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The EU's Russia policy: ECFR Flash Scorecard

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European diplomats often say that Europe is deeply split in its views of Russia. While this statement is not entirely incorrect, it needs to be put into perspective. In the last three years, the European Union has been remarkably firm in following its official policies on Russia – albeit with a unity that remains rigid, superficial, and fragile because it is too reliant trade-offs and the authority of certain countries, and it lacks genuine and nuanced common assessment, analysis, and strategy vis-à-vis Russia.

Still, over the last ten years, Europe has come a long way. Evidence of this can be seen in the power audit of EU–Russia relations that ECFR published in autumn 2007[1] – which makes for strangely uplifting reading in 2017. The 2007 power audit stated that the EU failed to translate its strengths into an effective Russia policy due to disunity among its member states, allowing Moscow to divide and rule despite being forced to play a relatively weak hand. Today, the EU may face various crises and lack self-confidence, but it has addressed and overcome many of the issues that paralysed its Russia policy ten years ago.

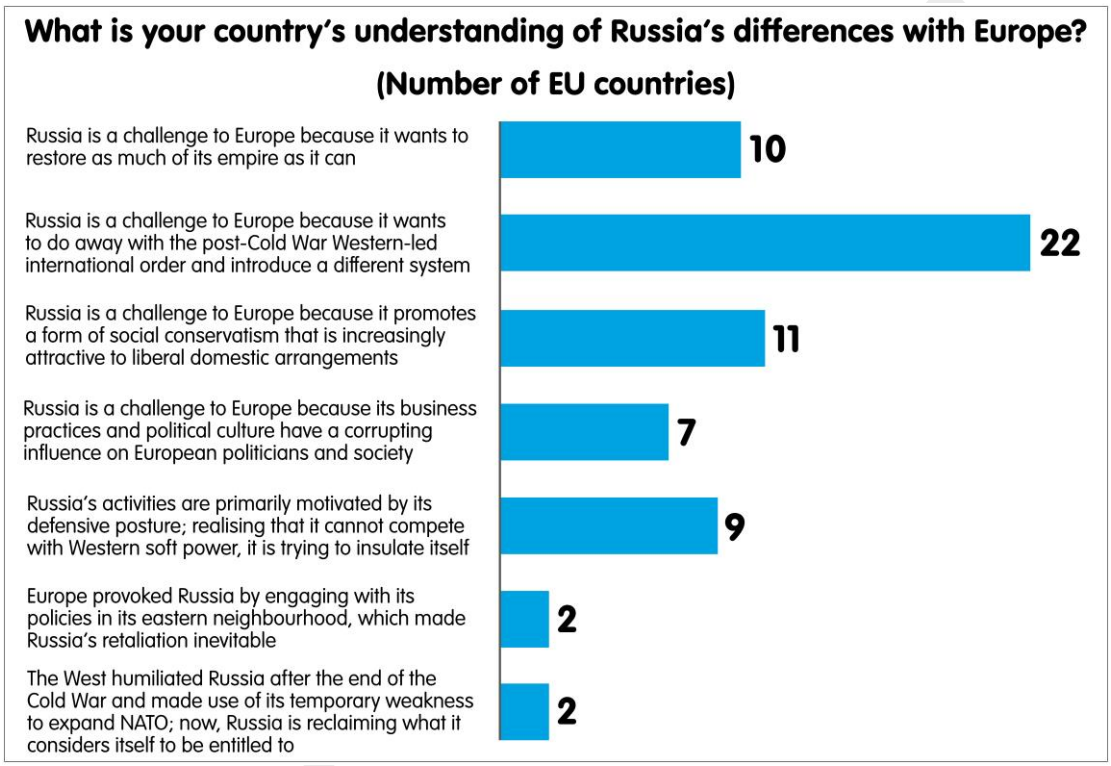
United in assessment

In 2007, the EU's largest handicaps were its inability to come to a common understanding about the nature of the Russian government and to unite around a common strategy. Today, its strategy still leaves much to be desired, but the split on assessment is almost gone. Ten years ago, some EU countries viewed Russia as a consolidating authoritarian power with dangerous ambitions abroad, while others saw it as a country that was democratising – if slowly, with multiple detours and setbacks. These assessments obviously necessitated radically different policy prescriptions. Now, things are different. Research by ECFR shows that ever since President Vladimir Putin announced his return to the presidency in autumn 2011 and suppressed the resulting protests in 2012, Europe's assessment of Russia's trajectory has been unanimously bleak, though it took a while for it to be articulated as such.[2] Belief in Russia's democratic journey has vanished. Russia's invasion of Ukraine and annexation of Crimea only reaffirmed the new consensus that Russia was not just a problem but also a threat, giving rise to joint policies among which sanctions and the reassurance of eastern EU member states have been the most important.[3]

Research carried out by ECFR in capitals across the EU shows that, today, Europeans' understanding of the nature of the challenge that Russia poses is reasonably unanimous, as well as

[1] Mark Leonard and Nicu Popescu, "A Power Audit of EU-Russia relations", European Council on Foreign Relations, 7 November 2007, available at http://www.ecfr.eu/publications/summary/a_power_audit_of_eu_russia_relations.
[2] See "European Foreign Policy Scorecard 2013", European Council on Foreign Relations, January 2014, available at http://www.ecfr.eu/page/-/ECFR73_SCORECARD_2013_AW.pdf.
[3] Reassurance and reinforcement measures for Poland and the Baltic states are, of course, handled by NATO but, even so, European consensus plays a crucial role here.

nuanced. Overwhelmingly – and quite correctly, in the view of this author –European elites classify the Russian challenge as normative in nature, and view Russia as focused on dismantling the post-Cold War European order. The Russia challenge is also viewed in terms of territorial ambitions (8), the promotion of social conservatism (10) and corrupt business practices (6). Eight countries also note – again, quite correctly – that Russia's aggressive policies might be inspired by a posture that, deep down, is defensive in nature. At the same time, the narratives promoted by Moscow – which paint Russia as the victim of Western policies and its actions as forced responses to Western assertiveness – find only very limited traction in a few EU member states (Austria, Bulgaria, Cyprus and Greece).



