

## **Coming Closer or Drifting Apart?**

### **EU-Russia Partnership and EU Enlargement in Eastern Europe**

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January 2003

#### **I. Topical relevance**

In sharp contrast to the emotional reactions triggered in Russia by NATO's eastward expansion, Russia has not been particularly agitated at the prospect of the enlargement of the European Union. In connection with this expansion, Russia has only made the headlines of Western newspapers once, in relation to the issue of Kaliningrad. This Russian enclave—which, following the admission of Poland and Lithuania to the EU will be completely surrounded by EU states—has been a major political issue in the last two years. However, Brussels and Moscow have now reached a compromise on the question that is acceptable to both the EU and Russia.

Russia's relatively relaxed attitude toward EU enlargement is partly attributable to the fact that it was only in the late 1990s that the EU appeared on the "radar screen" of Russian diplomacy as a foreign policy and security actor in its own right.<sup>1</sup> Individual European states continue to be more important reference points for Russian foreign policy. Another reason for Russia's thus-far unfazed attitude regarding the enlargement of the EU is the fact that the EU—in contrast to NATO—is

perceived primarily as a civil rather than a military entity. For Russia, the EU is first and foremost a trading partner, an important source of foreign investment, and a model for the economic and political integration of states. In a word, the EU is seen as providing important, and indeed essential, momentum for Russia's own ambitious modernization project. Accordingly, Russia sees the enlargement of the EU as a natural process, driven by economic rather than political imperatives.<sup>2</sup>

The European Union is a much higher priority for Russian foreign policy at present than it was one to two years ago. This can be seen from recent statements by Russian politicians, and also from the fact that the Kremlin has augmented the staff levels and structures within the various ministries dealing with the EU.<sup>3</sup> One reason for the increased awareness of the European Union in Russia is that the EU is now making real progress toward the goal of a substantial expansion to the east. At its meeting in Copenhagen on December 13, 2002, the EU member states definitively approved the enlargement of the union to include ten new countries (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia) by May 1, 2004; the admission of two more East European states, Bulgaria and Romania, is contemplated for 2007.<sup>4</sup>

A second reason lies in the internal reforms carried out within the EU in the 1990s, resulting in a transformation of the organization and efforts to raise its international profile, for example by embarking on a Common Security and Defense Policy (CESDP) within the overall framework of the EU's nascent Common Foreign and Security Policy (CFSP). Because the military dimension still plays only a minor role in the EU, Russia has never had the impression that the enlargement of the EU would pose a threat to Russia. Admittedly, Russia has expressed a number of concerns regarding the EU enlargement process; apart from political issues

surrounding Kaliningrad, however, these mainly involve aspects relating to bilateral trade and economic relations, since it is still not clear how EU enlargement will influence this area of the EU-Russia relationship.<sup>5</sup> Nonetheless, to date the predominant perception on the Russian side has been that the enlargement of the EU is essentially a positive development. Russia's politicians largely adopt the Western point of view in arguing that the enlargement of the EU to the east will also bring an eastward extension of a zone of stability and prosperity, and hope that Russia may also benefit from this process. Therefore, the enlargement of the EU is largely seen in Russia as a development to be addressed with a calm, matter-of-fact approach.

However, the Kaliningrad issue has also made the Russians very aware that the enlargement of the European Union is actually a much wider-ranging and more ambitious project than the expansion of NATO to the east. In contrast with the process of NATO enlargement, the expansion of the EU will result in borders that are clearly visible and will have an impact on anyone wanting to travel or trade across them.<sup>6</sup> Admission into the EU requires the candidate states on the external borders of the EU to implement the Schengen border regime.

The treatment of the Kaliningrad issue is a perfect example of how seriously Brussels takes this question. The compromise reached at the Brussels summit on November 11, 2002 between the EU and Russia stated that, from the middle of 2003, Russians traveling frequently back and forth between Kaliningrad and the rest of Russia would be able to request an inexpensive multiple use document from a Lithuanian consulate for land transit with simplified procedures. Once Lithuania becomes an EU member, however, it will be required to examine all applications in accordance with the Schengen system rules, in exactly the same way as all other Schengen states. The EU has not shifted from this position.<sup>7</sup>

Thus the widening and simultaneous deepening of the EU represents a major challenge for relations between the EU and Russia. The debate over Kaliningrad has caused the EU and Russia to focus more heavily on the issue of their bilateral relations.<sup>8</sup> The issue is not *whether* Russia will become involved in the processes of European integration, but *how* this can be brought about. Accordingly, the main focus of this paper is not on Russia's attitude toward the admission of new members into the European Union, but rather on how the relationship between the EU and Russia is developing against the backdrop of EU enlargement. The question of whether the EU can be enlarged without drawing new boundaries, without forcing the other European states into a peripheral position, is certainly one of the most important challenges facing the continent today.

## **II. The EU and Russia as “Strategic Partners”**

The core document structuring the relationship between the EU and Russia, the Partnership and Cooperation Agreement of 1994, characterizes the EU and Russia officially as “strategic partners.”<sup>9</sup> How is this to be understood? The concept of “partnership” goes far beyond that of “cooperation.” Cooperation is a neutral term, but a partnership has to be based on shared values and interests, and assumes agreement between the parties. The idea of partnership also suggests approximate equality between the partners.<sup>10</sup>

This rhetoric of strategic partnership is mainly to be understood against the backdrop of the negative experiences of the past. It reflects the mood of the late 1980s, when the Soviet system was disintegrating, and expresses the wish to avoid at all costs any relapse into a Cold War-style confrontation. Gorbachev's use of the term

“common European house” dates back to the late 1980s, and similar expressions can be found in almost every important document signed by a Western European entity and Russia since that time. For example, the EU Commission document on the strategy for relations with Russia, dated June 4, 1999, states that “a stable, democratic and prosperous Russia, firmly anchored in a united Europe free of dividing lines, is essential to lasting peace on the continent.”<sup>11</sup> By the same token, a Russian Federation document of late October 1999 setting out the country’s strategy regarding the EU (*The Russian Federation Middle Term Strategy Towards the European Union (2000–2010)*) refers to Russia’s commitment to cooperate in the construction “of a united Europe without dividing lines.”<sup>12</sup>

In any discussion of the current state and future development of relations between the EU and Russia, however, it is important to remember that the EU and Russia are in fact very unequal partners, who only partially share common values and interests. This is particularly evident in two areas of central importance to their bilateral relations: first, there are major inequalities in their respective economies and in trade relations between the EU and Russia; second, the establishment of a real partnership is impeded by differing views of state sovereignty and international relations.

