



Policy Brief

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The EU-Russia Relationship: What is Missing?

In the first few months of 2004 relations between the European Union and the Russian Federation took on a distinctly tense tone. The perception that all was not well was already palpable last November when Italian Prime Minister Berlusconi, representing the EU Presidency at a press conference of the Russia-EU summit in Rome, blatantly contradicted the official Union position by defending President Putin's human rights record. This was followed in February by a Communication from the European Commission, severely criticising the conduct and success of the EU's Russia policy so far.¹ At the same time, citing concerns over the impending enlargement of the Union, Russia appeared at least until April ready to make good on its threat to refuse the extension to the new member states of its existing Partnership and Cooperation Agreement (PCA) with the EU.

The EU-Russia relationship is now highly institutionalized, with twice-yearly presidential summits, and a large number of committees, sub-committees and dialogues on questions ranging from trade to security. Nevertheless, both sides are frustrated at the lack of progress on real substance – the PCA's implementation is slow; reform in Russia is often not to the EU's liking; friction over enlargement keeps recurring; trade remains limited and the stipulated free trade area is nowhere in sight. Despite grand declarations the actual relationship is underperforming. As things settle down after the March Russian presidential elections (and its unsurprising outcome) the EU is faced with the pressing question of where to go from here. What kind of Russia does the Union wish to see as its neighbour, and, crucially, on the basis of which principles does the EU wish to engage with that Russia?

The obstacles to an effective EU-Russia relationship centre on the paradox that the two are close enough neighbours not to be able to ignore each other, yet on the whole neither currently perceives itself to have a pressing need for the other. In particular the EU has failed to elaborate clear objectives and incentives that can overcome this lack of motivation and thus drive serious engagement. It is therefore harder to hold the EU institutions and successive presidencies together on a coherent line and consequently to convey a consistent message to Russia.

¹ *Communication from the Commission to the Council and the European Parliament on relations with Russia*, EU Commission document COM(2004) 106, Brussels, 9 February 2004

The Roots of the Problem

Three issues explain the fundamental obstacles to a substantive and energetic relationship.

First, Russia and the EU talk different languages and articulate their interests in different ways. Russia's view of relations with the EU is fairly instrumental: how can cooperation with this economically and politically powerful bloc serve to strengthen Russia domestically and internationally? Russia is fairly clear on what it wants from the Union. Internally, the EU is a source of support for its reform and modernization process; regionally, it is a potentially important market and economic partner; and globally, together with the US, a potential strategic partner.² Indeed, where the EU's Common Strategy on Russia is vague, Russia's Middle Term Strategy on the EU is a far more detailed and precise document.³ As an actor Russia is a highly traditional, sovereignty-conscious state, very sensitive to the divide between international politics and its own internal affairs.

The EU, on the other hand, is a very different kind of actor. It is not a unitary state, but a complex system of supra-national and inter-governmental policymaking. Being part of the EU system entails a blurring of the clear divide between the external and internal: sovereignty is not absolute and the domestic politics of one member state is the business of other member states to a far greater extent than elsewhere in the international system. This is reflected in the PCA and the Common Strategy, which essentially define the EU's interests as the domestic transformation of its neighbour.

Russia has great difficulties accepting this kind of interference in its internal affairs – whether it concerns the conduct of its presidential elections or its handling of the conflict in Chechnya – whereas for the EU it occupies a central place in its external policy. When not seen as simply unacceptable, words such as 'condescending' and 'patronising' are often used to describe this policy in Russia. There is therefore a clash between how the two sides see the 'rules' of the game: to oversimplify, the norm of interference stands against the norm of non-interference. The two entities approach each other on different premises, creating significant friction.

Second, the way the EU formulates its external policy and its inability to coherently pursue that policy makes the Union an inefficient actor and a difficult partner. The European Union's policy towards Russia has two main components. The first is that embodied by their 1994 Partnership and Cooperation Agreement. This highly technical agreement covers areas from trade and economic liberalisation to legal reform and principles of democratic governance. The PCA is based on principles similar to those that guide relations with states acceding to EU membership and aims to bring Russia's economic and political structures into line with the Union's norms, as embodied by the EU's own *acquis communautaire*. This policy is primarily carried out through the TACIS (Technical Assistance to the Commonwealth of Independent States) programme, which channels funds to support reform in Russia and the other members of the Commonwealth of Independent States. The motivation behind this

² Haukkala, H., 'A Problematic "Strategic Partnership"', in Lynch, D. (ed.), 'EU-Russian Security Dimensions', *Occasional Paper 46* (ISS-EU: Paris, 2003)

³ *The Russian Federation Middle Term Strategy Towards the European Union (2000 - 2010)*, www.eur.ru/en/p_245.htm

approach is to bring peace and stability to the Union's borders by promoting states that are well-governed and share 'European' values and norms.