European views are significantly aligned in assessments of the military threat from Russia. Five countries think that Russia poses a direct military threat to their country and Europe as a whole; ten countries believe that Russia might threaten the fringe states of the EU; and five others see Russia as a military threat not to the EU, but to non-member states in eastern Europe. These interpretations are easily reconcilable: while one might not expect Russia to invade an EU country out of the blue, it is possible that Moscow's desire to gain control of Europe's eastern neighbourhood could lead it into military escapades there that – amid escalating tension and misreading of policy – extend into the EU. Six countries have decided that the primary aim of Russia's military activities is deterrence and, therefore, they are not a cause for concern.

What has transformed Russia's image?

It is interesting to consider the reasons why, and routes by which, Europe changed its mind on Russia. ECFR's 2007 power audit viewed individual EU countries' positions on Russia as largely driven by dependence: profitable economic cooperation and, especially, bilateral energy deals were

seen as decisive factors in many countries' positive stance on Russia and their willingness to erode the EU's common stance in favour of bilateralism. This view was later challenged by academics, who – after conducting a similar audit of member states' perspectives – concluded that these relationships cannot be reduced to economic dependence alone.[4] History and culture can also play a significant positive or negative role, and have widely varying levels of influence on the perspectives of different countries. Also meaningful are the countries' domestic political situations, their positions inside the EU, their craving for recognition and reputation, and their need to build coalitions around issues that they consider to be priorities.

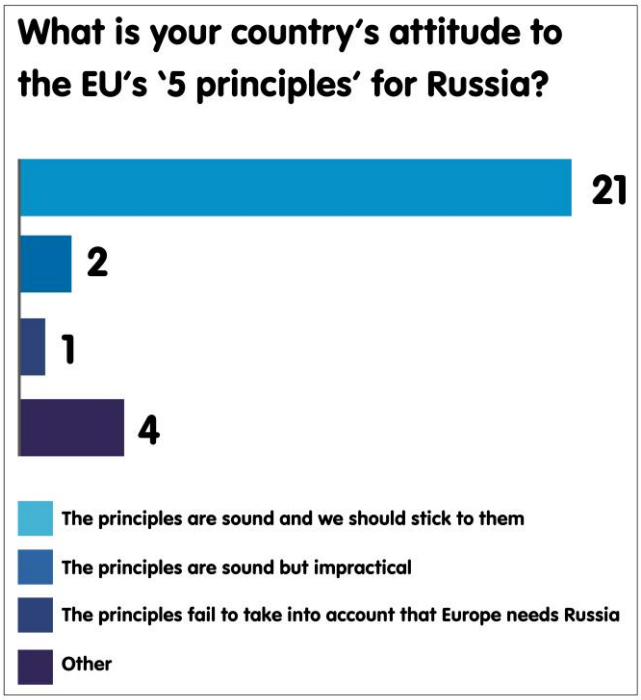
ECFR's 2017 power audit provides some granular detail on how and why countries' assessments of Russia have shifted over the last few years. The annexation of Crimea was a deep shock to all EU countries, and has transformed many of their positions. Germany – a member state that in 2007 was a leading proponent of dialogue with Russia, and whose policy was widely perceived to be strongly driven by its business and energy interests – became the leading force behind sanctions once Moscow broke the basic rules of a European order Berlin regarded as indispensable. A similar U-turn has also taken place elsewhere. For example, prior to 2008, Denmark expected Russia to become a member of the European Economic Area just like Norway;[5] but, after 2014, it became a staunch advocate of sanctions and containment.

One should also not underestimate the impact of Russia's actions in Syria and Libya. Although many EU countries – particularly those in the south – would have been ready to quietly understand Russia's "great power ambitions" in the post-Soviet neighbourhood, they viewed its actions in the Levant and north Africa with deep dismay. While Italy maintains that Russia could help resolve multiple crises in Europe's southern neighbourhood, Malta and Portugal have decided that it plays the role of spoiler. By virtue of its track record, EU countries now view Russia's actions as actually or potentially destabilising almost everywhere: from the eastern neighbourhood and the Baltic Sea to the Western Balkans, the Middle East, and the Mediterranean (including on the question of Cyprus unification). These negative views even affect the Arctic, where the relationship between Russia and EU countries has been mostly constructive. Moscow's ambition to have "a sphere of influence" does not disturb just – or even primarily – the Baltic states, but a diverse array of countries including Ireland, Portugal, Finland, and the United Kingdom – as well as Croatia, which is greatly concerned by Moscow's attempts to create obstacles to the Euro-Atlantic integration of the Western Balkans. Finally, EU countries see Russia's relationship with the United States as dangerous and destabilising because of the potential for Washington and Moscow to collude – or, alternately, collide – with each other.

United on policy

There is considerable unanimity over policy. The EU's five principles[6] on future relations with Russia are hugely popular, receiving the full support of 21 countries.

[4] See Maxine David, Jackie Gower and Hiski Haukkala, National Perspectives on Russia, Routledge 2014, pp. 255–265.
[5] ECFR survey from May 1017.
[6] "The EU's Russia Policy: Five guiding principles", October 2016, European Parliament, available at http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/589857/EPRS_BRI(2016)589857_EN.pdf.



