

**THE ELEPHANT**  
**AND**  
**THE BEAR**

**CENTRE FOR EUROPEAN POLICY STUDIES**  
**BRUSSELS**

# **THE ELEPHANT AND THE BEAR**

**THE EUROPEAN UNION, RUSSIA  
AND THEIR NEAR ABROADS**

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**WITH**

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This book is based on an address by Michael Emerson to the Annual Assembly of the Israeli Association for the Study of European Integration in Jerusalem, 15 March 2001. It was subsequently revised and expanded through into the autumn of 2001, and in the course of this became a team endeavour involving several members of the “Wider Europe” programme at CEPS. These colleagues and their areas of specialisation are: Nathalie Tocci, Caucasus and Mediterranean, Marius Vahl, Russia and the Northern Dimension, and Nicholas Whyte, South East Europe.

The Wider Europe programme seeks to develop a general view of the concepts and policies required of the enlarging European Union in relation to its neighbours in the rest of Europe. In practice so far the EU’s policies towards its neighbours have proceeded in two categories. The first consists of the accession candidate states, which are subject to pre-accession strategies. Conceptually this process has the merit of clarity. The EU has a mass of legislation that the candidates have to put on their statute books and become able to implement (the *acquis*). In addition, there are some qualitative tests concerning the character of their democratic practices (altogether these are summarised in the “Copenhagen criteria”). The candidates face tough requests from the EU, but they also receive large-scale economic assistance. Functionally this process is seen to be extremely powerful, since it is instrumental in transforming not only the economic and political systems of former communist states in a technical sense, but it also connects with the sense of historical destiny of these societies, which are “re-joining Europe”.

The second category of states of the Wider Europe consists of weaker states that need the anchor of robust West European structures, if anything, more and not less than the accession candidates. Yet here there is no clear and powerful mechanism at work, in spite of the political speeches about a new Europe whole and free, with no more Berlin walls. At best it is vaguely hoped that the processes of post-communist transition should be working in parallel, only somewhat slower, compared to the more advanced accession candidates. But there is a less sanguine reality to be observed. It is not a linear process. At some point the distance (qualitative as much as geographical) from core Europe is so great that the more distant societies do not perceive, or indeed have, the same incentives to effectively achieve this profound transformation. In the worst cases, there is outright failure of the post-communist transition by societies that perceive exclusion, and make it an even deeper self-

exclusion, as the gangrenous growth of criminality and corrupt governance combines with vicious, primitive nationalism and ethnic conflict. The misfortune is that the needs of these states are at odds with the EU enlargement process, which privileges the states that are closest to achieving EU norms. One cannot criticise the EU for setting high standards for full membership, because it has fundamental values to defend, and institutional arrangements that could be made ungovernable by excessively fast enlargement. It is hardly a good idea, to say the least, to expand the EU in order to destroy it, remembering that this has actually been the fate of many empires (even if the EU does not think of itself as an empire, it exhibits some such properties).

Therefore the main purpose of the book is to try to find ways of overcoming this unresolved dilemma of post-communist Europe. An extensive conceptual apparatus is offered, with sketches of how a more inclusive Wider Europe strategy might be formulated by the EU. This has to cover all the rather unruly parts of the EU's neighbourhood, through to and including the enormous Russia.

As preparation of this text approached its end, the world was suddenly hit by its first post-modern war, the terrorist attack on the United States on 11 September 2001. The main arguments are in fact reinforced by this epoch-making, tragic event. This is because of the impossibility that any "fortress Europe" structure – whether deliberately intended, or as a underlying political process subject to only token checks – can succeed in achieving the stability of the Wider Europe. And without this wider stability, core Europe cannot be secure.

In one crucial respect, however, September 11<sup>th</sup> falls into place as the missing piece of the puzzle. The first post-communist decade was all about the attempted convergence of the new democracies on the norms of the EU and the West, given the absence of any fundamental enemies anywhere on the landscape. This convergence process was found to be weak at its outer edges, even collapsing into outright failure in places. The new epoch, post-11 September, sees a Europe that includes Russia united with the US against a new common enemy. Even if America was the target, the implications for the Wider Europe are fundamental. This new epoch sees reconstruction of the political-moral foundations of a common European cause, which is a more dynamic and relevant concept than the static and prematurely comfortable notion of the common European home.

Michael Emerson  
Brussels, 12 October 2001

CHAPTER 1  
INTRODUCTION

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The image of the Russian bear has been long established in the European mind, as 19th century newspaper cartoons remind us. The 20th century experience of the Soviet Union sustained the idea of a huge, threatening and wild presence in the north.

On the other hand a corresponding image of contemporary Western Europe hardly exists, beyond the old collection of lions, cocks and eagles, which represented the 19th century great powers. For the new Europe the elephant might now to be promoted into this noble role, representing the European Union (EU) in particular. The image can be plausibly explained. It is even bigger than the bear, but is readily domesticated and has a placid character. It moves slowly but with great weight. It sometimes unintentionally tramples on smaller objects.

This animal imagery may help focus on the biggest uncertainty on the European landscape at the beginning of the 21st century: the cohabitation of the European elephant and the Russian bear.

More precisely, the objective here is to set out the concepts, paradigms and to some extent the ideologies that are at play in the evolution of the *Wider Europe*. This subject deserves prime attention alongside the EU's debate, officially launched at the Nice summit of December 2000, about the *Future of Europe*. The EU has in its own possessive way given this all-embracing name to the debate about the future of just the EU, which is indeed suggestive of the present EU mind-set.

Discussion of these concepts is not just a theoretical exercise. There are huge divergences in the ways of thinking about the rules of the game on the large European playing field as between the EU and Russia. And these divergent ideas drive real political strategies.

At the level of international relations theory, the primary divide is between those of *realist* and *idealist* persuasions (Chapter 2). This divide is seen in practice, with Russia obviously more in the former category and the EU in the latter, with the US oscillating somewhere in between depending on the president in office. This divide is also found in the distinction between the *modern* and *post-modern state*, with Russia and the US in the former category and the EU more in the latter. It is seen

again in the EU's preference for *milieu goals*, versus Russia's preference for *possession goals*, in relation to their respective *near abroads*.

The ideological cleavages are accompanied by huge structural asymmetries between the EU and Russia. Their respective strengths and weaknesses are complete opposites. The EU, already 376 million people, will reach 585 million with its 13 applicants for accession, compared to Russia of 145 million, or the Commonwealth of Independent States (CIS) of 280 million. This difference becomes multiplied in the size of the economies, with the present EU economy around 20 times larger than that of Russia. Similarly, the quality of legal order, civil society and political reputation is hugely different.

Russia's nuclear ballistic missile arsenal, however, is about ten times that of France and the UK combined. This nuclear weaponry may be largely irrelevant and therefore useless in the context of any foreseeable European scenario, except that it appears to continue to exercise some psychological influence on foreign policy-makers. In particular, it sustains Russia's self-image and ambitions as a great power. More usefully, Russia is a huge energy exporter, whereas the EU is the importer; at least this seems to be a stable equilibrium of mutual dependence.

The EU has not yet become a full actor in international relations at a level commensurate with its economic and political strengths. It lacks strategic agility, or *actorness*, in the sense of the ability to project its underlying strengths swiftly and effectively. Its diplomacy is limited by a still embryonic military back-up, and a high degree of intergovernmentalism and sluggish committee processes in foreign policy-making.<sup>1</sup> Russia on the other hand has the qualities of actorness – as a permanent UN Security Council member, with an ability to order rapid deployment of its troops (for example, the dash to the Pristina airport in 1999) – and demonstrates a will to play its energy, military and political cards together, at least in its near abroad.

These discrepancies – between the EU's economic and political strengths on the one hand and its limited actorness in foreign policy on the other – are likely to diminish over time. Fundamentals will prevail in the end. The EU will gradually learn to project its strengths in international relations, and Russia's ambitions will move into line with its diminished strengths.

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<sup>1</sup> As an illustration of the huge task of endowing the EU's external policies with the quality of 'actorness', see European Council [2001].

In evaluating actual trends in the evolving map of Europe, two opposing paradigms may be contrasted, the *common European home* versus a *Europe of two empires* (Chapter 3). At one stage after the fall of the Berlin Wall, the idea of the common European home attracted a lot of support in political speeches, with many international organisations willing to act as the implementing agencies. However it has become apparent at the level of actual political trends that the Europe of two empires has more energy in it, even if the EU shows itself to be a reluctant empire.

Ideological cleavages have also emerged in *Borderland Europe*, meaning the territories that lie between the enlarging EU and Russia, or of their overlapping peripheries (Chapter 4). At the level of political paradigms, for these regions riddled with ethno-political tensions and conflicts, the opposition is between the *nationalising state* and *fuzzy statehood*. In its mildest form, the nationalising state means the assimilation of minorities, and, in its most extreme and aggressive form, ethnic cleansing. The alternative is for multi-ethnic communities to fit into complex, multi-tiered political structures, such as are typically found in West European resolutions of ethnic tensions or conflicts. This means compromises under the heading fuzzy statehood.

The regions of Borderland Europe fall into several categories:

- *integrating peripheries*: states that aspire to integrate with one or the other of the two empires;
- *divided peripheries*: states that are divided between Western and Eastern orientations and are looking towards both empires at the same time; and
- *overlapping peripheries*: entities where communities from one of the empires finds itself marooned or enclaved within the other empire.

Each of these situations calls for a distinct political strategy (Chapter 5). Several model actions may now be discerned, and become trends shaping the evolving map of the wider Europe.

For the integrating peripheries, in the short run *partial or virtual membership* of one or other of the empires may be possible. This means a substantial application of the empire's policies in the peripheral entity, falling short however of full political membership, at least for some time.

For the regions beset by conflict, the *stability pact* approach has been developed, meaning a comprehensive action by the international community to support conflict resolution and regional cooperation.

For regions that have a natural geographical and historical identity, but find themselves divided between EU members, EU candidates and non-EU candidates, the *cooperative regionalism* approach seems to be gaining ground.

Finally, as between the two empires, *strategic partnership* becomes the name of the game. Given their asymmetries and ideological differences, it is not yet easy to give this strong content. It will take time. But time supplies events that reshape the context. 11 September 2001 is one such epoch-making event, immediately raising anti-terrorist cooperation to the top of the US-EU-Russia agenda, becoming a major new component of strategic partnership. As this agenda develops there should be a convergence of ideologies, a learning-by-doing process. Part of the content of the strategic partnership may be found in cooperative strategies adopted in relation to the divided and overlapping peripheries of their *near abroads*. In this way the idea of the common European home may be reconstructed and rehabilitated.

Practitioners who greet the word theory in the title of a chapter as a welcome invitation to skip to the next one may not all have heard Keynes' famous warning: "Practical men ... are usually the slave of some defunct economist".<sup>2</sup> This surely applies not only to economics, but also to politics, with a particularly serious warning addressed to those who dabble in the dubious branch of geo-politics.

International relations theory offers a primary divide between the realist and idealist schools.<sup>3</sup> Already there are ideas here of primary relevance to Europe. The EU is more inclined towards the idealist school, Russia towards the realist school, with the US somewhere in between.

The *realist school* emphasises the primacy of state actors, and their pragmatic self-interest in survival and advantage as the motor force of international relations. It assumes a rather anarchic basic condition between states, and is pessimistic about the capacity of international institutions to change this. Power politics prevail. International and domestic politics are quite different: the former is essentially amoral, whereas the latter has moral foundations. The realist school has a long lineage in international relations theory.<sup>4</sup>

The *idealist school*, or *liberal institutionalist school*, is more optimistic about the achievement of effective international cooperation with the construction of international organisations. The spread of commerce and the assertion of human rights internationally are seen as supporting the

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<sup>2</sup> The full quotation from Keynes [1936], p. 383, reads: "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back".

<sup>3</sup> See for example Buzan and Little [2000] or Paul and Hall [1999].

<sup>4</sup> Starting with Thucydides [431 b.c.], p. 402: "... we recommend that you should try to get what it is possible for you to get, ... ; since you know well that, when these matters are discussed by practical people, the standard of justice depends on the equality of power to compel and that in fact the strong do what they have the power to do and the weak accept what they have to accept."

chances for such international regimes to replace regimes characterised by relative anarchy and/or power politics.

It is clear why these differences are deeply based.

The EU is composed of many small and medium-sized states, whose historical experiences and economic structures make them dependent on a rule-based international community. This starts at home, within Western Europe and the EU in particular. But the perceived significance of the broad model extends from the nation state to the EU and on into the European view of wider international relations. The distinction between domestic and international politics is reduced.

The US, on the other hand, has oscillated hugely in the course of the 20<sup>th</sup> century. While Woodrow Wilson was the original liberal-institutionalist in the inter-war years, and his successors after the Second World War initially followed this tradition even more strongly, the realist-unilateralist school has continued to offer an alternative doctrine, in or out of power. The 21<sup>st</sup> century began with the US sharing the political values of Western Europe to a large degree, yet very reluctant to commit to internationally legally binding rules (human rights is one of the oldest examples and disdain for the Kyoto global warming protocol among the most recent). The pre-eminence of its power projection capabilities gives it a comparative advantage in power politics. Yet suddenly 11 September 2001 saw the superpower's colossal vulnerability to international terrorism. The US foreign policy pendulum may swing again back towards multilateral solutions. Henry Kissinger chooses a compromise position for the US.<sup>5</sup>

Russia also perceives comparative advantage as an actor in the geo-political game. Certainly its weak economy and unruly system of governance and civil society make it ill-at-ease with the detailed and intrusive norms of Western Europe. While the Russian political and economic system is shaky to say the least, it still sees its intercontinental territorial dimensions, massive nuclear military arsenal and energy resources as props for a large international role.

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<sup>5</sup> "The debate focuses on an abstract issue: whether values or interest, idealism or realism, should guide American foreign policy. The real challenge is to merge the two; no serious American maker of foreign policy can be oblivious to the traditions of exceptionalism by which American democracy has defined itself. But neither can the policy-maker ignore the circumstances in which they have to be implemented" [Kissinger, 2001, p. 20].

