



The EU and Russia: A New Foreign Policy for the “Carcass”?

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Without any irony: the decision of High Representative (HR) Borrell to go to Moscow in early February was courageous and correct. The discussion on EU-Russia relations at the Foreign Affairs Council (FAC) of 22 February and the conclusions of that meeting were a success. But that does not mean that the EU should not drastically improve its foreign policy game.

On the visit: The relations between the EU and Russia were not brilliant even before 2014 but came to a complete standstill after the annexation of Crimea and the Russian interference in Eastern Ukraine. It was laudable of HR Borrell to attempt to explore possibilities for gradually thawing the frozen relationship in a face-to-face meeting with Russian Foreign Minister Lavrov. He did not merit the undiplomatic reception he received.

On the FAC: EU Member States are dramatically divided on Russia, and it was Lavrov’s intention to deepen the split further. He did not succeed: the Council unanimously condemned the Russian attitude and the way the Navalny affair has been

handled, and agreed on additional sanctions. However weak these measures may seem, the fact that they were adopted unanimously proves that within the EU there still is a willingness to develop a common foreign policy. Even on what is perhaps its most difficult relationship.

However, let us not overdo the self-congratulation. The events of 5 February are important, not so much because of the rude way in which Lavrov slammed the door in Borrell’s face, but more because (once more) Russia put the finger on one of the constituent weaknesses of the EU: its foreign policy. Russian diplomacy knows the EU construction very well – in particular the ambiguities in the distribution of competences between the Union and its Member States.

It is in itself a small miracle that the common position on Russia decided in 2014, under the emotional pressure of the MH-17 disaster, and the Five Guiding Principles of March 2016 have been reiterated without much discussion every 6 months since then, and have been accompanied by a progressively stricter sanctions regime. The divergences between Member States have

however rendered any substantive discussion on Russia impossible. Perhaps the sanctions can be prolonged so easily, though, because they do not really “bite”, nor do they hinder Member States in the further development of economic relations with Russia.

Where do we stand with the Common Foreign and Security Policy (CFSP), taking into account the discussions during the last FAC? One can either take pride in what has been accomplished since 1993, or one can deplore how little we have achieved. Perhaps the discussion needs to be pushed to a different level: is a common foreign policy *überhaupt* possible in the present EU configuration, and what does the development of an effective CFSP require?

EU INTEGRATION AND FOREIGN POLICY

To understand the shortcomings of CFSP, it is useful to compare it with economic integration in the EEC/EU since the 1950s.

CFSP was born 1993 and fast developed its own institutional dynamics, formalised in the successive Treaties: creation of the High Representative, the Common Security and Defence Policy (CSDP), and the diplomatic service (EEAS). The institutional development is remarkable. The problem is that substantive foreign policy positions and actions did not follow the institutional development. Creating institutions and mechanisms is not enough to generate a common foreign policy. Something else is needed.

The intentions behind the CFSP were laudable and reflected the lessons of the early 1950s. With the failure of the Defence Community and the Political Community, the founding fathers had understood that Member States were not ripe for political integration. They decided to proceed with economic integration, counting on

the economic “approximation” of the Member States to lead to political integration. Institutionally, this is what happened. In the early 1990s the time seemed ripe, but the political leaders underestimated (or misunderstood) the difference between the mechanisms of economic and political integration.

European integration was launched as a political project (“ever closer Europe”), but with an economic starting point: the Common Market. The Customs Union is not based on political idealism but on down-to-earth economic interests. The negotiating economists and officials understood very well that the process of economic integration is a balancing act between gains and losses: by opening borders a country will lose its less competitive industries, but its efficient industries will gain an expanded market. As long as the gains outweigh the losses, the integration process proceeds; it is a positive-sum-game. The driving force behind integration is not an idealistic common good, but well-understood self-interest. The outcome of the balancing of gains and losses is consolidated in a binding legal basis that allows the integration process to proceed. Whenever problems arise, an additional legal base is created, reinforcing the common legal framework of the economic Union. This strong internal legal base and the common interest in the existing arrangements together create a firm basis for the external representation of the EU, whenever an international negotiation takes place on an issue covered by the internal market. Occasionally, conflicts of interests between Member States may arise, but the principle is clear (art 3.2 of the Treaty on the Functioning of the EU).

