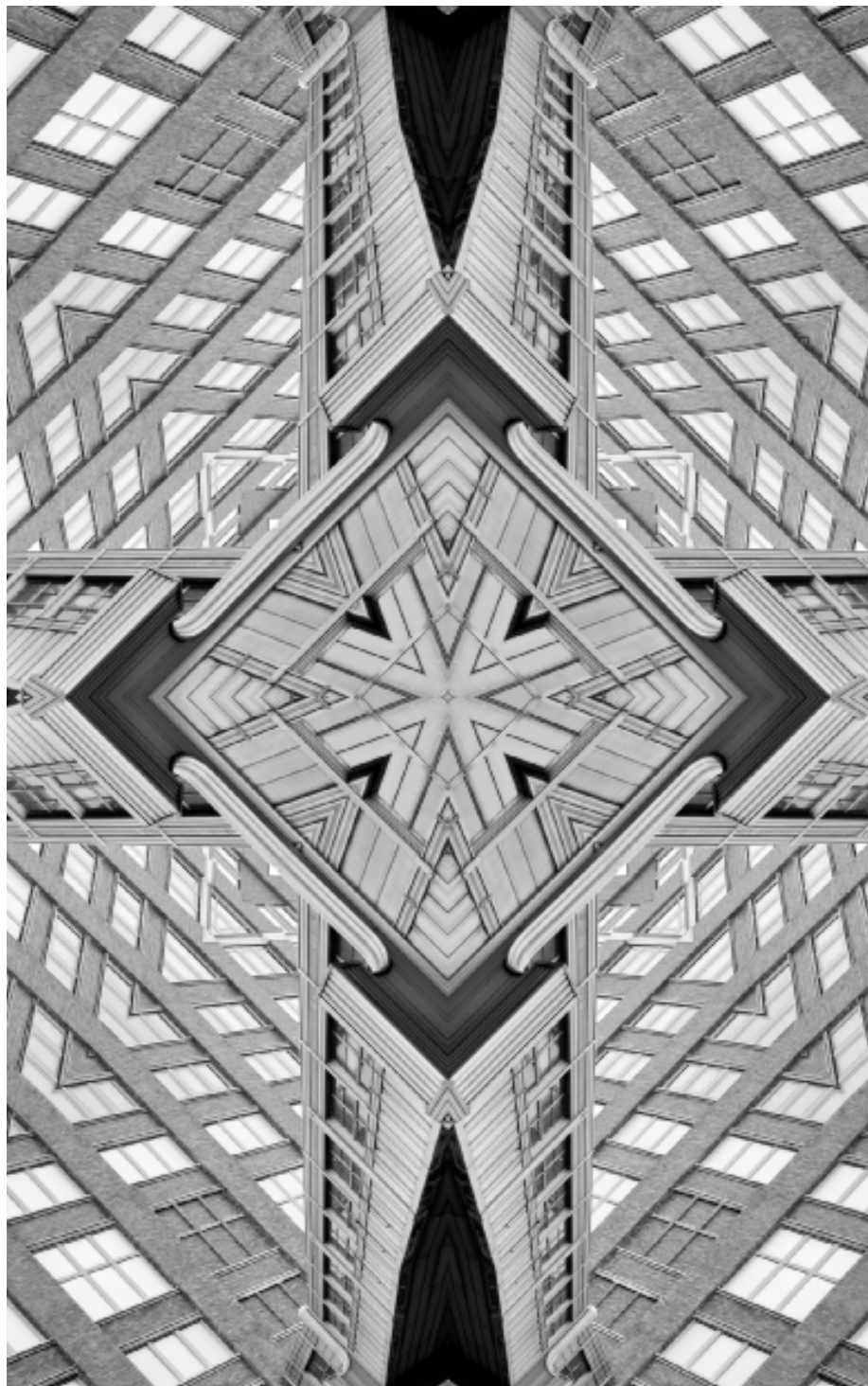


Issue Brief

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Russia-EU Relations: The End of a Strategic Partnership

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Abstract

The end of the Cold War in 1991 presented Russia and the European Union (EU) with an opportunity to reorganise their bilateral relationship. For more than a decade, they did manage to nurture close ties. Beginning in the mid-2000s, however, the relationship steadily declined, reaching its lowest in 2014 in the aftermath of the Ukrainian crisis. As mutual grievances have accumulated since then, there has been an absence of a forward-looking agenda, with diametrically opposite frames of reference of the prevailing situation making it difficult to achieve any breakthrough. This brief examines the causes of the ongoing crisis, its implications, and the possible way ahead for Russia-EU relations.

