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Partnership with Russia in Europe A Strategy for a Win-Win-Situation?

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Partnership with Russia in Europe A Strategy for a Win-Win-Situation?

6th Roundtable Discussion
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Preface

Can there be a Europe without Russia? Or a Russia without Europe? Such questions have been debated for centuries; the issue is vital for the European continent and its stability. Political patterns have changed over time and will continue to change, requiring that channels of communication remain open throughout the 21st century. This is the impetus behind the sixth round table “Partnership with Russia in Europe”, which convened in Russia in February 2008.

It would be foolish to expect a conclusive answer to the above questions. Yes, of course Europe includes Russia. Nor can one easily imagine the Russian Federation without Europe. But what of the European Union, now a conglomerate of 27 states? Some of its newest members have very particular, if not difficult, relations with Russia: Estonia, Latvia, Lithuania and Poland, to name just a few.

Unresolved issues and differing opinions concerning the past lead Russia to feel as if the new member states are in fact dictating EU policy, which has become quite critical towards Moscow. Furthermore, Russia resents a European attitude which seems to downplay the economic wealth and political power of the largest country in Europe.

For its own part, the EU experiences Russia as a difficult partner with sometimes unpredict-

able behavior. Instead of accepting responsibilities and fashioning compromises, Russia seems to be seeking opportunities to reestablish itself as a superpower and to obliterate the memory of its weakness after the collapse of the Soviet Union. This approach is not always the most helpful in attempts to resolve such sensitive issues as, for example, the question of the independence of Kosovo.

The relationship is further complicated by the sense of insecurity felt by the EU, realizing the inadequacy of its relationship with Russia, given the strategic importance of its powerful neighbor.

Russia defines itself now as an independent power with no wish to be integrated within the structure of the EU. A new Partnership and Cooperation Agreement (PCA) between Russia and the EU should be worked out, but only if it goes beyond the old one. Russia has changed, and these changes should be taken into account.

How to overcome the obstacles? Experts and politicians from Russia and the countries of the EU met in the beautiful and quiet village of Morozovka, not far from bustling Moscow, to discuss political, economic and social topics in search of a possible win-win situation. After all, both sides share in principle the same values, such as freedom, equality, justice and



The hosts of the roundtable "Partnership with Russia in Europe": Reinhard Krumm and Vyacheslav Nikonov.

solidarity. And the concept of a "common European house", envisioned by Mikhail Gorbachev, is still very appealing.

The Unity for Russia Foundation and the Friedrich-Ebert-Stiftung, as joint organizers, are proud to present this report of the sixth round table, including two articles analyzing

the future for EU-Russia relations until 2010 from both Russian and German perspectives. The accuracy of these forecasts will be one of the topics for our next meeting, scheduled for Spring 2009 in Potsdam.

Vyacheslav Nikonov / Reinhard Krumm

Strategy towards a win-win situation?

Notes from the 6th roundtable

Katinka Barysch

1. Overall impression

Like the previous five meetings, this 6th EU-Russia roundtable reflected wider trends in EU-Russia relations. After a period of mutual disillusionment and sometimes confrontation, participants from both sides were once again keen to acknowledge that the EU and Russia were dependent on each other and needed to work together. However, the optimism of the 1990s, when the EU and Russia talked about ambitious integration projects, has evaporated. The two sides today are stressing their differences as much as their commonalities. Cooperation is necessary, but no-one expects it to be easy. Most of the roundtable was devoted to exploring opportunities for 'win-win' cooperation in various areas ranging from energy to migration. Russian and EU participants usually found it easy to define overlapping and common interests at a

superficial level. However, deeper political disagreements – for example over the basis on which cooperation should take place – or long-standing contentions (visas, Baltic minorities, Russia's statist policies) often prevented agreement. The idea of building a relationship by working together 'wherever possible' is a tempting one, giving the difficult climate in EU-Russia relations today. But unless underlying disagreements are discussed at some level, they will hijack even seemingly technical debates and prevent potentially fruitful cooperation.

2. Current relations and prospects for a partnership

In their attempt to foster a partnership, Russia and the EU have passed a crossroad, said a Russian foreign policy expert, and they are now



Sergey Markov explained the Russian perspective on EU's actions.

heading in different directions. Economic integration and technical cooperation continue. In security and energy we need to work together, whether we want to or not. But by now we know that such contracts alone will not bring about a real partnership. The word “realism” was used numerous times to describe the near-term character of EU-Russia relations. Rather than drawing up lists of overly ambitious objectives, the EU and Russia are now also discussing the limits of their cooperation.

The wider framework for EU-Russia relations has changed. A more assertive Russia is seeking to define its place in a multipolar world. The EU is trying to strengthen its credibility and effectiveness as a global actor. It is therefore perhaps not surprising that issues that are not, strictly speaking, EU-Russia issues tend to dominate bilateral discussions. These include Iran, missile defence and NATO enlargement. One West European participant warned that it would be deleterious to throw all these issues “into one pot”. He suggested that genuine EU-Russia issues, such as visas and energy, should be kept separate from broader discussions about security and the shifting balance of power.

There were a number of positive developments in the months preceding the roundtable. Following the change in government in Poland, Warsaw and Moscow began to resolve their differences and Russia lifted its ban on the import of Polish meat. This, in turn, made it possible that Poland lifted its veto on the start of negotiations on a new bilateral treaty, to replace the expiring Partnership and Co-operation Agreement. Both the UK and Russia seemed keen to de-escalate tensions over the Litvinenko affair and the closure of British Council offices in Russia. British participants said their government had no intention of vetoing post-PCA talks. One Russian participant said that a “qualitatively different” new treaty was needed as a basis for real cooperation in the future. However, few other participants were confident that the new agreement would make a substantive difference

to EU-Russia relations. One EU diplomat said that the original EU negotiating mandate from 2006 now looked extremely ambitious in light of the recent deterioration in EU-Russia relations. He said that the delay in post-PCA negotiations was probably a good thing since the EU would approach these talks now with more realism and pragmatism. He also suggested that seeking an agreement on a more realistic mandate would be a useful exercise for the EU itself, since it would force the various countries to say more clearly what they wanted to get out of improved EU-Russia relations.

One EU parliamentarian said that all EU-Russia cooperation had to start from the fact that Russia did not want to be a member of the EU. The EU should not therefore seek to apply the kind of conditionality it had applied to applicant countries and those expressing the hope of one day joining the Union. As a member of the OSCE and the Council of Europe, however, Russia had signed up to numerous obligations, and the EU should not be shy to remind Russia of these.

All participants agreed that mutual dependencies were strong and increasing. Cooperation in numerous areas was progressing well. But the tone at the political level did not reflect that. Several EU participants said they were “puzzled” and “confused” as to why Russian politicians and officials often chose a rather aggressive and negative tone in their dealings with the EU. They called on the Russian side to define clearly what they wanted from the EU and discuss the way forward in practical terms. Russian participants reminded their EU counterparts that they needed to show Russia respect, acknowledge its legitimate interests and accept that Russia was once again a great power.

One German expert countered with the question “why does a country with less economic power than Italy, an export structure like a developing country and a Transparency International rating like Nigeria expect to play a similar role to the US in world politics?”. Others



The Russian view on security cooperation was explained by Ruslan Pukhov.

argued that if Russia wanted to be treated like a great power, it should be willing to shoulder global and regional responsibilities and take positive initiatives, not only use its veto powers to foil international initiatives.

