



THE FIRST COMMON STRATEGY : ADDED VALUE OR ADDED CONFUSION?

by
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The new instrument « Common Strategy (CS) » of the Common Foreign and Security Policy (CFSP) was first applied to Russia at the Cologne European Council in June 1999. Since Russia has been of major concern to the EU as well as member states for quite a while, the question arises to what extent the new instrument can make its distinctive impact on EU-Russian relations. However it would be misleading to see the CS in a one-dimensional way, since it has two sides : co-operation with Russia and coordination within the EU. Thus two questions will be asked :

- Does the CS have added value for EU-Russian relations?
- Does the CS have added value for co-ordination within the EU?

The main motivation for this study was to explore whether the CS has the potential to add a new policy layer on the top of the pre-existing ones so that confusion is avoided, or, the other way round, co-operation with Russia and coordination within the EU is enhanced. These two aspects are all the more important given the arguably poor record of Western aid to Russia after ten years of assistance and, concerning the latter, the central role, which the question of coherence plays in the discussion about improving the actor-capability of the EU¹.

Chapter two will deal with the circumstances and the factors of influence, which eventually led to the adoption of the first CS. In particular, the specific international setting at the time when the CS was elaborated. In a second step, the external stimuli, in this case experience with EU policy towards Russia will be dealt with. And equally, experience with existing instruments and member states' interests (internal stimuli) during the 1996 IGC, leading to the Amsterdam Treaty, will be analysed. The final section of this part will decipher the decision-making process leading to the adoption of the first CS.

Chapter three and four, which constitute the main part of the study, will deal with the rationale of the adopted CS, first implementation measures and the Russian reaction to it. This part is an attempt to make sense of the CS provisions and the follow-up to it. Indeed, opinions differ widely on the CS provisions, throughout EU institutions and member states' representations. Even though it is too early for a definite evaluation, conclusions can be drawn from the document's provisions and member states' behaviour in EU-Russian affairs after the adoption of the CS. Chapter three will first consider the procedural side of the CS before analysing the policy side in chapter four. The impact of the Chechen crisis on the CS will be analysed in chapter five.

In order to conclude, the final chapter will answer the two questions set above, which will lead to the question whether the CS is of a model-type character.

As far as the empirical part of the study is concerned, it is to a large extent based on interviews carried out by the author in Brussels in February and March 2000. Grateful for the openness of my interlocutors, reference to interviews will be made in a general way, not indicating the concrete person.

¹ This article is based on my Master thesis at the College of Europe/Bruges under the supervision of Prof. Wessels, in which I used « actor-capability » as a theoretical framework.

I. CONTEXT, INPUT AND DECISION-MAKING

A. Context

EU interests

The EU has achieved to overcome animosity and hatred among member states, which led to a zone of unprecedented stability in Western Europe. Today it is seeking to export this stability to the East. A stable Russia with functioning state structures is indeed a prerequisite for pan-European security. It goes without saying that the European continent will always be affected by developments in Russia. An isolation of Russia would therefore be impossible (if it was desired). Moreover, a stable Russia could be an influential ally in world politics, which might even be indispensable in certain conflicts (Kosovo).

With the future enlargement to the CEECs, the EU will have more direct borders with Russia, besides the existing one between Finland and Russia. A coherent policy towards Russia is therefore required. All the more, since enlargement will put a great deal of contentious issues on the political agenda, such as ethnic Russian minorities in the Baltic States or changes in trade patterns.

Indeed, after the end of the Cold War threats or risks to European security have changed away from military confrontation towards so called « soft » security issues, such as the field of international crime² (in fact all topics covered by Justice and Home Affairs in the EU). Particular reference should also be made to possible migration and existing environmental pollution. The former has often been perceived as a primary danger to West European societies. The latter is by definition of trans-boundary nature. In Russia, however, it does not only touch upon conventional issues³ such as air and water pollution, but on sensitive areas as pollution due to nuclear waste and the security of nuclear power stations, in particular in North-Western Russia. Even though a soft security risk, it contributes to a weakening of the state, for environmental pollution leads to a deterioration of living conditions. Already today life expectancy for men is 10 years lower than in Central Europe⁴.

From the economic point of view, Russia still represents an enormous market which waits to be « exploited ». Overall exports from the EU to Russia make only two per cent of all EU exports. A significant drop from four to two per cent had to be noticed after the devaluation of the rouble in August 1998⁵. Given the EU member states' dependence on raw materials, Russia offers good opportunities, since it has the greatest potential of raw materials in the world. Today about 60% of Russian exports to the EU are hydrocarbons⁶. Russia's foreign debt of the public and private sector had reached a level of US\$ 194.9bn as of 1 July 1998⁷. Thus EU member states are under considerable pressure from the financial sector, especially in Germany, which is the main creditor of Russia in the EU.

Russia's interests

The EU is for Russia the most important partner for transformation, modernisation and trade. After enlargement the share of foreign trade, which Russia conducts with the EU, will augment from 40% to 50%. Moreover the EU is the source for 64% of direct investment in Russia⁸. Lately, Russia's interest in

2 Europol, 1998 - *EU organised crime situation report*, The Hague, 17/01/2000.

3 Air pollution in over 200 cities exceeds permissible limits and 70% of consumed water is not fit for human consumption. H VOGEL, et al. (Eds.), *Russia's perspectives : Critical Factors and Potential Developments up to 2010*, Federal Institute for Russian, East European and International Studies, <http://www.biost.de>, download 15/02/2000, p. 17.

4 *Ibid.*, p. 19.

5 Official of the EU Commission, DG Relex E/2, interview, Brussels 23/03/ 2000.

6 VOGEL, *op. cit.*, p. 14.

7 *Ibid.*, p. 13.

8 H. TIMMERMANN, « Die 'Gemeinsame Strategie der Europäischen Union für Russland' », *Aktuelle Analysen des BIOst*, 31/1999; and H. TIMMERMANN « European-Russian Partnership : What Future? », *Aktuelle Analysen des BIOst*, 14/2000.

the EU has become more vigorous, which leads it away from the perception of the EC/EU as a pure trading bloc. The change of perceptions is linked to the introduction of the Euro, the development of CFSP and the arrival of President Putin (see below).

The international context

The CS was elaborated at a time of heavily strained European-Russian relations due to the Kosovo crisis. Russia withdrew its members from the Joint NATO-Russia Council. Once the bombing campaign was finished the Russian ambassador returned, but only to discuss matters related to Bosnia or Kosovo. Only in February 2000, NATO and Russia started to reinforce their contacts, when NATO Secretary General Robertson travelled to Moscow in response to a Moscow initiative⁹.

On this background it was far from evident that a CS would be adopted under German presidency, given participation of most EU countries in NATO action in one form or the other. The EU played, however, a constructive role during the Kosovo conflict, which manifested itself during the Cologne European Council in June 1999, when the EU mediator, Finnish President Ahtisaari, could announce his successful mission and the acceptance of the G-8 peace plan by the Serb authorities. It was also the EU, which managed to get the Russians on board through the G-8 peace plan initiated by German Foreign Minister Fischer¹⁰.

Therefore it was in the logic of EU policy to go ahead with the drawing up of the CS, which arguably contributed to bridge the European-Russian division over Kosovo¹¹. Russian politicians noticed with satisfaction that the very first CS of the EU was devoted to Russia.

B. External Stimuli

It took until 1989 that EC - SU relations were put on a formal footing with the adoption of the Agreement on trade, commercial and economic co-operation. After the disintegration of the SU, with Russia being the legal inheritor of the SU, the 1989 Agreement became the basis for EC-Russian relations¹².

A Partnership and Co-operation Agreement (PCA) was signed by President Yeltsin and the Commission President in June 1994 after eighteen months of difficult negotiations¹³. However, the agreement only entered into force on the first of December 1997, since member states were hesitant to ratify it, given Russia's first Chechen War. For this reason an interim accord between the Commission and Russia was signed in 1996 on trade issues for which the Commission has sole competence.

Even after the adoption of the CS, the «...core of the relationship between the Union and Russia remains the Partnership and Co-operation Agreement (PCA)»¹⁴. Thus very substantial legislation stands at the heart of the CS, which intends to cover all main areas relevant for mutual relations. This includes as much the institutionalisation of the political dialogue as justice and home affairs or cultural relations. Yet, the economic part, arguably, builds the core of the agreement, with its very detailed provisions. The creation of a free-trade area was defined as the long-term goal. As far as the implementation of the PCA is concerned, a progress report, dated 10 May 1999, came to a mixed result. Implementation started with a

9 *Le Soir*, 16/02/2000.

10 U. SCHMALTZ, « Aufbruch zu neuer Handlungsfähigkeit: Die gemeinsame Aussen-, Sicherheits- und Verteidigungspolitik unter deutscher Ratspräsidentschaft », *Integration*, 2/1999, pp. 191-204.

