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## *The EU Global Strategy A View from Russia*

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### I. The EU Global Strategy: Is It Global and Strategic?

Strategies are many. Life strategies, business, career, family, educational, military, economic, technological and many other varieties. Strategies differ in their scope and duration.

There is a hierarchy of strategies in terms of number

of people and organizations they influence. Its upper layer is represented by grand strategies, which reflect aspirations and expectations of nations.

*by Alexey Gromyko*

*RAS Corresponding member, IE RAS Director*

Since the collapse of European empires, nation states have been key players in generating this highest form of abstraction in long-term planning – strategies. The reason is obvious – since the 19<sup>th</sup> century, nation states along Empires became the building blocks of international relations. Since then, they have been the most

equipped and resourceful entities to develop and realize strategies. In this regard nation states have been unrivaled, especially after the collapse of Empires.

Hyper globalization, which has engulfed the world since the 1990s, has put the supremacy of nation states into doubt, including their ability to play a leading role in shaping the regional and global political, socio-economic and military landscapes. For some time, the idea that nation states and their borders wither away, disappear, become irrelevant in the face of global megatrends seemed to turn into conventional wisdom. Until recently, it had been taken for granted that new actors in global politics, like TNCs, NGOs and supranational institutions were overshadowing nation states. However, the course of events in the beginning of the 21<sup>st</sup> century demonstrated that the news about the death of nation states were premature.

*The news about the death of nation states were premature.*

Indeed, contemporary history has witnessed some states fail and collapse. Nevertheless, it has not confined to the dust bin of history the very idea of a nation

state as a building block of IR. Moreover, in the last decade this concept went through a certain renaissance; many nation states, both old supremos (the US, Russia, China, Germany, etc.) and young pretenders – some of them in fact ancient civilizations (Brazil, India, Turkey, Iran, South Africa and others) restated their willingness and ability to manage domestic, regional and sometimes global affairs on their own terms (at least, within the boundaries of strategic autonomy of different intensity).

The case of the European Union is a special one. It is not a nation state but at the same time it is not a conventional international organization. It is a unique invention, which is buttressed by two pillars of inter-governance and supranationalism. These two counter-forces are so intricately intertwined that a collapse of either will be a collapse of both. Indeed, on the surface the EU is composed of nation states. All of them preserve most attributes of formal sovereignty: monarchs, presidents, prime-ministers, parliaments, constitutions, political parties, judiciary, armies, anthems and flags. But since the launch of this integration project in the 1950s their nature has undergone significant transformation, which changed our traditional views and presumptions of how the EU member states function. On the voluntary basis, for better or for worse, they delegated a part of their national sovereignty upwards. But there have been areas ring-fenced from dilution of sovereignty. Security and defense is the domain where an average EU member state still resembles its traditional sample.

From this point of view, the Global Strategy (GS) for the EU's foreign and security policy is a remarkable document<sup>1</sup> keeping in mind that a significant part of it is about security and defense (CFSP overlaps with the EU Commission's European Defence Action Plan and the Warsaw Joint Declaration signed by the President of European Council, President of European Commission and Secretary General of NATO). It should be underlined that the first plan to implement GS, presented by F. Mogherini to the Council of EU on November 14, 2016, was on security and defense component of the strategy.

On the one hand, it is a document, which traditionally is a product of a nation state activity. Indeed, an area of national affairs, which is most jealously guarded by the EU member states, is exactly security and defense (for example, 80% of defense investment in Europe is still spent nationally). On the other hand, GS reflects dualism of its two pillars, mentioned above, and simultaneously a push to shift CSDP to the communitarian domain.

*The EU cannot become a significant global political force without a strong CSDP.*

The result can be different, depending on the future of the EU. If in the aftermath of Brexit the interstate

pillar of the EU becomes dominant, then any kind of common strategy is bound to be no more than the lowest common denominator, in other words – feeble and ineffective in comparison to national strategies. If further federalization of the EU as a result of Brexit and other setbacks of the last years strengthen its supranational pillar, than CSDP will be getting less declaratory and more tangible. However, even in this case any «global strategy» of the EU will be hamstrung with opt-outs, qualified majority voting and veto rights. The EU even after tentative Brexit is going to stay too diverse and polycentric to generate a strategy, which in its consistency and cohesiveness resembles a strategy of a major nation state.

This is not to say that the EU cannot become a significant global political force without a strong CSDP. But the range of its communitarian approaches to solutions in international relations is bound to be limited in comparison to the world's most influential states. This circumstance would not be so uncomfortable for the EU federalists if the soft power dictum had retained its previous dominance. Because soft power was not so much about CSDP. The latter is mainly a collection of tools, which border or belong to hard power politics. In its

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<sup>1</sup> [https://europa.eu/globalstrategy/sites/globalstrategy/files/eugs\\_review\\_web.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/eugs_review_web.pdf)

turn soft power was designed to involve a different spectrum of means to promote norms and interests of the EU – economic, social, cultural, normative, in other words, the spheres where policy and decision making process in the EU are truly communitarian and boast almost unrivaled gravitas. However, the return of hard power politics to the global and European affairs in the end of the 1990s, partly imposed on the EU from outside and partly the product of a deliberate decision of some European capitals, has given additional impetus to CSDP.

*The EU is trying to resemble a powerful nation state while lacking its cohesion.*

There is a paradox due to a certain internal contradiction of this approach. In designing its global strategy, based more on

hard than soft power, the EU is trying to resemble a powerful nation state while lacking its cohesion. Simultaneously, it puts on the back burner its soft power competitive advantages, which are truly in its disposal (single market, single currency, etc.). The EU is not a permanent member of the UN Security Council, nor a nuclear power, it does not have an army, military headquarters, general staff or a chief commander. Theoretically, it could acquire these attributes, but that would demand a genuine revolution in the setup of the European integration. There is no sign that the UK or France have any inclination to cede their seats as permanent members of the UN SC to the European External Action Service. Even more exotic would be to expect Paris and London even in the distant future to delegate their nuclear status to Brussels.

The announcement of GS, which had been long time overdue, coincided with one of the worst conjunctures in the EU history. The first attempt to design a global vision for the EU was undertaken in 2003 in the form of the European Security Strategy.<sup>2</sup> Was it a successful document? Indeed, it was, as it was an undeniable success to draft and persuade all member-states to pass one. It was a successful document, if to keep in mind the political and economic context of that time. Was it visionary? It was, as it was aligned to the long-held aspirations of the EU – a heavyweight beyond economics. Was it practical and justified by reality? Hardly so, because merely two years later – the year 2005 ushered in the constitutional crisis, which was followed by further troubles of daunting proportions.

The ratification of the European constitution, which collapsed due to objections of the two «founding fathers» of the EEU – France and Netherlands, was the necessary condition for the successful implementation of the 2003 Strategy. The

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<sup>2</sup> <https://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

Lisbon Treaty in 2009 partly overcame this problem. However, the situation deteriorated further because of the world economic crisis, then destabilization of the South and South-East periphery of the EU, then the migration crisis and the fallout with Russia.

Finally, as if that was not enough, the European integration project per se, not to mention its upgrading to the next level of global competition, has been endangered with two more daunting factors: Brexit and substantial transformation of party-political systems in Europe and the United States. Both factors to a large extent are of the same nature – growing disparities within societies in the post-industrial states, ensuing crumbling fortunes of the Western middle class and re-emergence of the national state identity. The middle class for several decades since World War Two had been the bedrock of the affluent society and welfare state. Due to its ascendancy in the 1960s and 1970s as the dominant socio-economic force, the class politics was replaced by the center Left – center Right mainstream consensus, and the catch-all (universal) parties replaced their class predecessors.

*The mechanism of market economy harbored not only sophistication but imperfectability.*

In 1980s and 1990s the situation for the Western societies improved further. The affluence,

acquired during previous decades, now received new drive with the collapse of the Soviet Union and opening of huge new markets. These favorable circumstances enabled Western societies to enjoy the unprecedented period of growth and wealth creation up to the beginning of new century. The general framework of that development received a well-known label – the neoliberal phase of globalization (or hyper-globalization). However, this mechanism of market economy harbored not only sophistication but imperfectability. Challenges of the Soviet style socialism were in the past and the dominance of neoliberal market economy seemed to be perpetuum mobile. But this time not socialism but capitalism in its neoliberal embodiment has been exhausting itself. Its main failure has been the slow but steady dilapidation of the middle class for the benefit of the upper strata and as a result – the rise of populism and class party politics. The poor have been becoming poorer, at least in relative terms, and the rich – richer. These megatrends closely correlate with the surge of nation state identity. As a result of this set of factors, we have Brexit, the victory of Donald Trump and numerous challenges to traditional mainstream parties, both from the Left and the Right.

Against this backdrop of problems, the announcement of GS was a challenge in itself. The High Representative F. Mogherini was under pressure to postpone it, but decided to go forward in the «now or never» move. Obviously, that was the right decision to make, as the momentum for a new EU strategy could have evaporated altogether. At the same time, the text of GS was partly outdated the moment it went out of print. It is clear that the issue of Brexit was reflected in the document shortly before its publication (just several days after the British referendum). Beyond the reach of GS authors' imagination was also the poor luck of TTIP and TTP, which, after D. Trump's victory, seem to be shelved for a long period of time, if not derailed altogether. Even CETA in October 2016 was signed by a whisker due to opposition from Wallonia regional parliament.

