



The EU-Russia-US Triangle

Michael Emerson

1. Styling the triangle

All configurations of the EU-Russia-US triangle merit examination, in the evolving relationships between the three parties. Beyond the three bilateral relationships and a cooperative trilateral there can be three special bilateral alliances, whose subject of interest would be the third party.

- *Three 'pure' bilaterals*
 - *EU-Russia*
 - *EU-US*
 - *Russia-US*
- *Cooperative trilateral*
- *Three bilateral alliances, where the third party is the subject of interest*
 - *EU-US alliance vis-à-vis Russia*
 - *EU-Russia alliance vis-à-vis the US*
 - *Russia-US alliance vis-à-vis the EU*

Let us put a bit of flesh and blood on this taxonomic skeleton.

Almost immediately after the end of the Soviet Union, the EU-Russia bilateral agenda became substantial and extensive, at least compared to the zero regime with the Soviet Union, and the present paper will give most attention to this. However there is still a search process going on to work out what this relationship is really to become, with some grand but vague ideas floating around such as for a number of common European policy spaces, or *Bolshaya Evropa* (la Grande Europe), without these taking real shape as of now.

The EU-US bilateral, while complex and growing in importance, is still quite thin compared to the individual bilaterals between the EU member states and the US. Indeed treating the EU itself as a bloc is only partly valid. The most important transatlantic cooperation has been embedded multilaterally, be it in the WTO for trade, and NATO for strategic security. The larger part of the EU-US agenda now seems to be over how to act in relation to the rest of the world.

The Russia-US bilateral also has a widening agenda, for example for energy, whereas the core of this

bilateral used to be in strategic arms limitation and nuclear proliferation concerns.

A cooperative concept between all three parties is represented by the G8 process, and can be manifest in the three parties cooperating in the UN Security Council. It is also represented by the OSCE, which however seems to be a half dead organization these days.

The sensitive part of our story lies in the set of three possible bilateral alliances, whose purpose is defined in relation to the third party, i.e. to ally in order push, persuade or constrain the third party into a position advocated by the two allies.

Of course the EU-US alliance to constrain Russia is now only a pale shadow of the Cold War of the Soviet period. However the semantics and mind-set of the Cold War keep on surfacing still in a mild way, notably over the post-Soviet space, called its near abroad by Russia. Russia's efforts to reassert a dominating position there stimulates the EU-US alliance in return, as seen in the last year over Moldova and Georgia.

An EU-Russian alliance to constrain the US was until recently an empty category, and even an unthinkable one for many diplomats. However President Bush has gone a long way towards changing this through his initially strident unilateralism, then his decision to go to war in Iraq and more recently the conduct of the war. Of course the EU itself was deeply divided over Iraq and had no formal position at all. But this has been changing as events have unfolded, with France and Germany's alliance with Russia in the UN gaining increasing support in the EU (most dramatically with Zapatero's defection from the Iraq coalition), backed by a united public opinion (with the UK here included).



Michael Emerson is a Senior Research Fellow at CEPS where he heads the Wider Europe research programme. He is former EU ambassador to Russia.

This paper was first presented at a pre-summit symposium organised by the German Marshall Fund of the United States on The United States and the European Union: New Challenges and Opportunities in the 21st Century in Dublin, 13-14 June 2004.

2 | Michael Emerson

A Russian-US alliance to constrain the EU remains a virtually empty category so far, because the EU does nothing much that unifies the other two in opposition to it. However there have been some hints in this direction, like the way in which Presidents Bush and Putin have made common cause over the war on terror, to the point of agreeing to equate Chechnya and al-Qaeda at the level of public discourse. Implicitly this was, for Putin, to constrain criticism of Russia over Chechnya in international public opinion led by the EU. But the Iraq story has prevented a clear logic emerging here.

The scene is now set for the bulk of this paper, which focuses first of the EU-Russia bilateral. It then takes up issues of the increasingly 'variable geometry' of the triangular relationship. It is discussed whether we may be seeing the emergence of a new self-equilibrating implicit system among these three main western partners.

2. The EU-Russia bilateral

Russia and the EU talk in their summit communiqués about their strategic partnership, but it seems more like an awkward partnership. The relationship is not that bad, certainly not life threatening. But it is not that good either.