The situation is quite different for CFSP/CSDP. Whereas in economic integration, the institutions developed as and when substantive

economic integration required it, in CFSP the institutions were created in the hope that the integration of foreign policy would follow. The legal base of CFSP is weak, and countries continue to pursue their national interests. The give-and-take and the balancing of gains and losses that in economic integration leads to constructive compromises, is much more difficult to realise in foreign policy. Decision-making requires unanimity and Member States have not yet recognised that there is a common EU interest, and how it can be realised as a result of the positive-sum game. It is an illusion to believe that at this stage Qualified Majority Voting would improve the situation. It would only lead to more severe conflicts with Member States that feel side-lined by the decisions taken.

NATIONAL VS EUROPEAN PRIORITIES

The political interests of the Member States and their diplomatic relations are determined by economic, geographic, historical, religious, cultural and other factors. Member States have different priorities, and the balancing between economic interests and values is different in each country. This is obvious when looking at their security priorities: many Central European countries that spent decades under Soviet rule see Russia as the reincarnation of the “evil empire”. Not so the Southern European countries: they consider the trans-Mediterranean migration flows as the main security risk – unlike, in turn, the more Northern Member States. France is worried by the surge in fundamentalist Islam in the Sahel; many other Member States could not care less. The Treaty does not provide a compulsory framework for defining a single policy. As a result, every country continues to pursue its own objectives and priorities.

For international *economic* relations, the EU is important as it provides the framework for

Member States’ trade, investment, etc. This common framework (the Common External Tariff, the Common Trade Policy) is, just like the Common Market, the result of balancing gains and losses. The common framework negotiated with any partner country (or organisation) is in the first place a common denominator of the interests of the Member States. For every Member State this implies a “give and take”: you lose something as the opening of trade competes with your national products, but lower barriers to trade for other sectors allows your industry to expand. It is again the positive-sum game approach that allow trade negotiators to conclude trade agreements.

But what happens if there is no clear balance between gains and losses, like in foreign policy?

A country’s national policy reflects its interests in relations with the rest of the world, modulated to some extent by its values. Consolidating this policy in a supranational context is only interesting if supranational decision-making coincides with the national interest. In that case the country’s policy priorities and interests are re-enforced as a greater group of countries will support it.

But why would a country give up its own policy priorities and dilute its “interests” if it gets nothing in return? Foreign policy coordination is to a large extent a zero-sum game. Germany focuses on its short-term interests, and feels it would not gain anything by aligning itself with a joint EU position and limit its economic relations with Russia. The prospect of a boost in economic relations after an eventual normalisation of EU-Russia relations is perceived as far too hypothetical. The Baltic States are of the opinion that they would gain nothing by aligning themselves with a more open economic cooperation with Russia. In this

situation, a common EU position can only be a compromise and will result in an ambivalent text with wording that papers over the conflicting ambitions of the Member States. Thus no effective EU policy can emerge. Exceptional moments do exist, when emotions run high and pressure mounts to show the coherence of the Union, but these are rare.

Harmonization of foreign relations over a broad range of topics, allowing Member States to compute losses and gains over many dossiers so as to enable a positive-sum game, is extremely complex and has not been tried. Imagine the following question: what foreign policy gain would convince the Baltic States to agree with a more positive approach to Russia?

The result: on all issues the EU can only adopt the lowest common denominator position. As Lavrov once told me: “The EU moves at the speed of the slowest camel”.

ADDITIONAL WEAKNESSES

Simplifying matters, let us assume that a country’s foreign policy aims at promoting its interests while taking into account to some degree its fundamental values.

In the EU, there is a convenient division of labour. For EU diplomacy, the emphasis is on values: democracy, respect for human rights, sustainable development, etc. The interests (trade, investment, other forms of economic and scientific cooperation, etc.) are the realm of the Member States. This does not mean that Member States ignore the value aspect, but the balance between values and interests is obviously biased in favour of the economic interests. Keeping the dialogue going in a situation of conflict is a valid point, but the question is how far this argument can be

stretched. Partner countries know this and skilfully play self-interested Member States off against a too activist EU. The recent debacle of Borrell’s visit to Moscow is a prime example: Borrell could not but raise the problems around the Navalny affair. Lavrov, knowing that some Member States did not consider this a breaking point for important economic projects, dismissed the issue and indulged in trying to further split the EU. This intra-EU divide allows Russia to continue to develop its relations with Russia-friendly Member States. In view of this interest-values split, no fully-fledged EU foreign policy can be formulated.

