

# The Relevance of Norms and Values in the EU's Russia Policy

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## Introduction\*

For the European Union, the link between norms, values and foreign policy seems to be an obvious one. For example, the new constitutional treaty spells out the set of values on which the Union's external action is based on: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law. In the treaty, the development of relations with third parties is made conditional upon sharing and upholding them.<sup>1</sup>

In its external action the Union thus wants to be seen as an essentially normative power.<sup>2</sup> This emphasis is understandable not only in the light of the EU's own history as a successful economic project based on political reconciliation between former deadly foes, but its current post-modern, or civilian power nature as well: Despite the recent and hectic work on the development of its military crisis-management capabilities, the Union still largely lacks the traditional (military) means of coercion, and is consequently forced to rely on "softer" means for influence and persuasion instead.<sup>3</sup> Moreover, it needs to be stressed that this choice is not merely practical, reflecting the lack of means, but it also stems from the Union's self-conception (or identity) as a new and qualitatively different international actor that shuns away from traditional modes of "power politics" and seeks to promote a "rule-based international order" in its stead.<sup>4</sup>

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<sup>1</sup> See the *Treaty establishing a constitution for Europe*, Official Journal of the European Union, C310, volume 47, 16 December 2004, Title V, Chapter I, Article III-292.

<sup>2</sup> Ian Manners has suggested that the EU could be conceptualised as a Normative Power Europe (NPE). See Manners 2002.

<sup>3</sup> The original civilian power Europe argument was made in Duchêne 1973. Although Manners rejects the notion of civilian power Europe as too state-centric in favour of his NPE, this paper finds the notion of civilian power Europe still useful in grasping the peculiarities of EU's actorness.

<sup>4</sup> For a fuller exposition of this argument see Cooper 2003. Also the EU's own European Security Strategy betrays this notion. See The Council of the European Union 2003, passim, esp. pp. 1 and 10–11.

Europe and the EU can be considered as laboratories in the normative change in world politics. Already before the dissolution of the Soviet Union Europe was taking steps in order to change the “rules of the game” on its own continent. These ideas were expressed in the Charter of Paris for a New Europe in November 1990, which was endorsed by all the members of the Conference on Security and Cooperation in Europe (CSCE), including the already frail Soviet Union. The document – which remains as one of the corner stones in the EU’s current vision about international relations, especially in Europe – emphasised the role of peace, democracy, human rights, rule of law and economic liberty as the guiding principles in the building of a “New Europe.”<sup>5</sup> It also erased the clear distinction between the internal and external – domestic and foreign policies – by obligating all European countries to develop not only their mutual relations but also and primarily their domestic policies in line with these principles. Even if one removes the pompous wordings of the document, one is faced with the fact that the Paris charter represented a drastic break in the bipolar constellation in Europe, which had not merely been a contest of economic or military kind, but one that had also had strong normative, or ideological components to it. In short, the Paris charter discredited the socialist experiment as a credible alternative to western modes of liberalism, market economy and the democratic rights of the individuals and consequently sounded the death-knell to the legitimacy and the very existence of the Soviet Union.

As a successor state to the Soviet Union, these principles and institutions bind also the Russian Federation. Thus, and like veritable Gulliver’s threads, the Organization for the Security and Cooperation in Europe (OSCE), the Council of Europe, and most importantly for the purposes of this paper, the Partnership and Cooperation Agreement (PCA) between the EU and Russia, form a web of overlapping and intertwining political, legal and moral commitments that act as the guiding principles for the evolving interaction between Russia and “Europe.” But to be precise, the Gulliver metaphor is only partially correct, as although Russia is indeed bound by these norms and institutions, it is not so against her own wishes: throughout the 1990s Russia actively sought and promoted this entanglement by seeking the membership of

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<sup>5</sup> *Charter of Paris for a New Europe*, CSCE 1990 Summit, Paris, 19–21 November 1990. Available at <http://www.osce.org/docs/english/1990-1999/summits/paris90e.htm>. Downloaded 17 March 2005.

Council of Europe and advocating a close “strategic partnership” with the European Union.

This paper takes a look at one central factor in Russia’s normative entanglement with Europe: its relationship with the European Union. This is done mainly from the Union’s vantage point. The paper sets to achieve two objectives. Firstly, it seeks to open the normative basis – the role of norms and values – in EU’s Russia policy. The analysis that follows is based on a distinction between them where values are the higher order principles related to the conduct of both international and domestic politics in Europe whereas norms relate to more technical issues, such as pieces of Community legislation or standards and certificates. It is argued that the EU’s normative framework in effect forms the parameters to Russia’s interaction and even integration with (although perhaps not into) the European structures and the EU. Furthermore it is argued that the function of norms and values as such parameters is a source of increasing friction between the EU and Russia, as Moscow has started to challenge both the appropriateness and the legitimacy of these principles for its own future development. The paper ends with a brief discussion.

