



OCGG Security Section

Advice Program
EU Foreign, Security, and Defence Policy

Governance Area
EU Foreign Policy

Europe-Russia A Special Partnership

Recommendation to
the European Union

by André Nilsen

INTRODUCTION

Russia is hosting the G8 Summit of world economic powers in the weekend 15 – 17 July 2006. Europe should seize the opportunity to accelerate the development of a special partnership with Russia. This would be good for both Europe and Russia and most importantly it is necessary to make progress towards a better world.

EUROPE AND THE WORLD

The EU's strategy with regards to Russia must be derived from its foreign and global strategies.

The EU's global vision should be a better world and its global mission should be to exercise global leadership to accomplish this. The EU's global objectives must accord-

MAIN POINTS

Europe should develop a special partnership with Russia spanning across global, diplomatic, security, military, energy, economic, justice, and neighbourhood issues. This would be good for both Europe and Russia and is necessary to advance a multipolar world governed by the UN.

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ingly be to become an equal global actor, project the integration model, and act as force for good. The EU's global strategy should therefore be to 1) gain unity, 2) gain independence, 3) build capabilities, 4) promote a multipolar world, 5) shift global politics to the UN, 6) strengthen international law, and 7) pursue global public policies in areas such as climate, peace, human rights, and development.

From this one can derive the EU's foreign vision which should be UN global governance through effective multilateralism and its foreign mission which should be to transform world order to make it possible. The EU's foreign objectives must accordingly be to strengthen the UN and promote a world with a more equal balance of power. The EU's foreign strategy should therefore be to 1) pool sovereignty in the UN and develop 2) special partnerships with Russia, China, and the US, 3) a privileged partnership with Turkey, 4) neighbourhood partnerships with Belarus, the Euromed countries, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan, 5) development partnerships with Africa, 6) conflict resolution partnerships with the Middle East, and 7) good relationships with all the rest. This presumes that the EU's domestic strategy includes developing accession partnerships with

Bulgaria, Romania, the Balkan countries, Ukraine, and Moldova.

EUROPE AND RUSSIA

The current perception of Europe-Russia relations is one of division especially over energy. In times as these one does well to keep in mind the longstanding and deep-going bonds that join these two great powers into one grand continent. The seamless geography is matched by a shared history and a common culture. This is perhaps why Europe and Russia today believe in the same vision of a balanced world governed through a strong UN.

The current cooperation agenda, based on the Partnership and Cooperation Agreement that came into force on 1 December 1997 and a plethora of sectoral and other agreements, does not even come close to reflect the fundamental unity of the interests and values of Europe and Russia. It is limited to cooperation on civil matters with the long term aim of creating four 'common spaces' outlined at the St. Petersburg Summit in May 2003 with short and medium term measures set out in 'roadmaps' adopted at the Moscow Summit in May 2005. They are 1) a common economic space, 2) a common space of freedom, security, and justice, 3) a com-

mon space of external security, and 4) a common space of research, education, and culture.

It is now time to accelerate the development of a special partnership through which Europe and Russia together can work on a much bolder agenda.

1 GLOBAL

A tangible manifestation of the similar approach of Europe and Russia in dealing with global challenges is the Kyoto Protocol of the UN Framework Convention on Climate Change, providing mechanisms to reduce greenhouse gases and halt global warming, which despite opposition by the US finally could enter into force in February 2005 after ratification by Russia.

Europe and Russia should significantly step up their practical cooperation in shaping institutions, making policies, and taking actions for a better world.

A good start would be to launch a common diplomatic offensive on the Middle East, taking a comprehensive approach to deal with the short term issue of the escalating Israel-Lebanon-Hezbollah-Hamas hostilities, the medium term issue

of Iran's right to nuclear technology but not weapons, and the long term issue of an Israel-Palestinian two-state solution.

What really could make the difference however would be greater military cooperation, with the aim of giving real teeth to UN peacemaking and peacekeeping operations, for instance through joint missions.

A first step in building a backbone for enhanced global cooperation could be for Russia to join China and India as partners in the Galileo satellite system that the EU is developing as a competing independent platform to the GPS controlled by the US. This will provide state-of-the-art capabilities both for civilian, economic, diplomatic, security, and military initiatives. And it is a concrete example of how to achieve a more equal balance of power in the world.

2 ENERGY

Energy accounts for more than 60% of Russia's exports to the EU, amounting to more than €60bn annually. Russia sends 60% of its oil exports to the EU, representing over 25% of oil consumption in Europe. Russia, having the largest reserves and being the biggest producer in

the world, also sends half of its natural gas exports go to the EU, constituting over a quarter of the natural gas used in Europe. Russia is also an important supplier of nuclear fuels to the EU.

There is accordingly very strong energy interdependence between the Russia and Europe. Russia has a solid reputation as a reliable supplier after two decades of uninterrupted supplies to Europe, with the exception of the brief disturbance following its price dispute with Ukraine. It is in both parties interest to cooperate to further enhance joint security of both demand and supply.

Russia is moving decisively to open its energy markets, having already given foreign investors the chance to take equity stakes in its main national oil company Rosneft via its London listing and being expected to give two or three foreign corporations the opportunity to take part alongside the national gas monopoly Gazprom in the development of the €16bn Shtokman project to produce liquefied natural gas for the US.

Europe should now reciprocate by opening its retail and distribution markets to Gazprom which not only is fair but also would mean it would never be in Russia's interest to disrupt supplies. If Europe

however were to block Gazprom's expansion plans it would be forced to shift its investments for the future towards China.