11 D. WOLTER, « Gemeinsame Strategie gegenüber Russland », *Internationale Politik*, 9/1999, pp. 57-64, p. 59; Member of the German Foreign Office, interview, Brussels 28.2.2000.

12 V. SHEMIATENKOV, « The Relations between Russian and the EU », in : *R.A.E.-L.E.A.*, 3/1997, pp. 277-289.

13 European Union, « Accord de Partenariat et de Coopération », OJ L327/32, 28.11.1997.

14 European Council, « Common Strategy of the European Union of 4/06/1999 on Russia », Cologne 4/06/1999, OJ L157, 24/06/1999.

delay of a few months due to various factors. Whereas progress was significant, for example, in JHA and managers training, little had been achieved in the area of approximation of legislation¹⁵.

TACIS, which was initially an instrument to provide for purely technical assistance, has developed into an instrument of « global character » providing broad assistance on the way towards democracy and market economy¹⁶. However, technical assistance still remains at the heart of TACIS initiatives. From 1991 until end 1998 TACIS made approximately ECU 4bn available¹⁷. Where the PCA provides for financial help in form of technical assistance, this is done through TACIS. In 1998 eleven projects were directly linked to the PCA Work programme¹⁸. A particular feature of TACIS is its commitment to projects in Russia's regions. Projects are smaller, partners better identifiable and supervision easier. And it is the only way to bring Russians into touch with Western projects¹⁹.

A follow-up to the TACIS regulation 1996-1999 was approved in December 1999, which covers the period 2000-2006 with a budget of ECU 3bn (whole CIS)²⁰ out of which Russia should get approximately 60% as usual. Having encountered various forms of strong criticism in the past concerning its management, the new regulation sets out, among others, the following priorities : greater concentration of assistance, support for the objectives of the PCA, dialogue driven programming and increased use of twinnings²¹.

The chronic Russian economic crisis was exacerbated by the rouble devaluation in August 1998 (even though it has had some positive effects such as an increase in domestic production in the long-term), which ultimately led to a political crisis over the nomination of a new Prime Minister. For people in Russia the effects of the devaluation were severe, resulting in a net loss of income. Moreover, for a couple of weeks, existential uncertainty, due to food shortages, came back to people's lives after a period of stabilisation at a low level.

The West was affected in various ways. First, the crisis underlined the potential for instability, which could come from Russia. Second, most Western analysts argued that only Russia can help itself effectively. Third, the need for strengthening civil society became even more evident, if one intended to alleviate the potential for future radicalisation of the population. Fourth, since Russia had more and more difficulties to serve its external debt (and even imposed a 90 days debt moratorium), the West European financial sector was hit considerably by the crisis. Finally, as already mentioned, exports from the EU to Russia dropped by half after the devaluation of the rouble.

Formally, in little more than a decade, a partnership has been established, which has a very broad scope and which does not lack financial commitment by the West European states either. Yet, the state of relations and the state of reforms in Russia, despite all Western assistance, give ground to question the efficiency of previously adopted policies²². On this background the CS has to find its place in EU-Russian relations. Having installed the mechanisms for a relationship, the focal point of policy-making has to become efficient implementation of the agreed upon provisions.

15 Co-operation Committee, « Progress Report on Implementation of the Joint EU-Russia PCA Work Programme », Working Document, Brussels 10 May 1999.

16 D. CHARLES-LE BIHAN, « Le Programme TACIS : un instrument communautaire capital du partenariat », J. RAUX, V. KOROVKINE, (Eds.), *Le Partenariat entre l'Union Européenne et la Fédération de Russie*, Paris, Editions Apogée, 1998, pp. 217-231, p. 219.

17 European Commission, « Explanatory Memorandum - EU co-operation with the NIS and Mongolia », http://europa.eu.int/comm/dgla/nis/reg_99/memo.

18 Council of the EU, « Russia : progress made in developing a comprehensive EU policy », Brussels 8/12/1998, Annex 2 : TACIS strategy for Russia, doc. 13946/98.

19 J. BORKO, H. TIMMERMANN, « Russland und die Europäische Union », *Berichte des Biost*, 3/1999, p. 18 and p. 22.

20 *Euro-East*, January 2000, p. 20.

21 European Commission, « Explanatory Memorandum... », *op. cit.*

22 This certainly concerns policies of member states, too.

C. Internal Stimuli

Learning from the past : Amsterdam and CFSP

The prime reason for launching the IGC in 1996 was indeed the Maastricht's Treaty revision clause concerning CFSP (Art. J.4 and Art. N). The members of the reflection group agreed that the EU had to « ... assume increased responsibilities » and that it should be provided for with « ... the means appropriate to more effective and co-ordinated external action »²³. It goes without saying that the Union was very much under the impression of its mainly failed actions in former Yugoslavia, which gave additional impetus to the discussions. The Turin European Council of March 1996 gave a broad mandate for strengthening the capacity of external action of the EU and defined it as one of the three main objectives of the IGC. Thus the mandate did not only cover CFSP but all aspects of the Union's foreign relations. However, the clarity of the goal was watered down by « long periods of stalemate in the negotiations »²⁴.

The instrument « Common Strategy »

Among the envisaged changes in CFSP, the concept of a « Common Strategy » found its way into the discussion of the IGC only in February 1997. At this stage the French and the German position on the question of extension of qualified majority voting (QMV) in CFSP had to be reconciled, which led to a joint initiative for the creation of the instrument « Common Strategy »²⁵. A compromise of France and Germany was necessary to convince other member states to make concessions, too.

Under the Maastricht provisions, which gave way to the possibility of QMV for decisions of implementation of Joint Actions (JA), QMV was, in fact, never used²⁶. Germany, which had made an electoral commitment to the extension of QMV, was supported by the Benelux countries, Italy and Austria, whereas France was supported by the UK, Portugal and Greece. Yet the position of France was more nuanced than the one by the UK. It aimed at keeping the Maastricht rules with a possibility of extension. On this basis, Germany and France could find a compromise after long and difficult negotiations. Germany argued that, in that case, an instrument should be created, which automatically implements QMV, once the basic instrument had been adopted by unanimity²⁷. One commentator therefore argued that Germany brought QMV through the « backdoor » into CFSP²⁸.

Two other aspects should not be forgotten either. QMV is also applicable to any decision which implements a JA or a Common Position (Art. 23 TEU). Secondly, the introduction of a new instrument made it even more necessary to define each instrument precisely, which was done in Art. 13, 14, 15 TEU. It is under the responsibility of the European Council to adopt CSs, on recommendation of the Council, in areas in which member states have important common interests. A CS defines its objectives, duration and its means, which will be provided by the Union and member states. The Council is then responsible for the implementation of the CS by adopting JAs and Common Positions (Art. 13 TEU). Joint Actions and Common Positions or any other decision adopted on the basis of a CS can be decided by QMV (Art. 23 TEU). However, if a member state states that it has the intention to object for important national reasons, it

23 Reflection Group's report, Brussels 5 December, 1995, paragraph 146.

24 J. MONAR, « The European Union's Foreign Affairs System after the Treaty of Amsterdam : A 'Strengthened Capacity for External Action'? », *European Foreign Affairs Review*, 2/ 1997, pp. 413-436, p. 414. For CFSP changes in the Amsterdam treaty see for example : *Ibid.*; S. NUTTALL, « The CFSP Provisions of the Amsterdam Treaty : An exercise in Collusive Ambiguity », *CFSP Forum*, 1/1997, pp. 1-5.; U. SCHMALZ, « The Concept of Coherence in the Amsterdam Treaty- Bridging the Union's Dual External policy Structure? », *CFSP Forum*, 2/1999, pp. 2-5.

25 Even though Italy also claims to have been the initiator of this new instrument : G. VERDERAME, « Le Traité d'Amsterdam et ses suites : instruments de réalisation d'une identité européenne dans le domaine de la politique extérieure », *Revue du Marché Unique Européen*, 1/1999, pp. 15-29, p. 21.

26 Official of the German representation to the EU, interview, Brussels 9.3.2000.

27 *Ibid.*; U. SCHMALZ, « The Concept... », *op. cit.*, p. 3.; S. NUTTALL, *op. cit.*, p. 1.;

28 U. SCHMALZ, « Aufbruch... », *op. cit.*, p. 198.

will not be proceeded to a vote. The question can be transferred by QMV to the European Council for a decision by unanimity (Art. 23 TEU).

It seems that the new instrument « Common Strategy », which had already been a compromise, could only be introduced into the Treaty having made two more concessions. First, decisions are taken at the highest political level (European Council), which implies the danger that the level of decision-taking is to be forced upwards. This in turn could mean that little more than taking decisions on precise implementation will be left for the Council. Given the fact that, in practice, the European Council meets only four times a year, there will not be room for ad hoc manoeuvres²⁹. Second, The inclusion of the adopted form of the Luxemburg compromise' was essential in order to get the accord from the UK.