### **The normative core of EU’s Russia policy**

Analysing the Union’s policy framework on Russia is no simple task. Like the EU’s external and foreign policies in general, it, too, is a product of two different processes, reflecting both the internal dynamism and external pressures on the Union. Thus on one hand the internal dynamics of the Union, such as the enlargement and the recent drive towards increased competences and capacities in the field of external action, shape the EU’s ability to engage itself with third parties in the first place, while also affecting the menu of issues that the Union is interested in.<sup>6</sup> On the other hand, the current framework also reflects the external dynamism of, firstly, the EU–Russia interaction where Russia’s own development and policies are a factor in their own right and, secondly, the wider currents of global politics, where events such as the 9/11 and the US war on terror have left their mark on the agenda.

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<sup>6</sup> For overviews concerning the process, see, for example, Ginsberg 1998 and Ginsberg 1989, pp. 151–152.

As a consequence, it can be asked to what extent the EU is actually on the driving seat, even when it comes to its own policies? The push and shove between the internal and external dynamics explicated above would seem to give grounds to a suggestion that the European “foreign policy” is almost by default a reactive exercise where the chances of strategic and coherent action are fairly slim. However, this does not need to be a damning conclusion, as the viability and usefulness of basing one’s actorness on rigid strategies to begin with can be questioned in the current age of global capitalism and political turbulence.<sup>7</sup>

The problem is exacerbated by the fact that EU’s Russia policy is an intricate mix of different levels and instruments. Firstly, and primarily, it is based on the bilateral Partnership and Cooperation Agreement that the EU concluded with the Russian Federation in June 1994.<sup>8</sup> Secondly, it is – or has been – based on a host of varying internal documents and mechanisms, such as the EU’s Common Strategy on Russia (CSR, 1999–2004), the Commission’s country strategy papers and indicative national programmes (2002 onwards), the Tacis programme (since 1991), and the Northern Dimension (ND) initiative (1999, still on-going). Thirdly, the recent years have witnessed the mushrooming of cooperation to new issue-areas not originally envisaged in the PCA. This has been reflected primarily in the so-called high-level dialogues on energy and common European economic space (since 2000 and 2001, respectively) that were combined and elevated into the concept of four common spaces (a common economic space; freedom, justice and security; external security; research and education) in the EU–Russia summit in St. Petersburg in May 2003. These bilateral initiatives form an additional layer of joint EU–Russia mechanisms on the top of the institutional framework laid out in the PCA.

This is not, however, what makes the EU unique. Any international actor would have its own internal mechanisms as well as the interfaces and legal instruments through which the relationship is managed on a bi- or multilateral level. By contrast, the EU’s *sui generis* character stems from two additional sources: from its civilian, or normative, power nature, which has resulted in a strong emphasis on norms and

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<sup>7</sup> Haukkala 2001, pp. 31–32.

<sup>8</sup> It entered into force for a period of ten years in December 1997.

values in its external relations, and from the intricate multi-level game *within* the Union between “Brussels” (the Commission, the Council and the European Parliament) and the member states. This is more than bureaucratic politics; it is a mix of intergovernmental bargaining and supranational decision-making that often results in a rather “messy” policy-making environment and, inevitably, slow, reactive, incoherent, and sub-optimal policies.<sup>9</sup>

It is the first characteristic of the Union – the primacy of norms and values in its Russia policy – that is discussed here in an attempt at opening the content of the normative agenda, which has often been left to a surprisingly scant attention even in the civilian power debate.<sup>10</sup> The second level is another, equally important factor in explaining the problems in EU’s Russia policy and would deserve a treatment of its own. However, only a few short comments on that problematic can be given later on.

But before proceeding in our analysis, an important conceptual distinction has to be made. By norms we mean a set of fairly technical standards that relate mainly to the realm of economic activities. These norms are mainly derived from the EU’s *acquis communautaire* and they are used in varying degrees as both models and yardsticks against which the convergence of third parties with the EU legislation and consequently the level and depth of market access is evaluated. Being a highly developed legal entity, the EU seems to have grave difficulties in dealing with actors and partners that do not operate under a similar logic to that of the EU. This has resulted in a drive to promote convergence on the level of (Community) norms with third parties. The clearest example of this approach is of course the accession process but also the recent European Neighbourhood Policy (ENP) is based on the same logic.<sup>11</sup> What is interesting, however, is that the EU seems to be insisting on this objective even in situations when EU accession is not on the cards. In this respect, EU’s Russia policy is no exception but a part of the overall tendency in European foreign policy.