### ***Asymmetry in economy and trade***

Russia, the largest country on the planet in terms of landmass, has a total population of around 145 million,<sup>13</sup> although this figure is declining by 700,000–900,000 per annum.<sup>14</sup> The European Union currently has a population of 375 million, and the enlarged EU, with twelve new member states (including the ten entry

candidates plus Romania and Bulgaria, but without Turkey) would have a total of 480 million inhabitants. Russia's gross national product is approximately equal to that of The Netherlands, and Russian average GNP per capita is roughly one-tenth that of the EU average. Admittedly, the comparisons are slightly less unfavorable if made in relative rather than absolute terms, on the basis of equivalent purchasing power. However, the fact of the asymmetry between the parties cannot be obscured merely by changing the calculation method.<sup>15</sup>

The same imbalance can be seen in the context of trade. EU countries account for over one half of all direct investment in Russia, and the EU is far and away Russia's largest creditor. The EU is Russia's leading trading partner; 40 percent of Russia's foreign trade is with the EU, and the figure will rise to 50 percent with the enlargement of the EU. In contrast, trade with Russia accounts for only around 4 percent of the total foreign trade of the EU, and this level will be only slightly higher after the enlargement of the EU. The situation is compounded by the fact that Russian exports to the EU are predominantly raw materials, particularly gas and oil, whereas Russia buys mainly finished products from Europe. When considered in these terms, the relationship between the EU and Russia still has a "colonial" tinge.

Thus Russia is heavily dependent on the EU in economic terms, but the reverse is not true. The only exception is in the energy sector. Oil and gas supplies account for around 50 percent of total EU imports from Russia, and the EU demand is projected to increase in future, particularly in the case of natural gas (the EU oil market currently depends on Russia for approximately 20 percent of its supply, but the figure rises to approximately 45 percent for gas).<sup>16</sup> In the enlarged EU, Europe's reliance on Russian fuels will increase still further since, with the exception of

Slovenia, all the Eastern European candidate states are almost totally dependent (between 70 and 100 percent) on gas and oil supplies from Russia.<sup>17</sup>

### ***Differing perceptions of sovereignty and international relations***

Apart from the imbalances in the economic arena, there are other factors impeding the formation of an equal partnership between the EU and Russia, namely the existence of differing perceptions of sovereignty and international relations. In the jargon of international relations theory, the contrast in this area between the EU and Russia can be described somewhat simplistically as an opposition of two different approaches: idealism and realism.<sup>18</sup>

European integration represents the opposite of many traditional principles of international politics. The concept of state sovereignty as absolute and indivisible authority over the territory, resources, and population of the state is progressively being replaced in Europe with such concepts as “shared sovereignty,” “mixed sovereignty,” and “supranationalism.” The EU presents itself as an amalgamation of sovereign states, and hence as a “post-modern” state structure, as opposed to the traditional nation state structure that reached its fullest development in Europe in the industrial age in the early nineteenth century.

Russia, on the other hand, is still tied to a very traditional view of state sovereignty and international relations. This is reflected in Russia’s view of its role in international politics. Large parts of Russia’s political and military establishment still consider it vitally important that their country should play a role in practically all issues of international importance—be it on questions of strategic stability with the U.S. and NATO, or finding solutions to regional tensions and conflicts in the CIS

zone, the Balkans, the Middle East, or Northeast Asia. This attitude, which stands in increasingly sharp contrast to the country's narrow economic base and declining military power, was to some extent the product of an ideological imperative during the Soviet period, but it has been sustained by an appreciation of such traditional attributes as geographic size, historical and cultural importance, and military (nuclear) potential. Even if Russian great-power rhetoric now lacks the ideological underpinning familiar from the Cold War era, many of Moscow's policy-makers and strategic analysts still essentially tend to formulate their views on international security policy along classical balance-of-power lines.

Russia's traditional view is also highlighted in the case of the war in Chechnya, which ultimately is seen as the defense of Russian soil, a struggle to retain national territory; as a result, any external criticism of Russia's Chechnya policy is rejected as "interference in Russia's internal affairs." Admittedly, Russian experimentation in its domestic and foreign policy clearly includes some "post-modern" elements—prime examples being Russian federalism or cross-border cooperation at the sub-national level, such as exist in Northern Europe—but these experiments cannot yet be regarded as representing a dominant strain of thought. The reason can be seen in the fact that Russia is as yet a young country, still in search of its identity following the disintegration of the Soviet Union. Russia is currently "fast-tracking" through the state- and nation-building processes that took several hundred years to complete in Europe.

It could be argued that other East European countries are also in the middle of this process of finding their identity, and yet are able to reconcile this liminal status with integration into the EU. However, this comparison fails to take account of the specific features of Russia's historical development. Russia was never part of an



empire—it *was* the empire. Now as in the past, Russia sees itself as an autonomous cultural and political entity that cannot subordinate itself to or merge with any other entity. Accordingly, Moscow officially has no aspirations to EU membership, or even associate status with the EU. The philosophy behind this is set out in point 1.1 of the Russian strategy paper on the EU of October 1999: “As a world power situated on two continents, Russia should retain its freedom to determine and implement its domestic and foreign policies, its status and advantages as a Eurasian state and the largest country in the CIS, and the independence of its position and activities within international organizations.”<sup>19</sup>

### **III. Bilateral Relations**

These differences in terms of economic size and trade interests, political goals, and perception of geopolitical roles, will certainly place limits on the development of relations between the European Union and Russia, at least for the foreseeable future. However, those limits do not mean there is not also significant potential for deepening integration in specific areas of bilateral relations. These specific areas are discussed in more detail below.<sup>20</sup>

#### ***Building democracy***

One important area of bilateral relations from the perspective of the European Union is the consolidation of democracy, the rule of law, and public institutions in Russia. The promotion of these aspects is listed the first goal in the EU’s Russia strategy of 1999. This important goal can also be regarded as the most problematic, as

reflected by Russia's failure to put any particular emphasis on this area in its EU mid-term strategy.<sup>21</sup>

The difficulty experienced by the EU in implementing this important goal can be explained by the fact that the EU—and indeed most Western countries in general—has little real ability to exert any substantive direct influence on domestic political developments in Russia. Over the past decade Russia has received direct financial assistance from the EU averaging around €200 million for technical cooperation and development assistance projects annually, with two-thirds of this amount being paid under the EU TACIS program.

While Russia would be reluctant to forfeit this assistance, the amount of money involved is too small to give the EU sufficient leverage to exert real influence on the process of democratization in Russia. When Brussels suspended EU TACIS program assistance to Russia because of the war in Chechnya, for example, this did not have the desired impact on Russian policy in the Northern Caucasus. On the contrary, the fact that the EU tied its assistance to Russia to certain political conditions has created confusion and anger on the Russian side, and has ultimately tended to solidify the Russian stance on the Chechnya question.