These differences already pose issues of strategy between the big three actors – the EU, Russia and the US. The EU would naturally like to see Russia participate as far as possible in a common set of European and international rules and cooperative actions. The idea of a common European house has appeal. The US is more inclined to look at Russia in a realist perspective. President Bush does not use quite the same language towards Russia as it does towards China – “not a strategic partner but a strategic competitor”. But maybe the pendulum will now swing here too.<sup>6</sup>

These matters of structure and philosophy are also distilled in the concepts of the *pre-modern*, the *modern* and the *post-modern state*.<sup>7</sup> The pivotal concept is that of the “modern” Westphalian state (“modern” since the Treaty of Westphalia of 1648). This is one of Europe’s bequests to the world, but one beyond which it is now moving. The modern state is one with clear-cut sovereignty, citizenship and territorial frontiers, which enable it to manage in an integrated manner all the main functions of the state – monetary and economic regulation, taxation, public services and redistribution, law and order, security and control of armed forces. Both the US and Russia are modern states in this sense.

Western Europe, on the other hand, has evolved far more into a “post-modern” structure, which breaks up this simple model. Government has multiple tiers, with an increasingly wide dispersion of powers between local, regional, national/federal, European and international domains. Legal sovereignty is dispersed, especially in states that are both federal and members of the EU. Economic structures are also highly internationalised, as are many non-governmental activities. Subjective identities of the individual become multiple, and the legal rights of citizenship are also becoming Europeanised. Frontiers are highly permeable, even non-existent for many practical purposes.

But there is also still the “pre-modern Europe” in territories whose statehood is weak or disordered. This characterises some of the successor states of the former Soviet Union and of the former Yugoslavia, which on becoming independent around a decade ago had insufficient social capital to hold together as civilised and peaceful entities. Common features have been captured in expressions such as the kleptocratic state, the new medievalism, the Kalashnikov lifestyle, the weak or collapsed state.

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<sup>6</sup> This is a crucial question, but falls outside the scope of the present study. See Lanxin Xiang [2001] for a criticism of Bush’s first steps in US policy towards China, which may be subject to revision, post-11 September, as China offers to join the international alliance against terrorism.

<sup>7</sup> See Buzan and Little [2000]

Secessionist wars with violent ethnic cleansing, corrupt privatisation, unruly and often violent corporate and public governance, and reduction of living standards to mere subsistence levels – such are all too familiar patterns observable in the Balkans and Caucasus. To a degree Russia and Ukraine have also turned into disordered pre-modern states, even if they have retained the territorial integrity and formal power structures of the modern state.

For all their differences, however, the EU, Russia and the US still come together in sharing some characteristics of *empires*. By this one may mean very big economic, cultural and political structures, which largely set their own rules, have a dominant power core and have powers of attraction or coercion or spheres of influence in relation to their peripheries.<sup>8</sup> To be sure, these are very different empires. For Europe as a whole, however, the point is that the peripheries of the EU and Russian empires are increasingly tangential and even overlapping. This poses issues of compatibility of the two regimes, which will be analysed in more detail later. The issue is further complicated by the overarching presence of the US. This invites comparisons between the NATO versus EU enlargements in the lands of the overlapping peripheries, where the US-NATO empire and the EU empire seem due to converge virtually completely. But Russia sees a difference between these two empires, sensing the US-NATO empire to be threatening and the EU to be relatively benign. Indeed, the US-NATO empire is all about power projection, whereas the EU lacks a clear power core. Since 11 September, however, Russia more realistically sees NATO and the EU as a largely integrated system.

For Borderland Europe, and especially the disordered, kleptocratic and ethnically conflictual entities, two concepts may help discussion of their futures: the *nationalising state* and *fuzzy statehood*.

The *nationalising state* is a term applicable notably to the newly independent states of the post-communist period, whose first priority has been the process of building and consolidating their new regimes as nation states.<sup>9</sup> Pride and determination as newly independent states, or as old states with their independence renewed, serve as the main motor force behind their efforts to overcome the pain of the post-communist transition and find a path for the future. But the accent on the historic role of the principal ethnic community has often seen the ruling elites go further

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<sup>8</sup> See Lieven [2000] for a historical account.

<sup>9</sup> See Brubaker [1996] and Wolczuk [2000].

down the dreadful double track of ethnic cleansing and misappropriation of state assets. The two acts can become welded one into the other. The leader achieves political support by getting exclusive ownership for his ethnic community of the economic assets of the territory (land, buildings, companies, privileges to exact border taxes or smuggling profits). The leadership of the ethnically cleansed entities have every interest in not unwinding this status quo; hence the extreme difficulty in negotiating compromise outcomes to some of the conflicts of the Balkans and the Caucasus.

Some of these peripheral European entities now resemble regions of the third world, where violence and chaos prevail. These are regions of hostage-taking bandits, or where the distinctions between bandits, the para-military and regular army and police forces are all of a continuous spectrum and barely distinguishable.

By contrast, the *fuzzy state* is one in which borders become permeable, the ethnic mosaic is maintained and respected in local political structures, ethnic communities may also overlap state frontiers, and the entities become drawn into wider European integration.<sup>10</sup> Concepts of sovereignty become fuzzy, as the antithesis to the speech of the leader of the nationalising state. Power structures will also be fuzzy in situations where the entity may spend a transitional period as a dependency of the international community or the EU for various state functions, before democracy develops to the point of permitting normal inclusion within the EU. This model is discernible already in some parts of the Balkans, even if its full maturing will take decades. Nevertheless, the underlying idea is of categorical importance: the pre-modern entities on the periphery of the EU would *not* graduate into modern states, but make the categorical step directly into the post-modern category. This is a largely foreign idea for non-Europeans, for whom the EU is a special case. In the European context, however, the transition to the European post-modern state may be the only practical alternative to the violence and savagery seen all too often in the nationalising states of Borderland Europe. It also adds a new dimension to European integration, usually thought of as proceeding with the prior convergence of the future accession candidate on the norms of the advanced modern state. The idea of an assisted jump from pre-modern to post-modern Europe is a different and alternative model on offer for the most disordered entities of the periphery, and one that would need its own policy mechanisms.

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<sup>10</sup> See Christophersen et al. [2000].

Conflict has become so endemic to post-communist Borderland Europe, and so successfully (virtually) eliminated from the integrating European Union that some explicit theories of *conflict settlement and resolution*, adapted to the European context, are called for. In fact the main theories break down into a divide analogous to that between the realist and idealist schools. According to those arguing in a realist framework, conflict is indeed endemic and can only be managed and settled through a rational process of bargaining.<sup>11</sup> The approach is one of zero-sum games, and concerns the distribution of resources. Bargaining results in a certain redistribution of resources, with either a new status quo, or a return to the status quo ante. Mediation may assist the process of negotiations. Power mediation introduces the leverage of carrots and sticks, which can change the power balance and lead to a new settlement. Critics of this approach point out the crucial difference between conflict settlement and resolution, in which only the latter addresses the underlying causes of conflict. Those arguing in an idealist framework are looking to social structures (of economic and social development) and psychological conditions (of identity, recognition and security), which dissolve the underlying cause of conflict.<sup>12</sup> Social harmony can exist – as an alternative to conflict – at all levels, from the family to the locality to the state. Integrative solutions have to be sought that yield positive sum solutions. Mediation in this framework is more a grass-roots process, helping people play a useful part in resolving conflict. The two broad approaches are not necessarily incompatible, and may be combined in a sequential dynamic process of conflict escalation, de-escalation, settlement and resolution.

In fact, the resources of powerful actors such as the EU can be successfully channelled to address the underlying needs of the conflicting parties and create the potential for integrative bargains. In many of the secessionist conflicts in Borderland Europe, zero-sum negotiating games are being played out on the basis of rigid notions of state sovereignty and territorial integrity. Secessionist entities call for sovereignty and independence in so far as this is seen as the only means to fulfil underlying needs of identity, security and development. This is fiercely rejected by the metropolitan states, which invoke territorial integrity as the necessary principle to safeguard their own non-negotiable needs, of which refugee return is a main component. Hence, the frequently observed stalemates, where zero-sum negotiations prevent either side

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<sup>11</sup> See Zartman and Rubin [2000].

<sup>12</sup> See Burton [1969] and Curle [1995].

from making substantial concessions. Both sides appear relatively content with the “no peace-no war” status quo.

Resourceful third parties such as the EU may open the way to integrative bargains, yielding settlements conducive to conflict transformation and resolution. The EU can do this by enabling conflicting parties to fulfil their underlying needs through means other than full state sovereignty. While not openly acting as a mediator, the EU effectively has entered the dynamics of several conflicts in its borderlands. By offering the conditional carrot of membership, it has contributed to the settlement of minority questions in Central Europe, where the incentive of EU membership is very strong (the first *Stability Pact*, named after the French Prime Minister E. Balladur, was instrumental in this).

A related distinction in the objectives of foreign policy can be drawn between *possession goals* and *milieu goals*, in relation to nearby regions or states.<sup>13</sup> The former is about ownership, or subjection to external power, or military occupation. The second is concerned with influencing or shaping the neighbouring environment through a variety of economic, cultural, security and political relationships, so as to make it congenial, without challenging the sovereignty of the third party. Possession goals are concerned with zero-sum games, whereas milieu goals are concerned with positive sum games. The distinction is crucial to the calculation of “national interests” in the pursuit of rational foreign policy. As we shall see below, one of Europe’s problems is that Western and Eastern Europe (or, more precisely, the EU and Russia) have been doing their calculations differently, with the former more inclined to look at milieu goals and the latter at possession.

It remains to distinguish between the *European concept of integration* and the generality of *international relations*. Is the EU’s integration process a unique and *sui generis* phenomenon, or one that fits in with the general paradigms of international relations? This question is addressed explicitly in several sources, for example Rosamund,<sup>14</sup> who assembles a number of proposed definitions of integration, which are in fact quite convergent:

- “formation of new political systems out of hitherto separate political systems” (Michael Hodges);

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<sup>13</sup> See Skak [2000].

<sup>14</sup> Rosamund [2000].

- “creation of security communities (or zones of peace) among states in a region” (Karl Deutsch);
- “creation and maintenance of intense and diversified patterns of interaction among previously autonomous units” (William Wallace);
- “voluntary creation of large political units involving the self-conscious eschewal of force in relations between participating institutions” (Ernest Haas); and
- “process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of the process of political integration is a new political community, superimposed over the pre-existing one” (Ernest Haas).

Moravczik<sup>15</sup> argues that while the EU is itself a unique structure it is not to be seen as *sui generis* in the sense of being divorced from the general body of theory governing international relations and political science. Rather, he sees the EU rather as a forerunner of regionalising tendencies in the world. He bases this view on a review of several alternative theories explaining European integration: a response to earlier geo-political threats, the visions of European federalists, or the unintended dynamic consequences unleashed by limited integration steps. It is argued that all these theories fail to be convincing in the face of experience. Over 40 years European politicians have repeatedly widened and deepened the EC/EU, while remaining largely aware of its past, present and future consequences. Moravczik<sup>16</sup> ascribes to Delors the view that “European integration has been not a pre-ordained movement towards federal union but a series of pragmatic bargains among national governments based on concrete national interests, relative power and carefully calculated transfers of national sovereignty”.

This view of the primacy still of national interests is compatible with the evaluation of the European Council as the prime mover of the EU body politic at this stage, rather than the European Commission or Parliament (as regularly reported by Peter Ludlow<sup>17</sup>). It also suggests that the

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<sup>15</sup> Moravczik [2000].

<sup>16</sup> Moravczik, op. cit.

<sup>17</sup> See Mr. Ludlow’s analysis of the successive meetings of the European Council published quarterly by the Centre for European Policy Studies in the periodical *A View from Brussels*.

integration process has not reached anything like a mature outcome, in which a new European polity and demos would be recognised. In the meantime, however, the EU can hardly be viewed as an orthodox subject of international relations, but rather as a complex field of European *multi-tier governance*. The EU has created its own system of multi-tier governance, but it is uneasy with the outcome, which is neither efficient enough, nor perceived to be sufficiently accountable democratically, to be left essentially unchanged as if a steady-state system. It is evident that these issues are made even more serious in light of the prospect of enlargement to 30 or more member states. Some leaders have suggested a retreat or consolidation of the EU into a core grouping with a clearer federal structure. This would amount to a denial of the enlargement process itself, however.<sup>18</sup> Moreover this internal debate within the existing EU membership hardly embraces the problematique of the European periphery, including the overlapping peripheries of the EU and Russia, to which we now return in more detail.

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<sup>18</sup> As persuasively argued by Zielonka [2000].

### 3.1 Common European Home

Many politicians have said they like the idea of a Common European Home (Gorbachev), or a Europe without Frontiers (most European leaders), or One Europe Whole and Free (US presidential speeches), or simply a Europe with no Berlin Walls (a language that everyone understands).

This is the world of idealists in the texts of international relations, governed by principles, moral codes and liberal market economics. It has its institutions and norms, with the Organisation for Security and Cooperation in Europe (OSCE) and the Council of Europe, whose functions fit alongside the international organisations of the United Nations family – the UN itself, the IMF, the World Bank, WTO, etc. Altogether, these organisations are called by some political scientists the regime of *cosmopolitan democracy*.<sup>19</sup> It is also the Europe of the end of ideological conflict; for Fukuyama it was even to be the end of history.<sup>20</sup> The OSCE and Council of Europe supply the political, human rights and security norms. The IMF and IBRD administer the so-called Washington consensus on how to succeed economically.

But this regime is not functioning well in Eastern Europe, beyond the advanced EU accession candidate states of Central Europe.

The EU regards the rules and norms of the OSCE and Council of Europe as fundamental parts of its system of values. But as organisations, the OSCE and Council of Europe are secondary, valuable in providing outreach for its value system into the former communist states, but not entrusted with large resources and operational responsibilities. For the EU the serious outreach business is the apprenticeship of the candidate states for accession.

Russia for its part initially treated both the OSCE and Council of Europe as desirable clubs to shape or join. But subsequently Moscow became irritated by these forums. There have emerged cleavages between politicians who do not like their state to be constantly criticised for failings (e.g. over Chechnya) by these large assemblies of small states,

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<sup>19</sup> See Held [1995].