D. The making of the first CS

Initiative

The European Council in Vienna of 11/12 December 1998, with view of the entering into force of the Amsterdam Treaty on 1 May 1999, called upon the General Affairs Council to start drawing up Common Strategies for Russia, Ukraine, the Mediterranean Region and for the Western Balkan. The CS on Russia should be drafted in the first place. The following German presidency took up this mandate and announced that the first CS will be adopted at the Cologne European Council of 3/4 June 1999³⁰.

Thus the German presidency made a firm commitment to the success of the drafting process and set out a clear timetable. This was criticised, for instance, by the European Parliament (EP). It argued that «...the quality of the common strategy is more important than its early adoption » and advised the European Council to delay the adoption until the subsequent European Council³¹.

The Kosovo crisis gave then even more impetus to the drafting process in order to give a clear and positive sign to the Russians.

The issues at stake³²

Negotiators were faced with one major problem right from the beginning. The question of « what to do », for there was no model for the new instrument. On the other hand, however, they also faced the tough timetable announced by the German presidency. It soon became clear that the quality of the co-operation with Russia and the direction into which the EU wanted to go in its relations with Russia would not be too contentious. There was also common sense for the creation of an « all weather » instrument, rather than a « fine weather » instrument.

Questions about membership or pre-accession strategies are, indeed, unrealistic and useless for a constructive debate for the time being. Thus the notion of a « strategic partnership » was used³³. France wanted to go even further and consider Russia as « the strategic partner of first priority in Europe »³⁴. The stress was on co-operation rather than confrontation, since a majority of countries was against a « paternalistic » or critical stance vis-à-vis Russia.

A different story was, however, in which areas of co-operation member states would like to see added value in the co-operation with Russia. The EP gave also strong support to the need for added value rejecting a concept of just compiling existing policies³⁵. Looking at the text some commentators argued that

29 S. NUTTALL, « *The CFSP... »*, *op. cit.*, p. 1.

30 D. WOLTER, *op. cit.*, p.59.

31 European Parliament, *Report containing a proposal for a European Parliament recommendation to the Council on the common strategy towards the Russian Federation (Spencer Report)*, 22/04/1999, A4-0219/99.

32 This section is mainly based on interviews with Commission and Council officials as well as members of the German, Finnish and Portuguese representation to the EU.

33 European Council, *Common Strategy...*, part I.

34 D. WOLTER, « *Gemeinsame Strategie...* », *op. cit.*, p. 60.

35 European Parliament, *op. cit.*

it, indeed, resembles a « shopping list » to which each member state could add what it wanted to. Yet, this does not seem to be justified, given the emphasis the CS lays on some areas such as JHA and given the last part of specific initiatives.

Negotiations concerning EU related issues posed by far more problems. The aim of the German presidency was clear : create a broad basis for future decisions by QMV and, since the instrument « CS » is of such a broad character, to provide for coherence between the three pillars of the EU. The cross-pillar approach led EU inherent tensions come to the fore. The Council working group had to be co-chaired by one person of the German Permanent Representation and another person from the German Foreign Office headquarter in Berlin according to the subjects/pillars treated. Even though arguably a procedural impediment to efficiency, the co-chair worked well, from the German perspective, and could even contribute positively to the drafting in this case. For expertise from Berlin and Brussels was accumulated, which was necessary, given the restricted time frame. It was also helpful for contacts with Russia.

Even though, given the history of their relationship, one could assume certain tensions between the Political Committee and COREPER, they shared powers in a way that the former was responsible for political guidelines, whereas the latter assumed the task of the overall coordination. At the ministerial level, the General Affairs Council took its co-ordinating role very seriously, which will have to be taken into account in the future.

More problematic were different interests between the General Affairs Council and Ecofin, when it came to the question of closer co-operation between member states in regional and international organisations including the international financial institutions. After fierce resistance from Ecofin, finally, the diplomats' views prevailed. This was achieved through extensive consultation of the economic and financial committee for the relevant parts of the CS. Moreover the relevant senior committees for questions of JHA and trade related issues were also broadly consulted. This translates itself in the fact that these issues are very prominent in the CS.

The most important issue at stake, however, was QMV. Germany proposed a very general text arguing that even general provisions will subsequently be a legal basis for QMV in CFSP matters. This view was rejected by France, the UK and Finland, which argued in favour of specific provisions so that the concrete consequences for issues to be adopted by QMV in CFSP matters would be clear. The same group of countries also argued in favour of a clear linkage between means and policies, the listing of instruments and procedures for every policy and the introduction of a clear time frame. The gap between the differing views was eventually bridged, even though it seems as if the German general approach prevailed, by introducing, on the initiative of France, the last part of the CS enumerating areas for specific action.

Apart from the particular input of France and Germany, the input by the EU institutions was distinctive. The Council Secretariat played a more active role than it did previously, which is probably mainly due to the fact that the Council staff anticipated their more politicised role with the arrival of the High Representative. The role of the latter, for instance, was deliberately introduced into the text of the CS, with the strong support by Germany.

The Commission with its unchallenged expertise in the domain, was pushing for more coordination between member states and the Union and it succeeded. Provisions for the drawing up of inventories and for closer co-operation in international organisations reflect this view. In order to assure internal coordination it set up an inter-service steering group.

Finally, the EP was not formally involved in the decision-making process, since no specific Treaty provisions states that the EP has to be consulted on a CS. Yet, the EP made use of Art. 21 TEU, which gives it the right to issue a recommendation on CFSP affairs. In this recommendation, the EP calls, apart from added value and a postponement, for future formal consultation of the EP on CSs in accordance with Art. 21 TEU. For the EP argues that a CS displays the character of principal aspects in and fundamental decisions of CFSP matters on which it has to be consulted. However, the EP managed to introduce a budget line for CSs, even though for each policy, which is part of the CS, one already exists. This does certainly not promote budgetary efficiency, but the EP can thereby use its traditional budgetary levy, in order to execute some control.

II. THE FIRST CS : RATIONALE, IMPLEMENTATION, RUSSIAN REACTION

A. Rationale

Description

The two parts of the CS - coordination within the EU and co-operation with Russia, do not build the formal structure of the actual text of the CS. It can be seen, however, as its inherent logic. Looking at the text, one does not get the impression of a clearly cut, purpose orientated strategy, but rather a public policy paper.

The CS on Russia consists of three parts : vision of the EU for its partnership with Russia, areas of action and specific initiatives. The first part displays the EU's view on the European continent and the EU's strategic goals. In order to achieve peace in a united Europe without dividing lines, the EU's goals vis-à-vis Russia are the support for the establishment of a stable democracy and a functioning market economy as well as intensified co-operation with Russia in order to maintain European security.

Whereas the EU offers its expertise to Russia, it remains up to Russia to construct its future. Compared with the beginning of the 90s, when both Russia and the West believed in the exclusive need to export Western ideas, norms, etc. to build Russia's future, the situation has fundamentally changed over the years. The 1998 devaluation was the last event to make Western policy-makers realise their limits in influencing developments in Russia. Today, the EU seeks to give impetus to the existing « strategic partnership » with Russia at whose core remains the 1997 PCA. Thus the unilateral CS has to be perceived as a new element in the relationship, whose place has still to be defined.

Thereafter the first part of the CS deals with its « principal objectives » and the instruments, which are to be used for implementation. Looking at the objectives « consolidation of democracy, the rule of law and public institutions » was put at the first place. Explicit reference is made not only to the executive and legislative institutions, but also to the judicial bodies and the police. Moreover, the importance to strengthen institutions not only at the national level, but also at regional and local level is stated.

The three other main objectives are as follows : integration of Russia into a common European economic and social space, co-operation to strengthen stability and security in Europe and to deal with common challenges on the European continent. The CS underlines the need for Russia to come up with a « comprehensive and sustainable economic programme » to be approved by the IMF. The development of a market economy has also to take into account the social dimension of transition and requires as a prerequisite the rule of law. Finally, the economic section expresses the EU's support for Russia's WTO accession and reiterates the future objective (as stated in the PCA) of a EU-Russian free trade area. Closer co-operation in the field of security intends to bring « interests closer together », which will enable both sides to « respond jointly to *some* of the challenges to security on the European continent » (emphasis by the author). Therefore greater concertation in international *fora* should be achieved. However, the EU shows itself very cautious in this area. The section on « common challenges » enumerates the issues of energy policy, nuclear safety, environment, JHA, regional co-operation. They all result from an ever growing interdependence of both parties.

As far as « instruments and means » are concerned the stated main goal is, indeed, horizontal and vertical coherence of EU action. There is the obligation for both the community and member states to respect and support the CS, which is based on Art. 11 TEU. The explicit emphasis on this aspect is, indeed, a novelty in an EU act. With respect to horizontal coherence the need for coordination between member states in international and regional organisations, including financial organisations, has been stressed.

In order to make the CS work, each Presidency has the obligation to draw up a work plan. The Council has to report to the European Council on progress made on implementation. The Council has also the duty to review the situation in Russia and, if necessary, to make recommendations for revision of the CS. This also concerns the third part of the strategy (specific actions). It is not an exclusive list and can thus

be extended and amended. It is also important to note that the CS should be implemented in co-operation with Russia, in particular through the PCA.