*GS is more a defender of status quo than a harbinger of substantial changes in the world order.*

GS manages to look both progressive and obsolete. For

example, on the surface it is forward looking in its defense of the global free trade with a «true level playing field». However, there is no mentioning of the burning necessity to redistribute votes in IMF and WB according to the lines of G20 discussions, nor any ideas on how to modernize the global trade and financial architecture to adjust it to the global shifts in economic and political power. One might think that GS is more a defender of status quo than a harbinger of substantial changes in the world order. There is only one place in the document, where its authors are bold enough to state that the EU commitments to upholding international law should be about transformation rather than simple preservation of the existing system. (P. 39)

Perhaps, the same inertia of the conformist thinking along the lines of the «end of history» and Eurosphere did not allow GS authors to envisage, besides scenarios, based on continuity, new challenges to the Euro-Atlantic area as a result of the outcome of Presidential elections in the US. In these and some other respects GS is behind the curve. Of course, it is not reduced to wishful thinking because of Brexit and Trump, but it will have to adjust to the changing international environment.

The document, produced in June 2016, is a worthwhile reading, which contains a lot of novelty and food for thought (besides repetition of the official narrative, for example, in equalizing notions «EU» and «Europe»). In many ways, it is in stark contrast with the 2003 European Security Strategy (ESS). One just needs to compare opening lines of the two papers to feel the difference. The ESS starts

with «Europe has never been so prosperous, so secure nor so free». Whereas the opening phrase of GS introduction is: «The purpose, even existence, of our Union is being questioned».

This is a candid reflection of the fact that internal and external circumstances of the European Union development have changed radically. The European security has diminished, the centrifugal forces inside the EU are as strong as never. Problems of deflation, secular stagnation, public debts, unemployment, democratic deficit, lack of leadership are entrenched. At the same time, it should be recognized that the EU has demonstrated a lot of resilience and adaptability in the recent years. In general, it has weathered the storms of financial and Euro zone crises thanks to the policy of ECB and against the grain of austerity dictum of Berlin. It has launched the European semester procedure, Banking Union, new border agency. It has withstood the first wave of migration tsunami.

*GS introduces quite a few strategic elements in the EU thinking.*

F. Mogherini's introduction is a rallying cry for unity and solidarity. On barely two and half pages the overall number of words «our», «together», «we», «common», «unity/united», «collectively» and «shared» is 54. «Strategy/strategically» and «globe/global» is also all over the place. Interests are discussed much more often than values or principles. Soft power is not any more a catch phrase yielding place to deliberations about hard power, strategic autonomy and resilience. GS is a robust attempt to promote the EU interests, first of all, in security sphere.

Semantically GS is an ambitious document and, indeed, it introduces quite a few strategic elements in the EU thinking. However, unlike ESS, which in the beginning contains the analysis of security environment, in GS there is no serious attempt to outline the state of play in international relations, its undercurrents and the place of EU in the world, no references to ESS to highlight achievements and failures in the EU policies since 2003. Still, some phrases hint at the significant expert underpinning of GS: «Conflicts, such as those in Syria and Libya, often erupt locally, but the national, regional and global overlay they acquire is what makes them so complex». (P. 29)

In spite of the alarmism, imbedded in some parts of the document, mostly it is designed to address problems in other regions, notwithstanding the fact that the EU itself is vulnerable to many of them as homegrown not imported risks. For example, in «Conflict Settlement» (P. 30) GS states the need and its intention to

assist in rebuilding social contract in each conflict country, although, in order to be successful in its external strategy, the EU, first of all, needs to repair its own internal social fabric. There are some places in the text which betray the half-hidden understanding that main threats to the EU are not only external but internal as well. It is said that GS «starts at home», and among challenges to the EU security the third place is occupied by economic volatility, which, one may assume, is a reference to major problems in the EU economy. (P. 9)

Still, there is a lot what draws attention in the document's assessment of modern trends. It touches upon the increasing importance of «regional dynamics» and its complexity in the «de-centered world» and prospective nature of cooperative regional orders. (P. 32)

*The EU, instead of exporting its model, will «seek reciprocal inspiration» from other regional projects.*

Moreover, GS manages to get rid of the idea of the exemplary

nature of the EU, stating instead that, in place of exporting its model, it will «seek reciprocal inspiration» from other regional projects. It is noteworthy that for a long time this approach in its essence has been promoted by Russia, which for many years has been against imposition of a certain model of regional integration on near and far neighborhoods. Moreover, Moscow has put forward the concept of «integration of integrations» and repeatedly offered the EU to start consultations with Eurasian Economic Union. It seems that so far Brussels has been unable to convince itself that different integration processes from Lisbon to Vladivostok provide practical opportunities to apply the ideas of cooperative regional orders and reciprocal inspiration.

In general, GS is written in the robust and ambitious language, which in a peculiar way can be accompanied by strategic timidity. Perhaps, this asymmetry can be explained by the contradictory nature of certain topics coupled with the collective and therefore contradictory nature of GS. For example, it is obvious that one of the most dangerous challenges to the EU security is the arch of instability, spanning its South and South East neighborhoods. It could have been expected that GS put forward solid explanation of this phenomenon and a view on how to tackle it within a desirable time frame. Instead, these expectations are dashed with the following single phrase: «The Mediterranean, Middle East and parts of sub-Saharan Africa are in turmoil, the outcome of which will likely only become clear decades from now». (P. 34)

However, judging by some observations, scattered across different sections of the text, it can be concluded that instability, even growing instability, is seen by GS authors as a long term trend, which is different to stem: «We increasingly observe fragile states breaking down in violent conflict». (P. 28)

*GS introduces several conceptual points, which may define for a long time the way the EU approaches international problems.*

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Among them, is the formula of «principled pragmatism», which changes the balance between realism and idealism in CFSP for the sake of the former; thorough integration of internal and external European security; consistent reinstatement of the «strategic autonomy» principle (along repeated pledges of allegiance to NATO); acknowledgment of the highly competitive nature of a «more complex/connected/contested world», within which «the multilateral order» is not any more a goal, but an instrument to gain competitive advantage. All this pragmatism is welcome as a demonstration of the slow process of the EU getting more mature in terms of its political subjectivity and therefore autonomy in pursuing its truly CFSP.

Also welcomed is GS emphasis on the central role of the United Nations in global governance. For Russia, which is the permanent member of the UN Security Council, as well as for other countries of the «big five», this is a commitment to be fully supported.

At the same time, there is a lot that is worrisome from the point of Russia's national interests. Firstly, GS in effect puts soft power on the back burner («soft power is not enough») – the move with uncertain strategic consequences for the EU project, which for many years boasted its soft power attractiveness.

Secondly, Russia is treated as a key strategic challenge. This poverty of thinking endangers the very pretension of the EU to sound and look strategic. Quite amusing is also the attempt to redefine the European security order as in fact the EU security order. Page 33 of GS can be described, at best, as grand posturing and, at worst, as not a smart piece of propaganda. Encouraging is the fact that such a style is an exception rather than a rule in GS.

Thirdly, according to GS, the EU is expected to promote resilience in its surrounding regions, which on the surface is quite a legitimate task, driven by the desire to provide more stability in the neighborhood. For Russia, it is equally

desirable to be surrounded by stable and friendly neighbors. The EU aspiration for stable partners would be especially important in light of the fact that so far the ENP has failed to provide stability, both within the Eastern Partnership (EP) and in the Mediterranean. Moreover, in some cases, most vividly in Ukraine, the design of EP contributed to problems instead of solving them. Unfortunately, the idea behind «resilience of the surrounding regions» is in fact a continuation of the same logic, which has set the EU at loggerheads with Russia. If to decipher it, the plan is to work through NGOs in those countries in-between the EU and Russia, which political establishments do not suite some EU member states or non-European countries, to «hold governments accountable». It seems that this might be a creative way to describe a regime change from within with a support of outside well-wishers.

It remains to be seen to what extent GS will be able to contribute to major reparation works, which the EU requires. It will fail in its global aspirations, if it is incapable to overhaul itself before trying to better the outside world. In this respect, the last sentence of the document is revealing and honest: «Our citizens deserve a true Union, which promotes our shared interests...»

## II. The EU Global Strategy's Security Dimension

The Global Strategy of the European Union, including its Foreign and Security Policy dimension, is by any standard an extremely important international document. Future historians will study it – I believe – very attentively, trying to understand and comprehend political realities of the present day Europe. It should and will be analyzed very carefully by all interested parties.

*by Vitaly Zhurkin*

*RAS Full member, IE RAS Director Emeritus*

True, as any overreaching and complicated conceptual statement, it is not without shortcomings (100% ideal international documents do not exist). But most of its important elements deserve thorough examination and analysis.

Strong impression is created in the EU Global Strategy by its thoughtful and realistic appraisal of the European Union's capabilities and problems. In a sense, it summarizes long history of the EU and in particular the last decade or two when security and defense dimensions developed on a large scale.

