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## Article

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# THE RELATIONSHIP BETWEEN EU AND RUSSIA: SYMBIOSIS OR COMPETITION?

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**Abstract:** *Cooperation and trust between Russia and the European Union (EU), two of the most important international actors, have reached the lowest level since the Cold War. The main bone of contention has been the future of countries situated in Eastern Europe, in the so-called 'in-between'/'buffer' region. On the one hand, the EU aims at strengthening links with the six Eastern European partners – Armenia, Azerbaijan, Georgia, Belarus, Moldova and Ukraine – by encouraging reforms and by luring them to embrace European core values. However, Russia's counteractions have mitigated the EU's plans towards its vicinity - as the case of Ukraine best points out. Apart from the geopolitical competition over the 'shared' neighbourhood, the EU-Russia relation has started to depend heavily on the energy issues further complicating the already complex background. Russia uses the energy card as tool to influence the shape of the regional context, whereas the EU responds with a superior technological advantage and a more attractive economic and political agenda. Having this a backdrop, this paper aims to underline that a clear competition between the two players exists, fomented by a fundamental ideological difference in perceiving the outside world.*

**Keywords:** Russia; European Union; Crimea, Energy; Commerce; Eastern and South-eastern Europe; soft power; hard power, normative power.

**JEL Classification:** Q42; Q48; F10; F5.

## 1. EU AND RUSSIA AS INTERNATIONAL ACTORS: A THEORETICAL BACKGROUND

The end of the Cold War, the end of the bipolar world, and the beginning of an era characterized by multilateralism, meant a new stage in the international relations. The violent burst that soon came after in the form of the Balkan civil war has remembered to the European Union (EU) that the dissolution of the Soviet Union and the end of communist regimes in Central and Eastern Europe would leave this territory uncontained and unsecure. With its new neighbour at the east, Russia, left weak after a long ideological war, the EU felt it its duty to “take over”, to create stability and security in the region, mainly through cooperation and interdependence.

The EU felt it necessary at this point to develop a Common Foreign and Security Policy (through the Treaty of Maastricht), policy reinforced in time by a Common Security and Defence Policy (1999). In Eastern Europe, the European Neighbourhood Policy (2004) and the Eastern

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Partnership Initiative (2008), have been seen as alternatives to the enlargement strategy, even though not officially stated (Moga, Alexeev, 2013, p. 41). With the end of the Cold War came for the EU the possibility of applying outside its borders the model of integration that brought peace and prosperity to the Western European countries after the Second World War. Thus, Brussels tried to bring stability and security to this region through „a liberal security perspective of normative transformation based on the EU’s core values – democratization, rule of law, human rights, market economy” (Moga et. al. 2013, p. 42). The EU started to impose itself as a civilian and a normative power at both the regional level, and the international level.

Being a civilian power entails non-military actions and it includes economic, diplomatic and cultural policy instruments (Smith, 2005, p. 1). It does not entail only the means that are being used, but also the ends that are being pursued by the actor (Smith, 2005, p. 2). François Duchêne (1973, p. 20) argued that “the European Community will only make the most of its opportunities if it remains true to its inner characteristics (...) primarily civilian ends and means, and a built-in sense of collective action, which in turn express, however imperfectly, social values of equality, justice and tolerance.” On the other hand, Hans Maull, argues (2002, p. 19) that “civilian powers concentrate on non-military, primarily economic, means to secure goals, but retain military power to safeguard other means of international interaction.” Duchêne’s argument is to be better observed in the lights of the current relationship of the EU with the partner states – Ukraine, Moldova, Belarus, Georgia, Armenia, and Azerbaijan – under the Eastern Partnership (EaP) initiative. Even though the civilian means and ends have remained intact, the “built-in sense of collective action” has been altered especially through the different views between the member states on the role of the EU and the relationship that it should have with these countries, and subsequently with Russia, and through the different definition that the concept of ‘*partnership*’ has for the EU and for the ‘*partner*’ countries, deteriorating the sense of “equality, justice, and tolerance” meant as shared values.