Part two and three take up the above mentioned four issue areas - democracy, economic space, security and common challenges. Part two gives the broad guidelines for possible action, whereas part three outlines specific actions and gives a time frame for certain actions.

The CS has a duration of four years and can be prolonged or adapted by the European Council on recommendation by the Council. In a « declaration » annexed to the CS, the European Council explicitly underlines the possibility of QMV when adopting JA, Common Positions or any other decision on the basis of the CS.

Specific features of the CS

The CS obliges member states to a co-ordinated policy. It turns away from the competition between capitals, which used to be characteristic for « power politics »³⁶. Thus member states deliberately bound themselves to each other and to the EU institutions. Union programmes and projects will, according to the text, henceforth have the support of member states' bilateral instruments and means. In other words member states gave a mandate to the EU to create synergy of community and bilateral instruments. This gives the EU a strong case both vis-à-vis Russia and member states.

The corresponding point to the vertical coherence is the « cross-pillar » nature of the CS. This has already led during negotiations to efforts to overcome the dysfunctional pillar structure of the EU. Cross-pillar initiatives will result in enhanced co-operation between Community institutions, if the provisions of the text have any significance.

Finally, the openness of the instrument has to be stressed. Already during negotiations the EU main partners, Russia and the US were informed about the drawing up process. In fact, the openness reflects the EU's democratic values and the recently ever stronger becoming emphasis on transparency. On the other side, this has led some observers to the conclusion that the CS was actually not a strategy since strategies are internal papers, which are not discussed with « outsiders ». In particular not with the state it is addressed to.

B. EU coordination

QMV

Since the main reason to create the new instrument CS was the dispute between mainly France and Germany over QMV, which ended in a compromise and led to the specific Treaty provisions, the question of whether the compromise found has, in fact, any value, is well justified.

The overall « climate » for decision-taking by QMV was, actually, favourable, since already shortly after the coming into force of the Amsterdam Treaty implementing decisions of Joint Actions were adopted by QMV at working group level³⁷. In the following, on the basis of the CS, one JA was adopted in a rather sensitive area : disarmament³⁸. Yet this area became an area for action rather by « accident », than by purpose, for the simple reason that money was available at the right moment.

The JA, which is based on the CS provisions for non-proliferation and disarmament, seeks to give a general framework for specific projects to be financed. First, it contributes to a chemical weapons pilot destruction plant in Gorny/Russia. Second, it contributes to a set of studies and experimental studies on plutonium transport, storage and disposition (Art. 2). Whereas the former project did not pose any

36 D. WOLTER, *op. cit.*, p. 58.

37 U. SCHMALTZ, « Nach dem Startschuss für den Amsterdamer Vertrag : Die erste Etappe der neuen GASP », *CFSP Forum*, 2/99, pp. 1-2, p. 2.

38 Council of the EU, *Council Joint Action establishing a European Union Co-operation Programme for Non-proliferation and Disarmament in the Russian Federation*, Brussels 17/12/1999, OJ L331/11, 23/12/1999.

problems, *inter alia* because Germany had already been highly involved in Gorny since 1993, parts of the latter proved highly contentious. For the project encourages the disposition of weapon grade plutonium into plutonium, which can only be used for civil purposes.

Two member states, Sweden and Austria, objected to the idea of encouraging the use of plutonium. After Sweden had given in, Austria continued to raise objections. Since the issue was not put to a vote, Austria was not formally outvoted. However, the Finnish presidency made very clear to apply QMV if necessary. Thus it is justified to say that in this case progress could only be achieved through the pressure created by QMV³⁹.

Yet it must also be stated that the issue of QMV has been overshadowed by the Chechnya crisis and has lost its dominance in the discussion.

The adopted JA is also interesting for its institutional provisions, which provides for close co-operation between the Council and the Commission.

Horizontal coherence

The JA states that the Commission will be entrusted with certain tasks for the implementation of the JA, which is a novelty in CFSP. Even if Commission officials like creating a precedence out of this case, it should not be exaggerated. In CFSP no implementing mechanism exists. The Council does not have the personnel and expertise for a case such as the JA. Another option would be an ad hoc structure under Council auspices but outside the Council framework. This, however, would create cumbersome implementation procedures. Moreover, if the Council is responsible for implementation as in the case of the special envoys, budgetary and non-budgetary authority are separated, which can trigger problems. Since in the present case the Commission had the expertise (experience with TACIS, Euratom) and member states did not estimate the JA as too important for their sovereignty, the Commission was entrusted with implementation. It should also be stressed that funding for the JA is rather high, namely Euro 9m.

Thus the JA does give a first indication of how CFSP could work in the future. However, this will always be decided on a case by case study for the time being.

Apart from the Commission and the Council a new potentially powerful player has entered the ring since the adoption of the Amsterdam Treaty. The position of the High Representative (HR) for CFSP, to which former NATO General Secretary Solana was appointed, and which is formally part of the Council, was explicitly introduced into the CS. The HR's role is, according to the Helsinki European Council Conclusions of 11/12 December 1999 to conduct the EU's political dialogue⁴⁰. Moreover, Solana has attributed great attention to Russia⁴¹ and will have to find his place between the traditional Community players. Up to now, the HR did have a low profile in relations with Russia (nothing comparable to his mission to Turkey in order to announce its candidate status) and participated as foreseen in the Treaty in Troika meetings. This can be interpreted in a way that member states are unwilling to transfer any power to the HR in a sensitive area as Russia.

Besides inter-institutional coherence, intra-institutional coherence has also to be assured. This was not explicitly stated in the CS, but results out of its cross-pillar nature. Both Council and Commission were already confronted with this problem during negotiations. Thereafter a solution was found for the Council, which was, however, not an achievement of the CS. In fact, the Finnish Presidency pressed hard for an eventual merger of first and third pillar working parties⁴². In the case of Russia this is now the Coest group. As far as the Commission is concerned, the cross-pillar approach, and thereby also a cross-issue approach, has necessitated further close coordination between its services as a follow-up to the inter-service steering group during the negotiations.

39 Council and Commission officials, interviews, DG E respectively, Brussels, February/March 2000.

40 European Council, Presidency Conclusions, Helsinki 11-12/12/1999.

41 see for example : J. SOLANA, *The EU-Russia Strategic Partnership*, speech given in Stockholm, 13/10/1999, Server Europa, download 17/12/1999.

42 Official of the Council, PPEWU, talk given at the College of Europe/Bruges, 16/02/2000.

The sense of the evaluation and monitoring procedure of implementation measures goes into the same direction : more intra-institutional coherence, but, at the same time contributing to inter-institutional coherence. Every presidency has to come up with a work plan based upon parts two and three of the CS. And after the Finnish presidency it is very likely that each presidency will also evaluate implementation measures after its six months term⁴³. This will contribute to more consistency between presidencies, which is, indeed, very necessary since member states' interests in Russia differ in their nature.

Finally, this section has to deal with horizontal coherence between member states. The CS obliges them to «make additional efforts to co-ordinate their actions vis-à-vis Russia ». Particular reference is made to regional and international organisations such as the OSCE, including financial institutions. The example of the Istanbul OSCE summit in November 1999 demonstrated the importance of coherent action by EU member states vis-à-vis Russia. Even though Western states, including the US, agreed on a paragraph in the summit's conclusions on the situation in Chechnya, quite a great deal of pressure was necessary in order to get the agreement from the Russian side. Western States had also to fight off Russian attempts to water down the paragraph of the European Security Charter, which states the OSCE's ability to interfere in its member states' internal affairs⁴⁴. A coherent stance in the OSCE is all the more important, since Russia devotes a great deal of attention to this organisation, for it considers it as a potential counterbalance to NATO.

In order to get a full picture of organisations in which coordination would be useful and necessary, the Council Secretariat was charged to draw up a «tentative list » of organisations⁴⁵. This exercise was, and still is, far from as obvious as it might sound. For instance, the cases NATO and UN Security Council display the national thinking of some member states, even though Art. 19 TEU deals already with the problematic issue. In the case of the CS, France suggested closer co-operation in NATO, which was categorically rejected by the UK. The Commission, in their turn, suggested that, at least, closer coordination should be achieved in the UN Security Council. The proposal was (surprisingly) supported by France against the UK. In fact, even though UN work at a lower level is co-ordinated between the EU member states, the Security Council remains a taboo⁴⁶.

