



Andreas Marazis, project manager and researcher specialising in the Eastern partnership countries and Central Asia at the European Neighbourhood Council, shares the developments in EU-Russia relations

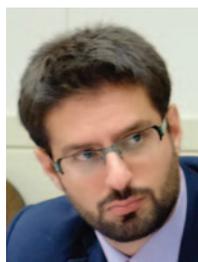
Monitoring Moscow

Relationships between the EU and Russia have been in decline over the last three years. Although there is no direct conflict between the two powers, and despite the strong scientific co-operation and joint projects in the Middle East, the recent deployment of NATO troops in the Baltic regions, accusations of Moscow-led cyber-attacks, ongoing bilateral sanctions, and the conflict in Eastern Ukraine – amongst other issues – have only served to augment a coldness between them.

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How could the relationship between Europe and Russia be defined in the modern political climate? Are we on the brink of a new Cold War?

Let me start by saying that 'Pandora's Box' was opened in March 2014 when Russia annexed Crimea, followed by the support of separatist movements in the cities of Donetsk and Luhansk. The EU responded by adopting diplomatic, economic and individual sanctions against Russia



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in July of that same year. Russia responded immediately by imposing counter sanctions, banning around half of EU agricultural products and imports.

Currently, the situation that was cultivated by these incidents is still ongoing. The EU is insisting on the full implementation of the Minsk II agreement before sanctions are lifted, while at the same time working on its resilience regarding energy security and hybrid threats, as well as disinformation stemming from Russia.

Nonetheless, there is space for engagement between the EU and Russia, however limited. In the Middle East, for example, we saw that the EU and Russia participated in the negotiations on Iran's nuclear programme; they also work together with the United States and the United Nations in the Quartet on the Middle East, which attempts to mediate the Israel-Palestine conflict, and on counter-terrorism and climate change. Thus, there is still some room for engagement.

What now needs to be done is to support stronger co-operation between people. The EU adopted sanctions against the Russian regime, but not against the Russian people. The EU/Russia Civil Society Forum, for instance, brings NGOs and civil society from Russia and the EU member states closer together. They have meetings every year and they discuss potential synergies based on EU funding. Although it is not much, it is still better than nothing. No one is interested in moving towards isolation, because we both need each other in many ways.

Is this mutual dependence enough to avoid open conflict at any point in the near future?

I most certainly hope that there won't be a conflict, but as I mentioned before, there is

Hungarian Prime Minister Viktor Orbán is trying to retain close ties with Russian President Vladimir Putin in exchange for better energy deals





strong interdependence between the EU and Russia. The sanctions equally hurt both. The EU is dependent on Russian gas for up to one-third of its consumption; the counter sanctions that Russia imposed affected EU exports to Russia by 36% during the first half of 2015. At the same time, the EU is trying to diversify its energy resources through the energy union, which aims to synchronise EU distribution networks and to diversify its gas imports by investing in various projects such as the Southern Gas Corridor, which aims to bring up to ten billion cubic metres of natural gas by 2020 from Azerbaijan via Georgia and Turkey. This and other options like the EastMed pipeline will, however, not substitute the volumes that the EU currently imports from Russia.

On the other hand, the sanctions imposed by the EU put serious strain on the Russian economy. Russia indeed needs the EU market, and that is why it promotes alternative projects such as the Turkish Stream and Nord Stream II. These projects are in a stalemate due to the fact that the Kremlin aimed to bypass, and thereby isolate, Ukraine – something the EU did not accept. Russia, as a result, is currently

