlantic Partnership Council
ECHO	European Community Humanitarian Office
ESDP	European Security and Defence Policy
EUPM	European Union Police Mission
FYROM	Former Yugoslav Republic of Macedonia
FSC	Forum for Security Cooperation
GALILEO	European Satellite Navigation System
GMES	Global Monitoring for Environmental and Security Initiative
HLG	High-Level Group
JCC	Joint Control Commission
KFOR	Kosovo Force (NATO-led)
MID	Russian Ministry of Foreign Affairs
MNEPR	Multinational Nuclear Environmental Programme in the Russian Federation
MO	Russian Ministry of Defence
MTS	Medium-Term Strategy for the Development of Relations between the Russian Federation and the EU (2000-10)
NRC	NATO-Russia Council
PCA	Partnership and Cooperation Agreement
PfP	Partnership for Peace
PJC	Permanent Joint Council
PMR	Pridniestrovksya Moldovskaya Respublika, or Transnistria
PSO	Peace Support Operations
RTF	Regional Task Force
SFOR	Stabilisation Force in Bosnia and Herzegovina
TACIS	Technical Assistance to the Commonwealth of Independent States and Mongolia (EU)
WEU	Western European Union
WTO	World Trade Organisation

Regional maps

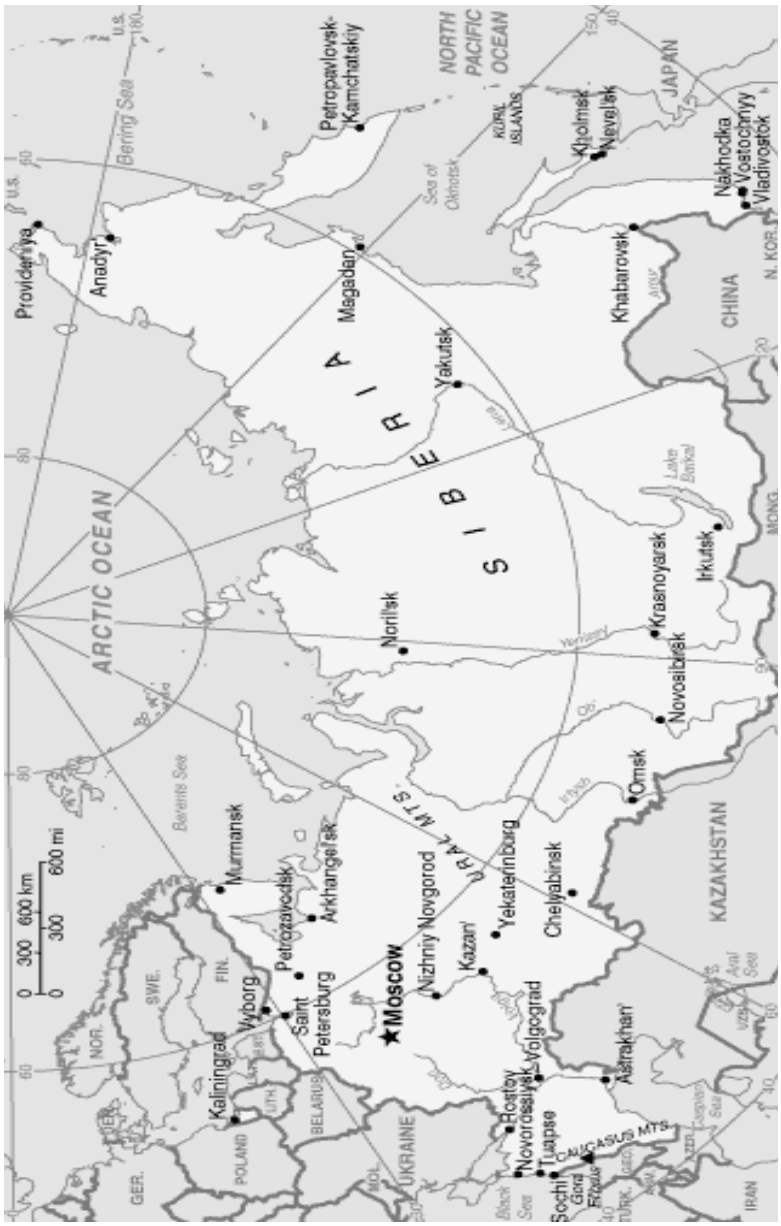
Commonwealth of Independent States - European States

Source: Perry-Castañeda Library Map Collection - 1995

Moldova

Source: Perry-Castañeda Library Map Collection - 2002

Russia



Source: Perry-Castañeda Library Map Collection - 2002

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Despite the crisis in Iraq, President Vladimir Putin has accelerated a strategy of alignment between Russia and the states and security organisations of the Euro-Atlantic community. In this, Moscow has dropped previously held notions of multipolarity in which Russia figured as an independent, if enfeebled, 'pole', balancing off other 'poles' in international affairs. Under Putin, Russia is seen to retain a unique position in world affairs, but Russian interests are thought best advanced in close alignment with the Euro-Atlantic community rather than in opposition. Putin's foreign policy is founded on a dispassionate recognition of internal weakness and limited ability to control external developments. In blunt terms, Russia has become more an object of international relations than the subject it once was. With threats arising mainly internally and linking with challenges from the south and east, Moscow perceives the West as a source of solutions to many of its problems.

Russia's foreign policy remains riddled with ambiguities in orientation within the Euro-Atlantic community – between the United States and Europe, ESDP and NATO, unilateralism and multilateralism. However, the basic thrust is clear: Russia is open to far deeper security cooperation than ever before in the post-Cold War era. Since 11 September, the United States and NATO have succeeded in taking security relations further forward with Russia. The EU has not, mainly because it has not tried to do so. The EU is caught up in a massive transformation process, which leaves little time to pursue coherent policies towards third parties. None the less, the EU must start to consider proactively how to develop the security dialogue with Russia. Enlargement will literally bring the EU and Russia ever closer. Moreover, as the United States withdraws from peacekeeping and NATO is transformed, the EU will become Europe's peacekeeper. Its political dialogue with Russia must focus on questions of direct and urgent interest to both parties. Peace support operations fit these criteria. This *Chaillot Paper* argues for greater cooperation between Brussels and Moscow on this subject, and explores the possibility of a joint approach to the conflict in Moldova, a country that falls in the new periphery between the EU and Russia. The need for a new institutional mechanism, a 'High-Level Group on Wider Security', is also discussed, in order to catalyse the EU-Russia dialogue in peace support and other areas, such as non-proliferation and military reform.

published by
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e-mail: institute@iss-eu.org
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€ 8