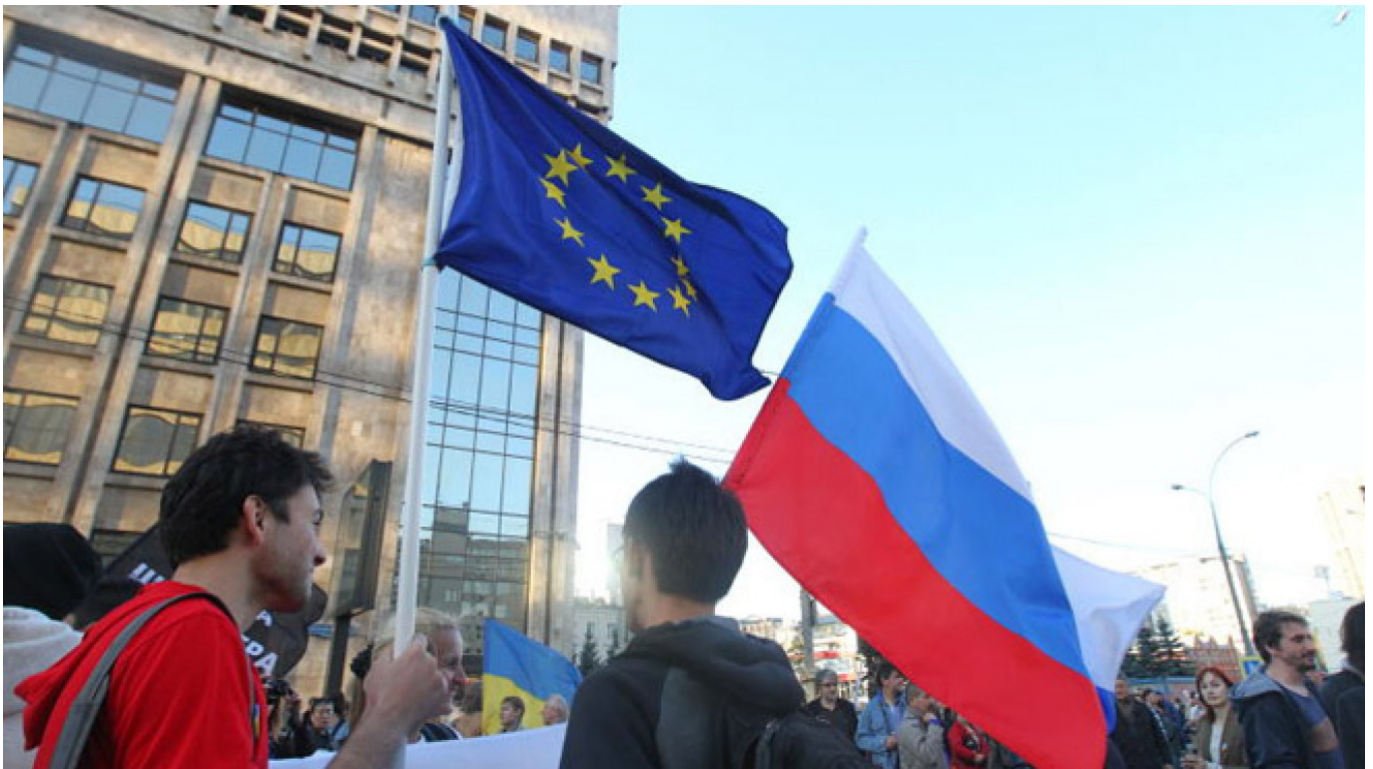


Future Isn't Bright for EU-Russian Relationship

By [Fyodor Lukyanov](#)

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The South Stream project's cancellation, which President Vladimir Putin announced during his recent visit to Turkey, caused a great deal of surprise in Europe. Moscow had invested enormous manpower and resources in that project and Europe did not expect Putin to turn his back on it.

However, Gazprom CEO Alexei Miller said in a recent interview that the decision was essentially a conceptual one, that the Russian company is now rejecting its earlier plan to maximize integration with the European economic system by delivering natural gas directly to the end user.

The decision might represent a negotiating tactic aimed at raising the stakes to achieve better terms. But it might also show that leaders are changing their overall model for gas sales, shifting the focus from the West to the East as result of this year's events.