A case in point for coordination in NATO is the US proposal for an amendment of the ABM treaty in order to allow the setting up of a missile defence system against so called «rogue states ». This, however, is rejected by the Russians, who do not have the means to compete with the US and therefore fear an imbalance in strategic weapons. The Europeans are caught between the two positions, which implies that they have to come up with a response for both the US and Russia. However, a common stance will be difficult to achieve. Germany has not decided its position yet, fearing a danger for existing disarmament treaties and for talks on START III currently under way, is likely to be rather sceptical vis-à-vis the US proposal. However, Germany's traditional links to the US will eventually lead them to critical support of the project. France and the UK, both nuclear powers, understand the US fears. However, since the US suggested a national defence system, both countries would be excluded. In fact, the question arises whether a need for a European version of a missile defence system exists. Thus, given the different opinions on this issue, which is inextricably linked to national defence and sovereignty, the positions of the member states, are very unlikely to converge. Consequently, a co-ordinated stance, which would make the European power felt, vis-à-vis the Russian as much as the US position, is unlikely to emerge⁴⁷.

As was demonstrated in the section on the negotiations of the CS, coordination of member states in international financial institutions was contentious and was, eventually, only included since diplomats and not finance ministry officials negotiated. The most important institution would be, of course, the IMF, given the fact that Russia is their largest client. In fact, the European voice in the IMF is huge enough to

43 Council of the EU, *Presidency's Progress Report on the Implementation of the Common Strategy of the European Union on Russia and the Presidency's Work Plan*, Brussels 7/12/1999, Server Europa, download 1/02/2000.

44 Frankfurter Allgemeine Zeitung, 20/11/1999; Financial Times, 20-21/11/1999.

45 Council of the EU, *Presidency's progress...*, *op. cit.*, p. 3.

46 Official of the Commission, DG E, interview, Bruges, 29/03/2000.

47 *Süddeutsche Zeitung*, 19/04/2000.

make a difference, but it is scattered in the Board of Directors. Since the EU and the IMF basically work for the same policies vis-à-vis Russia, an uncoordinated position in the IMF is highly unproductive. For the time being, it seems unlikely that a quick solution will be found, given the reluctance of finance ministries. This should not surprise, since the problem of the external representation of the Euro has not been solved either⁴⁸.

Another clear indication of member states defensive reaction as far as financial matters are concerned, have been discussions in the Club of Paris (Club of official creditors) on a possible big write-off of the \$42 bn debt, which should come to an end at the end of the year 2000. After the deal struck between Russia and the Club of London (private creditors) on a write-off of a third of the \$32 bn commercial debt, the German government declared that it does not feel to be bound by that decision. Since Germany accounts for half of the \$42 bn debt, it is concerned that the UK together with the US and Canada, who have little exposure to debt, will be too generous vis-à-vis Russia⁴⁹.

Despite these aspects, which make it hard to believe in progress in this area, the Finnish Presidency claimed that member states started close co-operation in some international financial institutions⁵⁰.

Vertical coherence

To oblige explicitly member states to adhere to EU measures in CFSP is a novelty. On the basis of Art.11 TEU, the CS created an instrument in order to implement the treaty provision, namely inventories, which were introduced in a systematic way into the CS. This does not only mean that an overview over existing national and Community measures will be established. But this will also build the basis for the assessment of these measures, since any national or Community project or policy has to be in line with the CS (CS : part I, Instruments and means). Inventories would also allow an improved two-way flow of information. Today, Commission and Council Secretariat officials complain that member states demand information from the EU institutions, but are reluctant to reveal their own⁵¹.

From the member state perspective satisfaction was expressed that the TACIS programme, with its own structure and comitology committee («TACIS committee»), will also be bound by the CS. However, it remains questionable to what extent member states will be able to execute more severe supervision besides in the TACIS committee. The Commission has already made clear that it will not discuss TACIS matters in the Council Coest group but, as before, in the TACIS committee, with which it has extensive experience⁵².

In the context of vertical coherence one has also to address the question whether the CS must be regarded as the major policy guideline which, since it obliges to amend national programmes and policies, does play a role in national and EU day to day politics. Even though difficult to assess, since extensive empirical work would be needed (and still it would be questionable to what extent officials revealed that « it does not play a role »), there are indications that the CS and its implementation is on the agenda at EU-Russian as well as on member states-Russian meetings. Two reasons can be given. First, member states do have an interest in the topics included in the CS such as the prevention of organised crime or protection of the environment. Second, it is a way to initiate programmes that are too large for national action. Third, Russia's positive reaction to the CS (see below) gives pressure to implementation, since there wouldn't be any reason for no progress.

National reactions to newly elected Russian President Vladimir Putin were co-ordinated at the Lisbon European Council on 23/24 March 2000. Soon afterwards, however, the UK Prime Minister Tony Blair was the first who gave strong « bilateral signs » when he invited President Putin to the UK as the first Western government after his election. On the background of the Chechen war, this initiative proved to be contentious. Already before, the UK had shown itself very active vis-à-vis Russia. Blair was the first

48 Commission official, DG E, interview, Bruges, 29/03/2000.

49 *Financial Times*, 14 and 15/02/2000; *Le Monde*, 15/02/2000.

50 Council of the EU, *Presidency's...*, *op. cit.*

51 Officials of the Council and Commission, DG E, interviews, Brussels, February/March 2000.

52 Official of the Commission, DG E, interview, Brussels, 21/03/2000.

Western leader to meet with then acting president Putin at the beginning of March 2000⁵³. This is, indeed, a good example to show the whole problematic of the raised question. How can national governments show their profile without contravening the logic of agreed upon EU action⁵⁴? A European policy will never substitute national policies, but co-ordinate them. National governments need their room for manoeuvre for questions of status and influence. Nevertheless, national governments will have to learn to adhere to CFSP policies and priorities. The CS gives impetus to shift the balance of power in favour of the EU.

III. CO-OPERATION WITH RUSSIA

A. Policy areas⁵⁵

In the following, policy areas will be analysed as they are mentioned in the CS : *first*, consolidation of democracy, the rule of law and public institutions, *second*, integration of Russia into a common European economic and social space, *third* co-operation to strengthen security and stability in Europe and beyond and, *finally*, common challenges on the European continent.

The first policy area deals on the one hand with the strengthening of rule of law and public institutions and on the other with the strengthening of civic society, promotion of human rights and support for refugees and internally displaced persons. So far, focus has been given to judicial co-operation under the Finnish Presidency in form of a seminar on this topic and to the upcoming Russian Presidential elections under the Portuguese Presidency. Support was given to the OSCE/ ODHR election monitoring mission and the Commission set up a Electoral Unit for capacity development in election monitoring. During the election campaign media behaviour was monitored by the European Institute for the media. In order to implement the stated aim of a closer people to people dialogue at all levels (in particular exchange of students, young scientists and twinning activities), inventories were done of EC programmes, which have then been circulated to member states, which are now requested to contribute to the surveys. This also involves a strengthened commitment to activity in Russia's regions.

In order to integrate Russia into « a common European and economic space », the CS gives three priorities : consolidation of the reform progress through the promotion of the necessary changes such as in the banking sector, and through improved economic policy advice. The second aspect are trade related issues in order to, *inter alia*, facilitate Russia's accession to the WTO and create eventually a EU- Russian free trade area. Finally, concern is expressed about the social implications of the reform progress.

Up until now, the economic area has proved to be most difficult. For talks of a high level EU delegation to Moscow on economic matters basically failed, due to a lack of interest from the Russian side, but also due to unclear purpose of the mission on the EU side. Following the Helsinki European Council Presidency conclusion calling for « sanctions », given the disastrous situation in Chechnya, the economic area does not figure at all in the Portuguese work plan (see chapter on Chechnya). In particular trade related issues are highly contentious, which is, as some argued, not due to the Chechnya crisis, but to the development over the last years. The case in point, which caused the most trouble, was the EU decision of a 12% import cut on Russian steel. This was the retaliation for a Russian export tariff supporting local industry. The EU decision came as a surprise to Russians, who, obviously, perceived it as an « aggressive act ». However, it is not an isolated decision, but based on a long chain of events, which frustrated more and more the EU. The Commission is not only assessing possible Russian reactions, but is also considering further action in the areas of alcohol, insurance and charges for trans-siberian flights. The steel decision also displayed the difficulty to find a common stance among EU member states. The Commission had suggested a 20% cut, but the UK, Greece and Sweden, fearing that any decision would play into the hands of protectionists, pushed for a lower percentage. Yet, it has also to be said that, in fact, only a 35% cut

53 RFE/RL Newline, 13/04/2000, <http://www.rferl.org/newline>

54 O. VON DER GABLENTZ, Rector of the College of Europe, former German ambassador to Russia, interview, Bruges, 2/03/2000.

55 This section is based on interviews and the presidency's work plans and the Finnish evaluation report : Doc. 10146/99; Doc. 6004/00; Server Europa, download 15/02/2000.

would have been painful for Russia. The adopted compromise will only show some effect towards the end of the year, since import reductions are adopted annually.

Thus a clear impact of the CS in the economic area can not be seen, besides the fact that technical issues can get a political dimension and thereby a higher profile, when treated in the framework of the CS.

Co-operation in security matters will be based on three « pillars » according to the text of the CS : reinforcing the political dialogue, strengthening of Russia's place in the European security architecture and preventive diplomacy.