In February 2021, the European Union's (EU) Foreign Affairs chief Josep Borrell arrived in Moscow to discuss “the fraught state of EU-Russia relations”¹ amidst the ongoing trial of opposition leader Alexey Navalny² and protests against his detention. As Borrell visited, Russia announced the expulsion of three European diplomats (one each from Germany, Poland and Sweden), who it accused of participating in the protests. The EU defended the diplomats and said they were only observing the events, and announced retaliatory expulsions. Borrell himself was sharply criticised by Members of the European Parliament (MEPs) for what they called his “ill-executed” visit that was a “complete disaster”.³ Much of the ire in the EU was also directed at Moscow, which in turn threatened to break ties in case new sanctions⁴ were imposed over the Navalny issue.⁵ These developments have marked a new low in the Russia-EU relationship that has been spiralling downward steadily since the 2014 Ukrainian crisis.^a

Just two decades ago, in 2001, President Vladimir Putin had emphasised Russia's “European choice” in his address to the Bundestag. Russia and the EU sought to establish a strategic partnership encompassing trade, economy, energy, climate change, research, education, culture, and security. The pronouncement failed, however, to arrest the decline of ties; there was a more, deep-seated problem. Analysts point to a combination of opposing interests, clash of geopolitical ambitions, an inability to bridge their divergent understandings of the prevailing situation, and a clash of values.

Indeed, Russia and Europe have historical and civilisational ties that are vital for maintaining regional peace, long-term security, and stability, especially following the collapse of the Intermediate-Range Nuclear Forces Treaty⁶ in 2019 which ended the era of arms control in Europe. Their engagement impacts various issues of regional and global concern including energy, climate change, trade, security, crime, migration, the Middle East, and the Balkans.⁷ They have close economic relations and both have an important role to play in the emerging world order, where the US-China rivalry is influencing manifold aspects of global affairs. If Russia maintains good relations with Europe, it will be a more balanced player in the rest of Eurasia, reducing its prospects of over-dependence on China.⁸ Moreover, given that Russia's ties with the US are at their lowest since the end of the Cold War, and Russia's relationship with China is growing at the same time, the former superpower has limited options for a multi-vector policy in case of an emergent bipolarity. The EU could also face the prospect of having to choose sides in case of a bipolar international system, pulling it farther from Russia. If neither of them wants to end up in a position of being a “junior partner”⁹ and both aim to maintain strategic autonomy, the Russia-EU relationship needs to be revived.

a The crisis in Ukraine can be traced to November 2013 when Ukrainian President Viktor Yanukovich decided to not go ahead with closer trade relations with the EU, instead choosing to align with Russia. This led to protests and a compromise deal with the opposition—this collapsed, and Yanukovich fled the country. By the end of February, Russian forces had taken control of Crimea, with a referendum held in March 2014 backing the move. Pro-Russian separatists in eastern Ukraine – specifically the Donetsk and Luhansk regions – also called for independence. In September 2014, a truce was brokered in Minsk in the presence of France, Germany, Russia, and Ukraine.

Despite deriving value from cooperation, Russia and the EU have been unable to arrest the decline in their relations. Yet, it would be erroneous to suggest that the relationship plummeted solely on the basis of events that transpired in Ukraine in 2014. While the inflection point might have been the Ukrainian crisis, the fault lines have been visible since over a decade earlier.

In the mid-2000s, disagreements piled up one after another^{10,11} on issues that included NATO expansion, EU enlargement, the 2006 Russia-Ukraine gas disputes, the Russia-Georgia conflict (2008), cyber-attacks, and ‘colour revolutions’. The 2014 Ukrainian crisis led to a suspension of the key mechanisms for Russia-EU interaction.¹² Russia is no longer a member of the G-8¹³ and individual and sectoral sanctions have been imposed on it.¹⁴ Since then, the EU sanctions have been renewed every six months, with their lifting being contingent on fulfilment of the Minsk agreements.¹⁵ In response, Russia has adopted a series of countersanctions against the EU.¹⁶ To be sure, the efficacy of these sanctions is constantly debated, as economic costs have been unable to bring about a change of policy on either side.

Leading European powers like Germany and France may be aware of the cost of alienating Russia, but insist that any sanctions relief will follow only after the Minsk agreement is implemented. There are also signs that Russia’s relationship with Germany can no longer be classified as ‘special’.¹⁷ In the recent case of the poisoning of Alexei Navalny, wherein the opposition leader fell ill on a flight from Siberia to Moscow in August 2020 and was later flown to Berlin for treatment,¹⁸ Germany and France took the lead in appealing to the EU to impose sanctions on Russia. Yet, some of the same European powers might still continue their bilateral ties with Russia, and vice-versa, in order to deal with various issues of mutual concern. For instance, Berlin and Paris are involved in regular bilateral interactions with Moscow, including coordinating on issues in the Middle East^b and Ukraine. French President Emmanuel Macron has called for building more realistic means to cooperate with Russia¹⁹ for long-term stability. Germany has pursued the Nord Stream 2 natural gas pipeline regardless of US sanctions,²⁰ and despite a split within the EU regarding the necessity of the project.²¹