There is the inevitability of a complex relationship, given proximity and massive complementarity in trade, yet there are huge differences in how the two parties view Europe and the world, and how they behave internationally.

The complementarity factor in trade and life style services is a bedrock that binds both parties into a stable relationship at a primary level. Russia exports oil, gas and other energy intensive materials, which the EU buys in exchange for smart manufactured goods, holidays and secondary residences in the sun for the new Russian middle classes. Young Russians want a normal place in the modern world, both Western and European. All of this is positive, fundamental and durable. It makes a huge change for the better after the dreary decades of ideological hostilities and deadly strategic security threats.

As foreign policy actors the pair are totally different animals. The EU is a vegetarian elephant, Russia the bear that still cannot resist at times growling out of bad humour, and intimidating smaller neighbours. Russia has lost much of its former empire, yet with growing self-confidence and oil wealth it tries to regain ground. The EU sees its quasi empire growing, almost out of control. The EU is seen as normatively attractive in international relations, but is still more of a framework organisation than a foreign policy actor, and still lacking in discipline as a single force. Russia under Putin has become a much more coherent presence in international relations after the chaotic Yeltsin period, yet it often lacks normative attractiveness for its neighbours. The overlapping 'near abroads' become an increasingly delicate matter. The EU's new European Neighbourhood Policy targets Belarus, Ukraine, Moldova and the South Caucasus states. Turkey, whose EU candidacy now becomes a major agenda item, regards both the South Caucasus and Central Asia as its near abroad.

The European Commission published in February 2004 a remarkably frank document on the state of the EU-Russian relationship, containing much internal self-criticism of the EU as well as complaints directed at Russia¹. For its part Russia has focused on a list of fourteen complaints in relation to EU enlargement.

The EU's self-criticisms. The recent Commission document comes in the aftermath of Berlusconi's EU presidency at the summit with Russia in November 2003, which was hugely embarrassing. Berlusconi improvised, clowning at the press conference as Putin's self-appointed advocate, clearing him of any criticism over either Chechnya or the Khodorkovsky affair. Earlier Berlusconi had been making speeches advocating Russia's accession to the EU. But for the rest of the EU this was no joke, either on form or substance. On form the EU was revealing its incoherence at top political level, coming after the searing split over Iraq earlier in the year. On substance there was an apparent erosion of the EU's priority attachment to fundamental political values.

Even leaving aside the ephemeral frivolities of the Berlusconi presidency there is apparently for President Putin a problem of understanding how the EU works. The story is told of a fairly recent meeting between Putin and the leader of a small EU state that has traditionally a strong relationship of trust with Russia. At this bilateral meeting Putin asked why was it that he found the EU institutions so difficult to deal with, compared to his bilateral relationships with many EU leaders. The reply was that Putin should not be surprised, since the member state leaders were so often inclined to make vague and friendly promises for things for which they no longer had competence at the bilateral level (e.g. visas and trade).

The Commission's document spoke about the need to "clearly draw 'red lines' for the EU, positions beyond which the EU will not go". Various other phrases repeated the same idea: e.g. "to discuss frankly Russian practices that run counter to universal and European values", "the need for increased coordination and coherence across all areas of EU activity – sending clear, unambiguous messages to Russia".

The self-criticisms are all the more justified, since over Russia there is a basic commonality of interest among the member states of the EU. The chances of the EU improving the coherence of its policy over Russia should therefore be quite good, and the institutional improvements of the proposed constitution, with appointment of an EU foreign minister, could be especially useful, given the latent unity of EU interests.

Moscow's policy. What is Russia's foreign policy, in particular towards Europe? The official answer of former Foreign Minister Ivanov was to stress the objective of creating a genuinely strategic partnership, which should not

¹ 'Communication of the Commission to the Council and European Parliament on relations with Russia', COM(2004)106, 9 February 2004 available at www.europa.eu.int.

be impaired by various outstanding problems, nor divert attention from the long-term strategic objectives.

Independent analysts have the task of decoding or commenting on these official positions, which is done from a Russian standpoint by Dmitri Trenin (see extracts from his recent article quoted in Box 1). Trenin sees a form of 21st century Realpolitik, rather than a values-driven strategy, and a foreseeable concentration of effort on the near abroad ('Operation CIS'), which in his view will mean growing competition with the European Union. For the US the system will be one of 'limited partnership and local rivalry'.