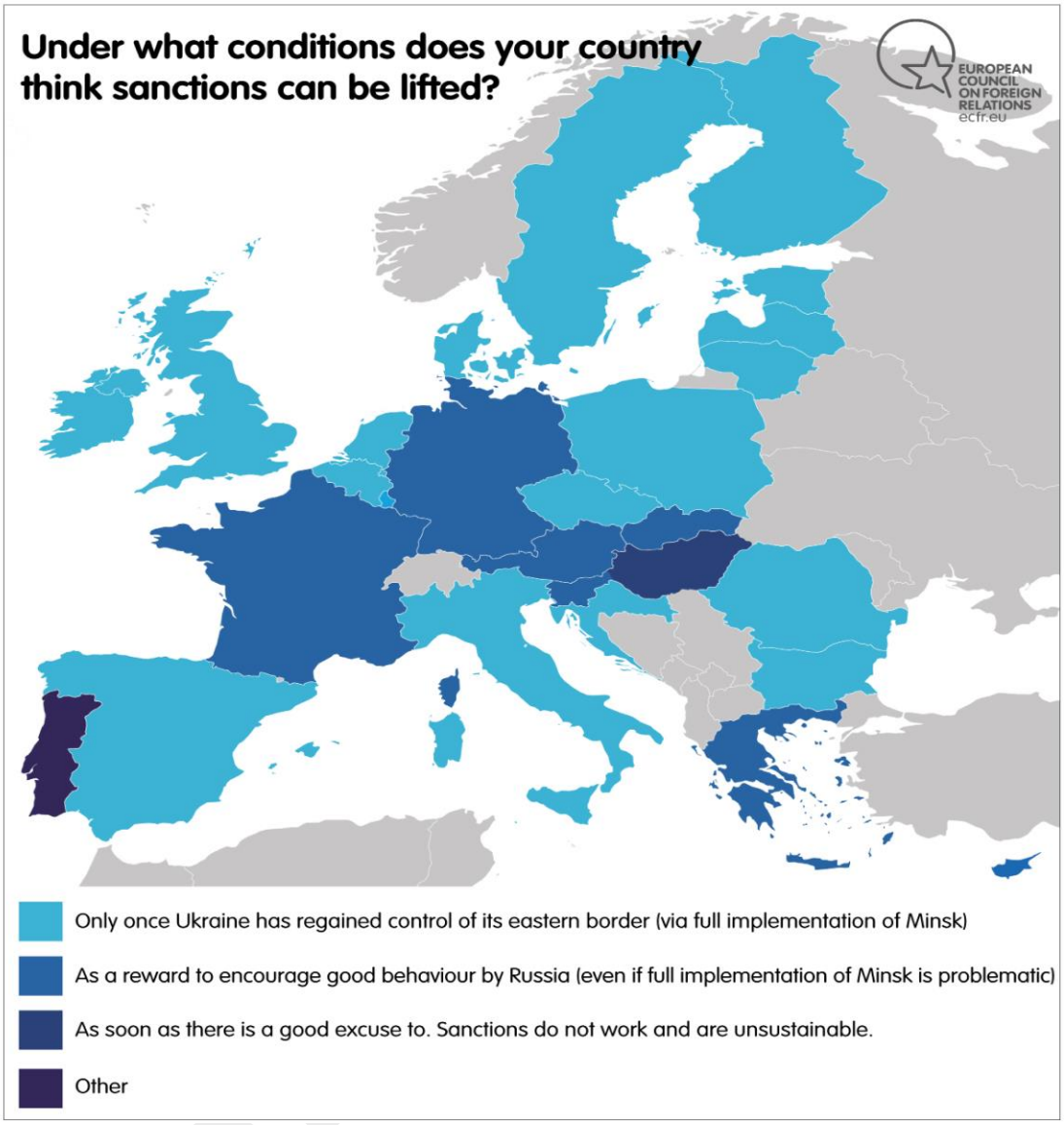
Interestingly, there also appears to be strong support for sanctions, even though member states are broadly ambivalent about how well the measures work. Most member states think that sanctions are necessary to signal the EU's moral position. Many countries also admit that sanctions are accepted as a trade-off when it comes to other issues. While most countries report some domestic pressure to lift sanctions – stemming from political parties or business lobbies – this pressure is considered strong and meaningful only in three countries.

There is also considerable unanimity on the conditionality of the sanctions. The overwhelming majority of member states believe that sanctions can only be lifted once Ukraine has regained control of its eastern border, while seven countries are ready to consider gradually easing sanctions if Russia demonstrates its willingness to withdraw from eastern Ukraine. Only Hungary says that sanctions do not work and should be dropped as soon as possible – but even it has not come even to breaking ranks on their renewal.

Unity as a policy driver

It is interesting to observe how Europe's position on Russia is sometimes more quickly and clearly summed up by Moscow than by Brussels or any EU capital. This was the case in early 2012, when Europe's disappointment about Putin's return was first summarised by Putin himself, who noted that "they have all ganged up against me".[7] Likewise, today, Europeans might consider the consensus on Russia to be fragile, but Moscow views the situation differently. "Consolidation against Russia continues […] and there is no reason to expect it to end any time soon," notes a recent report by two leading Russian experts. They add, "Those who disagree with this tactic easily give up their views after encountering consolidated opposition to their attempts to build relations with Russia differently or may even want to 'sell' a demonstratively tough attitude towards Moscow to their opponents in order to garner their support on more important issues. […] All of the 'pro-Russian' governments, which publicly speak about the harmful impact of sanctions, vote for their extension every six months."[8]

[7] Confirmed in different conversations with Western diplomats, as well as Russian experts.
[8] http://www.iai.it/sites/default/files/miller_lukyanov_report_2017.pdf.



