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**Comparison of EU and Russian foreign policy in
Eastern Europe**

Case Study: Transnistria Conflict

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1. Introduction

Preface

In 2004 the European Union (EU also Union) went through the biggest enlargement in its history. On the 1st of May of the same year it expanded to 10 new members, 8 of whom used to be communist countries with planned economy. Such an ambitious decision had enormous effects not just on the Union itself, but also on all of its eastern neighbors and key partners. The largest and the most important neighbor – Russian Federation (Russia also Federation) now shares a 2257 km long and quite stable border with the enlarged Union. The importance of economic relations between the two actors is enormous. With more than 50% of foreign trade and 70% of direct investments in the country, the Union is Russia's key trading partner in the world. One of the key points of Russia's foreign policy under Medvedev and Putin is close cooperation and limited degree of integration in the EU institutions (Antonenko and Pinnick 2004, 1). On the other hand, the EU is very aware of its own dependence on Russian energy resources. The two actors are bond together to be neighbors with very close ties in both politics and economy.

The legal framework for cooperation between the EU and Russia is the Partnership and Co-operation Agreement (PCA), in force since December 1997, covering economic, political and cultural relations. After Russia's refusal to participate in the European Neighbourhood policy, the four common spaces, seen as an agreement between equals by the Russian side, were introduced. More details about it will be provided in the first chapter of the thesis.

Together with the last enlargement of the EU which included Bulgaria and Romania in 2007, the zone between the Union and the Russian federation became smaller and more sensitive to deal with. There is no doubt that the Union has reached its enlargement limits in the east for at least another decade. The Eastern European countries, caught in a vacuum between the two super powers of today

will represent the play ground where the effects and demonstrations of both soft and hard power will be shown.

The so-called color revolutions in 2003-2005, seen as a turn toward democracy in the west, were perceived in Kremlin as regime changes sponsored by the west. For many in Russia, such changes in their closest neighborhood were seen as a direct threat to the Federation's interests. Those events were the turning point for Kremlin's attitude towards the west and the EU. Since then the Russian policy makers have started to reduce the influence of the west in Russia and also to re-assert country's political influence within its post-Soviet neighbourhood (Klitsounova in Emerson and Youngs 2008, 106).

Another issue over which the EU and Russia are most likely to clash in the next years are the frozen conflicts in Nagorno Karabakh, Transnistria¹, Abkhazia and South Ossetia. One of the measures of strengthening the neighborhood policy is also the Union's attempt to play a bigger role in efforts to resolve them. On the other side, Russia does not seem very keen on such actions and keeps insisting that talks should take place in already existing forums which exclude the EU.

One of the attempts to move towards a solution was a common idea, presented in June 2010 by the German Chancellor Angela Merkel and President Dmitri Medvedev to upgrade EU-Russia security cooperation in return for greater Russian support for conflict resolution. Such a solution included a seat for Russia in a newly established political and security committee, where it might get a say in the formation of EU policies. Unfortunately, the so-called Meseberg initiative has gone nowhere due to the German demand that Russia should as a precondition unblock the 5+2 talks² regarding the settlement of the Transnistria conflict in Moldova. Since Russia did not want to agree to those terms, or renew its promise of retreating the "peace keeping" troops from the Transnistria region the deal was not achieved. Any other solution of frozen conflicts is compromised by the fact

¹ Choosing the name Transnistria over the separatist's own spelling as "Pridniestrovje", reflects common usage in non-Russian literature and avoids unintentionally giving legitimacy to the regime of the self-styled republic.

² Negotiations for the settlement of the Transnistria dispute in the so-called 5+2 format – Moldova, Russian Federation, Ukraine, OSCE + USA and EU

that Russia is seen as a party and not a peace-maker in the troubled regions by the EU and the West (Barysch 2011, 5-6).

Furthermore, although Moscow sees Brussels as a partner in many issues regarding security, the development of such cooperation should not be undermined by European interference in, what is considered to be, Russia's primacy in the post-Soviet space. The problem develops further if we take into consideration the different scope of values that the two actors in the region try to advertise. Most of the experts agree that one of the reasons for fearing the Union's involvement in the region is Russian conception of foreign policy as a zero sum game (Kulhanek 2010, 55-7).

The different concepts, formations and confrontations of the Common Foreign and Security Policy (CFSP) and the foreign policies of the Russian Federation will be explained and presented in the continuation of my thesis. Although the atmosphere in the EU and Russia relations is warmer at the beginning of the year 2011, the new stance on pragmatic mutual relations is still to be tested in the sphere of the external actions of the two neighbors. Collision of foreign policies of the two entities is perhaps the best testing field to see whether the new glint of optimism in EU-Russia relations is just a temporary state, caused by postponement of talks and plans regarding Georgia's and Ukraine's membership in NATO (North Atlantic Treaty Organization) and the EU, including the general improvement in international atmosphere after the USA (United States of America) plans for missile defense were defused. Since the problems regarding different views on the Georgian crisis of 2008 and the gas supply issues in the winter of the same year, the relations changed due to a new pragmatic stance taken by both sides. Such position can be maintained for a long time due to the co-dependence in areas of trade, investments and energy supply. The question remains how the two actors will behave in their shared neighborhood when the next crisis appears.

Objectives of the analysis

In my master thesis I plan to explain and present all the important aspect of Russian Federation and EU foreign policies with the emphasis on their shared neighborhood. My ultimate goal is to make a comparison between the two very distant types of external policies and show their practical implications in the field. As a case study I have chosen Moldova, a country, with a separatist region in order to show what are the implications of crisis management and conflict resolution exercised by the two actors in times of war and peace in their neighbourhood. Most of the analysis and research that I will conduct and explain will regard Eastern Europe and the states that found themselves in between of the two giants.

The violent escalations of the secessionist conflicts in Moldova in 1992 and Georgia in 2008 will serve me as an example and proof of Russia's willingness to act as a hard power when necessary. The stance towards the secessionist conflict in Moldova will serve me as a corner stone for the analysis of Russia's policies towards it's "near abroad"³ and EU's neighbourhood policy. My main research questions will be: is the EU as an actor capable to solve the secessionist conflict in Russia on its own, do the EU measures and sanctions in the eastern neighbourhood make a difference, Can Russia be characterized as a Hard Power and EU as a Soft Power, is Russia ready to intervene military in other EU neighbouring countries and what are the future prospects and possibilities for cooperation between the two entities. The two main hypotheses which I will try to confirm in my thesis will be: 1. EU's foreign policy in the east is not limited only by its own capability to act but by Russia's interests and 2. Blocking effective and stable resolution of the frozen and other non-military conflicts in the western CIS (Commonwealth of Independent States) is a way of maintaining influence, thus in interest of the Russian Federation.

³ In political language of Russia and some other post-Soviet states, the near abroad (Russian: *ближнее зарубежье*, *blizhneye zarubezhnye*) refers to the newly-independent republics which emerged after the dissolution of the Soviet Union. The term was popularized by Russian foreign minister Andrey Kozyrev.

Both of my hypotheses will be clearly and closely examined and explained through various analyses of literature, legal acts and actions of the two actors. My goal is to present the subject objectively, while using the methods of: case study analysis; analysis of secondary and primary sources as well as empirical analysis of the issue.

Structure of the thesis

In order to cover the topic in the clearest and most concise way, I am going to divide it in 5 separate sections.

In the introduction I explain my goals, starting points and give a general framework of EU and Russia relations, relevant for my further research and presentation of the topic.

The first chapter will cover the history, goals, formations and legal aspects of both foreign policies. From the beginning I will try to show the clear distinction between their makings as a corner stone for their future implications.

In the second chapter I will show the varieties of the two policies in the field, as well as their instruments and goals with their results and actions in the space of the former Soviet republics. I will take the example of European Neighbourhood Policy (ENP) and the Russian foreign policy in the CIS countries to show the two variations and ways of dealing with the neighbouring countries. I will also try to explain how the inner policies of the two actors effect their external actions in the area of concern.

The third chapter will be devoted to the case study of Moldova, a country thorn by a separatist conflict. The reason why I have chosen this particular state is the clear distinction between the interests and ways of dealing with similar situations by the EU on one side and Russia on the other. Since the country has clear EU accession

aspirations I will try to analyze such possibility and the stance of both actors towards such a solution.

In my conclusion I will answer my research questions and confirm or reject the two hypotheses.

2. History, main actors and decision making in EU and Russian foreign policy

2.1 History of the EU's foreign policy

Although European unification has always been a political project, by the late 1960s, after two decades of European integration, the Europeans have been further away from political unity than any time before. Due to the long lasting empty chair crisis⁴ and French veto of United Kingdom's accession to the European communities (EC) the time for reform and consolidation of common policies of the 6 member states has come. After the Merger treaty of 1965⁵ the institutional framework for easier and more effective cooperation between the countries of the three European Communities⁶ was established.

Foreign policy of the EU has its beginnings in the European Political Cooperation (EPC) introduced in 1970 and launched as a result of the Davignon report⁷. It was organized as a system of regular meetings based on the private agreement of foreign ministers of EC's member countries. The agreements were set out in three reports: the Luxemburg Report (1970), the Copenhagen Report (1973) and the London Report (1981). No authority to agree to them was ever sought outside the foreign ministries of member states. The process was originally separated from the joint institutions of the communities. Since the EPC was intergovernmental it had to develop its own mechanism. The leading role was played by the Presidency which rotated among member states. The task of servicing the meetings, and providing draft replies to parliamentary questions (EU parliamentarians were

⁴ From 30 June 1965 to 29 January 1966, in disagreement with the Commission of the European Communities on the financing of the common agricultural policy (CAP), France's representatives refuse to attend any intergovernmental meetings of the Community bodies in Brussels.

⁵ European treaty which combined the executive bodies of the European Coal and Steel Community (ECSC), European Atomic Energy Community (Euratom) and the European Economic Community (EEC) into a single institutional structure.

⁶ European Coal and Steel Community (ECSC), European Atomic Energy Community (Euratom) and the European Economic Community (EEC)

⁷ published October 27, 1970, was a report on the future foreign policy of European Economic Community member nations

sending more than 500 questions per year to the EPC) were left to the Secretariat formed for the purpose (Nuttal 1992, 11-30).

Although there were many obstacles and draw back when it came to consolidation of foreign policy objectives and actions of the member states, the first years of defining the European foreign policy had also a few successes. What were considered to be the first of them are the preparation of the Conference for Security and Cooperation in Europe and joint report on a common position regarding the Middle East. Impressively, EPC drafted texts for vital elements of the CSCE by November 1972. In the same year the member countries appeared for the first time collectively in NATO Council. Such acts have demonstrated both the feasibility and the benefits of harmonizing policies and acting together.

One of the major questions for the newly enlarged communities (nine member states) at the beginning of 1973 was whether they will be able to translate economic power into political influence in world affairs. However, the USA initiatives to reform the trans-Atlantic relations (Kissinger's speech – Year of Europe) as well as the 1973 October War in the Middle East, have shown all the weakness of the nine member states to act in the international arena with one voice.

As a response to the mounting challenges the Declaration on European Identity⁸ came out. It was an attempt to define the foundations of the European foreign policy and formulate specific objectives concerning Europe's role in the world. It is interesting to note that all of the attempts of formulating a common European identity, as a precondition for a foreign policy, were directed towards a differentiation of the USA and European interests. This, of course, does not mean that USA was perceived as an enemy or intruder, but the contrast between the communist and democratic world was so obvious and clear that a separate “western” identity was already formed. The early formation of the European foreign policy, as well as attempts of establishing a common defense structure

⁸ Available at:
http://www.ena.lu/declaration_european_identity_copenhagen_14_december_1973-020002278.html (17.6.2011).

were thus the expression of Europe's need to position itself as a specific and to some extent independent actor in the bipolar world of the cold war.

By the summer of 1974 the whole European Union project came into a crisis. The whole process of European integration entered a phase known as the eurosclerosis period. This process also included the EPC which stagnated until 1981 when the next London Report, which contained only modest improvements, was published. The EPC got codified in 1986 with the Single European Act⁹ (SEA) and remained a less prominent part of the European integration until the entry into force of the Maastricht Treaty (Mockli 1992).