The other component of the EU's Russia policy encompasses both the individual foreign policies of Member States and Common Foreign and Security Policy (CFSP) positions. In theory this reflects the same principles as the first, and the Common Strategy on Russia, agreed in 1999, amounts to a long list of reforms necessary to guide Russia's transformation into a democratic market economy.⁴ In practice, however, these two components do not act in synchronisation – in fact, the policies of individual member states (notably those with well-developed bilateral links with Russia, such as France, Germany, the UK and Italy) often contradict the EU position.

As long as the EU defines its goals in minimalist terms of *avoiding* Russia becoming an unstable, potentially threatening neighbour, there will always be a lack of impetus behind the EU's engagement. The Union fails to clearly articulate where it stands to *gain* something. The Common Strategy on Russia, for example, is vague and speaks of reform almost as a force of nature that the EU must inevitably support. This exacerbates the coherence problem: without a clearly articulated, positive incentive to cooperate with Russia, Member States do not feel the 'pull of necessity' towards a common EU line. Russia has been quite comfortable exploiting its bilateral ties with Member States in order to undermine the common EU position. This occurred in the last stages of the negotiations over access to Russia's Kaliningrad exclave in 2002, where such links were used to lure France, Italy and Spain away from the position promoted by the Commission.⁵ In the end, however, both Russia and the EU stand to lose by such divide-and-rule tactics. The EU's inability to engage in a coherent and focused manner may at times give Russia short-term gains, but in the long-term it prevents the development of a substantial, meaningful partnership which would provide a much-needed frame of reference for Russia too.

Finally, the basic problem is that the European Union and Russia do not perceive themselves to have an urgent interest in each other – or at least, the areas where they do have interests do not often coincide. This deprives the overall relationship of an automatically strong driving force.

Focusing on the EU-side, this will be evident in the following examination of three issue areas: trade and economics; the new common borders; and the security relationship. The intention is not to do justice to all the subtleties of relations in these areas, but to demonstrate broadly how the three obstacles bedevil the development of substantive cooperation. Areas that hold the potential for progress will also be identified.

Economics and Trade

Economics and trade are at the centre of the EU-Russia relationship and to a large extent constitute its substance. Yet, it is also an asymmetric relationship. The EU is Russia's largest trading partner, representing roughly 25% of its imports and 35% of its exports. On the other hand, for the EU Russia ranks sixth and accounts for only

⁴ 'Common Strategy of the EU on Russia', 1999/414/CFSP, *Official Journal of the European Communities*, 24 June 1999

⁵ Lynch, D., 'Russia Faces Europe', *Chaillot Paper 60* (ISS-EU: Paris, 2003), p. 52

4.4% of imports and 2.1% of exports.⁶ Moreover, Russian exports are heavily dominated by energy and raw materials. This is partly due to the internal structure of the Russian economy, but also due to the fact that manufactured products are often of a lower quality compared to their EU counterparts and have difficulties competing on the European market. Those areas where Russia might be able to compete – for example agriculture – are blocked by barriers such as the Common Agricultural Policy. Nor is the Russian market currently a great attraction to EU business. The perceived unreliability of the legal and institutional frameworks in Russia discourages European investment, further limiting the EU's stake in its neighbour. Despite the fact that they are economically close, the distorted relationship deprives the EU of a pressing economic incentive to engage with Russia.⁷

Structural reform of the Russian economy may well be the path to balancing EU-Russia interdependence and increase Russia's importance to the EU. However, EU policy on economic reform is not formulated in such terms. The minimalist approach of stabilisation remains the driver of the PCA and the Common Strategy. There is not enough of an attempt, at EU level, to focus policy on how Russia can be *made* important. For example, promotion of Russian membership of the WTO (which would serve to bring about and entrench reforms) could occupy a far more central position than it currently does.