Both the Finnish and the Portuguese Presidency concentrated on three topics. *First*, a new formula to strengthen the political and security dialogue with Russia has been implemented, which gives the political directors a more prominent role. The formula comprises two political directors meetings each semester. *Second*, a political dialogue at expert level with Russian counterparts has been set up, which deals with CIS affairs with an emphasis on regional issues in Transdnistria and the Caucasus. *Third*, the above mentioned JA on non-proliferation and disarmament has probably been the most tangible result of the CS.

Common challenges listed in the CS comprise energy and nuclear safety, environment and health, JHA and regional co-operation. As far as environmental protection and health matters are concerned preliminary work for future action has been carried out. For instance, a first draft of a environmental work programme for Russia has been circulated. The Finnish Presidency considered HIV/AIDS and tuberculosis as a matter for action. Under the Finnish Presidency was also held a conference on the future of the Northern Dimension for obvious reasons. Even though it was poorly attended by Western Ministers, Commissioner Patten and the Russian Foreign Minister Ivanov attended. The attendance of Commissioner Patten was especially important, since the Commission's enthusiasm for the Northern dimension had been limited. As a follow-up, the Commission finalised a working document for an action plan on the Northern Dimension in March 2000. The final version was eventually adopted at the Feira European Council in June 2000⁵⁶.

The most prominent area among « the challenges », however, has become JHA⁵⁷. Particular focus has been given to the issues of judicial co-operation and even more important the fight against organised crime. Two seminars were held in July and December 1999 respectively. Organised crime can, indeed, be seen as being at the heart of the cooperation and of EU initiatives. This is due to the fact that fight against organised crime necessitates very broad action (from judicial co-operation to money-laundering) and the particular interest, which the EU has in this topic. In order to provide for coherent action in this field, the Council adopted on 27 March 2000 the Action Plan for Russia to fight organised crime and adopted a decision to authorise the Director of Europol to enter into negotiations with third states concerning, above all, the receipt of information⁵⁸. However wider co-operation between Europol and the Russian law enforcement agencies is blocked at the moment, given French and Dutch objections. The Tampere European Council conclusions on JHA (Tampere « milestones »), however, give a strong case to new initiatives, for instance in the field of money-laundering⁵⁹. There is also the possibility for a large scale training programme for judiciary and law enforcement agencies.

B. Specific features

Having analysed the CS provisions for co-operation with Russia and its first implementation measures, the policies will be evaluated in the light of two additional questions : *first*, which is the relationship between the CS and the principle of conditionality?. *Second*, to what extent does the CS deal with strategic questions?

56 Council of the EU, *Action Plan for the Northern Dimension with external and cross-border policies of the EU 2000-2003*, Brussels 14/06/2000, doc. 9401/00, Server Europa, download 13/07/2000.

57 For the importance of JHA in external relations : Council of the EU, *European Union priorities and policy objectives for external relations in the field of justice and home affairs*, Brussels, 6/06/2000, doc. 7653/00, Server Europa, download 13/07/2000.

58 Council of the EU, press release, Brussels 27/03/2000, Server Europa, download 29/03/2000.

59 European council Tampere, Presidency conclusions, 15-16/10/1999, Server Europa, download 2/11/1999.

The principle of conditionality has become a substantial part of co-operation agreements of the type of the PCA⁶⁰. Given the controversial record of Russia's adherence to human rights, the question arises, to what extent this was considered in the CS. The EU stated its aim to support Russian efforts to meet its international human rights commitments. Reference is made to the Council of Europe, the UN and the OSCE (part II. 1. « Consolidation of democracy »). The review clause under part I « Instruments and means » calls upon the Council to « review the situation in Russia and the state of Russia's co-operation in the implementation of the CS ». If necessary the Council should submit recommendations for amendment. Even though this clause applies also to the human rights provisions, it appears to be surprising that human rights have a very low profile in the strategy. Yet, it could be explained by the fact that, *first*, the CS is a unilateral instrument and does not oblige Russia to anything and, *second*, that a high profile for the strengthening of civic society and democracy implies the respect of human rights. Indeed, the EU prefers a co-operative stance based on inclusion and dialogue to the American rogue state philosophy⁶¹. *Third*, member states opted for an uncritical stance during the negotiation process.

Given the long-term implications for the EU resulting out of the next enlargement, the introduction of the Euro, certain policy areas such as high technology and infrastructure as well as the recently setting up of a EU military rapid reaction capacity, it has been assumed that these developments will also affect the EU's partners, in this case Russia. These factors, in fact, will model to a large extent the shape of the European continent.

In its introductory statement the CS calls for a Europe without dividing lines and promises a positive outcome of enlargement for both sides. Enlargement is again mentioned in relation with enhanced cross-border co-operation. Why this fundamental issue, which will change the European continent in a few years and which has recently triggered fears in Russia, was not incorporated in the text in a more prominent way, outlining its strategic character, remains unclear. All the more since it is subject of intensive discussions in the PCA framework⁶². Equally the issue Kaliningrad is only mentioned *inter alia* in the context of regional co-operation. Yet, the issue Kaliningrad will offer a possibility to make Russian-European linkage very concrete. For instance, at the Luxembourg co-operation council, Kaliningrad was one major issue. On the other hand, however, one has to admit that it is far from clear how this linkage should work. Thus this critique is about the lack of strategic considerations of both issues, not precise proposals. A long-term strategy would have to take account of these issues.

The same applies to the area of infrastructure, which has to be considered as fundamental for the EU's attempt to set up linkages with Russia. In this field already exist good proposals such as trans-european networks for roads, railways, telecommunication and energy systems⁶³.

Finally, it should be mentioned that the lack of any reference to the introduction and existence of the Euro can only astonish, since it goes without saying that EMU and CFSP are eventually interrelated⁶⁴. One does not have to go as far as to call for the introduction of the Euro as a currency in Russia, even if the argument seems to be convincing from a theoretic point of view⁶⁵, in order to discern the implications the Euro will have for the Eastern neighbours. Russia, which was slow in realising the importance of the Euro, is very much interested in this new currency today. Moreover, it considers the Euro as an alternative reserve currency⁶⁶. One explanation for this shortcoming could be that the Euro is, within the EU, rather perceived as the finalisation of the common market, than a strategic component of a European foreign policy⁶⁷.

60 See also : J. D'HOMMEAUX, « Le partenariat sous condition : la clause de conditionnalité « droits de l'homme », J. RAUX, V. KOROVKINE, *op. cit.*, pp. 179-198.

61 *Ibid.*, p. 191.

62 EU-Russia summit, Helsinki 22/10/1999, Joint statement, Server Europa, download 25/10/1999.

63 H. TIMMERMANN, « *Die Gemeinsame...* », *op. cit.*, p. 4.

64 D. P. CALLEO, « The Strategic Implications of the Euro », *Survival*, 1/1999, pp. 5-19.

65 D. GROS, « Euro statt Rubel », *Die Zeit*, 27 May 1999, p. 34.

66 Member of the Russian delegation to the EU, interview, Brussels, 3/03/2000.

67 See also for the importance of the Euro : J. SAPIR, intervention at the conference : A new iron curtain? EU-Russian relations in focus, Brussels, 26/27/06/2000. He suggested a payments union for Russia in which the Euro

The same does not apply to the field of security and defence. One can, in fact, note a certain reflection of the parallelism between the setting up of the European defence capability and the adoption of the CS at the Cologne European Council on 3/ 4 June 1999. For the CS provides for facilitating « the participation of Russia when the EU avails itself of the WEU for missions within the range of the Petersberg tasks » (part II/3 : co-operation to strengthen security). The cautious expression of this possibility reflects, in this case, the state of the development of the idea of a « defence » capability.

The CS also has the potential to serve as a basis for co-operation in « future » industries, since it calls for exploration of closer co-operation in the fields of Russian expertise, i.e. science, aircraft, space and energy.

C. Russian Reaction

Russia's response to the CS was very positive, which is not difficult to understand looking at the interests Russia has in the EU. Russia was in particular pleased with the fact that the first CS was devoted to Russia and that it stated, in Russian eyes, the necessity to have Russia involved in a new world order⁶⁸.

A direct answer to the CS was given in a Russian strategy paper under the title of « Medium-term strategy for the development of relations between the Russian Federation and the European Union (2000-2010) (MTS)⁶⁹. This document has presumably the support from the then Prime Minister and today's Russian President Putin, since he, himself, presented it at the EU-Russia summit in October 1999⁷⁰. Already in July 1999 Russia gave to the EU a positive signal, apart from positive statements concerning the Cologne summit, when it suggested talks about the future of Kaliningrad⁷¹. The MTS is, indeed, the first comprehensive text, which defines Russia's policy towards the EU. Therefore the drawing up process had already been of importance, since for the first time all relevant governmental bodies and scientists had to consider the « question EU » seriously. Generally speaking, the document reflects the positive attitude towards the EU, which exists today among the Russian political elite⁷².

