

**GERMAN-RUSSIAN INTERNATIONAL DIALOGUE**

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# **RUSSIA AND THE EU: DEFINING THE NEW NORMAL**

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## Executive Summary

- Although the EU remains a preferential partner for Russia, it is no longer considered as the main partner. Both sides adapted to the “New Normal” in EU-Russian relations. For its part, Russia focuses on shaping coexistence with the EU.
- The lack of trust and understanding between Russia and NATO holds the potential for escalation. NATO is unlikely to make any significant changes to its Russia policy during the Warsaw Summit. The NATO-Russia Council is not an appropriate forum for *substantial* security policy cooperation.
- There is very little prospect of settling the conflict in Ukraine at present, and it is highly unlikely that a viable alternative to Minsk II will be found in the near future.
- Russia views its military intervention in Syria as a success. However, it does not believe it constitutes a precedent for comparable operations in other countries in the region, such as in Libya.

## The Crisis in the EU and its Significance for EU-Russian Relations

Russian participants explained that Moscow’s approach to the EU was undergoing change. They stated that Russia no longer regarded the EU as the only preferential partner, but as

one among many.

**“RUSSIA’S STANCE TOWARDS THE EU HAS UNDERGONE FUNDAMENTAL CHANGE.”**

Therefore, Moscow was also not overly concerned about the possibility of a Brexit, as it could

adapt to any outcome of the UK referendum. Finally, Russia was no longer interested in developing a shared vision with the EU; at best, it was said to be merely focused on shaping coexistence. These points, it was argued, further demonstrated that Russia was increasingly defining its role within the international system through separation.

German participants maintained that as the EU had been shaken by a variety of external and internal crises, it would have to redefine its goals. Unfortunately, the crises complicated this process as they were making it harder to promote stronger European commitment. This commitment, however, was essential if the EU was to face up to its challenges, the German discussants suggested. A Russian participant explained that there was no consensus among Russian experts as to whether a weaker EU reflected Russian interests. German discussants pointed out that without a peaceful and stable EU, a security vacuum could develop and this would have negative consequences for Russia.

Furthermore, German participants reminded that Russia needed the European

market if it intended to evolve from a resource exporting state to a country that manufactured processed goods. Nevertheless, this point was countered by another German participant who contested that the EU had lost attractiveness as a market due to the European economic crisis. Be this as it may, one Russian discussant explained that the EU still acted as an economic role model, particularly for the Eurasian Economic

**“RUSSIA AND THE EU ADAPTED TO THE ‘NEW NORMAL’ IN THEIR RELATIONSHIP. A COMMON VISION NO LONGER EXISTS.”**

Union (EEU). Therefore, wherever possible, economic cooperation should be expanded, even if sanctions meant that an increase in trade volume was currently unrealistic. Intensified economic cooperation, the participant maintained, had the potential to counteract the general perception in Russia that the country was not benefitting enough from technological exchange, since many people in Russia were said to believe that the EU used technological exchange as a lever to gain political influence. In addition, and this point was emphasized by several Russian participants, there was a widespread fear within Russia that the country could be overrun by economic competition from the EU. In order to avoid the political unrest that could accompany this situation, Moscow aspired to a more gentle form of economic modernization. This approach was challenged by a German participant who argued that increasing levels of protectionism would complicate Russia’s economic catch-up, as similar experiments in numerous other states had clearly demonstrated. Finally, a further German participant expressed concern that Russia’s sense of economic inferiority might be compensated

for through rising levels of nationalism and populism.

## Russia and NATO

A Russian participant described relations between Russia and NATO as characterized by a severe lack of trust and understanding, and maintained that this was often leading both parties to perceive their counterpart’s actions as unpredictable and, consequently, to misinterpret them. Therefore, confidence-building measures were needed to reduce the potential for escalation, because, unlike during the Cold War, the limits to provocations had yet to be defined. A further Russian participant pointed out that Russia fomented insecurity and consciously deployed its escalation dominance so as to project unpredictability and mask its shortfalls in conventional capacity. This was also said to explain the prominence placed by Russia on its nuclear arsenal. However, a German participant emphasized that Russia was no longer merely perceived as “defiant,” but as posing a fundamental threat. Moreover, it was not even clear whether Russia was actually interested in rapprochement. This situation, the participant suggested, questioned the usefulness of confidence-building measures at the present time.

