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## EU and Russia: From a Partnership to a Rivalry

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### Introduction

At the beginning of the 20<sup>th</sup> century Halford Mackinder was the first to write about a possibility of integrating Europe and Russia in his famous essay “Geographical Pivot of History.” The latter, on his map of natural crossroads of power, constituted the biggest portion of the “Pivot Area”, later dubbed “the Heartland”, while the former constituted the western part of the “Inner or Marginal Crescent.”

Mackinder perceived that an alliance of Europe, as homeland of progress, and Russia, which throughout history influenced Europe by the vastness of its territory, could form the biggest center of power that would span between two oceans and dominate the world.

A version of this continental connection was presented some 20 years later by Karl Haushofer who in the alliance of Germany, the Soviet Union and Japan saw a geopolitical

force which could crush the domination of the Anglo-Saxon civilization. The next to grasp to the ideal of “Greater Europe” in the fifties was Charles de Gaulle who made a statement about a “Europe from the Atlantic to the Urals.” With the political rapprochement of France and West Germany with the Warsaw Pact led by the USSR he wanted to distance the two for NATO and the dominance of the United States. In the late eighties it was Mikhail Gorbachev who spoke about The “Common European Home” as an ultimate goal of the process of integration, be it in the west as well as in the east of the old continent, in order to end their military and political confrontation through integration. Notwithstanding, with his appeasing foreign policy and wrong steps he achieved the opposite. With the disappearance of ideological chains between Russia and the West the idea of “Greater Europe” also ceased to exist. Moscow embarked on the process of democratization, and with it of rapprochement with the US and the EU, and in 1994 the EU–Russia partnership and cooperation agreement was signed. Four years later Boris Yeltsin hosted an informal summit with Helmut Kohl and Jacques Chirac, which resulted in creation of Paris-Berlin-Moscow axis. This axis lasted for just a few minutes as during the press conference the Russian president stated that Russia cannot become a member of the EU and NATO. Pale facial expressions of his guest indicated clearly their thoughts on this statement. Europe did

not take seriously the wakened successor of the USSR.

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The situation changed dramatically when Vladimir Putin took power. Putin soon started to resolve the most important internal problems in the country from the previous decade, including the Chechen War, high inflation and enormous internal and external debt, and he led Russia on the path of economic growth. In spite of Putin’s orientation toward Eurasian integration, his results have inspired Romano Prodi, and as early as in 2001 Prodi proposed to Russia the creation of a common European economic space. However, the EU did nothing to create the foundation for the implementation of this idea, including signing the bilateral agreement on free trade. In the meantime Putin came out with a better term – Europe from Lisbon to Vladivostok – which was soon adopted, maybe even because it geographically it also implied Greater Europe.

But with the Georgian intervention against rebel autonomous republics of North Ossetia and Abkhazia and the counter-offensive of the Russian military in August of 2008, the

relations between Brussels and Moscow started to freeze gradually. The final blow to this relations was placed by the Ukrainian crisis, not so much by its eruption, but more by the mutual introduction of sanctions in the summer of 2014. Ever since the political relations between Russia and the EU are as good as a dead letter, and sustainability of the economic ties with Moscow was placed into hand of individual member states, even though they are to a large extent influenced by the political decisions not just of the EU, but of the US as well. Today, there are more than a hundred companies and business associations taking part in different economic initiatives. Perhaps, these business initiatives are the recipe for rekindling of political ties between the EU and Russia, the two being perceived in Europe as rivals, and by Vladimir Putin as partners, in an attempt to reintroduce rationality and common sense in their relations. This is a bottom up approach, leading from the citizens and business circles, leading from their interest up to the level of the political elite.

### **From brothers to avengers**

It has been thirty years since the Berlin Wall has fallen, and soon after it the Warsaw Pact was dissolved and communism faded away from Europe. The iron curtain was replaced over night by cordial, friendly relations, and hostility was replaced by Gorbachev's thesis, later

adopted by president Yeltsin, of the creation of a new world in which all countries were equal, a world with no blocks and ideological conflicts. It was the EU, which jumped in to help Russia at the begging of its independence, when Russia was faced with food shortages. Humanitarian help with a blue label with 12 golden stars in circle are still remembered by many Russians.

Russians in return responded with deep gratitude and confidence. The Russians opened up their borders, markets, industry and natural resources to the Westerners. The US even named the oil field on the Caspian Sea in Azerbaijan, not far from the Russian border, territory of its national interest. In the proximity of the Russian border, the US has opened up military basis, facilities and institutes.