Indeed, ECFR's research indicates that the EU has come to view unity in its Russia policy as a value in and of itself. The plethora of member states that are keen to maintain bilateral contact with Moscow – from Italy and Austria to Germany and Finland – all publicly state that they view that such contact as complementary to EU policy (even if, as in the case of Austria, they disagree with the policy). It may be that, paradoxically, the current pile-up of various crises has helped Europeans become more united. Member states need to pick their fights with Brussels. Russia is a priority for those who feel threatened by the country, but it is less important to those who want a closer relationship with Moscow.[9] Moreover, member states with varying priorities understand that to benefit from solidarity, one must contribute to solidarity.[10]

[9] Author's interview with Nicu Popescu, June 8 2017.
[10] See "ECFR Riga Papers: Views from EU countries", European Council on Foreign Relations, 19 May 2015, available at http://www.ecfr.eu/debate/ecfr_riga_papers_views_from_eu_countries. However, one may question whether this solidarity has survived the peak of the migration crisis when doubts about the EU's – particularly Germany's – policy became truly widespread.

The ECFR's EU Coalition Explorer shows that member states overwhelmingly want the EU's Russia policy to be handled by the EU as a whole (61 percent of respondents).[11] There is some support for engagement with Russia through coalitions of member states: 12 percent for legally bound member states and 16 percent for ad hoc coalitions. But no country is keen to handle Russia on a member-state level, although "going it alone" enjoys some support in Hungary (48 percent); Greece (33 percent); Austria and Bulgaria (both 14 percent); and the Czech Republic and Poland (both 9 percent).

Hungary and, perhaps, Greece could be seen as examples of countries in which disagreements with the EU mainstream (on asylum policy and democracy, and the euro, respectively) correlate with a diverging stance on Russia. Indeed, Hungary stands out as the one country in which pro-Russian sentiment is driven by the elite and encompasses a wide range of policy issues – from acceptance of Russia's great-power ambitions (a view also found elsewhere in the EU) to criticism of liberal values and the liberal international order (a view found in few other EU capitals). But even Hungary avoids challenging the EU's common position on its own, while Greece's attitude towards Russia soured after Moscow failed to offer it meaningful economic aid during the peak of its economic crisis.

Thus, Russia may still try to sow discord within the EU, but its ability to play member states off against each other is far from what it was ten years ago.

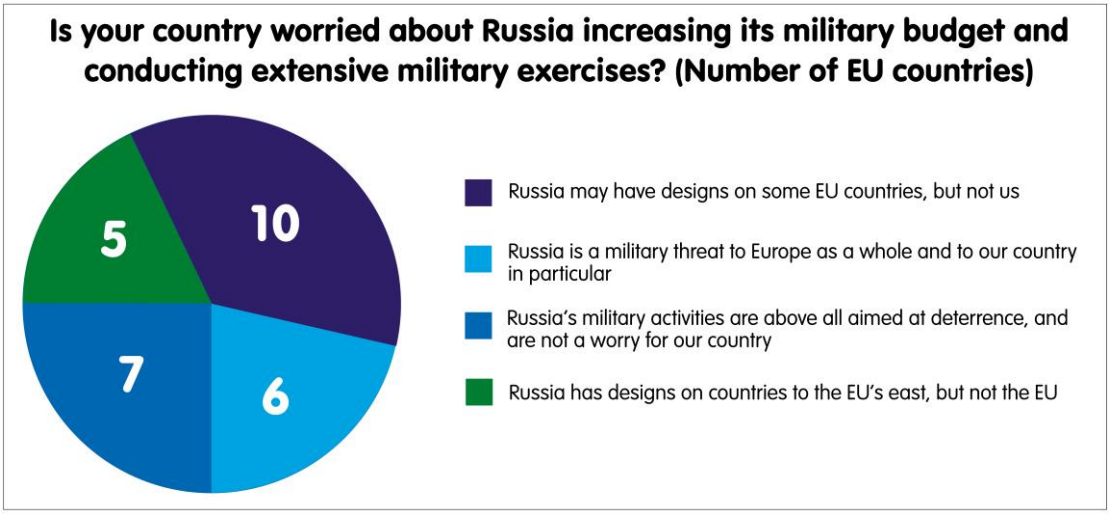
Europe's "cursed questions", or disunity under the surface

Every Russia watcher is aware of the famous "cursed questions" defined by Aleksander Herzen: "who is to blame?" and "what is to be done?"[12] Russian Foreign Minister Sergei Lavrov once jokingly added a third question: "What is to be done with the one who is to blame?"[13] This question turns Europe's unity into not just disunity but disarray. With some caveats, EU member states agree that Russia is to blame. Sanctions on Russia and troop reinforcements in eastern EU states have provided some answers to the question of what is to be done. But, when asked "what is to be done with the one who is to blame?" – in other words, "what should Europe's long-term Russia strategy be?" – Europe is lost.