3. Areas for win-win cooperation?

a. Security

Security is an area where the EU and Russia initially thought they would find a lot of common ground: both sides have a strong interest in the stability and prosperity of the European continent.

Although the issues have changed little since the 1990s (frozen conflicts, the role of NATO in Europe, the disarmament regime), the underlying balance of power has. First, in the 1990s, Russia was weak; in 2008, Russia is strong and assertive. Second, the enlargement of the EU and NATO means that EU and Russian security interests overlap much more in the common neighbourhood, and they sometimes clash. Third, the US is bogged down in Iraq,

challenged by and worried about WMD (Weapons of Mass Destruction). It pays less attention to European security. The EU, however, does not yet have a strong and coherent common security policy.

As a result, the security system that had emerged in Europe after the Cold War is now in crisis. The arms control architecture is crumbling, with Russia suspending its participation in the CFE (Conventional Forces in Europe) treaty. Russia is expanding its role in the Balkans. The frozen conflicts are getting hotter. Ukraine and Georgia are hoping for Membership Action Plans at the Bucharest NATO summit.

The EU, the US and Russia do not directly discuss the implications of the long-term shift in power and interests. But this shift does manifest itself indirectly in debates about numerous burning questions, including the status of Kosovo, the future of the OSCE, NATO enlargement and missile defence.

EU participants at the roundtable were baffled, as to why Russia has been reacting so strongly to the planned deployment of parts of the US missile defence system on Czech and Polish soil. They pointed out that only a limited

number of interceptors will be stationed in Poland, and that these would not affect Russia's second-strike capability since Russian missiles directed at the US would not fly over Poland but over the Arctic circle (or eastwards). Russian participants, however, took a longer-term perspective. They said that MD (Missile Defence) was part of America's attempt to contain the rise of new powers. For them, this is not only about Iran (in particular since the US intelligence services suggest that Iran has suspended its nuclear weapons programme). While Russia continues to decommission its nuclear arsenal, the US could gradually increase the number of interceptors. "This is like NATO enlargement", said one Russian defence expert, "it will go on and on."

A West European participant pointed out that MD was not part of the EU's common foreign and security policy, that it was divisive within Europe, and that it should therefore not be allowed to affect EU-Russia relations in a negative way. Another suggested that Russia, the US and the EU should find a way of addressing the 'real' issues, namely the shifting balance of power, rather than fighting a proxy battle through the MD issue.

b. Trade, investment and energy

Russian and EU participants agreed that economics was the area where win-win cooperation was most likely. Trade between the EU and Russia has continued to grow strongly (by 17 per cent in 2007). Foreign direct investment in Russia last year approached \$30 billion, with most of the money coming from EU countries. European companies remain enthusiastic about Russia's booming market. Conversely, Russian companies have shown a strong interest in the EU market. Dozens have listed at stock exchanges in London and Frankfurt.

However, both sides accuse each other of becoming increasingly protectionist. An EU official argued that the reasons why Russia is still not in the WTO are to be found only within Russia, for example export tariffs on raw timber and restrictions on foreign participation in the services sector. Experts from the EU also pointed out that the growing role of the state in the Russian energy sector has made it much more difficult for Western companies to invest. Russia needs the world's best technology and expertise to develop hugely complex fields such as Shtokman. So Russia's statist policies could af-



Oksana Atonenko (beside Aleksey Gromyko) underlined the problematic situation for the European security system.

fect Europe if Russia's gas output continued to stagnate. That is why the Europeans now increasingly talk about 'reciprocity' in EU-Russia energy relations. However, there is a risk that reciprocity will mean closed markets on both sides, rather than a mutually agreed framework for openness.

Russians point to a clause in the EU's new draft directive on energy market liberalisation which says that non-EU companies would only be allowed to buy pipelines and electricity grids in the EU after a special government agreement, and only if the company's home country has itself liberalised its energy market. Russians think this is specifically directed against them, and hence call it the "Gazprom clause". Russian experts said that the reason why Gazprom wanted to buy downstream assets in the EU was simply higher profit margins. They were incensed by EU suspicions that Gazprom's strategy was somehow 'political'.

Economists at the roundtable argued that the debate about Gazprom's role in Europe had to be seen against the background of wider concerns about the growth of sovereign wealth funds (SWFs) and the influence of government on business. These vehicles currently managed

perhaps \$ 2–3 trillion, usually at the behest of governments in energy-exporting countries (Norway, Saudi Arabia) and those with large external surpluses (China, Singapore). Since these governments do not necessarily share Western principles of open markets, transparency and accountability, European governments (and the US) are unsure about how to react. So far, there is no indication that SWFs have non-commercial motivations in their investment strategies (which are not usually disclosed). However, it cannot be completely ruled out that the governments that ultimately control these funds will one day abuse their holdings in big companies in Western markets. One German expert ominously spoke of the rise of the "rogue SWF". He pointed out that the acquisition of West European companies by SWFs amounted to a "re-nationalisation" on behest of foreign governments. That also applied in the case of Gazprom: European citizens and businesspeople cannot be expected to support the EU's efforts to force German, French or Italian companies to sell their pipelines if these then end up in the hands of a Russian state-controlled monopoly. "It is not about foreign investment", said one expert, "it is about investment by for-



Who is protecting what and why? Answers from science and politics were given by Wolfram Schrettl and Lutz Güllner.



Pierre Morel explained the EU's Central Asia Strategy. (From left: Pierre Morel, Sergey Kulik)

eign governments. If scores of American state-owned companies came shopping in Europe, we would get worried too.”

c. Central Asia

The European Union has been active in Central Asia since 1991, through its TACIS assistance programme. But during the 1990s, Europe was focused on the Balkan wars and eastward enlargement. It was only after 2001 that the EU's attention progressively shifted to Central Asia, following the move of NATO troops into Afghanistan (EU countries now have 12,000–15,000 troops there), the ‘Tulip’ revolution in the Kyrgyz Republic and the bloody events in Andijan. Under the German EU presidency in 2007, the EU adopted its first ever strategy for Central Asia. The initial purpose of the strategy was not so much to achieve change in this region, where the EU had hitherto played a very limited role. It was to identify and reconcile the interests of the EU member-states.

The EU side refuted allegations that its strategy was predominantly about getting access to Central Asian energy resources. Central Asia energy is landlocked, which means that it can-

not be transported to Western markets unless there is regional political stability, cooperation and a conducive investment regime. Nor is the EU interested in importing Western-style democracy in the near future: “We know that in Central Asia any colour revolutions would be green. We have no interest in that”, said one Western diplomat.

Instead, the EU's aims include spreading the rule of law; helping to prevent extremism, for example through supporting secular education; and fostering regional cooperation, for example on fighting drug smuggling and averting conflicts over scarce water resources. To achieve these aims, the EU has doubled the money earmarked for projects in Central Asia, although at €750 million over the next six years, the resources are still limited.

Russia has taken a rather critical view of the EU's initiative, summed up by one senior EU diplomat as “What the hell are you doing in our backyard?”. No one doubted that Russia had much stronger and closer links with the countries in the region than any other outside power. These links are strengthened by the widespread use of Russian in the region, the large Russian communities living there, cul-



Overlapping interests in Central Asia? Ivan Safranchuk underlined the Russian view.

tural affinity, and trade and energy ties that date back to Soviet times. The US also has been more active in the region than the EU, through troop deployments and energy diplomacy. In recent years, China has been playing a growing role, through important bilateral energy deals and through its key role in the Shanghai Cooperation Organisation (SCO).