Manners, in his study on Europe’s normative power (2002, p. 239), proceeds from the ideas of Carr (1962, p. 108), Duchêne (1973, p. 2, 7), and Galtung (1973, p. 33). On the one hand, Carr makes the distinction between economic power, military power, and power over opinion. Moreover, Duchêne sees the European Community as an ‘*idée force*’, starting with the beliefs of the ‘founding fathers’ and extending through its appeal to widely different political temperaments. Finally, Galtung believes that “ideological power is the power of ideas” and that it is “powerful because the power-sender’s ideas penetrate and shape the will of the power-recipient through the media of culture.” After assessing these arguments, Manners points out that “one of the problems with the notions of civilian and military power is their unhealthy concentration on how much like a state the

EU looks.” Hence, in order to understand the ways on which EU is acting and the strength of its normative power, we should first understand the characteristics of its international identity that come from its historical context, its hybrid polity (supranational and international forms of governance), and its legal constitution (elite-driven, treaty-based, legal order) (Manners, 2002, p. 240). All of these characteristics have driven the EU to placing universal principles and norms at the centre of its relations with its member states (Merlingen et. al., 2001) and the world (Clapham, 1999: Smith, 2001), maybe in a way of legitimizing its own existence and its new form of international actor. A general definition of the concept of ‘*normative power*’ is provided in the paper of Laïdi (2008, p.1): “a power of which the identity and strategy is grounded on a preference for a ruled-based system which has three essential characteristics – to have been negotiated and not imposed; to have been legitimized equally by international bodies; and to be enforceable on all actors of the international system notwithstanding their rank within it.”

Russia, on the other hand, seems to be following a more realist approach. The relationship between Russia and the EU after the Cold War has been dominated by geostrategic changes, and the policy responses (rather reactive than planned strategies) of the EU to the political changes in post-1991 Russia can be viewed in three overlapping stages (Hughes, 2006, p. 2). The first of these stages consists in the immediate post-1991 period, “on the basis of a conceptual re-division of the post-communist Europe”, EU decoupling the Central and Eastern Europe countries, regarded as likely candidates and who were given aid and integration, and the Former Soviet Union states and Russia, in a relationship based on aid and cooperation (Hughes, 2006, p. 2). The second stage begins from 1994, when EU emphasizes on ‘partnership’ with Russia, especially because of its growing energetic dependency on the eastern neighbour, developing new instruments – Partnership and Cooperation Agreement in 1994, the Common Strategy in 1999 (Hughes, 2006, p. 2). The third stage, which begins from 2000, founds a more assertive Russian leadership and an EU with internal conflicts between the ‘old’ member states and the ‘new’ member states (Hughes, 2006, p. 2).

The realist political view considers that the states are the dominant actors in global politics, that force is a usable instrument in politics, and even an efficient one, and that military security is of very first importance when it comes to global politics (Keohane and Nye, 2009, p. 67). Furthermore, political integration between states is reduced and it lasts as long as it serves the national interests of the more powerful states, transnational actors are not important from a political perspectives or they do not even exist, and only the use of force or threatening of using force allows the states to survive, the system remaining steady as long as statesmen succeed to adapt their interests, as in a balance of power (Keohane et.al., 2009, p. 68).

The fact that Russia considers the states as dominant actors in global politics can be further observed in its relationship towards EU. Russia discusses with the EU representatives on one hand, and with the officials of the member states with who it has shared interests on the other. Russia takes advantage of the drift that appeared between the EU member states on the basis of political integration, enlargement policy, and most importantly the approach towards Russia. Mark Leonard and Nicu Popescu (2007, p. 2) distinguish five policy approaches to Russia among the member states. The first are the ‘Trojan Horses’ (Cyprus and Greece), “who often defend Russian interests in the EU system, and are willing to veto common EU positions”. Secondly, there are the ‘Strategic Partners’ (France, Germany, Italy and Spain), “who enjoy a ‘special relationship’ with Russia which occasionally undermines common EU policies”. Thirdly, the ‘Friendly Pragmatists’ (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia, Slovenia) “maintain a close relationship with Russia and tend to put their business interests above political goals”. Fourthly, the ‘Frosty Pragmatists’ (Czech Republic, Denmark, Estonia, Ireland, Latvia, Netherlands, Romania, Sweden, United Kingdom), “focus on business interests but are less afraid than others to speak out against Russian behaviour on human rights or other issues”. Finally, the ‘New Cold Warriors’ (Lithuania and Poland), “who have an overtly hostile relationship with Moscow and are willing to use the veto to block EU negotiations with Russia.”