However, this does not automatically translate into EU policy. After all, one of the pillars of EU is consensus, and several member-states advocate a no-compromise policy with Russia²² over its actions in Ukraine and Crimea. The EU and Russia also have diametrically opposite interpretations of the 2014 crisis—a problem that goes beyond the Ukraine issue and is reflected in two key policy announcements by Moscow and Brussels in 2016. These policy documents, which are meant to guide the bilateral relationship, have failed to deal with their rift.

b Russia and the EU have been in communication to save the Joint Comprehensive Plan of Action (JCPOA) on the Iran nuclear programme, given that both the parties are signatories to the deal. They are also interested in the future of Syria and the reconstruction efforts. Russia and the leading European powers have a common interest in ensuring stability in Libya, and are important regional players in this context.

Policy Guideline

Framework: Shortcomings

The EU Foreign Affairs Council in March 2016 outlined five guiding principles underlying the EU's relations with Russia: (1) implementation of the Minsk agreement as the key condition for any substantial change in the EU's stance towards Russia; (2) strengthened relations with the EU's Eastern Partners and other neighbours, including Central Asia; (3) strengthening the resilience of the EU (e.g. energy security, hybrid threats or strategic communication); (4) selective engagement with Russia on issues of interest to the EU; (5) engaging in people-to-people contacts and supporting Russian civil society.²³ The first of these five alone, gives analysts little hope of a positive development in the near future, given the prevailing situation in Ukraine.²⁴ There is also a sense in Russia that the EU will never recognise Crimea as part of Russia and that sanctions will remain for the long-term—pushing Russia further towards the East.²⁵ The focus on EU's Eastern partners is unlikely to assuage Russian concerns about its intentions, especially given the case of Georgia and Ukraine.

The proposed selective engagement does not mean Russia is willing to deal with the same issues that the EU considers to be of interest. Over the years, Russia's enduring grievance has been that the EU has failed to consider its interests—²⁶ a view that has gained further credence with the pronouncement of the five guiding principles. The support to Russian civil society fuels accusations of attempts at fomenting regime change, vitiating the atmosphere further, especially in the light of stricter Russian laws regarding foreign funding of NGOs and opposition activities.

Given that the policy prescriptions are not new in nature, they are not expected to provide a way forward to repair the Russia-EU relationship in the short to medium term.²⁷ The case is similar to the latest foreign policy concept of the Russian Federation, approved in November 2016, which highlights the core concerns of Russia regarding developments in Europe.

“There is a sense in Russia that the EU will never recognise Crimea as part of Russia and that sanctions will remain for a long time.”

Policy Guideline Framework: Shortcomings

It refers to “geopolitical expansion pursued by the North Atlantic Treaty Organization (NATO) and the European Union (EU)” as a “containment policy” against Russia.²⁸ It calls for stable relations with the EU on the basis of “equality” and respect for each other’s interests. The concept also breaks away from past policy of hailing Russia “as an integral and inseparable part of European civilization” in order “to promote creating a common economic and humanitarian space from the Atlantic to the Pacific.”²⁹ The 2016 concept instead calls for establishing a “common economic and humanitarian space from the Atlantic to the Pacific by *harmonizing and aligning interests of European and Eurasian integration processes* (emphasis added).” Russia continues to harbour grievances towards the EU, leading it in recent years to turn to Asia: the desire to be treated as an equal player, lingering concerns about EU and NATO enlargement, and the lack of a common European agenda that includes Russia as a sovereign member.

Through their policy documents, neither side has enunciated a plausible process through which a dialogue would take place leading to actionable policies. This adds to the long-standing charge that neither Russia nor the EU has a long-term vision for their ties, “or common values, norms and interests that underline the strategic partnership.”³⁰ In other words, the policy documents are only reflective of the deeper malaise in the relationship. This is indicative of serious differences between the two sides that have remained unaddressed over the years.

“Russia continues to harbour grievances towards the EU, leading it in recent years to turn to Asia.”

Russia as equal partner vs. No special treatment

Despite the end of its superpower status, Russia has positioned itself as a unique country,³¹ a power that engages with other international players on an equal basis. After recovering from the chaotic 1990s, Russia has reasserted its position in various regional theatres. As far as Russia was concerned, the EU was misreading the situation if it thought the West had won the Cold War and that Russia would agree to be subordinated in a wider European format.³²

For its part, the EU disagrees “that Moscow had any special rights in the common neighbourhood.”³³ This has today become one of the key divergences: Russia considers its place in the European continent to be “natural and legitimate”, but does not see the sentiment reciprocated in terms of recognition of its position in European affairs.³⁴ While the EU recognises the importance of the former superpower, it has not relented on its ideas of value-based policymaking, which includes criticising Russia’s domestic record on civil society, free press, and elections.

