
MODERN VERSUS POSTMODERN ACTOR OF INTERNATIONAL RELATIONS: EXPLAINING EU-RUSSIA NEGOTIATIONS ON THE NEW PARTNERSHIP AGREEMENT

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Abstract

This paper proposes a particular reference point to analyze EU-Russia relations, namely by conceptualizing Russia as a modern and the EU as a postmodern actor of international relations. It provides a theoretical description of what modern and postmodern foreign policy means and adapts these notions to the international behaviour of the EU and Russia, particularly to their positions regarding the new partnership agreement (the post-PCA). The article argues that, because of the fundamental differences between the EU and Russia as international actors, the notion of the partnership as being “strategic” should be questioned. It also argues that there is an inherent ideological clash between the two. Moreover, the ideological differences inevitably translate into the lack of trust and exacerbation of geopolitical tensions in the shared neighbourhood. More importantly, Russia’s economic and political closeness, its unwillingness to deepen interdependence with the EU as well as its export structure dominated by natural resources which are not bound by the EU’s import tariffs - make it immune to European influence and European efforts to lock it into binding cooperation structures. The paper states that, because the EU cannot use the existing interdependence to its own benefit, the final version of the post-PCA agreement is likely to match Russian rather than European interests.

Introduction

EU-Russia negotiations on the new partnership agreement (the post-PCA¹) serve as a mirror which reflects the most important dilemmas and tendencies in relations between the two parties. This period offers plenty of scope for analysis

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¹ PCA – Partnership and Cooperation Agreement signed between the EU and Russia in 1994. The agreement entered into force in 1997 and expired at the end of 2007.

since both the EU and Russia are open about their intentions and their visions of the partnership and the new agreement. There is a seeming consensus among experts that these visions are almost completely divergent. The EU wants to ground its relations with Russia on the spread of European norms and the principle of legal reciprocity. Russia, on the other hand, is determined to avoid EU intrusiveness in its domestic and foreign policies and to cherry-pick the most favourable sectors of cooperation with the EU. One of the goals of this paper is to assess the underlying factors influencing these different visions.

One can distinguish a number of divergences between the EU and Russia: a *sui generis* supranational organization with highly developed interdependencies between its member states *versus* a nation state aiming to strengthen sovereignty both domestically and externally; a liberal democracy *versus* a sovereign democracy; a market economy with a socially oriented state regulation *versus* a centralized and elite controlled market economy; a pursuit of security through interdependence *versus* security based on the maintenance of balance of power.²

The aim of this paper is to provide a particular point of reference in the analysis of EU-Russia relations, namely using the notions of modern/modernism and postmodern/postmodernism. The discourse on postmodern foreign policy is not new. Some authors, most notably Robert Cooper,³ started conceptualizing the EU as a postmodern space already in the last decade. Since then a growing number of authors have used this conceptualization to apply it to various aspects of the EU's internal as well as external policies.

This paper argues that the key to understanding the intricacies of the EU-Russia relationship is in the conceptualisation of the two as fundamentally different actors of international relations, namely the EU as a postmodern and Russia as a modern actor. Elaborating on the opposing contents of these two notions, the paper seeks to track the different traits of the two actors and analyze how these differences will affect the bilateral relationship.

The paper consists of three parts. The first part conceptualises the categories of a modern and a postmodern international actor. The second part analyzes

² Cameron, Fraser and Aaron Matta, "Prospects for EU-Russia relations", Electronic Publications of Pan-European Institute, 6/2008, p.2. <http://www.balticseaweb.com/files/files/publications/pan/2008/Cameron%20and%20Matta%2006_08.pdf>

³ Cooper, Robert, "The post-modern state and the world order", *Demos*, London, 2003.

how modernism and postmodernism are expressed in the context of bilateral interaction, i.e. how these concepts are expressed in EU-Russia negotiations on the new partnership agreement. The third part seeks to provide an insight into the most likely end-point of the negotiations and to project a potential cooperation model that can grow out of the interaction between these two fundamentally different actors.

