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Кризис мультилатерализма и сотрудничество между ЕС и Россией

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Аннотация: Статья посвящена проблемам в отношениях между ЕС и Россией. Рассматриваются различные способы решения проблемы мультилатерализма в современных условиях. Автором сделана выборка и изучены документы по важным аспектам данной тематики. Анализируется история этих отношений, начиная с 2001 года, когда на саммите Россия-ЕС было решено создать совместную группу высокого уровня для разработки концепции единого европейского экономического пространства. Президент России неоднократно выступал за создание единой Европы. Все это, по мнению автора, создает, несмотря на последующие серьезные изменения в позициях сторон, необходимую основу для значительного улучшения экономических и политических отношений между ЕС и Россией в ближайшем будущем.

Автор приходит к заключению, что сильная коалиция США-ЕС может показаться более связанной с историей и традиционным разделением между Востоком и Западом. Однако недавняя эволюция отношения США к международным отношениям ослабляет вероятность такой коалиции и ее предполагаемые выгоды. Более или менее оборонительная российско-китайская коалиция была испытана с ограниченными результатами; Более того, если бы это было возможно и вероятно, два западных игрока изменили бы свою стратегию, чтобы предотвратить это или сдержать его глубину. Фактически, мы живем в мире, где много говорят о серьезной возможности управления G2, своеобразной коалиции, в которой США и Китай сохраняют враждебные и националистические настроения, но объединяют усилия, чтобы установить глобальную сцену в свою пользу, преследуя качественно ограниченную но количественно богатая отдача. В таком мире, как аналог этой выгоды, и разделенная Европа, и экономически намного меньшая Россия потеряют власть и будут страдать от нескольких видов экономических недостатков. Поэтому Большая Европа будет полезна и для России, и для ЕС.

Ключевые слова: Европа, Европейский союз, Россия, мультилатерализм

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THE CRISIS OF MULTILATERALISM AND EU–RUSSIA COOPERATION

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Abstract: The article is devoted to problems in relations between the EU and Russia. Multiple methods are considered that are aimed at solving the problem of multilateralism in current conditions. The author selected and studied specific documents on essential aspects that are devoted to this topic. Studying the arising problems requires careful consideration since, in the modern world, cooperation between global actors such as the EU and Russia cannot be ignored. Despite all the challenges faced by the parties in their fields, all difficulties are conquerable, and the article provides specific methods for its solving. The article discusses some aspects and problems that require particular attention from specialists in this field.

The author concludes that strong US–EU coalition could seem more coherent with history and with the traditional East–West divide. However, the recent evolution of the US attitude towards international relations weakens the probability of such coalition and its perceived payoffs. A more or less defensive Russia–China coalition has been tried with limited results; moreover, if it were possible and probable, the two western players would change their strategy to prevent it or to contain its depth. In fact, we live in a world where many talks of a serious possibility of G2 governance, a peculiar type of coalition where the US and China keep hostile and nationalistic attitudes but join forces to set the global stage in their favor, pursuing a qualitatively limited but quantitatively rich payoff. In such world, as a counterpart of this payoff, both the divided Europe and the economically much smaller Russia would lose power and suffer several kinds of economic disadvantages. Therefore, Greater Europe would be good for Russia and for the EU as well.

Keywords: Europe, Russia, multilateralism, relationships, aspects and problems, actors

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The resilient idea of a Greater Europe

The relationship between the EU and Russia has gone through a zig-zag path, passing in the last three decades from positive to negative periods and vice versa [Aragona, 2018]. However, the idea of a Greater Europe has always been around. Therefore, in spite of the fact that the relationship is currently a rather troubled one, there should not be unsurmountable obstacles for aiming at intensifying as soon as possible a pragmatic cooperation while keeping alive plans for more ambitious progresses towards a Greater Europe.

The latter can consist in a more or less integrated area bridging Lisbon with Vladivostok, building on cultural and historical ties as well as on common interests.