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<sup>9</sup> Cf. Peterson and Smith 2003; Scharpf 1988.

<sup>10</sup> See, for example, Smith 2000; Treacher 2004; Whitman 1998. Here I essentially agree with Manners who has complained that the “Civilian Power Europe” debate has centered too much on the nature of that actorship (capabilities and the lack of them) while largely sidelining its (normative) content. Cf. Manners 2002, p. 239.

<sup>11</sup> About the logic of accession, see Avery and Cameron 1998, pp. 32–33. About ENP, see Haukkala and Moshes 2004, p. 16.



By contrast, values are higher order normative principles that relate to the very foundation and existence of the relationship. For the EU the existence of a set of shared values with its partners in general and in this case with Russia in particular have two functions: on one hand they act as the very foundation and prerequisite on which the relationship rests in the first place but on the other they act, in addition and above the norms just discussed, as the benchmarks against which the future breadth and depth of interaction is measured. It is here, that the primary *modus operandi* of EU foreign policy and external relations, political conditionality, enters the picture.<sup>12</sup>

Taken together, norms and values form what can be called the normative core of EU's Russia policy. The relationship between them within this normative core could be summed up by saying that norms equal the concrete "rules of the game" within the game that is based on the (the assumption of) shared values.<sup>13</sup> This basic distinction is reflected in all EU external agreements and the PCA with Russia is no exception.<sup>14</sup> Already the preamble of the treaty makes numerous references to "common values."<sup>15</sup> The main article in this respect is, however, the article 2, which codifies the primacy of common values as the foundation of the partnership as follows: "Respect for democratic principles and human rights as defined in particular in the Helsinki Final Act and the Charter of Paris for a New Europe, underpins the internal and external policies of the Parties and constitutes an essential element of partnership and of this Agreement."<sup>16</sup> The at first sight rather cryptic reference to "essential elements" stems from the fact that previously international law has not considered human rights violations as providing grounds for the suspension or termination of treaties. Under the *Vienna Convention on the Law of Treaties* (1969), a treaty can only be suspended or terminated if the treaty so provides, or if "material breaches" – such as a violation of a provision *essential* to the accomplishment of the object or purpose of the treaty –

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<sup>12</sup> For more about conditionality in EU's external relations, see Smith 1998; Szymanski and Smith 2005.

<sup>13</sup> It should be stated that neither this paper nor its writer assumes that the normative component is the only significant dimension in EU's Russia policy. Traditional (inter-state/actor) bargaining co-exists there as well and should be kept in mind. Inserting that factor into the equation is, however, beyond the aims of this short paper.

<sup>14</sup> Youngs 2001. For a comprehensive survey of EU external agreements and the role of human rights in them, see Miller 2004.

<sup>15</sup> The Partnership and Cooperation Agreement (hereafter PCA). Available at [http://europa.eu.int/comm/external\\_relations/ceeca/pca/pca\\_russia.pdf](http://europa.eu.int/comm/external_relations/ceeca/pca/pca_russia.pdf). Downloaded 20 April 2005.

<sup>16</sup> PCA, Title I, Article 2.

have taken place.<sup>17</sup> By insisting on establishing democracy and human rights as an essential element of the PCA – as well as practically every other external agreements the EU has concluded since the end of the Cold War<sup>18</sup> – the EU has reserved itself a legal right to consider the breach of certain European values as being sufficient to warrant the termination or suspension of the agreement. The essential clause is also to be found in the joint declaration appended to the PCA, which confirms that the respect for human rights constitutes an essential element of the agreement.<sup>19</sup>

The notion of the centrality of norms in the relationship is to be found from article 55 of the PCA. After taking note of the overall importance of approximation of legislation in strengthening the economic links between the Union and Russia, the article unambiguously states, “Russia shall endeavour to ensure that its legislation will be gradually made compatible with that of the Community.”<sup>20</sup> The article then lists the areas to which the approximation of laws shall extend to in particular: company law, banking law, company accounts and taxes, protection of workers at the workplace, financial services, rules of competition, public procurement, protection of health and life of humans, animals and plants, the environment, consumer protection, indirect taxation, customs law, technical rules and standards, nuclear laws and regulations, and transport.<sup>21</sup> In short, the obligation of legal approximation deals with practically all walks of life even remotely connected with the economy. In principle, however, the obligation is not confined to these issues alone, as the obligation refers to Russia’s legislation in general and even the list just enumerated is not exhaustive but only highlights the issue-areas where *in particular* the process should move forward.