1. What is modern and postmodern foreign policy?

Postmodernism as an intellectual movement came into existence after World War II as Western societies became increasingly disillusioned by the brutality of the two World Wars and the grim realities of the unfolding Cold War. From the outset it was a movement challenging the old truths of the Enlightenment, rationalism and unfettered capitalism. In the sociological-philosophical sense, postmodernism, among other things, included the following: a sense of fragmentation and decentred self; multiple, conflicting identities; subverted order; loss of centralized control and fragmentation; trust and investment in micro-politics, identity politics, local politics, and institutional power struggles; diversity, indeterminacy, contingency, polycentric power sources.⁴ As argued by Zygmunt Bauman, postmodern societies are marked by lack of consistency, direction or an overarching organizing principle; and the liberty of the individual is the overriding value.⁵

Another important feature related to postmodernism is the weakening of central forms of social organization that were the hallmarks of the modern age: the nation-state and national markets.⁶ Indeed, in international political terms *modernism* has been epitomized foremost by concepts, such as nationalism, the nation-state, and sovereignty. Many trace the origins of the modern international order to the Treaty of Westphalia of 1648. Charles W. Kegley and Gregory A. Raymond have eloquently described the nature of the modern times:

⁴ Irvine, Martin, "Postmodernity vs. the Postmodern vs. Postmodernism", 2003. <<http://www9.georgetown.edu/faculty/irvinem/theory/pomo.html>>

⁵ Bauman, Zygmunt, *Postmodernity and Its Discontents*, Cambridge: Polity Press, 2007.

⁶ Moskos, Charles C., John Allen Williams and David Segal, "Armed Forces After the Cold War". In Charles C. Moskos, John Allen Williams and David Segal (eds.) *The Postmodern Military: Armed Forces After the Cold War*, Oxford: Oxford University Press, 2000, p. 3-5.

Having made glorification of the state acceptable, Westphalia paved the way for the belief that ‘the end justifies means’ and ‘might makes right’ that were to later rationalize the use of war as a tool of foreign policy. What mattered was the expedient pursuit of egocentric interest, not lofty ideals, absolute moral values, or unbending religious principles. Realism substituted *raison d’état* for morality, secularized international affairs, and pushed it outside the realm of religion. *Raison d’état* and the doctrine of the balance of power were deeply offensive to the universalist tradition founded on the primacy of moral law since they cut foreign policy loose from all ethical moorings⁷.

Foreign policy in the Westphalian modern age⁸ was characterized by states as the main actors, by a clear distinction between foreign and domestic politics, by the protection of sovereignty and by the pursuit of national interest, power and *raison d’état* using mostly hard-power, military means. Ideational or universalist considerations for the Westphalian nation-states were almost non-existent. That is why acting in a modern way in international relations is seen by some as reverting to the rougher methods of an earlier era: force, pre-emptive attack, and deception – principles that are characteristic of the “nineteenth century world of every state for itself”.⁹ What is more, states that are protective about their sovereignty are usually closed and suspicious about foreign influence. As a rule, maintaining a relatively closed political and economic system requires centralization and significant state control of the political, economic, and social life within the state.

Postmodern foreign policy means a break with the mentioned modern concepts. In this sense nationalism and national markets are being increasingly replaced by cosmopolitanism (or the opposite – local identities) and the globalized economy; national interest is complemented by humanitarian or envi-

⁷ Zielonka, Jan, *Europe as Empire: The Nature of the Enlarged European Union*, Oxford: Oxford University Press, 2006, p. 149.

⁸ It must be noted that for the purposes of analytical clarity we present a rather simplified and stereotypical view of Westphalian international relations. In reality, however, the concepts attributed to the Westphalian system have never been absolute.

⁹ Cooper, Robert, “Why We Still Need Empires”, *The Observer*, April 7, 2002.

ronmental concerns; principles of non-interference and sovereignty are being undermined by the pooling of sovereignty; *Realpolitik* is being complemented (to an extent even superseded) by ideational/normative considerations. Post-modern states are generally striving to establish a post-Westphalian order where state sovereignty is constrained through legal developments beyond the nation-state.¹⁰

In a post-Westphalian order foreign policy transcends the state-centric view of international relations, and there is a wider spectre of foreign policy actors, ranging from nation-states of contingent sovereignty to international (supranational) organizations to non-governmental actors. Postmodern international actors are not interested in acquiring territory or using force and rather choose to build their security relationships on cooperative grounds. They prefer to use non-military foreign policy instruments and focus on soft power, as well as structural power. More generally, postmodern foreign policy tends to focus more on structures, contexts and immaterial aspects of power and influence (such as identity, beliefs, legitimacy).¹¹ As a result, the projection of norms and values is becoming equally important as the projection of national interests.

For Cooper the EU is the best example of a postmodern space. There are several factors that distinguish it: *first*, blurring of the distinction between foreign and domestic politics; *second*, voluntary mutual intrusiveness and mutual verification; *third*, a complete repudiation of the use of force in settling disputes; and *fourth*, security built on transparency, mutual openness and interdependence.¹² For Cooper, the postmodern state is one which is “more pluralist, more complex, less centralized than the bureaucratic modern state” and foreign policy for the postmodern state “becomes the continuation of domestic concerns beyond national boundaries”.¹³ A summary of the differences between modern and postmodern foreign policy can be found in the table below.