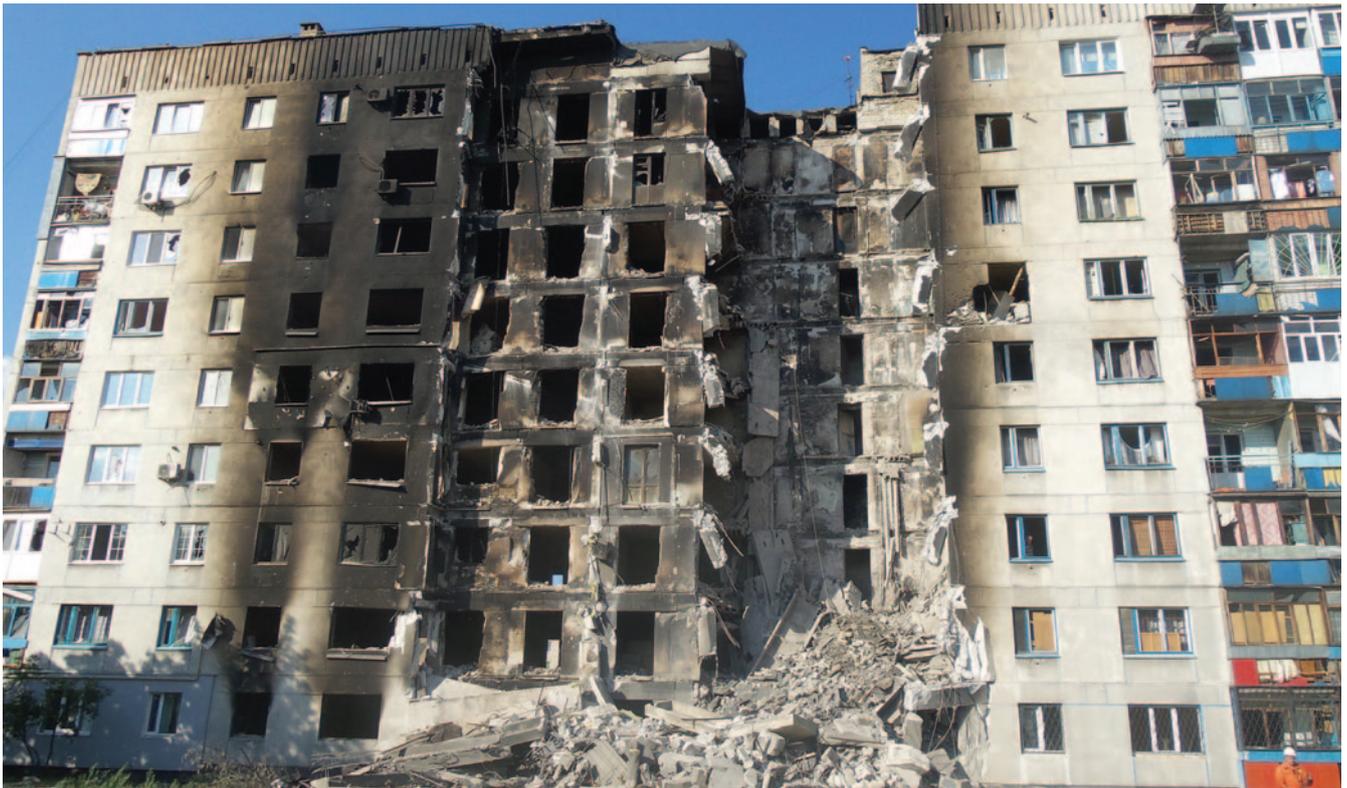
Russian military aircraft at Latakia, Syria

reorienting its exports towards China: it already has two major agreements, including the Power of Siberia, a 30-year agreement signed last year that is supposed to bring 38 billion cubic metres of gas to China by 2020. At the moment the gas exports are not very high in volume – Germany is still the top client. China will most likely replace Germany soon, but until then they still very much need each other.

How is the situation in Ukraine, and will the EU-Ukraine Association Agreement (AA) have an impact?

With the Minsk II agreement in a stalemate, Russian soldiers supporting the separatists – although we cannot be sure about the numbers – and the people from Donetsk and Luhansk receiving aid by Russian authorities – either financially or in military equipment – the landscape looks gloomy. At the same time the Deep and Comprehensive Free Trade Area (DCFTA) was supposed to start being implemented several months ago. Unfortunately, both the AA and the DCFTA are tied with reforms in Ukraine and last year's Dutch referendum regarding the ratification of the agreement, which is still pending. That has been seen as a victory from the Russian side.

Regarding reforms in Ukraine, we are witnessing slow progress at the judiciary level as well as in the decentralisation process. Decentralisation is a hard pill to swallow for the government and the people due to the fact that Luhansk and Donetsk will be granted special status giving the local authorities more powers, an intolerable scenario at the moment given the situation on the ground. Thus, the authorities are moving very slowly, while the EU is putting more pressure on Ukraine to pick up the



pace with the reforms because they (the EU) do not have any other way to put pressure on Russia at the moment.

At the same time, we see political figures like the minister of foreign affairs in Austria, Sebastian Kurz, who is the current chair of the Organization for Security Co-operation in Europe (OSCE), as well as other people, asking European leaders to begin lifting sanctions against Russia in exchange for positive developments in the Ukrainian crisis. Kurz actually wants to move away from the model which penalises Russia. The French and German leaders, however, keep putting pressure on Russia to comply with the Minsk II agreement before lifting sanctions. We still have to see how the situation will develop, but we definitely don't have any improvement at the moment.

Both powers co-operate in the Middle East. Will that help improve the dialogue going forwards?

There is indeed co-operation between Russia and the EU in the Middle East, as in the case of the Iranian deal or the Israel-Palestinian conflict. The situation in Syria is nevertheless a bit different. First of all, the EU is not a party that is participating in the negotiations. The EU's role – unfortunately, if I may add – is limited only to humanitarian aid, while we could have a more practical role to resolve the conflict. The EU already provided €5bn to Syrian refugees from 2011 to 2016. In that sense, the EU and Russia are not on equal terms at the negotiation table.