The EU’s consensual policy formulation includes even newer members like the Baltic States and Poland, whose contentious history with Russia is also reflected in modern-day policymaking. As the EU seeks the “minimal common denominator” among the views of all member-states,³⁵ there is little room for compromise with Moscow, and a consensus on foreign and defence policy is achieved with great difficulty.

Neighbourhood as sphere of influence vs. EU/NATO expansion as new reality

Russia sees the expansion of EU, and NATO, right up to its borders as detrimental to its security (see Figures 1 and 2). It considers former Soviet states in its immediate periphery—if not all post-Soviet states—as being part of its sphere of influence. As such, Russia regards the European Neighbourhood Policy (ENP) launched in 2004—which deals with relations with 16 of EU’s southern and eastern neighbours including several post-Soviet states—³⁶ as an encroachment on its interests in the neighbourhood. The post-Soviet states have seen EU/NATO membership as a means of securing economic development while also acting as a buffer against any potential Russian efforts to expand its influence in the future. While this goal has been achieved, it has also had several unintended effects since Russia recovered from the collapse of the Soviet Union.

In 2009 the Eastern Partnership trained its focus on six countries—Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine—to build closer ties with the EU. This led to a significant change in Russian policy,³⁷ as it revealed the competition³⁸ for influence over the former Soviet space. The fact that this development came soon after the 2008 Russia-Georgia War was interpreted by Russia as an attempt to curb its activities in its neighbourhood, and therefore a threat to its national interests. The colour revolutions in its neighbourhood, leading to the victory of pro-West forces in several post-Soviet states, also contributed to Moscow's paranoia that the EU and the US could back a similar event in its territory. The events that followed Ukraine's decision to not sign the association agreement in 2014 were seen in Russia as being supported by the western powers, leading to the ouster of pro-Russian president Viktor Yanukoych. Once again, Russia and the EU talked past each other,³⁹ resulting in opposite interpretations of the other's intention.

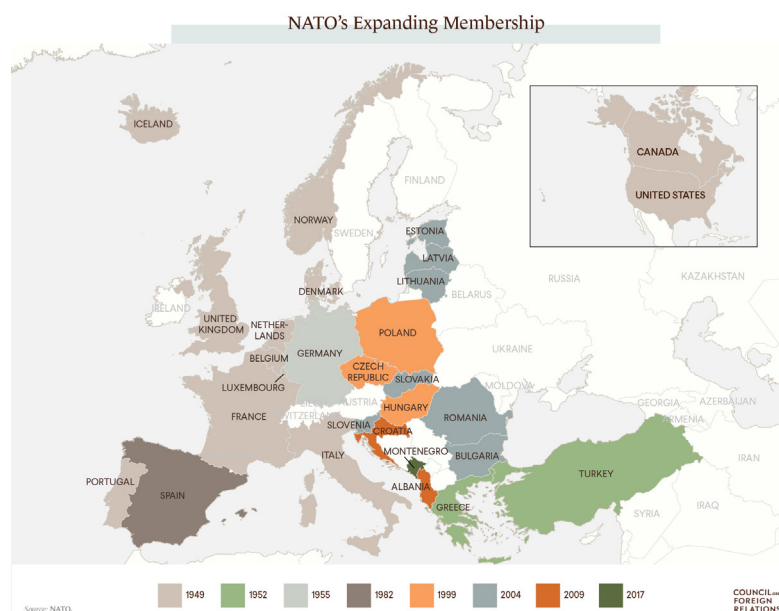
Russia sees the expansion of NATO⁴⁰ and its continued presence in the neighbourhood as detrimental to its core security interests;⁴¹ it classifies NATO as an adversary. Thus, although NATO and the EU distinguish between "the military and political characteristics of each organization," the events on the ground have been perceived by Russia as a threat too close to its border⁴² as it does not expect to become part of NATO.

Figure 1:
Expansion of the EU (till 2013)



Source: Spyros Soldatos⁴³

**Figure 2:
Expansion of NATO (till 2017)**



Source: CFR⁴⁴

Scholars have pointed out that Russia is not an existential threat to Europe, given the balance of power that stands against it despite its strengths.⁴⁵ However, driven by NATO's desire to strengthen its position in Europe and keep its relevance after the end of the Cold War, the military alliance expanded in the post-Soviet sphere without considering the broader geopolitical implications. In the latter years, the same process has given a purpose to NATO, which was looking for ideas to sustain itself in the post-Cold War period.⁴⁶ This divergence regarding possible EU/NATO membership was visible on the Ukraine issue in 2014.

Ukraine as a red-line vs. Sovereign right of an independent country

The fact that Russia was unhappy about EU enlargement was no secret, especially when it came right to its borders. Scholars were warning as early as in 2004 that if Ukraine formally applied for EU membership, "things could come to a head."⁴⁷ Indeed, the EU has come under criticism for failing to see the implications of the situation around Ukraine, given the importance that Moscow attached to the country.⁴⁸ Even today, Russia and the EU do not agree on the causes of the Ukrainian conflict,⁴⁹ and each is blaming the other for the prevailing situation.