The Yugoslav crisis of the 1990s clearly showed all the weaknesses of the EPC and the possibility of the Communities to act in period of crisis, even in their close neighborhood. The desire to strengthen the foreign policy was consolidated in the Maastricht Treaty, which came into force in 1993 and established the European Union. The three existing Communities now made one of the three pillars of the newly consolidated Union. The EPC was transformed into the second pillar, called the Common Foreign and security policy (CFSP). The third pillar comprised Justice and Home Affairs.

With the creation of the CFSP pillar more and more foreign policy issues were discussed and decided in the EU institutions rather than nation capitals. The Council of Foreign ministers was to decide on common positions and joint actions. Under the Maastricht Treaty the EU could request the Western European Union (WEU)¹⁰ to implement decisions that have defense implications. In that way, the WEU becomes an instrument for executing CFSP. Such role is further confirmed with incorporation of the Petersberg Tasks¹¹ in the Treaty of the EU

⁹ Signed at Luxembourg on 17 February 1986, and at The Hague on 28 February 1986. It came into effect on 1 July 1987. It was the first major revision of the 1957 Treaty of Rome. The Act set the European Community an objective of establishing a Single Market by 31 December 1992, and codified the European Political Cooperation.

¹⁰ International organization tasked with implementing the Modified Treaty of Brussels (1954). It was established after the failure of the European Defense Community. It transferred its capabilities to the EU and ceased to exist in June 2011. Available at: <http://www.weu.int/> (3.6. 2011).

¹¹ The Petersberg tasks are the military tasks of a humanitarian, peacekeeping and peacemaking nature that the European Union (EU) and the Western European Union (WEU) are empowered to

signed in Amsterdam in 1997. In the same year, a High representative for the CFSP was created. Very soon it was realized that the CFSP needs to further develop its security component. On the Helsinki European Council (1999) the goal to establish the common European Security and Defence Policy was set and formalized in the Nice European Council in 2000 (Smith 2008, 1-40).

The treaty of Lisbon in 2009 ended the three pillar structure and created a High Representative of the Union for Foreign and Security Policy. The goal was to ensure greater coordination and consistency in EU foreign policy. The High representative is also in charge of the European External Action Service which serves as a foreign ministry and diplomatic corps of the Union.

After the crisis in European foreign policy during the ex-Yugoslavia wars, steps to empower and strengthen Union's foreign policy were done. It remains to be seen if the newly established High representative and its EEAS will manage to have a greater say in the future.

2.2 Objectives, Legal basis and decision making of the CFSP

After a long period of stagnation, at the beginning of the 1990s the EU entered a new era of its development. Shaping of the new EU foreign policy started with clarifying its foreign policy goals and objectives. Those objectives, as stated in the Maastricht Treaty were: safeguarding of the common values, fundamental interests and independence of the Union; to strengthen the security of the Union in all ways; to preserve peace and strengthen international security; to promote international cooperation; to develop and consolidate democracy and the rule of law and respect for human rights and fundamental freedoms (article J. 1 Treaty of Maastricht).

do. They were defined in June 1992 at the Hotel Petersberg near Bonn in Germany. Available at: <http://www.weu.int/> (3. 6. 2011).

Apart from the objectives of the CFSP, the Treaty set out objectives for development cooperation, which can be directly connected with the later foreign actions of the Union. According to those the Community will foster: the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them; the smooth and gradual integration of the developing countries into the world economy; the campaign against poverty in the developing countries into the world economy; the development and consolidation of democracy and the rule of law, and respect for human rights and fundamental freedoms (article 130u Treaty of Maastricht).

Although such objectives were vague and general, they represent a basis for their future consolidation in the next few years. First report, submitted by the foreign ministers to the Lisbon European Council considered potential areas for joint actions vis-à-vis particular countries. Those are: strengthening democratic principles and institutions, and respect for human and minority rights; promoting regional political stability and contributing to the creation of political and/or economic frameworks that encourage regional cooperation or moves towards regional or sub-regional integration; contributing to the prevention and settlement of conflicts; contributing to a more effective international coordination in dealing with emergency situations; strengthening international cooperation in issues of international interest such as the fight against arms proliferation, terrorism, and traffic in illicit drugs; promoting and supporting good government (Smith 2008, 6-7).

After the war in Iraq and disagreement among EU members about the issue, the European Council agreed on a European Security Strategy (ESS). The ESS pointed out three core strategic objectives: addressing security threats; enhancing security in the EU's neighborhood; and creating an international order based on effective multilateralism which entails upholding international law and strengthening the United Nations (UN).

The objectives from the Treaty of Maastricht were completed and adjusted to the EU's new possibilities to act, in line with the new European External Action

Service, established with the Lisbon Treaty. Title 5, chapter 1, article 21 of the Treaty states that all the Union's action on the international scene should always be guided by the principles which have inspired its own creation, which include respect for the principles of the UN's charter and international law. The Union's commitment for promotion of multilateral solution to common problems, in the framework of the UN, is further acknowledged.

The Lisbon Treaty merged together the post of High Representative for the Common Foreign and Security Policy and the European Commissioner for External Relations and European Neighborhood Policy, creating a position of the High Representative of the Union for Foreign Affairs and Security Policy. The goal was to achieve better coordination and consistency regarding the matters of the Union's foreign actions. In order to bring together the officials of the Commission, Council and national diplomats into one diplomatic service, responsible to the High Representative, the European External Action Service was created.

Such measures also created the need for some reform in the decision making process. According to the Lisbon Treaty, the European Council, responsible for the political guiding of the Union, agrees common strategies¹² by unanimity. It regards the areas where the member states have common interests. If working on the already agreed common strategy, or the proposal of the High Representative, the Council of Foreign Ministers can implement common strategies with the qualified majority voting (QMV)¹³ by agreeing on Union actions¹⁴ and Union positions¹⁵. If the Council acts separately, the decisions have to be taken unanimously. The QMV does not apply to any decisions having military applications.

¹² A common strategy sets out the EU objectives and the means available to carry it out, since 2009 called a decision of the European Council relating to the Union's strategic interests and objectives.

¹³ Article 16 of the "Treaty on European Union", as amended by the Treaty of Lisbon states the conditions for a qualified majority, effective from 1 November 2014 (Lisbon rules) are: Majority of countries: 55% if acting on a proposal from the Commission or from the High Representative, or else 72% and Majority of population: 65% have to agree on a decision.

¹⁴ Union actions regard situations where operational EU action is required.

¹⁵ Union positions define the EU's stance to a matter of specific geographical or thematic nature.

The constructive abstention clause allows a member state to abstain from a decision without blocking it. In such a case it will not have to apply the decision but it must not take any action that would confront with it. If there are more than one third of the states abstaining, the decision can not be taken.

In its effort to become a global player, the EU started undertaking civilian and military crisis missions all over the world. Those missions are based on the Common Security and Defense Policy (CSDP) which forms an integral part of the CFSP. Since the CSDP does not have instruments of its own, it has to rely on the instruments of the EU's CFSP. Decisions concerning it are taken in the Council of Foreign ministers chaired by the High Representative. The Political and Security Committee also takes part in policy formulation related to the European security and defense policy by giving statements to the Council, monitoring the implementation of the CSDP and guiding the crisis management operations. The matters concerning advice and recommendations on military issues to COPS/PSC and guidance to the EU Military Staff (EUMS) in military matters are covered by the EU Military Committee (EUMC) (Schmidt 2009).

According to the Article 275 of the Treaty on the Functioning of the European Union (consolidated version), The Court of Justice of the European Union does not have jurisdiction relating to the CFSP.

2.3 History of the Russian Federation foreign policy

In 1991, the Soviet Union disbanded into fifteen independent states, the largest and most dominant of them remained to be the Russian Federation. The period from 1991 up to 1996 was marked as a time of consolidation of all the Russian policies, including the foreign one. However, even before any serious policy changes and adjustments to the newly emerged domestic situation and switch from planned to market economy could be made, Russian foreign policy had to face and respond to the conflicts in its new neighboring states.

The confusion about formulation of foreign policy was great, but not unexpected. Without the consolidation of its domestic policies, severe economic crisis, rise of crime, 1993 coup attempt, and the first Chechen war, Russia had lost its former position as a super power on the world stage. Facing the lack of a Marxist-Leninist philosophy guidance, uncertain and radical external and internal contexts, Russian politicians needed to find new ways to think about foreign and security policy.

After the break up of the Communist ideology, Russia no longer had a specific enemy or any immediate threat from abroad. In accordance to such situation, the main focus of the foreign policy in the first years of Russian independence was the near abroad with its newly emerged minority and ethnic issues. The second most important issue were Russia's relations with the western donors that tried to help the country to reform and finish the transition process.

The most important feature of the United Soviet Socialist Republics (USSR) foreign policy in its last period was the unprecedented rapprochement to the west, done under the leadership of the Nobel Peace Prize winner - Mikhail Gorbachev. The country's first post-Soviet foreign minister, Andrey Kozyrev stated that he wants Russia to be a normal great power. In his effort to transform Russia into a "reliable partner in the community of civilized states" he listed the priorities of the foreign policy: securing Russian participation in the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade, and by establishing close relations with the G7 and the European Community (Rumer 2007, 15).

With such visions of the foreign minister and under the presidency of Boris Yeltsin, Russia seemed to be turning steadily to the West. In 1992, the Charter for American-Russian Friendship and Cooperation, which also guaranteed sovereignty and independence to the new countries risen after the fall of Communism, was signed. Such stance was followed by dramatic cuts in nuclear arms and defence spending. However, the April 1993 foreign policy concept accented Russia being a great power, thus responsible for protecting Russian minorities in the neighboring countries and promoting the integration of the Commonwealth of Independent States. In accordance to such perceptions and ideas Kozyrev and Yeltsin started stressing Russia's responsibility to enforce stability in the post-Soviet space and exhorting the UN to say so (Legvold 2007, 3).

Although the next few years were marked by Russian interventions and interference in Commonwealth of Independent States (CIS) countries, the accent on constructive side of mutual relations with the west remained. Such a stance persisted until 1997 when a reluctant Russia signed the Final Act, accepting Poland's, Czech Republic's and Hungary's entry into NATO in return for an arrangement dealing with Moscow's special relations with NATO. The relations further deteriorated with NATO's intervention in Kosovo in 1999. Even prior to the intervention, Russia's new foreign minister – Yevgeny Primakov, backed up by Yeltsin, often spoke against a unipolar world and started turning to China and India.

In 1999 the unknown Vladimir Putin became president of the Russian Federation. Initially not a lot of things changed in country's relations with the west. The only visibly different stance was enlarged activity in the post-Soviet space. Although foreign policy still lacked clear priorities and conceptual depth, Putin travelled around the world, visiting twenty countries in fifteen months, establishing good relations with China and even reaching out to North Korea. By doing so he brought greater coherence to policy at tactical levels.

The first change of such a peaceful and economical approach was the emphatic support for Bush's administration war on global terrorism after the September 11

attacks. Such an aligning of the country to the USA in the struggle against terrorism, which was declared as a first priority, was very well linked to Putin's war in Chechnya. In 2002 the new NATO-Russia Council was formed, replacing the discredited and ill-functioning Permanent Joint Council. Cooperation with the west was further developed in the 2003 agreement with the EU to build four common spaces for strengthening mutual cooperation in important fields. However, although Russia still pursued membership in the WTO (World Trade Organization), good cooperation with NATO and the USA, Putin was not ready to look the other way when the political situation in the neighboring countries started to change against Moscow's interests. Such a change was vividly evident in the enraged reaction to the color revolutions in Georgia (2003) and Ukraine (2004). As opposed to Brussels or Washington view of those revolutions as popular outrage over a manipulated vote, Kremlin saw the Revolutions as the result of Western non-governmental organizations and intelligence agencies (Legvold 2007, 9).

In the period between 2004 and 2006, the oil prices doubled. Such a change in prices on the world energy market filled Russian coffers and made the country independent of foreign institutions previously financing its transition, and dramatically eased the burden of debt repayment. By 2005, and Putin's second term in office, thanks to the energy wealth, Russia was transformed from a weak state into an important global player with a well formed and assertive foreign policy.

The next few years, the world saw a much more active and even aggressive Russian foreign policy. Russian response to the open issues became harsh and vigorous, in both rhetoric and action. Some of the examples include the 2007 Victory Day parade on Red Square, when then-President Putin compared George W. Bush's policies to those of the Third Reich, threats to deploy short range missiles to Kaliningrad as a response to the USA plans to deploy a missile shield in Europe, and at the end, the military intervention in Georgia.