Box 1. Remarks by Dmitri Trenin on Moscow's Realpolitik

Relations with the West not an ideological imperative, but an external resource for economic modernization.

Elite thinks in terms of a 21st century Realpolitik as a combination of geopolitics and geoeconomics with military might thrown in for good measure. Ideological preferences of governments and values of societies do not play a decisive role.

'Integration' implies promoting contacts with the international community in general, not absorption by one part of it. Membership of the European Union is out of the question. Russian-European relations are mostly restricted to trade and economic contacts and political debates over human rights and civil liberties.

The Kremlin has made up its mind with regard to the United States: limited partnership and local rivalry.

Russia accepts the need for self-restriction and concentration on vital interests. The major objective in the near future will come down to rearranging post-Soviet territory and establishing a center of power under Russia's aegis. This new strategy may be called 'Operation CIS'.

Expansion of Russian capital into the former Soviet republics and Russia's transformation into an economic magnet as major factor in establishing the new center of power. Establishing a common economic zone and a regional security framework with some former Soviet republics as a strategy for the next 20-25 years.

All CIS countries will retain their sovereignty (Belarus maybe the exception). Ukraine, Moldova, Belarus, and countries of the southern Caucasus are "nearby foreign countries" for the European Union. Russia's active policy in the CIS will result in direct rivalry with the European Union over the future of these countries.

Establishing a Russian centre of power will mean some serious sorting out of issues with the United States and the European Union. It will not be easy, but Russian leaders must prevent a confrontation with the West at all costs. Russia itself should be Russia's number one concern in the 21st century. That means modernization of Russia".

Source: Extracts from article in the Nezavisimaya Gazeta, 9 February 2004, full English translation available at www.carnegie.ru.

namely a strategic bilateral partnership with the EU and Russia's objective for re-integration of the CIS area². He goes on to criticise the EU's Wider Europe policy, which is seeking to deepen the EU's relationship with Ukraine and Moldova. He is therefore confirming Trenin's point about a competition in the overlapping near abroad.

Ivan D. Ivanov, former Deputy Foreign Minister, has provided another succinct but maybe classic statement of Russia's view of itself as a Great Power, and why this limits the perspectives for its relations with the EU (see Box 2).

Box 2. Ivan. D. Ivanov on Russia in Europe

"Our country is not in need of affiliation with the EU. This would entail loss of its unique Euro-Asian specifics, the role of the center of attraction of the re-integration of the CIS, independence in foreign economic and defense policies, and complete restructuring (once more) of all Russian statehood based on the requirements of the European Union. Finally, great powers (and it is too soon to abandon calling ourselves such) do not dissolve in integration unions – they create them around themselves".

Source: Covremennaya Evropa, Institut Ebropi, 2001.

Partnership, cooperation and common European policy spaces. The official relations between the EU and Russia are governed by the Partnership and Cooperation Agreement (PCA) signed by President Yeltsin in Corfu with EU leaders in June 1994. This provides for very wide-ranging cooperation, especially in economic domains.

An important institutional provision is the half-yearly summit meetings at the level of the President of Russia with the Presidents of the EU Council and Commission. A striking development under President Putin is that these meetings have become the occasion to set the agenda with important objectives and review work in progress, compared to the earlier meetings with Yeltsin, which were insubstantial.

One ambitious idea in the PCA was to envisage free trade between the EU and Russia, but this is not taken seriously by either party for the time being, and is subordinated in any case to prior accession of Russia to the World Trade Organisation (WTO). After years of negotiations the European Commission and Russia made an agreement over the terms of Russia's accession in May 2004 (Box 3). These negotiations threw up three major issues. First is the level of Russian import tariffs that become binding upon WTO accession, with an average of 7.6% for industrial products. Second are rules for some key service sectors (notably banking), where the level of agreement seems fuzzy still. Third is the level of domestic energy prices in Russia, especially for industrial uses of gas, where it was agreed that the price should be doubled from by 2010, while remaining substantially lower than the world market price. The agreement so far is only a bilateral understanding between the EU and Russia, with other

² Russian Mission to the EU, press release no. 32/03, 11 November 2003 – www.users.coditel.net/misruce.