This lack of motivation makes it even harder for the EU to overcome Russia's resistance to outside influences on the reform process itself. After the disappointment in the liberalisation process of the early 1990s and the slump in reforms that followed, the EU was pleased to see momentum being picked up under Putin. Russia is very interested in financial and technical support for its reform process, but prefers to carry out those reforms on its own terms and at its own pace. The dilemma for the EU is that significant structural reforms – such as privatisation, tax, land, legal and administrative measures – have been accompanied by what is perceived as a regression in terms of democratic and human rights reform. This sits badly with the EU's philosophy of promoting its set of norms in full: democracy *and* economics are equally important. Yet, this is resented by Russia not only on the principle of non-interference, but in view of the very real problems faced by Putin in reforming sensitive sectors of the economy while working against often hostile bureaucracies. The relationship is therefore further limited by Russian resistance to the EU's terms of engagement.

The dynamics of this situation may change, however. As the Baltic and Central European states enter the EU, a new set of significant trade links will be imported into the Union and it may come to represent as much as 50% of Russia's total trade.⁸ The importance of Russia to the EU (and vice versa) is likely to grow, although the precise extent to which the new member states will further reorient their trade away from Russia towards intra-EU trade remains to be seen.

⁶ Figures from the European Commission, europa.eu.int/comm/external_relations/russia/intro/trade.htm

⁷ Frumkin, B., 'The Economic Relationship between Russia and Europe: Current Situation and Emerging Trends', in Fedorov, Y., and Nygren, B. (eds.), *Russia and Europe: Putin's Foreign Policy* (Swedish National Defence College: Stockholm, 2002), pp. 100-103, 108-109, 114

⁸ Figures from the European Commission, www.eur.ru/en/cis_7.htm

The area which holds the most promising prospects for EU-Russia trade relations is the energy sector. Russia exports more than half its oil and gas to the EU, which, in turn, imports about 20% of its gas and 17% of its oil from Russia. Despite slow progress on substance so far, both sides have strong interests in developing cooperation. Russia seeks increased European investment in resource development, whereas the EU – increasingly dependent on energy imports – wishes to ensure the secure and stable supply of oil and gas from Russia. It also has an interest in liberalisation in this sector, because of the distorting effect of Russian monopolies (such as Gazprom) on trade as well as on the EU's own plans for liberalisation.⁹ But the importance of the energy sector makes it sensitive. For Russia, this puts pressure on the government from state and private actors with different interests. The complexities are demonstrated by the government's clampdown on Yukos last autumn and the various theories of precisely what and whose interests this served.

Common Borders and New Dividing Lines

One of the psychologically more painful side-effects of EU enlargement is that Russia is increasingly feeling that it is being cut off from countries that were previously its own backyard. As the EU's border extends from the Baltic towards the Balkans, a dense network of cross-border socio-cultural and economic contacts will be cut off. For Russians it means suddenly needing visas to travel to countries which they have previously entered freely. The problem is partly the psychological and symbolical effect of the 'East' being isolated and excluded from the wealthy expanding club on its borders, but also the very practical issues like Russian minorities in Latvia and Estonia, the disruption of family ties and livelihoods dependent on cross-border links or Russia's access to its Kaliningrad exclave.

To Russia this is a matter of real international politics. The mini-crisis over enlargement and Russia's refusal to apply the PCA to the new EU member states suggests this. Among its '14 points' of concern over enlargement (which include trade quotas, visa issues, and the status of Russian minorities) Russia postulates that it will lose €300 million annually as a result of worsened terms for its trade.¹⁰ This point appears highly debatable, however. Some in fact argue that the figure of €300 million is more in line with how much Russia will *gain*, not lose, from enlargement.¹¹ Whatever the figure may be, it appears more likely that Russia is playing this issue on a political level, seeking above all recognition of its status and rights in this area.¹²

The EU cannot afford to get involved in horse-trading on an issue such as Russia's demand for visa-free travel. In principle the EU has agreed to this as a long-term prospect, but that really does mean the long-term. There are far too many complex issues to make it a realistic prospect in the near future. Russia is seen mainly as a source of threat for the Union: organised crime, drug smuggling, human trafficking and illegal immigration are problems that the EU is most concerned should not seep through into the Schengen area. Schengen's lack of internal borders demands firm external ones. This basically non-negotiable imperative – backed up by forceful

⁹ See Grant, C., and Barysch, K., 'The EU-Russia Energy Dialogue', *CER briefing note* (Centre for European Reform: London, May 2003)

¹⁰ *Financial Times*, 23 February 2004, p. 2

¹¹ *Financial Times*, 23 February 2004, p. 2

¹² See for example interview with Emerson, M., *Euroactiv.com*, 12 March 2004

public opinion – clashes with a Russia that sees the issue in far more political and symbolic terms.