It quite objectively characterizes an extensive modern potential of the European Union and stresses that contemporary security is multidimensional and is based on many factors and elements. At the same time, it recognizes that the EU is not making full use of this potential.

Ideas and proposals on the application of the EU's potential are of particular interest and deserve a careful study. It is obvious that they will be analyzed (and have already been) by many researchers in Europe and beyond.

*GS is definitely a «new word in the European Union's political thought».*

A very careful and balanced approach is developed in GS to the correlation between military and non-military means in dealing with issues of security (hard and soft power). It is definitely a «new word in the European Union's political thought, which traditionally had been more leaning to the «soft» aspects of this power, though «hard» aspects were not overlooked». It is difficult to predict in what direction the EU military inclinations will develop and what «strategic autonomy», proclaimed in GS, will eventually mean. In any case, it is the problem which will be solved by the Europeans themselves and by nobody else.

Most Russian analysts cannot agree with a one-sided evaluation of Russia's policy in Europe presented in GS. And, naturally, they do and will object against this biased approach. For the sake of objectivity, the position of the other, i.e. Russian side, should have been taken into consideration.

Naturally, most welcome is the proposal in GS about possible cooperation with Russia on the issues of common interest like climate, the Arctic, maritime security, education, research, cross-border cooperation, various exchanges. This list can be continued.

The problems of security are looked upon in GS through the prism of EU interests. It is quite natural. On the other hand, it is a pity that collective all-European problems of security are not dealt with on a larger scale. These problems are mentioned in the Global Strategy, it is true. All the necessary words are there. Still, I think that in comparison to other extremely important issues they do not receive proper attention. The European Union is not the whole Europe. Security agenda in Europe is important for all European nations. The system of all-embracing European institutions, which were developing for many decades, plays indispensable role in creating the climate of security in this part of the world.

*OSCE plays a new and important role in attempts to solve the difficult Ukrainian crisis.*

Out of many all-European organizations one should be mentioned in particular

as exemplary: Organization for Security and Cooperation in Europe, which is absolutely rightly called in GS (mainly in passing) «a pillar of European security», which «lies at the heart of the European security order». It seems that OSCE deserved much more noticeable place in GS for the European Union's CSDP. Not only because it has helped for many years to strengthen the state of security. But because it was and is the organization of all European states (plus USA and Canada) and especially because the security role of OSCE has grown so visibly and vividly in the 21<sup>st</sup> century. In a sense it has obtained in modern times a «second wind» and is offering a new hope to all interested in strengthening security in Europe.

One should not forget that the Helsinki European summit of 1975, which «Time» magazine compared with the Vienna congress of 1814-1815, started the process of developing all kinds of multilateral approaches to collective European security. This process continues in our days.

Moreover, OSCE in Europe plays a new and important role in attempts to solve the difficult Ukrainian crisis. After the conclusion of Minsk agreements, which led to termination of the sharp phase of military conflict in the Eastern part of Ukraine, there appeared a need for an organization which could objectively control the process of fragile armistice. All parties appealed to OSCE. Finally, on March 21, 2014 by consensus of all 57 members of OSCE it created a Special monitoring mission (usually simply called «observation group»). This mission without any delay started an extremely complicated work on pacifying the conflict, the number of its members quickly grew.

While working objectively, the Special monitoring mission from time to time hits interests of one or the other side, both of which immediately express displeasure. But this does only stress the objectivity of the Mission and the realistic role of OSCE in attempts to solve the Ukrainian crisis.

OSCE is actively participating in the Contact group, created on the basis of Minsk agreements, and all its subgroups: security, political, economic affairs and humanitarian problems. Representatives of OSCE are trying to help achieve compromises.

This is not by accident than I dwell so much on OSCE's role in attempts to solve this acute crisis. It is necessary to stress the importance of this organization in the process of developing collective all-European security.

*In political confrontations important role can be played by usually almost invisible sub-regional organizations.*

In political confrontations, like the one which exists nowadays between European Union and Russia, important role can be played by usually almost invisible

sub-regional organizations. Among them are the Arctic Council (mentioned in GS), Council of Barents/Euro-Arctic states, Black Sea Economic Cooperation and others. They play a stabilizing role in various aspects of the West-East relationship, including security problems. Their contribution seems sometimes quite modest. But, in sum, they exert a definitely positive influence on all-European collective security landscape.

In addition to this, it is necessary to recall multilateral treaties, signed under the auspice of OSCE, which continue not only to exist but also to work effectively in spite of tense disagreements on other problems. To mention only a couple of examples. The Open Skies Treaty of 2002 is effectively implemented by all sides; observing planes fly without opposition from those who are observed. This

activity definitely exercises a stabilizing and pacifying effect on the security situation in Europe.

Another positive example – the Vienna Document of 2011 on Confidence and Security Building Measures (CSBMs), which is based on the 1986 Stockholm Document on CSBMs and Disarmament in Europe and a series of previous Vienna Documents on CSBMs, concluded and effectively implemented in the times of the Cold War, including its most difficult days. Today the Vienna Document of 2011 on CSBMs is very diligently implemented by all the parties; observers visit various military installations. And all this activity, usually ignored by mass media, helps to support all-European security climate. The existence and effective implementation of such and other similar agreements is a definite proof of their necessity irrespective of conflicts and lack of common action on other problems.

Elementary prudence recommends to keep lines of communication between conflicting parties open. International political dialogue is a necessary condition of civilized foreign policy interaction. In the climate conducive to understanding and compromises agreements on all-European security are bound to emerge in the interests of all sides.

To return to the substance of the security aspects of GS and CSDP it is necessary to dedicate particular attention to the topic of counterterrorism. The strategy contains important ideas and proposals, which are of substantial interest for the whole international community and should be carefully studied. Several times, although in rather general terms, GS contains the desire to cooperate in fight against international terrorism «with the wider world». It is definitely a very attractive and promising point.

*Even serious political conflicts should not prevent cooperation in counterterrorism.*

Counterterrorism, struggle against terrorism, naturally should be a highest priority in the foreign and security

policy of any state on our planet, any alliance or coalition. There can be disagreements and diverging views on other international problems. But they should not overshadow the necessity of joint approach and joint actions against terrorism. Even serious political conflicts, like the one which exists between the European Union and Russia, should not prevent cooperation in counterterrorism. Terrorism is the enemy of all civilized states and societies, are they in alliance or in competition with each other. Whatever other dimensions of their relations, in

their attitude to terrorism only one trend must dominate – search for the ways of strengthening and widening cooperation in the area of counterterrorism.

The part of the Global Strategy, dedicated to the EU approach to international crises and conflicts, deserves a thorough attention. European Union's attitude and policy towards international conflicts are based on the experience of the Common Security and Defense policy in various areas and in particular in Africa. The CSDP operations in Africa (which is mentioned many times in GS) constitute the larger part of its overall activities.

It is worth recalling that Russia cooperated with the EU twice in their African endeavors in Chad and maritime areas adjacent to Somali. The CSDP operation in Chad, started in 2008, included for the first time on cooperative basis the Russian aviation group of helicopters with substantial military personnel. The Russian group acted effectively and received high appraisal by the EU. Later the operation was transformed into the peace mission of the United Nations and ended successfully in 2010.

In 2008 another EU-Russia counterterrorist cooperation started in the other corner of Africa – in the Indian Ocean along the shores of Somalia. It was directed against Somalian pirates, who, by that time, almost destroyed international maritime traffic in the area. «Atalanta» was the first EU naval operation in the framework of CSDP with participation of almost all members of EU. From the very beginning Russia took part in counterterrorist actions, directing a group of naval ships to this North-Western corner of the Indian ocean. Their active cooperation with Atalanta developed very effectively, joint actions were successfully coordinated. The cooperation continued for several years. As a result, the Somalian piracy was eventually destroyed.

In the times of tense disagreements, it is worth remembering about this mutual successful cooperation, which took place not so long ago.

What is particularly attractive in the parts of GS, dedicated to security, is a comprehensive approach to international conflicts, based on theoretical and practical experience of CSDP. This approach is based on a very balanced and careful correlation of three major stages: conflict prevention, conflict resolution and post-conflict stabilization. All stages are accurately described and presented as realistic tools of dealing with conflicts.

*One of the most acute problems for the EU is migration.*

One of the most acute problems for the European Union is migration. GS deals very attentively with this multidimensional phenomena. CSDP is

mentioned as one of «migration-sensitive instruments». It would be interesting to see in the future what other forms of CSDP in the sphere of migration can be developed by the European Union in addition to those which already exist.

In final part of GS the problems of international security and arms control are addressed. It properly expresses strong support for multilateral disarmament, nonproliferation and arms control treaties and regimes. At the same time, it seems that more consistent and in-depth attention to these problems would only increase the importance of the EU Strategy. While speaking about the proliferation of weapons of mass destruction, it would be worth reminding that in addition to nuclear weapons they include chemical, biological and other means of mass annihilation. More detailed analysis of international security and arms control treaties and agreements would only increase the effectiveness of GS underlining its global ambitions. Avoiding and preventing a large military conflict, European or global, should continue to be the highest priority for all nations irrespective of their disagreements or political contradictions.