Given the history of Russia-Ukraine relations, the red lines on the latter joining the EU should have been considered more carefully. While this is not to deny the sovereign right of a country to draw its own path, a more realistic assessment of the concerns of a global power was needed. As Richard Sakwa, an expert on Russian politics, explains, “the issue is not so much Ukraine’s sovereign choice to decide, as that this choice does not take place in a vacuum.”⁵⁰ The weight of history compounded by years of EU/NATO expansion set the stage for a forceful Russian response to the 2014 events.

Similarly, the red lines of EU to Russia have hardly been communicated clearly, with a narrative gaining ground that any talks with Moscow would amount to appeasement.⁵¹ The internal differences within the EU have made this process difficult, and Eastern Ukraine today has joined the league of other frozen conflicts^c in the region.

Russia-US ties vs. Trans-Atlantic alliance

The role of the US can hardly be neglected when it comes to the EU, at a time of a historic low in US-Russia ties, and in the context of the role of the trans-Atlantic alliance. Russia sees the EU as an entity that does not possess a strategic dimension despite its economic heft, and believes it to be a “platform for US foreign policy” in the region⁵² that remains dependent on the US on issues of Ukraine, trade, sanctions and defence.⁵³ Therefore, Moscow does not see the EU as an independent foreign policy actor, nor a desirable partner to interact with.

This view has gained further credence following the US and EU’s coordinated sanctions over Ukraine and the downing of MH-17 on 17 July 2014—⁵⁴ a period associated with a revival of the trans-Atlantic ties. Even though these measures have been tailored to EU needs⁵⁵ and do not completely mirror the US, it remains an important example of trans-Atlantic unity over Russia. The two partners have also imposed various sanctions on Russia following the poisoning of former spy Sergei Skripal in 2018 in the UK, and in 2020, of opposition leader Alexei Navalny.

As the Joe Biden administration takes the helm in the US, it is expected that the alliance will once again engage in close coordination, a process interrupted during the presidency of Donald Trump. In any case, the EU is not expected to break with the US to build ties with Russia.⁵⁶ The EU policy is remains reliant on the US due to close association with NATO, leading it to “favour Atlanticism over Europeanism.”⁵⁷ This, in turn, also means that the current impasse in Russia-US ties will continue to reverberate in Russia’s relations with Europe.

^c These refer to separatist conflicts in the post-Soviet space where active conflict has been brought under control but a final peace agreement or deal between warring parties has not been achieved.

Interference in Russian affairs vs. Rule of law

There is increasing disillusionment on both sides as the EU remains dissatisfied at the ‘Europeanisation’ process of Russia while the latter sees the EU as being a less influential player that is “technocratic and bureaucratic”.⁵⁸ This has fuelled dissonance on the issue of values and rules: Russia views as “intrusive”⁵⁹ efforts by the EU to make it adhere to European standards, and refuses to do so.

This is most visibly seen in the criticism of Russian domestic policies on issues like suppression of opposition activities, lack of free and fair elections, human rights violations, and restrictions on the press. The two sides have also increasingly diverged on issues like rule of law, democracy, conservatism, and rights of sexual minorities. Russia has in recent years promoted its own brand of conservatism, looking to position itself as an “ideological alternative to the EU.”⁶⁰ While Russia sees western support of local NGOs and the opposition as interference in its local affairs, the EU remains concerned about Moscow’s support for Far-Right parties in its member countries. Similarly, allegations of hacking of the German Parliament by Russia and its attempts at interference in French presidential elections have led to accusations that it was undermining European security. Coming on the back of Russian interference in the 2016 US presidential elections,^d the issue has created a deep rift.

The EU defines itself through certain values that guide its identity and engagement with other powers. This “liberal” image of the EU has come in sharp conflict with the neorealist image of Russia,⁶¹ wherein the latter sees a return of geopolitics to the centre of international affairs with the nation-state at its core. Russia has made it clear that it does not intend to become an EU member and is building an identity that is distinct from that of Europe. As analysts note, Moscow’s idea of polycentrism that accords a special role for global powers contradicts the values espoused by a supranational organisation such as the EU which focuses on multilateral dealings.⁶² As a result, neither party has been able to propose a solution to refrain from activities that exacerbate strained ties. In other words, there is a wide divergence in their objectives and self-perceptions.⁶³

^d The US Intelligence agencies in 2016 accused Russia of seeking to influence the presidential election, and trying to sway it in favour of Donald Trump, away from Hillary Clinton. An investigation led by special counsel Robert Mueller indicted several Russian citizens, including intelligence officers, for aiming to “sow discord in the US political system” through systematic release of stolen emails, hacking of local election systems, and social media disinformation. The investigation did not reveal a criminal conspiracy between Moscow and the Trump campaign. Russia has denied all charges levelled against it.