### ***The economic area***

A goal formulated by both sides in their respective strategy documents was Russia's integration into a common European economic and social space. A high-level group was set up specifically for this purpose under the chairmanship of EU Commissioner Chris Patten and Russian Minister of the Economy Viktor Khristenko in May 2001. At the summit meeting between the EU and Russia on November 11,

2002 in Brussels, the group described its ultimate goal as follows: “the overall aim is to bring the EU and Russian economies—including the rules and regulations within which they operate—closer together.”<sup>22</sup>

When the economic situation is compared with cooperation in other areas, it is possible to identify some progress and efforts in this area which could lead—even if only slowly—towards the integration of Russia into the European economic framework. While political integration with the EU is not on the agenda for Russia (and is also not sought by the EU), it is Russia that is currently providing most of the momentum for the creation of a unified economic space. President Putin underlined the importance of the European Union in his address to both houses of Parliament on April 18, 2002: “I believe that I must once again make a firm statement today on our priorities as far as Europe is concerned. In this regard, what is clear are our logical positions and our numerous and concrete steps towards integration with Europe. We will continue to work actively with the European Union, designed to create a single economic space.”<sup>23</sup>

Russia’s entry into Europe will not be brought about by negotiation between Moscow and Brussels, but by Russia doing the required groundwork. The EU already pointed out in its strategy document that Russia itself had to undertake the necessary reforms and adjustments to its economy, and the Russian political leadership appears to have understood this.<sup>24</sup> Russia is endeavoring to adopt unilateral provisions of the *acquis communautaire* in those areas where economic relations with the EU are the most intensive. The fact that the integration process is being unilaterally driven by Russia, rather than the EU, makes one thing clear, particularly in the context of EU enlargement: Russia has every interest in coming into line with the rules and

standards of the EU single market if it is to remain an attractive partner for a future enlarged EU.

This is all the more important in that it is not certain at this stage what the economic impacts on Russia from the enlargement of the EU are likely to be. From the discussions currently in progress between the EU and Russia it is possible to identify a range of different views, sometimes contradictory. One view, for example, is that the conditions for the export of Russian goods will improve, since EU membership will lead to lower customs duties in most new member states. Particularly important for Russia is clearly that all the indications are that Poland and Lithuania, the states bordering on Kaliningrad, will have to make massive cuts to their customs duties (in Poland's case by around two-thirds). From this point of view, the conditions for Russian exports (specifically via Kaliningrad territory) to the enlarged EU would be improved.

The opposing view holds that it is also possible that following their accession to EU membership the new member countries will concentrate more on the EU single market and give preference to EU goods and services rather than imports from third countries. It is also to be expected that particularly those new EU countries that have to lower their customs duties because of their accession will attempt to recoup their losses by directing anti-dumping measures against Russian imports.<sup>25</sup>

Russia is clearly anxious to counter possible negative fallout from EU enlargement, and has already had some success. Its efforts to comply with the principles of a market economy were rewarded by the EU's formal recognition of Russia as a "market economy" on November 7, 2002.<sup>26</sup> In concrete terms, this means that in anti-dumping investigations Russia will in the future be treated in the same way as all other market economies.<sup>27</sup> Russia's accession to the World Trade

Organization (WTO)—a goal officially supported by the EU—has also come a step closer. According to its own assessments, Russia will need another one or two years to bring all its legal provisions and procedures into line with WTO provisions.<sup>28</sup>

Russia's membership in the WTO would clearly also bring Russia closer to the goal of a free trade zone with the EU.<sup>29</sup>

### *Security cooperation*

Since the end of the Cold War, the most important requirements for ensuring peace in Europe have been overcoming the division of Europe and the integration of Russia into Europe. All aspects of cooperation between the European Union and Russia have ultimately been treated as subordinate to these fundamental goals. The EU in particular sees the main benefit from cooperation as being based not so much on economic considerations as on international security-related factors. The integration of Russia, which has a common border of approximately 2000 km with the enlarged EU, is of considerable importance, if only because Russia has the potential to influence events throughout all of Eurasia—both negatively and positively.<sup>30</sup>

Both sides have committed themselves in various ways (in their strategy documents, for example) to deepening the cooperative relationship in order to enhance stability and security in Europe and beyond. In practical terms, however, only limited progress has been achieved in this area. Russia's contributions to the KFOR and SFOR operations in the Balkans are essentially a manifestation of cooperation between NATO and Russia rather than between the EU and Russia. In any event, the Russian involvement in the Balkans operation is restricted to a minimal

level, and is more a symbolic political act than an essential operational military contribution.

In recent times, however, there has been some progress in security cooperation between the European Union and Russia. A dense network now exists for security policy dialog and consultation, and both sides are endeavoring to agree on common positions on foreign policy issues—as seen most recently at the Brussels summit meeting on November 11, 2002, in the form of joint declarations on international terrorism and the situation in the Middle East.<sup>31</sup> Moscow and the EU have also repeatedly stated their intention to act jointly to resolve future crises and conflicts, although exactly what that means when a specific crisis or war occurs remains an open question. There are four factors to be considered as potentially jeopardizing practical cooperation between the two sides:

*First*, the scope of any potential security partnership is limited by Russia's specific security policy outlook and its understanding of its own geopolitical position. As suggested earlier, from the Russian perspective the EU is seen primarily as a civil rather than a military entity. Thus the Russian security policy concept sees the significant players in the global balance of power as being primarily the U.S., NATO, and other regional powers such as China or India. According to this view the EU is not counted among these "global poles." Europe's efforts to develop its Common European Security and Defense Policy (CESDP), in order to increase its independence from NATO and hence the U.S. in military terms—i.e., to become a "pole" in its own right—are welcomed by many in Russia, especially in the light of long-standing hopes dating back to the Cold War period, whereby the emancipation of Europe would work to Russia's benefit by weakening its strategic opponent, the U.S., and giving Russia more strategic elbow-room. Now, however, the Moscow leadership is

beginning to realize that Europe's efforts to formulate its own security and defense policy is not designed to compete with NATO, but rather to supplement it.

Accordingly, ideas regarding a future strategic triangle between the U.S., Russia, and the EU are now being aired in Russia.