Faced with the grave breach of principles constituted by Russia's annexation of Crimea, the EU unified around a joint moral stance, represented by sanctions, and made sure that its vulnerable eastern member states had access to a decent minimum of military deterrence. But when one asks what the EU actually thinks of Russia, one discovers very different visions lurking beneath the show of unity. The closest thing that the EU has to a Russia strategy – the five principles – say a lot about the Union's declared values but little about Russia. This approach fails to address the more complicated questions at the core of a true Russia strategy: does Europe have a problem with Putin or with Russia? In which direction is Russia moving? In its relations with Russia, what should the EU aspire to achieve? What leverage does the EU have? How can the EU influence the Kremlin? Should the EU talk with Russia? How, via whom, what about, and to what end? To be

[11] European Council on Foreign Relations, "Coalition Explorer", available at http://www.ecfr.eu/eucoalitionexplorer.
[12] A Free English translation of Alexander Herzen,'s 1846 book can be found here https://books.google.co.uk/books/about/Who_Is_to_Blame.html?id=ZxlkehxIZmAC&redir_esc=y.
[13] Sergei Lavrov at the Primakov Readings Conference in Moscow, 30 June 2017.

effective in the future, the EU needs a Russia strategy that reflects not just Europe, but also Russia. It will need to strategise, not just sermonise.



Making sense of Russia

At some point – and this may come sooner rather than later – the EU will need to return to the conceptual questions that divided it ten years ago: how to understand Russia's trajectory and Moscow's policy aims? What is the right way to respond?

Russia was wrong about the EU, but the EU was also wrong about Russia. So, stepping back and learning from the past might not be a bad starting point for EU deliberations on Russia policy. Why did Berlin's firm belief that engagement would eventually socialise Russia within the Western community – in the way that it had socialised West Germany and, later, East Germany – prove wrong? Why were Russia's critics – Poland and the Baltic states – vindicated?[14]

One could argue that both Germany and the Baltic states had idealistic Russia policies: their aim – or, in the case of the latter, their minimum condition for trust – was a democratic Russia. Just like all US presidents before Donald Trump, they sought to change Russia. But many European countries – Italy and France are fitting examples – have always had more realist attitudes. While officially subscribing to the EU's "modernisation partnership" with Russia, they have tried to work with Moscow to achieve various aims, but without consciously seeking to change or socialise Russia. Among other EU countries, the Nordic states and the UK have an affinity for the idealist camp, while an array of others – from Slovenia to the Czech Republic; from Cyprus to Spain – have more in common with the realists. At some point, the debate between these different positions, and their respective policy prescriptions, will have to be reopened.

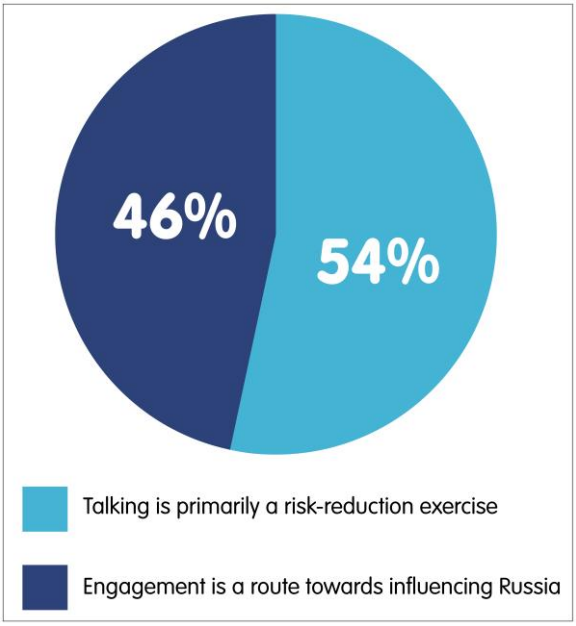
[14] For a more in depth view on the old debates between the Baltic position on Russia and that of the EU mainstream – often embodied by Germany – see Kristi Raik, "Liberalism and geopolitics in EU–Russia relations: rereading the 'Baltic factor'", European Security, Vol 25, No. 2, February 2016, available at http://www.tandfonline.com/eprint/HGzHDuMhNbpE4nwdRsSN/full. and Kadri Liik, *The Baltic States and Russia – on diplomatic dimensions of security", available at http://www.liia.lv/en/publications/security-in-the-baltic-sea-region-realities-and-prospects-the-riga-conference-papers-2017-643.

The EU's conceptual Russia debate will occur on a new landscape. The UK will be out, or on its way out, of the EU. France will be on its way "back in", having abandoned its sulking depression for an active Europe debate. Germany will probably still be the EU's undisputed leader, but its views of Russia will likely never be the same as they were in 2007. The eastern European frontier countries that rely on the US for their security will still be digesting the Trump presidency and its implications for their outlook on Europe and Russia. Many countries will have experienced domestic populist revolts of various sizes, the nature and outcome of which will shape their international outlook.

In a way, this fluid landscape – with no firm, pre-set thinking patterns – could be conducive to a beneficial debate. But it is important that the EU handle the debate well. The discussion could either divide the EU into opposed camps once more or take its Russia policy to a new, more sophisticated level. Collectively, the EU has a rich pool of national experiences with Russia. These experiences sometimes act as an obstacle, but they could also be a valuable resource. By discussing their formative experiences vis-à-vis Russia, member states could boost EU solidarity and make the debate much more constructive. If the EU manages to harness national experiences and learn lessons from them, it could convert them into a common policy. That would be a powerful outcome indeed.

Dialogue with Russia

The EU is also deeply split on the question of dialogue with Russia. The issue of talking to Russia has been fetishised in ways that make it toxic and divisive: some countries and politicians view dialogue as a panacea; for others, dialogue amounts to a grave betrayal of principles. Pro-dialogue actors often tend to see it as a reward, but make the mistake of assuming that Russia sees it the same way. This was the case with EU foreign-policy chief Federica Mogherini's concept paper on Russia, which suggested that, in return for the "resumption of formal EU–Russia dialogues", Moscow might respect international law and an order based on the Organization for Security and Co-operation in Europe.[15] Russia, meanwhile, had grown profoundly tired of what it saw as fruitless exchanges.