In conclusion, it is necessary to stress once more that the new Global Strategy of the European Union is an important international document, which demands careful study and requires adequate reaction.

### III. EU-Russia Relations in the Post-Soviet Space

#### Significance of the document: a view from Russia

The Global Strategy for the European Union «*Shared Vision, Common Action: a Stronger Europe*» replaced the first 2003 Security Strategy of the EU «*A Secure Europe in a Better World*». Discussions about revising the general foreign policy platform of the Union

were continuous, but in

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December 2008, even in

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the situation of financial and economic crisis and war in Georgia, the EU Council adopted only few amendments to 2003 Strategy (Report on Implementation of the European Security Strategy «*Providing Security in a Changing World*»). The «Arab Spring» compelled the EU to reconsider approaches to the neighborhood policy both in the South and in the East, while leaving intact the formal framework of the Security Strategy.

This testifies to two important circumstances. Firstly, GS came as a response to the particularly significant challenges, which necessitated a truly substantive revision of the foreign policy concept and agenda of the EU. Obviously, the turning point, after which the former EU strategy became meaningless, was the Ukrainian crisis of European security (which the EU assumes to be essentially «Russian»). Secondly, in spite of the fundamental shifts, the new Strategy does not necessarily mean a new policy. Technocratic capacity of the EU to work out general conceptual framework of «political unity» is in contrast with the (in)ability of the EU countries to implement common agreements. The long life of 2003 Strategy despite the cardinal transformations of both international environment and the EU itself, as well as its partners, had inherently devalued the document.

On the one hand, GS should be viewed with utmost seriousness as an attempt of the EU to formulate its political-diplomatic response to the changed circumstances and modern challenges to its security and relations with external players and partners. On the other hand, this is a political document which defines generic framework of the European unity rather than a future-oriented European policy, including its stance towards Russia and the post-Soviet space.

Therefore, it is important for Moscow not to dissociate itself from the document, which includes a number of evaluations and provisions that it can find unpleasant, but to engage in a dialogue with the EU and its member states. GS underlines: «*A fragile world calls for a more confident and responsible European Union, it calls for an outward- and forward-looking European foreign and security policy*».<sup>3</sup> Russia should accentuate the fact that any global strategy is unviable without global partners. Russia objectively continues to be such a partner for the European Union. The five EU Guiding principles towards Russia (approved by the EU Council on March 14, 2016)<sup>4</sup> do not in any way provide clear guidelines for the application of the EU Eastern policy. The focus should be on mutual relations rather than (pre)conditions. Until then, the EU «fundamental package» is hardly acceptable for Moscow.

*The inadequate reflection of the «Russian factor» in the EU Global Strategy is quite obvious.*

The inadequate reflection of the «Russian factor» in the EU Global

Strategy is quite obvious. Relations with Russia are dealt with only in the paragraph «European Security». Russia is featured exclusively in the negative context as a repository of threats to peace and stability in Europe. Russia is missing in other parts of GS, which is in contrast with its role in the world and understanding of its strategic significance by the EU itself («*Managing the relationship with Russia represents a key strategic challenge*»)<sup>5</sup> In the paragraph «Partnership» GS mentions the UN and its specialized agencies, the USA, NATO, «regional organizations and strategic partners in Asia, Africa and both Americas who share our stand», ASEAN, G20, as well as civil society and private sector. Likewise, no place was found for Russia in other sections, unlike, for example, «*a peaceful and prosperous Mediterranean, Middle East and Africa*», «*a solid transatlantic partnership*» or «*a direct connection between European prosperity and Asian security*».

Therefore, GS reaffirms that Russia is no longer seen in Brussels as the EU strategic partner and that it is a country, with which it is impossible to build enhanced cooperation on the basis of mutual interest. The «strategic goal» of this sort of relations is geared to maintenance of the status quo in the context of protracted crisis and zero sum game. This is exactly why Brussels cannot answer

<sup>3</sup> Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the EU's Foreign and Security Policy. – June 2016. – P.05. ([http://eeas.europa.eu/top\\_stories/pdf/eugs\\_review\\_web.pdf](http://eeas.europa.eu/top_stories/pdf/eugs_review_web.pdf))

<sup>4</sup> <http://www.consilium.europa.eu/en/meetings/fac/2016/03/14/>

<sup>5</sup> Shared Vision, Common Action: A Stronger Europe. – P.33

the question who will set the agenda for selective engagement instead of offering Moscow its minimal list of tentative areas of «cross-interests».

*GS reaffirms that Russia is no longer seen in Brussels as the EU strategic partner.*

Such an approach a priori puts in conflict any motivation and interests of the EU and Russia in the post-Soviet space.

Looking at GS, Moscow simply does not see its own place in this space. The second of the five Guiding principles towards Russia (*Strengthened relations with the EU's Eastern partners and other neighbors, including in Central Asia*) can be perceived by Moscow not just as contradicting with its interests, but as being bluntly anti-Russian. Such an approach of the EU in the situation of crisis in its relations with Russia cannot be seen but as consolidation of the Western course to contain «aggressive and revisionist» Russia and particularly in Russia's priority area of Eurasian integration.

### **Global Strategy and EU Eastern Policy**

Although GS acknowledges the «*existential crisis, within and beyond the European Union*», it does not reflect the fact that the crisis of the European security system and Russia-EU relations is due to the exacerbation of fundamental contradictions between the East and the West, which have failed to solve the dilemma of harmonization of the «two Europes» under the «united and indivisible common European space».

The Ukrainian crisis of European security is defined by GS as a «*violation of international law by Russia*» in connection to the «*annexation of the Crimea*» and «*destabilization of Eastern Ukraine*» but is not considered to be a systemic conflict of interests. The EU proceeds with a faulty position that substantial changes in its relations with Russia are subject to complete fulfillment of Minsk Agreements. Moscow denies its being a party to the conflict and maintains that the conflict is instigated by the Euro-Atlantic expansion to the East disregarding Russia's interests in the post-Soviet space.

GS is not aimed at a serious review of EU Eastern policy and resolving the harmful geopolitical conflict, but, instead, at the tactical political and diplomatic adaptation to the changing security environment. There is no «*consensus inside the EU on the type of European order that may gain ground after the crisis is*

*undone, and there are obvious and serious differences between member states on this issue».*<sup>6</sup>

Given the EU's approach and Russia's attitude to it, and in the situation of systemic crisis in Europe, the conflict of interests in the contested neighborhood is bound to be reproduced. Russia is no longer a strategic partner for the EU, but still is recognized as a strategic player. However, the interests of this strategic player that do not comply with the EU are not recognized. GS disregards evident and pragmatic recommendations, for example: *«the EU's Eastern Partnership policy would need to consider the Russian factor more explicitly, and cater for Russia's sensitivities better to make the EaP successful»* (Gunnar Wiegand and Evelina Schulz, 2015).<sup>7</sup>

The EU undertakes a commitment that *«in a more contested world, the EU will be guided by a strong sense of responsibility»*, while realigning its relations with the partners to the East and to the South from its borders. But it is planning to *«work with core partners, like-minded countries and regional groupings»*. This interpretation of «European responsibility» only increases Russia's concerns about the EU's ambitions and actions in the post-Soviet space, including through targeted EaP.

*Russia could not become part of the Eastern Partnership as one another EU-centric model.*

In fact, Russia is offered once again to agree with the logic that the space of «stability and

prosperity» around the EU should be further expanded. However, during six years before the Ukrainian crisis the EU and Russia proved unable to negotiate a new basic agreement; this explicitly shows that their political and economic interests differed substantially and came into collision in the CIS territory. Moreover, there is a clear understanding in the EU of the reason why Russia could not become part of the Eastern Partnership as one another EU-centric model. In spite of that, the EU does not consider any other options (for example, convergence between «two integrations»).

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<sup>6</sup> Mark Leonard. A vision for the EU's new foreign policy strategy. Commentary. - 24th April, 2015. ([http://www.ecfr.eu/article/commentary\\_a\\_vision\\_for\\_the\\_eus\\_new\\_foreign\\_policy\\_strategy3006](http://www.ecfr.eu/article/commentary_a_vision_for_the_eus_new_foreign_policy_strategy3006))

<sup>7</sup> Gunnar Wiegand and Evelina Schulz. The EU and Its Eastern Partnership: Political Association and Economic Integration in a Rough Neighborhood // Herrmann/Simma/Steinz (eds.), Special issue: Trade policy between Law, Diplomacy and Scholarship – Liber Amicorum in memoriam horst G. Krenzler. / European Yearbook of International Economic Law. – Springer International, 2015 – P. 334.

Neither the Ukrainian crisis, nor the establishment of the EEU on January 1, 2015, have affected the egocentric integration philosophy of the EU: *«To achieve possible economic integration with Russia, a very similar method as the one already pursued with EaP partners should be used, since Russia seems to aim at very similar policy goals as the EU in terms of economic integration»*.<sup>8</sup> (Gunnar Wiegand and Evelina Schulz, 2015). The field of interaction even in the selective format relying on «cross-interests» will be quite limited due to the geopolitical competition. It is not surprising that GS looks at its Eastern policy through the prism of political containment of Russia: *«We will strengthen the EU, enhance the resilience of our Eastern neighbors, and uphold their right to determine freely their approach towards the EU»*. In reality, *«the possibility of selective engagement with Russia on issues of interest to the EU»* will be a predominantly forced engagement in the areas of conflicting interests – not in the space of common neighborhood, but in the disputed space in-between the «two integrations».