For the time being, however, the fact remains that the significance of the EU in military and strategic terms is widely perceived by Russian observers as having declined after September 11, 2001.<sup>32</sup> While the EU is likely to play a considerably more active role in dealing with conflicts in its own "backyard" in the future, its significance within the worldwide struggle against terrorism will probably remain relatively minor. In this area, the U.S., along with individual Western states, has taken the leading role. And Russia, which borders the Central Eurasian "arch of instability" along virtually its entire length, holds a key strategic position in geopolitical terms in the struggle against terrorism.

*Second*, a security partnership is likely to be limited by the fact that the EU sees Russia playing only a peripheral role in the development of a common European security and defense policy. There is admittedly a formal provision for the participation of non-EU states such as Russia, and also Ukraine or Canada, in EU-led operations.<sup>33</sup> However, it is quite understandable that the EU will intend to take the leading role, since Europe's objective in creating the CESDP is to build up its own capabilities, in order to be more independent in the future from other military structures (and obviously above all from NATO).

*Third*, the EU is not going to be tempted in the foreseeable future into anything more than declarations of intent with respect to Russia in the arena of security policy, since Russian and EU interests are unlikely to coincide in present and possible future crisis zones (Southern Caucasus, Caspian Sea, Moldova). To the

contrary, their interests will probably conflict in these areas. These conflicts of interest may be of an economic nature—for example, securing oil deposits and Caspian pipelines—but may also arise from the fact that Russia sees itself as the dominant regional power, and therefore defines its role in this part of the world quite differently from how Europe perceives that role.<sup>34</sup>

*Fourth*, cooperation between the European Union and Russia is also likely to encounter difficulties due to their differing value systems. These differences are highlighted by the contrasting approaches taken by European states and Russia to wars and crises of a comparable nature. In Chechnya, Northern Ireland, and the Basque Country, for example, the underlying problem in all these crises is the same—separatist tendencies—and yet neither the British nor the Spanish governments have responded with attacks causing widespread destruction.

### ***Common challenges***

Both sides express the intention to meet “common challenges on the European continent.” According to the EU strategy document this involves the following areas: energy policy, nuclear security, the environment, fighting organized crime, and regional cross-border cooperation. The Russian strategy for its relationship with the EU also addresses these areas.

*Energy* is obviously an area of central importance for both sides. The EU as a whole has an interest in this regard, given its dependence on energy supplies from Russia, and there is a Russian interest based on the status of the EU as its largest market for energy sales. So here there is a basis for an equal partnership that can still be further developed. In view of the EU’s increasing energy requirements in the future



(particularly for gas supplies), the EU will increasingly be willing to invest on its own behalf in development projects in Russia.

The area of *nuclear security* has been a main focus of EU aid to Russia over the last decade, although the EU's interest as a whole is less obvious here than in the area of energy. There are, however, strong regional and local interests in the area on the part of the states bordering on Russia, primarily the Nordic EU states and Norway. The case is similar in the area of the *environment*. Here again, the EU interest tends to be concentrated at the regional and local level, as with the Barents Sea riparian states (i.e., again the Nordic states), which are most concerned regarding the pollution of that particular sea.

In the area of *organized crime*, the interest of the EU in the matter has shifted from a local issue (smuggling at the Finnish-Russian border) to a Europe-wide concern (Kaliningrad). Indeed, in some cases this interest has now acquired global dimensions. As a transit country for drugs and other illegal goods from Central Asia, Russia naturally also plays a major role in terms of European security. There is therefore potential for the development of bilateral cooperation in this area.

Another area in which bilateral cooperation can still be further developed is that of *cross-border cooperation*. For a long time the discourse in Russia was dominated by thinking in traditional categories like sovereignty, security, national borders and interests, and the idea that these categories could be supplemented or even eclipsed by the formation of cross-border regional, sub-regional, and local networks initially found little acceptance in Russia. This situation has now changed to some extent. The individual regions of Russia now have a considerably greater measure of autonomy within the Russian federal structure than before, and have more flexibility in shaping their external relations.<sup>35</sup> Accordingly, sub-national fora and

organizations, such as those in Northern Europe in particular, are very attractive to Russia and its regions. In the context of relations between the European Union and Russia, an example of such cooperation is the “Northern Dimension,” with the modernization of northwestern Russia as the common objective.

Against the backdrop of the eastward expansion of the European Union, the “Northern Dimension” aims to coordinate and deepen regional cross-border cooperation between the northern EU member states and their neighboring countries. The cooperation entailed within the “Northern Dimension” covers a range of sectors, such as the environment, energy, infrastructure, economic cooperation, justice, and internal affairs, and involves EU members and candidates as well as Russia, Norway, and Iceland.<sup>36</sup> Even though the importance of the “Northern Dimension” is beyond question, particularly in terms of the upcoming enlargement of the EU, the resources invested in cross-border cooperation projects have so far been modest. Here again, the problem is that obviously not all EU states have the same level of interest in regional plans.

#### **IV. Current Integration Status and Limits: Theoretical**

##### **Considerations**

What form of integration has been established between the EU and Russia? In terms of the theory of economic integration, the EU and Russia do not yet form an integrated entity in the strict sense; the first stage of integration would be reached only with the establishment of a free trade zone.<sup>37</sup> The current status of economic integration can rather be described as a process of unilateral adaptation by Russia to bring its economy into line with European and worldwide economic standards and

regulatory mechanisms. Admittedly, the EU refers in its common strategy to the possibility of setting up a free trade zone with Russia at some point in the future.<sup>38</sup>

Economic considerations, however, and in particular the admission of new members to the EU, mean that such a development is probably only a long-term prospect.

According to the principal tenets of economic liberalism (as outlined by Adam Smith), “free trade” denotes the opening of markets by dispensing with state duties and trade barriers in order to eliminate artificial price distortions and allow specialization in production at the most favorable cost. The European integration process is at variance with this approach to the extent that free trade is implemented and further developed only regionally, within the internal market, whereas in dealings with the outside world the EU tries to separate its market by means of customs duties and other restrictions in order to gain competitive advantages over other economic actors with whom the Union competes and to increase the welfare of members within the Union.

The EU and Russia will have no difficulty in eliminating customs duties and trade restrictions in those areas where both sides see competitive advantages for themselves. Thus Russian exports to the EU receive favorable treatment under the EU general preference system, granting easier access to the European market for a range of Russian goods. However, other restrictions continue to apply in the important area of steel and textile imports, for example, where Russia’s efforts to sell goods in Europe come up against a strong European lobby looking to protect its market from competition.<sup>39</sup> In addition to the dismantling of trade barriers, the integration process would be considerably boosted by other initiatives such as granting fairer competition conditions for Russian investors, particularly from the energy sector, but here again

there are powerful European interests looking to prevent Russian investors from penetrating the European energy market.<sup>40</sup>

The main economic argument in favor of EU enlargement is precisely the increased welfare that is expected to result from an expansion of the regional market.<sup>41</sup> To ensure that EU enlargement actually becomes an economic success story, the EU will concentrate its efforts on maximizing the benefits for the members of the “club.” What impact this will have on the welfare of third parties is not clear. A number of past studies have concluded that market integration has led to increased welfare for the participating EU states overall, but there is no consensus among economists at present on the extent to which non-member countries are disadvantaged as a result. The author of this paper is not aware of any study relating to the current enlargement round that comprehensively addresses the issue of the impact the EU enlargement project will have on Russia (or other non-EU states) in economic terms.