<sup>20</sup> See Fukuyama [1992].

versus non-government organisations and individuals who want their societies to converge on these “civilised” values and standards.

The states of *Borderland Europe*, however, find the OSCE and Council of Europe more important. They offer a way of subscribing to norms of society, political and international relations that they would like to see take hold. EU candidate states correctly see the Council of Europe’s human rights convention and minorities codes as part of the accession criteria. The weak states of *Borderland Europe* see membership of these organisations as a way of joining with modern European civilisation, albeit on a limited scale. This could be seen in recent months with the accession of Armenia and Azerbaijan to the Council of Europe. The organisations are also valued by *Borderland Europe* states as providing some soft protection from Russian pressure or its pretensions to a zone of influence.

### 3.2 A Europe of two empires

Empires are big, powerful and dominating. They are very extensive territorially and normally multi-ethnic in composition, but with a core leadership group or power centre. Empires tend to set their own rules. They expand, either by power of attraction or by force, until they go too far, become unmanageable or degenerate. Then they often collapse. Europe has a lot of experience with empires. Almost every European nation has tried it at some time over the last two millennia. Today empires can be democracies at their core, even if – with the exception of Athens – they were not so in the past. However even the most democratic of contemporary empires, the US and the EU, collect associated states or protectorates at their peripheries, which do not have full powers of representation. In addition some of the manifestations of empire, in particular in the economic and cultural field, nowadays extend way beyond the powers of government. All this has been subject to a rich historical analysis in Dominic Lieven’s *Empire – The Russian Empire and Its Rivals*.<sup>21</sup>

The formation of state frontiers has been analysed from a social/political science standpoint by Malcolm Anderson.<sup>22</sup> He draws attention to the argument of Boulding,<sup>23</sup> proposing a general theory. The thesis is based on assumptions derived from a realist (international relations) framework,

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<sup>21</sup> Lieven [2001a].

<sup>22</sup> Anderson [1996].

<sup>23</sup> Boulding [1962].

in which “states always seek to maximise their territorial influence. The costs of competing for territory (influence over territory rather than sovereign control) increase with distance just as costs for firms in a particular market increase with that market’s distance from the point of production. Territories far distant from the metropolitan heartland might be given up to a competing power without a contest, but each state has a critical frontier across which a competing power cannot cross without a fight” (p. 31). On an earlier occasion, one of us has argued along similar lines in more detail with a schema for analysing the factors of demand and supply for integration, as set out in the box below.

*Factors determining integration tendencies*

**Demand** – Country X’s interest to integrate with Y, or with core group Z.

**Supply** – Country Y’s, or core group Z’s interest to admit country X.

**Explanatory variables**

**I. Historical integration**

1. Geography – watersheds, mountains, river basins
2. Culture – language, religion, alphabet
3. Perceptions – of citizenship, trust, destiny

**II. Economic integration**

4. Markets – benefits and costs of participation
5. Money – benefits and costs of joining monetary area
6. Redistribution – benefits and costs of budgetary transfers

**III. Political integration**

7. Values – commonality or otherwise
8. Power – gains or losses
9. Security – gains or losses

*Source:* Emerson [1998], p. 9.

The European Union and Russia today are both empires more or less, the term being used here in a technical sense, without value judgement. The first is still growing and immature. The second has gravely degenerated and shrunk, but still has a will to halt and reverse the process. To extend Boulding’s analysis, the idea of distance may be not just geographical, but also normative, cultural and political. For example Estonia is on

Russia's frontier, but it is far away politically. Russia, concerned to reverse disintegrative trends, concentrates on the CIS states as a sphere of actual or desired influence. The EU, concerned not to expand too fast, will only accept new member states that are able and willing to come close to its norms. The EU is a reluctant empire, made up of states that themselves have only recently and often very painfully shed their colonial empires. The EU is thus inclined more to pursue milieu goals. The Russian empire, however, has never been an overseas affair, and always a territorial continuum. The "loss of empire", clear-cut and irreversible for West Europeans, has been neither for Russia.

On the other hand, typical of the behaviour of hegemon, both the EU and Russia prefer to deal with the states of their peripheries bilaterally, rather than multilaterally. This is indeed discouraging for the multilateral institutions that have been designed in principle to be at the heart of the Common European Home. Finally, the two empires now begin to notice the complications of having overlapping peripheries (to which we return below).

***The EU – the reluctant empire.*** In an historical context, the EU empire is growing very fast, both in its powers and territorial extent. Since the beginning of the new millennium, the EU has assembled for the first time or is set upon assembling the complete toolkit of the superpower: economic and monetary union, freedom of movement and common internal citizens' rights, controls over immigration and the frontier on the external border, common foreign, security and defence policies, and political institutions including a legislature, an executive, a directly elected parliament and a supreme court. Its leaders now talk without the slightest inhibition about the EU's ambition to become a superpower, even if the EU's capacities to act externally are still very underdeveloped. Superpower talk comes not only from the President of France, but also more cautiously from the Chancellor of Germany and now more recently from the British Prime Minister.

The enlargement process is seriously engaged, with 13 actual candidate states, most of whom are likely to join within the decade, and other potential candidates including the remainder of the Balkans and at some stage the reluctant Norway and Switzerland. The map of Europe becomes quite neat at this stage. A straight line or curve down from Finland on the Barents and Baltic Seas to Turkey on the Black Sea, and then simply the Northern coastline of the Mediterranean basin. This becomes an EU of up to 40 member states.

Obviously such a huge number of states would require a considerable federalisation of the EU's political institutions, if all its competences are to be retained and deepened and to function effectively. Or, in the next 30 years or so, the least strongly qualified applicant states for membership will have to be satisfied with associate or *partial membership*, a subsidiary paradigm useful for the EU, as it has been for many other empires at their peripheries.

But while all of this is clear as a paradigm, it not quite so clear whether it is going to work in practice. There are definite hazards along the way. First there can be rejection via democratic processes, as already witnessed in the refusals to ratify new treaties extending the powers of the Union (Denmark, Ireland), or extending its membership (Norway, Switzerland). Secondly there may an incapacity to devise efficient decision-making and executive structures in the institutions. The EU has succeeded in projecting its huge political and economic resources externally with only rather limited effect so far, apart from its strong impact on the accession candidate states. If the enlarging EU itself becomes unmanageable, there will have to be some restructuring, as demands for a more compact core group within the EU already suggest. More generally a debate on the governance of the EU has been initiated by a concerned President of the Commission, Romano Prodi, whose institution has prepared a White Paper on the subject.<sup>24</sup> European statesmen are now offering a menu of visions for the Future of Europe (Chancellor Schroeder, Foreign Minister Fischer, President Chirac, Prime Minister Jospin, Prime Minister Blair), with a variety of formulae containing different federalistic and intergovernmental mixes.

One may protest that the EU, being peaceful, democratic and not actively seeking territorial expansion, is not at all imperial. Such is the argument of Philippe de Schoutheete [1997], who discusses the question explicitly, stressing the use of force and hegemonic ambition as the defining characteristics. Of course there are empires and empires. The EU is correctly described by de Schoutheete as peaceful and not deliberately – certainly not aggressively – hegemonic. However empires can grow by the volition of those outside, who may want to be included for economic, political or security reasons. And at the level of the mindsets, is there not the strong tendency for the EU to regard itself as kindly representing modern European civilisation as a whole, with the outsiders due to converge and join up at some stage, “when they are ready”? This is the

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<sup>24</sup> See European Commission [2001].

mindset that officially calls the next EU institutional reform process the “Future of Europe”. De Schoutheete doth protest too much.

**Russia – the reluctant ex-empire.** After the collapse of the Soviet empire in 1991, it even seemed possible that the Russian empire might itself fragment. A triple big bang for the end of communism was postulated by some: first to go was the Comecon, then the Soviet Union and then the Russian Federation.

Russians seem to have decided, however, that enough was enough. A newly elected President Putin was mandated in 2000 to stop the disintegration. Geo-political strategists in and around the Kremlin began to plan reconsolidation of the near abroad, or, to use plain language, renewal of the Russian empire. The target became the whole of the former Soviet Union except the Baltic states, which were given up to the EU. Even for the Baltic states, however, there was continued use of “red line” language to try to prevent NATO expansion.

However, Russia largely gave up on the Commonwealth of Independent States (CIS) as an organisation. The CIS was originally conceived as a kind of replica of the EU, able to save the Soviet Union from disintegration. Instead, under President Putin, policy became essentially bilateral, and aimed at creating more compact groupings. There was the establishment in October 2000 of the EurAsian Economic Community, with the states willing to reintegrate economically and to accept the required policy control mechanisms: Russia with Belarus, Kazakhstan, Khyrgyzstan and Tadjikistan. There is also a defence alliance, informally known as the Tashkent Treaty, which includes all of these plus Armenia.

Then there has been a set of initiatives, spearheaded often by presidential diplomacy to tidy up and consolidate relations with the rest of the near abroad, and preferably to render defunct the embryonic GUUAM grouping (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova). This latter organisation had been shaping up as a southern belt to pursue common interests such as East-West trade routes, and also to resist excessive Russian influence. In late 2000 to early 2001, Russia intimidated Georgia with visa restrictions and the turning off of gas supplies in winter. It has settled its Caspian seabed differences with Azerbaijan. It has extended a hand of friendship to President Kuchma in his hour of need, facing devastating criticism for his alleged part in the murder of a journalist. Russian businesses have made strategic acquisitions in Ukraine’s economy, where western business has been discouraged by poor governance standards. In May 2001, former Prime Minister Chernomyrdin was sent to Kiev as the Russian ambassador, with

the aura of pro-consul. Moldova has returned a new communist-dominated parliament, and there has been some talk of it joining the Belarus-Russia Union. Meanwhile, to prevent the picture becoming at all clear, President Kuchma declared in June 2001: “The idea of joining the Russia-Belarus union is ruled out. It is impossible. We have won our independence not for losing it. We have chosen our union – it is the European Union”.<sup>25</sup>

Some geo-political analysts in Moscow are explicit, however. Alexander Dugin, author of *The Basics of Geopolitics*,<sup>26</sup> says: “I am convinced that with Putin as president the processes of consolidating our geopolitical space is accelerating”.<sup>27</sup> Former first deputy foreign minister and Director of political projects at the Council for Foreign and Defence Policy in Moscow, Andrei Federov, says: “Today we are more or less openly talking about our zone of interests. One way or another we are confirming that the post-Soviet territory is such a zone. In Yeltsin’s time we were trying to wrap this in a nice paper. Now we are saying it more directly: this is our territory, our sphere of interest”.<sup>28</sup>

These quotations illustrate the foreign policy paradigm of “possession goals”, rather than “milieu goals”. The end of the Gorbachev period and the early Yeltsin period saw policies aiming at the milieu of international relations, with emphasis on universal values and cooperative institutions. Since then the re-assertion of the language of national interest has been used in support of policy towards the possessively termed “near abroad”. These concepts of national interest and the near abroad are deeply entrenched in the Russian mind-set.

To arrive at the conclusion that possession goals may not be in the best national interest may be a long uphill task. For example, Ambassador Chernomyrdin took only two months at his post in order to start making speeches warning Ukraine against neutrality. “The neutral status of a state such as Ukraine can clearly undermine its strategic interest”,<sup>29</sup> using language that appears as patronising, threatening and counter-productive all at the same time. Old-fashioned Russian leaders do not perceive, it seems, that “red line” talk works precisely counter to Russia’s own

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<sup>25</sup> *Financial Times*, 20 June 2001.

<sup>26</sup> Dugin [1997].

<sup>27</sup> Quoted in the *Financial Times*, 2-3 December 2000. Dugin’s writings are available also on [www.arctogaia.com](http://www.arctogaia.com).

<sup>28</sup> Quoted in the *Financial Times*, 23 January 2001.

<sup>29</sup> Quoted in the *Financial Times*, 12 July 2001.

interests, at least in the European near abroad. For example, such speeches contribute to making Baltic accession to NATO now virtually certain, whereas if Russia had over the last decade credibly abandoned such language (and therefore thinking), it might indeed have made NATO's expansion less likely.

Nevertheless, this old-fashioned geo-politics is not the only argument at play in contemporary Moscow. There are signs now of a third wave of arguments, following the first phase in the early 1990s of naïve beliefs in instant Westernisation and the Common European Home, and a second phase of revisionism characterised (or caricatured) by Dugin. This third argument has been prepared most thoroughly by Dmitri Trenin.<sup>30</sup> Trenin's argument is that the post-Soviet revisionism is bound to fail. He largely dismisses the EurAsian strategic vision, noting that the Russian Far East is thinly populated and in demographic decline, and its people there have in any case nothing in common with any of the Asian cultures. Moreover globalisation reduces the weight of geo-politics, and means for Russia "dropping territorial reconstitution as an important foreign policy goal. ... The much over-used notion of great power should best be rejected or at least downplayed in view of the change in the world environment".

***The two reluctant empires face to face.*** How indeed do they regard each other? David Gowan<sup>31</sup> has suggested the following image quoted from *Alice in Wonderland*: "The Cat only grinned when it saw Alice. It looked good-natured, she thought: still it had very long claws and a great many teeth, so she thought it ought to be treated with respect."

Gowan goes on to comment: "Russia and the European Union are both inclined to regard each other as the Cheshire Cat. Russia now regards the EU as a strong but ambiguous organisation that could either encroach on Russia's interests or be helpful. Likewise, the EU is uncertain how to develop its relations with Russia, which remains complex and sometimes unpredictable".

Marius Vahl<sup>32</sup> has examined the strategy documents of the EU towards Russia and vice versa, exchanged in 1999, and comes to similar conclusions to those of Gowan. Vahl describes how the EU strategy is a weak derivative of an association agreement, whose objective is for Russia to converge on EU economic and political norms. By contrast, the

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<sup>30</sup> See Trenin [2000].

<sup>31</sup> See Gowan [2001].

<sup>32</sup> Vahl [2001a].