In contrast, opponents of a dialogue see it as potentially legitimising Russia's behaviour. The roots of this view may be in the West's initial expectations that Moscow was not merely a partner but prospectively "one of us" – and the fact that various dialogue formats were based on this assumption. Opposition to dialogue also goes back to the West's minimal reaction to the Georgian war in 2008. Back then, the "punishment" meted out to Russia

[15] "Issues paper on relations with Russia", Foreign Affairs Council, 19 January 2015, available at http://blogs.ft.com/brusselsblog/files/2015/01/Russia.pdf.

was to freeze dialogue with the country in Western institutions. But Russia simply waited for the West to break the silence. In the end, dialogue resumed without any return to the status quo ante in Georgia, as had initially been agreed on by Tbilisi and Moscow.

In reality, both positions seem misguided. Viewing dialogue as an end in itself prevents Europe from focusing on its message. "We had a long debate at NATO on whether to talk with Russia or not, without having the slightest idea of what we want to be talking about," confessed one former NATO ambassador.[16] The situation in the EU is largely the same. The EU does not know what it wants to achieve by talking, and is conceptually split on what can be achieved.

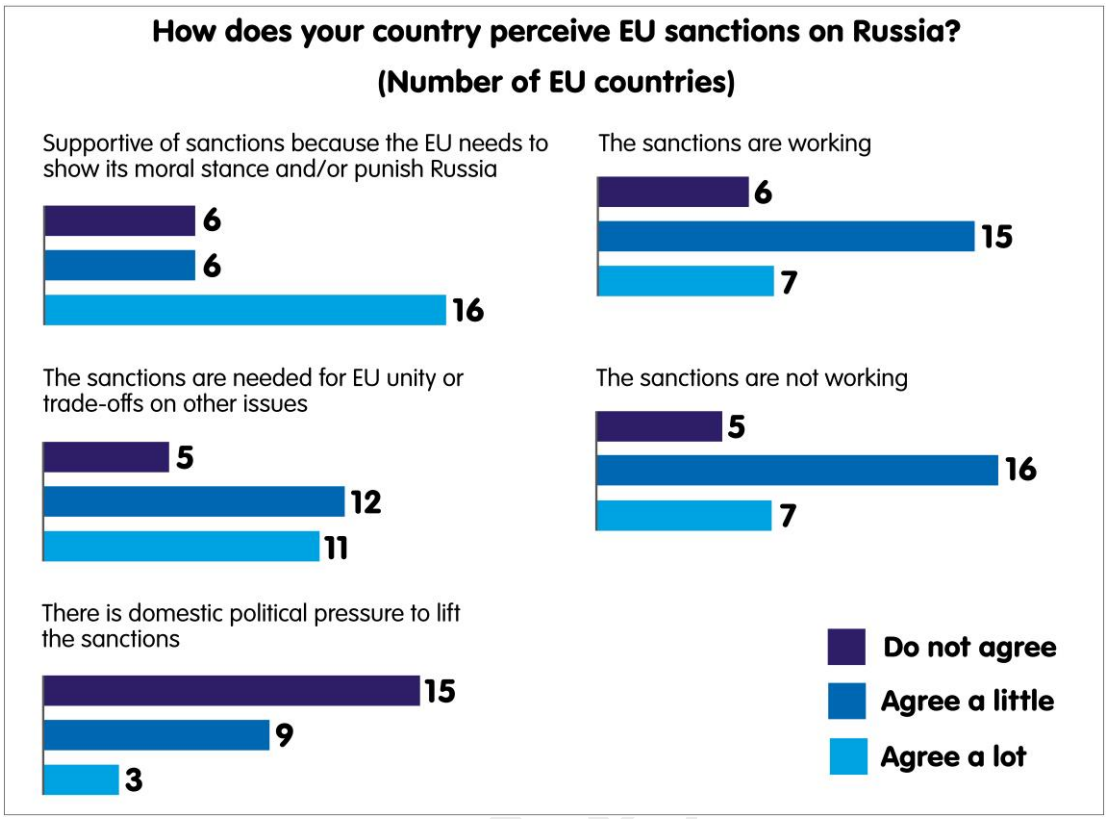
The goal and future of sanctions

For more than three years, the EU has maintained its unity over sanctions but – as confirmed by ECFR research – there has been little common vision of what sanctions are meant to achieve and how much time this should take.

Sanctions have definitely had an effect on Russia's economy. They exacerbated the country's pre-existing macroeconomic challenges, especially those caused by the fall in oil prices that started in the last months of 2014. An IMF (2015) report on the Russian economy indicates that Western sanctions and Moscow's retaliatory sanctions may lead Russia to experience a 1 percent to 1.5 percent reduction in GDP in the short term, although the accumulated losses may reach 9 percent of GDP in the medium term.[17] But things are more complicated if one considers the political effects of the sanctions. Some studies have found a correlation between shifts in Russian military activity in Ukraine and the phases of sanctions – from the threat of them to their implementation and additional measures – but there is no conclusive evidence of an underlying causal relationship.[18] One may assume that the slowdown of Russia's invasion of eastern Ukraine in 2014 was due to sanctions, but it may also have been caused by change of strategy or a revision of war aims.

It was naive to expect sanctioned political and business elites to put pressure on the Kremlin. As all these people directly depend on the powers that be for their positions and income, their immediate reaction was to try to secure their standing by demonstrating loyalty. Furthermore, in the tense, paranoid, and polarised political climate of 2014 and following years, the Kremlin's policy could, in principle, be disputed only by a very close and trusted layer of actors. All others had an incentive to be silent, lest they be suspected of being closet Westerners. But the close circle, in turn, had no economic reasons to rebel: they could be sure that the Kremlin would somehow compensate them for any losses they incurred.