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<sup>17</sup> Miller 2004, p. 11.

<sup>18</sup> For an overview, see Youngs 2001. For more specific treatments of, for example, EU–Mexico and EU–Africa, Caribbean and Pacific (ACP) relations, see Szymanski and Smith 2005 and Kauranen and Vogt 2003, respectively.

<sup>19</sup> PCA, Joint declaration in relation to articles 2 and 107.

<sup>20</sup> PCA, Title VI, Article 55.1.

<sup>21</sup> PCA, Title VI, Article 55.2.

## **The norms and values in practice**

Taken together, the values and norms underlying the EU's approach on Russia are part and parcel of wider trends in the recent debate on "good governance," or the "second wave" of political conditionality.<sup>22</sup> It is, however, important to note that these are both concepts that are mainly linked with a set of highly asymmetrical donor-recipient relationships. In fact, the strong emphasis on the exporting of norms and values and the political conditionality attached to it implies that the EU–Russia relationship – as it is envisaged in "Brussels", that is – can be seen not as a traditional international institution based on inter-state bargaining but an essentially post-sovereign international institution that promotes one-sided transformation, harmonization and gradual integration with the EU's norms and values, but not with its institutions.<sup>23</sup>

But the Union's Russia policy does not take place inside a vacuum but in intensive day-to-day interaction with the object/partner of the policy, the Russian Federation. It is within this interaction that the problems in the EU's approach have become visible, as the teacher/student relationship built into the relationship does not gel well with Russia's own ideas about the relationship.<sup>24</sup> In fact, the Union's well-meant insistence on common values and normative convergence are seen as being overly intrusive and basically demanding Moscow's full capitulation in the face of Europe. To be fair, however, it is worth pointing out that these are all objectives and modes of operation that Russia itself wholeheartedly embraced in the beginning of the 1990s.

Nevertheless, politically the EU–Russia relationship has consequently enjoyed a rather bumpy ride. One way to sum up what would otherwise amount to a rather long-winding narrative is just to highlight the successive political crisis in the relationship: the first war in Chechnya (1994–96); the economic meltdown in Russia in August 1998; the second war in Chechnya (1999 – ongoing); the row over the Kaliningrad transit (autumn 2002); the extension of the PCA to the ten new EU member states

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<sup>22</sup> See Weiss 2000; Stokke 1995.

<sup>23</sup> About more traditional international institutions, see Keohane 1989; Holsti 2004. The same logic is to be found from the Union's new neighbourhood policy, which, in the words of the (then) Commission President Romano Prodi, is about sharing "everything but institutions" with the Union's new neighbourhood. See Haukkala and Moshes 2004, p. 18.

<sup>24</sup> About the teacher/student approach and Russia, see Browning 2003.

(spring 2004); and the events during the presidential elections in Ukraine (November–December 2004).<sup>25</sup>

Underneath this negative overall tendency is a fact that Russia has, until recently, perceived the EU as a fairly peripheral entity in political and security issues in Europe. This neglect has been based on a rather narrow and shallow understanding of the Union as primarily an economic bloc.<sup>26</sup> During Vladimir Putin's presidency this basic stance has, however, been significantly altered. A prominent Russian analyst has called this sea-change Russia's "Europe first" policy.<sup>27</sup> It seems clear that Putin has made the decision that the EU is after all a crucial player for Russia's interests, in at least two respects. First, it is a vehicle and partner with whom the rapid modernization and transformation of Russian economy can take place. EU is thus seen as an economic power to be reckoned with and one with whom Russia should seek a privileged trade relationship while using it as a channel to acquire foreign direct investments, loans on beneficial terms and technical assistance. This would in turn enable Russia to acquire once again the great power status that she still covets.<sup>28</sup> Secondly, the EU is seen as a potential political ally in the re-ordering of security architecture in Europe. It is seen as an organization with which Russia can, and indeed must, seek a privileged relationship not only in trade, but also, and perhaps increasingly, in political and security matters, too.<sup>29</sup>

The change in Russian perceptions and priorities concerning the EU has gone hand in hand with Russia's growing economic dependence on it. After the "Big Bang" enlargement in May 2004, the Union represents over 50 per cent of Russia's total trade. The relationship is highly asymmetric with Russia representing a mere fraction of the EU's trade, around 7.8 per cent of imports and 4.7 per cent of exports,

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<sup>25</sup> These are just the most important ones. Underneath the level of high-politics there has been numerous smaller disputes over more mundane issues, such as phyto-sanitary standards and certificates, and the protracted conflicts in Georgia and Moldova.