¹⁰ Sjursen, Helen “What Kind of Power?”. In Helen Sjursen (ed.) *Civilian or Military Power? European Foreign Policy in Perspective*, Abingdon: Routledge, 2007, p. 2.

¹¹ Keukeleire, Stephan and Jennifer MacNaughtan, *The Foreign Policy of the European Union*, Basingstoke: Palgrave Macmillan, 2008, p. 20.

¹² Cooper, 2002.

¹³ Cooper, 2000, p. 31-32.

Table 1. **Differences between modern and postmodern foreign policy**

	Modern foreign policy	Postmodern foreign policy
Means	Military instruments and hard power	Non-military instruments and soft (structural) power
Actors	Sovereign nation states	Nation states of contingent sovereignty, international (supranational) organizations, non-governmental actors
Sovereignty	Protective about sovereignty; avoiding mutual verification mechanisms	Less cautious about sovereignty; positive about transferring part of sovereignty to an international regime
Raison d'état	Emphasis on the nation state and on the defence of national interests (instead of values or norms)	Emphasis on norms and values
Openness	Efforts to minimize dependence on other international actors, as well as to maintain as more self-sufficient the political and the economic life as possible	Open to international cooperation and positive about increasing interdependence (seeing interdependence as a key to security)
Centralization / Pluralism	Substantial state control over the political, economic, and social life; tendencies of centralization	More pluralistic, democratic and decentralized domestically
International law	Sceptical about international law; predisposed to using force in international relations	Attaching great importance to international law (no fear of being bound by international legal norms)

2. Divergent views of the EU and Russia on their partnership

This part of the paper is going to analyze what particular forms the interaction between the EU and Russia in negotiations on the new partnership agreement takes. It will also assess what principles and approaches both sides adopt.

At first it should be mentioned that the EU spreads its influence externally in a peculiar way, namely through the spread of the *European method*. It is exactly though the spread of this model, namely the transfer of the internal

EU integration model onto its external relations, that the EU's behaviour in international relations manifests itself. In essence this means that in relations with third countries the EU uses the policy of "institutional entanglement" and strengthening of mutual interdependence. The latter is enhanced using the magnetism of the EU, i.e. by strengthening the motivation of third countries to integrate into the EU's internal market in exchange for the import of European norms and rules. An example of such policy is the goal of the EU to create a vast network of free trade agreements (FTAs) with various countries or blocs of countries around the world. According to Marius Vahl, the deepening of ties between the EU and third countries must be based on the external dimension of the internal integration of the EU (the partner country is conceived as "policy-taker"). This inevitably means that on its path towards sectoral integration with the EU a partner country must meet European standards and requirements¹⁴.

Already in the 1990s, but especially during the current decade, the EU and Russia have espoused different hopes and have had different visions about what shape their partnership should take and where it should lead. This has translated into divergent positions with regard to the negotiations on the post-PCA agreement as well. The European side has been pretty clear about its position vis-à-vis the main principles of the agreement.

First, the European Commission, which has the mandate to negotiate with Russia, holds the view that the new document should be as profound and as *comprehensive* as possible. The EU is keen to prevent Russia from something that can be called cherry-picking, i.e. when Russia selects different sectors in which it wants to cooperate with the EU, but avoids commitments in other sectors or the general principles of the partnership. In other words, the Commission would like to abandon the sectoral manner of problem-solving and would rather bind different issues and sectors and make the cooperation as integrated as possible¹⁵.

Second, the EU has expressed clearly its desire to base the relationship with Russia on increasingly *interdependent* ties. For example, the goal to eventually

¹⁴ Vahl, Marius, "EU - Russia relations in EU Neighbourhood Policies". In Katlijn Malfliet, Lien Verpoest and Evgeny Vinokurov (eds.) *The CIS, the EU and Russia: the Challenges of Integration*, Palgrave Macmillan, 2007, p. 138.

¹⁵ Cameron and Matta, p. 12.

establish a common Free Trade Area (FTA) with Russia has been expressed by the EU ever since the first PCA was signed in 1994 (this goal is clearly expressed by the EU in all its major documents dealing with relations with Russia, such as the 1999 Common Strategy on Russia; the PCA itself; or the Review of EU-Russia Relations prepared by the Commission at the end of 2008¹⁶). In other words, the EU has been determined to engage into deeper and more integrated ties with Russia ever since the partnership started gaining momentum.