In May 2008, Dmitry Medvedev entered the office as the third Russian president since the break up of the USSR. One of his first decisions regarding country's

foreign policy was the intervention in Georgia. Although the next year was characterized by problems with energy delivery to Europe and questions of Western influence in the Russian neighborhood, by the end of 2009 relations slowly started to improve. Putin's willingness to kneel at the memorial to the murdered Polish officers at Katyn, openness to the dialogue with the west (including supporting sanctions to Iran), resolving the border dispute with Norway and closer cooperation with the EU are all characteristics of the Russian foreign policy in the 2009-2011 period. When speaking about future prospects of such foreign policy it is important to take into account the favorable international conditions and possible developments in the area that Russia considers to be its own backyard.

2.4 Legal basis, decision making and principles of Russian Federation foreign policy

Main foreign policy orientations

As already pointed out, the main concern of the early stages of the Russian foreign policy regarded dealings with the new neighbors, raised from the ashes of socialism. In accordance to that, three main foreign policy orientations developed among the political elites, each of which represented different views about how Russia should react to the military conflicts in its neighborhood: liberal westernists who understood conflicts as being resolvable, with solutions in negotiations and multilateral efforts by organizations such as the UN; pragmatic nationalists advocated Russia's active involvement, including forceful actions and sought international approval for peacekeeping the area; fundamental nationalists

saw the conflicts as a zero-sum game where force should be used. The pragmatic nationalist position soon became official government policy and remained on the agenda even today (Jackson 2003, 6-7).

Foreign policy guidelines

The main principles of the Russian Federation foreign policy under the mandate of the president Dmitri Medvedev are formulated in The Foreign Policy Concept of the Russian Federation¹⁶ and further elaborated in his interview¹⁷ with the Russian television in the city of Sochi on 31st of August 2008. First of the principles is the superiority of international law which should form a framework for forming relations with other countries. The second principle stresses out the need for a multipolar world. United States are explicitly mentioned as an authoritative country whose leadership might lead to conflict. Third principle is about Russia's willingness to cooperate with other countries and to isolate itself towards the international community. Fourth principle serves as a justification of the Georgian war and warning to all future actions which Russia might see as hostile towards its citizens or business. It says that Russia's unquestionable authority is to protect its citizens wherever they are, anyone trying to jeopardize them will get immediate responses. The fifth principle stresses that Russia, like any other country has areas of privileged interests. Although this might sound quite threatening for Russia's neighbors, Medvedev explains such a point in scope of friendly and cordial relations with historically close countries that have a choice.

As Kulhanek (2010, 54-61) argues, one of the defining principles driving Russia's policy towards the EU (and the rest of the world) is the notion of independence

¹⁶ Approved by Dmitry A. Medvedev, President of the Russian Federation, on 12 July 2008. Available at: <http://www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/869c9d2b87ad8014c32575d9002b1c38!OpenDocument> (1.6. 2011).

¹⁷ Available at: http://www.indonesia.mid.ru/rus_fp_e_13.html (1. 6. 2011).

and great power status. We can find evidence of such a stance in Medium-term Strategy for Development of Relations between the Russian Federation and the European Union¹⁸ which states: “*As a world power situated on two continents, Russia should retain its freedom to determine and implement its domestic and foreign policies...*”. The notion of the great power was moderated in the 2008 Foreign Policy Concept which speaks about a geopolitical position of Russia as the largest European power.

Decision making

Under the 1993 Constitution¹⁹ the president exercises leadership in forming foreign policy and represents Russia in international relations. The ministry of foreign affairs is directly under the presidential control, which further enhanced presidential power. In 1992 the Russian Security Council was established as an advisory body to the president. It has the authority to prepare decisions for the president on military policy, protection of civil rights, internal and external security, and foreign policy issues. Under the Russian Constitution, the Parliament (State Duma) is responsible for adopting foreign policy laws but has no other specific foreign policy duties. The Federation Council, which is the upper house of parliament, however, has the responsibility for deciding on the use of military troops abroad. The prime ministers role is to define basic political guidelines which the government should follow while forming the foreign policy. The ministry of foreign affairs is subordinated to the President and its main duty is to prepare and propose foreign policies to him. The 2008 foreign policy strategy also includes one important statement regarding the foreign policy. According to it, the cabinet also carries responsibilities for implementing Russia’s foreign policy. The cabinet is headed by the Prime Minister, since 2008, Vladimir Putin (Mankof 2009, 1-20)!

¹⁸ Available at: <http://www.eusec.org/20020114.htm> (1. 6. 2011).

¹⁹ Available at: <http://www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/d0bd6a5ba542c949c32575dd004009ee!OpenDocument> (5. 6. 2011).

2.5 Legal framework for cooperation between the Russian Federation and the EU

In order to understand better the differences and areas of clashes of the foreign policies of the EU and Russia it is necessary to comprehend the relations between the two actors and the legal framework on which they are based.

The legal framework for cooperation was established with the Partnership and Cooperation Agreement²⁰ (PCA), signed in 1994, entered into force in December 1997. The agreement encompassed a very broad agenda with the emphasis on economical relations. The PCA also envisaged the creation of a free trade area. It states that Russia should align its laws and trading standards with those of the EU. The PCA also introduced a regular political dialogue, based on the institutional agreement to govern the mutual relations which included: biannual presidential summits; annual meetings of a Cooperation Council (at the ministerial level); biannual meetings of a Cooperation Committee (at the level of senior officials); and regular meetings of nine Sub-Committees, and a Parliamentary Cooperation Committee. However, due to Moscow's reluctance, stemmed from a desire to control its reform process and protect its economy, the results of the agreement were disappointing (Lynch in Antonenko and Pinnick, 2005. 18-19).

The Union's first attempt to form a common stance towards Russia was the adoption of the Common Strategy on Russia²¹. The aims of the Strategy were: consolidation of democracy, rule of law and public institutions in Russia; integration of Russia into a common European economic and social space; to increase stability and security in Europe through cooperation; to respond jointly to common challenges (nuclear safety, organized crime and environmental hazards) on the European continent). The strategy played a limited role and was not replaced when it expired in 2003. Russia responded with The Russian Federation Middle Term Strategy towards the European Union in 1999 which was valid for

²⁰ Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31997D0800:EN:NOT> (1. 6. 2011).

²¹ Available at: http://trade.ec.europa.eu/doclib/docs/2003/november/tradoc_114137.pdf (1. 6. 2011).

ten years. The basic provisions of the document included an initiative to build a European strategic partnership and a call to the EU to facilitate Russia's accession to the WTO. The main declared objective was a need to balance USA power and to improve Russian access to EU markets and money (Barysch 2006).

In 2000, the French presidency launched an EU-Russia energy dialogue. The goal was to allow the two sides to raise energy-related questions. The dialogue produced very few results and the key objective – to persuade Russia to ratify the Energy Charter Treaty and improve access and transparency to its gas monopoly – Gazprom, was not achieved.

In 2003 at the St Petersburg Summit the goal for establishment of the four common spaces was determined: the common European economic space; common freedom, security and justice space; common space for research and education; and the common space for external security. It took EU and Russia two years to start some concrete action to that common agreement. Although the road map towards establishing the spaces included hundreds of possible projects, implementation was not achieved in all of the areas.

The Partnership and Cooperation Agreement expired in 2007 and has not been replaced since then. Although both sides showed interest for its renovation the August 2008 war in Georgia froze bilateral relations for a period of time. The negotiations started again in November 2008, but the agreement has not been reached yet. While the negotiations on open questions continued, the EU and Russia launched a new Partnership for Modernization. The joint communiqué contained a list of priorities related to industrial, innovation policies, the rule of law and competition. The modernization partnership has so far resulted in little concrete action (Barysch 2011, 4).

3. Similarities and differences between the two foreign policies

3.1 Instruments of the EU foreign policy

Smith (2009, 54) defines foreign policy instruments as those means used by policy makers in their attempts to get other international actors to do what they would not otherwise do. Foreign policy instruments can be divided into four categories: propaganda or the deliberate manipulation of verbal symbols; diplomatic; economic; and military. Although the EU is usually characterized as a soft power, thus using diplomatic and economic instruments, since 1999 there has been a significant use of military instruments as well (Giegerich, 2008). Due to the EU's way of functioning and a specific way of communication, propaganda is a foreign policy instrument which is very hard to use. In accordance to that, the EU's voice and message are usually expressed through diplomatic channels.

Since the EU is one of the strongest economic powers of the world, foreign policy instruments which allow third countries various scopes of economical cooperation with it are considered to be the most powerful ones. The three main types of agreements offered by the Union – trade; cooperation or development cooperation; and association, give the EU the potential to exercise considerable influence in international affairs. The article 218 and the article 218.3 of the Treaty Forming the EU establish a procedure for negotiations and conclusion of international agreements by the Union. The decisions are taken by the Council, on a recommendation of the High Representative and the Commission while the European Parliament plays a marginal role in the process.

Trade agreements often provide poor countries with tariff free access for some exports to the EU. Besides measures for cooperation on economic and commercial matters, as well as for liberalizing trade, Cooperation agreements usually set up a framework for dialogue with the third country. A system of committees and meetings of governmental and parliament officials is also set. Association

agreements provide cooperation in a wide variety of sectors, often involving a package of aid or loan. In addition to trade measures, they also establish a closer cooperation with the third country. The human rights clause, introduced in 1995, allows the EU to suspend an agreement with the third country which violates human rights or democracy principles. The decision to conclude an agreement with the third country is in the first place political and the content of agreements widely differs between the partners.

The EU's relations with the third countries are increasingly (unfortunately not yet consistently), subject to political and economic conditionality. We can distinguish between the positive and negative conditionality. While the first one entails promising benefits, the latter one involves reducing or suspending those benefits. Such conditionality is perhaps the EU's strongest element in the pursuit of its foreign policy objectives. Besides trade agreements, EU is also one of the biggest aid donors in the world. The decisions to grant aid are politicized and conditional, based on the respect for human rights and democratic principles (Smith 2009).

On numerous occasions the EU has imposed sanctions to third countries. Most of them were in line with the decision of the UN Security Council. Typical for the EU are the so called "smart" sanctions which target particular individuals and avoid doing harm to the wider population. Although, the EU is now in possession of limited military capabilities, they have not been used in a coercive form so far. More details about the EU sanctions, their effectiveness and targets will be said in the third chapter of the thesis.

Although the EU does not have exclusive competence to wield diplomatic instruments, some of them can be used in cooperation, or by the member states. Member states can decide to withdraw their ambassador, suspend high-level contacts, expel military personnel or impose a visa and travel ban. Other examples of diplomatic instruments are: demarches (confidential messages to other governments), declarations and statements (used to express the position).

One of the important CFSP activities is also conflict resolution. In attempts to resolve conflicts and potentially dangerous disputes the EU uses a variation of

instruments, including political special representatives. The goals of sending a special representative are: to achieve political representation; to gain information about an ongoing conflict; to influence international mediation efforts; and to develop a policy towards a given country or region (Adebahr 2008, 59). In order to stabilize certain areas and prevent conflicts, the EU has also sponsored multilateral conferences, including the Pact for Stability for Central and East European candidate countries.

One of the most interesting instruments, unique to the Union is the offer of EU membership. In order to become a member, a country has to meet the so called Copenhagen criteria: be a functioning democracy, fully respecting human and minority rights; have a functioning market economy and implement the *acquis communautaire*²². The enlargement process in Central and South Eastern Europe has proved how such conditionality in a frame of EU enlargement process can be a very powerful and effective instrument of foreign policy.

When dealing with the third countries, it is of the highest importance for the EU to be seen as a consistent actor. The reactions to human rights violations, threats to democracy or safety of states and citizens shall cause a similar reaction no matter of which country they take place in. Although the system of decision making in the sphere of foreign policy requires all the member states to agree on certain issues it is important that the EU reacts properly to any external situation and places itself on the world map as an important player by doing so. The instruments at its disposition, which are quite unique and more various than the ones at the disposal of other international organization (for example the UN or NATO) should be used for a good cause. With the formation of the EEAS management of those instruments should become much more efficient and well targeted.

²² The body of EU law.