### *GS looks at its Eastern policy through the prism of political containment of Russia.*

At the same time, the text of GS also harbors an intrinsic contradiction. Until recently it had been stated that the

essence of the EU strategy lied in the ambition to change others by exporting its model (Biskop, C., 2009).<sup>9</sup> But now the EU seems to revise this formula: *«We will not strive to export our model, but rather seek reciprocal inspiration from different regional experiences»*. A question arises: is it a major change of strategy, and what could become the essence of a different political-economic method? Still, it seems that this novelty does not change the fundamentals. It just calibrates «export» ambitions according to the perceived transformation potential of the focus countries.

Already the «Arab Spring» forced the EU to shift the emphasis – from providing stability to the support of democracy in the neighborhood countries (conditioned by the principle «more for more»). In fact, these changes did not affect the EaP. In the context of current European crisis the question is: to what extent this conditionality can be applied to Eastern partners. GS maintains that Tunisia and Georgia, *«whose success as prosperous, peaceful and stable democracies»* resulted from their Euro-orientation, *«would reverberate across their respective*

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<sup>8</sup> Gunnar Wiegand and Evelina Schulz, 2015. – P.349.

<sup>9</sup> С. Бископ. Основы обновленной Европейской стратегии безопасности. Вестник Международных Организаций. 2009 No 2 (24). – С. 109 ([https://iorj.hse.ru/data/2011/01/21/1208902255/European\\_Security.pdf](https://iorj.hse.ru/data/2011/01/21/1208902255/European_Security.pdf))

*regions*». Yet, the citizens of these countries can hardly agree with this assessment. Unsuccessful examples of the EU neighborhood policy are not mentioned in GS, not even the previous EaP «success story» – Moldova.

Counter to the thesis about the attractiveness of the European Union and the success of its integrational-democratic mission it is becoming more and more apparent that the updated approach to partnerships is not effective neither in the South nor in the East. There is no consolidation of stability (through pro-European reforms), nor success in democratic reforming (in conditions of an increasing instability). Brussels acknowledges the existential crisis, which is unquestionable against the background of Brexit, and yet is making a paradoxical statement: «*Our Union has enabled citizens to enjoy unprecedented security, democracy and prosperity*». What does this «unprecedented level» consist in? Such statements can only increase lack of confidence in Brussels's policy and strengthen skepticism among the EU's Eastern partners.

GS gives no answer to the dilemma of «stability – democracy» and proclaims «*state and societal resilience to our East («stretching into Central Asia») and South*», as its external priority. Determination to obtain «sustainability» as a provisional symbiosis between stability and democracy is a technocratic formula but not a practical guideline. The responsibility for potential «instability» is shifted outward – onto the focus countries and external destabilizing factors. Apparently, according to Brussels's logic, EU Eastern policy a priori offers «stability and prosperity» and cannot, due to its orientation for sustainable development of partners, produce «instability» either outside or inside the EU.

*Euroskepticism is a reflection of the dangerous processes of internal socio-political erosion of the edifice of European integration.*

This technocratic design actually testifies to the inability of the European Union to

respond to current internal and external crisis by the traditional methods of soft expansion. The EU is losing its attractiveness inside the Union (especially after Brexit) and becoming increasingly unappealing for the neighborhood. Euroskepticism is a reflection of the dangerous processes of internal socio-political erosion of the edifice of European integration.

Eastern partners of the European Union agreed to the rules of the game according to the «more for more» principle but were not prepared for «less». They see the EU political method not as a framework for promoting mutual relations, but as a

«not-too-soft» European stick instead of expected carrots given for the «pro-European» reforms. Many of the EaP focus countries are disappointed with its results. They continue to strive for European attention and resources but not for the «European standards».

On the other hand, explicit failures and increasing difficulties of the neighborhood policy, as well as the drastically changed priorities and practical agenda of the CFSDP reduce the desire and ability of the EU to go ahead with spreading the European integration and normative order to the East. Besides, the EU's interests are apparently shifting beyond the EaP – towards Central Asia. The EU policy of «a soft stick» and «a hard carrot» is losing its efficacy in the post-Soviet space and being transformed into a «principled pragmatism».

### **«Principled Pragmatism»: With Whom Shall Moscow Talk and What About?**

#### *The EU Neighborhood policy and the EaP seem to lose strategic pivot.*

The Global Strategy acknowledges the need for going back to the targeted pragmatic policy in the neighborhood space: «*Principled pragmatism will guide our external actions in the years ahead*». With this regard, the EU Neighborhood policy and the EaP seem to lose strategic pivot. This, in turn, deprives the EU Eastern partners of the hope to achieve European integration.

The relocation of Eastern policy into the «pragmatic track» is hindered by the rigid political framework of the EU within its set of five Guiding principles, as well as in GS. There is no answer to the question about the way of building relations in a deadlocked situation when they are conditioned by fulfillment of Minsk Agreements. How does the EU expect to «*strengthen relations with the Eastern partners of the EU and other neighbors, in particular in Central Asia*» (the second principle) without cooperation with Russia? It is noteworthy that the forth principle of «selective engagement» with Russia does not cover cooperation in the post-Soviet space. Moscow will be particularly sensitive to the increased EU's interests toward Central Asia, where Euro-Atlantic activities in the context of progressing confrontation between Russia and the West will be seen by Russia as a threat to its national security.

Russian opposition to the Eastern activity of the EU will increase. Sanctions, as well as the fall in energy prices, are not seen by Moscow as temporary. The content of the formula «business as usual is impossible» has changed: if

previously it was the Western political pressure against Russia, now it is taken as a fact, a stimulus for political planning and decision-making. For Moscow, adaptation to the broken relations with the EU/NATO is over; there is a strategic drift towards Eurasian partners and projects, including within EAEU, CSTO, SCO, BRICS, etc. In the conditions of confrontation with the West, Moscow as the key transregional player, will advance its interests without orientation for the cooperative model of «common spaces».

GS clearly pinpoints a number of new goals, which are changing the EU's image and increasing Moscow's sensitivity to its Eastern policy. There is a clear intention of the EU to strengthen its defense dimension: «*the idea that Europe is an exclusively 'civilian power' does not do justice to reality, [...] For Europe, soft and hard power go hand in hand*». For this reason, the new ambitions of «strategic autonomy» are perceived by Moscow in the context of the on-going conflict of interests, notably in the post-Soviet space, although in the past the EU's S&D dimension was not seen as damaging to Russia.

*The ability of Russia and the EU to facilitate the settlement of protracted conflicts in joint negotiating formats has been declining.*

For instance, there is a new twist in the calls by Kishinev to replace the current peacekeeping mission in

Moldova/Transnistria with Russia's participation by an international mission, preferably under the EU mandate. The escalating conflict between Russia and the EU over Syria makes one explore this as a template in the post-Soviet space (Ukraine, Nagorno-Karabakh, Transnistria, Abkhazia, South Ossetia). The ability of Russia and the EU to facilitate the settlement of protracted conflicts within the framework of joint negotiating formats has been declining.

The parameters of strategic autonomy of the EU, which Moscow always supported in the past, have changed now. After the signing of the Joint NATO-EU Declaration at the Warsaw Summit on July 8-9, 2016, the European Union is actually bound by political and operative guidelines of NATO. The Declaration provides for joint response to the «unprecedented challenges» to cyber security and to hybrid threats, operative interaction at sea, consolidation of collective defense and interoperability, coordination of military exercises, including hybrid scenarios. Hence, the new Strategy of the EU, including its relations with its Eastern neighbors and Russia, cannot be viewed beyond the context of NATO policy, which is about deterrence of Russia. This kind of «EU's strategic autonomy» will motivate Moscow's actions in the post-Soviet space.

Pragmatism of the EU provokes a collision of national pragmatisms inside the EU. For some time, it looked as if a responsible leadership, which Germany had been claiming (including in the S&D),<sup>10</sup> could be the European response. But Berlin does not seem to cope with the role of European leader, and its partners are not prepared to play to the tune of German «realpolitik». It is not clear, who will be in charge of the EU Eastern policy. The Brussels traditional answer – «on the basis of a multilateral consensus» – is not a pragmatic one. Estonia that will chair the EU in the second half of 2017 suggests to relocate the Eastern Partnership summit from Tallinn to Brussels in order to reaffirm that EaP is «not only an issue of Eastern Europe but an issue of the whole EU» (J. Ligi, Foreign Minister of Estonia).<sup>11</sup>

*The Weimar Triangle no longer allows to grow the crystal of the EU common Eastern approach on its platform.*

GS clearly demonstrates that the so-called «common framework», which Brussels suggested, does not give it leverage for developing a

proactive Eastern policy. The method of pragmatism is likely to strengthen not the CFSDP in the post-Soviet space but the intra-institutional imbalance within the EU – by means of relative consolidation of positions of the European Commission in its relations with the Eastern capitals. The Weimar Triangle (Germany-France-Poland) no longer allows to grow the crystal of the EU common Eastern approach on its platform. Poland's political evolution (internal and external) does not permit it to claim the role of a representative of the EU in its relations with the Eastern partners and even less so with Russia. Berlin has tied its hands with the EU sanctions against Moscow. Influence of Paris has been weakened by the unpopularity of the French president and the dwindled role in relations with key partners (Germany, UK, USA). This internal imbalance and deficit of leadership in the EU increases the influence of Washington, whose policy restricts Europe's maneuverability in relations with Russia, in the post-Soviet space and Central Asia.