Russian strategy sees the EU in geo-political terms as a useful agent for a multi-polar world. This view of the two strategies is a more substantive interpretation of the enigmatic Cheshire cats. There are two completely different animals. The EU is saying “be like us”, whereas Russia is saying “help us reduce US hegemony”.

These strategy documents were just paper exercises, far removed from real action, as indeed the EU itself seems to have concluded.<sup>33</sup> The real world, however, has the habit of intruding on such innocent past-times. Russia apparently wants to put both its near abroad policy and its EU policy into higher gear at the same time.

Russia’s former Security Council chief, Sergei Ivanov (now Minister of Defence), was reported on the official website of the Ministry of Foreign Affairs of 29 January 2001, as saying: “The European Union is now the key interlocutor on problems of European and global security”. On the same day President Putin visited the Ministry, declaring in his speech: “... the significance of our relations with the European Union is surely growing. We do not at present set the task of becoming a member of the EU. But we must seek dramatically to improve the effectiveness of cooperation and its quality”.<sup>34</sup> The message is that President Putin is a serious Europeanist in Russian foreign policy terms.

The EU looks for consistency in Russian policy, however. For example, it regards Russia’s policy towards Georgia as being inconsistent with common OSCE and Council of Europe principles, and indeed with the idea of deepening relations with the EU itself. Commissioner Chris Patten said this in a public speech in Moscow already on 18 January 2001:

The question of Russia’s role in the ‘near abroad’ is a highly sensitive matter. But it does go to the heart of what we expect from Russia in the context of partnership. Let me put it this way. Should we expect Russia to play a role in ensuring peace and stability beyond its borders? Incontestably. But how will Russia play that role? ... from your knowledge of us, you will recognise that the way Russia approached these questions at the recent OSCE ministerial meeting and the way in which it appears to be using the visa regime and its

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<sup>33</sup> The EU has now received an evaluation report on *Common Strategies* from High Representative Javier Solana, concluding that they have not been effective, and have become bureaucratic exercises (Council of EU, Document 14871/00 of 21 December 2000, declassified 30 January 2001).

<sup>34</sup> See <http://www.mid.ru>, 29 January 2001.

monopoly of gas supplies in its relations with Georgia are bound to provoke controversy in the European Union and raise some anxieties. ... Any country which is a member of the UN, the OSCE and the Council of Europe has a right to international support and if Russia is to take on the international role we all feel it should be playing, I am sure you would agree that it must be on the basis of the rules and criteria to which we have all subscribed.<sup>35</sup>

Not to miss out on the joys of using animal imagery in diplomacy, Patten concluded: "I do not believe that the European Union and Russia are really like the elephant and the whale, doomed never to meet because their environments are incompatible". But the idea had crossed his mind, it seems. For our part we prefer the elephant and the bear, since they do inhabit the same environment, while their co-habitation is the issue.

These several speeches may be summarised as follows. Russia would like to have a strategic partnership with the EU, agreeing in official communiqués that this would be on the basis of common values. But it would also like to regain its dominant influence over the near abroad, playing by its own rules. The EU is saying: sorry, you cannot have it both ways. This indeed is where the realist and idealist ideologies collide. How will the apparent collision be resolved? Two polar scenarios can be envisaged:

- Russia accepts to play (more or less) by common rules in the near abroad, and the EU cooperates with Russia there too, as well through their bilateral strategic partnership; or
- Russia ignores the idea of common rules, and indulges in old-fashioned geo-political rhetoric with high-pressure diplomacy or threats addressed to its near abroad, in which case the strategic partnership remains at most a thin and declaratory affair or the whole idea is frozen.

However a third and more likely case is an intermediate, compromise arrangement, now spurred on by the common interest of combating international terrorism in the wake of the 11 September attacks on the US.

Russia's front-line is in the Caucasus and Central Asia, where cooperation means dealing with regimes that are not so interested in human rights and democracy. The EU and US would like to see their values flourish in this part of the world, like anywhere else, but their reach into these lands is limited compared to Russia. They also know from experience the

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<sup>35</sup> See <http://europa.eu.int/comm/extern>.

problems of strictly “ethical foreign policy”. Russia for its part, if less so than the Soviet Union, is still a dual society, European and Asian. Its political attitudes are to a degree schizophrenic. Its European part wants to become more normally European, yet in its relations with the Caucasus and Central Asia it is accustomed to other rules of political behaviour.

In a reversal of policy, however, the US is now showing a willingness to cooperate with Uzbekistan, one of the world’s most repressive and undemocratic regimes, to prepare its action against Bin Laden and the Taliban. Moreover the EU itself is revealing some blemishes in its political correctness, struggling to contain its racist, extreme right-wing parties (not only Haider’s party in Austria). As if to emphasise that there is no need for Europeans to offer recommendations on matters of civil society to Russia, it was for an EU leader, Italian Prime Minister Berlusconi, chairman-in-office of the G8 major world powers, to go to the bottom of the class, by referring on 28 September to the “superiority of Christian civilisation”, ... which “was bound to occidentalise and conquer new people”.<sup>36</sup>

For his part, President Putin put his diplomacy towards Europe into higher gear following 11 September 2001. His speech to the German Bundestag in Berlin on 25 September was impeccably correct (speaking in German), as the following extracts show:<sup>37</sup>

It was the political choice of the people of Russia that enabled the then leaders of the USSR to take decisions that eventually led to the razing of the Berlin Wall. It was that choice that infinitely broadened the boundaries of European humanism and that enables us to say that no one will ever be able to return Russia back into the past. ...

As for European integration, we not just support these processes, but we are looking to them with hope. We view them as a people who have learned the lesson of the Cold War and the peril of the ideology of occupation as well. ...

No one calls into question the great value of Europe’s relations with the United States. I am just of the opinion that Europe will reinforce its reputation of a strong and truly independent centre of world politics

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<sup>36</sup> Speaking on behalf of the EU Presidency, Belgian Foreign Minister Louis Michel castigated this as a “huge, huge error”; British Interior Minister David Blunkett called it “offensive, inappropriate and culturally inaccurate” (*Financial Times*, 29 September 2001).

<sup>37</sup> Text available on the Daily News Bulletin of the Russian Ministry of Foreign Affairs, [www.mid.ru](http://www.mid.ru), 26 September 2001.

soundly and for a long time in bringing together its own potential and that of Russia, including its human, territorial, and natural resources and its economic, cultural and defence potential. ...

It seemed just recently that a truly common home would shortly rise on the continent, a home in which Europeans would not be divided into eastern or western, northern or southern. However, these divides remain, because we have never fully shed many of the Cold War stereotypes and clichés. Today we must say once and for all: the Cold War is done with! ... Today we must say that we renounce our stereotypes and ambitions and from now on will jointly work for the security of the people of Europe and the world as a whole.

I am convinced that today we are turning over a new page in our bilateral [German-Russian] relations, thereby making our joint contribution to building a common European home.

Should such a speech be regarded as just nice words or a real orientation, even a shift of policy? Supporting the view that the words stand for real strategy is the fact that Putin has been consistently overruling rear-guard arguments of Moscow's old-fashioned geopoliticians. In the most recent and relevant example, in the aftermath of 11 September, he overruled his Security Council advisers, who wanted to confirm Central Asia as a no-go area for the basing of US forces preparing for operations in Afghanistan. His words seem a message addressed as much to some of his advisers and home public opinion (n.b. Alexander Dugin), as to Western audiences. Putin may be emerging as another in the line of Europeanist Russian leaders, which also means today a Westerniser more widely. The interpretation may be that the new circumstances, post 11-September, have given Putin the means to accelerate and to strengthen the policy direction he was already wanting to pursue. Maybe it is too early to be sure, Western diplomats may say, especially listening to background noises in Moscow politics. Yet if Europe wants to try to find a way to rehabilitate the idea of the common European home, and to give it mechanisms, they have an invitation to do at the highest level.

### 4.1 Nationalising state

Most of the states of Borderland Europe are fragile in terms of the institutions and culture of democracy and civil society, but not all.

Take for example the cases of Estonia and Latvia with their large Russian minorities. These two states are making rapid progress towards modern European social, political and economic norms. They are serious candidates for membership of the EU. Estonia even has a long tradition of enlightened law for the protection of national minorities, notably for the communities of Germans and Jews as well as Russians in the pre-Second World War period.<sup>38</sup> But Estonia still feels compelled to protect its renewed statehood by retaining an Estonian language test for citizenship, which many of the Russian community cannot pass or do not want to try to pass. Thus, large numbers of ethnic Russians remain stateless persons, and the EU therefore will soon have a large community of stateless Russians.<sup>39</sup>

But in other cases the politically correct task of state-building gets mixed up with the misappropriation of state assets and vicious ethnic nationalism. The temptation to employ aggressive nationalism as the glue to hold the state together is seemingly irresistible, becoming the rallying point for separatism, or for war, or for ethnic cleansing, or even in some cases genocide. The normative language of politics and international relations becomes debased, where the concepts of self-determination, sovereignty, independence and territorial integrity are used by political leaders on opposite sides of the same conflicts to defend policies of war, or of uncompromising bargaining positions. And at times the concepts are also thoroughly abused in the interests of personal power or money or both. This story is all too familiar in the Balkans and the Caucasus.

Borderland Europe is full of mosaics of different nationalities, languages, cultures and religions. It is also full of the historical legacies of the great powers, up through the 20<sup>th</sup> century, including the arbitrary or cynical drawing of frontiers, or and forced movements of population. This has created a vulnerability in the post-communist states to the abuse of

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<sup>38</sup> See Smith [2001].

<sup>39</sup> See footnote 47, however, for the positive solution proposed by the EU for these communities, offering them virtually complete EU citizens' rights.

nationalism, which persists today at the beginning of the 21st century, when Western Europe has moved with complex and deep integration processes way beyond a regime simply of nation states.

To Western Europe the newly independent states of Central and Eastern Europe seem to be fighting the nationalist struggles of state formation of the 19<sup>th</sup> century, if not the mid-20<sup>th</sup> century struggles of decolonialisation. The EU can and does say this to its candidate states for the EU has a new model to offer them. Broadly speaking, the incentive of joining Europe is proving powerful enough to bring these states along the West European way, and to avert the dangers of abuse of the nationalising state.

But for the non-candidate states this incentive is not present or strong enough. In the most violent part of the Balkans, in the middle of the enlarging EU territory, the abuses had to be stopped by force (Bosnia, Kosovo). In the case of Kosovo it was left for Russia, the other empire, to confuse the argument, complaining that the EU and NATO's actions were disregarding the rules of international law. Russia's main concern, however, seems to have been for its problems at home in Chechnya, rather than for the actual Balkan situation, which diminished the credibility of its complaint.

In Ukraine too the priority of state-building at the central level has dominated, notwithstanding the nation's historic and deeply structured regional differences between West and East.<sup>40</sup> This nationalising state has kept the peace, but beyond that its performance has been dismal. Ukraine seems to cry out for a solution that would fit with the "Europe of the regions", in which the West could profit from continuing open contact and indeed integration with Western Europe, while the East could focus more on its Russian connections.

## **4.2 Europe of fuzzy statehood**

What is the contemporary European model? The official answer to guide EU accession candidates lies in the Copenhagen criteria for accession, which at the political level calls for "stability of institutions guaranteeing democracy, the rule of law, human rights and respect for the protection of minorities". Officially, the EU does not go further in specifying the model, beyond technical requirements to comply with the legendary 90,000 pages of EU legislation.

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<sup>40</sup> See Wolczuk [2001].

Yet more can be said on the subject, getting closer to the concerns of the newly independent states seeking to join Europe. Western Europe has in mind its own recent experiences of finding compromises over pressures for separatism and antidotes to the virus of violent nationalism. This has both its macro and micro aspects. The macro level concerns building EU institutions that can integrate together medium-sized states and former enemies such as Germany and France. The micro level sees solutions to tensions between smaller national or ethnic or religious groups. Belgium and Northern Ireland are two examples, but there are many others from the Italian Tyrol to the Åland Islands of Finland, as well as the obstinate, anomalous, unfinished tragedy of the Spanish Basques.

In the European context, the term “fuzzy statehood”<sup>41</sup> is the categorical alternative to the “nationalising state”. Fuzzy statehood is about, firstly, a multi-tier governance system, with five vertical levels: local, regional, national (sovereign state), European (EU) and global. Recent processes of globalisation, Europeanisation and regionalisation, all at the same time, have greatly undermined the primacy of the sovereign nation state. Secondly, it is about a system of horizontal solutions to the complex problems of the ethnic mosaics. This may have several elements: respect for minority rights in questions of language and education, techniques of personal federalism overlapping territorial federalism (individuals who associate with a given cultural community can draw on certain public services irrespective of the territorial entity where they reside), mechanisms for inter-regional relations between frontier regions of neighbouring states (including asymmetric cases of a sub-state entity of one state dealing with another full state as partner). This takes place in a Europe where citizens’ rights are becoming increasingly the common property of all EU citizens. Therefore the legal content of citizenship becomes substantially Europeanised. Subjective matters of identity become blurred and fuzzy between the regional, the national and the European.

This model of fuzzy statehood is one that the newly independent states of Central and Eastern Europe are effectively being invited to join. In fact it is even more relevant for them than for much of Western Europe, since their ethnic mosaics are often more complex and their frontiers have been

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<sup>41</sup> The term may be attributed to Dr. Judy Batt, who has been responsible for a project within an ESRC (UK) research programme on One Europe or Several?, the project being called “Fuzzy Statehood and European Integration in Central and Eastern Europe”. The concept is of the post-modern family of ideas. See also Christopherson et al. [2000].

changing more often. Thus, the old nation-state model is more perilous for them.

### 4.3 Borderland categories

In applying these concepts to Borderland Europe, the space at or between the frontiers of the two empires, or their overlapping peripheries, there are four categories that call for distinct strategies.

***Clean-cut peripheries.*** Here matters are simple. One empire ends and the other begins, with no complications of territorial or ethnic overlap or intervening entities.