It is important that the FTA has offered to Russia seeks to export the model of the EU's internal market structure. In other words, the FTA would not be just about eliminating tariffs, but would encompass a much wider array of issues, such as eliminating non-tariff barriers, liberalizing the services sector, abandoning state protectionist measures, ensuring more favourable conditions to foreign investments¹⁷. It would therefore have a character of a comprehensive treaty, which would be aimed at maximizing interdependence between the two sides. As will be shown later, it has been Russia that has been unclear about its intention to join the World Trade Organization (WTO) and move towards an FTA with the EU at a later stage.

Fourth, the EU has sought to make the new agreement with Russia a *legally binding* one. More generally, the EU has sought to "legalize" its relations with Russia in every field possible. This principle has been expressed in all major EU documents. The energy relationship is a good example. The EU has attempted to make Russia comply with the Energy Charter Treaty signed in 1991 and promoted by the EU ever since. More recently, the same principle has been expressed in the Third legislative Energy & Gas package. In the energy sector the EU is committed to the principle of legal reciprocity, which means that both the EU and Russia should instil the same regulatory framework for investments in the energy sector. This essentially means that in negotiations with Russia over the new partnership agreement the EU proposes to commit to the notion of reciprocal energy market liberalization.

¹⁶ European Commission, "Review of EU-Russia relations", Brussels, 05/11/2008.

¹⁷ Rodriguez, Enrique Valerdi, „The European Union Free Trade Agreements: Implications for Developing Countries“, Real Instituto Elcano, Working Paper 8/2009, p. 5-6. <http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/International+Economy/DT8-2009>

Last but not least, efforts to spread *democracy and human rights* have been enshrined in all EU documents directed at relations with Russia. As the 1999 Common Strategy on Russia indicates, a strategic objective of the EU is a stable, open and pluralistic democracy in Russia, governed by the rule of law and underpinning a prosperous market economy.¹⁸ Other documents express the same view. This is indeed something that has become a cliché about the EU's foreign policy identity. In other words, the EU is well known for its normative agenda in its relations with other international actors.

Russia, on the other hand, has espoused a rather different vision of the EU-Russia relationship and the new partnership agreement. First, Russia has a purely sovereign approach to security and foreign policy. Emphasis on *sovereignty* results in a clear separation of foreign and domestic policy. Russia maintains a very strict position with regard to external interference or when it comes to downloading some of the international rules or norms into its foreign or domestic policies. Russia is also sceptical about the authority of various transnational or supranational regimes. In other words, the essence of the Russian approach to international relations can be described by the “golden rule” of *non-interference* into its domestic affairs.¹⁹

Even in its relations with the EU Russia tries to act through national capitals and thus to encourage the “*renationalization*” of foreign policy inside the Union. Russia treats various international security regimes in a selective manner, and its participation is either declaratory or based on the principle of getting engaged in the decision-making process, but avoiding commitments which could break the “golden rule” of non-interference into its domestic affairs.

That is why Russia has resisted European efforts to make the post-PCA agreement a comprehensive and a binding one. Russia prefers to have cooperation based on sectors. Currently there are 17 sectoral dialogues between the EU and Russia.²⁰ The current setting means that cooperation in these differ-

¹⁸ The European Council. *Common Strategy of the European Union on Russia*, 4/06/1999. <http://www.delrus.ec.europa.eu/en/p_244.htm>

¹⁹ Sorensen, Georg, „The Case for Combining Material Forces and Ideas in the Study of International Relations“, *European Journal of International relations*. Vol 14(1) 2008, p. 18-19.

²⁰ Transport; Industrial and Enterprise Policy; Regulatory dialogue on enterprise policy; Space; Information Society; Agriculture; Macro-economic policy; Financial services; Energy; Procurement; Environment; Trade facilitation; IPR; Investment; Fisheries; Regional co-operation; Statistics.

ent sectors is not connected to the overall context of the partnership. Russia has been interested in the *sector-by-sector relationship* with the EU because in this way it could successfully cooperate on issues like energy or trade facilitation (sectors in which it is interested in), but avoid making progress in other areas, such as harmonization of regulatory standards or more general commitments referring to the state of democracy, human rights, or rule-of-law.²¹ Russia has been interested in sectoral agreements because it can cherry-pick the most favourable areas of cooperation and limit the ability of the EU to enforce sector-binding strategy.

Russia is also putting efforts to *avoid legal reciprocity*. This is best demonstrated by the partnership in the area of energy. In this regard Russia is committed to the principle of “barter” reciprocity, which means that Russia is willing to grant European companies limited access to its energy market (mainly resource extraction) in exchange for the possibility to acquire energy infrastructure in Europe. Such an approach goes obviously against the principles of legal reciprocity or reciprocal energy market liberalization.