Moscow cannot expect significant changes in its relations with the EU without progress on Russia-USA track. The restoration of political dialogue with Brussels in the foreseeable future is hardly possible. It is unlikely that in 2017 there will be significant improvements in Russia-EU relations due to the period of adaptation

<sup>10</sup> White Paper 2016 on German Security Policy and the Future of the Bundeswehr. - Federal Ministry of Defense, June 2016.

<sup>11</sup> <https://ria.ru/world/20161026/1480053167.html>

to the changes in the US Administration and elections in France and Germany (which coincide with the beginning of Presidential electoral cycle in Russia).

### «The Way Ahead»: Towards Mutual Deterrence

Russia cannot ignore the fact that the EU Council (October 20, 2016, Brussels) came to the «obvious» conclusion, as its Chairman Donald Tusk put it: «*it is clear that Russia's strategy is to weaken the EU*». <sup>12</sup> Moscow does not agree, and declares that it always wanted to see the EU «*strong, consolidated and self-maintained*», but if Tusk's formula keeps, it will have a negative effect «on the entire complex of Russian-European engagement». <sup>13</sup> Moscow stresses that the case in question is not to shut the political doors for economic cooperation and is discouraged in this regard by Germany's abandoning its pragmatic approach in favor of a politically motivated one.

*Mutual containment in the post-Soviet space has now overshadowed the common European perspective.*

In spite of the obvious scope for economic linkage, chances are low to see in the foreseeable future the post-Soviet space as a space of EU-Russia

cooperation. «Partnership for Modernization» (2010), which could have become an instrument for «*progressive drawing together of the two interconnected and mutually complementary economies*», <sup>14</sup> has failed to materialize, while the Eurasian integration project has lost its European vector. In the future, sharp competition and protectionism will determine economic relations between Russia and the EU in the post-Soviet space. Principled pragmatism, declared in GS, reflects the understanding of the need to vindicate economic and political interests within the containment paradigm. Mutual containment in the post-Soviet space has now overshadowed the common European perspective. The EU's new «pragmatism» is perceived by Moscow as strengthening of the Western policy of political-economic and military-political expansion to the East.

The German 2016 Presidency in OSCE has not managed to achieve anything that could have allowed to lower the degree of confrontation and outline a rapprochement trajectory (notwithstanding Moscow's active support of the Chairmanship/OSCE). Minsk Agreements have been sabotaged by Kiev. The

<sup>12</sup> Remarks by President Donald Tusk following the first day of the EC meeting. 21/06/2016 <http://www.consilium.europa.eu/en/press-releases/2016/10/20-tusk-remarks-press-conference/>

<sup>13</sup> Лавров: РФ удивлена тем, что Германия следует в фарватере русофобского меньшинства в ЕС. / ТАСС, 25 октября 2016 г. (<http://tass.ru/politika/3731400>).

<sup>14</sup> Ibid.

collision over Syria, in spite of the common challenges of international terrorism and extremism, has aggravated the conflict between Russia and the West.

The settlement of protracted post-Soviet conflicts has almost disappeared from the practical agenda of Russia-EU interaction. In this context the positive shifts in the relations between Russia and the associated partners of the EU – Moldova and Georgia – and the growing Russia's influence in the Armenia-Azerbaijan reconciliation on Nagorno-Karabakh, are seen in Brussels as a challenge rather than an opportunity. The settlement of the post-Soviet conflicts does not fit in the EU agenda. The EU and Russia will have a task to preserve the mutually acceptable status quo and to safeguard the non-escalation.

### Conclusions

Only all-European cooperation, as a philosophy of international relations, could extricate Europe from the deadlock. This guideline must be preserved as an unquestionable political focus both for Russia and the EU.

Going back to the Common Europe idea is possible only on the basis of the Ukrainian settlement.

*A departure from the Common Europe philosophy would lead not only to European fragmentation but to degradation.*

The post-Soviet space is not a sphere of geopolitical rivalry. The course toward harmonization and

convergence of the «two integrations» is the only pragmatic platform for overcoming the current dangerous crisis of the European security.

The emergence of new crises or escalation of the existing ones, including those in the post-Soviet space, threatens to grow into regional conflicts with involvement, according to the EU Global Strategy definition, of the superpowers.

The selective engagement between Russia and the EU in the conditions of major crisis and conflict of interests cannot be seen as a proper political method, as it inevitably reproduces and intensifies their differences, including those within the post-Soviet space.

## IV. Energy Security in Mogherini's Strategy: Conclusions for Russia

A Global Strategy on Foreign and Security Policy of the European Union issued in June 2016 reflects comprehensive understanding of security that is traditional for the EU. Among other aspects of security, the document particularly highlights the issues of energy

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security.<sup>15</sup> In order to assess the effect of GS on relations between Russia and the EU in the energy sector we shall first address the situation in Russia and provide a general overview of the contemporary state of its energy sector and particular features of the energy policy. The second section analyses basic trends of the EU energy policy. Finally, the closing section reveals how the priorities of GS in the energy policy may influence EU-Russia relations and affect Russia's interests.

### Russia

Russian energy sector has found itself in the «perfect storm» in the past two years – it has confronted a number of economic (global, regional and national) and political challenges (external and, to a lesser degree, domestic). The key external challenges have economic character – these are the stagnation of demand in the global market, higher competition on the part of particular traditional and new producers of hydrocarbons and sharp drop in prices in 2014-2016. The fact that the new state of the market is a long trend was grasped by the Russian government only in the beginning of 2016.

Besides that, the development of the energy sector is still held back by the inefficient regulatory environment: these are the basic «afflictions» of the Russian economy (corruption, monopolization, etc.) and the specificity of the government's policy in the energy sector (tax treatment, «hands-on management», combination of market and non-market regulation). «Low cost» oil and gas fields, developed during the Soviet period, have been depleting; maintenance of recovery rates in the foreseeable future will demand the launch of extraction at the deposits which are difficult to access and expensive to exploit.

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<sup>15</sup> European Union (2016) Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy. June 2016. P. 22-23

Sanctions imposed by the West in connection with the Ukrainian crisis have not caused major problems for functioning of the energy sector in the short- and mid-term perspective. However, the continuous ban on acquisition of technologies may substantially limit productive capacities (the Arctic Region, deep-water fields, shale oil) in the long-term, because Russian companies do not have proper technologies, equipment and specialists.

*Among the most effective measures, the ruble devaluation should be mentioned.*

Despite these and other adverse factors, the Russian energy sector has retained stability; to a considerable degree, this was

due to the competent actions taken by the Russian government. Among the most effective measures, the ruble devaluation should be mentioned. Since most of the revenues of oil companies are dollar-denominated and most of their expenditures go in rubles, the devaluation made it possible to soften the consequences of the drop in prices of hydrocarbons. Stable performance of oil companies was also maintained by tax benefits.

The reduction of investments and freezing of several major upstream projects was a response to the crisis at the corporate level. Yet, for the time being, this has not produced any direct negative effect on the development of energy sector, because the level of production in the mid-term perspective is restricted by the sinking demand. The size of idle production capacities in the gas sector is particularly big. By tradition, the first thing to be reduced is the amount of exploration drilling, but, with the prices at nearly \$30 per barrel, many oil companies have planned a reduction in the production drilling.<sup>16</sup>

The crisis in the past few years has boosted government intervention in the oil and gas business. It is the state-owned companies that become chief beneficiaries of the support arrangements. Government management of the key energy companies is aimed to control financial flows; besides this, government management in the gas industry is necessary for the supply of gas to the depressed regions and, generally, for maintaining low domestic gas prices,<sup>17</sup> as well as for using Gazprom's export earnings to finance social expenses.

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<sup>16</sup> Analytical Centre (2016) under the Government of the Russian Federation. Neftedobycha: na grani snizheniya? [Oil production: on the verge of decline?] Energeticheskii byulleten, No. 32, January 2016

<sup>17</sup> For these reasons, and due to devaluation, Gazprom is not getting profit in the domestic market in 2016, for the first time since 2008.

The trend for partnership with Western energy companies, noticeable before 2014, is now broken.<sup>18</sup> Western companies were compelled to abide by the sanctions regime, while Russian companies were looking for more reliable partners in the East. But despite the abundance of plans, the «turn to the East» has not yet yielded tangible results in the energy sector.

*It is difficult to forecast the future of long-term adaptation of Russian energy sector to the new situation in global markets.*

Actions, taken by the Russian government, ensured the sector stable functioning during the crisis; for now, there is

no factors that could endanger this stability in the mid-term. At the same time, the policy of Russian authorities and actions by the Russian companies were mainly retroactive. It is difficult to forecast the future of long-term adaptation of Russian energy sector to the new situation in global markets or predict whether or not institutional reforms will be taken in the sphere of energy production.