For the EU to consider changes in the visa regime, it insists on being involved in Russia's internal policies, such as policing and border management. The involvement goes even further as the issue cannot be separated from the wider state of the Russian economy and society. The importance of this is illustrated by the TACIS National Indicative Programme 2004-2006: out of the €122 million budget for institutional and legal reform €40 million is allocated to improving Russia's asylum system and capacity to fight organised crime. This is in addition to the separate TACIS Regional and TACIS Cross-Border programmes that address border management issues.¹³

The two neighbours are not necessarily deadlocked. This is not the first time the EU and Russia are arguing over these matters: already in 2002 access to the Russian territorial exclave of Kaliningrad was the source of negotiations between them. A deal was struck which included the setting-up of a non-stop express train through Lithuania, and arrangements to make visa-issuance easier and more efficient.¹⁴ Streamlining visa procedures may well be the kind of pragmatic solution path that satisfies the interests of both sides as regards enlargement more generally.¹⁵ The EU has now recognised Russia's concerns as 'legitimate' and at the time of writing, Russian Foreign Minister Lavrov claimed that 'a mechanism that will allow both sides to take into account' those concerns has been found.¹⁶ Progress on the visa regime is ongoing, and Russia appears to have accepted its linkage to the broader issue of its asylum and border policy, as well as to the EU's security concerns.¹⁷ The question is to what extent the EU can give Russia the political recognition it desires, and to what extent Russia will accept internal changes in return.

European Security

Russia's view of the EU as a security partner underwent a significant change between Yeltsin and Putin. Whereas Yeltsin in the latter half of the 1990s pursued a policy where the West was perceived as a pole that had to be balanced – and preferably split up – in the interest of a favourable balance of power, Putin is of the more pragmatic opinion that a weak Russia has more to gain from aligning with a united and powerful West than by opposing it. This policy shift became most obvious after September 11 when Putin embraced the 'War on Terrorism', and consequently associated itself with the US. The EU has never been taken entirely seriously by Russia as a security actor, yet as the Paris-Berlin-Moscow 'axis' of the 2003 Iraq war demonstrated, the EU

¹³ *National Indicative Programme for the Russian Federation*, European Commission, 21 May 2003; *TACIS Regional Cooperation: Strategy Paper and Indicative Programme 2004-2006*, European Commission, 11 April 2003; *TACIS Cross-Border Cooperation: Strategy Paper and Indicative Programme 2004-2006*, European Commission, 21 November 2003

¹⁴ Timmermann, H., 'The EU-Russia Minuet over Kaliningrad', pp. 60-62, in *Internationale Politik (Transatlantic Edition)* 4:1 2003, pp. 58-62

¹⁵ See Batt, J., 'The EU's New Borderlands', *CER Working Paper* (Centre for European Reform: London, October 2003)

¹⁶ *ITAR-TASS*, April 12 2004, FBIS translation (FBIS-SOV-2004-0412); *Agence France Presse*, 26 February 2004, FBIS translation (FBIS-SOV-2004-0226); *FT.Com*, 27 March 2004; see also European Council Conclusions of 25/26 March 2004.

¹⁷ *ITAR-TASS*, 31 March 2004, FBIS translation (FBIS-SOV-2004-0331)

(even if in this case it was deeply divided) is seen as potentially useful as an internal Western counterbalance to American unilateralist tendencies.¹⁸

The security dialogue has developed a significant volume of institutional links. This includes monthly ambassadorial meetings with the EU Political and Security Committee, a liaison officer to the EU Military Staff and the promise of intensified consultations in case of crisis. There are also provisions for the participation in the planning of operations if significant contributions are made.

The substance of the security relationship, however, remains limited. Again, the root problem is weak and asymmetric motivations. In its early days, there was enthusiasm in Moscow over the prospects of an independent EU military capacity. The European Security and Defence Policy (ESDP) offered the hope of a counter to 'NATO-centrism' and participation was seen as a way of obtaining a voice in EU structures and even of transforming it into a sort of semi-formal pan-European security arrangement. However, more realistic assessments of Russia's participation in these structures now prevail.¹⁹