The other aspects of the realist theory can be observed in Russia’s foreign policy actions. Russia promoted its image of an ‘imperfect democracy’, lobbying for the prioritization of pragmatic interests over liberal values (Moshes, 2009, p. 2). In addition, Moscow learned how to use the legal frame in its advantage, selecting only the agreements that suits her, and not the whole body, thus circumventing Brussels by exploiting the bilateral ties (Moshes, 2009, p. 3).

The main distinction of the two international actors is that “the EU stands for an idea of order based on consensus, interdependence and rule of law, while Russian foreign policy is motivated by a quest for power, independence and control” (Leonard and Popescu, 2007, p. 8). The fundamental theories for the foreign policies of the two actors, Russia and EU, are clearly different. Russia exploits the fact that the EU can make use of military force only as last resort, which buys Russia enough time to tangle the situation in its benefit. In this case, it is not a competition, nor a symbiosis, it is a clash.

## 2. THE CRIMEAN DEBACLE. THE END OF THE EU IDEALISM?

From 2008, Moscow's approach is a more pragmatic one, and its current foreign policy is 'sovereignization', the consolidation of power at home (Trenin, Lipman, Malashenko, 2013, p. 10). What does 'home' mean at this moment for Russia, when clearly it has overpassed its borders? Putin sees a world with the Russian community at its centre, in a form of concentric circles, all starting from Russia and Ukraine at the middle, followed by Belarus, and so on (Menkiszak, 2014, p.1). The 'Russia and Ukraine' formula is explained in Putin's discourse from 18 March, after the annexation of Crimea, by the argument that they are "one people" and that they "cannot live without each other." Russia sees itself as a defender of the Russian-speaking communities and their rights, the West being an enemy characterized by moral decline, who wants to stop the Russian world from gaining its unity (Menkiszak, 2014, p. 2).

Russia, who has now regained its strength and, more importantly, its confidence, is trying also to regain its influence in the region by annexing territories that it can use as leverage whenever it wants and as long as it wants (Transnistria in Moldova, Abkhazia and South Ossetia in Georgia, Nagorno-Karabakh in Azerbaijan, and Crimea in Ukraine). The fact that Russia maintains good neighbourly relations in order to recognize the independence and territorial integrity of the post-Soviet states (Menkiszak, 2014, p. 1) can be observed in the case of Belarus, which has even accepted to be a part of the Eurasian Economic Union. The Eurasian Economic Union is built as an alternative to the European integration for the post-Soviet states. Even though it contains the word 'economic' in its title, this union has the basis of a spiritual and civilizational community, the 'Russian world', formed by "Russian-speaking people centred around Russia, who identify with the Orthodox Christian religion and culture and cherish the same shared values, irrespective of their citizenship or ethnic background" (Menkiszak, 2014, p. 2).

Russia has succeeded in the years that followed Putin's coming to power to exploit the weaknesses of the international actors as a whole, and those of the EU in particular.

Firstly, Russia affirms that the West, especially the United States, "violates the international law, employs a policy of force, and pursues an effectively neo-colonial approach in order to strengthen their geopolitical position" (Menkiszak, 2014, p. 2), this being exactly what Putin did in Crimea.

Secondly, Russia has took advantage of the political handicap that EU suffers from – not being a state. Laïdi (2008, p. 2) affirmed that "norms are killing politics", that "they appear less legitimate than national political decisions". Moscow uses its strong cultural and historical links

with the EaP countries, reinforced by strong, and with short-time effect, economic incentives in order to maintain an equal balance of power. Putin neither wants to win, nor to lose more than he has already had. In response to these Russian actions, the EU has begun to combine the preference for norms with realpolitik in order to further its interests (Laïdi, 2008, a), but this new approach has appeared from a strategic necessity or from a need to satisfy the member states' different visions? If it comes from a strategic necessity, then the EU can say it has made a step forward the political integration, but if it is a way to satisfy the member states' different views, then Russia will certainly spot this weakness and exploit it even further that it has already done. Moreover, the need for EU's realpolitik approach can come from EU's inability to foresee Russia's strong economic, and political, recovery and from the strong belief that the end of the Cold War would mean "living in a world in which traditional conflicts between states were on the wane, giving way to a logic of interdependence that would call for governance by norms" (Laïdi and Lamy, 2002).