The idea has appeared in various forms and ways in official speeches, newspaper articles, informal and formal talks among more or less important representatives of the EU and of the Russian Federation.

Consider the zig-zag path of EU–Russia relations. The current negative phase started in 2013, following problems in Libya, Crimea, and Ukraine. However, it was preceded by a more positive 5 years phase, including steps like the renewal of the Partnership for Modernization, the Rostov summit, Obama's "reset", the new Start Treaty. Before that, a rather long negative phase started in '98, with the Yugoslavian crisis. However, from the early '90s to '98 the general tone of the relationship between post-Soviet Russia and the EU was positive and constructive, including the Partnership and Cooperation Agreement and other initiatives.

Let us consider some bad years of the aforementioned path. On May 17, 2001, the Russia-EU summit had the following sentence in the joint statement: "we agree to establish a joint, high-level group to elaborate the concept of a common European economic space". Additionally, the year 2004 was not in a period of very positive relationships between the EU and Russia. However, in April of that year, Vladimir Putin pronounced a rather impressive statement: "We are in favor of a united Europe, and in this spirit, I would not protest if sometime in the future Brussels became our common capital". Other examples could be picked here and there during the last three decades. In fact, the historical record does not seem to deny the possibility of important improvements in the EU–Russia economic and political relations, even in the near future.

Two possible pragmatic steps

Two pragmatic steps look like natural priorities for talks between Russia and Europe. The first step is the restoration of the Visa Dialog, which was interrupted by the EU in 2014, following the Ukraine crisis. The second step is the restoration of the European Bank for Reconstruction and Development (EBRD) financing to small and medium-size (SMEs) Russian businesses, a very successful program which was also interrupted with an extensive interpretation of the sanctions in 2014.

Both steps are worth of reinterpretation of the sanctions by the EU. Negotiations should be resumed, using an OSCE step by step method and aiming at gradual progress.

The visas are a crucial people to people issue, "the barometer that common people use to assess the relation with foreign states" [Utkin, 2019]: as such, even the simple start of a new dialog, adequately publicized, could exert a very beneficial effect on the reputation of the diplomatic work that connects Russia and Europe. On this matter the decision-making competence resides with the EU and the Commission could plan a centralized diplomatic initiative. In Europe, the Schengen zone does not require a visa for Moldova, Georgia and Ukraine, the Western Balkans, much of the Americas and a few other countries. Therefore Russia is, with China and some parts of Africa and Asia, the relevant exception of a tendency towards a global visa-free regime for EU citizens. Russia successfully introduced special visa substitutes for the 2018 football World Cup and there are limited visa-free accesses for cruise ships and ferries. Visa-facilitation agreements allow multiple-entry long-term visas for certain categories of travelers, with different practices in different EU countries and limitations on the Russian side. Russian citizens also have increasing options to avoid visa procedures in several countries of the world.

During years of discussions on EU–Russia visa-free travel, Russia seemed to be ready to allow it, conditioned to reciprocity from the EU. The latter was unilaterally responsible for the interruption of the visa facilitation dialog with the 2014 sanctions. While avoiding the illusion of quick successes, it is now time to resume this dialog.

Also, SMEs financing facilities were unilaterally provided by the European Union. Like the visas, they can be thought of as having a substantial "people to people" meaning. Before 2014, the EBRD was supporting Russian SMEs with the Russia Small Business Fund (RSBF), providing loans to Russian businesses both directly and via Russian banks, and with the Trade Facilitation Programme, providing guarantees for trade payments and trade finance. From 1994 to 2013 the RSBF allowed the disbursement of more than 850 thousand loans for a total of nearly 15 billion Euros to Russian

SMEs based in more than 450 Russian towns, 90% of which were not Moscow or Saint Petersburg. Such a facility was helping the growth of Russia's private sector, the economic diversification and decentralization of its economy and the development of profitable relations between EU's and Russia's SMEs.