The lack of coherence in the Union's external policy is the most important factor. CFSP and ESDP are both in their infancy, and until the EU manages to achieve a much greater degree of coherence it will not be a serious partner for Russia, except possibly on very specific issues. Common positions have been taken, for example, on the Israeli-Palestinian question, where both are members of the Quartet and where the EU has managed to attain some coherence over a long period of time. As long as this remains the case, NATO will be a more promising partner, partly because here Russia has obtained a voice through the NATO-Russia Council (of however questionable efficacy), and partly because it contains the US – not surprisingly a far more credible security actor in Russia's eyes. Nevertheless, given the missions launched in the last year in the Balkans and the Congo, Russia is carefully watching the nascent EU security actor take its first stumbling steps towards what may well turn into something more serious. Keeping a foot in the door is therefore still of a high priority.²⁰

The European Union, on the other hand, has no intention of giving Russia a real say over its security policy. On the contrary, CFSP as well as ESDP are intended to give the Union an independent capacity. The EU wants to involve Russia in order to reassure it and prevent it from seeing the EU as a threat. The motivation for engaging Russia in ESDP is therefore largely a negative one, not one based on potential gains.

As regards practical, issue-based cooperation there are areas which hold potential, yet are deeply problematical. For example, a joint Russo-EU approach to the conflict settlement process in Moldova, currently under OSCE auspices, and the proposals last year for the involvement of EU observers (military or civilian) in this, holds

¹⁸ Anthony, I., Bailes, A. J. K., Kile, S., and Lachowski, Z., 'The Euro-Atlantic System and Global Security', pp. 70-71, in *SIPRI Yearbook 2003* (Oxford University Press: Oxford, 2003); Lynch, D., 'Russia Faces Europe', *Chaillot Paper 60* (ISS-EU: Paris, 2003), pp. 9, 13

¹⁹ Lynch, D., 'Russia's Strategic Partnership with Europe', pp. 106-108, in *The Washington Quarterly* 27 (2004):2, pp. 99-118

²⁰ Dunay P., and Lachowski, Z., 'Euro-Atlantic Institutions and Relationships', p. 32, *SIPRI Yearbook 2004* (Oxford University Press: Oxford, forthcoming 2004), and Lynch, D., 'Russia's Strategic Partnership with Europe', pp. 106-108, in *The Washington Quarterly* 27 (2004):2, pp. 99-118

significant potential for making a real contribution to a settlement. However, Russia's attempt at a back-hand deal between Chisinau and Tiraspol in November, on terms unacceptable to the EU, US and OSCE, showed that it has little interest in EU involvement in this region. Prospects therefore currently look dim, even though the idea is not entirely dead and some commentators remain hopeful.²¹

Arms control also holds some promise. In particular, concern over nuclear, biological and chemical (NBC) weapons proliferation has attained a prominent position with the publication of the EU Security Strategy last December, which claimed this was 'potentially the greatest threat to EU security'.²² The EU has drawn up a strategy and an action plan specifically on non-proliferation²³, and together with the ongoing EU-funded programmes on Cooperative Threat Reduction (CRT) and dismantling of NBC weapons in Russia, this amounts to a priority area for the Union.²⁴ Russia has admittedly been working somewhat sluggishly in this field, arguably because its interest here is less in non-proliferation itself than in managing its global position by playing along with the Western (in particular the US) agenda.²⁵ Even if Russia does not approach the issues on the same basis as the Union, it is the EU that has the necessary funds and expertise and should therefore have some leverage on the terms of cooperation.

Conclusions

In order to energise the EU-Russia relationship, the EU must make some moves towards the kind of political, interest-driven approach that comes more naturally to Russia. The Union cannot simply follow the technocratic reform policy that is embodied in the PCA and the Common Strategy. As long as it does, this will clash with its broader external relations with Russia that are driven essentially by individual member state interest.

The basic approach is not actually wrong: the EU is right to desire a market-oriented, democratic, well-governed Russia. Yet, it should not leave this objective in the vacuous, vaguely patronising formulation of the Common Strategy. The EU should identify the specific issues and the specific gains that follow from this overall goal. The Commission is well aware of the failings of the Common Strategy, and indeed the more detailed thinking evident for example in the Commission's February Communication represents a far more promising approach.²⁶ This should be built on.

