

Can the EU, Russia and the US Work Together?

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Overview

- World in transition – everyone affected by global economic crisis which will have major foreign policy implications.
- US remains ‘indispensable nation’ but will have to reduce commitments. Keen to press ‘the reset button’ and engage Russia – especially in arms control.
- EU struggling to deal with internal problems (Single Market – Lisbon Treaty) and to assert itself as global actor. Normative power (ICC, Kyoto). Difficulty in finding common voice vis-à-vis Russia.
- Russia back on world stage – as energy superpower – but huge domestic problems. More willing to work with EU and US than before economic crisis.

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The Lopsided Triangle

- EU-US most important political, economic, trade and cultural relationship in the world. But potential problems at G20. EU Presidency describes US policy as a 'descent into hell'
- EU-Russia far more important than US-Russia as 65% Russian trade with EU (cf 5% with US). EU interacts with Russia in many areas, plus highly dependent on Russian energy. Negotiating new comprehensive strategic partnership
- US-Russia limited contacts. Moscow still yearns for superpower era: Poor relations Bush/Putin and Rice/Lavrov

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Russian Priorities and Interests

- Maintain continuity of Kremlin elite under Medvedev-Putin 'dream team'
- Survive current crisis, modernise Russia, diversify economy
- Recognition as great power – rejects US hegemony. Good relations with China/India.
- Influence over neighbours, especially Ukraine, and Central Asia
- Use energy as political weapon

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EU Priorities and Interests

- Tackling financial crisis – recession fears – single market threats - political spillover – rising nationalism – East/West divide
- Lisbon Treaty: ratification (Ireland and others)
- Czech Presidency problems
- Neighbourhood – Turkey, Balkans, N Africa,
- Climate change – Copenhagen
- Energy security (shock of gas crisis)

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US Priorities and Interests

- Dominant global power but losing influence due to Bush foreign policy and financial crisis. Obama team will review all policy areas. Clinton's first visit to Asia revealed pragmatic approach.
- Afghanistan/ Pakistan and Iraq still top priorities ; Iran
- Russia: 'time to press the reset button' Biden. Emphasis on arms control agenda (over heads of Europe).
- China: Strategic partner or rival? Growing economic interdependence – recognised by both sides
- Japan: staunch ally, India: nuclear deal increased US influence
- Central Asia – important for supply routes to Afghanistan
- Europe = not a foreign policy problem

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Different Views of Russia

- Some in US and EU view Russia as quasi fascist state. Kremlin controls society even more than under communism or Czars
- No democracy – no free media – no civil society – no rule of law
- Some economic freedom but you cannot organise against the Kremlin – Yukos!
- FSB as powerful as KGB

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Different views (2)

- Russia cannot be expected to be a Western style democracy after centuries of autocratic rule. Citizens free to travel, use internet, start small businesses – and vote
- Middle class slowly developing
- Russia needed a strong leader after chaos of Yeltsin era

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Economy - good

- Putin rescued Russia from economic collapse
- Until recently, steady 7% + growth rates
- Until recently, rouble strong and \$500bn stabilisation fund – able to withstand credit crunch – or so Kremlin thought
- Many western investors making good profits – but now pulling out

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Economy - bad

- Putin lucky with high oil price but now uncertain future with oil below \$40
- Failure to diversify the economy
- Stockmarket collapsed
- Rouble floating down
- Doubts about banks – and savings
- Capital flight

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Security – Western views

- Russia uncooperative on Kosovo
- Aggressive stance towards Ukraine and Georgia, Poland and Baltic States
- Ready to use force (S Ossetia)
- Leaves CFE treaty
- Lack of support for OSCE
- Views NATO as threat

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Security – Russian views

- NATO enlargement breaks 1991 promise
- Missile defence in PL/CZ threat to Russia
- Kosovo recognition illegal
- US unilateralism/hegemony unacceptable
- CFE treaty did not include Baltic States
- US broke ABM treaty
- US ignores Russia

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Georgia (US/EU Views)

- Russia provoked Georgia into trying to regain sovereignty over its territory
- Russian invasion revealed true nature of Russian state
- No full compliance with Sarkozy-Medvedev six point cease-fire plan
- Recognition of Abkhazia and South Ossetia a step too far

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Georgia (Russia)

- Saakashvili a lunatic sponsored by US neo cons who wanted new cold war
- Irresponsible attack on Tskhinvali citizens and Russian peacekeepers – ‘genocide’
- Russian response designed to protect civilians and ensure Georgia military incapable of repeat action – and warning to NATO
- Recognition = Kosovo

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Role of US/NATO

- Saakashvili thought he could rely on US support – why did he get the signals so wrong?
- What were US motives in pushing NATO membership for Ukraine and Georgia?
- Was the Bucharest NATO decision ('not now but one day') right?
- US shown to be a paper tiger. NATO cancels NATO-Russia Council

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Neighbourhood

- Real problem is common neighbourhood – especially Ukraine – but also Moldova and Caucasus. Baltic states also feel threatened by recent Russian actions. US and EU maintain each state should be able to decide own foreign policy and alliance membership
- EU Eastern Partnership will be promoted by CZ Presidency – but what more can EU offer short of membership? Limited US engagement

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How to deal with Russia?

- EU needs to be more self-confident; we are 500m cf 142m. Our economy 12 x Russia. Military spending 6 x Russia.
- Russia wants access to single market; needs EU help to modernise its economy
- EU largest consumer of Russian energy – need to move to win-win paradigm
- EU-Russia negotiations long and difficult

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Key issues

- Where is Russia heading internally?
- How will it be affected by global crisis?
- How effective is the energy weapon?
- How should the EU respond?
- Reactions of Obama?
- Prospects for all Europe security pact?

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So where do we go now?

- Relations carry on under PCA
- New negotiations will be long and difficult,
- Main problem areas: energy, WTO, security, visas, values
- Can EU speak with one voice?
- Still some who question need for new PCA
- Ratification – could be problematic

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US-Russia

- Reset button pressed – Clinton/Lavrov meeting in Geneva. Obama friendly letter to Medvedev. Commission on US Policy Towards Russia argues for fresh start.
- Arms control will be top priority – and rightly so
- Change in style will also be helpful
- Obama more likely to consult with EU/Russia
- Emphasis on multilateral approach, smart power
- But still remnants of Cold War eg Jackson-Vanik that irritate Russia
- And many key players have no illusions about Russia

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Areas for EU-Russia-US cooperation

- Afghanistan – but what does Russia want?
- Iran – possibility of grand bargain? Russia puts pressure on Teheran – US drops missile defence and NATO enlargement
- Middle East – only US can press Israel
- North Korea – six party talks
- Arms control (Start, CFE, missile defence) and nuclear proliferation
- Narcotics and Terrorism – problems for all
- Energy – divisive issue but also win-win possibilities eg efficiency, know how, technology, investment
- Environment, climate change - Central Asia dialogue on Water?
- OSCE – Medvedev proposal? But US and EU reticent
- WTO membership
- Structure for bureaucratic cooperation

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Conclusion

- Obama will make a difference but still many issues (Afghanistan, Israel, terrorism) where EU and US do not see eye to eye.
- Impact of new team (know EU well) Biden – Clinton – Jones – Steinberg – Burns – Daalder – Rice – Powers – Gordon – Nye - Slaughter (Mitchell – Holbrooke)
- Limited prospects for EU-Russia-US cooperation.
- China will continue to engage with Russia for pragmatic reasons - 'axis of convenience' but US-China relationship key (G2). Who survives global crisis best will be in good position to increase influence on world stage.

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