Apart from development cooperation with certain groups of developing countries, and financial and technical cooperation with Neighbouring Countries and Candidate Countries, the EU is only marginally active in concrete economic cooperation activities. The main role of the EU institutions is to negotiate and conclude the framework for the economic cooperation activities of the Member States: trade, investment, visa arrangement (Schengen), etc. Once the negotiation is finished and the framework exists, the EU becomes to some extent irrelevant, because the reality of relations (i.e. their implementation in the form of investment or trade decisions) resides with the Member States. Lavrov called the EU a “carcass”. His spokesperson later said the translation was wrong: in fact, the Minister meant to say “framework”. But this is exactly the point: the EU is nothing but a framework.

This brings us back to where we started. What Lavrov’s intervention made very clear is that for Russia, the Union is an obstacle to good relations with the Member States. The Union focusses exclusively on values: shortcomings of democracy and human rights in Russia, epitomised at this moment by Navalny and the

protest movement. The EU can only offer criticism and insist that respect for human rights is a condition for the relaunching of relations.

Member states focus in the first place on ongoing or potential economic relations. They do insist on values, but that is a non-binding criticism that does not stop them from proceeding with mutually beneficial economic projects. Moreover, as already indicated, the EU has nothing to offer at this stage. The EU has made itself irrelevant since 2014: what the EU does, is negotiating cooperation frameworks; by suspending these negotiations, hardly anything is left for the Union to do with Russia. Therefore, no harm is done by removing the “carcass”. The EU is an inconvenient impediment as the slow-moving (or immobile) “camels” only hinder the movement of the “camels” that want to proceed with fruitful cooperation.

A WAY FORWARD?

The only way forward is for the Union to define a CFSP that is solidly based on shared values and common interests. At present, however, there is some slippage on the side of the common values, while interests are far from common and probably diverging. This does not necessarily mean that there is no scope for advancing CFSP. Indeed, the unanimous decisions of the 22 February FAC show that Member States can still reach a common position in the face of an external insult, not to say threat. Ironically, Russia might have saved CFSP, in the same way as the threat of the Soviet Union contributed to the European integration process in the 1950s. The security and defence issues between Russia and the EU may well be the starting point of a new approach.

Capitalising on this (modest) positive signal, a constructive way forward could be mapped out,

based on the previously identified obstacles and ambiguities that hinder the development of a genuinely European CFSP.

First, it is necessary to find ways and means to break the zero-sum logic that freezes the positions of Member States. All the respective threats perceived by various groups of Member States are real and deserve attention. The November 2020 common threat analysis undertaken in the context of the drafting of a “Strategic Compass”, combining information from the Intelligence Services of the Member States, is a crucial first step. This exercise should not stop there. Member States should be encouraged to actively support each other in coping with their respective security threats. This could be the beginning of a positive sum game dynamic, in which Member States understand that security threats should not be handled piecemeal but as a whole. Moreover, by giving up an exclusive focus on their own security problem they can receive substantive support from other Member States. Rather than look for protection under the NATO umbrella, increasingly Member States should look for collaboration and protection in the CSDP context. CSDP could be an important element in realising the “positive-sum game” of CFSP (strategic autonomy). Admittedly this is easier said than done, but competent diplomats and security specialists can certainly identify complementary diplomatic, military and other actions that Member States could undertake, and thus, taking a leave out of the book of trade negotiations, gradually construct a give-and-take approach and balance gains and losses.

Second, the dichotomy must be ended between the EU taking care of values and Member States taking care of their interests. The way out is to set up a mechanism for screening major outward investments from Member States’ companies in

the same manner as inward investment is screened. The EU Foreign Investment Screening Mechanism became operational in October 2020. A screening mechanism for inward investment ensures the integrity of the internal market. A screening mechanism for outward investment could also ensure the integrity of the internal market and its coherence with the political and the economic interests of the EU. The experience of setting up the inward Foreign Investment Screening Mechanism can inspire the setting up of an outward counterpart. The introduction of such a mechanism would also resolve the limitations in the role of the EU institutions, which would no longer be restricted to a negotiating role but would actively monitor the application, not only of trade agreements but also of the fundamental values of the Union.

The stronger the pressure and perceived aggressiveness from Russia (and from China), the greater the chance that a genuine CFSP will successfully emerge.

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