[16] Seminar under the Chatham House rule on 3 May 2017.
[17] "Russian Federation", IMF, August 2015, p.5, https://www.imf.org/external/pubs/ft/scr/2015/cr15211.pdf.
[18] See, Erica Moret et al., The New Deterrent? International Sanctions against Russia over the Ukraine Crisis, available at http://g8fip1kplyr33r3krz5b97d1.wpengine.netdna-cdn.com/wp-content/uploads/2016/10/Russia_Sanctions_Final_Report_Grad_Inst_Geneva.pdf.



In the view of this author, it might now finally possible to say with some certainty that sanctions have indeed borne fruit. Russia's suggestion in September 2017 that UN peacekeepers be invited into Donbas was a sharp U-turn from earlier positions. This was most likely caused by a combination of factors, among which Moscow's desire to improve relations with Europe and to receive sanctions relief were important. In a less confrontational ideological climate – brought about, paradoxically, by the Trump presidency – economic technocrats in Moscow would advocate an improvement in relations with Europe. "If we want our economy to grow, we must improve relations with the West and for that, also Russia needs to do something," was the message from former finance minister Alexei Kudrin.[19]

Moreover, sanctions are likely to influence Russia's thinking in the future. If one assumes – as many in Europe do – that the West's lukewarm reaction to Russia's invasion of Georgia in 2008 made the Ukraine invasion possible, one can also assume that the experience of life under sanctions will have some impact on Russia's calculations at similar junctures in future. "Russia will start taking Europe seriously when it sees that Europe is ready to suffer some hardship to defend its principles," said Sergei Guriev, an exiled Russian economist currently working for the European Bank for Reconstruction and Development.[20] Europe has now demonstrated such readiness.

So, Europe has reason to congratulate itself. Yet it may be that the thorniest debates on sanctions policy lie ahead. If a Donbas peacekeeping initiative materialises, some Europeans will want to ease

[19] Aleksei Kudrin at the Primakov Readings Conference in Moscow on 30.06.2017, also reference to his booklet.
[20] Remarks at European Union Institute for Security Studies seminar in Paris, December 2015.

the sanctions to reward Russia's "good behaviour". Others will insist that all sanctions stay in place until Ukraine has regained control of its eastern border. Here, one can see Europeans' deep-rooted conceptual disagreements at work. Right now, it would be next to impossible to upgrade or downgrade sanctions in line with Russia's behaviour on the ground. Any attempts to upgrade or downgrade them would meet with resistance in southern or northern Europe respectively. A deeper joint analysis of Russia would enhance EU member states' trust of one another, ease the rigidity of their positions, and thereby contribute towards a more flexible use of sanctions.

Eastern neighbourhood

In its eastern neighbourhood, the EU is engaged in a normative disagreement with Russia involving an emotional clash of their views of the rules and taboos of international life. Russia wants to keep the neighbourhood as its "sphere of privileged interest" and deny countries there the right to join Western institutions. For EU countries, such an approach is not just unacceptable – made taboo by their twentieth-century experiences with "spheres of influence" – but also unrealistic. In an era of popular empowerment, holding on to a sphere of influence without the consent of the countries involved is largely unworkable.

However, the EU lacks a viable policy for addressing this conceptual clash. The EU's most successful neighbourhood policy has always been enlargement, but for countries to its east this will not be on the cards any time soon. The EU is even split on whether to offer them a membership perspective in principle. Russia is determined to resist any such development, while the countries themselves are going through a long and bumpy political transformation, characterised by ongoing tension between corrupt elites and maturing societies that demand a greater say. EU membership is not seen as a desirable goal everywhere and, even where it is, the reforms required by the accession process would infringe on the vested interests of important players.

As a consequence, the EU needs to think about whether it can find ways to boost the sovereignty of these countries while they lack a clear institutional perspective and the ability to qualify for membership. The demand is there: "Please help us protect our sovereignty, even though we will not become a democracy any time soon" is the message from Belarus.[21] The EU not only lacks a comprehensive and thought-through set of measures for fulfilling this request, but even finds it hard to talk about sovereignty and democracy without conflating the two concepts.

The EU's role in Russia policy

During the last three years, the EU's Russia policy has been largely confined to the Normandy format of negotiations on the implementation of the Minsk agreement. This means that the policy is led by France and Germany – the European powers represented in Normandy – with EU institutions and other European countries having little or no role.

This arrangement has worked relatively well until now but, even so, it is probably unsustainable. While few Europeans have complaints about how Germany and France fulfil their roles, many countries still feel left out. France and Germany have done a good job of building support for their efforts; Germany in particular has taken care of the concerns of the countries that are most

[21] Conversations with power-holders during ECFR study trip in March 2015.

vulnerable and sensitive to all things related to Russia – such as the Baltic states – by keeping them informed. But some dissatisfaction is clearly building up amongst medium-sized countries that, while not disputing the essence of the policy, would like to play a larger role.

Lately, EU countries have engaged in more and more bilateral visits to Moscow. These visits are not bad in and of themselves; for now, they are mostly harmless, if largely useless. But, in theory, Moscow might seek to make use of such contact to split the EU and erode the consensus behind the sanctions policy.

For all these reasons, the EU should try to bring more of Europe into its Russia policy; it should look for ways to coordinate member states in ways that give smaller countries a role in policy. It should also empower its institutions to be meaningful interlocutors with Moscow and to avoid uncoordinated solo initiatives, which are likely to be counterproductive.[22]

Energy security and Nord Stream 2

The EU's energy relationship with Russia counts among its major success stories of the last ten years. The relationship is no longer an indispensable tool in Moscow's divide-and-rule approach.