What assessments of the current situation and future prospects for Russia-EU integration can be formulated on the basis of integration theories in the discipline of political science? Integration theories in the field of political science are generally interested in identifying possibilities for ensuring peace in the international system. In the case of the EU and Russia, the concept of the “security community” would seem to provide a useful basis for discussion. According to this approach, as formulated by Karl Deutsch, peace can best be maintained by interlinking states at the level of the respective societies. This is achieved, Deutsch says, by intensifying exchange relationships between the states, not only in terms of diplomatic and economic relationships, but also—most importantly—in the social and cultural spheres. This sort of network is seen as leading to a security community in which recourse to the use of force becomes virtually impossible.<sup>42</sup>

The question of whether a security community can be said to exist between the EU and Russia depends on the criteria used to define such a community. Deutsch himself understands the networking process as a quantifiable phenomenon. In his own studies of European integration, he considered measurements of cross-border activities in trade, postal and rail communications, and tourism. If such measurements were made for Russia and the EU, the conclusion would be that Russia—when compared with the high level of linkages between European states—is only marginally integrated into Europe.

Following Deutsch's approach, other authors writing on the European integration process have not applied quantifiable parameters for the formation of a cross-border community, but have instead emphasized the role of changes in values and attitudes in society.<sup>43</sup> In this perspective, is it legitimate to speak of a "community of values" between Russia and Europe, and if so, to what extent? Generally it is important to note that Russia has in fact espoused Western European values, at least on the level of several fundamental normative documents. The clearest expression of this is in the Russian constitution of 1993, which invokes the same fundamental values as those on which the constitutions of most other Western states are based. From this perspective, Russia has unambiguously adopted Western values as the yardstick for its own development. There have, however, been repeated instances clearly showing the differences between Russia and Europe in the way these values are perceived across a very wide range of practical policy issues. In recent years this has been most clearly evident in connection with the war in Chechnya and the attitude of the Russian authorities toward the free press.

So how wide is the gap between Russia's acceptance of Western values on the normative level and actual Russian political practice? The similarities between Europe

and Russia in terms of fundamental values ultimately outweigh the differences, as shown by the Russians' attitude toward democracy. At first sight that attitude may appear to be somewhat ambivalent, at least from the Western viewpoint. Many Russians endorse the authoritarian policies of their president (for example, his approach in Chechnya), and see the presidential plans to recreate the "vertical axis of state power" as necessary in order to restore security and law and order in the country. At the present time, almost nobody is concerned about whether Putin's program has led to increased state control over society or whether it could threaten the democratic advances Russia has achieved.

But that does not mean that Russians reject democratic institutions. A majority of Russians are admittedly skeptical towards the idea of simply importing a Western model of democracy, lock, stock, and barrel. Opinion surveys in recent years have however confirmed that a stable majority of the Russian population is determined to cling to significant cornerstones of democracy, such as right to free elections or the right to criticize the government in the media.<sup>44</sup>

A further indication of a Western orientation can be seen in the fact that a majority of the population say they would not welcome the isolation of the country from the West. According to a survey published in the *UN Human Development Report 2000 for the Russian Federation*, 50.8 percent of those interviewed believed that globalization offered positive opportunities for Russia, 52 percent thought Russia should progressively extend its relationships with the developed countries of the world, and 15 percent even supported the rapid integration of the country into the international community. A survey conducted in May 2002 produced the amazing finding that 56.7 percent of Russians would support the membership of their country in the EU, if a referendum were held on the question.<sup>45</sup> (While this result has to be

treated with a measure of caution, since most interview subjects were well aware that Russia would not become a member of the EU at any time in the foreseeable future, it does highlight the fact that a majority of Russians see the future place of their country as being in Europe.<sup>46)</sup>

Specifically in the context of EU enlargement, it is clearly of interest to investigate the existence of the cross-border security communities that exist between Russian regions and EU countries. For Northern Europe and the northwestern part of Russia, the question is whether in these regions, notwithstanding the enlargement of the EU (and NATO), the dominant perception is one of belonging to a cross-border community, or rather a feeling of isolation.<sup>47</sup> A factor of considerable importance for future developments will be whether cross-border initiatives such as the “Northern Dimension” of the EU will become a higher priority, and whether they can help to bridge the gap created by EU enlargement, at least at local level.<sup>48</sup>

## **V. Development Perspectives**

In summary, it has been shown that both sides—Russia and the European Union—have a strong interest in cooperation. The interests of the EU are dictated not so much by economic considerations, but rather by international factors relating to security policy considerations. The interest is mutual, since Russia also wants a close partnership, although from this perspective the desire is not primarily born out of security policy reasons, but rather out of domestic policy and economic considerations. Russia needs the EU for its own modernization project, in order to get back on its feet and recover its status as a great power.<sup>49</sup> This constellation of interests is actually not unfavorable to the further development of relationships between the

two sides. So what future developments can be expected? Three aspects of this question will be considered: the attitude of the EU, the role of the new EU members, and developments in Russia.

### ***The attitude of the EU***

Notwithstanding all the talk of partnership and common interests, there is a significant difference between the declared goals of a partnership and its implementation in practice. From the EU perspective, security is a commodity that is both important and expensive. However, that commodity does not have a fixed price. The question is therefore what resources the EU is prepared to allocate to preserve stability and security at its eastern border. The eloquent statements of a commitment to create a Europe without borders and to integrate Russia may be contrasted with the fact that, to date, few concrete initiatives have been taken in this direction. In spite of increased and regular exchanges between the EU and Russia, so far there are no formal joint political institutions, similar to the NATO-Russia Council, for example. In the economic arena too, the goal of setting up a free trade zone remains a distant prospect. The EU in particular could do far more in this regard.