Russian deputy foreign minister V.A. Chizhov, in a speech at a conference about the Wider Europe, is consistent in combining these two elements in Russian foreign policy,

4 | Michael Emerson

major trade partners still to have their say, before a multilateral agreement can be finalised with the WTO as a whole.

Box 3. Agreement on EU's conditions for Russia's accession to the WTO

Signed by Commissioner Pascal Lamy and Economics Minister German Gref, 21 May 2004.

The average tariff level will not exceed 7.6% for industrial goods, 11% for fisheries, and 13 % for agricultural products.

Russian gas prices to industrial users would be increased from the current \$27-28 to between \$37-42 by 2006 and \$49-57 by 2010.

In services Russia will be taking commitments in a large range of sectors including telecommunications, transport, financial services, postal and courier, construction, distribution, environmental, news agency and tourism.

Source: European Commission, www.europa.eu.int/comm/trade/issues/bilateral/countries/Russia/pr210504_en.htm

The domestic energy price issue in particular touches a very raw nerve in Russian politics. Russia argues that natural gas is a natural comparative advantage, just as is the sun for tourism in the Mediterranean. The argument has become very heated in Russian political circles, even to the point that the EU has been accused of wanting to cause social and political chaos in Russia. The argument of the economist is that this very low gas price keeps the Russian economy stuck with a structure of energy wasting and obsolete industrial technologies. It is also contributing to global warming, which the Kyoto protocol is intended to curb. With the Bush administration having already pulled the US out of Kyoto, Russian ratification became a necessary condition for Kyoto to enter into legally binding force. In May, after a period of open disagreements in Moscow, President Putin said that Russia does intend to ratify.

The EU and Russia have pursued many more issues in their energy dialogue since its inception at their Paris summit in October 2000. There has been one significant disappointment, with Russia declining in December 2003 to ratify the European Energy Charter' transit protocol, on the grounds that the European Commission had been trying to transfer the issue into the WTO legal environment. The transit protocol would introduce multilateral regulation of the gas and oil pipeline business, which is especially pertinent for complex cases where major pipelines cross many frontiers. Within Russia there are manifest differences of interest between Gazprom, which has been against this multilateral legal order since it would restrict its monopolistic position, and other energy sector interests that favour it. It is possible that the Russian side stands to lose most from a sub-optimal regime, failing to digest the fact that the economics and technology of liquefied natural gas (LNG) transport are improving fast, which means that the monopolistic position of Gazprom is eroding. For example possible investments by European companies in major Iranian offshore deposits are being considered, which would be based on LNG delivery systems. More generally

the world natural gas market is becoming more competitive and fluid. The EU also seeks Russian agreement for its pipeline system to be open for the transit of, for example gas from Kazakhstan, with direct dealings between buyer and seller. Here too President Putin has been somewhat conciliatory with the EU, saying that while the state will keep its control over the gas network, it will open it to other users (e.g. Kazakhstan). But these semi-agreements do not yet have precise and legally binding form. The Russian side may be criticised for yielding to short-sighted Gazprom lobbying³, and the EU side not trying hard enough to use the potential of the multilateral Energy Charter framework⁴.

A second summit initiative in May 2001 was to launch the idea of a 'Common European Economic Space' (CEES). The purpose of this seems to have been to find ways of preparing for deeper market integration pending resolution of the WTO accession negotiations. The two parties set up a high level group to produce a concept document, which they delivered in December 2003. But this turns out to be still a very sketchy contribution, without immediate operational implications. It did nothing to dissolve the mounting terminological and conceptual confusion in relation to the existing European Economic Area (EEA) that joins Norway and other EFTA states with the EU, or political confusion and potential contradiction with the Single Economic Space (SES), which Russia launched with Belarus, Kazakhstan and Ukraine at Yalta in mid-2003.

However the two parties seem still encouraged by the idea of creating further common policy spaces, and at St Petersburg in May 2003 they announced at summit level their commitment to developing three more spaces.

The first of these, for education, research and culture, has some substance already with Russian participation in existing EU-funded programmes, and surely deserves sustained support.

The second, for justice and home affairs, certainly also deserves a long-term effort, which is already engaged on matters of visas and readmission agreements. In the combating of organised crime the common interest of the EU and Russia to curb drugs is of huge importance, given that the production of opium in Afghanistan is now booming again. Heroin addiction is surely destroying many more lives in Europe than were lost on 11th September in New York, and for these drug problems the whole of Europe is in the same boat, with little protection from any official borders.