3.2 Instruments of Russian Foreign Policy

As said before, we can divide classical instruments of foreign policy into four categories: propaganda or the deliberate manipulation of verbal symbols; diplomatic; economic; and military ones. Although the 1990s were a period of confusion and consolidation of power, influence, political and economical systems in the area of the ex-USSR, the first shapes of the future Russian foreign policy could already be seen. While foreign minister Kozaryev was quite (in)famous because of his pro-western stance, and proclaimed goal for Russian integration into the rank of other nations, the era of Putin has seen a change of approach which positioned Russia as a major power and one of the gravitational poles in the international system (Rumer 2007, 23). The ideas and visions of a countries place in the world order, as well as the proclaimed goals of its foreign policy, are a starting point for shaping the foreign policy instruments.

In the last years of USSR existence, as well as in the next few years of political changes, ethnic conflicts in its ex republics were more a rule than an exception. Since the separatist movements from Moldova to the Southern Caucasus more or less openly sought support for their cause from Russia, this was the first possibility for the use of specific foreign policy instruments in the domain of crisis management. Albeit the new foreign policy concept and approaches, publicly announced by the foreign minister, elements of Russian army actively positioned itself on the separatist side in all of the clashes between the government and rebel groups. Although Russia tried to show its role as a peacekeeper, the activities of its army, in the best case, helped the separatists to withhold the captured area for the years and decades to come. Due to the general confusion regarding the economical reformation process, the ongoing political transition and obscurity of the foreign policy direction, we can not state that such actions were in service of a practical and defined cause. However, such positioning and maintenance of the status quo situation in the frozen conflicts have proven to be an important determinant in the country's future foreign policy.

After Yeltsin left the office and Putin moved in, the country's situation improved (regarding economy) and the foreign policy itself became much clearer. The most

frequent interest of the post-Soviet period, visible already in the 1990-s, nowadays became more important than ever – Russian sphere of influence among the former countries of the Soviet Union (Rumer 2007, 25). Establishing Russian pre-eminence through the former USSR is central to Russian political, security and economic interests, which means that all of the instruments at the disposal will be used without hesitation. The 2008 August war in Georgia has effectively proved that military power is not just a mere treat but also an effective instrument which could be used again if considered necessary. Maintaining Russian influence in the region, keeping more countries in the region from joining NATO are what Moscow sees as key requirements for its security and stability, and priorities in its relationship with the west. In a quest for a multi polar world, as well an area of privileged interests (as stated in key foreign policy documents) Russia is combining diplomatic, economic, military and propaganda instruments.

Today, the strongest interest of the Russian foreign policy towards Europe is the economic one. Rise of energy prices and the EU dependence of Russian gas and supplies are the key trumps of newly emerged Russian influence. The state-owned companies, created to dominate the business segments of the mentioned trade became optimal organizational forms for converting energy flows into political power (Baev 2008, 30). The use of GAZPROM²³ as a tool for political negotiations and pressures was best visible after the Orange revolution in Ukraine when various disputes with Naftohaz Ukrainy²⁴ resulted in numerous reductions of gas supply for Europe. Though energy is being used as a mighty political weapon, in absence of other means of coercion, Russia under Putin did not sustain itself if the use of force was considered necessary to discipline the neighbors. First such attempt occurred in 2002, when an ultimatum to Georgia, threatening to make military measures if the terrorists in Pankisi George are not dealt with. The 2003 USA led war in Iraq, further convinced Moscow that it would face only minor obstacles to restore its lost influence among the ex-Soviet states. The first

²³ The largest extractor of natural gas in the world and the largest Russian company. Gazprom was created in 1989 when the Ministry of Gas Industry of the Soviet Union transformed itself into a corporation, keeping all its assets intact. The company was later privatized in part, but currently the Russian government holds a controlling stake.

²⁴ State company of the Ministry of Fuel and Energy of Ukraine concerned with extraction, transportation, and refinement of natural gas and crude oil.

stage of an attempted integration and rapprochement with the neighbors was shaped by the Common Economic Space established between Russia, Belarus and Kazakhstan.

When it comes to the question of propaganda, the rhetoric of Russia as a “Civilization”, one which is different and unique, takes an important place. Such notion of specific Russian values is very effectively combined with patriotism in justifying foreign policy actions to the domestic public. One of the most important pillars of the constructed Russian “Civilization” is the strong union between the state and the Orthodox Church. One of the examples of the definition of the term was the Declaration on Human Rights and Dignity, adopted at the World Council of Russian People and spelled by Metropolitan Kiril. The features of western life, such as abortion, euthanasia and homosexuality were condemned and the Western concept of human rights was declared unsuitable for Russia (Baev 2008, 38-9).

The usage of diplomacy as a foreign policy instrument can be observed on the example of Medvedev’s proposal for establishing a new security agreement. It was seen as a message to the west to readjust the post-bipolar security world by reducing the gap in security between Russia and NATO. The new foreign policy concept, issued by Medvedev in 2008 further elaborated the need to enhance the role of international law and the UN as a supreme international institution. Since Russia has a veto power in the Security Council, a powerful UN is also a guarantee for the continuation of Russian influence on the international affairs. Medvedev’s interview to the Russian TV stations, when the five objectives of Russian foreign policy were announced, represents a good example how communication to the public can be used as an instrument of foreign policy.

3.3 Russian foreign policy and the CIS

In the first months of Russian independence, its foreign policy was characterized by a one-sided domination of liberal westernist ideas that envisaged the country as a western, capital orientated state, equal with other states in the sphere of international relations. The initial acceptance of such ideas by the president Yeltsin and foreign minister Kozyrev led to development of good relations with the west, military withdrawal from Eastern Europe and the acceptance of the defeat of communism. Although the relations with the newly independent ex-Soviet republics were considered to be important, the priority was given to relations with the USA. The relations among the ex-Soviet republics (including Russia) were to be established through the newly created Commonwealth of Independent States. In a quest for western approval, Yeltsin and Kozyrev constantly referred to international norms when discussing the new relations with the post-Soviet republics. Although the sovereignty of the newly independent states was supported on a declaratory basis, no explicit, coherent policy was pursued.

The outbreak of the Moldova conflict in March 1992 triggered changes in such foreign policy visions. Liberal westernist ideas eventually lost ground and the pragmatic nationalist ones moved in instead. In the debates that followed after the eruption of conflicts in the CIS states in spring of 1992, an idea of those conflicts as Russia's greatest threats, undermining even the country's survival started prevailing. As Dmitri Trenin (2009) argues: *“For Russia the concept of spheres of influence was historically a very useful one. These spheres, which separated it from other imperialist rivals, were both protective wrappings and staging grounds for advancing further in a never ending quest for power, influence, and security”*. The conceptual debate about foreign policy formation eventually led to the government's 1993 adoption of the Foreign policy Concept and the Military Doctrine. The first one identified the potential threats as: attempts to destroy the integrity of Russia, disintegration among CIS states, violation of human rights and freedoms of Russian-speakers, and military conflicts in neighboring states. The listed means to protect Russia from such threats was:

creation of a collective defense system, strengthening of the external CIS borders and maintenance of Russia's military basis in the CIS states. The Military doctrine asserted Russia's right to intervene in the CIS, allowing the legal use of armed forces in peacekeeping operations within the former Soviet Union. The use of force was declared legitimate if used in response to the suppression of the rights and freedoms of Russian speaking citizens in foreign states. This doctrine also allowed deployment of Russian troops outside the country to safeguard the security of the Russian Federation or any other former Soviet Republic. Although seen as highly aggressive, potentially justifying future interventions, it formally legitimized and justified the role played by the Russian army in former Soviet republics (Jackson 2003, 51-79).

First attempts of establishing stability and Moscow's influence, in the area of the former Soviet Union, included creation of various political, security and economic organizations. The Commonwealth of Independent States, originally consisting of Russia, Belarus, Ukraine, Azerbaijan, Armenia, Georgia (left the organization in 2009), Kirgizstan, Kazakhstan, Uzbekistan, Turkmenistan and Tajikistan was seen as main one of them. Although dozens of papers and documents have been signed, attempts to create a strong CIS have largely failed (Camron and Domanski 2005, 4). The organization was kept alive largely through personal contacts between ex-communist apparatchiks of the Soviet system. After the time came for them to leave the political stage, the newly elected leaders did not show much enthusiasm for keeping the organization active. The Single Economic Space was founded by the four largest ex-Soviet Republics in 2003, representing approximately 90% of the GDP of the CIS as a whole, namely, Russia, Belarus, Kazakhstan and Ukraine. The aim of the organization was to create a Single Economic Space with the first stage being the free movement of goods and a customs union, followed by coordination of taxation, monetary and financial policies which would eventually lead to the free movement of services, capital and labor. In order to implement those goals, the agreement envisaged creation of a supranational regulatory organ and a single currency. By now, the plans resulted only in a Customs Union between Russia, Belarus and Kazakhstan. The Collective Security Treaty Organization was created in May 2002 (the first Collective Security treaty was

signed in 1992) as an intergovernmental military alliance modeled on NATO. The present day members are: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. The parties have committed themselves to mutual cooperation, especially in the areas of border security and counter terrorism (Cameron and Domanski 2005).

The period from 1993 to 1996 was characterized by increased involvement in the CIS and the separatist conflicts. Tensions and eruption of war in Chechnya served as an example used by nationalists, of what will happen to Russia if it does not take control of the conflicts in its near abroad. In the years that followed, the official Moscow's attitude towards NATO became increasingly negative. After the appointment of Primakov as a new foreign minister in 1996, constant argumentations of Russia being a dominant state in the region, which therefore must be acknowledged as a necessary partner for any activity in Eurasia, became an official stance towards the NATO enlargement in the East. 1996 can be seen as a year, when the Russian foreign policy became consolidated and increasingly centered on pragmatic concerns such as oil and financial interests. After the misty period of the beginning of the 1990s, foreign actions and relations with individual CIS countries became quite diversified, depending on their government stance towards the Russian Federation and its influence. After the consolidation period of the countries post-communism direction was definitely over, formation of consistent and stable policies in all areas could follow. First on the agenda was dealing with Russia's diminished status in the international affairs and decision making processes.

Immediately after Russia's new president, Vladimir Putin, moved into office in 2000, two essential documents were implemented: Concept of National Security of the Russian Federation²⁵ and Concept of External Policy of the Russian Federation. Both documents prioritize the CIS area, which is seen as vital for Russian security and prevention of inner disintegration of the state. The strategy specially stressed the importance of regional cooperation through various

²⁵ available at: <http://www.mid.ru/bdomp/ns-osndoc.nsf/1e5f0de28fe77fdcc32575d900298676/36aba64ac09f737fc32575d9002bbf31!OpenDocument> (1. 6. 2011).

organizations, establishment of an economical area, as well as partnership among the ex-Soviet Republic. The need to resolve the existing conflicts in the area was also stated. As Russian foreign minister Lavrov said in the Russian Duma in 2005, Russia chose not to join NATO or the EU, but preferred instead to cooperate with those organizations as equal (Cameron and Domanski 2005, 5-6). Therefore, Moscow's desire to be a real influence in the former Soviet Republics is directly connected with its positioning on the international scene.

Eight years of Putin's rule (2000-2008) saw establishment of Russia as an important player on the international scene with interests and goals of its own. Although his attempts to establish influence and control over the CIS through alliance building and economic ties suffered a shattering blow by the Color Revolutions (2003-2005), Russian presence in the region remained strong. Soon after Dmitri Medvedev moved into office in 2008, the August war in Georgia erupted. Russian military intervention followed, clearly showing that Moscow will not hesitate to use the army to keep its influence in the ex-Soviet space. In the aftermath of the war, Medvedev set out Russia's foreign policy principles which include country's sphere of privileged interests and the government's obligation to defend its citizens abroad (Trenin 2009).

Russia and the Western CIS

When analyzing bilateral relations among Russia and the Western CIS, it is necessary to mention that relations with all of the countries had its ups and downs. Especially turbulent were relations with Ukraine, whose deeply divided population (pro-Russian and pro-independent) is the main reason for changes of directions in Ukraine's foreign policy direction. Ukraine's first president – Leonid Kuchma, was considered to be a pro-Russian leader. After the controversial elections in 2004, the so-called Orange revolution followed, positioning pro-western Victor Yushenko as a new president. After his rapprochement with the West, and expressed goals of Ukraine joining EU and NATO, the relations between the Kiev and Moscow came to a very delicate phase which culminated in

a 2008-2009 gas dispute. After the pro-Russian Viktor Yanukovich was elected in the 2010 presidential elections, the relations became warmer again.