The main point, however, is that this simple regime is the exception rather than the rule. The Finnish-Russian frontier is the only case in point. The frontier was moved as a result of the Second World War to Russia's advantage, Finland evacuated its population from the Viborg area and from what is now Russian Karelia. This is now a well guarded and administered frontier, with a wide exclusion zone for movements of people on the Russian side. But there is still the question how open or closed will be the barriers at the frontier, for the movement of people in particular, and how developed will be the relations between the frontier regions.

***Integrating peripheries.*** Here the state or entity is set on a strategy to integrate with either the EU or Russia, but has so far been unable to do this completely.

Belarus' present authoritarian leadership wants to deepen the union with Russia, and Russian nationals are now entrenched in government positions in Belarus, even if suppressed opposition forces want a Western orientation. But Russia seems wary of taking financial responsibility for a state that prefers to retain some international sovereignty, and political responsibility for a notorious autocracy.

The Balkans for their part seek integration with the EU. The regimes of the southeast European states provide a full spectrum of relationships with the EU: the advanced candidate state such as Slovenia; the less advanced candidate states such as Bulgaria and Romania; others no doubt to join the accession queue at some stage – Albania, Macedonia, Serbia and Montenegro; and finally the states or entities that cannot yet be trusted to live in peace, and have therefore become international protectorates – Bosnia and Kosovo. In the course of 2001 Macedonia seemed to be sliding down into this last category. Where the pre-accession period has to be very long, there are needs for special

relationships with the EU in the virtual membership category, with considerable application of EU policies and resources in their territories before accession as full members.<sup>42</sup>

***Divided peripheries.*** These are the states or entities that are torn between West and East, for which stable solutions have not yet been found.

Ukraine is deeply divided between Western and Eastern orientations. It might have devised a federal regime to satisfy both inclinations, but instead Kiev has, as already mentioned, established a poorly functioning centralised “nationalising state”.<sup>43</sup> The EU Schengen visa regime may hurt the Western region and disappoint their Western orientations.

In Moldova, ethnic Romanian citizens can and do obtain Romanian passports, in order to attach themselves to Romania’s EU prospects, whereas the ethnic Russians of Transdnier run a separatist mafia-micro-state, with diplomatic and military support from Russia. Moldova looks both East and West.

The South Caucasus states all also look both ways, to Russia as the country in which large fractions of their populations live, and to the West where they also have natural affinities of different kinds (Armenia with its important diaspora, Azerbaijan with its strong Turkish connection, and Georgia seeking a counterweight to Russia).

There are also divisions, of course, within the South Caucasus states, with the separatist conflicts of Nagorno Karabakh, Abkhazia and South Ossetia. The Nagorno Karabakh conflict has given new life to old imperial tensions, with Turkey supporting Azerbaijan and Russia supporting Armenia. Abkhazia and South Ossetia have become virtual Russian protectorates, cut off from Georgia, which is itself seeking more of a Western future.

Chechnya has been seeking independence from the Russian empire for centuries, and has become the site of two devastating wars of attempted secession in the last decade, to the point where Grozny now resembles a Hiroshima landscape. The EU complains that Russian methods in Chechnya are contrary to OSCE and Council of Europe standards of human rights, with all too many accounts of arbitrarily murderous practices by the Russian forces. In response, Russia asserts that it is doing all of Europe a service, protecting its Eastern border against militant and even fanatical Islam, the ultimate frontier of the Common European

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<sup>42</sup> See Emerson [2001].

<sup>43</sup> See Wolczuk [2001].

Home. This was the argument well before 11 September. Putin presents his arguments now, as on 26 September in Berlin, as part of the international cause:

Hundreds of innocent civilians died in the bombing of residential houses in Moscow and other large Russian cities. Religious fanatics, having captured power in Chechnya and having turned ordinary citizens into their hostages, mounted a brazen large-scale attack against the neighbouring Republic of Dagestan. International terrorists have openly – quite openly – declared their intention to establish a fundamentalist state on the territory between the Black Sea and the Caspian Sea – the so-called khalifate, or the United States of Islam. ...

I would like to stress right away that talking about any ‘war between civilizations’ is admissible. It would be a mistake to put the equation mark between Moslems in general and religious fanatics. ... Shortly before my departure for Berlin I met with the religious leaders of Russia’s Moslems. They came up with the initiative of convening an international conference on ‘Islam against Terrorism’ in Moscow. I think we should support this initiative.<sup>44</sup>

***Overlapping peripheries.*** These are cases where a part of one empire is found marooned in the midst of another.

Kaliningrad is set to become an enclave in the enlarged EU. It is a region with many ills, whose cure will require strong medicine. The EU has made some cautious suggestions. Some Russians (e.g. Boris Nemtsov) have advocated a strong solution – a Hong Kong level of economic autonomy (one nation and two systems). Foreign Minister Ivanov has said, less imaginatively, that Russia wants a long-term agreement with the EU over Kaliningrad, with legally binding solutions to ensure that the *oblast* benefits from EU enlargement. Russia’s EU strategy document of 1999 suggested the notion of Kaliningrad as a “pilot region”,<sup>45</sup> apparently meaning a forerunner of advanced integration with Europe for other Russian regions. Independent analysts in Russia are beginning to think about it in open-minded terms, for example developing a theory of enclaves.<sup>46</sup> Indeed Kaliningrad is not just an ordinary *oblast*, and the idea of approaching it as a “pilot region” seems less plausible than that of a unique enclave/exclave case.

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<sup>44</sup> Speech before the Bundestag ([www.mid.ru](http://www.mid.ru)).

<sup>45</sup> See Vahl [2001a] for a more detailed treatment.

<sup>46</sup> Yevgeny Vinokurov of Kaliningrad University, in communication with the authors.

In the Baltic states there are large Russian minorities whose citizenship is not yet clear. In Estonia and Latvia in particular the nationality laws require knowledge of the Estonian or Latvian languages, which many adult and elderly Russians are unable or unwilling to acquire. The EU will therefore take in many stateless Russians when Estonia and Latvia accede (as well as Estonian resident Russians who have obtained Estonian citizenship or have Russian citizenship). Until recently, the future status of these communities within the EU was uncertain. The Commission has now proposed<sup>47</sup> that they will have full rights of movement, employment, residence and social protection in the whole of the EU. They will become a substantial new class of Euro-Russians.

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<sup>47</sup> European Commission, "Proposal for a Council Directive concerning the status of third-country nationals who are long-term residents", (COM/2001/127 final) 13 March 2001. This text explicitly covers stateless persons, and so is well adapted to the situation of the Baltic Russian communities. This point illustrates the perceptive remark by Trenin [2000], who advises Russia against using pressuring diplomacy to support the ethnic Russian minorities in the Baltic states, and rather that "... from the Russian point of view, supporting Baltic membership of the EU and letting Europe ... take care of the minorities problem in the Baltic states is the most sensible approach".

In the struggle between competing paradigms to represent the evolving map of Europe, it seems that the *Europe of Two Empires* is presently dominating the *Common European Home*. One can understand why.

The EU has grown up through acts of self-identification (through institutions, a market area, a monetary area and now a security area), the point of which has been the difference between the in's and the out's. For a few decades the geography and politics of Europe fashioned this mode. To the East the Berlin Wall served clearly to mark out "the other" [Neumann, 1999]. To the West the EU filled out its space up to the even clearer and immutable frontiers of the oceans. The culture of the enlargement process became set. First there was inclusion of the British Isles bordering the Atlantic, then Greece bordering the Mediterranean, then the Iberians bordering both the Atlantic and the Mediterranean, and then the Nordics bordering the Atlantic and Arctic. There were few complications of Borderland Europe here, just the comfortably distinct category of responsibility for aid policies towards the third world of former colonies in other continents. The first attempt to blur the frontiers with virtual membership policies – Delors' proposal for the European Economic Area – largely failed to materialise, since all the Nordics except Norway preferred "in" to "virtually in". The mechanisms of the Common European Home (Council of Europe and OSCE) were kept as thin, comfortable devices, allowing many speeches about common values with few costs or institutional complications.

On the Russian side there were learning processes too. There was an initial post-communist period when it was supposed that the Commonwealth of Independent States might take the EEC or EU as a model. For a while both Russia and the EU liked this idea. Russia thought that some of the EU's reputation for legitimacy might rub off onto the CIS. The EU saw the CIS as convenient material for speeches about stabilising regional integration, when nothing else was clear. The EU launched an enormous programme of technical assistance to the CIS, named TACIS, to make the point. There was even an attempt to help the institutions of the CIS. The EU experts soon discovered, however, as they entered the headquarters of the CIS secretariat in Minsk in around 1994, that this was "mission impossible". If the CIS had worked out as a brother or cousin of the EU, then the conclusion would have been obvious. The EU and CIS together would then converge on a Common

European Home of some kind. But this was not to be. Russia gave up on the CIS and returned to muscular bilateralism in its near abroad.

In *Borderland Europe*, moreover, a model of divergence dynamics could be recognised in the post-communist transition. EU candidate states are under enormous, self-willed pressure to converge on EU norms and rules of all kinds. Conversely, the non-candidate states are perceiving exclusion, and lack credible incentives to overcome the vested interests that profit from murky corporate and public governance. Political leaders use the rhetoric and sentiment of the “nationalising state” to protect dubious business interests. This also plays to Russia’s advantage in its efforts to consolidate its near abroad, playing by its own rules. The common rules, of OSCE and the Council of Europe, become increasingly theoretical beyond the sphere of EU integration, even if there are some positive moves, such as the recent accession of the South Caucasus states to the Council of Europe.

The two empires do not threaten each other fundamentally, but their modes of cooperation are still weak compared to various underlying forces that push for divergence. The problems of the overlapping peripheries are not yet being well handled, either by the local powers, or the two empires.

At the same time a new model is emerging, based on two paradigms, which could be promising if followed through with substantial policies. First, the two empires talk of strategic partnership. Secondly, there is also developing a pattern of borderland regionalism. The paradigms come together as the respective near abroads of the two empires get closer to each other. On closer examination, the borderlands sub-classify themselves into the several categories described above: the integrating peripheries, the divided peripheries and the overlapping peripheries of the two empires, as well as the clean-cut peripheries in some places.

The new borderland regionalism has become so prolific that every region of the near abroad is now covered by one or several such initiatives: in geographical order, one may start with the Northern Dimension, which itself overarches Arctic, Barents Sea and Baltic Sea initiatives, moving on to a Central European initiative, multiple Balkan initiatives with an overarching Stability Pact for South East Europe, the Black Sea Economic Cooperation, a proposed Stability Pact for the Caucasus, and the Euro-Med (Barcelona) process in the South. But the multiplicity of categories of peripheries involved – the integrating, divided, overlapping – prompts a question. What is the new borderland regionalism really expected to do?

### 5.1 Stability pacts – From the Balkans to the Caucasus

This is a recipe for regions with endemic conflict. The two regions in question are comparable in size of population and territory, as well as in topography and degree of ethnic “Balkanisation”. Both have also experienced a comparable amount of suffering from ethno-separatist conflicts and criminalisation of weak state structures. However one region – the Balkans – is set to “join Europe” as an integrating periphery, whereas the other – the Caucasus – is part of what Russia calls its near abroad, but can be seen also as a divided periphery.

Both regions are subjects of Stability Pact actions or proposals. The term Stability Pact has entered the lexicon of European international relations over the last decade.<sup>48</sup> It seems to mean an initiative with the following characteristics:

- it covers a region of the European borderlands that calls for conflict prevention or resolution;
- it applies to a region fragmented into nationalities and ethnic groupings that overlap state borders;
- it is intended to be comprehensive, being both multi-sectoral (with economic, human, political and security dimensions) and multilateral (involving all major international actors and institutions);
- it aims at stabilisation, either as a preliminary step to EU membership or as an extension of the European zone of stability; and
- it might come from either the external powers or the region itself or from both together.

The Stability Pact for South East Europe was initiated in July 1999 at the end of the Kosovo war by the German Presidency of the EU, in order to provide a comprehensive framework for a post-war order in the whole region. The Stability Pact mechanism is based on an all-embracing network of committees and task forces of officials of the region and of Western donor nations and institutions. There is an international staff in Brussels, aiding the Special Coordinator, Mr. Bodo Hombach.

Nevertheless, the initiative supplies only a thinly operational mechanism. The underlying mechanisms at work are the prospect of Europeanisation (EU membership) for the whole of the region, and the peacekeeping role of NATO. But the EU itself is not ready for huge and rapid enlargement,

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<sup>48</sup> See Emerson [2001b].

nor are many of the states of the region capable of meeting EU criteria. Therefore methods of association have to be developed for a period or years, possibly decades in some cases.

The first model for such an approach to integration into the EU was set out in *The CEPS Plan for the Balkans*,<sup>49</sup> shortly before the initiation of the official Stability Pact. The states and entities of the region are falling into place in one of three categories: EU accession candidates, associated states or protectorates. The strategic concept is that all the states and entities of the region are set to move progressively through these categories, ultimately to become full EU members. The protectorates may be directed at present by the international community at large, with decisive military and political power deployed by the US and NATO, but the destination is Europe. The EU's main policies progressively extend over the region. In the trade policy domain the regime can progress from tariff preferences to free trade, to customs union and finally to inclusion in the single market. Euroisation has begun in the states or entities least able to manage a currency of their own. This may be through either a currency board regime such as in Bulgaria and Bosnia, or outright use of the euro (or today still the DM) in Kosovo and Montenegro. Regional infrastructures are being integrated into trans-European networks (TENs). The EU's new military and civilian (police) rapid reaction forces are being prepared, such that they could well take over from NATO in due course. Institutionally these policies would amount to "partial membership" of the EU years before full membership is actually achieved.

Recent developments along these lines are positive overall, but hard exceptions still exist. The peoples of Croatia and Serbia responded to the incentive of joining the modern European mainstream by throwing out the Tudjman and Milosevic regimes, and resuming the march – albeit a long and rocky one – to becoming normal European states. Montenegro became reformist and virtually independent without war during the last years of the Milosevic regime. Now is time to settle its constitutional relationship with Serbia. Since Djukanovic failed in 2001 to obtain a convincing mandate for outright independence, the plausible solution would be a decentralised asymmetric union with Serbia (as detailed in another CEPS publication<sup>50</sup>). But Bosnia is far from a soundly functioning state yet. In mid-2001, ethnic conflict erupted in Macedonia, at least partly through the intervention of Kosovar Albanians, and only

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<sup>49</sup> Emerson et al. [1999].