At the European dimension Russian energy sector companies are facing increasing difficulties of economic, regulatory and political nature: the sinking market of oil and gas; increasing competition with the Middle East and African suppliers; need to adopt business model and especially construction and management schemes of gas pipelines to comply with the Third Energy Package; anti-trust proceedings against Gazprom; customers' desire to revise the linkage between oil and gas pricing; politicization of energy issues, and related desire to reduce dependence on Russian hydrocarbons and dislike of Russian pipeline projects.

During the past years Gazprom has adapted itself to the new realities of the European market. Granting of discounts, partial revision of long-term contracts, account of spot prices when pricing long-term contracts, retroactive compensation of «extra» payments to consumers – all this has allowed to preserve its share in the European gas market. But the increase of supply is not on the agenda, although Gazprom has substantial free capacities.

Thanks to the devaluation of ruble, the breakeven rate in deliveries of oil and gas to the EU market was substantially reduced. For example, the price of \$30-50 per barrel is quite acceptable for Russian oil producers, especially for the oil

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<sup>18</sup> Several major projects have been suspended between ROSNEFT, on the one hand, and EXXON, ENI, STATOIL, BP, on the other, as well as between LUKOIL & TOTAL and between GAZPROMNEFT & SHELL.

recovered from old fields. Besides, the availability of infrastructure built in the Soviet time, which was cost recovered a long time ago, also favors Russian companies. Russian hydrocarbons can withstand the price competition. Moreover, in order to keep the market share, it is possible to copy the practice of aggressive sales employed by Saudi Arabia. Yet, there is no significant degree of readiness of Russian energy companies to initiate a new round of price wars.

In the present-day conditions of economic stagnation and extremely scarce access to capital markets, Russia is more than ever interested in the inflow of foreign currency from the export of hydrocarbons and, respectively, in the stability of transit. This imperative, coupled with the available negative experience of dealings with the Ukrainian authorities, underlies all attempts to build bypass pipelines. However, Moscow, forced to act in the complicated political circumstances and to take into account diverging and shifting interests of numerous state and corporate actors, often improvised in promoting bypass pipelines.

*The infrastructural unity of the EU energy market is insufficient to provide a merger of the national energy markets into a common market.*

Two goals underline Russia's long-term export strategy: maintenance of the 30% share in the

European market and increase of supply to the East. Supply to Asia will not reach the level comparable to the supply to Europe even in the long-term perspective. That compels Russia to be particularly concerned with the political and regulatory changes in the European market.

## **European Union**

A totally new feature of the EU energy sector is the fact that technical progress and consistent energy efficiency policy allows the EU to proceed with the economic growth with virtually stable energy consumption. Coupled with the economic crisis of 2008-2009 and the following stagnation, this has brought about a substantial reduction in energy consumption: gross domestic energy consumption in the EU today is at the 1995 level, gas consumption – at the 2000 level and oil consumption stagnates at the level of late 1990s.

This trend is not a part of the external economic policy, nevertheless, the reduced consumption helps to compensate the decline of hydrocarbons production. Due to this, the demand for imported hydrocarbons in the EU either stagnates or grows at by far smaller rates than was expected earlier. Alongside the appearance of new

suppliers, this has created a major excess of supply over demand in the EU energy market. It is already clear that the market will be unbalanced until at least the first half of the 2020s. This enables the consumers to run the show.

In light of the new opportunity, the European Union is purposefully changing the legislative and regulatory environment both in its domestic market and in its relations with foreign suppliers (the Third Energy Package, increasing competition in the market, promotion of spot trading in gas, etc.). The results of the EU energy market liberalization are quite controversial: a lot has been done, but the attainment of the goals is yet a long distance away. The legislative and regulative environment of the energy market is still extremely heterogeneous and unable to secure the desired level of competition. Significant success in establishing a competitive regime has been scored only in Great Britain, the Nordic countries and, to a lesser extent, in the central part of Western Europe.

The infrastructural unity of the EU energy market is insufficient to provide a merger of the national energy markets into a common EU market. The strategic goal of infrastructure development has changed: previously this was done in order to stimulate competition, while now the aim is to provide the security of energy supply, to enable a manoeuvre of the physical supply of energy and reverse flows. This has accelerated the implementation of a number of projects that deteriorate negotiating positions of Russian energy suppliers (for example, the North-South Gas Corridor in the CEE countries).

Today, instead of a single competitive EU energy market, there exists a cluster of national/regional oligopoly markets, which are not very strongly linked together, and the competition environment is maintained not only by the market forces but by the increasing state regulation. Political aspirations for a continuous liberalization of the energy markets are very high. These reforms have not been intentionally spearheaded against Russia, but they objectively run counter to the interests of the Kremlin and Gazprom, because the goal of these reforms is to perpetuate the allocation of risks, commitments and pricing methods to the advantage of consumers. In the existent «consumer market», it is extremely difficult for suppliers to oppose these actions taken by the EU.

In the early 2010s the EU became quite active in the field of external energy policy, i.e. precisely in upholding the interests of European energy consumers in their relations with the supply countries. This dimension of energy policy is most politicized and securitized, because Brussels cannot regulate it by means of its own law-making and, in fact, has no authority to negotiate with external actors.

For instance, S. Haghghi is compelled to admit that even after the Treaty of Lisbon entered into force the security of energy supply at the external level predominantly remains in the competence of member states.<sup>19</sup> Likewise, Russian experts have concluded that the European Union, although in possession of a substantial internal competence in energy matters, is incapable of carrying out external energy relations and conclude international energy treaties with third countries either on its own or jointly with its member states.<sup>20</sup>

Consequently, the European Commission external energy policy was focused on the implementation of three strategies.

1. Export of energy acquis to third countries, for example, in the format of the Energy Community (for Russia, this strategy yielded effect only in the field of energy efficiency and, to a lesser extent, in the renewable energy development and climate).

2. Use of internal laws on the functioning of energy markets in order to influence foreign suppliers. The most well-known example is the application of the Third Energy Package rules to pipelines projects that are only partially situated on the territory of the EU and the blunt refusal to discuss the special status of transcontinental pipelines. European Commission's anti-trust proceedings vs Gazprom, launched in September 2012, are a part of this strategy.

Besides, a mechanism for information exchange on bilateral inter-governmental agreements of the EU member states with third countries was introduced in 2012. While relying on the information received from member states, the Commission is taking measures to coordinate the activities of the EU countries. Among other things, it identifies best practices and develops model provisions for future agreements. One of the elements of the incipient Energy Union is the currently discussed modification of this mechanism. Yet, the European Commission is unlikely to get the right to veto the signing of new inter-governmental agreements between EU member states and third countries. Besides, it is doubtful that the information exchange mechanism would cover commercial contracts.<sup>21</sup>

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<sup>19</sup> Haghghi S.S. (2008) Energy security and the division of competences between the European Community and its member states. *European Law Journal*. 2008. Vol. 14. No. 4. P. 478.

<sup>20</sup> Seliverstov S.S., Gudkov I.V. (2014). *Energeticheskoe pravo Evropeiskogo soyuza* [Energy law of the European Union]. Moscow: Aspekt Press, p. 29.

<sup>21</sup> Kaveshnikov N. (2015) Proekt energeticheskogo soyuza ES v kontekste otnoshenii mezhdu Rossiei i Evropeiskim soyuzom [The Energy Union project of the European Union in the context of EU-Russia relations]. *Vestnik MGU. Seriya 25: Mezhdunarodnye otnosheniya i mirovaya politika*. no. 2. S. 73-95.

3. Foreign policy activities, which often stem from geopolitical considerations, for example, the attempts to set up various energy alliances and the support for politically motivated pipeline projects.<sup>22</sup>

The Commission already has some experience in rendering support to the EU countries when conducting bilateral negotiations on energy matters. Besides this, the Commission acted as a negotiator on behalf of the EU on several occasions. In 2014–2015, the Commission successfully acted as a go-between in the energy dispute between Russia and Ukraine and made tangible contribution in supporting Ukrainian transit and safeguarding energy security of the EU.

In import diversification, EU concentrated main efforts on the access to oil and gas resources in Central Asia and to gas in the Gulf. But, except the Trans-Anatolian Gas Pipeline (TANAP), most of these projects still remain a dead letter, because of poor cost recovery and regional instability.

The European Union has scored more success in promoting the imports of liquefied natural gas (LNG). Yet, LNG is usually more expensive than the pipeline gas, and, therefore, in the past few years LNG terminals in the EU were used only to one third of their capacity.

*The EU approach to various pipeline projects reveal its deliberate eagerness to limit the volume of energy resources supplied from Russia.*

Actually having no formal authority in the sphere of external energy policy, Brussels

has already repeatedly demonstrated its political significance and skill in using the available limited range of policy instruments. The policy of supply diversification and the EU approach to various pipeline projects reveal its deliberate eagerness to limit the volume of energy resources (primarily of natural gas) supplied from Russia, even to the detriment of the economic logic.