Russia would like to discuss the Syrian conflict, Ukrainian crisis, sanctions etc. with other leaders. They want to link everything. Their aim is not only to keep their foothold in Syria and support its president, Bashar al-Assad; it is also about gaining credibility in the international arena as a mediator and showing a good face in an international crisis, and in fighting Da'esh. They can get leverage to handle the Ukrainian crisis from a different point

Lysychansk, Ukraine

of view, but, of course, Western leaders are not going to put the Ukrainian crisis on the same table as sanctions and the Syrian crisis.

How will US President Donald Trump's policies affect the EU-Russia relationship?

Trump's election is actually a hot topic. I would like to focus on a certain point regarding NATO and the role of the US. Most likely there will be a security vacuum unless NATO members increase their financial support in the alliance. Trump wants to keep his distance and focus more on internal affairs, and he wants the EU to take responsibility, be more proactive and handle its own problems. He does not want the EU to always rely on the US in terms of finance and military hardware. This may sound like a shock to everyone, but at the same time, if it happens, it will be a good opportunity for EU leaders to think of ways to stand against and handle the situations taking place on our continent. We can handle our own problems with our own means, whether this is called a 'European army' or whatever you want to call it.

This is an opportunity for us to have our own policies and handle our own problems without relying on third parties.

Has the influence of Russia over the last few years become bigger in terms of defence and diplomacy?

I would not argue that Russia became more powerful, in terms of military, economic or political power. I would say that the EU and the rest of the world hoped that Russia would grow weaker because of the fall in oil prices and the sanctions. But this is our problem with the Russians; we always hope that they will be weaker than they actually are. They are not so weak; of course, they are growing weaker, financially speaking at least, but at the same time they are investing heavily in their military arsenal. They are conducting heavy military exercises all over NATO's borders, in the North, in the Arctic, in eastern Europe, in the Caucasus or close to Ukraine.

What has actually changed over recent years is our understanding of Russia. Russia is not always compliant with the rules and it does not rely on soft power tools only – as we, that is, the EU, are doing. If it is necessary, Russia relies on its military might.

In August 2008, Russia conducted a war in Georgia. In 2013 and 2014, they annexed Crimea and supported separatists in Donetsk and Luhansk. They are getting the job done, relying on hard power tools, which is something that the EU does not do. We realised quite late that Russia is playing a different game. It uses hybrid warfare, cyber attacks, military power, every kind of tool that it has at its disposal.

What is your point of view regarding the rise of Russian-friendly leaders in Europe? Specifically in Bulgaria, Hungary or Moldova – even the rise of right wing populism in France, for example?

In the last months of 2016 we witnessed the rise of Russian-friendly leaders in Moldova with Igor Dodon's election and in Bulgaria with Rumen Radev's. On top of that we have some leaders in Europe such as Hungarian Prime Minister Viktor Orbán, and even Greek Prime Minister Alexis Tsipras, who are trying to retain close ties with the Kremlin in exchange for better energy deals.

This sort of game hurts the EU's unity and works in favour of Russian policies. Hungary



and Bulgaria are two countries heavily reliant on natural gas, so they are playing their cards in order to get lower prices. Greece also relies on Russian natural gas, but it used to export a lot of its agricultural products to Russia. The Kremlin, however, has made it clear that it deals with the EU as a whole, although it tries to find or create cracks in the EU's unity.

At the same time, cases such as Moldova, which has signed the DCFTA and an AA, and works closely with the EU, are a bit different. Why? The answer is simple: the Moldovans are dissatisfied with the political parties, and the memories of the huge 2014 financial scandal, during which \$1 bn (~€935m) disappeared from Moldovan banks, are still very fresh. Do not forget that pro-EU parties were ruling the country at that time, which was a major blow for the EU's credibility. Building trust with citizens is of paramount importance, not only in the case of Moldova, but with all existing EU member states and those who aspire to become members.

Populism and right wing parties in the EU have been on the rise over recent years. Russia is obviously not the mastermind behind this phenomenon, although it supports populist movements and right wing parties as these are considered useful allies in the pursuit of most of their objectives, i.e. to end sanctions and undermine EU support for Ukraine.

We therefore need more unity at the EU level today; we need to communicate the right message to our citizens, because you and I are the ones who are voting. The roots of this phenomenon stems from both the economic and the refugee crisis, which primarily affects the southern countries.

The EU is trying to find its own identity, and it faces a vulnerable moment: we should make concessions and try to understand what the Europeans need to be able to address the main challenges. We first need to be united against illegal acts, such as the annexation of Crimea. Only united will we be able to face today's challenges, and even if some of our members decide to leave, the message is still that we are stronger together.

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