<sup>26</sup> Baranovsky 2002.

<sup>27</sup> Karaganov 2005, p. 34.

<sup>28</sup> About Putin's agenda concerning Russia's modernisation, see Sakwa 2004.

<sup>29</sup> Haukkala 2003a, p. 10; Bordachev 2003. Russia's mid-term EU strategy betrays this notion as well. See *Medium-term Strategy for Development of Relations between the Russian Federation and the European Union (2000-2010)*. Unofficial translation is available at

[http://www.europa.eu.int/comm/external\\_relations/russia/russian\\_medium\\_term\\_strategy/index.htm](http://www.europa.eu.int/comm/external_relations/russia/russian_medium_term_strategy/index.htm).

Downloaded 1 May 2005.

respectively.<sup>30</sup> This fact is, however, slightly ameliorated by the fact that most of Russia exports to the EU are hydrocarbons – oil and gas –, strategic commodities of which, for its turn, the EU is highly dependent of, currently satisfying over 20 per cent its needs in imported fuel from Russia.

One might suspect that the change in Russian priorities combined with the Union's growing economic leverage might give grounds for the EU to impose its normative policy more strongly on Russia. The reality has, however, shown things to be otherwise with persistent problems emerging on both sides of the normative agenda.

In terms of values, the biggest source of friction has been the second war in Chechnya. Already the first war (1994–96) dented Russia's image in this respect but since its inception in September 1999 the second campaign has put Russia's commitment to human rights into serious question and soured the overall mood in the EU–Russia relationship. The beginning phase of the campaign witnessed by far the severest EU–Russia crises, with the Union threatening and even applying some small-scale economic sanctions on Russia during the spring 2000.<sup>31</sup>

The Union's policy on Chechnya has, however, been far from consistent. Already the spring 2000 witnessed the crumbling of EU's unified opposition to Russia's conduct. Some EU member states saw Vladimir Putin's rapid ascension to power as a window of opportunity to re-engage Russia and made bilateral overtures in blatant disregard of the commonly agreed political line on Russia and its conduct in Chechnya. In this respect the main culprits were the Prime Minister of Britain Tony Blair and Chancellor Schröder from Germany. Since then especially the larger member states' failure to toe the common line has become a mainstay of the Union's Russia policy with the President of France Jacques Chirac and the Prime Minister of Italy following suit. This has caused almost unrepairable damage to EU's credibility as an international actor, especially but not exclusively vis-à-vis Russia.

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<sup>30</sup> *Russia – EU bilateral trade and trade with the world*. DG Trade, 30 March 2005. Available at <http://trade-info.cec.eu.int/doclib/html/113440.htm>. Downloaded 2 May 2005.

<sup>31</sup> The beginning phase of the conflict has been reconstructed and analysed in depth in Haukkala 2000, pp. 51–62. An excellent analysis of EU's policy on Russia and Chechnya is Forsberg and Herd (forthcoming).

To be fair, in the case of Chechnya the Union was caught between the rock and the hard place. On one hand the end-result of its attempted sanctions in spring 2000 bitterly demonstrated that as a still largely civilian power, the Union basically lacked the coercive instruments to effect change on Russia. Even the economic leverage the EU enjoyed over Russia was made largely redundant by the fact that it could not hit Moscow where it would have hurt it most – its exports – as they mainly consisted of hydrocarbons that the Union itself badly needed and which could have only been replaced with a significant personal risk and sacrifice on the part of the Union. Also the steadily rising oil prices in the world market ensured that Russia's own coffers were robust enough so that it could not be lured to changing its course by offering or withholding the fairly modest sums of technical assistance the EU was channelling at the time into Russia. And finally, there was a genuine concern on EU's part that by pushing Russia too harshly over Chechnya the already turbulent country could be nudged towards increasing isolationism which in turn could have unpredictable consequences for the country's future development.<sup>32</sup>

The other side of the civilian power coin, persuasion and dialogue, has not proven very fruitful, either. This is due to the fact that Brussels has been met with a resolve from Moscow and president Putin unknown during the first war and Yeltsin's presidency in general. This is largely due to the fact that the tragic events in Chechnya have formed a part of the overall strive for increased state-capacity-building and centralisation of power in Russia during Putin's reign. The strive for a stronger Russian state has been the overriding priority of Putin's presidency. Although such measures were clearly justified at the turn of the millennium, the reigning in of independent media, economic oligarchs, regional governors, political parties and to a certain extent even the still nascent civil society have raised concerns whether Putin's vertical of power is the appropriate solution to Russia's present woes and whether a "values gap" between the country and the Euro-Atlantic community is emerging.<sup>33</sup>