However, it is not only the EU seeking to strengthen its role in Central Asia. The Central Asian countries themselves have asked the EU for intensified cooperation. One expert on the region said that the idea that Central Asian countries were objects in some kind of great game was misplaced. She pointed out that these were independent countries that wanted to make their own choices. However, many of the region's regimes are precarious because their political resources are no match for the problems they face, from shaky legitimacy and clan conflicts to water shortages, fundamentalism and the destabilising impact of the drugs trade.

Having stated their differences, participants acknowledged that Russia and the EU did have many common and overlapping interests in Central Asia. Russians welcomed the pragma-

tism that underlies the EU's strategy. Both sides agreed that economic growth, better education and a modicum of pluralism were key to preventing extremism in the region. Both conceded that in the region's opaque, clan-based political systems, it was difficult to know who is the 'right' leader to back.

A Russian participant acknowledged that Central Asia's 'multi-vector' foreign policy – which aims at keeping various outside powers engaged – was in Russia's interest: "Otherwise there is only one vector: China. Central Asia would become a raw material appendage of China's massive economy."

d. Social policy

Russia has achieved rapid economic growth since 1999; it has saved hundreds of billions of dollars in reserves and the stabilisation fund; and the incomes of most people have been rising at double-digit rates since 2000. But Russia still has intractable social problems, such as rapidly rising income differentials, a lack of social mobility, the prevalence of preventable diseases and widespread poverty among pensioners and marginal



A possible approach to solving shared problems? Angelica Schwall-Düren (centre) explained the idea behind the European Social Model.

groups such as immigrants. The most alarming illustration of these problems is Russia's demographic trends: because of low birth rates and low life expectancy, the working age population is now shrinking by 700,000 a year.

One Russian participant played down the severity of the demographic crisis, pointing out that Russia has compensated for the decline in its population by admitting millions of immigrants and birth rates show some signs of recovery. Others were less sanguine. Most Russians acknowledged that their social security system – introduced after the collapse of Soviet central planning – needed considerable improvements.

Many of Russia's problems are not dissimilar from those encountered by EU countries: ageing populations, overstretched healthcare systems and expensive, badly targeted social benefits. There may therefore be scope for the EU and Russia to work together in improving social policy. The Europeans were the first to acknowledge that there was no single European social model that Russia could simply copy. The EU itself has limited competencies in social policy, beyond setting certain minimum stan-

dards for equality and health and safety at work. There are considerable differences among the EU countries, although these should not be overstated. For example, the UK, far from practising a cut-throat Anglo-Saxon capitalism, has had a minimum wage longer than many continental European countries, and over the last ten years has been investing vast sums in the improvement of public services, in particular healthcare. Many allegedly more socialist countries on the continent have been trying to cut their social security budgets and transfer more responsibility to the individual.

One German parliamentarian identified a minimum consensus among EU countries that included solidarity-based provisions for healthcare and pensions; reasonably priced access to transport and healthcare and mostly free education; and developed rights for workers and trade unions.

Russians thought they could sign up to such a minimum consensus. The fact that there is no single EU policy on social issues could make cooperation easier. Russia has been averse to EU suggestions that it should simply assume EU norms, policies or values, however defined. But

Russia may want to study the benefits and disadvantages of the various social models within the EU.

e. Migration

Both Russia and many EU countries face ageing and shrinking workforces. Immigration is one way to mitigate the impact of such trends on economic growth. There may therefore be scope for the two sides to exchange best practices on how to attract skilled immigrants and generally help the integration of foreigners into society and the labour market.

Over the past ten to 15 years, Russia has received more immigrants than any other country bar the US. Official registers record more than 13 million immigrants since the early 1990s. The unofficial tally is likely to be considerably higher.

Most of these were Russians returning home after the collapse of the Soviet Union and in recent years citizens of other former Soviet republics looking for job opportunities in Russia's booming economy. Most of these workers are young men without families. Their lives in Russia are often precarious. They are vulnerable

to exploitation, discrimination and abuse. Xenophobia is widespread and growing. One Russian expert called on his compatriots to remember that these immigrants are a source of well-being for the country as a whole: although they did not always pay taxes, they contributed much more to Russian GDP than they received in terms of wages. He suggested that the police should clamp down not only on miscreant immigrants but on the employers who treated them badly. He reminded his colleagues that Moscow had never been a homogenous city and that even if immigration stopped today, the city would never look like it did 20 years ago. Integration, he said, was a two-way process. By treating its immigrants badly, Russia was foregoing many economic opportunities.

Other participants agreed that those countries that are good at integrating immigrants and giving them life chances, tended to be the most economically successful. The US was cited as the prime example. European countries have had a mixed record with welcoming immigrants, in particular those from non-EU countries with different religion and cultural backgrounds. The Europeans all acknowledged that more EU integration was needed in this area. The new



The roundtable offered opportunities for the dialogue between science, politics and civil society.
(From left: Martin Hoffmann, Ernst Reichel, Thorsten Hutter)



The situation of Russian migrants in EU member states was highlighted by Archpriest Antoniyy Ilyin.

Lisbon treaty that is currently in the process of ratification will give the EU new powers in the area of Justice and Home Affairs.

Russian participants said that within the CIS such cooperation would be much harder to achieve, not least because the various former Soviet countries have vastly different rules on immigration and integration. However, all acknowledged that cooperation and learning from one another would be crucial, because Russia and the EU countries will be competing for the best and brightest among the immigrants.

Russia and the EU work together on immigration issues within the framework of the Four Common Spaces. Already experts from both sides meet on an annual basis to exchange experience, and the EU can support the integration of immigrants in Russia through social and education projects.

Russian participants also brought up the issue of visas in this debate. The EU's Schengen visa regime was seen as both counterproductive and ineffective. "Against whom are you protecting yourself?", asked one think-tanker. "The Russian criminals are already living on the Cote d'Azur and Costa Brava. Russian workers will not come in droves: we don't have enough of

them in Russia. Russians will come to study and shop and visit the museums." European experts said that visa-free travel was the ultimate goal but that it would take many years. As long as Russia's southern border was largely unprotected, the EU would be reluctant to abolish visa requirements. Moreover, Russia needed more secure passports to allow for better monitoring of the flow of people.

f. Russians abroad

Russia has not only received millions of immigrants, it has also seen considerable outward migration since the 1990s. For example, 1–2 million ethnic Germans have left. Russia is now seeking to capitalise on the large number of Russians and Russian speakers who live around the world. Although Russian experts differed in their estimates, one thought that there could still be around 300 million Russian speakers globally, making it the 5th largest community in the world. For some countries, their diasporas in other countries have been a huge asset: they shape a positive image of the country abroad, they send home remittances, and their people return home with new skills and resources. In the case of

Armenia, Ireland and Israel, the diasporas have had a considerable impact on determining developments in their home countries.