The scope of the MTS is as broad as the CS itself. This is not the place for a detailed analysis of the MTS, therefore only the main features, which are important for the purpose of this study will be pointed out.

Among the range of topics such as trade, political dialogue, co-operation in JHA, etc. it is interesting to note that those topics, which are not very prominent in the CS take an important place in the MTS. For instance, Russia expresses its concern about possible negative impacts by the EU's eastwards enlargement such as new trade barriers between the accessing CEECs and Russia resulting in a loss for Russia. Russia calls for its interests to be considered during the enlargement consultations. In fact, Russia has never objected to the EU's enlargement (in contrast to NATO enlargement) and has only recently raised its voice in order to express fears. However, most recent statements by Putin suggest that he does see the long-term positive implications of enlargement, but that he tries to play a bargaining game⁷³. This would be in line with the MTS aim to build relations between equal partners, in order to construct a multipolar world⁷⁴.

As far as Kaliningrad is concerned, the MTS calls for the transformation of the region « ...into a Russia's (sic) pilot region within the framework of the Euro-Russian cooperation in the 21st century»⁷⁵. It must be underlined that the MTS does not raise any fundamental objections to regional co-operation, which

could participate; The Euro will also be a major issue during the next meetings of the EU-Russian forum for Foreign and Security Policy, <http://www.dgap.org/texte/eurussia21012000.html>.

68 V. LIKHACHEV, « Rossiia i Evropeiskii soiuz v strategicheskoi perspektive » (Russia and the EU in a strategic perspective), *Mezhdunarodnaia zhizn'*, 1/ 2000, pp. 40-50, p. 43.

69 Unpublished document.

70 H. TIMMERMANN, « European-... », *op. cit.*, p. 1.

71 H. TIMMERMANN, T. DUDNIKOVA, « Zadacha Evropeiskogo soiuzu i Rossii - ne dopustit' novykh razdelitel'nykh liniy » (The EU's and Russia's task - not to allow new dividing lines), *Evro*, 11/1999, pp. 21-24, p. 24.

72 *ibid*, p. 1.

73 European Voice, 21-24/10/1999.; RFE/RL Newslines, 10/04/2000, <http://www.rferl.org>.

74 See also V. PUTIN, « Der Westen darf nicht Sieger spielen », *Süddeutsche Zeitung*, 23/12/1999, p. 10.

75 According to the document.

hints towards the fact that Russian officials have realised how beneficial regional co-operation can, in fact, be.

The document does neither raise fundamental objections to the EU's TRARECA and INOGATE projects deliberately circumventing Russian territory. The MTS call for Russian interests to be taken into account while developing these projects⁷⁶.

According to the MTS Russia has well realised how fundamental the introduction of the Euro and the establishment of a « defence » dimension of the EU will change its character. For the MTS devotes considerable parts to each topic. Russia welcomes both developments and intends closer co-operation in both fields. Co-operation in military matters « ...could counterbalance, *inter alia* (original underlining) NATO centrism in Europe »⁷⁷. Hence Russia has clearly demonstrated its interest in relations with a « political entity » EU.

Finally, the most striking difference in comparison to the CS must be pointed out. The MTS does not mention in a single word the need for establishment of civic society and democracy nor human rights. Given the fact that the promotion of democracy and civic society figures at the very top of the EU's priorities in the CS, this indicates a certain lack of mutual understanding and even common values beyond all the other areas which seem to be perfectly compatible to each other.

For the time being, Russian proposals for a common follow-up to the strategies will not have any chances given Russian human rights abuses in Chechnya.

If deeds follow Putin's rhetoric, the EU is likely to play a major role - or even the major role⁷⁸ - in Russian foreign policy. The Russian political elite does, indeed, feel itself bound to Russia's historical, political, economical and cultural ties itself with Western Europe. On a small scale the importance Russia attaches to Western Europe can be deduced from the eventual modest reaction by the Duma to the restrictive action taken by the Council of Europe's parliamentary assembly in the light of Chechnya. For instance, the Russian delegation continued to participate in the assembly's debates⁷⁹.

The West will have to deal with a Russia defending vigorously its interests, which will be done through an actively conducted foreign policy⁸⁰. In this context the issues EU enlargement, visa regimes, Kaliningrad and ESDP will show to what extent both sides are willing to co-operate.

IV. THE CHECHNYA FACTOR

Russia's second war in Chechnya posed a serious problem to Western leaders. They were caught between the will to stand up for human rights in order to appease domestic public opinion and the desire not to isolate Russia. There was general agreement that, in fact, little could be done in order to force the Russian leadership to stop the cruelties in Chechnya⁸¹. The reason why European leaders tried to be tough with Russia at the Helsinki European Council on 10/11 December 1999, was public pressure, given the shortly before issued ultimatum by the Russians to the Civilian population of the Chechen capital Grosny⁸². The « Declaration on Chechnya » by the Helsinki summit was, indeed, for EU standards rather outspoken. It called, in point seven, for a revision of the implementation of the CS, for a suspension of certain provisions of the PCA and a strict application of trade provisions, for a reallocation of certain TACIS funds in favour of humanitarian assistance and for the financing of priority areas (human rights, rule of law, civil society, nuclear safety) in the TACIS 2000 programme⁸³.

76 Cf. H. TIMMERMANN, « European... », *op. cit.*, p. 3.

77 According to the document.

78 V. LIKHATCHEV, « Rossiia... », *op. cit.*, p. 44.

79 *Süddeutsche Zeitung*, 13/04/2000.

80 *Neue Züricher Zeitung*, 12/04/2000.

81 *Frankfurter Allgemeine Zeitung*, 22 and 24/02/2000.

82 Official of the Commission, DG E/2, Talk given at the College of Europe, Bruges, 29/03/2000.

83 European council, *Presidency conclusions, Annex II, « Declaration Chechnya »*, Helsinki 10-11/12/1999, Server Europa, download 19/12/1999.

The clear commitment to some sort of action against Russia resulted in various forms of sanctions (or « specific actions » in the Community jargon), which were meant to combine both sides of the coin : to send a signal to Moscow and not to be too tough in order not to isolate Moscow. The final decision on « sanctions » was taken in the General Affairs Council on 24 January 2000⁸⁴. During the period between the Helsinki summit and the General Affairs Council the EU's stance softened⁸⁵, since it became more and more problematic to find adequate responsive measures.

The Portuguese presidency revised its work plan and dropped the section on economic co-operation and trade issues. At the same time it was clearly shown that the EU would go ahead in these areas with Ukraine⁸⁶. Furthermore, the signature of the scientific and technological agreement was suspended as was decided not to carry over Euro 30m of unspent funds of food aid from the 1999 to the 2000 budget. As far as trade sanctions are concerned, the cut in imports for ferrous scrap, which was decided later, was rather due to previous long-term developments than to the Chechnya crisis. However, Chechnya gave the political momentum needed in order to adopt the decision. The possibility of scrapping Russia's most favoured nation's status, which had been announced by Commissioner Patten, was not realised⁸⁷. It was only decided to suspend consideration of the possible extension of additional GSP preferences. Neither was the adoption of the action plan for Russia on organised crime suspended, since member states felt that their interests would be more hurt than Russian ones.

Finally, TACIS funds were reallocated through a « special measures » programme for 2000, which had been programmed outside the normal programming cycle. Only a third of the possible 110M Euros will be used for the three pillars TEMPUS (Partnership and Democracy ; rule of law ; conflict prevention). However, one has to be clear about the scope. Only the TACIS national programme for Russia for the year 2000 is concerned, not for instance, regional programmes. EBRD activities, where TACIS provides assistance are neither affected, even if they have economic character, which would be in contradiction to the presidency's work plan.

The approved « sanctions » are certainly not of a nature as to hurt Russia substantially. Member states were not willing to go further and especially Germany was reluctant to agree upon any tough measures, which must be seen on the background of Germany's financial and economic sectors' interests in Russia. For instance, Germany was against the dropping of the economic part in the Portuguese presidency's work programme.

The General Affairs Council also stated that member states should align themselves to the adopted measures. Following the logic of the CS, this means that member states' bilateral assistance programmes such as Germany's « Transform » programme should follow the TACIS example. To what extent this is in practice the case is difficult to assess. Normally, coordination of Transform and Brussels programmes take place in the TACIS committee and, if necessary, in the Council working group.

Recently, the EU followed the international trend initiated by the Council of Europe's decision to suspend Russia's voting rights in its parliamentary assembly as well as to consider the suspension of Russia's membership for the end of may, subject to certain conditions. Even more impetus gave the UN High Commissioner for Human Rights Mary Robinson, who, after a visit to Chechnya, called for a Russian commission of inquiry into human rights abuses. This was taken up by the Portuguese presidency, which submitted to the UN Human Rights Commission in Geneva a resolution on Chechnya, which calls for a Russian commission of inquiry⁸⁸.