Although under the rule of the authoritarian and unpredictable Alexander Lukashenko, Belarus remain supported economically and politically by Russia. The Treaty signed in 2000 envisages a creation of a type of confederation between the two states. However, many economical and trade disputes rose, culminating in Lukashenko's refusal to recognize South Ossetia and Abkhazia in 2009, and Russia's ban on imports of Belarus dairy products. The 2009 has seen some rapprochement but still without concrete results.

As a result of its geopolitical situation, the three Caucasus countries represent one of the main focuses of the Russian foreign policy. Since all three countries are involved in separatist conflicts, Russian presence and influence in the region (as a supporter of the brake away regions) remains strong. Especially difficult was the relationship with Georgia, who saw Russia recognizing independence of its two separatists regions, after the short August 2008 war. With the pro-western president in power – Mikhail Saakashvili pushing for the country's NATO and EU membership, relations between the two countries became extremely hostile. Armenia is seen as a Russian outpost in the Caucasus, while Armenians see Russia as their protector against Turkey and Azerbaijan (Cameron and Domanski 2005, 13). Armenia's involvement in the Nagorno-Karabakh conflict and its dependency on Russian military and energy supplies makes the two even closer. Because of the Russian pro-Armenian stance in the mentioned conflict and its independence from Russian energy supplies, Azerbaijan can allow itself to pursue a tougher line with Moscow. On the other hand, Russia is effectively blocking all of the attempts to solve the Nagorno-Karabakh conflict, in order to preserve its influence in the region. Relations with Moldova and the Russian stance towards the Transnistria conflict will be elaborated in the third chapter.

3.4 European Neighbourhood Policy towards Eastern Europe

Since its beginnings the EU has been faced with the challenge of dealing with its neighbors. After the fall of the Berlin wall and end of the cold war. The predominant approach and foreign policy instrument used towards the Central and South-East European neighbors was the enlargement process. By contrast to such dealing, the European Neighborhood policy (ENP) explicitly seeks to provide an alternative for enlargement. In 2002 the former Commission President Romano Prodi, presented the idea of “Ring of Friends” encompassing the EU and sharing with it everything but institutions. ENP was officially launched in 2003 after the Council endorsed the European Commission’s Communication on “Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours” (Wichmann 2010, 55-58). According to the European Commission European Neighbourhood Policy web site²⁶ the countries participating in the ENP are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine. Although Russia was also included into the initial blueprints, it refused to participate. Moscow explained that the policy is far too EU-centric and it would not respect Russia’s status as an equal, instead of a subordinated player. In my analysis, I will concentrate on the former Soviet Republics, which are today included into the ENP under the framework of the Eastern Partnership.

Although the EU established relations with the Republics of the former Soviet Union soon after their declaration of independence in 1991, until the completion of the last, 2007 round of enlargement, they were perceived as distant and strategically unimportant. Though the PCA’s with Ukraine and Moldova were signed in 1994, the two countries, together with Belarus, were considered to be deeply in the Russian sphere of influence. In the similar situation were the three Caucasus countries whose PCA’s were signed in 1996 and entered into force in 1999.

²⁶ Available at: http://ec.europa.eu/world/enp/partners/index_en.htm (7. 6. 2011).

The implementation of the ENP begun in 2005, with the first round of progress reports and the Strategy Paper on Strengthening the ENP being published in December 2006. After the second round of ENP Progress Reports were released in April 2008, it became apparent that the countries are progressing at different speeds.

Although main actor of driving the ENP was the European Commission, it had to struggle for competencies with the Council. Since the same policy makers have worked on enlargement, the inspiration for the ENP was drawn from that field. If we compare the promoted values of eastern enlargement – economic modernization; democratic consolidation; stability of the countries, with the EC declared goals for the ENP – to work with the partners to reduce poverty and to create an area of shared prosperity and values based on deeper economic integration, intensified political and cultural relations, enhanced cross-border cooperation and shared responsibility for conflict prevention between EU and its neighbours²⁷ we get a confirmation of the replication of the strategies. According to the 2004 ENP Strategy Paper²⁸ values play the crucial role in the ENP. They represent a precondition for further cooperation with the EU while their promotion makes one of the key objectives of the ENP.

Some of the authors (Bindi 2010, 100) argue that ENP is essentially a regional foreign policy, with the aim of developing privileged relations with the EU neighbouring countries, without giving them prospects of accession. Developing closer economical, political and security relations with the neighbors, should prevent the emergence of new divisions between the EU and the rest. Most of the practical benefits for the targeted countries so far consist of financial assistance and support through the ENP instrument. The instruments used for the implementation of the policy are country reports (prepared by the Commission) which assess the political, economic and institutional situation in the country, followed by an Action Plan set for each country individually. The action plans

²⁷ European Commission (2003h). Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours. Available at : http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf (7. 6. 2011).

²⁸ Available at: http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf (7. 6. 2011).

define an agenda of economic, social and political reforms and provide incentives for their implementation. They are proposed by the Commission, negotiated with the country and agreed by both at the end.

Eastern Partnership

Just like the proposed Union for the Mediterranean was a French project, aimed at the deconstruction of the ENP according to the than French presidency preferences, the Eastern Partnership (EaP) has been realized as the first Polish initiative incorporated into the EU. Due to its geographical position, political and historical ties, Poland is the biggest advocate of EU's cooperation and even further enlargement to the east. After the 2008 war in Georgia, the Eastern Partnership and debates surrounding it came into the focus of EU policy makers.

The ENP is based on the same principles and aims towards the same goals (security, stability, and prosperity) as the general ENP, however it also has an important added value – strengthening the relationship between eastern partners themselves. The multilateral nature of the EP should therefore serve as a forum for discussion and cooperation among the Union and its east, neighbouring states. As Koutrakos (2011, 159) argues, the ambitious political goals, declared by the Commission and by the participating countries can only be met if the Union takes care to provide enough financial means to support the projects of the Partnership.

The institutional framework of the EaP consists of summits held every two years between the heads of states and governments of the EU and the participating states. The goal of the summits is to define the progress done and develop general lines of development. The meetings of foreign ministers, where the work is supervised are happening annually. The meetings between ministers responsible for different sectors happen on an ad hoc basis. In the EaP there are four platforms concerned with specific matters: Platform 1 – Democracy, good governance and stability; Platform 2 – Economic integration and convergence with EU policies; Platform3– Energy security; Platform 4 – Contacts between people. The meetings in the mentioned platforms are held twice per year with the participation of the

senior officials of the European Commission, EU member states and partner states. The Platforms are supported with the special working panel meetings, held several times per year. In order to set in motion specific projects and distribute financial-technical support for the partner countries 6 flagship initiatives have also been launched: Integrated Border Management Programme; Small and Medium-size enterprise(SME) Facility; Regional energy markets and energy efficiency; Diversification of energy supply: the Southern Energy Corridor;

Prevention of, preparedness for, and response to natural and man-made disasters; Good environmental governance. In order to encourage the cooperation between the non-state actors, who play a crucial role in democracy promotion and respect, the EU has also established a Civil Society Forum. The goals of the Forum are to boost cooperation between civil society organizations from the EU member states and from the EaP region in order to provide input into the workings of other EaP bodies. The first meeting of the forum was held in November 2009, with more than 200 non-governmental organizations being present. In order to follow the work of the four EaP thematic platforms, four working groups have been established. In order to further strengthen the cooperation, the EaP Parliamentary Assembly ‘Euronest’ and a local and regional assembly for Eastern Europe and the South Caucasus are being planned²⁹.

Evaluation of the eastern ENP dimension

Emerson (2010) argues that no substantial progress was made so far. In order to start a more significant cooperation, deep and comprehensive free trade agreements should be made. The visa liberalization issue, which was framed as a long term matter is nowhere near being realized. The results of the multilateral platform have so far been scarce. The two mentioned areas represent the most important issue of EU – eastern neighbours partnership and without any real progress in that field, no real results can be expected.

²⁹ The Eastern Partnership web site. Available at : <http://www.easternpartnership.org/> (8. 6. 2011).

In the field of one of the most important flagship initiatives – economy, little has been achieved so far. After two years of negotiations with Ukraine no deal has been reached. After the formation of a new leadership in 2010 it became questionable if a new deal is even desirable. Ukraine keeps complaining about EU not being willing to accept agricultural market liberalization in exchange for the liberalization it would have to accept on industrial goods. The same negotiations have not even started yet with Georgia because of the preconditions set by the EU. Although the country has already established free trade unilaterally with the whole world, the EU keeps demanding for a lot of EU *acquis* compliance first, going way beyond the requirements for exporting to the EU. Part of the problem of such a relation may be explained by the fact that the Commission's Directorate General Trade is implicitly treating the Eastern partners as if they were accession candidates, while the Council of Foreign Ministers is quite unwilling to offer them membership perspectives.

In one of his publications (*Rendez-vous with Eastern Europe*), the former EU's ambassador to Russia, Michael Emerson (2010) argues that establishing such harsh condition for the eastern partnership countries may as well be done by purpose. This seems like making the preconditions so sever that they will not agree in order to leave them in an indefinite limbo. Although the visa liberalization issue was addressed as one of the first obstacle, the lack to make any substantial reliefs in the field was blocked by France. For most of the citizens of the targeted countries, the problems have only worsened with the new members entering the Union and thus implementing visa requirements for them. The majority of experts agree that the ENP and the EaP have failed to produce any substantial results so far. However, due to the consolidation and reorganization of the EU foreign policy after the ratification of the Lisbon treaty, a major field for maneuver and concrete action is established. Due to the complicated situation in all the six partnering countries (with Belarus in the vacuum) it is questionable how much is the EU able to influence the situation even under the premise that the strong will exists. Unfortunately, I must determine that after all of the attention that the East has received from the EU officials (as a result of the Georgia war),

the eyes of the decision makers are at the moment turned towards North Africa and the so-called Arab Spring of Nations. In the near future, solutions and frames for cooperation with the South Mediterranean countries are much more likely to be established, taking the priority away from the Eastern neighbors for a period of time. Due to the specific situation and Russia's involvement and interests often manifested in support for the separatist regimes, cooperation with the EaP countries has to take into the account conflict resolution and long lasting peace building measures. If the EU wants to have a significant influence in the field it is of the most importance to try to solve the frozen conflicts, and thus do the exact opposite of Russia. The world's strongest and most attractive economy should not have a problem in having an attraction advantage in comparison to Russia.

3.5 EU sanctions and foreign policy

The European Community started imposing sanctions against third countries, without the mandate of the UN Security Council in the 1980s. In the beginning the sanctions were of economic nature while the 1990s saw implementation of so called smart sanctions, targeting individuals rather than society as a whole. The EU is thus following a so called double-track approach which consists of making a distinction between individuals or groups responsible for violations and the population at large. Such preoccupation becomes particularly evident when sanctions are applied to developing countries or crisis areas. For example, when development aid gets suspended no further commitments are made in the form of budget support but the funds are get redirected to NGOs and special programs aimed at supporting the most vulnerable sections of the population (Portela 2010, 31 - 34).

The first sanctions implemented through a community instrument were imposed against USSR (1980), following the invasion of Afghanistan. Due to the limitation of the Union foreign policy until the Maastricht Treaty, more serious sanctions were implemented by individual member states. The Maastricht Treaty formally codified the procedure for the imposition of the sanctions. The two core

documents, where the EU sanctions were more precisely defined for the first time were the: Guidelines on the Implementation and Evaluation of Restrictive Measures³⁰ (Sanctions) and the Basic Principles of the Use of Restrictive Measures³¹ from June 2004. Both documents were issued by the Council and are considered to be complementary. The objectives of the sanctions, stated in the guidelines are: the promotion of human rights, democracy, the rule of law and good governance, as well as the fight against terrorism and the prevention of the proliferation of weapons of mass destruction. All provisions on restricting measures were later included in the 215 article of the Treaty of Lisbon. The article states that all the decisions regarding interruption or reduction of economic and financial relations with one or more third countries are to be decided by the Council, acting by a qualified majority, on a joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the Commission. It is also possible to adopt restrictive measures natural or legal persons and groups or non-state entities. The Lisbon Treaty also makes it possible for natural or legal persons to address European Court of Justice regarding such measures affecting them under the CFSP (Portela 2010).