*With the enlargement of NATO on former Soviet allies in Eastern Europe and to the Baltic states many Russians saw the this expansion as a threat.*

Pressed by immense problems, societal and economic crisis and interethnic conflicts in the Caucasus, the Kremlin was not aware of NATO's plans to enlarge to the borders of Russia. But with the enlargement of NATO on former Soviet allies in Eastern Europe and to the Baltic states once pertaining to the USSR, the second superpower in the bipolar world, many

Russians saw the this expansion as a threat to Russia's national security. Furthermore, the spread of the European values included the countries in Eastern Europe, in order to integrate them better in the European club and to accept Russia as their strategic partner. But some new Europeans, instead of turning to the future, turned into correcting and questioning of the past, and even taking revenge. Brussels was not aware of this momentum and by the end of the first Putin's term it was becoming visible, only to be clear after the Saakashvili's adventure in summer of 2008, that the coherent, friendly and benevolent EU policy toward Russia was dissolved. Soon a league of EU countries opposed to Russia started to be formed, with the Baltic States joining in first, and then followed by Poland and Romania, and recently, assisted by allies outside the EU, Bulgaria and the Czech Republic joined too.

### **US launches sanctions war, EU counts losses**

The turning point that led to the current situation in relations between the EU and Russia has occurred in 2014, firstly with the toppling of the Ukrainian president Janukovich, in spite of guarantee made by foreign ministers of France and Germany that he would remain in power; then with Russian annexation of Crimea, and with shooting down of the Malaysia Airlines Flight 17 with 298 passengers and

crew over Donbas. EU member states joined the US decision and introduced economic sanctions to Moscow, and Moscow retaliated. Within 48 hours more than 152 billion USD dollars fled from Russia and that event marked the begging of hard times for its economy. Coordinated action of the US and Saudi Arabia of decreasing the oil prices was aiming to deteriorate the state of Russian economy even more. The following year American president Barack Obama stated that the Russian economy crumbled. But soon after Obama stepped out from power, replaced by Donald Trump, who was replaced after one term in office by Joe Biden, Russian economy has not collapsed, to the contrary it was soaring continually since the second half of 2015 until the outbreak of the COVID-19 pandemic.

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However, it was the EU that suffered almost the threefold damage compared to the damaged suffered by the country to which the sanctions were introduced to, while the US suffered no damage. Europe lost almost one trillion US dollars due to the introduction of sanctions and it also lost the big Russian market. In 2014 Russia was deprived over night of European meat, fruit, vegetables, Italian and French cheese, Spanish jamón, etc. However, in a short

span of time Russia started importing beef from Argentina and Brazil, pork from China, fruit and vegetables from Turkey, Israel, Egypt and countries from Central and Southeast Asia, etc. President of the ruling party “United Russia” and prime minister until a year ago Dmitry Medvedev stated in a number of occasions that even when the sanction would be lifted, Russia would keep its new suppliers, even if countries in the West would offer it lower prices.

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Even worse for the West, with the introductions of the sanctions war Vladimir Putin ordered a program of replacing the imported products with those produced domestically. In this case it was again the EU that suffered the biggest loss, unlike Russia which today produces its own mozzarella and blue cheese - French cheese producers accepted the tempting Russian offers and now they produce blue cheese for Russia and transfer their know-how, and Russians even produce high quality wine. Russia also produces 95% of all raw material need for the work of its industries. As of 2016 Russia is also the biggest exporter of wheat in the world, earning just during the last year 27 billion US dollars on it, 2 billion more than on gas exports and twice more than on arm exports. Russia

dramatically decreased its budget dependency on income from energy export, revenues from it make up one third of the budget, meaning that the Russian economy has become more diversified. The growth of Russian economy is more and more based on domestic science and technologies, with a good example of development of vaccine for coronavirus in less than a year. After the sanctions were introduced, the Russians lost confidence in Europeans, and support for introduction of European values in Russia is now perceived as a tool against their country. Considering this, the period from the nineties and the first decade of the 21st century, when Russia imported basically everything from the West, primarily from the EU, is bound never to return.

### **Pushing Russia into China’s embrace**

Trade flow value between Russian and the EU has almost halved, plummeting from 417 billion US dollars in 2013 to just 219 billion in 2020, and now European share in Russian foreign trade is less than one third. EU’s place as trading partner was taken over by China, which after the outbreak of sanctions war saved Russia, mostly by giving loans to Russia whose access to western creditors was blocked. Accordingly, the relations between Russia and China have been upgraded to the level of strategic partnership. This partnership is not under threat, in spite of some claims that this

partnership is a marriage of convenience and without long-term perspective.

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Furthermore, the sanctions policy, primarily of the US toward China, but also of the American allies toward Russia, only solidifies this marriage further expanding it from the sphere of economy to other spheres, including politics. During the recent meeting of the ministers Wang Yi and Sergey Lavrov a Joint Statement was adopted, claiming that there is no single standard for the democratic model, and that meddling in interior affairs of sovereign states is not allowed.

Moscow will not just call upon dialogue and stand idle when being accused or faced with ultimatums or punishment, as it demonstrated recently with fierce reactions after its diplomats were expelled from the EU, Poland and the Czech Republic.