Thirdly, Russia is emerging as an "ideological alternative to the EU that offers a different approach to sovereignty, power and world order" (Leonard et. al., 2007, p. 8) and it is not afraid anymore that the ENP/EaP dyad will erode its influence (Leonard et. al., 2007, p. 13), mainly because it believes, through Gleb Pavlovsky's affirmation, that "the EU provoked and supported colored revolutions but failed to manage the consequences. Just look at the mess in Serbia and Ukraine" (Leonard et. al., 2007, p. 13).

In addition, Moscow exploits the image of 'the victim'. On one hand, it deliberately portrays itself as a 'victim' of the West, who has been neglected for two decades while the Occident continued to rewrite the rules that govern their relationship (Leonard et. al., 2007, p. 19) – NATO and EU enlargement, the plans for partial and ballistic missiles shield in Europe, the new US military bases in Europe, and the Kosovo campaign. On the other hand, it depicts its neighbours as 'victims', as 'collateral damages' for the West always seeking to maximize its benefits.

For Russia, its relationship with the EU is based on competition, Russia revealing itself as an antithesis of the EU. It aims to represent for its neighbours from Eastern Europe and South Caucasus, all that EU is not – a *true partner*. At this moment, victories are seen as a survival strategy (Leonard et. al., 2007, p. 12) and Putin's situation is composed as to riding a bicycle: unless he carries on peddling, he will fall over (Leonard et. al., 2007, p. 12). For the EU, its relationship with Russia is a symbiosis, because it needs Russia in order to being able to have the effect and the result it seeks in the Eastern neighbourhood, which cannot happen without Russia's consent.



The relationship between Russia and the European Union is not a symbiosis, neither a competition *per se*. Each part of the relationship sees it as it wants and sets its own playing rules. We can call it an ‘asymmetric interdependence’ (Hughes, 2006), “a relationship that is shaped on both sides by calculated utility and norms, by logics of consequences and appropriateness” (Hughes, 2006, p.1). In the end, the EU fails to change Russia, but Russia is certainly changing the EU (Leonard et. al., 2007, p. 26) by blocking European objectives, by refusing to accept the European norms, and by passing off Brussels’ authority.

### **3.HARD POWER VS. SOFT POWER. RUSSIA VS. THE EU**

#### **3.1 Energy**

It is a known fact that the EU is not in the position to provide enough energy from its own sources, the 28 member states being forced to import oil or gas from other areas, which makes them extremely vulnerable and dependable<sup>1</sup>. The highest share of these imports originates from Russia, whose disputes with the so-called *transit countries*, are threatening to disturb the normal provision, like it happened in 2009. The EU-Russia relations have a major importance for both players, but when one actor uses these commercial and strategic ties as leverage for influence, then it becomes unstable and dangerous for the other side. Russia takes advantage of the energy card, willingly knowing that EU member states are strongly dependent on its oil and, especially, gas supplies.

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<sup>1</sup>Currently, EU countries import 54.1% of their need (Eurostat, 2012, p.29).



**Table 1 - EU dependence on Russian natural gas**

<b>EU Energy Consumption of Russian Natural Gas</b>		
<b>Country</b>	<b>Primary Energy</b>	<b>Natural Gas</b>
<b>Austria</b>	12.8%	52.2%
<b>Belgium</b>	10.9%	43.2%
<b>Bulgaria</b>	13.6%	100.0%
<b>Croatia</b>	9.4%	37.1%
<b>Cyprus</b>	0.0%	0.0%
<b>Czech Republic</b>	14.2%	80.5%
<b>Denmark</b>	0.0%	0.0%
<b>Estonia</b>	10.0%	100.0%
<b>Finland</b>	10.6%	100.0%
<b>France</b>	2.7%	17.2%
<b>Germany</b>	8.7%	39.9%
<b>Greece</b>	7.2%	54.8%
<b>Hungary</b>	19.7%	49.5%
<b>Ireland</b>	0.0%	0.0%
<b>Italy</b>	7.5%	19.8%
<b>Latvia</b>	31.0%	100.0%
<b>Lithuania</b>	50.0%	100.0%
<b>Luxembourg</b>	6.1%	27.9%
<b>Malta</b>	0.0%	0.0%
<b>Netherlands</b>	2.1%	5.8%
<b>Poland</b>	8.3%	54.2%
<b>Portugal</b>	0.0%	0.0%
<b>Romania</b>	8.8%	24.2%
<b>Slovakia</b>	20.3%	63.3%
<b>Slovenia</b>	6.3%	57.4%
<b>Spain</b>	0.0%	0.0%
<b>Sweden</b>	1.9%	100.0%
<b>United Kingdom</b>	0.0%	0.0%