<sup>50</sup> See Whyte [2001] and Emerson [2001a].

the combined efforts of NATO and the EU managed to impose a precarious political settlement. For the unruly protectorates – Bosnia and Kosovo – the search is still on to find a viable political path for these entities to move progressively towards virtual membership of the EU. The Stability Pact concept in the Balkans is a friendly but superficial mechanism, while the fundamental mechanisms of NATO protection and EU integration work their ways.

In the Balkans, Russian influence has become minimal. Russia did however in the summer of 2001 take an initiative to propose a Balkan summit conference. Its purpose was subsequently defined in October (i.e. in the post-11 September context), according to Russia's special representative for the region, as: "first, assist to the maximum the consolidation and strengthening of the Balkan states; second, oppose more resolutely and consistently extremism and terrorism".<sup>51</sup> The text is unclear however what this would mean for the final status of Kosovo, but stresses the need "to master the question of sovereignty and territorial integrity of Yugoslavia and Macedonia, or any other state of the region", (seeming to imply a return of Kosovo de facto to Yugoslavia, which is considered inconceivable now by most West Europeans. The special representative went on to make propositions that challenge the policy of the EU in the region: "It is not in our common interests nor is it in the interests of the Balkan states that illusions regarding a possibility of an imposed solution are replaced by another, i.e. by the search for a panacea in the shape of speedy integration into euroatlantic structures. ... Somehow, the view has taken root in the EU that everybody in the Balkans is eager to join the Union. But there may be those who don't". The special representative made no reference to the Zagreb summit of November 2000, at which all the states of South East Europe were represented by democratically elected leaders, all of whom joined with the EU and its 15 member states to set out the perspective for the integration of the whole of the region into the EU. If President Putin's meetings in Brussels on 3 October 2001 pointed to highly positive prospects for the EU-Russian strategic partnership, indications such as the above illustrate the distance still to go before there is apparent consistency between declared strategy and its application.

And then how might one devise cooperative strategies for the EU and Russia together in the overlapping peripheries such as the South Caucasus, where Russia has been, and still wants to be the main player? Calls for a Stability Pact were explicitly made by the presidents of the

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<sup>51</sup> See Chizhov [2001].

region at an OSCE summit at the end of 1999. A detailed proposal to give effect to this idea was worked out in CEPS under the title *A Stability Pact for the Caucasus*, setting out scenarios for conflict resolution (in Abkhazia, South Ossetia and Nagorno Karabakh).<sup>52</sup> This was based on political and constitutional settlements of the fuzzy statehood model. Conflict resolution would be followed up with a new security order for the region under an OSCE umbrella, the initiation of a South Caucasus Community for regional economic and political cooperation, wider cooperation with the Caspian region in the energy and transport sectors, and greater EU involvement in wider cooperation in the Black Sea region (see further in the next section).

In April 2001, Armenia and Azerbaijan came very close to resolving the Nagorno Karabakh conflict. An outline agreement was reached between Presidents Aliiev and Kocharian with the mediation of the OSCE-mandated “Minsk Group” co-chairs (France, Russia and the US) at Key West in Florida. The details of the negotiations held in Florida have remained secret. It is widely reported, however, that Nagorno Karabakh would have remained a special autonomous entity within Azerbaijan, the other Azeri occupied territories would be evacuated by Armenian forces permitting the return of Azeri refugees, and internationally guaranteed transport corridors would be established between Nagorno Karabakh and Armenia, as well as between Nakhichevan and the rest of Azerbaijan. This all seemed very reasonable (along the lines of a fuzzy statehood formula), but when Aliiev returned to Baku the deal fell apart. Opposition politicians criticised him for “selling out” to Armenia. This episode becomes another of the wider Europe’s contemporary tragedies, where the politicians seem incapable of looking after the interests of their people in any objective sense, apparently driven by factional political interests or blinded by their own nationalist rhetoric.

According to the ideas in the CEPS plan, a political agreement over Nagorno Karabakh would be the key to unlock the whole set of frozen conflicts of the Southern Caucasus. It could lead on to initiatives to establish regional cooperation and integration. In addition to the idea of a South Caucasus Community, it was envisaged that the EU would cooperate with Turkey, Russia and the US in reconstruction and development programmes. The East-West Silk Road highways would be restored, after frontier blockades were removed. Further solution of the Abkhazia conflict would require that Russia’s “national interest” in the region be reformulated. This would turn more to the pursuit of favourable

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<sup>52</sup> See Celac et al. [2000] and Emerson et al. [2000].

economic, social and political development for the wide Black Sea, South Russia and Caucasus region, and less to the maintenance of power bases (military bases and frontier checkpoints guarded by Russian armoured-personnel carriers, energy supply monopolies, etc.), switching from possession goals to milieu goals.

New developments in oil and gas pipeline infrastructures in fact make such a policy for Abkhazia all the more advantageous. There are major new pipelines in the region: the CPC pipeline from the North Caspian to Novorossisk on the Black Sea is now built; the Blue Stream project carrying gas from Russia to Turkey is under construction; and the planned oil pipeline from Baku to Tbilisi and on to Ceyhan on the Turkish Mediterranean coast has received the operational go-ahead from the major investors. These projects change the geo-politics of Caspian oil and gas. The Bosphorus bottleneck leaves the increasing oil exports from Novorossisk in need of a new, environmentally sound route. The best route – economically, environmentally and geo-politically – would be a new pipeline link, from Novorossisk passing through the presently blockaded Abkhazia to join up with Baku-Tbilisi-Ceyhan. Trans-shipment across the Black Sea and through the Bosphorus would be avoided. Russia and Turkey would be entering into contracts of symmetrical mutual dependence for gas supplies and oil exports, a new strategic partnership instead of geo-political competition over the Black Sea. The key to this plan would be a decision by Russia to change its position over Abkhazia, which it presently blockades and protects from Georgia. Russia would have to opt to open up Abkhazia, and protect returning Georgian refugees, rather than just the Abkhazian separatists.

The CEPS proposals for a joint action over the Caucasus have elicited reactions in Moscow think-tank circles, and the following extract from Dmitri Danilov<sup>53</sup> at least hints at the possible beginnings of a strategic dialogue on these questions, with suggestions of a mirror image symmetry between EU and Russian roles in the Balkans and Caucasus respectively:

What would meet Russia's interests to a maximum extent is probably bilateral cooperation with the EU (not at all at the expense of cooperation with other partners in the Caucasus). Such cooperation would be viewed as an integral part of developing strategic partnership between Russia and the EU in the sphere of international policy and security, calling for increased interaction in other regions where Russia and the EU have common interests. But

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<sup>53</sup> See Danilov [2001].

whereas in such regions as the Balkans or the Mediterranean, the question is to which extent Russia can fit into the EU political strategy, being of interest as a partner, in the Caucasus the situation could be viewed as a mirror reflection. The prospects of the EU cooperation with Russia are determined by the extent to which Europeans are capable of formulating their interests in the context of those of Russia, taking account of Russia's key role in the Caucasus. Here Russia itself faces a major task of formulating its fundamental interests in the region. It is worth supporting a proposal ... to work out a "Platform of Russia's Interests in the Caucasus", which might lay a foundation for a dialogue with the EU over regional stability and development. ... The bigger the scope of such cooperation is, the higher will be the reputation and political potential of Russia and the EU in the Caucasus.

At least a debate is being engaged. Maybe there could be something of a condominium in due course where the state remains too weak – a Georgia of the Caucasus becoming like the Andorra of the Pyrenees. Trenin<sup>54</sup> also argues in favour of joint cooperative strategies for conflict resolution and reconstruction in the Caucasus. Is this also the kind of progress that the post-11 September situation now opens up?

## **5.2 Cooperative regionalism – From the Baltic to the Black Seas**

This is for regions at peace, which are open to cooperative regionalism. Again there is a pair of examples. The Baltic Sea becomes predominantly an EU lake, with no less than eight actual or future EU member states occupying 90% of its coastline, with the Russian regions of St Petersburg and Kaliningrad occupying the remaining 10%. In the Black Sea region, the EU candidate states, all distant candidates still, account for half of the coastline, with CIS states occupying the other half. If a cooperative regional regime can be found first in the EU's near abroad, can the model also be extended to a region that is more of a Russian near abroad?

The Northern Dimension policy, developed by the EU under its Finnish Presidency in 1999, aims at bringing Russia into a comprehensive regional cooperation on almost every conceivable subject, except military security. The region includes the full range of European political types: EU member states, the Baltic candidate states, virtual EU member state Norway, and non-candidate state Russia. The concept of the Northern Dimension is first of all a political umbrella, under which an array of existing regional arrangements is supposed to come together to work with

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<sup>54</sup> Trenin [2000].

even greater synergies and sense of purpose. The main examples are the Council of Baltic Sea States (CBSS) and the Barents Euro-Arctic Council (BEAC). Evaluation of these and other mechanisms, too numerous to mention here, is a real challenge. What do they all do? How do they relate? Where do they overlap or complement each other? Norwegian researchers have thoroughly documented this jungle.<sup>55</sup> A more political evaluation has been supplied from CEPS.<sup>56</sup> What becomes clear from these analyses is that the EU role in the region is becoming increasingly pervasive, in contrast to the earlier decades when close and exclusive Nordic cooperation predominated on the Western side of the cold-war frontier. Mariussen et al. point out that the EU's InterReg programmes of cross-frontier projects are becoming financially important in the region. Vahl concludes that the Northern Dimension policy is already sharpening its focus. Whereas in a first phase the list of priorities was so long that nothing was really a priority, in the last year the focus has been increasingly on energy, environment and Kaliningrad. More generally, the Northern Dimension seems to have had some success at raising the political profile of the basic proposition: a regional cooperative programme engaging the enlarging EU and Russia together.

Vahl goes on in another paper<sup>57</sup> to consider whether the Northern Dimension model might effectively be transposed into a Southern Dimension project for the Black Sea region. It seems worth a try. The region already has its own organisation, Black Sea Economic Cooperation (BSEC), with a substantial institutional structure (Council of Ministers, permanent secretariat in Istanbul, many working groups for sectoral policies, a development bank, a think tank, etc.). BSEC has its sponsor among the full member states of the EU in Greece. The EU itself has no institutional relationship with BSEC, and does not support it financially. Lacking both funds and in-house expertise, BSEC has difficulty in becoming a real motor of regional cooperation. However the organisation has made a significant contribution in advancing mutual confidence among its member states and a cooperative disposition in the region. The EU was invited by BSEC to develop institutional relations with it, to which the EU has responded so far with polite caution. The possible priority domains turn out to be similar to the Northern Dimension – energy networks, environment, transport and the broad political relationship. Also, as for the Northern Dimension, the second-

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<sup>55</sup> See Mariussen et al. [2000].

<sup>56</sup> See Vahl [2001a].

<sup>57</sup> See Vahl [2001b].

order priorities cover almost every sector of public policy, except military security. The EU's caution seems to be mostly a matter of institutional overload, which should be a temporary matter of organisation, and this could change in due course. Indeed another recent study from CEPS draws attention to an impressively long list of strategic reasons why the EU should be interested in fuller commitment to Black Sea cooperation.<sup>58</sup> As for the Northern Dimension, a political sponsor within the EU would be necessary, for which a plausible candidate is the forthcoming Greek presidency of the EU in the first half of 2003.

A common issue for all these regions in both the EU and Russian near abroads concerns EU finance. Experience now shows that the multiplicity of EU financial instruments causes serious operational difficulties in putting together projects spanning Borderland states belonging to different categories for EU policy (i.e. using different combinations of InterReg Structural Funds, with Phare and/or Tacis and/or Cards funds). Each instrument has its own set of regulations and programming procedures, administered by different Commission departments. The tremendous difficulties encountered in launching multi-country regional projects from states with different EU relationships act as a serious disincentive to even making the first effort.<sup>59</sup> Solutions could include the creation of distinct budget lines for the policies in question (Northern Dimension, etc.), but this option has so far been rejected. This position could change if the concept of Borderland policies were given a higher priority, rather than left to languish as an unwelcome complication to existing policy burdens.

A particular problem for BSEC, but also an opportunity for the EU, is the paucity of financial resources in BSEC states, unlike the case of the Baltic Sea. This means that relatively small EU grants could make a considerable difference to the effectiveness of BSEC.

### **5.3 European solutions or disasters – Cyprus and Turkey**

The Cyprus question becomes a major test of the pacifying capacity of the enlarging European Union. On the East Mediterranean periphery, the irresistible force of EU enlargement is about to encounter the immovable object of the division of Cyprus. The nationalising state is dominating,

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<sup>58</sup> See Emerson and Vahl [2001].

<sup>59</sup> An example has been the impossibility for the Tacis programme to support the BSEC secretariat in Istanbul because Tacis can only finance operations in CIS states.

whereas degrees of fuzzy statehood seem needed, if political crisis is to be avoided in the near future.

In the case of Cyprus, the EU has repeatedly stated that the prospect of membership would act as a catalyst for the resolution of the conflict. While not explicitly doing so, the EU has effectively been acting as an intermediary in the conflict. It has indeed fundamentally altered the nature of the negotiating process, but it has not yet found a formula for a constructive settlement that could open the way to conflict resolution. At the 1999 Helsinki Summit, the EU explicitly stated that agreement would not be a pre-condition for the entry of the (Greek Cypriot) Republic of Cyprus to the EU. This decision removed the incentives for the Greek Cypriots to actively push for a settlement that would guarantee a politically equal status for their Turkish Cypriot compatriots. On the contrary, the Greek Cypriots appear to have strong incentives to delay a settlement until after EU membership when their political status would be enhanced. Turkey for its part has not helped either. Both the Turkish Cypriot leadership and at times the Turkish leadership in Ankara have made speeches casting doubt over their interest in seeing either Turkish Cyprus or Turkey itself or both accede to the EU.