Economic ties not equal to geopolitical gains

Russia is the EU's fifth largest trading partner, and the EU is Russia's largest trading partner, with a two-way trade in goods valued at €232 billion in 2019.⁶⁴ In 2019, Russia was the origin of 40 percent of EU imports of gas and 27 percent of EU imports of oil.⁶⁵ There has been a slow recovery of bilateral trade since 2016, having dropped in the period 2012-16 due to a decline in oil prices. The Foreign Direct Investment stock of EU in Russia stood at €276.8 billion in 2018, which constitutes 75 percent of total FDI in Russia. In contrast, Russia's investment stock in EU was at 1 percent of the total at €89.3 billion in 2018.

The sanctions since 2014 have caused economic losses on both sides but they have been willing to bear it. For Russia, it has become extremely difficult to access western investment and capital while for the EU, it is the farmers who have been most affected. In order to deal with the situation, Russia has gone in for import substitution in the agricultural domain and the slowdown of its economy has been attributed more to the price of oil than EU sanctions.

Their 'geographical proximity' and 'complimentary nature of export and import markets'⁶⁶ means that despite lowered volumes, Russia and the EU will remain important trade partners. However, this economic dependence has not translated to improved political and defence relations. Both the parties continue to emphasise political relations over the economic. Indeed, the divergences in the relationship have overtaken the benefits of economic convergence, with analysts noting that "mutual dependence", rather than alleviating conflicts, has become their source.⁶⁷

“Russia has made it clear that it does not intend to become an EU member and is building an identity that is distinct from that of Europe.”

Losing the Substance of 'Strategic Partnership'

By most indications, Russia-EU relations have become dysfunctional. Neither side expects a significant shift in the state of affairs in the short to medium term, further reducing the incentive for a change in the status quo.⁶⁸ Amidst the challenges to their bilateral engagement, Russia and the EU are also deeply embroiled in domestic developments. Russia is in need of a new model of economic development while navigating a difficult political future ahead.⁶⁹ The EU, for its part, is dealing with Brexit, institutional problems, migration, and far-right populism.

Meanwhile, their divergences in political, economic and ideological systems collectively mean that what used to be a 'strategic partnership' has been "replaced by strategic distrust."⁷⁰ If Russia and the EU are to revive their relations, they need to establish a new framework that considers both their interests. Instead of the wide-ranging, ambitious programmes of the past, efforts should be geared towards setting up means for regular, transparent communication.

Setting up such a framework requires them to answer even more vital questions of their respective identities in a changing world order. The idea of 'Greater Europe' with Russia as one of its central poles is no longer tenable.⁷¹ As the global geopolitics and geoeconomics shifts to Asia, and Russia's engagement with the West deteriorates, Asia has emerged as the natural direction for the conduct of Russian foreign policy. But its pivot to the East in the past has been on unstable grounds and apart from its relations with China that have grown exponentially, its presence in the rest of Asia will require significant diplomatic and economic effort.

At the same time, the EU faces its own internal challenges that require a re-imagination of the project to acquire a key position in the changing international system, including overhauling its institutional systems and defining its own position within the collective West.⁷² Differences within the EU have hindered the formation of a clear strategy with regard to Russia and the latter too has nothing new to offer.⁷³ With the situation in Ukraine stagnant and the Minsk agreements far from being implemented, no breakthrough is in sight. The Ukraine crisis has highlighted the shortcomings of the new post-Cold War alignment in Europe, including Russia's marginalisation amid integration processes, instability in post-Soviet states, and weakness of European cooperation institutions.⁷⁴ In other words, Russia has today become a strategic challenge for Europe.⁷⁵

Losing the Substance of 'Strategic Partnership'

The victory of Biden in the US elections has raised hopes for an improved EU-US relationship after the chaos of the Trump years. While this means an improvement of the trans-Atlantic ties, Moscow will have to deal with a “consolidated west”,⁷⁶ a not-so-welcome prospect for the former superpower. German Chancellor Angela Merkel has already called for a joint trans-Atlantic agenda on Russia that acknowledges the differences while identifying areas of cooperation. But this unity faces a challenge in the form of Nord Stream 2 pipeline as discussed earlier, where US sanctions continue to hinder the completion of the project, straining US-German ties. The situation is still evolving in terms of how the new US administration deals with the issue, with Berlin remaining firm on its position of the necessity of the project. Meanwhile, even if completed, the pipeline is not a panacea for the obstacles in Russia’s ties with the EU or Germany.