Apart from the above mentioned restrictive measures from the EU side, there is no clear evidence that other specific areas of the CS have been « ...at least partly put on hold at the moment because of the war in

84 Council of the EU, press release, 24/01/2000, Server Europa, download 28/01/2000.

85 *Euro-East*, February 2000, p. 23; For an assessment of measures as being « unexpectedly tough », see *Financial Times* 25/01/2000.

86 Council of the EU, *Information on the Presidency's Work Plan on the Implementation of the Common Strategy on Ukraine*, Brussels 18/01/2000.

87 European Voice, 20-26/01/2000.

88 RFE/RL, « EU resolution urges Russian probe of rights abuses », <http://www.rferl.org/nca/features/>, download 14/04/2000.

Chechnya⁸⁹». However, it is clear that due to the general change of the atmosphere between both parties, implementation can be slowed down.

EU « sanctions » were finally abolished in July 2000 in order to support new elected Russian president Putin in his efforts to reform the economy⁹⁰.

The CS and short-term policy

Even though Chechnya has complicated the implementation of the CS and has given it a difficult start, one could argue that the discussions about the value of the CS in light of the Chechnya crisis will be « healthy » for the future development of the instrument CS. For right at the beginning decision-makers have to come to terms with the question of how to define the relationship between the CS and short-term policies as well as ad hoc measures. This linkage (« Verzahnung » in German⁹¹) will be of fundamental importance in the future.

In the case of Chechnya, the EU reaction has been linked to the CS in three respects. *First*, the presidency's work plan was revised. *Second*, member states were asked to adhere to Community measures, which is clearly the impact of the provisions of the CS. *Third*, the CS serves as a point of reference in order to demonstrate the Russian government the missed opportunities for co-operation.

On the other hand, however, due to the lack of clarification of the role of human rights for the relationship in the CS, no « guidelines » can be found in the document about how to handle the « unpredictable » in the short-term. However, this is more a reflection of, *first*, the general assumption that the West does not have great room for manoeuvre in order to influence Russia. *Second*, it reflects the general agreement on a policy of inclusion and prevention vis-à-vis Russia. The CS gives the guidelines for this purpose.

Even though Russia might be the most difficult case for the elaboration of the « interlinkage » between the instrument CS and short-term policies, there is a need to tackle this problem for future strategies, since the long-term approach has to be firmly anchored in realities of today. On the other hand, however, the question arises whether a CS could be flexible for this purpose.

Hence in the light of the general agreement that only a long-term comprehensive policy can possibly influence Russia, the purpose of the sanctions has been twofold : to send a signal to the Russian government and to appease the domestic public. For the impression had to be avoided that Europe applies double standards : one for Kosovo, the other for Chechnya. To what extent this has been achieved remains questionable. One positive outcome has been that vertical coherence has been strengthened, since member states' bilateral programmes have to adhere to EU measures. Finally, one should not forget that European « signals » have still been the most outspoken ones in international comparison. The US has adopted a rather soft stance and member states' bilateral « signals », which were given such as by the UK and German government go far more into a « realpolitik » direction than does the EU's and the Council of Europe's position.

89 H. TIMMERMANN, « European-Russian... », *op. cit.*, p. 5.

90 *Süddeutsche Zeitung*, 11/07/2000.

91 Member of the German representation to the EU, interview, Brussels 9/03/2000.

V. CONCLUSION : ADDED VALUE?

A. Added value for co-operation with Russia

The large scope of the PCA and the TACIS programme led some observers to the conclusion that everything done under the CS, could have been done under the PCA. However, the CS goes further than pre-existing policies or strategy documents, for it prioritises and channels political impetus to certain policy areas. Moreover, the PCA was very much focused on economic relations, including a great deal of technical provisions. The CS, which can be conceived of as a new layer in the relationship, raises the profile of the political aspects of the relationship. This is not only restricted to areas such as JHA, but can also be applied to a, formally, technical issue in the field of economics, which, having been included into the Presidency's work programme, gets a political dimension. Moreover, the CS goes further than the PCA, since there is an obligation for member states to come up with new policy initiatives through the presidencies' work programmes.

Thus one can see the impact of the CS on EU-Russian relations as a deepening, through prioritisation, rather than a widening of the scope *per se*. It is a widening in as far as policy areas were taken up, which had previously not been at the heart of the relationship. Added value in the economic area, resulting, for instance, in new policy initiatives, has been difficult to find, for the time being.

The CS puts the stress on the right issues, for instance, institution building, promotion of civic society, co-operation at national and sub-national level as well as a more operational dialogue. This approach will be more fruitful in the future, since it is an open, co-operative approach, which will build linkages at all levels between East and West, than a high politics focused approach. Therefore it seems all the more surprising that strategic issues, which should be at the heart of an approach destined to build linkages, such as enlargement, Kaliningrad, the introduction of the Euro and certain future policies have a low profile or are non-existing in the CS.

The positive response from the Russian side, which the CS triggered, should also be seen as an achievement. However, the lacking compatibility in the question of promotion of democracy and civic society between the EU and the Russian strategy, should be regarded at with concern. Moreover, the CS does not contribute to clarify the role of human rights in the relationship, which can prove problematic in crises of the Chechen type in the future. The linkage CS-short-term policy has to be elaborated further.

B. Added value for coordination within the EU

Looking at the history of the instrument CS, it becomes clear that the main motivation for its creation was not the prospect to improve relations with a third country, but to enhance EU coordination in CFSP, more precisely, to get an agreement on the issue of QMV. Even though the first application of QMV looks promising at first glance and demonstrates the need for QMV as the general rule in CFSP, the low profile the issue received thereafter must raise concerns⁹².

The results from first implementation measures and arising indications of problems reflect the drawing up process of the first CS, with one substantial difference. It is by far easier to agree to provisions for improved vertical and horizontal coherence, than to adopt the necessary implementation measures. For the time being it is far from clear whether the CS will achieve the realisation of all its provisions for horizontal and vertical coherence, which, if implemented, could indeed be, very effective. For instance, it is hard to imagine, looking at member states' behaviour at the moment, that coordination at all levels in the important international organisations and financial institutions will be achieved.

Nevertheless, the setting up of this instrument has already contributed to enhancing EU coordination, given the CS's cross-pillar approach. Contradictions and the dysfunctional structure inherent to the EU system came to the fore and had to be dealt with in order to finalise the CS in the set time frame. Now, the

⁹² After the adoption of the CS on the Mediterranean, however, one could argue that the issue QMV might also have the potential to hamper further integration, since certain sensitive issues (Middle East Peace process) will just not be included (or will be included in a meaningless way) in future CSs.

follow-up should be the implementation and functionalisation of the CS in precise areas, such as the establishment of inventories as effective tools or the institutional provisions of the first JA as a rule.

C. The nature of the Common Strategy : a model?

The CS is as much a public institutionalised commitment for co-operation with Russia as it is a codification of rules of institutional behaviour for this co-operation. It is a channel for political impetus, which is potentially co-ordinated and will thereby give long-term guidelines. Thus the CS is more than a summary of pre-existing member states' and EU policies. In comparison to previous strategy papers, the difference lies in the institutionalisation of the CS and its procedures, which results in obligations for member states and EU institutions.

The CS is certainly not a clear cut strategy, but rather a public policy paper. It prioritises but it does not refocus attention to specific areas. The relationship CS and short-term policy would have to be elaborated further and a precise time frame for action given. Implementation procedures would have to be indicated. The logical consequence of improved EU coordination would be a « peer evaluation » system, which has proved to be efficient in other EU policies. These are arguments, which seem to be more important than the need for the CS being an « internal, secretive » strategy to make it efficient.

Most of these issues, besides the « peer evaluation », were raised during the negotiations by France, the UK and Finland. However, with the second thought to thwart the general application of QMV. Thus there will only be the opportunity for a clear cut strategy, once the issue QMV will have been solved and issues concerning EU coordination will be less important. Only then the EU could devote its full attention to co-operation with a third country. There has been a logical line from the paradoxical creation of an instrument for co-operation with a third country, which, in fact is destined to improve EU mechanisms, to the present outcome.

Hence the CS should only be seen to some extent as a model for other CSs and for the future of CFSP. More and more people (among which Commissioner Patten) call for a less hasty adoption of CSs and a break for reflection before adopting new ones. Indeed, it is possible that, already in a few years, CSs will look completely different and the first CS will be totally amended. Even though member states do not question the existing CS or the PCA, an intense reflection process is under way about how to model the long-term relationship with Russia. It has been generally assumed that the election of Putin will have its distinctive impact on the EU-Russian partnership⁹³.

However, in the absence of any other alternative, this study comes to a « hesitant positive » conclusion. Added value seems to prevail over added confusion.

93 France presented a letter to the other EU and G-7 members on 6/04/2000, calling for reflection on Western aid to Russia and assuming that with the election of Putin a new era has started for Russia. According to : Official of the French permanent representation to the EU, interview, Brussels, 25/04/2000.