But not all diasporas are a positive force for their homeland. Most Cubans living in America have traditionally been hostile to the regime of Fidel Castro at home. For Russia the picture is mixed. Russians living abroad do not form a single diaspora community. There have been four distinct waves of emigration to Western Europe over the past century. Many Russians left because they were driven out by upheaval, persecuted or disillusioned, so they do not necessarily have a positive relationship with their homeland. Russia, in turn, often treated these émigrés as traitors. The Russkiy Mir foundation, set up in 2007, seeks to foster a greater sense of community among Russians living abroad. It will provide Russian language classes, since many young Europeans in say, Bulgaria or Poland now want to study the language for travel and business. Moreover, many second generation Russian émigrés no longer speak their mother tongue properly. Russkiy Mir will provide a focus for cultural activities and other events. Representatives of Russkiy Mir said

that London would be a good place to start with such activities because London's community of 300,000 Russian speakers was very diverse.

The discussion also turned to the contentious subject of Russians living in the Baltic countries. These were a special case, argued one Russian participant, because they did not move there voluntarily. They ended up in a foreign country when the Soviet Union collapsed. Several Russian participants alleged that Latvia and Estonia were failing to provide their Russian minorities with basic rights, such as being taught and politically represented in their own language. Tens of thousands still do not have passports and full citizenship. One Russian parliamentarian compared the attitudes of the Baltic countries to fascism and predicted violent strife unless the situation improved. A representative of a Baltic country asked why – after 30 or 40 years in these countries – the Russians could not be expected to speak the local language. She pointed out that despite their lack of language skills, most of the Russian speakers had by now gained citizenship. And even those who had not, received full access to healthcare, education and social security.



Limits and possibilities for further cooperation of Russia with the EU, presented by Hans-Henning Schröder

Russia and the EU – a Partnership within Europe

Tensions and Perspectives¹

Hans-Henning Schröder

Relations between Russia and the European Union have recently become more strained, as evidenced in numerous conflicts in various areas of policy. To take only the most dramatic examples: The EU could not agree on a negotiating mandate for a new Partnership and Cooperation Agreement after Russia banned the import of Polish meat. The relocation of a Soviet war memorial led to a massive conflict between Russia and Estonia, revealing deep underlying differences in the understanding of societal interrelations. Twice – during the Duma elections in December 2007 and the presidential elections in March 2008 – the Russian Central Election Commission snubbed the “Office for Democratic Institutions and Human Rights” (ODIHR), which is responsible for monitoring election standards, by restricting conditions for them in such a way as to make monitoring impossible. Consequently the ODIHR refused to deploy an

observation mission. And finally, also in the context of EU-Russian relations although not directly an EU topic, Russia showed its dissatisfaction with the reluctance of the US and EU to ratify the CFE-Treaty by suspending the still valid but obsolete treaty from 1990. These are all signals of a significant level of tension in EU-Russian relations.

1. Economy as the Basis for Partnership

Such tension seems all the more surprising when one considers that in reality Russia and the EU are working together closely and successfully. In 2007 Russia conducted 51% of its foreign trade with EU member states, with Germany alone accounting for 9.6%. Countries like Japan (3.6%), the USA (3.2%) and China (7.3%) are comparatively less significant (Table 1).

¹ This text, including single formulations, owes much to discussions the author was able to pursue during 2007 with colleagues of the SWP and other Berlin-based institutions.

The EU member states are also the main investors in Russia (Table 2). Nearly 80% of foreign investments originate in the EU. Of course, investments from Cyprus or Luxemburg are composed of international, partly Russian, funds. But there is also genuine direct investment from Germany, France and the United Kingdom which must be taken into account. The economic and financial ties with the EU are therefore important for Russia. At the same time, Russia currently supplies 23% of the EU's crude oil and 27% of its gas needs. And for the economies of EU member states, the significance of the Russian market, with its 142 million consumers interested in industrial goods and services, is rising in parallel with the increasing

purchasing power of Russian customers. The industry of EU member states can also be a partner in further modernization within Russia. In economic terms, cooperation between Russia and the EU is therefore well-founded.

Also in cultural and historic terms, no insurmountable barriers are evident. The history of Russia is – at least since the 17th century – a part of European history. Over four centuries the Russian state held a certain degree of influence on the fate of Europe. Russian music and literature are both an integral part of Europe's cultural development. In principle, all the preconditions exist for a reliable and fruitful cooperation equally beneficial to both sides.

Table 1: **Russian Foreign Trade Turnover for Individual Countries, 2007**

	Mill. US\$	in %
Total Foreign Trade Turnover	552,181	100.0%
Including:		
"Distant Abroad"	469,762	85.1%
Including: EU member states	283,967	51.4%
Including		
Germany	52,861	9.6%
Netherlands	46,639	8.4%
Italy	36,053	6.5%
Poland	17,928	3.2%
United Kingdom	16,666	3.0%
France	16,433	3.0%
Finland	15,745	2.9%
Hungary	8,694	1.6%
Spain	7,515	1.4%
Czech Republic	7,106	1.3%
Bulgaria	4,204	0.8%
Romania	3,942	0.7%
Remaining EU	50,181	
Asian-Pacific region	105,978	19.2%
Including:		
China	40,295	7.3%
Japan	20,094	3.6%
USA	17,474	3.2%
South Korea	14,986	2.7%
Remaining	13,129	
Turkey	22,512	4.1%
Switzerland	15,939	2.9%
CIS members	82,419	14.9%
Other countries	41,366	7.5%

Source: Data by Rosstat <http://www.gks.ru/bgd/free/b04_03/IssWWW.exe/Stg/d040/24.htm, 4. März 2008>

Table 2: **Origin of Foreign Investments 2007 (Mill. US\$)**

	Mill. US\$	in %
Total sum of investments	220,595	100.0%
Main investors	190,069	86.2%
Including:		
Cyprus	49,593	22.5%
Netherlands	39,068	17.7%
United Kingdom	29,235	13.3%
Luxemburg	29,161	13.2%
Germany	11,786	5.3%
USA	8,579	3.9%
Ireland	7,131	3.2%
France	5,919	2.7%
Virgin Islands	4,800	2.2%
Switzerland	4,797	2.2%
Other countries	30,526	13.8%

Source: Data by Rosstat <http://www.gks.ru/bgd/free/b04_03/lssWWW.exe/Stg/d040/26inv21.htm, 4. März 2008 >

2. Democratic Deficit and Great Power Ambitions – Reasons for a Crisis in Relations

Despite these preconditions, political relations between both sides have worsened since 2003/2004. In addition to the obvious factor of the above-mentioned events, data from the “Pew Global Attitudes Survey” underscores this rift (Tab 3).

In all surveyed European countries, trust in the Russian president Vladimir Putin fell

noticeably between 2003 and 2007. This is especially obvious in the case of Germany, where in May 2003 three-fourths of respondents rated Putin positively, while in 2007 the figure dropped to 32%. Apparently, the perception of Russia and its leadership has changed dramatically in western and middle European countries. In the eyes of many EU citizens, Russia has transformed from an interesting partner to a problematic or even threatening neighbour. Reasons for this are to be found not only in inner developments in Russia and a transformed Russian



Vyacheslav Nikonov, hosting the roundtable, summarized some currents of the discussion.