The wide discrepancy between words and deeds can also be seen, for example, in the level of investments by the EU and the West overall to date in Russia and the post-Soviet zone. In the year 2001 total foreign direct investment in Russia was a pathetic US\$4 billion, with half of these direct investments coming from EU countries. Admittedly, this was more than in the preceding years, but still less than the figure received by the Czech Republic alone. In 2000 Asia as a whole received direct investment of around US\$143 billion, with China alone absorbing US\$41 billion. In



1998, Russia attracted 0.3 percent of total global investment, as compared with Brazil's share of 3.8 percent.<sup>50</sup>

It is true that the EU is not likely to become less interested in Russia. On the contrary, increased impetus for partnership development can be expected, thanks to Russia's more pro-Western orientation following September 11, the political consolidation program being successfully pursued by Putin, and the recent economic upturn in Russia. On the other hand, the ambitious enlargement of the EU by ten (or more) new states will absorb most of the energies of the EU in the next few years, given that the enlargement decision may have been made but the reforms required for the institutional underpinning of the enlargement process still have to be addressed by the EU. Accordingly, the EU cannot be expected to initiate any ambitious initiatives directed towards the integration of Russia.

### ***The role of the new members***

The future development of bilateral relations in specific areas of the EU-Russia partnership will also naturally depend on the future new members of the EU. An important consideration here will be whether these countries tend either to support or oppose Russia within the EU. In the European Parliament, the ten Eastern European states (i.e., the eight current candidates: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia, plus Bulgaria and Romania) will together have a total of 176 members of parliament, or 24 percent of all seats. In the Council, the new Eastern European member countries will have 101 votes, or 29.3 percent of the total.

The position adopted by individual states towards Russia will ultimately depend on the one hand on the particular issue in question, and on the other on the relationship between the individual country and Russia. With respect to Poland—the largest and economically most significant EU accession candidate—some time ago fears existed in Moscow that an integrated Poland could stir up anti-Russian feeling within the EU. The view now held in Moscow is rather that a Poland integrated into the Western, cooperative mainstream is more likely to be favorable to Russian interests than an isolated anti-Russian Poland acting as a potential source of discord in the relationship between Russia, Europe and the U.S. The possibility that the Eastern European states could actually become supporters of Russia was confirmed in the Kaliningrad discussions. Poland and Lithuania, as the countries directly bordering on the Russian enclave, argued in favor of a compromise on the issue.

Thus it can be assumed that the level of interest directed toward Russia will tend to increase in the enlarged EU. After all, in view of their historical experience and peripheral geographical situation, the EU candidate states of Central and Eastern Europe will have a more immediate interest in ensuring a stable and predictable Russia on their borders than most of the current EU member states. The “Northern Dimension” in particular is likely to receive added impetus from the eastern expansion of the EU, since the Nordic EU states, along with Germany and Denmark, will now be joined by Poland, Estonia, Lithuania, and Latvia, who because of their geographical proximity to Russia will have a strong interest in the stabilization of northwestern Russia.<sup>51</sup>

## *Developments in Russia*

Ultimately, the question of whether the gaps in Europe can be bridged—i.e., whether a genuine partnership with real stability in the long term can be developed between the EU and Russia—will depend mainly on Russia rather than the West. The West will continue to support Russia's reform process, but the actual hard work will have to be done by Russia itself. So what course will Russia's development take? It is particularly difficult to make such predictions concerning Russia, since Russia has many faces, and takes great pleasure in presenting the image that the observer wants to see.

Assessments of likely future scenarios can therefore vary widely. Some evaluations run along the following lines: Russia is in the process of building a civil society, undertaking fundamental economic reforms and establishing modern, efficient political institutions. Russia has left imperial ambitions behind once and for all, and is following a predictable, pragmatic foreign policy, based on relatively clearly defined national interests. Another evaluation may read as follows: Russia's reforms merely give the appearance of success, while in fact they have become bogged down in corruption; at the heart of the system everything remains as it was in Soviet times. Russian democracy is fragile, because civil society exists only in embryonic form. Essentially, Russia is conducting the war in Chechnya to hold on to its empire, and is merely using economic interests as a screen for practicing great-power politics in the post-Soviet environment.

Both points of view have some basis reality. There are, however, strong indications that Russia's foreign policy orientation is now toward Europe and the West, and this will continue to be the case into the future. As well as being backed by the current government and most of the country's political and economic elite, this

course also appears to be supported by the population. Russia will, however, continue to confront the West with its contradictions, growing out of the simple fact that Russia will always lie between Asia and Europe, so its identity can never be purely European, but must remain specifically Russian.

## **Endnotes**

<sup>1</sup> For an overview, see Jackie Gower, “EU-Russia Relations and the Eastern Enlargement: Integration or Isolation?” *Perspectives on European Politics and Society* 1:1 (December 2000): 75–93.

<sup>2</sup> See Vladimir Baranovsky, *Russia’s Attitudes Towards the EU: Political Aspects*, Programme on the Northern Dimension of the CFSP, No. 13 (Helsinki and Berlin: The Finnish Institute of International Affairs and Institut für Europäische Politik, 2001), especially 122–143.

<sup>3</sup> Sander Huisman, *A New European Union Policy for Kaliningrad*, Occasional Papers, No. 33 (Paris: European Union Institute for Security Studies, March 2002), 27.

<sup>4</sup> This decision now has to be approved by all national parliaments of the EU states. A resolution was also passed in Copenhagen to the effect that the decision on whether to commence negotiations with Turkey on admission to the EU would be made in December 2004; Ahto Lobjakas, “EU: Enlargement Approved For 2004,” *RFE/RL Weekday Magazine*, December 16, 2002.

<sup>5</sup> In this context it is interesting to note the so-called “list of Russian concerns” stating Russia’s main reservations regarding an enlargement of the EU, presented by a delegation from Moscow to the EU Commission on August 25, 1999. Typically, of the fifteen points on this list of concerns, twelve deal solely with issues of a technical and economic nature. The document was published in Russian in *Vremia novostei*, August 29, 1999.

<sup>6</sup> On the issue of EU enlargement and the question of Kaliningrad, see Lyndelle D. Fairlie and Alexander Sergounin, *Are Borders Barriers? EU Enlargement and the Russian Region of Kaliningrad*, Programme on the Northern Dimension of the CFSP, No. 13 (Helsinki and Berlin: The Finnish Institute of International Affairs and Institut für Europäische Politik, 2001).

<sup>7</sup> See the document “Joint Statement on Transit between the Kaliningrad Region and the Rest of the Russian Federation,” approved at the Tenth EU-Russia Summit, Brussels, November 11, 2002; online at [http://europa.eu.int/comm/external\\_relations/russia/intro/index.htm](http://europa.eu.int/comm/external_relations/russia/intro/index.htm).