Russia's interest to avoid legal reciprocity is directly related to the EU's desire to liberalize some of the strategic sectors of Russian economy. Moscow's fierce opposition to the EU's initiatives aimed at liberalization and structural reforms can be explained by the interlocking of business and politics in Russia. It is common to call Russia's current political regime a political vertical, a state corporation, or a system of bureaucratic capitalism. Russia's economy is centralized and interlocked with the political regime. In contemporary Russia property rights and freedom of large corporations are constrained by an intervening role of the state. In other words, the current system can be described as a “new social contract” and the main characteristic of it is that the state ensures property rights and maintains balance between different interest groups in exchange for loyalty to the state from big businesses.²² There are various models

²¹ “Report on the ‘Continuous Review’ of EU-Russia Relations”, *CEGS Report*, Centre for Eastern Geopolitical Studies: Vilnius, 2008. <http://www.rytugeopolitika.lt/index.php?option=com_content&task=view&cid=39&Itemid=45>

²² Dambrauskaitė, Živilė, Laurynas Kasčiūnas, Vytautas Sirijos Gira, „Ar tarptautinė finansų ir ekonominė krizė gali paskatinti struktūrinius pokyčius Rusijoje?“ [“Can the international financial and economic crisis encourage structural reforms in Russia?”], Centre for Eastern Geopolitical Studies: Vilnius, 2009, p.6 <http://www.cegs.lt/multisites/rytugeopolitika/images/stories/ar_tarptautine_finan-su_ir_ekonomine_krizė_gali_paskatinti_struktūrinius_pokycius_rusijoje.pdf>

of interlocking of business and politics in Russia, e.g. private business might have a “protector” in the government or other public agency, or a particular business might simply be owned by high-level bureaucrats or politicians.²³

What is more, Russia’s economy is increasingly being controlled by one power centre and major economic (especially strategic) sectors are being isolated from direct foreign investments. For example, according to the law passed on May 5, 2008, foreign investors must face significant barriers when investing in 42 “strategic” economic sectors (these include, inter alia, armaments, aviation, space industry, the development and production of digital technologies, manufacturing and trade of nuclear and other radioactive materials, extraction and trade of natural resources, etc.). The law also foresees that foreign investors will have to receive state approval in order to acquire 50, but in some cases 10 or 25 percent of company shares (depending on the importance of the sector). Foreign companies will also be blocked from making strategic decisions on the functioning of these companies (such right can only be possessed by the state).²⁴

Russia’s administrative and political system has also seen signs of *centralization*, i.e. the weakening of autonomy of Russia’s federal subjects (e.g., by the 2004 law whereby the President of Russia can appoint governors at his will) and strengthening of the political vertical. It is important that Russia’s political elite has consistently moved towards a more self-sufficient political/economic system increasingly isolated from external influence and interference. These tendencies reflect an imperative dominant among the current elites in Russia, namely that the country should minimize its dependence on outside powers. Moscow clearly perceives interdependence as vulnerability, a threat to its security, rather than as a security guarantor.

Russia also tries to reject the EU’s agenda of democracy and human rights promotion. When faced with such criticism during EU-Russia summits, Russian leaders usually try to find similar problems on the EU’s side. During a summit in 2009, confronted with criticism over human rights situation in Russia, Putin responded: “We are not satisfied how the issue of Russian-speaking populations in the Baltics continues to be solved”, he said. “We know about

²³ Kasčiūnas, Laurynas, “Why Mutual EU-Russia Interdependence Does not Lead to Relations of Legal Reciprocity?”, *Lithuanian Political Science Yearbook*, 2009 [forthcoming].

²⁴ “Law on Foreign Investment Restrictions May Harm Russian IPOs”, *Livejournal.com*, Jul. 1, 2008, <<http://russian-law.livejournal.com/6383.html>>

the rights of immigrants in European countries and how they are violated. We know about the situation in the penal systems in some European countries, and we have the same kinds of problems”.²⁵

Table 2. **Divergent views of the EU and Russia on the new partnership agreement**

	EU	Russia
Foreign policy guided by	“Institutional entanglement”: the spread of the European method	Balance of power: acting through national capitals
Openness	Mutual intrusiveness accepted	The “golden rule” of non-interference
Vision of the agreement	Comprehensive and legally binding document	The principle of cherry-picking: sectoral integration
Reciprocity	Legal reciprocity	“Barter” reciprocity

As can be seen from the discussion above, the EU and Russia largely fall into the categories of a postmodern and a modern actor. In partnership with Russia the EU has not been protective about its sovereignty and has been pushing for a more institutionalized and legally binding cooperation framework. The EU has also sought to increase interdependence with Russia, primarily in the economic field. These tendencies point to the postmodern character of the EU’s foreign policy towards Russia.