In fact, the possible emergence of bipolarity has the potential to further limit their cooperation due to consolidation of Russia’s ties with China and prospects of increased EU-US coordination amidst a changing international order.⁷⁷ The EU and Russia would benefit from a multipolar world,⁷⁸ which would give them an enhanced measure of strategic autonomy. This would require both sides to give up their respective ideas of exceptionalism and deal with each other as normal powers, a prospect that has eluded the Russia-EU relationship. Fundamentally opposite views on global politics and the future world order⁷⁹ have made Russia and the EU unable to break out of the downward spiral in their engagement. Unless a dialogue can establish a sense of clarity on these issues, the rivalry is expected to continue.

To be sure, areas of cooperation remain in economics (trade, investment) and security (internal and external). There is potential for Russia and the EU to step up combined efforts to deal with climate change, counterterrorism, illegal migration, and non-traditional security threats like organised crime, human trafficking, drug trafficking, small arms and cybercrime. Their coordination is also essential on regional issues like Syria, Libya, Iran, Central Asia, and on frozen conflicts in the territories of the former Soviet Union. Connectivity and people-to-people contact form other potential sectors of cooperation.

“The idea of a ‘Greater Europe’ with Russia as one of the central poles is no longer tenable.”

The challenges described in this brief necessitate a more pragmatic policymaking, where vague, far-reaching ideas will have to give way to smaller, targeted projects that can build confidence in the short to medium term. While this would not mean a cessation of competition, it would be a step forward in overcoming the lack of trust—which could aid in creating a better understanding of the image each party has of itself and the other. This would be invaluable in helping comprehend and predict actions of the other to avoid potential conflicts.⁸⁰

At the same time, experts have cautioned against overly optimistic projections for the bilateral relationship, arguing that a new framework is needed and given the unfavourable situation, any resolution acceptable to both sides would be difficult to achieve.⁸¹

In the absence of any improvement in Russia-EU ties in the short to medium-term, it might be pertinent to focus on building bilateral ties between Russia and individual European states. Moscow has in fact specifically named Germany, France, Italy and Spain in its foreign policy concept for improving ties to promote its interests. Yet, as discussed in the earlier sections, this will not be easy, as seen in the case of a steady decline in Russia-Germany ties.⁸²

Furthermore, it will prove difficult to “fully separate” bilateral engagement with EU states from that with the organisation as a whole. One solution has been advanced in the form of mutual recognition of “diversity”⁸³ and good neighbourhood as forming the new basis of building relationships in an effort to reduce the ideological component.

“Overcoming the mutual lack of trust will help Russia and EU comprehend each other and avoid potential conflict.”

Some other suggestions have been advanced to pull the relationship back from the brink. The aim of such efforts would be to build confidence, preserve regional security, and allow both parties space to focus on more pressing issues of concern. The suggestions also recognise that a complete turn-around in the Russia-EU relationship is difficult to achieve in the short to medium term and therefore efforts must be taken to rebuild confidence before a more long-term strategy can be devised. The suggestions include but are not limited to the following:

Conclusion

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- Gradually restart political dialogue at ministerial level to discuss contested issues and with a mandate to find a way forward. Ahead of this, expert-level talks can discuss the establishment of a new architecture for Russia-EU relations and exchange ideas.
- Adopt a more flexible sanctions programme to allow for dialogue in determining a way forward. Inflexible sanctions are not useful in changing state behaviour;⁸⁴ rather, sanctions linked to various goals of progress could prove to be more effective.
- Jointly ensure that the situation in Eastern Ukraine does not deteriorate and look at promoting confidence building measures.
- Cooperate on other frozen conflicts⁸⁵ in the region to prevent them from reigniting and causing instability.
- Maintain and energise military contacts to avoid any potential misunderstanding in the security domain.
- Identify key issues of bilateral concerns and begin dialogue in those specific areas.
- Improve economic cooperation at the level of medium and small enterprises to provide a growth impetus and focus on technical issues like harmonisation of standards.
- Build coordination mechanisms between the EU and Eurasian Economic Commission to explore economic cooperation, including on connectivity.
- Identify key areas of mutual interest in external security - including the Joint Comprehensive Plan of Action (JCPOA), Libya and Syria - and set up a structure for regular communication to prevent escalation of any crisis.
- Establish coordination on issues like non-proliferation, arms control, counterterrorism, climate change, cyber security, Arctic, and the COVID-19 pandemic.
- Encourage people-to-people contact through easier movement/visa of tourists, students, researchers and businesspeople.