Table 3: **Question 56c. Now I'm going to read a list of political leaders. For each, tell me how much confidence you have in each leader to do the right thing regarding world affairs.**

Vladimir Putin					
	A lot of confidence	Some confidence	Not too much confidence	No confidence	No answer
Britain					
Spring 2007	3%	34%	26%	21%	16%
Spring 2006	3%	30%	27%	24%	16%
May 2003	10%	43%	23%	13%	10%
August 2001	1%	25%	35%	22%	17%
France					
Spring 2007	2%	17%	36%	45%	0%
Spring 2006	2%	22%	33%	43%	1%
May 2003	5%	43%	27%	25%	1%
August 2001	2%	12%	39%	38%	9%
Germany					
Spring 2007	5%	27%	37%	29%	2%
Spring 2006	5%	45%	29%	17%	4%
May 2003	24%	51%	18%	6%	1%
August 2001	4%	37%	31%	24%	4%
Italy					
Spring 2007	2%	24%	36%	24%	14%
May 2003	5%	39%	35%	12%	8%
August 2001	3%	21%	36%	13%	28%

Source: Results of the Pew Global Attitudes Survey 2007 <<http://pewglobal.org/reports/pdf/256topline-pastyears.pdf>, 28.6.2007>

self-image, but also in changes in internal conditions within the EU.

The increasing restrictions in the fields of democracy and civil society in Russia have had a strong impact on Western perceptions. An especially strong signal was sent by the case of the financial tycoon Khodorkovsky, who was sentenced, in a trial with considerable judicial shortcomings, to a lengthy term of imprisonment.² The Yukos company, which Khodorkovsky had founded and controlled, then fell into the hands of associates of Putin's administration with the help of governmental pressure and through dubious shadow companies – a fact which caused dismay and objection in EU member states. The build-up of “vertical power”, i.e. the

strengthening of the executive branch over regions and throughout the government, has narrowed opportunities for democratic forces to develop. A further step in the curtailment of democratic rights was the abolishment of gubernatorial elections in 2004, leaving governors largely dependent on the president, who suggests candidates to regional parliaments. The new regulations on the registration of non-governmental organisations (which tightened governmental control over them) and changes in electoral and party legislation formed the basis of a virtual party system upon which the 2007 Duma elections were staged. All this established a governance structure which preserves a democratic appearance while ensuring

² See among others.: L. Gudkov; B. Dubin: Der Oligarch als Volksfeind. Der Nutzen des Falls Chodorkovskij für das Putin-Regime, in: Osteuropa, 55.2005, Nr. 7, S. 52-75; O. Luchterhandt: Rechtsnihilismus in Aktion. Der Jukos-Chodorkovskij-Prozeß, in: Osteuropa, 55.2005, Nr. 7, S. 7-37; M. Mommsen; A. Nußberger: Das System Putin. Gelenkte Demokratie und politische Justiz in Russland, München 2007; A. Nußberger; D. Marenkov: Quo vadis iustitia?. Der Fall Chodorkovskij und die Europäische Menschenrechtskonvention, in: Osteuropa, 55.2005, Nr. 7, S. 38-51; Parlamentarische Versammlung des Europarats: Entschließung 1418 (2005). Die Umstände bei der Festnahme und Strafverfolgung von führenden Jukos-Verantwortlichen. Erläuterndes Memorandum, in: Osteuropa, 55.2005, Nr. 7, S. 87-102.

control by the president's administration.³ This was observed extremely critically by the citizens of western and central Europe.

The unfavourable attitude towards the policies of the Putin administration was further intensified by the public appearances of its representatives. Demonstrating a new self-confidence, they resolutely demanded an influential role in international politics. At the Munich security conference in February 2007, Putin presented the positions of his executives in a very pointed way. He made it clear that Russia will not accept a unipolar world in which the USA dominate international politics. He also pointed out that the GDP of the BRIC states (Brazil, Russia, India and China) has already surpassed that of the EU. This fact led to Russian claims for a voice in European security structures and European organisations. He demanded an immediate ratification of the adapted CFE Treaty and massively criticized the OSCE, because it had become "a vulgar instrument designed to promote the foreign policy interests of one group of countries over others."⁴

In the following year Sergey Ivanov picked up these arguments, albeit in a comparatively milder tone:

- "I am sure that everyone here clearly realizes that the process of Russia's revival objectively combines our ambition to occupy an appropriate place in world politics and a commitment to maintain our national interests. [...]"
- "To sum it all, may I stress that we have set up a very special objective: by the year 2020

Russia should be among the world's five biggest economies with per capita GDP of over 30 000 US dollars. Right now, by the way it is around 12 000 USD.

- "Getting richer, Russia will not pose a threat to the security of other countries. Yet our influence on global processes will continue to grow."⁵

The Russian elites have enjoyed a new self-confidence from the economic revival and the leadership has asked for a corresponding role in international and European politics. The tone they struck was a further source of tension in the relations between Russia and the EU.

The tensions became all the more pronounced as the EU member states did not share the Russians' assessment of their own international importance. With a population of 142 million, about as much as France and Germany combined and much less than the EU as a whole, and with a GDP roughly comparable to that of Italy while currently approaching that of France, Russia did not give the impression of an economic superpower. All the more so, when one considers that Russia's economic performance per capita lies well behind those of Poland, South Africa and Costa Rica. The observers also noted that over 80% of Russia's exports in 2006 were based on natural resources, while the share of machinery, equipment and transport goods counted only for 5.6% – a typical proportion for a third world economy.⁷ Thus, as impressive as the growth of the Russian economy seems to be, it cannot justify the pretensions to great power status evident in Russian politics.

3 See among others: A. Wilson: *Virtual Politics. Faking Democracy in the Post-Soviet World*, New Haven 2005; S.K. Wegren; A. Konitzer: *Prospects for Managed Democracy in Russia*, in: *Europe-Asia Studies*, 59.2007, Nr. 6, S. 1025 – 1047; L. Shevtsova [L.F. Ševčova]: *Post-communist Russia: a historic opportunity missed*, in: *International Affairs*, 83.2007, Nr. 5, S. 891-912; D. Furman: *Ursprünge und Elemente imitierter Demokratien*, in: *Osteuropa*, 56.2006, Nr. 9, S. 3-24; A.C. Kuchins: *Russian Democracy and Civil Society: Back to the Future. Testimony Prepared for U.S. Commission on Security and Cooperation in Europe "Human Rights, Civil Society, and Democratic Governance in Russia: Current Situation and Prospects for the Future"* February 8, 2006, o.O.: Typoskript 8.2. 2006; G. Gill: *A New Turn to Authoritarian Rule in Russia?*, in: *Democratization*, 13.2006, Nr. 1, S. 58-77.

4 Vystuplenie i diskussija na Mjunchenskoj konferencii po voprosam politiki bezopasnosti, München, 10.2.2007 <http://president.kremlin.ru/appears/2007/02/10/1737_type63376type63377type82634_118109.shtml, 12. Februar 2007>.

5 Speech of Sergey Ivanov at Munich Security Conference, 10.2.2008 <http://www.securityconference.de/konferenzen/rede.php?menu_2008=&menu_konferenzen=&sprache=de&id=217&, 11.2.2008>

6 See *World Development Report 2007: Development and the Next Generation*. Washington, D.C.: The International Bank for Reconstruction and Development / The World Bank 2006, S. 288, 289 <http://www-wds.worldbank.org/external/default/WDSCContentServer/1W3P/IB/2006/09/13/000112742_20060913111024/Rendered/PDF/359990WDR0complete.pdf, 18.9.2007>

7 Data by Rosstat <http://www.gks.ru/free_doc/2007/b07_11/25-08.htm, 31. Juli 2007>

Certain structural changes within the EU have also affected attitudes towards Russia. The admittance of new EU member states from the former sphere of Soviet influence could not fail to influence the discourse on Russia in the EU. In the societies of Poland and the Baltic States, memories of Soviet crimes are well-preserved: the alliance between Hitler and Stalin in 1939, the occupation of East Prussia and the Baltic States, the deportation and killings of the Latvian, Estonian and Lithuanian elites. The current conflicts hindering Russia's relations with Poland and the Baltic States arise from the failure of Russian society to face its historical responsibility. With the enlargement of the European Union, this burden has become a part of relations between Russia and the EU as well.