The third common space, for external security, seems devoid of substance so far, beyond the useful procedural initiative already decided at the Brussels summit in October 2001 of having the Russian ambassador to the EU meet the Troika of the EU Political and Security Committee for

³ See remarks of former Russian deputy energy minister, V. A. Milov, as reported in the Newsletter of the Energy Charter, Winter 2004, at www.encharter.org.

⁴ See remarks of Russian deputy prime minister Viktor Khristenko, as reported in the Newsletter of the Energy Charter, Winter 2004, at www.encharter.org.

briefings each month. One might expect that this common space for external security would see the EU and Russia really cooperating over conflict resolution in near abroad cases such as Moldova and Georgia, but this is far from being the case. The summit commitment here seems to fall into the category of an empty political gesture.

In 2002 Putin used the summit process to make a big push to get some results for Kaliningrad, before it became an EU enclave with Polish and Lithuanian accession. This delivered some results, with new procedures to facilitate transit of persons between Kaliningrad and mainland Russia, compared to the usual Schengen visa procedures⁵. There was also launched a study to create a new high speed, non-stop train link between Kaliningrad and mainland Russia. However more ambitious ideas from the Russian side to make of Kaliningrad a 'pilot region' for Russia's integration with the EU have not really advanced, either conceptually or in practice.

A continuing Russian priority is to enhance the institutionalisation of its relationship with the EU, alongside analogous developments with NATO, which has its 19+1 forum. The November 2003 summit decided to establish a Permanent Partnership Council (PPC), and this began in practice in April 2004 when President Prodi went to Moscow with five colleagues, members of the Commission responsible for trade, energy, transport, education, research and justice and home affairs: this was a very different and much more plausible 6+6 format, compared to the 25+1 requested by Russia. The EU side has been puzzled by the apparent Russian preference for such an unwieldy 25+1 format, which seems to be motivated by the desire to be having a dialogue 'within' the EU rather than 'with' it, and also represents a residual lack of understanding of how the EU functions.

EU enlargement. Russia devoted a lot of political energy in the last year to complaining over the unfavourable impact on it of EU enlargement. The list of 14 complaints were mostly trade policy consequences of enlargement. Russia sought to reinforce its arguments with the threat not to agree to the extension of the PCA to the enlarged EU, which the EU itself considered to be an automatic matter. If the PCA were not thus extended there would be a legal void in the basis for EU-Russian relations. Apart from making for a bad political atmosphere, this would have caused discontinuity in the half-yearly summit process and conceivably of some asymmetric trade preferences granted by the EU to Russia. On balance this bargaining stance seems not to have been too well conceived. It led to the EU foreign ministers on 23 February to "emphasise that the PCA has to be applied to the EU-25 without pre-condition or distinction by 1 May 2004. To do so would avoid a serious impact on EU-Russian relations in general". ... "The EU is open to discuss any of Russia's legitimate concerns over the impact of enlargement, but this shall remain

entirely separate from PCA extension".⁶ Russia's tactics were seen as bluffing. By May the two sides had sorted out the issues, and the PCA extension was duly signed.

Included in the list of Russian complaints is the situation of Russia-speaking communities in Latvia and Estonia, which are matters of member state rather than EU competence, and not directly affected by the enlargement process. Nonetheless the recent revision of the education-language law in Latvia has been generating a lot of tension, first of all in Latvia itself. There has been a worrying instability in the Latvian parliament's handling of this question, with extreme nationalist elements passing a very restrictive language law. Russian protests were in this case politically understandable, and the law was revised in a second reading. So here Russia had a point, even if Russian parliamentarians themselves do not always speak respectfully of the independence of the Baltic States. What seems sure is that this is all a passing problem, since the Russian minorities of the Baltic States face a future full of opportunities, as long as they do their foreign language homework. They will become EU citizens and so have full access to the EU for travel, residence and employment, yet they will be able to return to Russia if they wish, or to engage in EU-Russian business opportunities, and enjoy double nationality as well if they wish (e.g. Estonian or Latvian and Russian).