## **Global Strategy**

GS touches upon the issues of energy security in greater detail than the 2006 European Commission Communication «Europe in the World»<sup>23</sup> and the 2008

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<sup>22</sup> Kaveshnikov N. (2014) The issue of energy security in relations between Russia and the European Union. *European Security*. 2010. Vol. 19. No. 4. P. 585–605; Buchan D. (2011) Expanding the European dimension in energy policy. Oxford Institute for Energy Studies.

<sup>23</sup> European Commission (2006) Communication. Europe in the World — Some Practical Proposals for Greater Coherence, Effectiveness and Visibility. COM (2006) 278, 8.6.2006.

Report on Implementation of the European Security Strategy.<sup>24</sup> General ideology behind GS is based on the ideas of European Energy Security Strategy,<sup>25</sup> but there are new points resulting from the document's foreign policy nature and desire to take into account economic and political developments of the last years.

The EU concept of energy security is historically based on the desire to achieve three goals: secure, affordable and sustainable energy. The EU politicians talk about the need to balance these goals, but it is practically impossible to achieve.<sup>26</sup> As a result, the EU energy policy is a history of vacillations; Brussels assigns priority either to the first goal of the energy triad or to the second or to the third.

GS reaffirms the priorities laid down a year ago in the Energy Union project:<sup>27</sup> first and foremost, the security of supply, then cheap energy and after that sustainable energy. A point of comparison – in 2006 the EU's main objective in the energy policy was formulated as follows: «minimum level of overall EU energy mix to come from secure and low-carbon energy sources».<sup>28</sup> The words «climate» and «greenhouse gases» are missing in the energy security section of the Strategy, while all its wordings are focused on ensuring security of the energy supply.

It is worth noting that the threat of interruption of energy supply from Russia, which caused a lot of concern in 2014, is not deeply felt nowadays. Obviously, the EU has realized that today Russia has the greatest interest ever in currency revenues from the exports of hydrocarbons.

*The EU no longer regards the policy of «exporting» energy acquis as a priority.*

The EU no longer regards the policy of «exporting» energy acquis as a priority and has generally abandoned the

bundling between energy issues and the transformation of energy supplying countries. In 2006, there was a goal to spread the rules of the EU internal energy market via the Energy Community.<sup>29</sup> In 2008, «good governance and the rule of

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<sup>24</sup> European Union (2008) Report on the Implementation of the European Security Strategy. Providing Security in a Changing World. S407/08, 11 December 2008.

<sup>25</sup> European Commission (2014) Communication. European Energy Security Strategy. COM (2014) 330, 28.05.2014.

<sup>26</sup> Kaveshnikov N. (2015) «Nevozmozhnaya triada» energobezопасnosti Evropeiskogo soyuza [The «Impossible Triad» of the EU Energy Security] Mezhdunarodnye protsessy, no. 4, 2015, s. 74-85.

<sup>27</sup> European Commission (2015) European Union Package. COM (2015) 80, 25.02.2015

<sup>28</sup> European Commission (2006) Communication. Europe in the World — Some Practical Proposals for Greater Coherence, Effectiveness and Visibility. COM (2006) 278, 8.6.2006, p. 5

<sup>29</sup> European Commission (2006) Communication. Europe in the World — Some Practical Proposals for Greater Coherence, Effectiveness and Visibility. COM (2006) 278, 8.6.2006, p. 5

law» in the energy supplying countries were listed alongside the measures to maintain energy security, like diversification of the energy mix, sources of supply and transit routes.<sup>30</sup> There is no such wording in GS; the national interests and pragmatism have prevailed in the energy issues.

According to GS, the main area of the EU activity is the diversification of supplies, something that is achievable only by means of new infrastructure projects. Being perfectly aware of the limited nature of available instruments, the Strategy just notes that the EU has to «support the establishment of an infrastructure». Such support may go in a variety of forms, but it can be effective only if infrastructure projects are attractive for the investors. However, very few pipelines projects discussed in Europe are economically sound.

*GS regards security of supply as a minimum dependence on Russia.*

Besides everything else, the EU policy for establishing preferences for particular sources and routes of energy supply can be qualified as politically motivated discrimination against other infrastructure projects. «The introduction of regulatory and financial preferences suggested by the Commission for these projects means that other projects, even if attractive for the market, resource-backed and economically efficient, may end up facing the worst position».<sup>31</sup>

It is obvious that within the framework of political discussion of recent years GS regards security of supply as a minimum dependence on Russia. It is typical that the text underlines the need for diversification of supply in the gas sector. Such an approach taken by EU politicians and by particular member states is extremely disadvantageous for Russia and limits the potential of commercial cooperation.

GS underscores the EU's continuous unfriendly stand on Russian projects of new pipelines: they will get neither priority status nor exemptions from the regulatory regime envisaged by the Third Energy Package. This obviously ensues from the formulation that «new infrastructure must be fully compliant with applicable EU law, including the Third Energy Package». It is also evident that the European Commission will continue its attempts to ensure transparency of the agreements, concluded by individual member states with third countries, and improvement of the information exchange mechanism on inter-governmental agreements.

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<sup>30</sup> European Union (2008) Report on the Implementation of the European Security Strategy. Providing Security in a Changing World. S407/08, 11 December 2008, p. 5.

<sup>31</sup> Gudkov I. (2011). Novaya Energeticheskaya strategiya i Infrastrukturnyi paket Evropeiskogo Soyuzha. [New Energy strategy and Infrastructure package of the European Union] Vsya Evropa.ru, no. 53.

Opposition to implementation of the South Stream and Nord Stream-2 projects, refusal to grant special treatment to the South Stream within the framework of the Third Energy Package – these are the examples of political and geopolitical considerations taking the upper hand over economic interests. There is a paradox: the EU encourages European energy companies to invest in pipelines, alternative to the Russian ones, but business is reluctant to invest in economically questionable schemes. At the same time, Gazprom is ready to invest its own assets in the new pipelines and, moreover, to invest without having contracts for gas supply, but Brussels hinders implementation of these projects at the political ground.

GS repeats the traditional dictum on «diversification of energy sources, routes and suppliers». This testifies to the permanent resentment regarding Gazprom's export monopoly. For Moscow, the gas export monopoly is the cornerstone of gas strategy; obviously, Brussels is well aware of this. The positions, taken by the two parties, reflect the fundamental difference in their views regarding market organization.

*There are some positive sides of GS for Russia.*

Still, there are some positive sides of GS for Russia. For example, there is no mentioning of a gas consumers' cartel. This idea has been actively supported by politicians from several East European countries. However, the European Commission takes a cautious stand on this matter. In its opinion, the mechanism for demand aggregation is possible only on a voluntary basis and in «compatibility with EU legislation and trade law».<sup>32</sup> It shall not become a regular practice for doing business but, instead, it may be used only «during a crisis and where Member States are dependent on a single supplier».<sup>33</sup> The idea of a consumer pool proved too extravagant and failed to attract broad support in the European Union.

From the viewpoint of Russian energy producers, the main idea of the document is that *the Strategy deliberately does not include any points on cooperation with Russia in the energy field*. This runs counter to previous EU documents. For example, the European Commission Communication on the security of energy supply and international cooperation dedicated a special section to Russia. In particular, the document stated the existence of the common objective: «increased convergence of the two energy markets, recognizing that the Russian Federation

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<sup>32</sup> European Commission (2014) Communication. European Energy Security Strategy. COM (2014) 330, 28.05.2014. p. 19.

<sup>33</sup> European Commission (2015) European Union Package. COM (2015) 80, 25.02.2015, p. 6.

can optimize socio-economic benefits from its energy exports, and the EU can enhance competitiveness in its energy market».<sup>34</sup> GS in the «Energy Security» section does not mention Russia at all. Moreover, the Strategy does not mention energy in the list of areas, in which the EU is interested in selective cooperation with Russia.<sup>35</sup>

Commercial contacts will continue. But one can draw the conclusion that *Brussels is not interested in a political and regulatory dialog with Moscow*. It seems that the EU leaders believe that Moscow will be compelled to accept the changes in rules of commercial interaction, which the EU implements within the framework of energy markets liberalization and more active application of competition rules in the energy area. Developments of recent years have given Brussels some ground for such a conclusion: involuntary adaptation of Gazprom to the rules of the Third Energy Package, partial revision of contracts under the pressure of European consumers, Gazprom's attempts to make an amicable settlement in the EU's anti-trust proceedings, difficulties in the implementation of the South Stream and Nord Stream-2.

Excess of supply over demand in the EU market allows the consumers to impose their rules. The European Union acts as a game changer that is trying to extend internal rules of the «consumer market» to the regulatory regime of international deals. Russia's attempts to protect the traditional rules of the «seller market»<sup>36</sup> are not producing visible success.

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<sup>34</sup> European Commission (2011) Communication on security of energy supply and international cooperation. "The EU Energy Policy: Engaging with Partners beyond Our Borders". COM (2011) 539, 7.9.2011.

<sup>35</sup> European Union (2016) Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy. June 2016. P. 33.

<sup>36</sup> Kaveshnikov N. (2010) The issue of energy security in relations between Russia and the European Union. *European Security*. 2010. Vol. 19. No. 4. P. 586.