Source: <http://www.peakprosperity.com/dailydigest/84905/daily-digest-34-californias-600-billion-sinkhole-lingering-us-winter-and-ukrainian>

Even though the EU-Russia relation is of mutual advantage, each part essentially pursues its own national interest. Russia seeks long term contracts to supply European countries with gas and oil, while the EU demands Russia to respect the rules of free market and competition, and also those of human rights and democracy. This is difficult to achieve when your business partner is Russia governed by the current leadership. Vladimir Putin's Russia seems to be a nostalgic of the imperial

era, and the energy card is the only instrument of survival in the new world order of the globalization.

Some EU member states, like Estonia, Lithuania, Latvia or Finland, are 100% dependent on Russian gas, while Slovenia, Slovakia, Poland, Greece, Czech Republic or Austria import over 50% of their need from Russia, others importing in a lesser proportion, but enough to create a dependence. The EU perceives its relationship with Russia as one of symbiosis, Poland's foreign minister Radoslaw Sikorski declaring that "Moscow needs our money" (Die Spiegel, March 2014). From Russia's point of view, it seems to be an energetic competition, Russia trying to prove that if Vladimir Putin sneezes, the whole Europe freezes<sup>1</sup>. Furthermore, Russia is not abiding by the 3<sup>rd</sup> energy liberalization package. This forced the European Commission to announce that 6 contracts with EU member states and Serbia are not according to European Union's legislation and must be renegotiated.

In these conditions, the European Union has undertaken a series of well calculated measures which are addressed to reducing the energetic dependence on Russia..

One of these alternatives is the import of gas either from the Middle East or from the Caspian Sea region. This alternatives would be viable only after 2019, when the construction of the Trans-Adriatic pipe will be finished. Through this pipe, Europe will have access to 10 billion cubic meters of natural gas, each year, from Azerbaijan (Barroso, June 2013).

Another solution is the Europe 2020 Strategy, which sets the priorities of the energetic policy until 2020, and presents the measure to be taken in order to stand up to the challenges linked to reducing energy consumption and securing energy supply at a competitive price.

Studies show that if Europe 2020 Strategy objectives are reached, the EU member states could save 60 billion euro until 2020, money that could be used to develop new technologies for green energy sector and could create 600.000 jobs, supplemented by another 400.000 jobs if the energy efficiency indicator is reached (Europe 2020 in a nutshell, 2012).

Liquefied natural gas (LNG) represents another solution taken into account by the member states, being mentioned in the development strategy of various countries<sup>2</sup>.

Importing energy from the US could be another alternative, taken into account at the EU.-US summit in March 2014, when leaders of the two superpowers revitalized talks concerning energetic security and trans-Atlantic trade, amid the escalation of conflict in Crimea. Importing gas from the

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<sup>1</sup>This happened in 2009, when Gazprom shut down the gas on Ukraine, provoking negative effects for many European countries, as most of the pipes that supply Europe pass through Ukraine.

<sup>2</sup>Lithuania and Poland are taking actions in this regard, building facilities and other infrastructure items, so they can import LNG from Qatar, United States of America (US), Australia or Norway can be other suppliers. Also Czech Republic, Hungary and Ukraine support this idea (Andrei Radu, March 2014).

United States of America became possible after the shale gas revolution, after combining 2 different mining technics: horizontal drilling and fracking.

This *American revolution* will have global consequences, redrawing energy supply lines, turning the US from the biggest energy consumer to one of the most important energy suppliers in the world. This competition will have an effect on prices and the winners of this competition will be the biggest consumers: EU and China. A hindering factor will be the additional transport price and the lack of infrastructure for this type of imports.