3. Chances for a Fresh Start: Energy Cooperation, Dialogue on History and Widespread Civil Society Contacts

The current crisis in EU-Russian relations is based on internal developments on both sides, affecting mutual perceptions and leading to reciprocal claims which both sides perceive as presumptuous. Thus efforts will have to be made on the part of the EU as well as Russia, in order to normalize the relationship. And in light of the solid economic basis underpinning EU-Russian relations, not to mention the tremendous economical and political advantages arising from such cooperation, it is well worth investing in its improvement.

This investment begins with cooperation in the energy sector, which promises immediate advantages for both sides. Europe and Russia are natural partners in the field of energy. The interdependence of Russia and Europe with regard to the energy industry will further increase in the next decade. Russia depends on Europe to import its energy products and to provide technological know-how for further exploration. If Russia wants to modernize its energy and electricity sector, in addition to di-

versifying its domestic capital stock, high technology, machine-building, telecommunications and infrastructure, it will not succeed without cooperation with Europe.

Through participation in joint strategic projects, the EU obtains possibilities to influence Russian economic policy (e.g. in the electricity sector). New opportunities will also arise in the field of natural resource exploration, as the time of easy discoveries has definitely passed. The geological conditions for exploring new resources are so demanding that Russian companies will have to rely increasingly on Western know-how and high technology, as is already the case with Shtokman.

In order to ensure European companies' access to Russia, the opening of the EU's internal market to Russian energy companies should be made conditional on the necessary transparency, contract loyalty and basic reciprocity. Interlinked participation should also be supported. In addition, options for trilateral cooperation among the EU, Russia and transit states should be encouraged in the field of transport infrastructure, storage and refining. Joint measures in the field of implementation should also be considered for trilateral cooperation. The advantages of tighter integration with Russia in the field of energy indeed outweigh the risks, if pursued with care and based on reciprocity. The goal to strive for is increased integration, with a high degree of mutual dependency, guarantees, commitments and alternatives.

This kind of integration should also be aimed for in the field of civil society. The close network of contacts at the level of politics, civil society and economics, which has developed between Europe and Russia over the past few years, needs to be maintained and enhanced. At the governance level, the EU states should strive for new quality in the number of consultations between representatives of government and parliament. Apart from the biannual governmental meetings with their changing formats and rigid procedures choked with protocol, the communication channels to the Russian elites,



Preparing for discussion (from left): Alexander Dynkin, Fyodor Lukyanov, Iris Kempe

to the president apparatus, to relevant political parties (including “United Russia”) and also to all relevant political and economic key players need to be enhanced.

At the same time, Russia needs to realize that the EU has significant difficulties to overcome in the formulation of a common policy towards Russia. The interests, motives and national memories of the 27 EU member states are too diverse to allow for an unproblematic formulation of a common policy towards Russia. Nevertheless, the efforts should not be relaxed. And along with this, a moral-political stance should be demanded from Russia. EU-Russian relations can only be advanced if a thaw in relations with the new Eastern European member states, especially Poland and the Baltic states, can be reached. This was made obvious when Poland blocked the negotiation mandate for the new PCA treaty with Russia. Here the EU faces a dilemma: On the one hand it must not tolerate Russian efforts to play off some member states against the others or to rely on exclusive relations with certain states. A clearly defined EU position which shows the EU speaking with one voice, as was demonstrated in Lahti or Samara, is taken seriously by Russia. On the other hand, the development of EU-Russian relations must not be held hostage to bilateral conflicts between single EU member states and Russia. Poland

and the Baltic States should know that only the reinforcement of a consistent framework for EU-Russian relations banishes the danger of a “re-bilaterlisation” of relations between Russia and particular EU member states. Russia, for its own part, must accept its responsibility. The 70th anniversary of the Hitler-Stalin-Pact in 2009 would be a good date to open a dialogue on history. The German experiences with France, Poland and also Russia could be an example for such a policy.

A great power, as Russia perceives itself today, must cope with the responsibilities connected to that role. If Russia wants to hold this position and to act as an independent power in a multipolar world, then certain behaviour is expected. With its GDP comparable to that of Italy, Russia’s great power ambitions and the reality are in sharp contrast to each other. If Russia wants to exist as a great power in the 21st century, it will have to offer more than just energy resources, atomic weapons and its P-5 status. The EU should continue to include Russia in talks on such global topics as climate, energy, global health policy, migration and demography. The G8-summits in St. Petersburg and Heiligendamm offer a good starting point – but the Russian leadership must take up the offers of dialogue.



Andrey Klimov pointed out that Russia needs to be accepted as an equal partner to the EU.

What should the Partnership look like? Scenarios for 2010

Andrey Klimov

To map out a scenario of the social, economic and, in particular, political processes on the European continent for the coming years is not an easy task. Too often, in such a case, we must resort to the word “if”.

As usual, we should begin by looking into the extremes of the possible directions of development and then seek some sort of “golden mean”, taking into account both existing trends and possible changes in relevant factors.

I am not certain that, in the course of the discussions among well-known and highly respected experts at the international forum at the Morozovka Resort, my short speech will be able to make a significant contribution to such forecasting processes. This is why I will try to focus not so much on predicting the conditions of relations between the Russian Federation and the European Union in the year 2010, as on

describing my view of the state of relations both sides should aspire to in the next two or three years.

When talking about the prospects of Russian-EU relations, what primarily comes to mind is the well-known fact that both sides have not succeeded in working out a new strategic partnership agreement before the formal expiry date of the Agreement on Partnership and Cooperation (PCA), which was passed back in 1997.

Despite political statements from both sides on the desirability of the new document, to regulate relations between these two main European partners, so far it has not been possible even to begin negotiations on its preparation. To my mind, it would be naïve simply to blame everything on the so-called “Polish veto” of the course of these negotiations. Among the EU countries, there are still quite a number which,

to put it mildly, view the prospects of a EU-Russian rapprochement with great wariness. On the other hand, in Russia there are also quite a few who perceive the EU neither as a strong nor reliable ally. Moreover, these sentiments exist not only among federal politicians, but also in wide parts of the population from Kaliningrad to Vladivostok.

Of course, these opinions still reflect to some extent the aftermath of the Cold War as well as the memories of some “new Europeans” of their time under the aegis of the Soviet Union. In Russia, meanwhile, quite a number of people link the times of crisis in the 1990s to the “pernicious influence of the West”.

However, there are also other factors which hamper our integration. Among those are the changes happening in Russia itself as well as those within the post-enlargement EU.

If you recall that the text of the current PCA, automatically remaining in effect, was worked out back at the beginning of the 1990s, one thing is very clear: at that time, Russia was not what it is now, and the same holds true for the European Union (even concerning the name).

Nevertheless, over the past two or three years, Moscow as well as Brussels has repeatedly declared at the highest level that, in principle, there is no reasonable alternative to a strategic partnership between us, and the necessity to legally implement the new status quo has long been evident.

Admittedly, the expert community has recently been questioning the necessity of signing any new documents at all. Which tasks of high importance do they help to solve? Aren't the efforts to produce a new agreement simply a political fuss or a pointless process, not bringing any results?