The system of gas pipelines and long-term gas contracts has served as the basis of Soviet

and Russian relations with Western Europe and, later, the European Union for more than 40 years. In the late 1960s and 1970s, Soviet leaders made a strategic decision that linked Moscow with European capitals in a relationship of deep economic and geopolitical interdependence.

West Germany served as the backbone of that policy. Back in the 1950s and 1960s, despite the tragic legacy of World War II, Germany quickly began reestablishing its presence on eastern markets as the only form of expansion the victorious powers allowed it as a vanquished state.

When Siberian gas came online in the last 1960s, it cemented that interrelationship — a connection that withstood the test of the Cold War, the reunification of Germany and the collapse of the Soviet Union. It finally faltered only now, over the Ukraine crisis.

The era in which Germany remained in the background, avoiding a political role because of its past, has ended. The situation in Europe has propelled Berlin into a leadership role because no other comparable engine of growth and influence exists. And along with responsibility comes the need to make painful decisions — about yourself and others.

Germany's first major step as European leader came 18 months ago, when Berlin bankrupted Cyprus in order to change the economic model there. It is probably inevitable that Germany will have to carry out further actions to reorganize and improve the European Union for which Berlin will face growing resistance from its neighbors and partners.

Germany therefore needs support in its efforts to build a new Europe. To secure that support, Berlin will have to give up its privileges of the past, when it could operate by and for itself alone. For example, it will have to give up its special and very beneficial relationship with Russia.

However, Germany built its own separate pipeline in advance, the Nord Stream project, to guarantee gas supplies even if another disruption occurs over tensions in Russian-Ukrainian relations.

Berlin must also ensure that its allies do not suspect it of intentions to violate the principle of Atlantic solidarity. The situation in Ukraine provides just such an opportunity. The irony is that it is practically the only subject on which Germany is in full agreement with the United States.

Relations between those major allies are cool at best these days. Revelations by former NSA leaker Edward Snowden concerning the extent of Washington's eavesdropping came as an unpleasant shock for Berlin. What's more, Germany has almost never shown much enthusiasm for most of Washington's foreign-policy initiatives, especially those concerning the Middle East.

It is widely held in Russia that Europe has two geopolitical alternatives: the Atlantic option, under the auspices of the United States, and the Eurasian option, in partnership with Russia. The latter is seen as offering the emancipation of the "old" Europe — especially Germany — and the creation of a sort of continental alliance with Moscow.

The idea was that combining Russia's enormous resources with Eurasian technology would produce a true powerhouse. President Putin proposed as much in the early 2000s, beginning with the idea of an "asset swap." In the current crisis, Moscow believes that Europe — and primarily Germany — has buckled under pressure from Washington.

Of course, the application of pressure does have its place, as U.S. Vice President Joe Biden recently remarked. But Germany's aim seems more to strengthen Europe as a new entity distinct from both Washington and Moscow.

That plan is reminiscent of the French approach during the second half of the 20th century, when Paris tried to maintain a political balance between Moscow and Washington while treating European integration as a "pet project" aimed at preserving France's global role. France no longer has the resources to pursue such a policy, but Germany does.

The existence of a purely "European" Europe as Germany apparently envisions it increases the likelihood of the appearance of a "Eurasian" Russia — not at the level of rhetoric, but in the economic and real geopolitical sense. Russia lacks the potential to mould Eurasia as it would like, so it will inevitably have to coordinate with other important players in the region.

This requires an infrastructure of interconnections just as advanced as that in Europe. Moscow has started to build it. The large-scale gas contracts with China and the plans to turn Turkey into a major dispatcher of Russian gas are the first links in that chain.

Russia is now doing in the East what it did in the West in the 1960s and 1970s. Back then, the investment was not strictly commercial in nature: The Soviet Union did not put profitability at the forefront. Now, in the heat of a crisis, the Russian government cannot ignore the commercial aspects, but it is clear that the political component is still the defining factor.

The prospects of creating an energy infrastructure in the East will significantly influence the fate of integration projects in Eurasia. And although the Eurasian Economic Union that Moscow initiated will officially go into force on Jan. 1, 2015, current events make its prospects more uncertain than they were a year ago.

A "European" Europe according to Germany's design might encounter serious difficulties and never get off the ground. A "Eurasian" Russia as yet lacks any well-defined features and also risks never developing into a long-term project. But for the coming years, these two projects will do the most to determine the future of the continent from Lisbon to Busan.

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