The EU could still fundamentally alter the nature of the Cyprus conflict and induce a settlement conducive to inter-communal reconciliation by offering the conditional incentives of membership in different ways.<sup>60</sup> Although the EU cannot go back to its 1993 position and impose conditionality on the Greek Cypriots, it could encourage the Greek Cypriots to make new proposals for a common state settlement. It could directly invite the Turkish Cypriots to take part in accession negotiations as representatives of a federated state in Cyprus (even if an agreement has not yet been reached). It could articulate more precisely what kind of special transitional arrangements could be applied to Northern Cyprus if a unified island were to enter the Union. In addition it could specify more concretely how the basic needs of the two communities could be addressed within the EU's multi-level governance structure. This goes back to the concept of fuzzy statehood. The EU could articulate more precisely how the delegation of sovereignty in key policy areas (trade, money, security and defence and justice) to the supranational EU level could encourage a non-hierarchical settlement between the two entities within a single state. Generally the Greek Cypriot elites could view favourably the transfer of competences from the two community units to the European level, while Turkish Cypriot elites would be more willing to

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<sup>60</sup> As argued in Tocci [2000].

devolve power to the supranational EU than to the central Cyprus level. The EU would be reducing the importance of separate sovereignties. Under the European umbrella, in which interference in domestic affairs is the norm while the philosophy of subsidiarity is also rapidly developing, the distinctions between confederations, federations and unified states would become increasingly blurred. The struggle between the Greek Cypriot demand for federation versus the Turkish Cypriot demand for confederation could and should fade away into irrelevance, as the whole of Cyprus joins the EU which is itself a hybrid model – part federal and part confederal.

In the case of Turkey, which cannot conceivably accede as a full EU member for many years, the EU has the prime responsibility for opening up the opportunities for Turkish inclusion in a number of important EU policies. Concrete action should be sufficiently broad to displace the current frustrations over the absence of a credible accession timetable. As discussed in detail elsewhere,<sup>61</sup> the opportunities actually exist and are becoming increasingly topical. The importance of the EU anchor has been highlighted by the passing by the Turkish parliament in September 2001 of constitutional amendments in line with EU requirements, an impressive achievement given the ongoing state of political and economic crisis.

Next moves could focus on monetary policy, security policy and regional cooperation in the Black Sea and the Caucasus. Following Turkey's recent disastrous attempt at monetary stabilisation, which ended in financial collapse, the proposition of joining the euro area before EU accession looks increasingly attractive on objective economic grounds. Such is the opinion of the new Economics Minister, Mr. Dervis, converging on the view that CEPS papers have been advancing for some time [Tocci, 2000]. However, the EU would have to soften its opposition to euroisation by not-yet member states. In the military-security domain, Turkey has made extremely important pledges to the future EU rapid reaction capability. There followed in the spring of 2001 an acrimonious dispute over the conditions of Turkey's voice in the use by the EU of NATO assets. An agreement on this point appeared within reach at a NATO ministerial meeting in May, but since then both Turkey and the EU have withdrawn support for this proposal. Regarding regional cooperation, Turkey has every interest in seeing the EU raise its level of commitment to such projects as Black Sea Economic Cooperation and a Caucasus Stability Pact. The EU would have to make a certain shift in

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<sup>61</sup> See Tocci [2001].

doctrine and priorities, in favour of “partial membership” actions and greater Borderland Europe commitments in general and here with specific content for Turkey. Partial membership of the EU for Turkey could serve usefully for quite a number of years. This would thus consist of four policy pillars: a) membership of the customs union as already, but with further moves in the direction of inclusion into the single market, b) euroisation, c) inclusion in foreign policy actions and d) security policies.

This series of developments would be considered in some parts as either “unrealistic” or “undesirable” for the EU institutions, yet these issues are of vital strategic importance to the EU itself. The Cyprus-Turkey nexus, if mishandled, threatens to derail the whole EU enlargement process and wreck the Turkey-Europe relationship at the same time. Well handled, a single Cyprus state of two parts could conceivably enter the EU in the near future, and the EU-Turkey relationship would become a strong anchor for the stabilisation of Borderland Europe.

#### **5.4 Strategic partnership – EU and Russia**

A strategic partnership involves two actors that are powerful and capable of taking strategic action together. It is hardly surprising that leaders of very large entities like the expression. The issue at hand is whether the EU and Russia are capable of going beyond diplomatic declarations to the point of actually taking strategic action, i.e. organising a real convergence of interests and ultimately of political values and behaviour, and if so, how this may be done. The answers to these questions are not yet clear. However President Putin is at least willing to speak clearly to the overriding issue:<sup>62</sup>

... we have so far failed to recognise the changes that have happened in our world over the past ten years and continue to live in the old system of values: we are talking about partnership, but in reality we have not yet learned to trust each other.

We understand that without a modern, sound and sustainable security architecture we will never be able to create an atmosphere of trust on the continent, and without that atmosphere of trust there can be no united Greater Europe.

Yet a large menu of conceivable projects for action is taking shape.

*Economic and monetary cooperation.* The EU-Russia summit in Moscow in May 2001 announced their interest in the idea of a “common European

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<sup>62</sup> Speech to the German Bundestag, 26 September 2001 ([www.mid.ru](http://www.mid.ru)).

economic area". The leaders gave no further indication of what they had in mind. Nor did they do so when they met again on 3 October 2001 in Brussels, except that they mandated a high-level group to come up with a concept by October 2003. To give a two-year mandate to such a group suggests indeed that the leaders have no clear idea at this stage. However, the headings for conceivable action over a medium-term period can be readily sketched, as follows.

*Pan-European free trade and market area.* Europe is presently heading towards a structure of two trading blocs, one centred on the EU and the other on the new Eurasian Economic Community, with many inefficient details in the trade policy regimes of Borderland states in between. The proposition of bilateral free trade between the EU and Russia would lead to a consolidation of a multilateral free trade area for both blocs as well as the Borderlands, thus embracing the whole continent. It would be analogous to the proposed Free Trade Area of the Americas. Such a development would have to follow Russia's accession to the World Trade Organisation, an event which itself still seems rather elusive. Apart from tariff-free trade, there is the much wider agenda of market integration. This can in practice go as far as complete market integration, as shown already in the case with the European Economic Area (EEA), which united the EU, Norway, Iceland and Liechtenstein. For a "common European economic area" the idea could be to move towards the EEA, or creation of an "EEA Mark II", a process that should not be underestimated, however, since it involves adoption of a vast amount of the EU's internal market legislation. The EU's Partnership and Cooperation Agreements with the former USSR states already provide for loose cooperation on a wide range of market policies, which provides a starting point.

*Euroisation.* When the euro banknotes are in circulation from 1<sup>st</sup> January 2002, with most European trade centred on the EU, and with the vast amount of travel across the wider European space, a widespread use of the euro throughout Europe will be a natural development. This can move through many stages in the private and public sectors, before the ultimate step of total euroisation. The EU does not need to promote total euroisation for non-EU states, but at least it can revise its needlessly negative doctrine on the subject, which is espoused in particular by the Commission.

*Pan-European infrastructures.* The Pan-European corridors and networks, and their extensions across the Black Sea into the Caucasus and Central Asia have already been traced out technically and politically. The EU could agree to promote the financing of these investments by the

international financial institutions. The World Bank and EBRD can already support such projects. The mandate of the EIB to operate in North-West Russia, agreed at the Stockholm summit of March 2001, could be expanded to other regions such as the Black Sea and the Caucasus. The EU could support North-South axes to link with the East-West Silk Road network for the Black Sea-Caucasus-Central Asia region, which Russia already requests. Russia for its part would have to demonstrate its reliability as a borrower. Over the last year, however, it has done little to inspire confidence in this area.

*Energy cooperation.* Action in this domain was agreed in principle between EU leaders and President Putin in October 2000. Despite many official follow-up meetings since, however, there has been little sign of real action. The Russian side has yet to show a sincere commitment to establishing investment conditions that would be attractive to EU energy companies with the capacity to invest in major Russian oil and gas projects.

*Global warming.* If the EU is serious about implementing climate change measures to stop global warming, there is a huge project in prospect with Russia, which has the world's biggest credit of CO<sub>2</sub> emissions savings, and the largest potential for investment in energy-savings. President Bush's first moves in April 2001 ("Kyoto is dead") pushed the EU to ally with Russia and Japan. In July at a conference in Bonn the EU persuaded all parties except the US to go ahead with Kyoto. The agenda now moves on to the design of implementation mechanisms, which could imply huge emissions trading and financing of joint investments between the EU and Russia. The task is even more challenging than the conventional energy supply dialogue.

*Wider environmental cooperation.* There are similarly huge projects for cleaning up Russia's nuclear hazards, especially in the Northwest. The Kursk Foundation organised a successful lifting of the Kursk nuclear submarine, which gives a welcome boost both to goodwill and the credibility of European capacities to execute projects on the Russian scale. For conventional cleaning up of Baltic Sea pollution, the Stockholm summit meeting of EU leaders with President Putin in March 2001 was the occasion for the EU to authorise the European Investment Bank to make its first investment in Kaliningrad and St Petersburg for this purpose.

*Regime for movement of persons.* The visa regime between the EU and Russia needs to be modernised and humanised for monitoring the movements of normal honest people. The present visa system hardly

hinders criminals, but it does deter and humiliate law-abiding citizens, and entrenches societal divergences. There is no need for symmetry in visa regimes. Russia could abolish visa requirements for EU citizens unilaterally, given the sounder state of law and order in the EU than in Russia. The EU can reciprocate with asymmetric policies in favour of Russia in other respects, for example the Commission's recent proposal (cited above) on the rights of third-country nationals who are legal long-term residents of any member state. Nevertheless, the adaptation of the Schengen border regime to be as friendly as possible to neighbouring states is a large agenda item in itself, which deserves more explicit attention. It has been recommended recently that the Commission prepare a Green Paper on the subject, addressing the situation on all of the EU's future borders (see the Recommendation formulated by CEPS, Sitra and the Stephen Batory Foundation reproduced in the Annex).

*Regional cooperation.* As already discussed, this has been given a high-profile start in the Baltic and Barents Seas, now under the umbrella of the Northern Dimension. The model could be further pursued with a Black Sea or Southern Dimension. In this way Russia and the EU would find themselves cooperating on both geographical fronts, in spite of the big differences between the two regions. The message would thus be reinforced: wherever the two meet, they find a way. Energy, environment and transport projects would be core activities common to both regional dimensions.

*Political dialogue.* The above economic agenda is so long and substantial that it naturally leads on into the political and security framework. The half-yearly EU-Russia summits, and many other levels of bilateral meetings, have already been established in the framework of the Partnership and Cooperation Agreement signed in 1995. However the process received a striking boost on 3 October 2001, with agreement at the Brussels summit that there will be monthly meetings between the Troika of ambassadors of the EU Political and Security Committee and Russia's ambassador to the EU for consultations on crisis prevention and management.

*Strategic security.* This is the newest item on the EU-Russia agenda, which had until very recently been entirely made up of the above economic and civilian policy domains. But it may now become the crucial element in a new dynamic. The EU's decision to create a Rapid Reaction Capability for crisis management, with the plan to have available a force numbering 60,000 by 2003, quickly aroused Russia's interest. Joint operations between the EU and Russia were quickly sketched in as a conceivable development at their Paris summit in

November 2000. However this prospect is set to remain over the horizon until the EU will be ready in 2003 with its new instrument, and also, more fundamentally, until it has resolved the question of its cooperation with NATO. The latter issue is currently blocked by Turkey, which points to the diplomatic intricacies of associating non-EU states.

The major strategic choice that is on the horizon, due for decision before the end of 2002, is NATO's enlargement. Here the prospect of Baltic membership has been conventionally seen as aggravating Russia's alienation from Europe, especially when combined with new frictions over Bush's missile defence plans. However, already before 11 September, Putin was showing that he did not wish to slide that way, contrary to the automatic rhetoric of old-fashioned Russian security chiefs. Early in 2001, Russia addressed a proposal to the US and Europe via NATO for a common missile defence system. On 3 October, meeting the NATO secretary general in Brussels, Putin effectively changed Russia's position on NATO enlargement:

As for NATO expansion, one can take another, an entirely new look at this, if NATO takes on a different shade and is becoming a political organisation. Of course we would reconsider our position with regard to such expansion if we were to feel involved in such processes.<sup>63</sup>

Putin has also alluded to the idea of Russia's membership of NATO. This also for the moment is virtually ignored, being beyond the horizon politically for the West. Yet European NATO members could at least propose to NATO to use EU terminology for long-range candidates, offering Russia the "prospect of NATO membership". NATO's structure could be further reshaped to alleviate the distinction between full members and its associates, by reinforcing the substance of the Russia-NATO bilateral relationship, the Partnership for Peace programme, etc.

Such ideas became immediately more concrete in the post-11 September era. Putin evidently reflected hard on how to turn the new situation in the direction he wanted, preparing at Sochi in the days before his state visit to Berlin for his speech to the Bundestag of 25 September.<sup>64</sup> His answer seems clear at the level of practical decisions as well as political declarations. As a matter of principle, Putin aligned Russia unambiguously with the international alliance against terrorism. This would hardly be surprising. More significantly, however, because it

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<sup>63</sup> Reuters, 3 October 2001.

<sup>64</sup> For the full text, see Daily News Bulletin of the Russian Ministry for Foreign Affairs, [www.mid.ru](http://www.mid.ru), 28 September 2001.

suggests a switch of foreign and security policy, Putin indicated he had no objection to Central Asian countries hosting US forces intended for deployment against the terrorist organisations in Afghanistan. It is widely reported that in taking this decision, he overruled the advice of his security council, which was following the old line of preserving a Russian monopoly of influence over “their” near abroad. By 6 October, 1,000 US troops were being flown into Uzbekistan.