²¹ See for example Lynch, D., 'Russia's Strategic Partnership with Europe', pp. 114-117, in *The Washington Quarterly* 27 (2004):2, pp. 99-118

²² *A Secure Europe in a Better World: European Security Strategy*, Brussels, 12 December, 2003, p. 3

²³ *EU Strategy Against Proliferation of Weapons of Mass Destruction*, Brussels, 12 December 2003, ue.eu.int/pressData/en/misc/78340.pdf; *Action Plan for the Implementation of the Basic Principles for an EU Strategy Against Proliferation of Weapons of Mass Destruction*, Council of the European Union document 10354/03, Brussels, 13 June, 2003; see also Anthony, I., 'Main Trends in Arms Control and Non-Proliferation', in *SIPRI Yearbook 2004* (Oxford University Press: Oxford, forthcoming 2004)

²⁴ Haukkala, H., 'What Went Right with the EU's Common Strategy on Russia?', p. 32, in Moshes, A. (ed.), *Rethinking the Respective Strategies of Russia and the European Union* (FIIA, Carnegie Moscow Center: Helsinki, 2003)

²⁵ 'Moscow Ambivalent on WMD Non-Proliferation', Oxford Analytica analysis, September 2003, www.riia.org/pdf/research/rep/RUSSIA_WMD.pdf

²⁶ *Communication from the Commission to the Council and the European Parliament on relations with Russia*, EU Commission document COM(2004) 106, Brussels, 9 February 2004

First, the EU should be very clear on the economic benefits of cooperation. These are a very powerful driver if they are given centre stage. The energy sector is one key area in which both actors have sufficient economic stakes to drive cooperation past their divergent interests. The fact that Russia more generally is of limited economic interest at the moment only means that all the more attention should be given to articulating the real gains to be made from promoting structural reform. Some may argue that this lack of dependence on Russia is desirable – yet without real interdependence the whole relationship is deprived of its key impetus and will most likely remain haphazard.

Secondly, the democratic, human rights and governance aspects of the EU package should not be sidelined. On the contrary, these too are ultimately derived from real, concrete interests. They should therefore be framed in those terms. A Russia characterised by democracy, the rule of law and respect for human rights is a Russia that is more attractive to foreign investment, as suggested by the fall in investor confidence after the Khodorkovsky affair in October.²⁷ It is also a neighbour that is more stable, predictable and less likely to produce, say, physical or political cut-offs in oil and gas supply. It is also less likely to export instability into the neighbourhood: alarm over Chechnya, to take but one example, is not just about genuine humanitarian concerns for the plight of the Chechens, but about the very real danger that such conflicts pose in terms of spill-over into neighbouring countries. Specific governance issues should be identified where need will drive engagement. For example, with problems ranging from nuclear safety to pollution in the Baltic Sea, the lack of a culture of environmental and ecological concern in Russia is an area of urgent interest to the EU.²⁸ Such an area should not just be a heading in the TACIS budget: it should be formulated as a real interest, subject to political dialogue.

Finally, the security dialogue should become less focused on institutional arrangements and more focused on functionality and need. Weapons proliferation is one area where this can be done, and so is cooperation on anti-terrorism and Justice and Home Affairs (after the Madrid attacks this is of even greater urgency to the EU). The obstacles on some of these issues may well be significant, but if cooperation is pursued less as an end in itself and more for the benefits to be had from successful joint resolution of problems, the security relationship will take on concrete shape, and any necessary institutional adjustments will evolve on this basis. There will be an incentive to move beyond mere grand declarations of partnership and the actual prospects and limitations will become clear.

For the European Union, being clear on its interests and adopting a more comprehensive and operationalized strategy means two things. Firstly, it will create a stronger centralising impulse to mobilise the member states around a common EU position. Secondly, by articulating principles as interests, it will be possible for the European Union and Russia to engage each other by speaking the same language. The relationship can in this way move on to a more realistic basis, where both sides understand what the other wants and what limits there are to their cooperation. The EU must take into account Russian resentment of its interference in its internal affairs; and Russia must take into account that the EU has a legitimate interest in those affairs.

²⁷ *The Economist*, 1 November, 2003, p. 30

²⁸ See the European Commission Delegation to Russia's website, http://www.eur.ru/en/p_231.htm

Be it on human rights or CRT, a coherent EU, focused around a clear sense of interest, is also more likely to be able to stand firm in the face of Russia, and discourage the Russian tendency to use bilateral links to undermine the Union's common policy. This is not to make the simple point that the EU must be 'tough' with Russia – it's to make the point that the EU must be a coherent and serious partner, for the benefit of both Russia and the European Union.

The EU and Russia are very different bodies with very different interests. Realism is needed to overcome this fundamental fact and still make progress on the issues of substance that lie between the two.