One of the specificity of the EU sanctions is their supplementation with another CFSP instrument – political conditionality. One of the forms of the EU conditionality, implemented mostly after the end of the cold war, is linking development aid with human rights and democratic standards. Nowadays, most of the agreements concluded between the EU and the third countries encompass a human rights clause. The human rights clause also includes obligations to respect democratic standards. In EU dealing, it is necessary to differentiate between the positive and negative conditionality. Positive conditionality is defined as a promise of benefits to a state fulfilling the arranged conditions, while negative conditionality means reducing, suspending or terminating the benefits for a state which violates the set conditions (Smith 1997). The EU displays a preference for positive conditionality over negative measures.

³⁰ Available at: <http://register.consilium.europa.eu/pdf/en/05/st15/st15114.en05.pdf> (11. 6. 2011).

³¹ Available at: <http://register.consilium.europa.eu/pdf/en/04/st10/st10198-re01.en04.pdf> (11. 6. 2011).

Interruption of financial and technical assistance, together with development aid cut-offs, represents the sanctions which correspond to the notion of retorsions. According to the legal definition, retorsions are awkward, but not illegal actions done by one of the legal subjects in response to a certain action done from the other (Turk 2007, 295). Suspension of certain agreements with the third countries is very important as a legal precondition for the imposition of economic and other further sanctions.

Portela (2010, 56 – 59) divides the sanctions imposed under the CFSP in 6 groups: arms embargo (most frequently used); visa bans; financial sanctions (freezing the assets of individuals on the black lists); flight bans, embargoes on specific commodities; and diplomatic, cultural and sports sanctions. The only country in the potential scope of the EaP so far exposed to some form of the mentioned sanctions is Belarus. Due to its restriction on political and freedoms of speech, it was targeted by sanctions several times. EU's first reaction to the democratic crisis in the country was even celebrated in the literature as the first measure decided by the Council under the human rights clause with the objective of helping restore human rights and democracy. Another entity in the scope of the EaP, targeted by sanctions is the Transnistrian leadership. The motive for imposing a visa ban for the separatist government officials is so far unique in CFSP sanctions regimes, namely obstructionism of peace process. Another, trade related measure was also imposed to the region: double checking system for steel exported from Moldova. As a consequence of the measure, one of the main Transnistrian exports to the EU – steel, could no longer be exported to the Union without Moldovan certificates confirming its origin. Due to Ukraine's passive stance of non-interference and neutrality in regards to the Transnistria conflict and thus the ban on exports the economy of the separatist region was not substantially damaged. Since Transnistria is not alone and receives substantial Russian protection and support, any measures imposed unilaterally by the Union are not highly likely to work.

Apart from the formal sanctions, informal sanctions can be adopted outside any contractual bilateral framework. They are usually announced in EU presidency

statements or in the European Council. A good example of such sanctions was the redirection of aid and freezing of aid aimed to Russia after the two Chechen crises. The reasons for choosing informal over formal sanctions can be explained by the lower profile and visibility vis-à-vis the public and country in question.

Research has shown that EU sanctions work either when aid is suspended or when sanctions are employed against strategically exposed states, interested in the economic benefits of cooperation with the EU. We can conclude that so called soft sanctions, simply withholding the prospect of increased prosperity, prestige and international recognition can prove to be much more effective than the hard ones. However, EU sanctions often face objective obstacles, like in the case of Transnistria which is protected by a powerful patron, which can effectively prevent the system from working.

3.6 The military factor and Russian foreign policy

Unlike the EU which is seen as an example of soft power with the ability to attract other states in its sphere of influence by prospects of economic and political prosperity, in lack of such assets at its disposition, Russia often relies on the force factor. When analyzing Russian foreign policy, special attention needs to be given to the Russian military. Its presence in the areas of frozen conflicts as well as its usage in political rhetoric when treats to disobedient neighbors need to be made, are clear examples of its function as a grounding pillar for achieving foreign policy goals.

As Rumer argues (2007, 67) for most of the post-second world war era, Moscow's military capability was the prime instrument of its foreign policy. Although the military plays a substantial role even after the end of the cold war, a substantial change is that it does not influence political debates and foreign policy directions as it used to before the 1990s. Due to the painful reforms of the first decade of Russia's independence, and the catastrophe of the first Chechen war, apart from

the nuclear weapons at its disposal, Russian military was not showing any signs of significant threat or operational capability outside the scope of the CIS states. After the presidential office was taken by Vladimir Putin, the military budget started rising in line with the country's overall financial upturn. Numerically, the Russian army consists of approximately one million soldiers, which is roughly a quarter of the size of the Soviet military at the end of the cold war (Rumer 2007, 68).

After the Georgian conflict, it became obvious how the Russian military can be used in the future in order to achieve foreign policy goals. Even when not used as a direct threat, Russia's foreign policy capabilities are backed up by its main claim to great power status – the nuclear arsenal. Apart from such a “hidden” and potential threat, Russia is using big military parades, as well as other forms of display of military presence in order to boost its claims for a great power status. Good examples of such demonstrations of force and military might are the deployment of the aircraft carrier, Admiral Kuznetsov, to the Mediterranean in early 2008 or the patrol flights with strategic bombers over the Arctic, Pacific and Atlantic Oceans (Pallin in Russian Foreign Policy Review 2008). Although Russian conventional armed forces are no match for the US, their role in the CIS as well as the frozen conflicts in Moldova and Georgia is one of complete dominance. Another proof of using the military for the Russian foreign policy purposes was the decision to increase military presence in Abkhazia in the wake of USA's recognition of Kosovo's independence.

Another treat to Russia's proclaimed sphere of privileged influence, Georgian attack on South Ossetia has seen wide use of the military in order to achieve political goals. Although Russia claimed that it was not a full scale military operation, it is widely accepted that the intervention in Georgia was Moscow's first post-independence offensive against a sovereign state. Further more, any notion of attack, military invasion or war with Georgia is refused. The operation incursion of Russian army on Georgian territory is described as a peace keeping or coercing Georgia to peace in order to fulfill international responsibilities.

Deployment of a whole 58th army together with other units was proclaimed to be reinforcement of the peace keeping contingent (Allison 2009, 173 - 180).

Russia is also keeping its military presence in Central Asia where its main allies among the former Soviet states are. As a part of its quest for recognition as a world power, it is trying to solidify the Collective Security Treaty Organization and obtain recognition for it as a regional security organization according to the chapter eight of the UN Charter. Although seven CIS states make part of the CSTO, the level of engagement varies greatly. There were several attempts for cooperation with NATO as an equal organization, but due to the perception of the CSTO as an organization with clear Russian dominance there has been little success.

One of the main roles, played by the military in foreign policy is realized through membership or engagement with international organizations that have a significant military role. After the formation of the NATO-Russia Council in 2002, great importance was attached to Russia's special status and positioning as an equal with the member states. The extended arms of such a foreign policy tool are joint exercises performed together with various regional organizations.

When analyzing the use of the military in relations with the EU it is necessary to mention the Russian attitude towards the Common Security and Defence Policy. Initially, Kremlin saw the CSDP as counterweight to NATO with possible opportunities for Russian influence. However, EU's possibility to combine military and civilian instruments in crisis management has so far failed to impress Moscow. Such high hopes on CSDP were most probably founded on a rather pure understanding on how the EU and its instruments work in general. Very soon, Moscow also became aware that Brussels has no intention to invite it to participate in crisis management missions on an equal footing. It is unimaginable that an EU commander would be overjoyed with sharing his command with a Russian general (Pallin in Russian Foreign Policy Review 2008).

We can conclude that Russia's armed forces play a substantially different role than the armed forces of EU states. While the military is seen in most of the

European states as a part of the state's apparatus, without to much symbolism, in Russia it represents an icon of national unity and great power. However the biggest difference between now days and the Soviet era is the influence that the army officers have on foreign policy formation. Despite the Kremlin's growing emphasis on Russia as a military power, the army is successfully converted into a tool of the political leadership, without much possibility to influence any decisions. Through the example of NATO bombings of the Milošević's Serbia in 1999, Russia has become aware how difficult it is to use the possession of nuclear arms as a foreign policy tool. Despite all the warnings and threats sent from Moscow, the bombing campaign continued for three months. With the raise of gas prices and consequently Russian newly established economic power, its military might does not have to be used as an isolated instrument of foreign policy. In the last few years Kremlin has effectively proved that it is ready and capable to use all of the means at its disposal to coerce disobedient neighbours to meet their demands. Gas crisis with Ukraine (which eventually lead to the change of country's leadership) and the military intervention in Georgia are the most recent examples of the scope of possibilities and means that Russia is ready to use in its foreign policy towards the CIS and even the West.

4. Case study: Transnistria conflict

4.1 History of the separatist conflict

History and Geography were of the biggest importance in the creation of the Transnistria conflict in Moldova. Transnistria is a region between the river Dniester and the Ukrainian border, which historically, apart from the Second World War occupation, has never been a part of Romania. While the other Moldovan region – Bessarabia, predominantly inhabited by ethnic Romanians, was acquired by Russia from the Ottoman Empire in the 19th century, broke away during the Russian civil war and joined Romania in 1919 to be again returned to Moscow through the Molotov-Ribbentrop Pact in 1940. In 1924, the then Soviet Union created the Moldovan Autonomous Socialist Republic (ASR), encompassing modern day Transnistria, and some parts of Ukraine inside the Ukrainian Soviet Socialist Republic. To emphasize the claims on Bessarabian Moldova, in 1940, the region was incorporated into the newly created Moldovan Soviet Socialist Republic (SSR), together with modern day Transnistria, excluding part of the Moldovan ASSR incorporated into Ukraine (Kuchler 2008, 31-33).

Although Moldova declared independence in August 1991, it faced challenges from Transnistrian separatists since 1989. When the government of Moldova passed a law which made Romanian a state language and Latin alphabet (replacing Cyrillic) the official one, the Russian speaking minorities³² felt threatened and feared that such reform is a first step towards the country's unification with Romania. What started as a strike of Russian and Ukrainian workers, eventually led to a full fledged separatist movement (Jackson 2003, 82).

In 1990, leaders of Transnistria proclaimed the "Pridnestrovian Moldavian Soviet Socialist Republic" to be a separate part of the USSR. By doing so, they were

³² According to the 1989 census, Ukrainians and Russians composed 14% and 13% of the whole Moldova population (Kuchler 2008, 34).

hoping to stay together with the Soviet Union after the expected Moldovan independence or unification with Romania. When Moldova declared its independence on 27 August 1991, Transnistria rejected Moldovan sovereignty and declared its independence under the name “Pridnestrovian Moldavian Republic” (PMR).

The tensions and sporadic clashes between the government and PMR supporters soon escalated into an armed conflict lasting from March to June 1992. The biggest clashes occurred when the PMR paramilitary formations, with the support of the Russian 14th army, crossed the Dniester river and tried to capture the town of Bendery. With the support of the Russian army, the separatists have soon taken control of the city, as well as a few surrounding villages on the right bank of the Dniester. The July ceasefire agreement created a multilateral peacekeeping force and in effect enabled Transnistria to reach its de facto independence (Jackson 2003, 83).

Even before the outbreak of hostilities, in March 1992, CIS countries signed a declaration stressing Moldova’s territorial integrity. After the first month of fighting, Moldova, Russia, Romania and Ukraine set up a quadripartite commission to implement the signed ceasefire. After the fighting continued, with the Russian 14th army taking an active stance on the side of the separatist’s, the new ceasefire agreement was signed between Russia and Moldova! A tripartite Commission of control was also created by Russia, Moldova and Transnistria. The next years saw involvement from the Organization for Security and Cooperation in Europe (OSCE) which tried to make the two sides reach a long lasting solution for the dispute.

Although the Moldovan parliament approved Transnistrian autonomy, the break-away region keeps insisting on its statehood. All future negotiations and even the agreement on confidence building measures and contacts between Moldova and Transnistria signed in Odessa in 1998 were characterized by different interpretation by the two sides. Transnistrian authorities saw each one of them as another proof that the region is independent, and as such is trying to build good relations with its neighbors (Moldova is seen as one). At the same time, the

Moldovan authorities are hoping to settle the conflict and reintegrate the region by solving the open issues step by step until a point on which a stable and long lasting political solution could be reached. The last attempt of reaching such solution was the so called “Kozak memorandum” proposed by Dmitry Kozak, Vladimir Putin’s counselor. The proposal was to create an asymmetric federation, with Moldova holding the major part. Although Transnistria would be a minor part of the federation it would be granted with a veto power over future constitutional changes. Since such an agreement could effectively mean future interference of Russia, through its Transnistrian allies into domestic and foreign affairs of Moldova, it was refused by Moldovan president Vladimir Voronin.