In their article “America’s Energy Edge”, Robert D. Blackwill and Meghan L. O’Sullivan (March 2014) state that in this new order Russia will be the most affected, even though it has vast oil and gas resources, because the geopolitical advantage of owning energetic resources will diminish. The biggest winner of the shale gas revolution will be Europe, which will have multiple suppliers and also a stronger position in the future EU-Russia negotiations.

As written above, alternatives to Russian gas exists, and the EU is making a considerable effort to put them in practice. But to reach these targets, time and financial resources are needed.

### **3.2 Commercial ties**

After the collapse of the USSR, the Russian economy began a transformation process since the beginning of the 2000’s. The new leader, Vladimir Putin, built the new economic system around Russia’s vast gas and oil reserves. This way, Russia took advantage of the lack of energy resources in Europe to become the most important supplier of oil and gas.

As pointed out in figure 1, 12 out of 28 European countries, all of them from Eastern and Northern Europe, import more than 50% of their natural gas consumption from Russia. This aspect underlines that Russia has an upper hand as far as the commercial ties are concerned. Speaking strictly in numbers, it may seem so. Considering the importance of energy in today’s world, Russia seems to have a geostrategic advantage over EU. But if we analyse in a thorough way the commercial trade between these actors, we see a different image.

According to the European Commission’s report from July 2013, the EU countries import from Russia mainly fuels (Petroleum and petroleum products represent 65% of Russian export to EU countries), no other product group surpassing 8% of Russian export towards EU.

The same report emphasizes that the EU exports towards Russia consist of equipment and products, *inter alia* agricultural products (11.4%), 8.5% of which represents food, chemicals (15.8%), especially pharmaceuticals (6.4%), machinery and transport equipment (49.6%), which

includes, among others, telecommunication and electronic data processing equipment (12%), automotive products (14.3), and non-electrical machinery (16.5).

**Table 2 - European Union trade with Russia**

Product Groups	Imports		Exports	
	Value (Mio €)	Share in total (%)	Value (Mio €)	Share in total (%)
<b>TOTAL</b>	212,882	100.0	123,016	100.0
<b>Primary products</b>	173,532	81.5	14,032	11.4
-Agricultural products	4,197	2.0	11,694	9.5
--Food	2,033	1.0	10,489	8.5
---of which Fish	349	0.2	215	0.2
--Raw materials	2,164	1.0	1,205	1.0
-Fuels and mining products	169,335	79.5	2,339	1.9
--Ores and other minerals	1,702	0.8	453	0.4
--Fuels	162,448	76.3	1,395	1.1
---of which Petroleum and petroleum products	138,964	65.3	1,345	1.1
--Non ferrous metals 5,186	5,186	2.4	491	0.4
<b>Manufactures</b>	17,096	8.0	107,261	87.2
-Iron and Steel	4,393	2.1	1,620	1.3
-Chemicals	6,276	3.0	19,412	15.8
--of which Pharmaceuticals	34	0.0	7,806	6.4
-Other semi-manufactures	3,898	1.8	9,490	7.7
-Machinery and transport equipment	1,970	0.9	61,035	49.6
--Office and telecommunication equipment	102	0.1	8,169	6.6
---Electronic data processing and office equipment	25	0.0	3,888	3.2
---Telecommunications equipment	59	0.0	3,941	3.2
---Integrated circuits and electronic components	18	0.0	341	0.3
--Transport equipment	742	0.4	23,434	19.1
---of which Automotive products	66	0.0	17,548	14.3
--Other machinery	1,125	0.5	29,270	23.8
---Power generating machinery	592	0.3	1,777	1.4
---Non electrical machinery	253	0.1	20,273	16.5
---Electrical machinery	280	0.1	7,220	5.9
-Textiles	47	0.0	1,088	0.9
-Clothing	22	0.0	3,410	2.8
-Other manufactures	491	0.2	11,177	9.1
--of which Scientific and controlling instruments	172	0.1	3,198	2.6
<b>Other products</b>	5,922	2.8	1,095	0.9

Source: European Commission, *European Union, Trade in goods with Russia*, p. 6.