The Wider Europe. As the EU's enlargement approached, the 'new neighbours' became increasingly concerned. As already described the Russian reaction was to complain about specific impacts on it and to seek a deeper strategic partnership. However the other neighbours have responded in a quite different way, instead demanding the 'perspective' of long-term EU membership. This is most explicit in the cases of Ukraine, Moldova, Georgia and Armenia.

In reply the EU has offered now the outline of a European Neighbourhood Policy⁷, offering the perspective of increasing integration in many details, but excluding the perspective of full membership. The EU by its statutes recognises the eligibility of all European democracies to become member states. Yet it does not want to provoke more accession candidacies, since the task of digesting the move from 15 to 25 looks formidable. The EU is actually divided on the question of further enlargements, but the next real test case is going to be Turkey, not Ukraine.

However the strategic messages are getting highly confusing. The incentive effect of the new neighbourhood policy is seriously blunted by the refusal of the magic words 'perspective of EU membership' even in the long term. This could lead to unintended effects in relation to both Ukraine, where the alternative of a deeper re-integration with Russia is a political option, and Moldova

⁶ Conclusions of the Foreign Ministers' Council, 23 February 2004, 6294/04 (Presse 49).

⁷ European Commission, 'European Neighbourhood Policy – Strategy Paper', 12 May 2004. http://europa.eu.int/comm/world/enp/index_en.htm.

⁵ See Evgeny Vinokurov, "Kaliningrad's Borders and Transit to Mainland Russia - Practicalities and Remaining Bottlenecks", CEPS Commentary, February 2004, at www.ceps.be.

6 | Michael Emerson

after Romania's accession in a few years time, when the idea of Romanian-Moldovan re-unification might be reignited as the only way into Europe.

The EU and Russia are agreeing in principle to create several 'common European policy spaces', notably for economics, education and research, justice and home affairs and external security. This sounds like excellent building blocks for an all-inclusive Wider Europe policy that would minimise the new divisions of Europe between the enlarging EU and its neighbours. Yet if the EU-Russian common policy spaces are to become substantial they will necessarily have to tackle the issue of coherence with the relationships with the countries that lie in between them. This is patently obvious for such matters as transport and energy infrastructures, trade and market policies, any ambitious regime for the movement of persons and anything concerning common external security threats.

If one wanted to be serious about these common European policy spaces, it is not that difficult to design a framework for doing so. The elements are half assembled already, but not yet properly put together⁸. A total of seven common policy spaces is conceivable for (1) democracy and human rights, (2) education, research and culture, (3) trade and market policies, (4) macroeconomic and monetary affairs, (5) economic infrastructures and networks, (6) justice and home affairs, and (7) external security. There is a plethora of multilateral organisations concerned with this or that element, including the Council of Europe, OSCE, NATO, EBRD and several regional initiatives of direct interest to Russia (for the Baltic, Barents and Black seas). The essential question is whether there could be a political will to invest more seriously in a Wider Europe of common multilateral institutions, based on common political values and ground rules.

If Russia became a willing partner for such an endeavour it would mean giving some substance at last to the old ideas of Gorbachev for a Common European Home, or of Mitterrand for a European Confederation. There is indeed no shortage of noble language for strategic discourse on the Pan-European space (*Bolshaya Evropa, la Grande Europe, European Confederation, Greater Europe, Pan-Europe*⁹). But first and foremost would be the questions of strategic choice:

- Whether Russia is to continue trying first of all to consolidate the European CIS space, combined then with a bilateral duopoly with the enlarged EU over a Europe neatly divided into two quasi empires.
- Whether Russia will be able and willing to converge faster and more convincingly on Europe's basic political norms and values with a sustained performance translating into reputation.

⁸ As is proposed in some detail in M. Emerson, *The Wider Europe Matrix*, CEPS, 2004.

⁹ See the remarkable book of Richard Coudenhove-Kalergi, *Pan-Europe*, Alfred Knopf, New York, 1926, which deserves to be reprinted.

- Whether the EU would be willing to go beyond its very limited 'European Neighbourhood Policy' to invest in a much more substantial Greater Europe concept bringing together the enlarging EU and all the European states of the CIS.

For the time being the time does not yet seem ripe for a Greater Europe initiative, which may have to wait at least another five or ten years for new political conditions. We have to hope that in the meantime the awkward partnership proves reasonably manageable, which it is more likely than not to be.