Up to date, the military conflict was never renewed, while the negotiations reached a point of sclerosis and stagnation. Currently, the negotiations are held in a so called 5 (Moldova, Russia, Ukraine, Transnistria and OSCE) + 2 (EU, USA) format, with the latter two having a status of an observer. Although talks of limited scope were held on EU-Russia summits in the past few years, apart from the good wishes and hopes for long lasting solutions, very little has been done in the field.

4.2 Role of the Russian Federation

The first year of Russian independence was characterized by the political conclusion that Russia should turn inward, within its new international borders and get out of all the former USSR republics, openly renouncing any special interests in the post Soviet space. As Ticu (2008, 161) argues it was the events in Moldova in 1992, that pushed Russia out of their inward looking policy. The reason for such a change of stance was the involvement of ethnic Russians into military action. The war in Moldova soon triggered a debate within the government circles about Russia’s geopolitical interests in its near abroad.

The debate about Russian interests in Moldova and its separatist conflict focused on four intertwined points: the need to prevent Moldova's reunification with Romania; the protection of Moldova's ethnic Russians and Russian speaking peoples; continuation of Russian military presence in the region; and the preservation of Russia's economic ties with the region (Jackson 2003, 84).

Russian fears about Moldova's reunification with Romania have proved to be exaggerated. After the pro-Romanian candidates lost the first free post-communist elections in February 1994, another blow to unification was the March referendum on which the majority of the voters chose Moldova to be an independent and sovereign country. Connected with the first argument for Russian intervention was the protection of Russian speaking minorities. Although this commonly used argument for Russian intervention in its neighborhood was the most often quoted one in Transnistria dispute as well, it remained unclear how this could be achieved by siding with a separatist region in which only 27% (153.400) of country's ethnic Russians are living (Jackson 88, 2003). Therefore it is obvious that the "Romanian card" was used for mobilization of Russian public to support the independence of Transnistria. Since the Russian Duma declared Transnistria to be an area of strategic interest (March 1999) the most significant objective became clearly declared. This so became another example of the use of the military as a very important foreign policy factor. After the Russian influence in the region, due to its political and economical weakening, diminished, the only instrument left at disposal for securing a close relationship with Moldova was the Russian military. As Yeltsin wrote in his biography: *"It was my deliberate policy to keep conflicts in check. I tried to put a brake to them."* (Yeltsin 2000). Long lasting solution of the conflict would thus mean the retreat of the Russian army and inevitable loss of influence in the region. The Moldovan conflict can thus be seen as a form of experiment to see if the influence in the territory of the former Soviet Union can be kept by using military means. Unfortunately, such logic proved to be correct. The application of the Roman "divide et impera" logic through withholding the resolution of the conflict by promising support to both sides (in this case Smirnov and Voronin in times of federalization proposals) has proven to be effective enough to stop any long lasting solution for more than 20 years. However, one

must notice that, when observing the foreign policy approach towards Moldova (as well as other frozen conflicts in the Southern Caucasus), Moscow masks its interests under the notion of peacekeeping missions and interventions on humanitarian grounds. In the Transnistrian conflict it even tried to get an official mandate from the UN for its peacekeeping mission. The official explanation rejection of such a demand illustrates the reality more than well – Peace keeping missions exercised by a side in conflict are against UN principles.

Using the military as an instrument of foreign policy is also typically following the use of another important way of establishing Russian influence in the CIS countries. Since the protection of Russian citizens is expressed as one of the key points in all the foreign policy documents and strategies, the usage of such principle can be the main argument for eternal prolongation of Moscow's military presence in the region. Due to the fact that numerous members of the former 14th Army transferred themselves to the Transnistrian army units, married the locals and even own a substantial amount of property, the social intertwining between the local population and Russians coming from Russia is substantial. If we include the ties between the local man in power and Russian political elites, it becomes more than obvious that the last stage of influence establishment – distribution of Russian citizenship to a substantial amount of population, becomes just a matter of formality. As it has already been proven in the August 2008 Georgia war, Russian leaders will not hesitate to justify their military actions with the notion of protecting their citizens abroad.

Russia's policy towards the secessionist entity in Moldova (and Georgia until 2008 war) is marked by an official recognition of the territorial integrity of the country and a practical support for many demands of the separatist side. The support for Transnistria is often showed even in the international arena. One of such examples is blocking the adoption of three annual OSCE ministerial councils (2003, 2004 and 2005) about conflicts in Georgia and Moldova, as well as a retreat of the Russian troops from the separatist regions. Apart from the political support (including providing experts for position in the government and ministries), Russia also plays a key role in the economic sustainability of the

separatist region. Best Transnistrian comparative advantage is thus based on enormous subsidies for its industry. One of such examples is the 1 billion dollar debt to Gazprom. Since Russia is a state where business and state are closely intertwined, the authorities put forward Russian businessmen to take part in investments without economic sense that serve as a sign of support for the secessionist entity (Popescu 2006, 4-7).

4.3 Role of the EU

The EU turned its closer attention to Moldova and its separatist conflict only after the 2004 big enlargement to ten new, member countries. The first time the EU participated officially in efforts to find a solution to the Transnistrian conflict was during 2003 when the then president Voronin invited the Union to be an observer providing expert advice in the Joint Constitutional Commission. During the same year, first concrete actions regarding the conflict were made: visa ban for the Transnistrian leadership and EU's advice to the Moldovan government not to accept the so called Kozak-plan for federalization as a solution to the conflict. As a precondition for a more effective EU involvement in the Transnistria issue, the Union appointed its Special Representative for Moldova in 2005. His clearly stated task was to strengthen EU contribution to the resolution of the conflict (Mirmanova 2010, 22). In the same year the European Border Assistance Mission (EUBAM) was set up as the answer to joint Moldovan and Ukrainian calls for assistance with customs procedures on the Moldova-Ukraine border, controlled by the separatist regime. Although a prominent position was given to the frozen conflicts in a Black Sea Synergy initiative from 2007, few actions aimed at resolution process. The 5+2 initiative in which the EU is taking place has been deadlocked for several years due to the divergence of interests between East and West.

Kuchler (2008) argues that, due to its position of an only non-compromised actor in the region, the EU should establish a new format of negotiation among the disputed parties. Since such a solution would be hardly acceptable for the Transnistrian regime which sees the EU as an intruder and Russia as its supporter, other means are more likely to be used. A long and hard (but most probably effective) path to follow would be to gradually create such conditions on the ground that would lead to a situation shift. The EU is already engaged in such actions, mainly in various forms of assistance to the Moldovan government and negative feedback mechanisms for Transnistria.

The negative feedback side was aimed at Transnistrian officials, through an imposition of visa ban, aimed at forcing the separatist leaders to take a more constructive stance for personal reasons. Despite the further extension of the ban to even low ranking officials after the closure of Latin script Moldovan schools in 2004 no real results were made. Due to the fact that the status quo in the conflict benefits most of the Transnistrian elite (both business and political) which is much more interested for cooperation with Russia than the EU, taking away their commodity to travel to Europe is unlikely to persuade them to change their stance towards the resolution process.

Although some academics and researchers (Vahl 2005) argued that establishing better control and thus cutting of smuggling routes which are fueling Transnistrian economy, could effectively bring an end to the regime, the reality proved to be different. After the establishment of the European Border Assistance Mission to Moldova (EUBAM) in 2005 it became clear that its relatively limited scope, in combination with the continuing Russian support of the regime, made it impossible to cut off all of the illicit routes. More importantly that particular example showed that technical assistance measures could not be a tool for a speedy resolution of a conflict.

The question of EU's engagement and conflict resolution process and efforts still remains. In the aftermath of the Lisbon Treaty and establishment of the EEAS,

new possibilities for a more effective European foreign policy open. It is more than clear that Moldovan leadership, due to its specific situation, dependence on both EU and Russia is not managing to become a strong actor capable of resolving the conflict on its own. When comparing the frozen conflict in Moldova with the one in Georgia, it is possible to conclude that the Kishinev leaders are in advantage in comparison to their colleagues in Tbilisi. Although Georgia can be considered a much stronger state than Moldova, its move towards establishing control over its internationally recognized borders by force failed on a full scale and led to further complications and even formal recognition of the break away regions from Russia and several other states (Nicaragua, Nauru, Vanuatu and Venezuela). In order to improve the situation, having in mind the Georgian case, both Moldova and EU should be aware that no long lasting and stable solution can be achieved without Russian consent. Since the status quo is considered to be the worst option and a military intervention by the central authorities in Moldova is absolutely excluded, the solution should be in ways of engaging with Transnistria. As Emerson, Noutcheva and Popescu (2007) argue, this could be done most effectively in engagement with the civil society and general public. Because the perception about the EU is not as hostile as towards the OSCE among government officials in Tiraspol there might be a chance for a good start. Although Transnistria is holding both parliamentary and presidential elections, its leadership has not changed since the end of the communist times. The solution to the problem of separatism may be solved through democratization of the society. If EU sponsored programs, aiming at young generations would be established across the region, political democratization might as well have a chance. Offering scholarships for studies and specializations in the EU might represent the push towards the solution of the conflict in the long run. Another part of the society that could be approached is the business sector. Transnistrian companies (quite well connected with the power holders) could be encouraged to apply pressure to the leadership by offering them access to EU funds and markets in return for cooperation (Kuchler 2008, 101).

However, we should have in mind that all the bargains, offers and reassurances must not be perceived as threatening towards the key player in the conflict – Russian Federation. Thus, all the possibilities for a stable solution must be negotiated and approved by the decision makers in Kremlin. The conflict in Transnistria should be solved in a wider EU-Russia framework, including negotiations about other opened questions. Although EU was much more concerned with the Arab Spring of Nations in 2011, the question of the shared neighbourhood is most likely to come on the agenda very soon. If EU wants to establish itself as a respected and reliable actor on the international scene, capable of mediating and offering solutions to much more complex conflicts in the Middle East or Africa, it should start by resolving the frozen conflicts in its nearest neighbourhood. Taking a unilateral stance towards the third actors and speaking with one voice are the preconditions for the EU to be respected and trusted from both Russia and Moldova. After the disappointing performance in the ex-Yugoslavia conflicts, confusing and non-coherent stance towards the revolutions in Arab countries it is time to consolidate the CFSP and establish itself on the international scene as a soft power capable of acting and solving problems in its neighbourhood. It is time for the EU to act and establish a positive precedence for other unresolved conflicts in the CIS and beyond. Achieving a solution to this relatively small conflict, negotiated with and acceptable to Russia should be seen as an opportunity for the freshly appointed Catherine Ashton to finally achieve a substantial foreign policy success and thus justify her disputed appointment to the position of the High Representative of the EU for Foreign Affairs and Security Policy.

4.4 Comparison of the two foreign policies in the field

After the last two waves of enlargement in 2004 and 2007, EU got closer to the separatist conflicts and European countries without a clear EU accession perspective. In order to fill the void in relations with the western CIS countries some new approaches were necessary. Since the enlargement policy has been considered as one of the most successful EU foreign policies, a situation where

the countries at the newly established frontiers are not considered to be eligible for membership was something that needed to be dealt with in order to secure a stable European periphery. A solution was found in the concept of creating a ring of friends with whom the Union will share everything but the institutions. The objective of bringing the targeted countries closer in a number of priority fields resulted in the creation of the European Neighbourhood Policy. The logic behind it was very simple – through a privileged partnership consisting of association agreements and specially created financial instruments the neighbouring countries are to be encouraged to gradually adopt the EU rules and norms. The described process was meant to be reinforced in the East by the creation of the Eastern Partnership which includes the three south Caucasus states, Moldova, Ukraine and Belarus (the latter one under condition of democratic reforms).