It seems to me that the debate about Russian-EU relations in 2010 should start from the answers to just these questions, although, one would think that these answers should have been known for some time.

So, which is this “task of high importance” for the strategic partnership on the European continent between its key players the RF and the EU? And what, in this framework, can possibly be put into practice within the two or three years to come?

I suggest starting the discussion from the opposite point of view: what would we not like to see in the Europe of 2010 and what should clearly not occur in relations between the RF and the EU in the foreseeable future?

Let me start with the obvious: **we would not like to return to the period of the Cold War or create some kind of “cold peace”**. We would not like the Schengen Treaty to become a new Iron Curtain, limiting the free movement of citizens of our countries. Moreover, despite the friendly rhetoric from Brussels notwithstanding, in practice the area where Russian citizens can travel without visas has been shrinking significantly every year. This area, by the way, is now evidently smaller than it was during Soviet times.

We would not like to tolerate double standards or attempts for unilateral benefits in any sphere of cooperation. Such attempts, however, have unfortunately continued.

Clearly the attitude, assumed by some Western politicians, of having the right to be the “teacher” in relation to their “apprentice” Russia, and the readiness of some Russian politicians to actually comply with this role of “follower” has been more comfortable for some than an equal partnership. But times are changing and the new reality – an independent and reviving Russia – must be considered objectively. It must be accepted as fully as the enlarged EU, which has its own difficult path to tread, adapting to the political and legal integration of 27 countries with new challenges and threats.

Of course, we would not like to miss the opportunity for joint solutions with the EU in the spheres of internal and external security,



Discussing the future of the Partnership between Russia and the EU.
On the panel (from left): Sabine Fischer, Reinhard Krumm, Vyacheslav Nikonov.

economics and environmental protection, and of cooperation in science, education, health-care, and culture. These possibilities exist, there is no doubt. But somehow you constantly find yourself thinking that someone in Brussels wants to replace or qualify concrete measures with scholastic discussions of a philosophical character, to ideologise everything.

No one disputes that for strategic partners it is desirable to have not only shared problems, goals, and interests, but also shared values. Here, however, I would like to stress the important key word: shared. If one side imposes its values on the other, then cooperation obviously cannot succeed. Let us imagine for a minute that Russia declares that as long as the EU allows euthanasia (i. e. the conscious killing of terminally ill with the help of physicians), we will not continue negotiations about a new agreement with the EU. Or that as long as Finnish companies continue to export logs from Russia instead of building their paper mills on our territory, we will not negotiate on the joint fight against terrorists. Or that as long as London does not return those recognized as criminals by a Russian court, we will refuse to provide regular supplies of natural gas to Europe.

Absurd – this is what every normal person would say. Yes, it would be difficult to call these situations normal and cooperative. Russia, however, comes up against situations like these rather often. In dialogue with us, several politicians from EU countries regularly resort to various ultimatums. And many of their colleagues and fellow countrymen encourage those attempts: they remain silent and do not condemn their colleagues. Or they hide behind the well-known theory of “European solidarity”.

We in Russia understand very well how difficult it is to find a consensus within the EU now. We know how difficult it is to abandon old habits. But we would also like to be shown equal understanding on the part of the EU. For by recognising two obvious issues – the sovereignty of the Russian Federation and the fact that my country does not have any intention of joining the EU – Brussels should have established mutually beneficial long-term relations based on the factual reality, instead of tolerating the fantasies and assertions of effusive Russophobes and professional “fighters of the Kremlin regime” long ago.

I believe that the deideologisation of our relations is one of the most important founda-

tions for ensuring a fast transition to more effective and longer-term cooperation in many fields. Conversely, attempts to take advantage of the relationship between the Russian Federation and the EU to change the Russian constitution or our political system, or to interfere in the election process in Russia (such calls can be heard constantly in the West) will result in practice in a cooling of relations, a slowing of integration, and a decreasing of effective partnership.

Now let me come to what I believe is both desirable and possible, but demands significant joint efforts.

The conclusion of a new comprehensive Russia-EU agreement until 2010 is possible. To sign such an agreement makes sense, if it indeed cements a long-term strategic partnership. To my mind, one of the goals of such a partnership should be to ensure the free movement of people, goods and capital within the area of Russia and the EU. Furthermore, among these aims should be the creation of common effective mechanisms providing for the security of this area from the Atlantic to the Pacific Ocean, including security from theoretical threats. The drawing up of effective mechanisms to coordinate common positions on pressing international problems in the framework of the UN Charter and on the basis of the generally accepted principles of the Council of Europe should also have its place among these objectives.

Desirable practical measures would be a significant simplification of visa policy for the

majority of citizens of our countries as well as simplified customs clearance formalities for goods (which would enable us to eliminate the truck queues on our borders).

As for the political sphere, I think that greater mutual understanding between our politicians would result from holding periodic consultative meetings of specialised committees of the European Parliament and the State Duma as well as the Federation Council of Russia (not only as part of the EU-Russia Parliamentary Cooperation Committee). Annual conferences of representatives from the national parliaments of EU countries and Russia on an agreed list of problems would also further bilateral cooperation. The first meeting of this kind took place in Perm in May last year with some success.

In terms of economic cooperation, too, it is necessary to abandon existing stereotypes. It is time to stop regarding Russia as just a source of resources and a space for transit traffic. We are ready to expand cooperation in virtually all economic sectors, not just hydrocarbons, and to involve in this cooperation not only huge corporations, but also small and medium-sized enterprises. Russian businesses are interested not only in foreign investors, but also in personal investment within the EU under appropriate conditions. There are great possibilities for cooperation between our regions and cities.

To conclude, I would like to say that everything I have mentioned I deem possible and practicable; what is required is confidence and political willpower.

Programme

Sunday, February 3rd, 2008

Afternoon	Arrival of participants
19:00 – 20:00	Welcome drink
20:00 – 22:00	Dinner Speaker: Vyacheslav Nikonov, <i>President, Unity for Russia Foundation, Head of the Working Group on Public Diplomacy, Public Chamber of Russia, Moscow</i> Shape of the prospective power in Russia

Monday, February 4th, 2008

9.30 – 9.45	Opening of the conference <i>Vyacheslav Nikonov, President, Unity for Russia Foundation, Moscow</i> <i>Reinhard Krumm, Head, Office of the Friedrich-Ebert-Stiftung in Russia, Moscow</i>
Morning Session	Common Security Policy in Europe with Russia: Wishful Thinking?
9.45 – 13.00	Chair: <i>Reinhard Krumm, Friedrich-Ebert-Stiftung, Moscow</i>
9.45 – 11.00	Anti-Missile Defence: Is There a Future for Security Cooperation in Europe? <i>Antonenko, Oksana, Senior Fellow (Russia and Eurasia), International Institute for Strategic Studies, London</i> <i>Pukhov, Ruslan, Director of the Centre for Analysis of Strategies and Technologies (CAST), Moscow</i> <i>Fischer, Sabine, Senior Research Fellow at the European Union Institute for Security Studies, Paris</i>
11.00 – 11.30	Coffee break
11.30 – 13.00	How Should a Realistic Partnership Look Like? Scenarios for 2010. <i>Schröder, Hans-Henning, Head, Research Unit Russia/CIS, German Institute for International and Security Affairs, Berlin</i> <i>Lahti, Taneli, Head of Political Section, Delegation of the European Commission to Russia, Moscow</i> <i>Arbatova, Nadezhda, Research Director, Committee "Russia within a united Europe" Moscow</i> <i>Klimov, Andrey, Member of Parliament of the Federal Assembly of the Russian Federation, Chairman of the Subcommittee for Relations with the EU, Committee for International Relations, Moscow</i>
13.00 – 15.00	Luncheon