3. Variable geometry in the EU-Russia-US triangle

The idea of variable geometry around the EU-Russia-US triangle, with alternating diplomatic alliances at different times and on different topics, need not be viewed as a conflictual system. Moreover it would not be a system at all in any formal sense. It would more resemble how the EU is working all the time, where there are shifting patterns of alliances on particular issues under negotiation. The diplomacy of organising and deploying alliances is done within an understood framework of rules and militarily entirely non-threatening behaviour. The implicit system would be revealed only in practice through various episodes, in which any one of the parties that got seriously out of line would be faced with costly diplomatic isolation.

Whether or when the US might be responsive to pressure coming from the other two is of course an issue. An interesting counterfactual case over Iraq could be to suppose that Blair had not immediately sided with the Bush, but sought to coordinate his position first with his EU partners. One can speculate that Blair, with hindsight, today regrets not having done that. If the EU had adopted a common line behind the French-German-Russian-Chinese position in the Security Council, favouring more time for the inspectors, would the US have gone ahead entirely on its own? Maybe yes, maybe no. What seems now sure, however, with the benefit of hindsight, is that the US would have run into difficulties even faster with no coalition allies. The rubbishing of the extreme neo-con argument that the US needs no allies would have come even faster.

The appeal of the implicit variable geometry system lies in the fact that the three parties all share important interests together, but are not perfect matches in any one of the three bilaterals. The EU and the US share history and joint sponsorship of fundamental political values of democracy and human rights. However they diverge also fundamentally on the extent to which they are willing to share sovereignty in multilateral structures, with the US remaining a quintessential modern state, whereas the EU has become post-modern. The EU and Russia share a continental land mass and 'Europeanness', with complementary trading interests, and gradually converging political values. However Russia also, like the US, has hardly moved at all in the direction of sharing sovereignty with multilateral organisations, beyond thin commitments to weak organisations. Russia and the US share strategic

security concerns over weapons of mass destruction, and geo-political concerns, such as over the future of China. But the relationship is too imbalanced to be very close.

It would of course be a major development for the EU to regard Russia and the US as joint partners in the implicit system, ratifying the end of the Cold War period. It has taken the current episode of US foreign policy, criticised more widely and strongly than at any other time in living memory, for the new implicit system to take shape. This may be painful for old transatlantic friends to face up to. The 60th anniversary of D-Day was not only deeply moving for its historical significance. But it also, by contrast, highlighted the depth to which the relationship has dropped. Already before 9/11 President Bush's position over Kyoto, the International Criminal Court and the Palestinian-Israeli conflict sent out disturbing messages. However it was his war over Iraq that has been devastating for America's reputation worldwide, both *ex-ante* over the moral justification for the war, and *ex-post* for the way it has turned out. This was first documented in opinion polls a year ago, when the Eurobarometer reported that the US and Israel are regarded in Europe as being among the top five nations as dangers to world peace, joining thus with Bush's own 'axis of evil'. It is seen now in a non-stop flow of op. ed. pieces by respected analysts in serious European media. A reply to the question whether the EU will be a strong partner for the US could today be along the lines of Lawrence Freedman's recent article: "Already in Spain and potentially soon in Australia and Italy, as well as Britain, guilt by association with the US has become a real electoral liability"¹⁰. The strong partner question, that has long been pertinent, has now for the time being become even impertinent.

What is not clear is how different a President Kerry would be, beyond matters of style and articulation. Commentators from the US are warning Europeans not to expect a radical change, especially if it were Richard Holbrooke to replace Colin Powell at the State Department. According to this argument the problem is not Bush, but a deeper matter of US political and strategic culture, with a projection of Americanisation internationally that is insensitive to other cultures and distortingly over-militarised in its instruments of action. But even according to this view the current saga over Iraq could lead to a sobering up of US diplomacy for the next period (5 or 10 years or more?), with the most egregious neo-cons wiped off the political scene. This does not exclude muscular US leadership. It only needs to be well articulated and to avoid plunging into big disasters to be respected in Europe. The turn around with fresh leadership could be immediate, even if a certain legacy of the Bush administration may last. In this context the variable geometry of the EU-Russia-US triangle looks like a quite plausible part of the implicit system, maybe with China coming into the process too at times, as began to appear in the UN over Iraq a year ago; and this is set to intensify as and when China is invited to accede to the G8.