In March 2016, EU foreign ministers and the EU High Representative for Foreign Affairs and Security Policy, Federica Mogherini, agreed on five guiding principles for EU–Russia relations, including "increasing support for Russian civil society and promoting people-to-people contacts, given that sanctions target the regime rather than Russian people"[1]. Restarting the EBRD support to Russia's SMEs seems an appropriate step towards the implementation of such a principle[2].

People to people issues deserve special attention[3] and should help driving global international relations towards a more reasonable status than the present dangerous non-cooperative zero-sum-game hysteria.

Playing the global game

We have been living for years with powerful nationalisms that try to dominate global governance and negate multilateral cooperation. The EU is still far from standing on the world's stage as a deeply unified economic and political entity. However, its "single" market is the largest in the world, its integration plans keep being ambitious and the Union is often pictured as one of the actors playing the geopolitical game of power. The other major actors exhibiting global strategies are the USA, China, and Russia [Bruni, Tajoli, 2020]. The scenario is full of hostility: each of the four actors has important controversies with each of the others. A more or less explicit power game is taking place.

There is often the presumption that a weak integration of the EU is a good thing for the other three. A more divided Europe would favor the power of the other big protagonists of the global game. This idea is reinforced by the fact that each of these other protagonists – in particular, USA and Russia, to a lesser extent China – has been acting during the last years to deepen the divisions inside the EU also by siding in various ways with those political forces that in EU's member states have a nationalistic and euro-skeptic attitude.

There is obviously some truth in the fact that divided Europe is weaker and favors other big powers in the world. However, the dynamics of the power game are much more subtle and complex. For each of the other global powers, the divisions inside the EU have both benefits and costs and the costs can sometimes be larger than benefits for one or more of the players. This can be the case, in particular, if the game is repeated and the balance is calculated in a long-run perspective where a robust core of the game should allow a sustainable structure of the global governance to prevail.

The first to consider is economic dimension of the players, the size of their national income. A divided EU plays the geo-economic game in a divided, scattered formation so that what really counts is the GDP of each member state: compared to a better integrated Europe the "GDP-driven powers" of the other actors obviously increase. But the importance of this benefit is different for the US, China, and Russia, for various reasons. One reason is weakening the benefit for Russia: while, using Purchasing Power Parity exchange rates (PPP), the US GDP is approximately the same as Europe's (China is bigger in PPP terms), Russia is less than 1/5 of Europe and a little smaller than Germany, while at market exchange rates it is less than half of Germany[4], 80% of Italy and 60% of France[5]. Therefore, the increase in the relative economic power of Russia when the EU shows its divisions is small, much smaller than in the case of the US and China. From this point of view, the US and China would, in fact, gain relative power over Russia by dominating the divided European countries.

Moreover, integrated and competitive EU's goods, services, labor, and the capital market can be an advantage for neighboring Russia. A unified European single market for goods and services could benefit both Russian exports and imports; a fully homogeneous Euro-

1 The other four being: full implementation of the Minsk agreements; closer ties with Russia's former Soviet neighbours; strengthening EU resilience to Russian threats; selective engagement with Russia on certain issues such as counter terrorism. See: European Parliament, *The EU's Russia policy: five guiding principles*, Briefing, February 2018, http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614698/EPRS_BRI(2018)614698_EN.pdf

2 Which is obviously relevant also for the resumption of the previously mentioned visa dialog.

3 "Even small steps that support freedom of movement and help people in their everyday lives should be encouraged" [Utkin, 2019. P.3]

4 PPP exchange rates are the rates at which the currency of one country would have to be converted into that of another country to buy the same amount of goods and services in each country. They account, in particular, for the fact that the relative prices of non-traded vs traded goods and services are lower in less developed countries; therefore, the latter look relatively smaller when comparisons are made using market exchange rates instead. See: *Eurostat-OECD Methodological Manual on Purchasing Power Parities*, https://www.oecd.org/sdd/prices-ppp/PPP%20manual%20revised%202012.pdf and "PPP vs the Market: which weight matters?", *Finance and Development,* IMF, Vol.44, No.1, https://www.imf.org/external/pubs/ft/fandd/2007/03/basics.htm

5 *World Economic Outlook Database, 2019*, International Monetary Fund.

pean labor market with common treatment of non-EU citizens, migrants, and visa policies, would be a valuable resource for the whole Greater Europe; a robust and low-cost united European capital market would be helpful also for Russia's saving and investment process. Most probably, the potential positive spillovers of EU's integration processes are relatively much smaller for the US and China than for Russia, as they are bigger and not adjacent to Europe.