Afternoon Session	Economic Interests: Cooperation or Conflict?
15.00 – 18.30	Chair: Andrey Zagorski, <i>Moscow University for International Relations of the Russian Ministry of Foreign Affairs (MGIMO), Moscow</i>
15.00 – 16.30	<p>Open Markets vs. Protectionism: Who is Protecting What and Why?</p> <p>Barysch, Katinka, <i>Chief Economist at the Centre for European Reform, London</i></p> <p>Schrettl, Wolfram, <i>Professor, Department of Economics, and Director of Economics, Institute for East-European Studies, Free University Berlin</i></p> <p>Güllner, Lutz, <i>Directorate General Trade, European Commission, Brussels</i></p> <p>Dynkin, Alexander, <i>Director, Institute of World Economy and International Relations (IMEMO) at the Russian Academy of Sciences, Moscow</i></p>
16.30 – 17.00	Coffee break
17.00 – 18.30	<p>The EU Central Asia Strategy and Russia. What has been achieved?</p> <p>Morel, Pierre, <i>EU Special Representative for Central Asia, Council of the European Union, Brussels</i></p> <p>Safranchuk, Ivan, <i>Editor in chief, "Great Game: politics, business, security in Central Asia", Moscow</i></p> <p>Prokofyev, Igor, <i>Deputy Director, Russia's Institute for Strategic Studies, Moscow</i></p>
19.00	<p>Dinner</p> <p>Guest Speaker: H.E. Andrej Benedejcic, <i>Slovenian Ambassador to the Russian Federation, Moscow</i></p>

Tuesday, February 5th, 2008

Morning Session	Social Policy as an Aspect of Cooperation
9.00 – 10.00	<p>The European Social Model: A Concept for Russia too?</p> <p>Chair: Van de Water, Robert, <i>Special Advisor on Enlargement and the Wider Europe, Socialist Group European Parliament, Brussels</i></p> <p>Schwall-Düren, Angelica (MP), <i>Deputy Chairwoman of the Social Democratic Group in the German Parliament, Berlin</i></p> <p>Gontmakher, Yevgeniy, <i>Head of Social Policy Centre, Institute of Economics of the Russian Academy of Sciences, Moscow</i></p>
10.00 – 10.30	<p>Coffee break</p>
10.30 – 11.30	<p>Migration: A Solution of the Demographic Problem? Experiences in Russia and the EU</p> <p>Chair: Antonenko, Oksana, <i>Senior Fellow (Russia and Eurasia), International Institute for Strategic Studies, London</i></p> <p>Dybman, Pierre, <i>Research Fellow, European Commission, Moscow</i></p> <p>Tishkov, Valeriy, <i>Director, Institute for Ethnology and Anthropology at the Russian Academy of Sciences, Member of the Public Chamber, Moscow</i></p>
11.30 – 12.00	<p>Coffee break</p>
12.00 – 13.00	<p>Russians in EU member states</p> <p>Chair: Reinhard Krumm, <i>Friedrich-Ebert-Stiftung, Moscow</i></p> <p>Archpriest Antoniy Ilyin, <i>Secretary, Russian Orthodox Church's Representation to the European Institutions, Deputy Chairman, European Russian Alliance</i></p> <p>Gromyko, Aleksey, <i>Head of the European programme, "Russkiy Mir" Foundation, Moscow</i></p>
13.00 – 15.00	<p>Luncheon</p>
Afternoon	Departure

List of participants

- Aleksandrov, Dmitriy**, Research Fellow, Russian Institute for Strategic Studies, Moscow
- Antonenko, Oksana**, Senior Fellow (Russia and Eurasia), International Institute for Strategic Studies, London
- Apals, Gints**, Council of the European Union, Brussels
- Arbatov, Aleksey**, Head, International Security Centre, Institute of World Economy and International Relations (IMEMO) at the Russian Academy of Science, Moscow
- Arbatova, Nadezhda**, Research Director, Committee “Russia within a United Europe”, Moscow
- Balciuniene, Jolanta**, Minister Plenipotentiary, Permanent Representation of Lithuania to the European Union, Brussels
- Barysch, Katinka**, Chief Economist at the Centre for European Reform, London
- Beer, James**, Second Secretary (Economics), British Embassy, Moscow
- Benedejcic, Andrej**, Extraordinary and Plenipotentiary Ambassador of the Republic of Slovenia, Moscow
- Dybman, Pierre**, Second Secretary, Delegation of the European Commission to Russia, Moscow
- Dynkin, Alexander**, Director, Institute of World Economy and International Relations (IMEMO) at the Russian Academy of Science, Moscow
- Fischer, Sabine**, Senior Research Fellow at the European Union Institute for Security Studies, Paris
- Goetz, Roland**, Research Unit Russia/CIS, German Institute for International and Security Affairs, Berlin
- Gontmakher, Yevgeniy**, Head of Social Policy Centre, Institute of Economics of the Russian Academy of Sciences, Moscow
- Grigoriev, Leonid**, President, Institute for Energy Economy and Finance, Moscow
- Gromyko, Aleksey**, Director of the European Programme at the “Russkiy Mir” Foundation, Deputy Director of the Institute of Europe at the Russian Academy of Sciences, Moscow
- Guellner, Lutz**, European Commission, Directorate General Trade, Brussels
- Hoffmann, Martin**, Executive Director and Board Member, German-Russian Forum, Berlin
- Huterer, Manfred**, Member of the Policy Planning Staff in the German Foreign Ministry, Berlin
- Hutter, Thorsten**, Deputy Head, Political Section, German Embassy, Moscow
- Ilyin, Archpriest Antoni**, Secretary of the Russian Orthodox Church’s Representation to the European Institutions, Deputy Chair of the European Russian Alliance
- Kempe, Iris**, Senior Research Fellow, Centre for Applied Policy Research, Munich
- Klimov, Andrey**, Member of Parliament of the Federal Assembly of the Russian Federation, Chairman of the Subcommittee for Cooperation with EU, Member of the Committee on international Affairs, Moscow
- Krumm, Reinhard**, Head of the Friedrich-Ebert-Stiftung in the Russian Federation, Moscow
- Kulik, Sergey**, Head of the Department for Development of Relations to the European Union, Administration of the Russian President, Moscow
- Lacatusu, Bianca**, Senior Officer for European Affairs, Office of the Deputy Chairwoman of the Social Democratic Parliamentary Group, German Federal Parliament, Berlin
- Lahti, Taneli**, Head of political section, Delegation of the European Commission to Russia, Moscow
- Lukyanov, Fyodor**, Chief editor of the Journal „Russia in Global Affairs“, Moscow

- Markov, Sergey**, Member of Parliament of the Federal Assembly of the Russian Federation, Member of the Committee for Relations to the CIS and Relations to Russian Citizens Abroad; Moscow
- Morel, Pierre**, EU Special Representative for Central Asia, Brussels
- Nikonov, Vyacheslav**, President of the Unity for Russia Foundation, Head of the Working Group on Public Diplomacy, Public Chamber of Russia
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