Russia, on its own part, has been overtly safeguarding its sovereignty and has put efforts to escape various binding agreements with the EU. It has favoured a sectoral, non-comprehensive approach, something that would leave its hands free in dealing with the EU and its separate member states.

And yet, both parties have exhibited traits that are not fully consistent with their identities of a modern and a postmodern international actor. The EU deserves most criticism in this regard. Most importantly, there are signs that in some cases the EU has prioritized material gains instead of remaining firm on some of its fundamental values and beliefs. This can be illustrated by the EU’s mediation after the 2008 August Russia-Georgia war.

²⁵ Medetsky, Anatoly, “Putin, Barroso Spar Over Human Rights”, *The Moscow Times*, 06/02/2009. <<http://www.moscowtimes.ru/article/1010/42/374329.htm>>

The EU has turned a blind eye to the fact that Russia has not complied it with its commitments as foreseen in the 6-point plan. The Review of EU-Russia Relations failed to actually criticize Russia in any significant way. This shows that there is a group of countries in the EU that prioritise pragmatic and friendly relations with Russia in exchange for access to its market and a steady supply of energy resources. The same goes for democracy and human rights. Recently the EU has been ever more reserved about its criticism of Russia in this regard. There are signs that in relations with Russia the EU might express these principles only in a declaratory way.

On the other hand, one might claim that Russia's policies also exhibit some characteristics of a postmodern foreign policy. For example, Russia has been arguing for the supremacy of the United Nations in solving international disputes and for global commitment to international law more generally. It is also arguing for the inclusion of these principles into the new partnership agreement with the EU. However, by emphasizing the importance of international law, Russia simply wants to constrain the discretion of the US or NATO to project its force into various crisis points around the world. In other words, by holding a veto power inside the UN Security Council, Russia can block major strategic decisions of the Western countries. Russia therefore advocates the supremacy of international law not because it believes in it, but because it would serve Russia's strategic interests. In other instances, as already mentioned, Russia chooses to disregard international legal norms and to remain free of their obligations.

3. How differences in nature will affect the partnership

The fundamental differences between the EU and Russia as international actors lie at the core of the problems and disagreements in their relationship. Understanding these differences allows one to draw a perspective on where the partnership is likely to go and what forms it might take in the future.

For example, conceptualizing the two actors as fundamentally different in terms of their foreign policy identities allows us to critically assess the discourse of strategic partnership or even integration prevalent since the mid 1990s. Because of their inherent differences, the two parties have different visions on the

end-point of the relationship. In a nutshell, for the EU such an end-point is comprehensive engagement and economic integration, whereas for Russia it is selective, sectoral cooperation, preferably taking place with different member states rather than the EU institutions.

For Moscow the talk about integration with the EU or Europeanization are offensive concepts. Russia prefers to talk about convergence taking place on an equal footing and rebuffs European attempts to lock it into binding cooperation structures. It is obvious that the two parties share rather different strategic visions on both their place in international relations and their partnership as such. Differences in nature create problems of trust and there is an apparent gap in terms of values and norms between the two. In such a context the notion that the EU-Russia partnership is *strategic* should at least be questioned.²⁶

In fact, some see these differences as expressions of an ideological clash taking place between the EU and Russia. According to Ivan Krastev²⁷, the clash is between the postmodern state embodied by the EU and Putin's regime of sovereign democracy. The Kremlin feels threatened by the policy of openness and interdependence in international relations promoted by the EU. Meanwhile, the EU's very existence is threatened by Russia's insistence on the dominance of the sovereign state in European affairs. Krastev notes that Moscow feels encouraged by the resurgence of nationalism and sovereignism in some of the EU member states and expects the European Union to pass into history just as the Soviet Union did in the early 1990s.

Russia is openly opposed to Western universalism and promotes its own vision of international relations. Roy Allison, for example, argues that the Central Asian states remain committed to Russian promoted regional structures for the reason of "protective integration". In other words, they choose to bandwagon with Russia against processes and pressures that are perceived as challenging incumbent leaders and their political entourage. A primary motivation for Central Asian leaders' engagement in the Eurasian Economic Community, the Collective Security Treaty Organization, or the Shanghai Cooperation Organization, therefore, is the reinforcement of domestic regime security and the resistance of "external" agendas of good governance

²⁶ "Report on the 'Continuous Review' of EU-Russia Relations"

²⁷ Krastev, Ivan, "Russia as the 'Other Europe'", *Russia in Global Affairs*, 2007:4.