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<sup>32</sup> This final point is well reflected in the Helsinki European Council's declaration on the war in Chechnya in December 1999. The otherwise harshly worded declaration ends with an almost emotional plea according to which "the European Union does want Russia to isolate herself from Europe." *Annexes to the Presidency Conclusions, European Council in Helsinki, 10 and 11 December 1999, SN300/99 Annexes. Declaration on Chechnya, Annex II.* Available at [http://presidency.finland.fi/netcomm/imgLib/user/usk/uskolel/annex\\_en.rtf](http://presidency.finland.fi/netcomm/imgLib/user/usk/uskolel/annex_en.rtf). Downloaded 1 May 2005.

<sup>33</sup> A term coined by the US Ambassador in Moscow, Alexander Vershbow. Quoted in Lynch 2005, p. 17.

Increasingly also the Union's answer to the question seems to be affirmative with the most recent EU documents on Russia having all come to the same conclusion that Russia is no longer on a path of convergence towards European values but has departed on a path of its own.<sup>34</sup>

The role of norms in EU's Russia policy has not fared much better. Russia's legislative approximation with the Union – an obligation Moscow took upon itself in the article 55 of the PCA – has been painstakingly slow with very little tangible progress in sight. What is more, recently Russia has increasingly started questioning the very feasibility and legitimacy of this convergence, especially when one keeps in mind the fact that Russia is not aspiring to become a member of the Union.<sup>35</sup>

The adoption of first the common European economic space (CEES) and later the four common spaces can be seen as attempts to “operationalize” the rather monolithic and abstract obligation for Russia to harmonize its trade-related laws and rules with that of the EU *acquis*. In essence, they would seem to be attempts at generating a forward momentum in a process that has so far been disappointing, to say the least.

Despite these innovations the process has remained cumbersome. In this respect, the high-level dialogue on the adoption of CEES between 2001–03 is a telling example. The process was originally initiated in particular to work to achieve regulatory approximation and consider the “ultimate objectives” of the actual work to be done under the auspices of the common economic space.<sup>36</sup> In practice this would mean assessing the breadth and depth of the normative convergence and legal approximation between the Union and Russia in a more concrete terms: what are the sectors of cooperation and the precise norms that would have to be adopted by Russia? After two years and several high-level meetings, the end result of the preparatory phase was summed up in the CEES concept paper adopted at the EU–

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<sup>34</sup> See *Report with a proposal for a European Parliament recommendation to the Council on EU-Russia Relations*, Final a5-0053/2004, 2 February 2004; *Communication from the Commission to the Council and the European Parliament on relations with Russia*, COM(2004) 106, 9 February 2004.

<sup>35</sup> Karaganov 2005, p. 32; Bordachev 2003.

<sup>36</sup> See *Report of the High-Level Group on the common European economic space*. Tenth EU–Russia summit, Brussels, 11 November 2002. Available at [http://www.europa.eu.int/comm/external\\_relations/russia/summit\\_11\\_02/concl.htm](http://www.europa.eu.int/comm/external_relations/russia/summit_11_02/concl.htm). Downloaded 1 May 2005.

Russia summit in Rome in November 2003. The document is remarkable only in its lack of visible progress when compared to the PCA almost a decade earlier: It was only agreed that the process would ultimately lead to an adoption of a common economic space, or “an open and integrated market between the EU and Russia, based on the implementation of common or compatible rules and regulations, including compatible administrative practices” that “shall ultimately cover substantially all sectors of economy.”<sup>37</sup> For all means and purposes, this merely reiterates what was already agreed in the PCA.

To be fair, the concept paper does envisage that the CEES will go broader and deeper in its scope compared to the PCA and World Trade Organization (WTO) regulations. Simultaneously, however, it fails to specify in practical terms how this would be achieved. Instead, the paper sets the process fairly strict parameters by insisting that it has to remain compatible with the parties’ existing and future commitments within the WTO context.<sup>38</sup> It is, indeed, important to note that for the time being it is not necessarily the CEES and the European Union that will play the central role in integrating Russia into the system of free trade and global norms and regulations. As also the concept paper points out, for the time being it is the still ongoing and admittedly difficult negotiations for Russia’s membership of the WTO that is the most important factor in this respect.<sup>39</sup> One can say that until Russia’s WTO membership is clear, the prospects for the CEES and the eventual free trade between the EU and Russia are negligible. This is partly due to the fact that it is unlikely that Russia will have enough qualified civil servants to run two parallel processes that include intensive dialogue and negotiations of very technical issues of trade and economic cooperation.<sup>40</sup> Also, the EU has made this clear by arguing that the marching order is WTO membership first, and that only then will other institutional arrangements in the field of economy be feasible. The EU stance is understandable and natural, as