**“EUROPE BELIEVES THAT RUSSIA POSES A FUNDAMENTAL THREAT.”**

A German discussant maintained that NATO should not be expected to adopt significant changes to its position on Russia during the Warsaw Summit. Instead, NATO would continue to provide reassurance to its Central and Eastern European member states

through its strong presence on the Alliance's eastern border, while also maintaining dialogue with Russia. Finally, the participant contended that a normalization of NATO-Russian relations would be impossible as long as Russia disregarded international law. The Russian participants explained that in Russia, it was believed that the outcome of the NATO summit would require a Russian response. Russian hawks were likely to portray the summit as NATO preparing for war with Russia. The Russian military would also probably lobby for upgrades as a means of providing a counterbalance to NATO. This led Russian participants to emphasize the importance of NATO's continued adherence to the principles of the Founding Act on Russian and NATO relations during the Warsaw Summit.

There was consensus that the NATO-Russia Council could only provide a limited contribution towards improved relations and that it was not in a position to promote substantial security policy cooperation. As such, expectation management was needed regarding the Council's effectiveness. Russian participants fundamentally questioned the usefulness of the Council as they remarked that it had been unable to perform its function as a platform for dialogue during the conflicts in Georgia and Ukraine. Moreover, they suspected that NATO – and the United States, in particular –

**“THE NATO-RUSSIAN COUNCIL IS NOT AN APPROPRIATE FORUM FOR SUBSTANTIAL SECURITY POLICY COOPERATION.”**

had primarily established the Council in order to accommodate the Russians, and not as a forum for dialogue. However, alongside the OSCE, the NA-

TORussia Council constituted one of the few still existing forums that could help to at least maintain communication between the two

sides, for example by dealing with less politically sensitive issues such as drug trafficking and terrorism. A German participant added that the Council could also serve as a means of gaining commitments from both parties to forgo provocative military action.

## Cooperation between Russia and Europe in the energy sector

As Russia continues to supply one-third of the EU's energy requirements and because relations in this field have remained stable in the past, a German participant stressed the potential of energy ties as a means to promote further cooperation between Russia and the EU. Energy and trade were even suggested

**“ENERGY AND TRADE COULD FORM THE PILLARS OF A ‘NEW NORMAL’ IN EUROPEAN-RUSSIAN RELATIONS.”**

as fields that could form the pillars of a “New Normal” in European-Russian relations. However, the disruption to Ukraine's and other Eastern European countries' gas supplies were said to have questioned the reliability of energy relations with Russia. Moreover, this sector could only have a stabilizing effect on EU-Russian relations if it were no longer used to exert political pressure. Any other situation involved a risk that the EU would reduce the amount of energy it sourced from Russia. A Russian participant explained that disgruntlement was also rife in Russia, as the EU was said to be uninterested in investing in the country's energy sector and merely pursued its own consumer interests. Furthermore, Russian discussants contended that economic cooperation would have to be expanded to other fields, if trade and energy relations

really were to provide a stable foundation for European-Russian relations. Cooperation with the EEU was put forward as of particularly strong mutual benefit. Nevertheless, a German participant pointed out that intensified trade relations with the EEU would only be viewed as attractive once the organization provided unbureaucratic access for goods and investment.

When Russian participants broached the future of the “Nord Stream 2” project, the German participants were confident that it would indeed be implemented. Still, they pointed out that the geopolitical reservations of some central and eastern European countries would have to be accommodated. The German participants also viewed the desire on the part of Russian energy companies to control the pipeline’s downstream operations as unrealistic given that the EU did not view these companies as independent of the Russian government.

## The Future of Ukraine

German and Russian participants predicted that the political and economic crisis in Ukraine would continue. With regards to eastern Ukraine, there was much to suggest that

**“NEITHER THE EU NOR RUSSIA HAVE DEVELOPED LONG-TERM STRATEGIES FOR UKRAINE.”**

the situation would result in a perpetuation of the status quo and the emergence of a “frozen conflict.” Moreover, stalled reforms, corruption and a political system that seemed incapable of change were said to be hindering Ukraine’s development. A German participant, however, warned that the Ukrainian

people would not accept this scenario. In addition, a Russian participant reminded that neither Russia nor the EU had developed long-term strategies for Ukraine. This point was strengthened by a German discussant who emphasized that the EU indeed regarded the rule of law and stability in Ukraine as important, but had very little influence with which to ensure that this situation actually came about. Moreover, the participant contended that neither membership of the EU nor NATO would solve the problems in Ukraine. At the same time, the EU was said to be less willing to commit itself to stronger engagement in the country, and, even though the EU would welcome modernization in Ukraine, it did not regard the status quo as an undue burden. These points were followed up by a Russian participant who contended that the situation in Ukraine provided Russia with very few opportunities, but that retreat from Ukraine would only be possible if the conflicts in Donbass and the Crimea could be dealt with separately. Moreover, the participant asserted, although Russia had a genuine interest in withdrawing from Donbass, this would only be possible if the country could do so without losing face.