or democracy promotion. These goals are concealed behind a discourse that denigrates the imposition of external “values” and continues to give pride of place to national sovereignty.²⁸

Differences between the EU and Russia might also accentuate some of the geopolitical tensions in the shared neighbourhood. Russia’s renewed discourse on the “privileged interests” in the post-Soviet space is especially troublesome.²⁹ Krastev argues that the Kremlin is trying to restore “spheres of influence” as the defining feature of European politics³⁰. The recently adopted national security strategy of the Russian Federation states that the “development of bilateral and multilateral cooperation with the CIS states” is the “priority of Russia’s foreign policy”.³¹ As argued by Roy Allison, Russia views the CIS countries as part of its natural sphere of influence and is worried that the EU’s “infringement” will result in a further loss of control over its “Near Abroad” and sees the ENP as “the basis of an alarming competition between zones of influence, where the EU and Russia represent different poles of attraction and offer different integration processes”.³²

Russia’s modernism also means that it might be prepared to use force to defend its interests in the imagined “sphere of influence”. The August 2008 war between Russia and Georgia might be a precursor of things to come. From Krastev’s perspective it is the singular element of a power-confrontation not accompanied by developed ideological polarisation that makes the Russia-Georgia war the first 19th-century war in 21st-century Europe. Krastev also argues that one of the motivations behind Russian actions during the war was to stir up national sentiment. According to him, the issue at stake was less national territory than national sentiment, which in 19th-century politics played almost

²⁸ Allison, Roy, “Virtual Regionalism, Regional Structures and Regime Security in Central Asia”, *Central Asian Survey*, Volume 27, Number 2, June 2008.

²⁹ Kramer, Andrew E., “Russia Claims Its Sphere of Influence in the World”, 31/08/ 2008 <<http://www.nytimes.com/2008/09/01/world/europe/01russia.html>>

³⁰ Krastev, Ivan, “Russia and the Georgia war: the great-power trap”, *openDemocracy.net*, 31/08/2008. <<http://www.opendemocracy.net/article/russia-and-the-georgia-war-the-great-power-trap>>

³¹ “The National Security Strategy of the Russian Federation up to 2020”, 12/05/2009 <<http://www.scrf.gov.ru/documents/99.html>>

³² Allison, Roy, Margot Light and R.White (eds.), *Putin’s Russia and the Enlarged Europe*, London: RIIA and Blackwell, 2006, p. 84.

the same role as ideology in the 20th century.³³ Seeing things from a zero-sum perspective, Russia might perceive even peaceful and moderate political moves of the EU as directly targeted against its interests. Moscow's tough reaction to the launch of the Eastern Partnership initiative of the EU illustrates the point.

The fundamental differences existing between the EU and Russia will inevitably determine the outcomes of the current negotiation process over the post-PCA agreement and the general flow of EU-Russia relations in other ways as well. One of the most important aspects in this regard is that, due to Russia's closed internal political and economic system, efforts by external actors to lock Russia into some binding "rules of the game" or to increase economic interdependence are usually predetermined to fail. The "golden rule" of non-interference and the political-economic system, isolated from external influence, are the essential factors that limit the prospects of "institutional entanglement" of Russia.

For example, there is a clear discrepancy between the aspirations of the EU to encourage Russia to move towards an eventual FTA with the EU and Russia's position regarding this issue. It is important to understand that countries entering a free trade agreement with the EU must adapt virtually all of the EU's *acquis communautaire* related to the functioning of the common market. The very same principle would be on the table if a common EU-Russia economic space was to be created³⁴. According to Evgeny Vinokurov, the fact that Russia would have to be in a position of a policy-taker is one of the most important impediments for further EU-Russia economic integration. If Russia was to join a common economic space with the EU, it would have to comply with European standards, unilaterally adopt EU law and implement its changing norms without getting adequate access to the EU's internal affairs.³⁵

One should also note that, with regard to the future FTA option, it is not hard to see why Russia does not feel motivated enough. Russian exports to the EU comprise mostly energy and mineral fuel products (66%) as well as chemical and raw materials (together almost 80% of Russian exports). These are the

³³ Krastev, 2008.

³⁴ Vinokurov, Evgeny, "The EU-Russia Common Economic Space and the Policy-Taker Problem". In Katlijn Malfliet, Lien Verpoest and Evgeny Vinokurov (eds.), *The CIS, the EU and Russia: the Challenges of Integration*, Palgrave Macmillan, 2007, p. 223.