On the other side, the Russian Federation went through a tough process of political and economical transformation which left a mark on the formation of its foreign policy. After the first stage of retreat from the ex Soviet republics, Russian decision makers came to a conclusion that a sphere of influence should be maintained, no matter what the cost. Although the policies, its realizations and long term plans were not substantially elaborated, Russia started using the instruments at its disposal – army and energy dependency of its neighbours for achieving its goals. Through creation of various regional organizations – CIS; Eurasian Economic Community; and the Collective Security Treaty Organization, Russia tried to maintain its influence through institution making process. As the financial situation in the country improved, appetites started growing and culminated in the 2008 Georgia war. In all of its foreign policy documents since 2000, Russia emphasized its right to have a sphere of privileged interest among the ex Soviet republics. Through a confusing game of supporting both the territorial integrity of the former Soviet republics, combined with backing the separatist regimes and their leaders, Kremlin decision makers managed to successfully prevent both the EU and NATO from penetrating deeper into Russia's "near abroad".

When analyzing the two actors and their actions, EU is usually described as a soft power, attractive because of its economic might impersonated in a huge market of more than 500 million consumers. Russia is seen as a hard power, very weak in attracting other states into its sphere of influence (not due to its inability to do so, but due to its unattractiveness and no substantial advantages to offer) but ready to maneuver between the rules of international law and use “under the belt” punches (such as passportization of whole secessionist regions) to maintain its prestige. Although such reasoning is not far away from the truth, one must realize that Kremlin is in possession of a few “carrots” of its own – cheap energy; money transfers; and synergy between business and politics which makes investments against economical logic possible. However, there is a dimension of a Russian version soft power usage aimed at attracting and maintaining countries as Moldova in its sphere of influence. Although the first phase of Transnistria conflict included use of the military in belligerent purposes, the 14th army was soon turned into a peace keeping force. Today, almost twenty years after the war, Russian peace keepers are still in the country, effectively securing Transnistria’s de facto independence from Chisinau. By keeping such army units in countries thorn by separatist conflicts, Russia is actually using its version of soft power attraction. Moldova, having no other choice, saw good relations with Moscow as its only chance for resolving its frozen conflict. Vladimir Voronin, a communist leader won the elections in 2001 on the card of good relations and cooperation with Russia. One of his promises was reintegration of the country’s brake away part. Putin openly expressed his support for the new Moldova leadership and for a few years it seemed that there might be a solution on the horizon. The “Kozak Memorandum”, formulated in political circles very close to Vladimir Putin, proposed a loose federation with the Russian army in the country as a guarantee of peace. The Russian way combination of soft and hard power is very well visible on that particular case. By proposing a peace solution which would satisfy both parties, bringing Moldova’s central authorities strong Russian support, cheap energy and probably investments in its economy. On the other side Transnistrian regime would gain even more, its international isolation would be over; the leadership would keep its positions and get even the possibility to act in

international arena and influence (or block) Moldovan foreign policy. Since acceptance of such a proposal would effectively mean that Moscow would have its representative in the loose Moldovan federation Vladimir Voronin refused the memorandum (acting in accordance to the advice coming from the EU). Since than, relations between Moldova and Russia have gone from bad to worse.

By giving pensions and offering political, economic and technical assistance to the separatist regimes under the justification of humanitarian concerns, Russia is effectively keeping those entities alive. On the other side, not even the central authorities are totally striped of Russian assistance. It is necessary to point out that Russia is not favoring Transnistria only because its leadership and inhabitants are mostly Russian speaking people, it is the possibility to control the whole of Moldova by preventing any sustainable solution from happening that makes Moscow to pursue its policies. Since it is more than clear that the EU will not accept a country with Russian army and a non resolved conflict on its soil into its membership, the Moldovan leadership has no other choice but to collaborate with Kremlin. The same way of controlling the country was tried in Georgia, which under the president Eduard Shevardnadze joined the CIS and accepted Russian bases on its territory in hopes of gaining Russian support for the resolution of the separatist conflicts. But as Ticu (2008) and Popescu (2006) argue, all of the reconciliation plans coming from Moscow always included formation of loose federation states with weak central authorities, whose existence and stability would be dependent on a foreign guarantor – Russian Federation. Although the EU did not yet offer any concrete plans of its own it advised Moldova to refuse plans which would involve permanent and institutionalized Russian influence in its domestic and foreign affairs.

The general impression is that the EU can not find any solutions or even interest for a more involved stance regarding Eastern European countries. Their problems, dependency on Russia, inner political divisions and secessionist conflicts just seem to be too much to tackle with. Although some of the new member countries (Poland) are welcoming and often publicly supporting the ENP as a first step

towards the membership perspectives of the eastern neighbours (especially Ukraine), both Germany and France seem to be opposed or at least disinterested. Although there are some positive moves such as attempts of civil society building and empowering, in order to initiate the changes of society from below, the ENP and the EaP did not bring the targeted countries any closer to the Union. After the 2010 elections in Ukraine the country took a Russia-turn again. As Andrew Rettman (2010) argued much of the fault for that lays on the Union, its inertia and reserved policies. Cooperation with Belarus is currently at a hold, due to the lack of democratic reforms, while there has been no substantial advancement in relations with the three South Caucasus republics. Moldova, whose leadership is openly expressing EU integration as a country's goal is left without a clear signal or membership perspective possibility from Brussels.

The Eastern European paradox is that Russia, who is much more interested in attracting the countries from its "near abroad" into its sphere of interests is constantly losing grounds, being dangerously alone and without allies on its quest for power. However, lack of allies, norms and attractiveness that would hitch up other countries in its orbit of influence is not an obstacle of controlling EU and NATO aspirations of the neighbours as long as separatist conflicts, authoritarian rulers and inner division are supported and emphasized. On the other hand EU, which apart on a declaratory basis, does not show any real interest for more involvement in the region still attracts the EaP countries by its prospects of prosperity and development.

In the globalized world of today, where criminal, terrorist groups and other destabilizing factors do not see state borders as an obstacle it is crucial for the safety and prosperity of the EU people to start solving the frozen conflict in Moldova. Although the Russian fear of Moldova uniting with Romania proved to be illusionary, many Moldovans are asking for, or already have a Romanian citizenship. If the trend continues the uniting of two populations may occur without the formal conjunction of the two states. Due to the problems of arms smuggling from Transnistria and smuggling of human beings from the whole

territory of Moldova into the EU, it is crucial for the EU to get more involved into stabilization of the European poorest country. Russia's quest for greatness also inevitably goes through its neighbourhood. Establishment of the lost prestige is decided to start through strengthening relations and influence over the former Soviet republics between the EU and Russian Federation. Interestingly enough, at the same time the EU and its newly established EEAS can not be considered a reliable and influential player in crisis management in the Middle East or Africa unless it is able to resolve crisis in its own backyard. Paradoxically enough, impersonation of influence and power in the international arena for both the EU and Russia leads through solving problems and influencing crisis resolution in small and for most of the public unimportant countries as Moldova.

5. Conclusion

After the analysis of the two foreign policy concepts, documents and articles describing them, it is more than clear how much they differentiate in all of their aspects. The fact of Russia being a federation with a very strong and authoritarian government and EU being a sui generis organization of European states has a huge influence on foreign policy making and its exercising in the field. The complex decision making processes, diversity of interests inside the EU and the freshly strengthen and established foreign policy mechanisms are the main characteristics defining the Union's capacity to act in the foreign policy domain. On the other side, Russian Federation decision making is quite simple and straight, there exists only one interest, defined by the head of state and his inner political circle. Although the norms formulating the Russian foreign policy can be considered confusing: respect of sovereignty – intervention in other state's domestic affairs; territorial integrity – recognition of South Ossetia and Abkhazia; primacy of international law – exploitation of its norms, its goals are quite clear and manifestly stated in all of the quoted foreign policy documents. The primary and most important goal is to establish Russia as one of the poles in the post-cold war system of international relations, with its privileged sphere of interests and influence. However in lack of attraction potential, Russia has to rely on hard measures such as military interventions, support and financing of the suitable candidates on elections or simply by supporting indefinitely separatist regimes that secure its influence on countries involved. As Dmitri Trenin (2009) would argue, Russia established its sphere of interests but it still did not manage to establish its influence. EU foreign policy objectives, on the other hand, have absolutely nothing to do with the establishment of the sphere of influence or privileged interests. As already described in the first chapter, main goals of the CFSP are strengthening the EU security, promoting its norms and values as well as consolidating democracy rule of law and respect for fundamental freedoms and human rights. EU's attraction is not in coercive measures or threats to its neighbours, it is simply the prospect of prosperity and development that attracts

other states to its orbit. The main and most terrifying coercive measure used so far by the Union in relations to its neighbours is the menace of not allowing them to join or cooperate with the world's most successful and exclusive, integration club. Therefore, I can conclude that it is not EU's direct measures and sanctions that make a difference in the neighbourhood. It is the prospect of possible integration (a partial one included) that makes the neighbouring countries to push for political and economic reforms. The EU has thus achieved by methods of soft power and without a special effort towards the quest of greatness what Russia is not able to do with its hard power exercised through a combination of highly skilled and coordinated foreign policy tools and instruments. Hence, the conclusion is that EU is a soft power with very scarce possibilities and will of hard power acting while Russia can be considered a hard power with some soft aspects (subsidies, gas and oil prices).

Unfortunately for the central government in Chisinau, highly attracted to the EU sphere, the solution of the conflict is by no means possible without pleasing the Russian interests. Russia has successfully managed to block any possibilities of Moldova's integration into the EU as long as there is an unresolved conflict on its territory. The future prospects or possible solution do not indicate that even if the secessionist authorities in Tiraspol agree to integrate in a common state Moldova's problems will be solved. The last proposal – "Kozak Memorandum" actually represented an attempt of strengthening Igor Smirnov's³³ regime through incorporation of its political bodies into the Moldovan political system while maintaining absolute autonomy and possibility to block any changes of country's constitution. Russia's influence would thus be formalized through proclaiming it a foreign guarantee of the countries system and integrity, and with its troops remaining on Moldovan soil for an undefined period of time. Even if the EU would have a more consolidated foreign policy, capable of conducting complex and even coercive measures in its neighbourhood, there is absolutely no possibility of reaching any kind of long lasting solution without Moscow's consent. The solution to the Transnistrian problem thus lies in negotiations with

³³ President of the self proclaimed and internationally unrecognized Pridnestrovian Moldovan Republic - Transnistria. In position since 1990.

Moscow, and only a strong backing from all the member states for the EEAS and CFSP can really make a difference. The EU's possibilities in resolving the Transnistrian conflict are therefore limited by a third actor, but consolidation and strengthening of its foreign policy could most definitely open up new possibilities to act towards its resolution.

The recent events in Georgia have proven that Russia will not tolerate any provocations or questioning of its position in the region. Through the politics of "passportization" and placements of its "peace keepers" on the borders of secessionist regions, Moscow is establishing all the necessary preconditions for military interventions in cases of any future challenges aiming at establishing control over the separatist territories. Since any attempts to establish control over the secessionist regions includes attack on the Russian citizens and peace keepers, the preconditions for a "justified" military intervention are set and therefore, Russia will not hesitate to act if considered necessary. By using all the mentioned instruments, with huge potential possibilities, Russia is maintaining the status quo in the Transnistrian conflict. Doing so, it effectively keeps the country in its grip. Probably even more importantly for Moscow, recognition of South Ossetia and Abkhazia has successfully blocked all the possibilities for Georgia to join the NATO. Therefore, I can conclude that maintaining the status quo (or even deepening the division by recognizing separatist entities) is a conscious action aimed at realizing the establishment of the privileged sphere of interests and influence.

A long term solution, aimed at establishing long lasting peace and stabile states in Eastern Europe is only possible if the two major actors – Russian Federation and the EU reach a consent regarding the crucial issues. In order for the cooperation to develop and evolve, pragmatic solutions should be sought. The differences between the two entities are enormous and the best way of dealing with it is to recognize them without trying to influence the others way of political governance. Only if the EU and Russia concentrate on issues which do not separate them, stabile and predictable relations can be developed. Cooperation in many areas includes only technical matter that certainly bring only benefits to both sides. In a

situation of mutual dependence both of the actors are more than aware how much is smooth cooperation necessary for achieving mutual benefits. The European integrations process has proven the possibilities and potentials of the spill over effect, leading to more and more fields of cooperation between EU member states, so why EU and Russia should not start by cooperating in the scope of temporary possibilities? Such a process, followed by inevitable raise of mutual trust may as well one day lead to an agreement about a long lasting solution of the Transnistrian and other frozen conflicts in Eastern Europe.

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