A Russian participant argued that all relevant actors had lost faith in full implementation of Minsk II and, as such, a new process was needed. Even the Ukrainian president was described as lacking the necessary parliamentary support to implement all of the agreement’s requirements. Therefore, regional elections in eastern Ukraine under the supervision of the OSCE were described as

**“THE SITUATION IN EASTERN UKRAINE IS PLACING AN INCREASING BURDEN ON RUSSIA. RUSSIA HAS A GENUINE INTEREST IN WITHDRAWING FROM DONBASS.”**

the only means of achieving progress. In addition, more US involvement was also said to be desirable. A German participant contended that Russia was in a position to promote an end to the fighting in the east and therefore to help bring the agreement forward. Russian participants, however, countered that the country would need incentives to do so; an assertion that was greeted with a lack of understanding on the part of the German participants who questioned why Russia should be provided with any concessions.

The participants noted that both sides could accept a status quo in Ukraine. This situation had come about because the EU was still unready to commit itself more firmly to Ukraine. At the same time, Russia no longer considered the revolution in Ukraine as a threat, and it had retained influence over the east of the country. Moreover, a Russian participant suggested that the Ukrainian government would also benefit from the status quo as it would guarantee continued Western focus on the country. In closing, a Russian discussant argued that a new process aimed at resolving the conflict could only come about if relevant actors were to change their current positions. This was said to be unlikely as the EU could not lift its sanctions without indirectly rewarding Russia; Russia could not withdraw from Ukraine before the Duma elections and the presidential election, and the government in Kiev would not be able to resolve its domestic political crisis. The current situation, therefore, was said to provide very little room for optimism.

## Russia and the EU in the Middle East and North Africa

With regards to Russia's role in the Middle East, a Russian participant described the country's mission in Syria as successful, since it had made a political process aimed at resolving the conflict more likely. However, Russia's intervention in Syria should not be regarded as setting a precedent for the conflict in Libya because Russia believed that the EU and the US were responsible for solving this conflict. Nevertheless, the Russian operation in Syria could potentially serve as a model for future actions and demonstrated that the country had learned from the mistakes it had made during the conflict in Georgia. Other Russian participants argued that Russian withdrawal from Syria had averted the danger of a military confrontation with Turkey and hoped that the low point in Russian-Turkish relations had now passed.

Several German participants criticized the EU's lack of a coherent strategy for the Middle East. The EU, they argued, did not possess the necessary stamina to tackle the multiple crises faced by the region, and, as such, would continue to act in a rather fragmented and reactive manner. The EU was also said to have lost its transformative power in the region. Moreover, some of the political successes that had been gained in the region in countries such as Tunisia were under threat. Consequently, it was essential that the EU undertook a critical analysis of whether it could indeed play a prominent role in the Middle East and North Africa. On the question of the effectiveness of the EU's regional development policy, a German participant

**“THE EU HAS LOST ITS TRANSFORMATIVE POWER IN THE REGION.”**

explained that the success of such measures depended on functioning state structures in recipient countries, and reminded that these only existed to a limited extent in the region. A Russian participant added that Russia perceived itself and the United States as key players in the Middle East, but on no account could the same be said of the EU. A German participant agreed that it was questionable whether the EU could fill the power vacuum that had existed since US withdrawal from the region.

A German participant pointed out that there were fundamental differences between the EU's and Russia's approach to the region. Whereas the EU aimed for sustainable development through political transformation and participation, Russia was said to favor

strengthening existing regimes. A Russian participant confirmed that Russia's primary goal was preventing chaos in the region by supporting existing and stable regimes. This explained Russia's rejection of calls for the immediate resignation of Syrian President Bashar al-Assad. A German participant concluded that there was very little prospect of finding stability in the Middle East at the current time. This point was strengthened by a Russian participant who added that numerous regional actors would continue to be dependent on external guarantors for their security in the near future.

**“RUSSIA SUPPORTS THE EXISTING REGIMES IN THE MIDDLE EAST IN ORDER TO PREVENT CHAOS.”**

## **The German-Russian International Dialogue (GRID)**

As part of the German-Russian International Dialogue (GRID), Russian and German politicians and experts come together twice a year to discuss questions of European security and EU-Russia relations in a confidential atmosphere. The aim is to enable a stable group of participants to continually share their experiences and to develop understandings about the perspectives for EU-Russia relations. Meetings alternate between Moscow and Berlin. The Körber Foundation runs the project together with the Russian International Affairs Council (RIAC).

This summary was written by Körber Foundation and contains a range of arguments that we view as relevant to the current policy debate. It will be sent to the participants of the German-Russian International Dialogue as well as to selected policy makers.

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