<sup>8</sup> Cf. Heinz Timmermann, *Kaliningrad: Eine Pilotregion für die Gestaltung der Partnerschaft EU-Russland?* SWP-Studie, No. 23 (Berlin: Stiftung für Wissenschaft und Politik, August 2001).

<sup>9</sup> The Partnership and Cooperation Agreement (PCA) was signed in June 1994 in Corfu by the heads of state of the then twelve member states of the EU, the president of the European Commission, and the president of the Russian Federation. The interim agreement on trade and economic relations entered into force on February 16, 1996; the PCA was ratified and entered into force on December 1, 1997. The document can be found on the EU website 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).

<sup>10</sup> Marius Vahl, *Just Good Friends? The EU-Russian "Strategic Partnership" and the Northern Dimension*, Working Document, No. 166 (Brussels: Center for European Policy Studies, March 2001), 4.

<sup>11</sup> Quoted from: "Common Strategy of the European Union of 4 June 1999 on Russia," *Official Journal of the European Communities* (June 24, 1999), L157/1. The document can be found at [http://europa.eu.int/comm/external\\_relations/ceeca/com\\_strat/russia\\_99.pdf](http://europa.eu.int/comm/external_relations/ceeca/com_strat/russia_99.pdf). On the EU common strategy on Russia, see also Hiski Haukkala and Sergei Medvedev, eds., *The EU Common Strategy on Russia: Learning the Grammar of the CFSP*, Programme on the Northern Dimension of the CFSP, No. 11 (Helsinki and Berlin: The Finnish Institute of International Affairs and Institut für Europäische Politik, 2001).

<sup>12</sup> Author's translation from the Russian document (*Strategiia razvitiia otnoshenii Rossii s Evropeiskim soiuzom na srednesrochnuiu perspektivu (2000-2000gg.)*). Russia's mid-term strategy, which was presented to the EU on October 29, 1999, was approved by President Putin on June 3, 2000. The document can be found on the website of the Delegation of the European Commission in Russia at <http://www.eur.ru/neweur/user.php?func=index>.

<sup>13</sup> Provisional census results; Vladimir Sorin, *RIA Novosti*, October 29, 2002.

<sup>14</sup> On Russia's population trends, see Julie DeVanzo and Clifford Grammich, *Dire Demographics: Population Trends in the Russian Federation* (Santa Monica, CA: RAND, MR-1273, 2001).

<sup>15</sup> Russia would then be about the size of Italy, and in the enlarged EU, Russia's GNP per capita (based on purchasing power parity, or PPP) would be around one third. Instead of being twenty times higher, the GNP PPP of the EU would then be only nine times higher. See Carl B Hamilton, "Russia's European Integration: Escapism and Realities," Working Paper (London: Stockholm School of Economic and CEPR, April 25, 2002), 3.

<sup>16</sup> Cf. Roland Götz, *Russlands Beitrag zur Energiesicherheit der EU unter besonderer Berücksichtigung des Erdgasmarkts*, SWP-Studien, No. 12 (Berlin: Stiftung für Wissenschaft und Politik, April 2002).

<sup>17</sup> Hamilton, *Russia's European Integration*, 3–4

<sup>18</sup> Michael Emerson, *The Elephant and the Bear: The European Union, Russia and Their Near Abroads* (Brussels: Centre for European Policy Studies, 2001), especially 5.

<sup>19</sup> Quoted from Russia's mid-term strategy (note 12). Author's translation from the Russian document.

<sup>20</sup> The structure presented in this section largely follows the division as made in the EU Common Strategy document (see note 11) into the following four strategic goals: first, "Consolidation of democracy, the rule of law, and public institutions in Russia"; second, "Integration of Russia into a common European economic and social space"; third, "Cooperation to strengthen stability and security in Europe and beyond"; finally, the last point of the EU strategy states that the goal of both partners is jointly to address "Common challenges on the European continent." This kind of structure is clearly appropriate, since (with the exception of the first goal), the content of the goals set forth in the EU strategy towards Russia and the Russian strategy towards the EU is largely identical.

<sup>21</sup> In its strategy document (see note 12), Russia addresses the issue of democracy only once, in the following context: "The Strategy is primarily aimed at securing [Russia's] national interests and enhancing the role and image of Russia in Europe and in the world, by establishing a reliable pan-European system of collective security, and at mobilizing the economic potential and managerial experience of the European Union to promote the development of a socially oriented market economy

in Russia based on principles of fair competition and the further development of a *democratic state* based on the rule of law.” Author’s translation from the Russian document; emphasis mine.

<sup>22</sup> “Report of the High-Level Group on the Common European Economic Space,” Tenth EU-Russia Summit, Brussels, November 11, 2002, 11; online at [http://europa.eu.int/comm/external\\_relations/russia/summit\\_11\\_02/eespace.htm](http://europa.eu.int/comm/external_relations/russia/summit_11_02/eespace.htm).

<sup>23</sup> From President Vladimir Putin’s annual message to the Federal Assembly, Moscow, April 18, 2002. Unofficial English translation from the U.S.-Russia Business Council website at <http://www.usrbc.org/Transcripts-Summaries-testimonies/2002/PutinApril02.htm>.

<sup>24</sup> Dmitri Trenin, “A Russia-Within-Europe: Working Toward a New Security Arrangement,” Paper prepared for the IISS/CEPS European Security Forum, Brussels, January 14, 2002; online at <http://www.eusec.org/trenin.htm>.

<sup>25</sup> On the various points of view, see, for example, “Russia and the EU: How Can the Process of Rapprochement be Furthered?” Conference report from the EU-Russia Forum for Foreign and Security Policy, organized by the Council on Foreign and Defence Policy (Moscow), the German Council on Foreign Relations (Berlin), and the Swedish Institute of International Affairs (Stockholm), Moscow, February 15, 2001, especially 3–5.

<sup>26</sup> The suggestion for classifying Russia in the “market economy” category followed the statement made by Commission President Prodi at the EU-Russian summit in May 2002. The U.S. had recognized Russia as a market economy some months earlier. Cf. *RFE/RL Weekday Magazine*, June 7, 2002.

<sup>27</sup> In practice, this means that dumping spreads will no longer be calculated on comparable costs from a third country, but instead will be based on the prices and costs of Russian businesses. Also, the anti-subsidy rules for market economies will now also apply to Russia. Cf. “EU erkennt Russland formal als Marktwirtschaft an,” Brussels, November 7, 2002; online at [http://europa.eu.int/comm/trade/bilateral/russia/pr071102\\_de.htm](http://europa.eu.int/comm/trade/bilateral/russia/pr071102_de.htm).