³⁵ Vinokurov, p. 221.

sectors that already have very low tariffs. The EU applies 0% tariff to coal, oil and gas; 0.1% to wood; 0.9% to steel and 1.5% to chemical products. This means that Russian exports are dominated by commodities which would not be significantly affected by the establishment of an FTA with the EU.³⁶ It is therefore valid to say that liberalization of the trade regime, something that is traditionally seen as one of the most important foreign policy instruments of the EU, would not be a significant lever of influence in this case. This further complicates the EU's ability to apply the principle of conditionality in relations with Russia.

Therefore, the deepening of the partnership with the EU is seen by Russia only through the perspective of convergence or sectoral integration, but not Europeanization. The fact that Russia is able to rebuff European attempts to make it play by the European "rules of the game" leads the partnership to a stalemate. Any attempts to deepen the partnership between these two players are therefore bound to remain declarative and formal because Russia is certain to treat the package of incentives and obligations of the EU through the prism of zero-sum game.

The only way the EU can actually make its position stronger vis-à-vis Russia is to foster internal integration in areas that have an effect on its relations with Russia. Some have called it an effect of "shadow integration", i.e. a process when internal EU integration creates an external effect³⁷. In terms of EU-Russia relations the best example is in the area of energy. Only because of the lack of integration in this field the EU cannot assume the functions of a gatekeeper. In 2007 the Commission made an attempt to increase integration in this area by proposing the Third legislative Energy & Gas package. If the EU had moved towards a full unbundling of the energy market, this would have automatically created a strong third country reciprocity clause (limitations for foreign energy companies to participate in the EU's downstream energy market). However, because of significant opposition from some large member states like Germany and France, the very package was adopted in its lightest form (i.e. the member states have been granted the right to decide on the depth of energy market liberalization). This washed out the third country clause as well. Since energy

³⁶ Manhin, Miriam, "The Economic Effects of a Russia-EU FTA", Tinbergen Institute Discussion Paper, 2004 – 131/2, p. 5. <<http://www.tinbergen.nl/discussionpapers/04131.pdf>>

³⁷ Vahl; Kasčiūnas, 2009 [forthcoming]

products comprise the majority of Russia's exports to the EU, Brussels' ability to perform the function of a gatekeeper in this area would serve as a major lever of influence in relations with Russia. Until the EU manages to create a significant energy policy at home, its ability to place substantial pressure on Russia will remain limited.

Conclusions

This paper analyzed the EU-Russia relationship and provided a particular reference point for further analysis. As has been shown, the EU and Russia largely fall into the categories of a postmodern and a modern international actor. It has been shown that Russia is a modern nation state being very sensitive about its sovereignty. This translates into a closed and centralized economic and political system largely immune to foreign influence, which limits the prospects of establishing deeper interdependence between the EU and Russia, and allows Russia to avoid international legal commitments and mutual verification mechanisms.

The EU, on the other hand, is a completely different international actor. Contrary to Russia, it is a supranational organization comprising different nation states that have pooled their sovereignty. The EU wishes to project such postmodern approach to its external environment as well. It places significant emphasis on normative considerations, such as the promotion of democracy and human rights, and wishes to promote interdependence and international law on the international stage.

These differences in terms of actorness predispose a number of problems in EU-Russia relations. First, it casts into doubt the notion that the partnership is "strategic". Second, it provides grounds to understanding that there is an inherent ideological clash between the two sides. Third, the ideological differences inevitably translate into the lack of trust and the exacerbation of geopolitical tensions in the shared neighbourhood. More importantly, Russia's economic and political closeness, its unwillingness to deepen interdependence with the EU, as well as its export structure dominated by tariff-free natural resources makes it immune to European influence and European efforts to lock it into binding cooperation structures.

It is important to understand that the reality of Russia as a modern or the EU as a postmodern actor is socially constructed, i.e. these conceptualizations are subject to change and conscious efforts by the elites. In Russia's case its "modernist" tendencies have been significantly strengthened since the rise of Vladimir Putin to power in 2000. On the one hand, the essence of the partnership can change with time. Still, if the current political vertical in Russia remains, the traits of the partnership characterized in this paper are likely to remain for the time to come.

For the time being the European ability to bind Russia into common institutions and a framework of cooperation based on a law-based order and interdependence remains very limited. This demonstrates the limits of a postmodern power. With a postmodern approach of questionable integrity, with Russia's self-sufficient and relatively closed economic and political system and with Europe's heavy dependence on Russia's vast energy supplies, the EU remains incapable of generating significant levers of influence to affect Russia's behaviour both at home and abroad. Due to the fact that the EU cannot use the existing interdependence to its own benefit, the final version of the post-PCA agreement is likely to match Russian rather than European interests.