A game with four vs. three relevant players

Let us consider now a game-theoretical perspective and compare a cooperative game[6] where the players are the US, China, and Russia, while Europe is divided and irrelevant, with the same game where the EU is adequately unified and all the four players are relevant. Under a plausible set of conditions, the first game looks more difficult and dangerous to play than the second, especially for the smallest of the three players.

Suppose that international relations are such that a grand coalition of three is impossible or has a very low payoff. Only two players can profitably coalesce. If this happens when the relevant players are three, the third is isolated and can easily turn out as a loser. This outcome is more probable if the third is smaller and the payoffs of a coalition of the other two, to be shared among them, are more abundant and sustainable than those that can result from a coalition of one of the two with the third. In fact, for both the US and China the cost-benefit balance of forming a coalition with Russia, while remaining reciprocally hostile, would be precarious or negative, creating an incentive to try a coalition between them. In fact, the recent tentative rapprochement between China and Russia as a reaction to Trump's unstable aggressiveness has limited success while the US–China hostility often seems on the verge of being turned into duopolistic G2-type governance of the world. Some economic and political dominance on both Russia and divided and strategically irrelevant Europe would be part of the payoff of G2.

On the other hand, when there are four players, a coalition of two of them leaves each of the other two with more strategic opportunities, including the formation of a defensive coalition. The latter can have a consistent payoff and change the core of the four players' game. The game could change to the point of reopening a diplomatic path towards a multilateral agreement, i.e. a form of the grand coalition of all the four players. The probability that a coalition of two generates a defensive coalition of the other two is higher if the two players that chose the defensive strategy, when considered in isolation, are weaker, for some important aspects than the other two and when both the other two have low payoffs in forming a coalition with any of them.

Conclusion

Strong US–EU coalition could seem more coherent with history and with the traditional East–West divide. However, the recent evolution of the US attitude towards international relations weakens the probability of such coalition and its perceived payoffs. A more or less defensive Russia–China coalition has been tried with limited results[7]; moreover, if it were possible and probable, the two western players would change their strategy to prevent it or to contain its depth[8]. In fact, we live in a world where many talks of a serious possibility of G2 governance, a peculiar type of coalition where the US and China keep hostile and nationalistic attitudes but join forces to set the global stage in their favor, pursuing a qualitatively limited but quantitatively rich payoff. In such world, as a counterpart of this payoff, both the divided Europe and the economically much smaller Russia would lose power and suffer several kinds of economic disadvantages. Therefore, Greater Europe would be good for Russia and for the EU as well.

However, Greater Europe is an impossible construction with a divided, weak and incomplete EU. Russia has thus a deep interest in favoring the strengthening of the EU's integration and enlargement.

6 Slides of an introductory lesson on cooperative game theory can be found at https://www.cs.upc.edu/Kmjserna/docencia/agt-miri/slides/AGT13-coop-GT.pdf

7 "Some deem it too asymmetrical to endure, others label it as a marriage of convenience, but the Sino-Russian block is here to stay… partly due to both countries' worsening relations with the West": E. Tafuro Ambrosetti, *Enhanced Sino-Russian partnership: implications for the EU"*, in "Turkish Policy Quarterly", Summer 2019, P. 71–78.

8 E. Tafuro Ambrosetti, *ibidem*, suggests some steps that Brussels could take "to prevent the [Sino-Russian] partnership from turning into a full-fledged alliance", P. 71.

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