**Ukrainian hysteria and its consequences**

The reason behind the newest friction between the EU and Russia is again the situation in

Ukraine. From the beginning of April European media reports with titles and theses that the Russian invasion on this country is imminent. Even though it is only a case of a new military exercise for the army recruits after their 6-month training course that the armed forces of Russia conduct in every April and October, it is hard to assess its intention. Some analyst in the West claim that this is Russia's way to turn focus from the Navalny case, other claim that it benefits the Ukrainian president Volodymyr Zelensky after the election debacle last year. This media campaign started even before Russia's military exercise in the Arctic in late March, even though this military exercises are primarily conducted in the west of the country. In October last year, after his party "Servant of the People" suffered a setback in local elections, Zelensky made a U-turn in his approach toward peace process in the east of the country and in his policy toward the rebel regions.

*Zelensky also put pressure on the "Opposition platform - For Life", which in fact is a movement of Ukrainian Russians.*

Zelensky turned within six months from a dove of peace, as he was portraying himself in the presidential election campaign in 2019 winning confidently 73% of the votes, into a

war hawk, being currently supported by only 12% Ukrainians. Centrist voters and Russian speaking citizens, with Zelensky himself being one of them, turned their back on him, and the only support he can now count on are the radicals from the west of the country, with whom he has been flirting from the beginning of his term. His rhetoric against the Minsk agreement that regulate the conflict in the east of Ukraine is even more resolute than before, he banned the use of Russian language in public space – even though Zelensky had heavily criticized two years ago president Poroshenko because of these intentions, vowing never to implement this – and introduced sanctions against his countrymen, including seizing their property. Zelensky also put pressure on the currently quite popular “Opposition platform - For Life”, which in fact is a movement of Ukrainian Russians, a he also banned three opposition pro-Russian channels, naming them collaborators of occupation forces and terrorists. Despite the fact that this is a case of human rights and media freedoms violations, ambassadors of the EU supported these measures on their Twitter profiles. Charles Michel, president of the European Council, visited Kyiv in early March repeating Zelensky’s thesis that Russia is not a broker in the Ukrainian conflict, but rather its participant. From the begging of this year Ukraine is amassing its armed forces in

the east, both official and paramilitary, that enter the demilitarized zone. In fights during the past few months, six civilians and some 20 fighters were killed on the side of pro-Russian rebels, with a similar death toll on the side of the Ukrainian military.

Zelensky needs strong arguments for more significant American help and support than the one he had during the Trump presidency and to get the US involved in the peace process, for the purpose of which he launched the ‘Crimean Platform.’ By launching this platform Zelensky connected the resolution of the conflict to the return of Crimea to Ukraine, something that Russia will never concede to, just like allowing American participation in the peace negotiations. On the other side Kyiv would never accept any peace negotiations with the rebels, no matter whether they be the Minsk agreements, its own version of peaceful reintegration of the Danube region in Croatia or the “Crimean Platform.” Russia’s reason for being a signatory of the Minsk agreement is because it wants to represent the breakaway Donetsk and Luhansk People’s Republics.

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Zelensky would be content, if he could, supported by the Baltic states and Poland, and primarily with the help and measures introduced by the US, some of which are breaching the rules of international law, grind the completion of the Nord Stream 2 project to a halt. This is due to the fact that Ukraine, through the transport of Russian gas to Europe over its territory, earns around 3 billion US dollars annually, an amount representing one fifth of its revenues. The share of Russian gas on the gas market of the EU comprises one third, and the use of both pipeline of Nord Stream 2, which is planned before the next heating season, in spite of their combined capacity of 110 billion cubic meters, will not fully satisfy the European demand.

### **How to proceed?**

Nord Stream 2 project could be another stumbling stone in relations between the EU and Russia. Russia is developing this project together with the biggest power of the EU, Germany. Nevertheless, together with Russian energy giant Gazprom and three big energy companies from Germany, companies from France and the Netherlands are also involved. German chancellor Angela Merkel has been supporting this project from the beginning, and is keen to finalize it, stating that it will contribute to better energy supply of both Germany and

the whole of the EU. On the other side the opponents of the project include primarily Poland and the Baltic states who claim that NS2 project will only make the Russian presence and EU's dependence on Russian gas stronger, while weakening the importance of Ukraine as energy transport country. Poland and the three Baltic states are supported by the US, both Trump and Biden administrations, claiming that the project is not in EU's interest, while advocating for bigger supply of Europe with more expansive American shale gas. Since NS2 project is near finalization, it is yet to be seen how first cubic meters of gas running through it will affect EU's cohesion. Russian vaccine Sputnik V also stirred discord in the EU, as it was imported by Hungary before approval of the European Medicines Agency. However, with the delay of delivery of vaccines produced by Western pharmaceutical companies in the EU, it seems that the EU will be more open to import Sputnik V. Maybe this is the recipe for the turning point in relations between EU and Russia, in order that this relations reintroduce common reason and rationality, for the benefit of both sides.

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