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<sup>37</sup> *The Common European Economic Space (CEES) Concept Paper*, III.12. EU–Russia summit, Rome, 6 November 2003, Joint Statement, Annex 1, 13990/03 (Presse 313). Available at [http://www.europa.eu.int/comm/external\\_relations/russia/summit11\\_03/1concl.pdf](http://www.europa.eu.int/comm/external_relations/russia/summit11_03/1concl.pdf). Downloaded 1 May 2005.

<sup>38</sup> *Ibid.*, III.14.

<sup>39</sup> Russia has been engaged in the membership process of the WTO and its predecessor GATT since 1993. However, it is only under Putin that Russia has seemed to take the goal of membership seriously. Even so, the negotiations have remained difficult, and although the EU and Russia managed to arrive at agreement in May 2004, at the time of the writing of this paper (May 2005) Russia’s accession is not yet in clear sight.

<sup>40</sup> Haukkala 2003b, p. 76.



Russia's eventual WTO membership would require the country to make a host of domestic reforms that would automatically make Russia more compatible with the EU rules and regulations as well, thus facilitating the creation of a CEES and the possible free trade area, too. For example, two Russian scholars have estimated that Russia has to make changes to about a thousand laws and regulations in order to comply with WTO rules.<sup>41</sup> This is a task that would make the CEES process with the EU much easier in the future.

Summing up, it is becoming increasingly evident that the present Russia has no intentions of honoring its 1994 PCA obligations in full. Unlike for Yeltsin, for Putin allowing the Union to decide and dictate on which and what kind of norms and values its domestic politics and economy will be run by is no longer on the cards.

### **Discussion: The norms and values as parameters for Russia's integration with Europe**

This paper has sought to analyse the normative core of the EU's Russia policy. It has been argued here that the European norms and values – as defined by the EU itself – act as a set of parameters against which Russia's post-Cold War rapprochement with Europe has been modelled and as benchmarks against which the progress the country has been able to achieve to date has been measured. From the EU's vantage point these norms and values are not optional extras but the very fabric of which efficient and modern (European) societies are made of.

In essence, the EU is using its economic power and normative clout to build asymmetric post-sovereign institutions and relationships with its partners. They are asymmetric in the sense that in exchange of deep-ranging structural, economic and societal reforms as well as adherence to a set of certain principles, the EU is willing to reciprocate by giving certain concessions and other benefits of mainly economic nature to its partners. The benefits include increased access to the single market as well as loans, economic aid and technical assistance. They are post-sovereign in the

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<sup>41</sup> Prikhodko and Pakhomov 2001, p. 13.

sense that the Union is using its leverage to insist on domestic transformation from its partners that goes well beyond the remits of bargaining taking place within more traditional institutional arrangements. Despite this post-sovereign nature of the arrangements, it is important to take note of the fact that the EU itself is guarding its sovereignty and autonomy jealously. The content of the *acquis*, which is often the basis of the cooperation and partnership agreements as well as the new European neighbourhood policy action plans, is non-negotiable, and it is largely the Union that sets the parameters for interaction and integration unilaterally.

The EU's approach is janus faced, as it includes not only incentives but also the possibility of using sanctions in case of non-compliance with the obligations. But despite making norms and values the essential clause in its external agreements, the EU has sought a rather cautious and moderate approach in its application. For example, the EU annual report on human rights in 2003 sketches a host of counter-measures that could be taken, "with the proviso that the application of measures should respect 'the principle of proportionality between the breach cited and the degree of reaction'."<sup>42</sup> The list of possible counter-measures include (in a growing degree of severity): alteration of the contents of cooperation programmes or the channels used; reduction of cultural, scientific and technical cooperation programmes; postponement of a Joint Committee meeting; suspension of high-level bilateral contacts; postponement of new projects; refusal to follow up partners' initiatives; trade embargoes; suspension of arms sales; suspension of military cooperation; and suspension of cooperation.<sup>43</sup>

However, and as the narrative above has shown, usually the EU avoids a negative or punitive approach. Instead it seeks to "promote dialogue and positive measures... and the prevention of crises through establishment of a consistent and long-term relationship."<sup>44</sup> The Union's Russia policy is no exception: the EU has sought to make a virtue out of the necessity: as enforcement and sanctions have become unfeasible, it has been deemed better to develop the relationship in a pragmatic manner in a hope of

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<sup>42</sup> EU annual report on human rights, 10 October 2003 13449/03 COHOM 29, quoted in Miller 2004, 15. Also the article 107.2 of the PCA contains practically the same principle: "In the selection of these [sanctioning] measures, priority must be given to those which least disturb the functioning of the Agreement."