Europe should think twice about imposing the energy charter on Russia. Europe should in particular recognize the counter-productiveness of asking Gazprom to open its pipeline network to third parties – whether independent producers or other gas producing countries such as Kazakhstan and Turkmenistan. Europe should instead work with Russia to make sure appropriate investments are made in the modernization of the exploration, production, and transportation capabilities of Gazprom.

Europe should reject Cheney's idea – clearly part of the broader US 'divide and rule' agenda – to circumvent Russia through a new pipeline from Kazakhstan via Azerbaijan and Turkey to Europe. This initiative is not only very unrealistic but likely to breed conflict where cooperation is needed.

Europe should also distance itself from Cheney's attack on Russia's strategic use of its energy resources. Cheney criticized it because it shifts international politics into the economic arena where Russia enjoys a comparative advantage based on its control over raw materials from the mili-

tary arena where the US has its comparative advantage based on its capability to deploy force. What Cheney really is saying is that it is OK to blackmail countries on the premise that you can nuke them back to the stone age but not on the basis that you can turn off their electricity. Russia should of course ignore this and Europe should support it because it too has its comparative advantage in the economic arena based on its superior capitalism model and welfare state. Europe and Russia should moreover cooperate to move global governance to the UN arena where it needs to be to ensure the survival and progress of humanity and civilization.

3 ECONOMIC

Since Putin came to power in 2000 Russia's economy has grown by an average of 6.5 % a year. Living standards and purchasing power have improved accordingly, leading to the emergence of a substantial middle class and a halving of the number of people living in poverty, with real wages increasing 9.8 % over the last year. Russia has not only paid off its debt but developed the fifth largest gold and foreign exchange reserves in the world, amounting to \$206bn, and amassed a vast stabilization fund from energy revenues, amounting to \$60bn, due to be

ploughed into national projects to modernize healthcare, education, housing, and agriculture. The rouble has been made convertible, the current account has a substantial surplus, and membership of the World Trade Organization is expected this autumn. Perhaps most significantly Putin has reintroduced order and steered the economy towards the model of capitalism that is most likely to sustain unique and lasting comparative advantages

Europe should promote economic, business, industrial, and financial cooperation and integration with Russia. The aim should be higher capital flows, FDI, and trade both ways, with Russia joining in the short term the free trade area, the medium term the common market, and the long term the single currency of Europe.

4 JUSTICE

It is in Russia's interest to strengthen rule of law to entrench the new and better public order Putin has built.

The US, having gravely and systematically assaulted human rights, rule of law, and international law at home and abroad over the past few years, has absolutely nothing to contribute in this re-

gard. The EU might be able to offer some advice and assistance but this should be done on Russia's invitation.

The EU has unfortunately little credibility considering the its own shameful violations of human rights, rule of law, and international law through first its appalling complicity in US torture and renditions and now its disgraceful attempt to turn the blind eye and deaf ear to calls for independent inquiries.

While Russia's breaches of rule of law might be on a higher scale, they are in principle no worse than what the US has been up supported by the EU. If anything the violations by the US and the EU are far worse because they represent a step back in civilization while Russia is after all trying to move forwards and because they have had a global impact while those of Russia only have had a regional impact.

It is in Russia's interest to maintain a free, independent, and critical media as this nurtures vitality, strength, and innovation in any economy, society, and politics. Again however the EU and the US have little basis to lecture Russia.

On the one hand, it is far from certain that it is worse to have Putin in control of media than Berlusconi or Murdoch.

On the other hand, it is not clear that censorship by the Russian government is worse than the intimidation and prosecution campaigns by EU and US governments – al Jazeera journalist Taysir Alony is currently in jail in Spain after a seriously flawed trial and New York Times reporter Judith Miller was last summer jailed in the US simply for honouring her duty of confidentiality to her sources.

Meanwhile, against fundamental principles of good governance, the UK has signalled it will tighten laws against whistleblowers in the intelligence services leaking information to journalists while the US has said it will use espionage acts against journalists publishing material they deem contrary to national security.

It is also in Russia's interest to sustain a vibrant civil society, active NGOs, and a vigorous political opposition. But again the EU and the US have little basis to feel superior to Russia.

In the UK you now get arrested under terrorism laws if you walk with a little placard displaying a mainstream political message through Whitehall and you can get arrested under laws prohibiting the kafkaesque crime of glorification of terrorism if you point out the simple fact that given the way the UK is illegally

bombing innocent people it is no wonder they blow up trains in London.

In Germany meanwhile it has come to light that the BND intelligence service has been illegally monitoring and manipulating journalists in breach of the German constitution.

And in the US it has emerged that the NSA surveillance agency has been illegally recording the phone records and financial transfers of millions of citizens in breach of the American constitution.

It is finally in Russia's interest to uphold a real democracy. But also here the EU and the US have little basis to look down at Russia.

Putin enjoys a 70 % approval rating, a far cry from what Western leaders can muster, of whom some like Berlusconi have stayed in power only because it's the only way of staying out of jail, others like Blair have won elections funded through corruption, and yet others like Bush got to power even after having lost elections.

And while Putin has weakened the Duma, Blair has benefited from a Westminster that always has been extremely weak and Bush has attempted to pull off a massive centralization of power in

the Presidency at the expense not only of Congress but also the Supreme Court and the States.

5 NEIGHBOURHOOD

Europe and Russia have a common neighbourhood of Belarus, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. They should work together to promote good governance while sharing strategic influence.

CONCLUSION

Europe and Russia would benefit from a special partnership spanning across global, diplomatic, security, military, energy, economic, justice, and neighbourhood issues. In developing this it is important to stick to a few basic principles. First, both Europe and Russia should always keep one eye on strengthening the UN. Second, Europe should show respect and recognize its equality with Russia. And third, Europe and Russia should as far as possible include China, India, and other great powers in the emerging multipolar world in their cooperation projects.

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