- 1 Josep Borrell, “My visit to Moscow and the future of EU-Russia relations,” *EEAS*, February 7, 2021, https://eeas.europa.eu/headquarters/headquarters-homepage/92722/my-visit-moscow-and-future-eu-russia-relations_en
- 2 “Russia Navalny trial a ‘low point’ in EU-Russia relations, says Borrell,” *BBC News*, February 5, 2021, <https://www.bbc.com/news/world-europe-55938042>
- 3 “A predictable mistake: MEPs slam Borrell over Moscow trip,” *Euronews*, February 9, 2021, <https://www.euronews.com/2021/02/09/a-predictable-mistake-meps-slam-borrell-over-moscow-trip>. Borrell has said he wanted to meet Navalny during his visit but did not do so as it would signal that the EU was supporting the sentence. There seems to be the additional factor of not wanting to upset the Russian side either.
- 4 In October 2020, the EU had imposed sanctions on six Russian officials, including the head of the Federal Security Service (FSB) and an entity involved in chemical weapons research, accusing them of being key in poisoning of Alexey Navalny. The opposition leader was flown to Germany for treatment, and European labs found him to have been poisoned by nerve agent Novichok.
- 5 “Russia warns EU it could cut ties over sanctions,” *BBC News*, February 12, 2021, <https://www.bbc.com/news/world-europe-56039075>
- 6 The INF Treaty, signed in 1987 between the US and Soviet Union, banned missiles with ranges between 500 and 5,500 km. This led to a ban on all nuclear and non-nuclear missiles in the short to medium range. In 2018, the US accused Russia of deploying 9M729 missiles, which it argues violates the INF treaty, a charge that Russia has denied. In February 2019, President Donald Trump announced that the US was suspending its obligations under the treaty and gave a deadline of August 2 to Russia to comply with INF. This led to Russia also suspending its obligations under the treaty. This development impinges on European security and can lead to a quick escalation during any conflict in the region between Russia and NATO.
- 7 Andrey Zagorsky, “Russia—EU Relations at a Crossroads: Common and Divergent Interests,” *RIAC*, October 18, 2016, <https://russiancouncil.ru/en/activity/workingpapers/rossiya-i-es-na-perepute-obshchie-i-raskhodyashchiesya-inter/>
- 8 Dmitri Trenin, “Russia and Germany: From Estranged Partners to Good Neighbours,” *Carnegie Moscow Centre*, June 2018, https://carnegieendowment.org/files/Article_Trenin_RG_2018_Eng.pdf
- 9 Dmitri Suslov, “Without a Common Space: A New Agenda for Russia-EU Relations,” *Valdai Discussion Club*, June 2016, <https://valdaiclub.com/files/11424/>
- 10 Fyodor Lukyanov, “Russia—EU: The Partnership That Went Astray,” *Europe-Asia Studies* 60, no. 6 (July 2008): 1107-1119.
- 11 Katinka Barysch, “The EU and Russia: Strategic partners or squabbling neighbours,” *Centre for European Reform*, May 2004, https://www.cer.eu/sites/default/files/publications/attachments/pdf/2011/p564_russia_strat_squabb-940.pdf
- 12 These include biannual summits and meetings between Russian government and the European Commission. Other suspended formats include Northern Dimension policy

of 2007 that focused on cross-border cooperation in the Baltic and Barents regions, negotiations for a new EU-Russia agreement for a comprehensive framework of bilateral ties launched in 2008 and the 2010 Partnership for Modernization.

- 13 Russia was expelled from the G-8 in 2014 over its annexation of Crimea and support to separatist elements in eastern Ukraine. The US, Britain, Canada, Germany, France, Italy and Japan took this decision at an emergency summit in The Hague.
- 14 These include travel restrictions and asset freezes – by the EU on Russian nationals and entities in defence, financial, and defence sectors.
- 15 The Minsk II agreement, signed in February 2015, while having reduced violence in eastern Ukraine, is yet to be fully implemented. Scholars argue that the framing of the Minsk II provisions means that result is unlikely to be achieved. There are several ambiguous points in the agreement, and can be interpreted differently by the warring parties. The progress on law on special status for Donetsk and Lugansk, withdrawal of foreign troops, elections, monitoring of the border remains elusive. Neither Russia nor Ukraine has the incentive to fully implement the agreement, and the sequencing of goals to be achieved remains problematic.
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- 18 Even though the poisoning took place on Russian soil, the EU has taken a strong position, leading to counter-sanctions from Russia, imposing entry bans on representatives of EU countries and institutions. German Chancellor Angela Merkel called the poisoning ‘an attack on the fundamental values and basic rights to which we are committed’ and visited Navalny in the German hospital where he was being treated. This was seen as mark of building frustration in Berlin that has traditionally worked to balance a tough stance on Russia with selective engagement.
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in the EU that the pipeline will lead to increased European dependence on Russian energy resources but Berlin has refused to back down. In 2019, the Trump administration imposed sanctions on the pipeline. The EU, which has seen some members oppose the project, has refrained from following the US lead on sanctions on Nord Stream 2, with senior officials of European Commission arguing that only Germany can cancel the project. While the Biden administration has not imposed additional sanctions, the existing ones that sanction businesses dealing with the pipeline have led to companies pulling out of the project that is 95% complete. Berlin has consistently held that the commercial project must be kept separate from prevailing geopolitical issues, and it remains to be seen how the Biden administration bridges its intent to prevent operationalization of Nord Stream 2 while also maintaining cordial ties with its ally Germany.

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