<sup>28</sup> “Russia’s WTO Accession Pace May be Slowing,” *Prime-TASS*, Moscow, 2 April 2002; online at <http://www.prime-tass.com/news/66/opened/20020402/210262.asp>.

<sup>29</sup> On Russia and the WTO, see Robert Cottrell, et al., *Russia and the WTO* (London: Centre for European Reform, December 2002).

<sup>30</sup> Dmitrij Trenin, “Russland und die neue Weltordnung: Eine Moskauer Sicht,” *Internationale Politik* 57:10 (October 2002): 12–18; cited at 15.

<sup>31</sup> The documents can be found at the EU official website at [http://europa.eu.int/comm/external\\_relations/russia/summit\\_11\\_02/concl.htm](http://europa.eu.int/comm/external_relations/russia/summit_11_02/concl.htm).

<sup>32</sup> “The EU and Russia: A Security Partnership?” Summary report of a seminar organized by the EU Institute for Security Studies, Paris, March 25, 2002.

<sup>33</sup> Cf. “Bericht der Präsidentschaft über die Europäische Sicherheits- und Verteidigungspolitik,” Conclusions of the European Council, Brussels, December 8, 2000; online at <http://ue.eu.int/newsroom/NewMain.asp?LANG=1>.

<sup>34</sup> Derek Averre, “Russia’s Security Policy Towards the West,” Paper presented at the 5th ISF Conference in Zurich, October 14–16, 2002, 10–14; online at <http://www.isn.ethz.ch/isf>.

<sup>35</sup> For an overview on Russian regionalisms and the role of Russia’s regions in the international environment, see the working paper series of the project “Regionalization of Russian Foreign and Security Policy.” The project was funded and coordinated by the Center for Security Studies and Conflict Research at the Swiss Federal Institute of Technology in Zurich. All papers are available online at <http://www.fsk.ethz.ch>.

<sup>36</sup> For more information, see the website of the EU Northern Dimension Program at [http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm).

<sup>37</sup> Economics now applies a widely-accepted typology for the characterization of the various stages of integration, comprising five hierarchically arranged integration steps: free trade zone (elimination of internal customs duties in the integration area), customs union (free trade zone and standardization of

external customs duties), common market (ensuring the productivity of the other factors of production, e.g. capital, labor), economic union (harmonization of a common economic policy and other flanking measures), and full integration (all economic decisions made at supranational level). Cf. Bela A. Balassa, *The Theory of Economic Integration* (Homewood, IL: R. D. Irwin, 1961).

<sup>38</sup> Recently the term “free trade zone” has increasingly been replaced by the notion of an “European Economic Area”.

<sup>39</sup> Improvements have been made recently, however, especially with regard to the steel sector. On June 9, 2002, negotiators from the European Commission and the Russian Government signed a new EU-Russia agreement designed to increase imports for certain Russian steel products into the EU. See “New EU-Russia Steel Agreement Opens Way for Increased Steel Imports from Russia,” EU Press Release, Brussels, July 10, 2002; online at [http://europa.eu.int/comm/trade/goods/steel/pr\\_100702.htm](http://europa.eu.int/comm/trade/goods/steel/pr_100702.htm).

<sup>40</sup> Heinz Timmermann, *Strategische Partnerschaft: Wie kann die EU Russland stärker einbinden?* SWP-Aktuell, No. 12 (Berlin: Stiftung für Wissenschaft und Politik, April 2002), 4.

<sup>41</sup> A key academic study in 1997 by the Centre for Economic Policy Research estimated that the accession of countries of Central and Eastern Europe would—even in a conservative scenario—result in an economic gain for the EU-15 of €10 billion, and for the new members of €23 billion; R. Baldwin, J. F. François, and R. Portes, “The Costs and Benefits of Eastern Enlargement,” *Economic Policy* 24 (April 1997).

<sup>42</sup> Karl W. Deutsch, et al., *Political Community in the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, NJ: Princeton University Press, 1957).

<sup>43</sup> See, for example: Ronald Inglehart, *The Silent Revolution: Changing Values and Political Styles Among Western Publics* (Princeton, NJ: Princeton University Press, 1977).

<sup>44</sup> For further reading, see Timothy J. Colton and Michael McFaul, *Are Russians Undemocratic?* Russia Domestic Politics Project of the Russian and Eurasian Program, Working Paper, No. 20 (Washington, D.C.: Carnegie Endowment for International Peace, June 2001).

<sup>45</sup> By way of comparison, the same survey showed a far lower level of agreement in the Czech Republic; in May 2002, only 47.4 percent of Czechs interviewed supported entry. “Attitudes Towards EU Membership in the Czech Republic, Hungary, Poland and the Russian Federation,” Opinion research conducted by the Central European Opinion Research Group, Brussels, May 2002; online at <http://www.ceorg-europe.org>. On Russian elite and popular attitude towards the EU, see also Stephen White, Ian McAllister, Margot Light, and John Löwenhardt, “A European or a Slavic Choice? Foreign Policy and Public Attitudes in Post-Soviet Europe,” *Europe-Asia Studies* 54:2 (2002): 181–202.

<sup>46</sup> On this point, see the study prepared for the Friedrich Ebert Foundation: “Evropa i Germania glazami Rossiian,” Moscow, October 2002; online at <http://www.fesmos.ru>.

<sup>47</sup> On local security perceptions in northwestern Russia, see Derek L. Averre, *Security Perceptions Among Local Elites and Prospects for Cooperation Across Russia’s Northwestern Borders*, Regionalization of Russian Foreign and Security Policy Working Paper, No. 16 (Zurich: Center for Security Studies and Conflict Research, March 2002).

<sup>48</sup> For further reading, see Hiski Haukkala, *Two Reluctant Regionalizers? The European Union and Russia in Europe’s North*, Programme on the Northern Dimension of the CFSP, UPI Working Papers, No. 32 (Helsinki and Berlin: The Finnish Institute of International Affairs and Institut für Europäische Politik, 2001).

<sup>49</sup> See also Timofej V. Bordacev, “Russlands neue Aussenpolitik und die Europäische Union,” *Osteuropa* 52:11 (November 2002): 1404–1417.

<sup>50</sup> On these figures, see the website of *The World Investment Report (WIR)* at <http://r0.unctad.org/wir/>.

<sup>51</sup> For more on the role of the “Northern Dimension” in an enlarged EU, see Hiski Haukkala, *Towards a Union of Dimensions: The Effects of Eastern Enlargement on the Northern Dimension*, FIIA Report, No. 2 (Helsinki: Finnish Institute of International Affairs, 2002), especially 34–37; online at <http://www.hiskihaukkala.net>.