According to the above table, Russia's export comprises primary products, especially natural resources, while EU offers high technological equipment and products. This means that EU has a clear technological advantage, whereas Russia focuses mainly on exporting raw materials.

The aforementioned data point out that Russia is still a developing economy, characterised by little competitiveness, highly dependent on its trade with EU. A potential break in the EU-Russia commercial ties would mean a severe collapse for Russia. Hence, Russia's geostrategic advantage towards the EU seems to lose its strength.

Apart from being Russia's main trading partner, the EU is also the biggest foreign investor in Russia. However, the member states are not investing evenly in Russia, the most important investor in the eastern country being Germany. In 2013, commercial ties between Germany and Russia rose to 77 billion euro (Hesse, Neubacher, Neukirch, Pauly, Reiermann and Schepp, 2014)<sup>1</sup>.

All in all, we can see that the commercial ties create interdependent relations, a disruption of which could lead to an economic crisis in Russia. Business analysts from Oxford Economics estimate that an embargo on 80% of the gas and oil sales would lead to a 10% contraction of the GDP by the end of 2015, while the Eurozone GDP would decline with 1.5% in the same period (Euronews, 2014).

It is expected that this commercial relation will experience a twist, as the shale gas revolution is expanding in Europe and other parts of the world, putting pressure on gas and oil prices.

### 3.3 Frozen conflicts

Russia considers that its influence in Eastern Europe, especially in former soviet states, is under threat, both by the EU policy and the increase of US's sphere of influence. For this purpose, Russia supports, if not fabricates, artificial conflicts, the so-called "frozen conflicts".

A frozen conflict is an armed conflict which gets in an irresolute balance, not peace-not war, consequence of a military superiority of the minority group, with external help, and the independence of the minority group is not recognized, violating the international law (Tocci, 2007, p.2).

As Zbigniew Brzezinsky argued at the Globsec 2013 (Bratislava Global Security Forum), "the neighbour from the East is a large post-imperial state profoundly confused by its own illusions and nostalgias and with its leadership still yearning for superpower status and subordination of its former provinces, especially Ukraine and Belarus – and possibly Georgia".

To maintain former soviet republics under its influence, Russia fuelled separatist movements in Republic of Moldova, Azerbaijan, Georgia, conflicts which led to *de facto* separatist states,

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<sup>1</sup>In the light of the last events in Ukraine, and as the European Union considers an option to adopt economic sanctions against Russia, the German corporate representatives claim that at least 300.000 jobs are threatened if such sanctions are to be put into force, as 6.000 German companies are having some kind of activity in Russia. (Hesse et al., 2014).

unrecognized by the international community, like Transnistria, Nagorno-Karabakh, Abkhazia or South Ossetia. The most dangerous aspect of these frozen conflicts is that they can heat up at any moment, as the Georgian episode proved us. This conflict was not new, existing since the beginning of the 90's (The Economist, 2009).

The involvement of the European Union in the former Soviet states from Eastern Europe and Southern Caucasus puts pressure on Russia, which seeks to keep EU and NATO at bay. But Putin is assuming that EU or NATO will refuse a country with territorial or sovereignty problems. The accession of Cyprus to European Union points out the contrary.

The dominance of Russia in the Eastern neighbourhood is more than obvious. Russia has a military, economic and cultural advantage in this area (Korosteleva, 2012, p. 116), while the European Union just starts to become appealing for citizens who desire to embrace democratic values.

Until now, Europe and the US have not managed to offer viable alternatives to Russian menace over the former soviet states. An Eastern Partnership, or a visa liberalization treaty are still not able to contain the Russian threat (Cornell, 2014). This means that both the US and the EU should alter their approach and strategies, in order to stand against any future Russian aggression.

## CONCLUSIONS

The relationship between EU and Russia cannot be defined strictly and totally as a symbiosis or as a competition. Depending on the *field* where the battle is being held, the relationship changes its nature. On one hand, at an ideological level it is a confrontation. The EU is trying to establish itself as a normative power in the Eastern region by sustaining actions that help the development of the civil society and democratic institutions, whereas Russia undermines these kind of actions by controlling the elites and the media. On the other hand, the symbiosis is to be observed when regarding the energetic and commercial ties, even though geostrategic, Russia is becoming more and more dependent.

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