<sup>43</sup> *Ibid.*

<sup>44</sup> *Ibid.* See also p. 29.

achieving some of the normative aims in the process. Vaughne Miller has summed the approach by saying that the Union's decisions to merely "condemn Russia's actions in Chechnya rather than apply sanctions appears to be based on the aim of engagement through dialogue, rather than disengagement through sanctions."<sup>45</sup> This approach is consistent with the EU's image as a civilian power: it is better to retain the dialogue and seek progress through positive incentives rather than negative sanctions and punitive measures.<sup>46</sup>

But this "pragmatic partnership," as Graham Timmins has dubbed it<sup>47</sup>, comes with a price tag, and it is one that is equally steep for both parties concerned as well as to the development of their mutual "strategic partnership":

For the EU, its ability to apply its norms and values in the case of Russia has presented a litmus test to the credibility of its approach on international relations that it has been clearly failing. This has repercussions beyond the Union's Russia policy, especially in the so-called new neighbourhood. It can be asked, what are the Union's chances of promoting the same value-laden agenda through, for example, its European Neighbourhood Policy, if Russia is exempted from these principles and the conditionality they imply?

Although Russia would at first look seem to be the winner in this process, this is not exactly the case. The disruptions in the consistency of the EU's policy line that Russia has so carefully cultivated have undoubtedly enabled her to pocket some short-term tactical gains but by doing so she has also managed to derail the wider process of EU–Russia interaction. As a consequence, the "strategic partnership" between the EU and Russia has largely failed to live up to the original promise and its potential has remained largely underused. This has meant that not only the Union has failed to achieve its original objectives vis-à-vis Russia, but also Russia has failed to reap the kind of economic and political benefits that were on offer in the beginning of the 1990s. The end result is the current no win situation where the EU is the proud owner

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<sup>45</sup> Miller 2004, p. 47.

<sup>46</sup> Maull 2000.

<sup>47</sup> Timmins 2002.

of a tattered “foreign policy” and Russia remains economically weak, politically marginalized and morally discredited in Europe.

But the damage need not, however, remain beyond repair. The reason for this stems paradoxically from the EU’s own normative approach. The structured nature of interaction combined with the fairly rigid logic of the Union has resulted in a certain – although largely unintentional – self-correcting logic in the relationship: despite Russia’s attempts at departing from the normative framework and the damage done by some member states by supporting her, the next EU–Russia summit is always around the corner with a chance for the “machinery” in Brussels to re-assert the normative agenda and put the relationship back on the track. The reason for this is simple: the detours do not take the process forward, as the only way forward at the EU level is through the implementation of the normative agenda put forth by the Union and – it is worth reiterating – jointly agreed by the parties. As a consequence, there might be delays and deviations but in the end of the day the machinery takes the agenda back to the starting point, possibly in a new packaging. One needs only to take a brief glance at the evolution of the article 55 of the PCA through the common European economic space to the present concept of four common spaces in order to realise that they present the same substance in slightly different format. In addition, the fact that a growing share of EU–Russia interaction is falling under the remit of the Commission has and will only result in a growing emphasis on the normative agenda.

Nevertheless, it cannot be denied that the fact that Russia’s adherence to the EU’s normative framework is increasingly framed in legal terms speaks volumes about Russia’s current commitment, or lack of, to it. It also inadvertently reveals the problematic premises on which the Union’s Russia policy is at the present based on. Yet the current approach is indispensable, firstly, because the weight of the already existing normative entanglement with Europe puts Russia under a legal, political and moral obligation to deliver on its own choices and declarations. Secondly, because it is increasingly likely that in Europe it is the EU and not Russia whose agenda will prevail: it is possible that in the coming years Russia will witness how Ukraine and Georgia – perhaps even Azerbaijan – will speed by Russia on the road to European integration via the ENP. This is a process that not only eats away Russia’s traditional sphere of influence but it is also slowly eroding Russia’s chances of resisting the

pressure of normative entanglement. The EU knows this, too, and it is simply willing to wait out its recalcitrant partner, relying on its immense and slow gravity to pull the laggard into line. It is thus quite likely that in due time also Russia will have to follow suit, or risk lagging behind and marginalizing in Europe even further.

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