The EU's third energy package – which entered into force in autumn 2009 and aimed to open European energy markets – has made the internal energy market a lot more transparent, flexible, and thereby less susceptible to "sweetheart deals" from Russia. Ownership unbundling – designed to break down gas-export monopolies − separated gas production from transportation and thereby increased competition, making Gazprom's attempts to monopolise the European market untenable. The EU has done many other things to diversify its energy supply away from Russia: new interconnectors and reverse flows within the EU now provide the necessary security for the member states that are most vulnerable to Russia cutting off the gas supply; intergovernmental agreements provide greater price transparency and equality; and improved energy efficiency and alternative fuels have reduced the overall share of gas in Europe's energy balance. Today, Russia remains the dominant supplier of gas to the EU, but it cannot use gas as a policy tool in the same way that it did just ten years ago.

However, disputes around the Nord Stream 2 pipeline indicate the existence of counterproductive disagreements. These disputes are still not nearly as bad as the ones involving Nord Stream 1. This time around, the debate is not about conceptual views of Russia; rather, it involves competing business interests and differing views of energy security and diversification. Nor does Nord Stream 2 divide member states the way Nord Stream 1 did: it is easy to find people in northern or eastern Europe who are unconcerned about the potential impact of Nord Stream 2, as well as Germans who oppose the pipeline.[23]

But views are still too divergent to provide a basis for sound policy. Some countries in the region – such as Denmark and, to a lesser extent, Sweden – consider the pipeline to be a security concern,

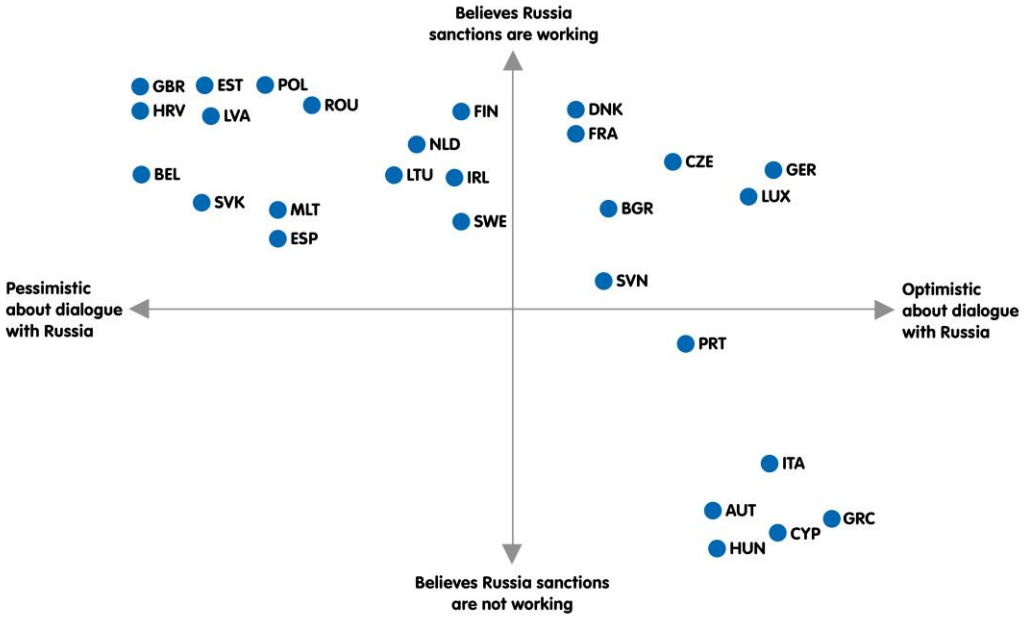
[22] Moscow's conviction that the EU is irrelevant, at least in its institutional form, appears to have crystallized after Jean-Claude Juncker's visit to St Petersburg in summer 2016. Back then, Russia contacted Juncker with some policy proposals, but they never heard back from him. (From interviews with Russian experts in May 2017).
[23] For critical voices from Germany, see see 'In Spite of It All, America', *New York Times*, 11 October 2017, https://www.nytimes.com/2017/10/11/world/europe/germany-united-states-trump-manifesto.html.

while others, such as Finland, see it as a purely commercial endeavour.[24] Some countries view Nordstream 2 as being in breach of the Energy Union project, while others believe that the pipeline should be allowed because it predates the concept of the Energy Union. Finally, Germany considers the supply of Russian gas via multiple pipelines to be sufficient energy diversification if the product can later be freely sold in an interconnected European market; while Poland believes that true diversification and energy security are unachievable without the involvement of suppliers other than Russia.

[24] "Denmark seeks to change law on pipelines amid Nord Stream 2 divisions", Reuters, 9 April 2017, https://uk.reuters.com/article/uk-denmark-gazprom-pipeline/denmark-seeks-to-change-law-on-pipelines-amid-nord-stream-2-divisions-idUKKBN17B039.

Scene set for policy discussions?

The coming Russia debates in the EU are likely to centre on questions about sanctions and dialogue. Some EU countries believe that the sanctions are working; others believe that they are not. But not all those in the latter camp want to discontinue the sanctions. As concerns dialogue, some countries think this could resolve some differences; others are sceptical but are not necessarily against dialogue. The chart below gives some indication of where EU countries stand on these dilemmas.



Point of balance?

It has become fashionable to think that because the EU has a diversity of (often irreconcilable) views on Russia, its policy is in danger. However, not all these views are equally strong. As the chart below shows, countries that consider Russia to be an existential issue are overwhelmingly in the hawkish camp. The doves might disagree with EU policy on Russia, but it is less important to them, so they are more likely to compromise.