4. Conclusions

The EU-Russia relationship has not yet settled down into some kind of steady state system. The two parties are spending a lot of time pretending through their summit communiqués to be strategic partners. However their grand projects for common European policy spaces do not yet translate into important realities and even grander ideas about the *Bolshaya Evropa* or *la Grande Europe* are just vague talk.

Their strategic interests are not yet convergent. Russia wants to consolidate the European CIS space, and then have a neat Europe in which the enlarged EU and the Russian led space would be mutually exclusive, and the EU and Russia would manage the big Europe as an ordered duopoly. The EU does not support this idea, yet for its part is caught up on a dilemma of its own making. It wants to see all of Europe converge on its conception of European political values and economic norms, but without offering membership perspectives to the outer periphery of European CIS states, although all except Russia and Belarus are asking for this. The EU's new neighbourhood policy is therefore not convincing. A stronger neighbourhood policy could be devised, but the EU is not ready to attempt this.

The EU-Russia-US trio progress towards a more mature post-Cold War system. The three bilateral relationships are, with limitations, all substantial, complementing various multilateral arrangements, with the G8 at its peak. However the foreign policy of the Bush administration causes the system develop a further dimension. We call this an implicit system of variable alliances between any two of the three parties, when the third party gets seriously out of line with the interests of the other two. Up until recently the presumption was that the US-EU alliance would be the watchdog to keep post-Soviet Russia in order, but the Bush administration has brought into play the perspective of Europe as a whole, including Russia, uniting to try and keep the US in order. The Iraq episode initially saw the schism between so-called old and new Europe, but this is fading into a more united Europe as time goes on. The point seems to be that the US needs allies too, contrary to a passing view to the contrary on the part of the neo-cons. When this is sufficiently digested, there will be no need for an EU-Russian alliance to have to try to constrain the US, and by this time either the EU or Russia may have got seriously out of line through their own policies, and would be similarly opposed by the other two. The implicit system could be self-equilibrating.

¹⁰ Lawrence Freedman, "America's battle to regain respect", Financial Times, 31 May 2004.

About CEPS

Founded in 1983, the Centre for European Policy Studies is an independent policy research institute dedicated to producing sound policy research leading to constructive solutions to the challenges facing Europe today. Funding is obtained from membership fees, contributions from official institutions (European Commission, other international and multilateral institutions, and national bodies), foundation grants, project research, conferences fees and publication sales.

Goals

- To achieve high standards of academic excellence and maintain unqualified independence.
- To provide a forum for discussion among all stakeholders in the European policy process.
- To build collaborative networks of researchers, policy-makers and business across the whole of Europe.
- To disseminate our findings and views through a regular flow of publications and public events.

Assets and Achievements

- Complete independence to set its own priorities and freedom from any outside influence.
- Authoritative research by an international staff with a demonstrated capability to analyse policy questions and anticipate trends well before they become topics of general public discussion.
- Formation of seven different research networks, comprising some 140 research institutes from throughout Europe and beyond, to complement and consolidate our research expertise and to greatly extend our reach in a wide range of areas from agricultural and security policy to climate change, JHA and economic analysis.
- An extensive network of external collaborators, including some 35 senior associates with extensive working experience in EU affairs.

Programme Structure

CEPS is a place where creative and authoritative specialists reflect and comment on the problems and opportunities facing Europe today. This is evidenced by the depth and originality of its publications and the talent and prescience of its expanding research staff. The CEPS research programme is organised under two major headings:

Economic Policy

Macroeconomic Policy
European Network of Economic Policy
Research Institutes (ENEPRI)
Financial Markets, Company Law & Taxation
European Credit Research Institute (ECRI)
Trade Developments & Policy
Energy, Environment & Climate Change
Agricultural Policy

Politics, Institutions and Security

The Future of Europe
Justice and Home Affairs
The Wider Europe
South East Europe
Caucasus & Black Sea
EU-Russian/Ukraine Relations
Mediterranean & Middle East
CEPS-IISS European Security Forum

In addition to these two sets of research programmes, the Centre organises a variety of activities within the CEPS Policy Forum. These include CEPS task forces, lunchtime membership meetings, network meetings abroad, board-level briefings for CEPS corporate members, conferences, training seminars, major annual events (e.g. the CEPS International Advisory Council) and internet and media relations.