There are thus numerous, vast projects that are well suited for EU-Russian collaboration, complemented in the security field by Russian-US-EU-NATO collaboration. But little progress can be made in the absence of credible political commitment by Russia to common principles and projects, whether the projects concern economic investments, intervention in crisis regions or strategic security. Common political norms already exist in the OSCE and the Council of Europe. But these organisations – now assemblies of so many small states – have become impractical for operational strategic business, and inconvenient for both Russia and the EU, but in different ways. The bilateral EU-Russian strategic partnership would therefore have to take the lead role. A certain revision of Russia’s conception of its national interests would be needed, in favour of modern economic, social and political models. This is beginning to happen at the level of President Putin’s diplomacy, but in-depth follow-through depth remains to be confirmed. On the EU side also, there would have to be a major upward commitment of resources and political energies. If all this could be achieved, it would amount to a considerable rehabilitation of the common European home.

These are however huge agendas, attended by huge problems on both sides in motivating and preparing the apparatus to deliver. But the EU and Russia are also entities with correspondingly huge ambitions. If they are both not to continue to wallow in the depressing realm of “expectations-capabilities gaps”<sup>65</sup>, they need to harness their ambitions to something resembling an agenda of this magnitude, accompanied by concerted action and not mere declarations.

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<sup>65</sup> See Hill [1998].

## CHAPTER 6

### CONCLUSIONS

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Use of the politically incorrect language about “empires” is intended to encourage a reassessment of European strategic priorities. Empires have not been part of Europe’s political ideology since the end of its colonial epoch. Yet in spite of frequent political speeches about “one Europe”, there is a slide in European political tendencies in the direction of a new two-bloc Europe.

This new map is taking shape. The EU contemplates its expansion, rounded off to include not only the present applicants but all the rest of the Balkans as its domain, justified by its own political norms. Russia looks at the CIS space in possessive terms, justified by a somewhat different set of norms or instincts. The EU’s energies and resources are so consumed by its enlargement and institutional reform process that its external policies are still of limited effect. Russia’s political and economic weaknesses and history are such that, beyond the CIS area, it now has little in common with the former communist states of Central and Eastern Europe. These tendencies could be deepened by a big-bang NATO enlargement in 2002, making the extension of its map deliberately coincide with that of the enlarging EU.

Until recently the view was that NATO expansion would lead to more intense feelings of exclusion in the CIS area, and engender paranoid and aggressive attitudes in a Russia still beset by deep internal disorders. But in the aftermath of September 11th, this outlook has been transformed. Alliance-building between the US and Russia, extending already even into cooperation over deployment of US troops in Central Asia, is a reality. The prospects open up for broader strategic cooperation between the four parties: the US, Russia, NATO and the EU.

The implications are less obvious for Borderland Europe, the space between or overlapping the frontiers of the EU and Russia. This space has already seen all too often the post-communist transition degenerate into impoverishment, criminalisation and demoralisation –leading, in the worst cases, to savage conflicts and ethnic cleansing. Borderland Europe is no buffer zone between the two empires. On the contrary, it is seething with tensions and instabilities.

How can these hazards and risks be avoided or eased? One strategy, which has received token support in many political speeches, would be to invest much more heavily in the pan-European organisations. The OSCE and Council of Europe have already supplied the common political norms

– a task they have done very well. The proposition might go on to the effect that they and the international financial institutions might somehow deliver the convergence of the “rest of Europe” (i.e. the states that are not part of the EU enlargement and integration process) onto the common norms. While these wider European and international organisations have done valuable work, it seems implausible to rely on them for the problem at hand, namely the newly dividing Europe. It is clear that the political structures of OSCE and the Council of Europe are not set to become new driving forces. This is because neither the EU, nor Russia, nor the US imagines this as a viable strategic option.

A second strategy, as suggested in this document, would envisage a greater cooperative investment by the EU and Russia in the wider Europe. Firstly this would be a matter of the EU-Russian bilateral strategic partnership, which is already the declared intention of the political leaderships, but is far from fully developed in practice. But it would also involve changes of concepts, priorities and strategies towards Borderland Europe by both parties. These two aspects, the bilateral strategic partnership and the business of the Borderlands, would run into each other.

The Borderlands (looking ahead to when the present EU accession candidates will be on the “inside” of the EU border) will contain several types of cases, referred to above as the “integrating peripheries”, the “divided peripheries” and the “overlapping peripheries”. At the level of general conclusions, the argument is that the EU should give more priority to extending its policy reach into these peripheries, blurring the distinctions between being “in” and “out” of the EU. It would mean a greater willingness to offer “partial membership” arrangements for long-run accession candidates; to extend “stability pact” methods into the conflict zones of the overlapping near abroads of the EU and Russia; and increasing “cooperative regionalism” in Borderland regions that have a natural geographical and historical identities, but whose states today are politically heterogeneous in their relationships with the EU. This runs from the Baltic to the Black Seas, from Northern to Southern Dimensions, from the Balkans to the Caucasus, and to the case of Ukraine. Such a policy would have many operational implications, such as revising EU financial instruments to serve Borderland priorities, opening up doctrines on the eligibility of neighbouring non-EU states for inclusion in specific economic or security policies of the EU, and working out cooperative strategies between the EU and Russia towards the overlapping peripheries. The outcome would be a Borderland Europe

with many “fuzzy frontiers”, the antithesis to a Europe of violent, ethnically cleansing nationalising states.

The EU and Russia have already declared their intentions at summit level to pursue a strategic partnership based on common values. There will surely have to be a long transition for the partnership to become well entrenched, as it implies a huge task of real actions consistent with, and giving substance to a cooperative all-European regime. But there is no more important task facing Europe’s foreign and security policies, with major implications for both parties. Russia has many shortcomings, but it has a legitimate point in complaining that the EU lacks a capacity for strategic action in the organisation of its external policies. EU diplomacy has an element of obsolescence analogous to the critiques made of its military capacity shown in the Kosovo war: a combined military budget representing 60% that of the US yielded 5% of the firepower. Certainly this is beginning to change for the better, for example with the role of the High Representative and efforts by the Commission to sharpen up and expedite its executive tasks. Moreover the EU commands the necessary resources to develop a strategic partnership with Russia on the scale that would turn the course of European history. This potential needs to be brought onto the stage of political action, to the point where Russia can see it concretely. Russia would for its part have to reflect seriously, which President Putin actually appears to do, on its own capacity to be a reliable partner for all manner of contracts with the EU – a commitment that has profound implications for Russian public and corporate governance. It also would mean a serious modernisation of Russia’s conceptions of its national interest.

This is an immensely ambitious agenda, but given Europe’s situation at this particular point in time, it may be the only way to return practically to the pursuit of the ideal of the common European home. It would amount to a second approach, following in the wake of some useful learning experiences acquired during the first post-communist decade.

It is also an agenda that is now pushed up into higher relief in the aftermath of the terrorist attack on the US of September 11th. This new situation sees matters of security cooperation, and indeed an alliance against a common enemy, thrust into the forefront of the EU-Russian agenda, as well as the US-EU and US-Russian agendas.

From the European standpoint, there are three fundamental conclusions to be drawn:

- i) The EU has to view its security concerns as a continuum both geographically and conceptually. It stretches geographically across

the EU's nearest unstable borderlands in the Balkans, through to the Caucasus, across to Central Asia and down to the Middle East. It stretches conceptually from problems of corrupt governance and criminality to ethnic conflict, and from local terrorist movements within the EU and in its borderlands to the global terrorism of the first post-modern world war. Fortress Europe is no defence. The concept of an "inclusive Europe", which is much more operational beyond the frontiers of the enlarging EU than has been the case so far, has to become a fundamental part of the society's conception of security.

- ii) The prospect of EU-Russian security cooperation, until recently seen implausibly by Russia as an attractive means of inserting a wedge between the EU and the US, and correspondingly disregarded by the EU for the same reason, is now beginning to fall into place as part of a triangular cooperation if not alliance for the future. This opens new strategic possibilities for the EU-US-NATO-Russia network, which can go beyond the immediate tasks to the prospect, however distant, of Russian membership of NATO.
- iii) At the level of political principles, and even political philosophy, the nature of the EU-Russian strategic relationship may now change. It is a matter of focus. In the first post-communist decade there were no more enemies, only the task of progressive convergence on Western norms, and the travails of the transition. With that convergence still incomplete, the West has been preoccupied with the remaining divergences from Western norms and the shortcomings of the transition. The focus was therefore on negatives, conditions and complaints. Now the focus switches to a real evil and common enemy. Russia and the EU are joining with the US in combating this common enemy. Thus the focus is transformed, albeit out of tragic circumstances, from a negative to a positive. Suddenly there is a common cause for restoring momentum to the construction of the common European home.

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*Note:* All CEPS publications cited are available in both printed and electronic (on [www.ceps.be](http://www.ceps.be)) form.

## ANNEX

### ***RECOMMENDATION TO THE EUROPEAN UNION TO ADOPT***

### **A Political Declaration on Friendly Schengen Border Policy (FSBP)<sup>66</sup>**

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1. The enlargement of the European Union will move the present external Schengen border to the East, in a manner that will be more restrictive for the movement of persons in Central and Eastern Europe than has been the case for a whole decade since the collapse of the communist regimes, and which saw the arrival of a new era of freedom of movement of persons.

2. There are several highly sensitive border regions that could be adversely affected. In fact these are found virtually all the way round the EU's future external frontier, for example:

- *the Narva-Ivangorod border between Estonia and Russia*, where Russian communities are living directly alongside each other;
- *the borders of Russian Kaliningrad with Lithuania and Poland*, given that Kaliningrad is due to become an enclave within the territory of the EU;
- *the borders between Ukraine and its EU candidate neighbours (Poland, Hungary, Slovakia and Romania) as well as between Belarus and Poland*, which are currently crossed by very large movements by people and goods for purposes of trade and personal connections;
- *the borders of South East Europe*, where there is an outer ring of visa-free states (Croatia, Slovenia, Hungary, Romania [soon], Bulgaria and Greece), that surround an inner core that is subject to visa requirements (Bosnia, Macedonia, FRY and Albania);

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<sup>66</sup> Recommendation adopted by the Conference on New European Borders and Security Cooperation: Promoting Trust in an Enlarged European Union, Brussels, 6-7 July 2001, organised by the Centre for European Policy Studies (CEPS), Brussels, the SITRA Foundation, Helsinki, and the Stefan Batory Foundation, Warsaw.

- *the border between Moldova and Romania*, with many Moldovans now acquiring dual Moldovan and Romanian citizenship because of the prospect of the new Schengen frontier; and
- *the Aegean islands of Greece that are close to the Turkish coast*, where tourist movements are now unfortunately being hampered at a time of improving Greek-Turkish relations.

3. The priority of the EU is to ensure that the new member states will be able to implement the existing Schengen rules, with new visa requirements being the main instrument. The priority of the applicant states is to clear the way for accession to the EU as soon as possible. Neither side has therefore yet given sufficient attention to the need to make the new external Schengen frontiers of the EU as friendly as possible for the new borderland neighbours. The EU has not yet developed a positive, pro-active approach to minimising these problems.

4. Many ways exist to alleviate undesired restrictive effects of the Schengen regime on the movement of honest citizens in and out of the EU, without prejudice to the security objectives of the EU. Examples include:

- *provision of adequate consular services* for people living in frontier regions as well as capital cities, including necessary expansion of facilities in border cities and cooperative arrangements between EU member states that do not have consulates, or creation of a new category of EU consulates, so as to facilitate the issue of the standard 3-month Schengen visa;
- *upgrading of border facilities* to provide for rapid passage of large numbers without the multi-hour queues often experienced today, which are indicative of existing problems pre-dating Schengen rules;
- *special bilateral agreements for border regions*, such as long-term multi-entry national visas at a low or no charge,<sup>67</sup> short-term visas for one or two days<sup>68</sup> to facilitate local family contacts, tourism and

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<sup>67</sup> Estonia and Russia have mutually agreed to issue 4,000 long-term, multi-entry visas free of charge.

<sup>68</sup> One-day visas are understood to be available for travelers from Morocco entering the Spanish territories of Ceuta and Melilla. The same principle could be useful in other cases, including for local residents and tourists wishing to cross the Narva-Ivangorod border, and similarly people on the Turkish coast of the Aegean Sea wishing to visit nearby Greek islands.

small-scale commerce, and (outside the Schengen jurisdiction) permanent resident permits;<sup>69</sup>

- *customer-friendly consular and border services*, with training of personnel to eliminate the undignified interrogation styles, to cut visa queues and delays, and to make available application forms by post or from internet sites;
- *advanced electronic techniques to speed up frontier procedures*, including the use of “smart cards” for multi-entry visas, and the possibility to renew short-term visas at the frontier with on-line consultation of the Schengen Information System;
- *planning in neighbouring states for visa-free status*, with help from the EU to prepare action programmes for approaching the conditions under which visa requirements may be lifted;
- *development of Euro-region programmes* to boost cooperative regional development across the EU's new external frontier, with revision of segmented EU aid programmes (Tacis, InterReg, etc.) to make them more border-region friendly;
- *reciprocal efforts by the neighbouring states*, with efforts on their part to ease or abolish visa requirements and improve consular and border services;
- *clarification of the rights of movement, residence and employment in the EU of stateless persons*, including the substantial number of persons of Belarus, Russian and Ukrainian origin, who are permanent residents of Estonia and Latvia but are unable to obtain citizenship in these states due to language difficulties (the EU Commission has recently made general proposals in this regard);
- *sequencing in the introduction of Schengen*, taking care in managing the inevitably progressive application of the full Schengen regime (timing of the elimination of the old Schengen frontiers, and the introduction of the new ones) so as to minimise frictions between accession candidates and with third countries; and
- *possible easing of immigration policy by EU member states (or later by the EU)*, which has been the subject of a recent Communication by the European Commission.

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<sup>69</sup> Such as for members of the Greek community of Southern Albania, who have become also legal residents of Greece.

5. These and other points should be subject of a Green Paper by the European Union, addressed to future EU border states and their neighbours for consultation and invitation of proposals. The process should be launched by a *Political Declaration* from leaders of the European Union, in favour of a *Friendly Schengen Border Policy (FSBP)*. This would constitute an invitation to all interested parties, and in particular to border regions on both sides of the future EU frontier to prepare cooperative proposals. The Political Declaration would immediately serve to give due weight to the political priority of the external policy objective of the European Union to avoid new dividing lines on the EU's eastern frontiers, alongside its internal policy priority to achieve security objectives.