# **Summary**

- Closer economic cooperation between the European Union (EU) and the Eurasian Economic Union (EEU; comprised of Russia, Kazakhstan, Belarus, Armenia, and Kyrgyzstan) is desirable. It can serve as a platform to overcome the current stalemate between Russia and the West, lift common neighbourhood countries from their unsustainable »in-between« status and enhance the well-being of all participants.
- Engagement between the EU and the EEU can serve as an economic path to peacebuilding and should run in parallel to the political resolution of conflicts such as the Minsk II process. So far, the unresolved crisis in Ukraine has been the biggest political obstacle preventing a formal dialogue between the EU and the EEU.
- EU-EEU dialogue could be a preliminary small step towards solving more complicated political crises in Europe. It has the potential to contribute to the establishment of a common and indivisible Euro-Atlantic and Eurasian security community as outlined by the OSCE Astana Declaration of 2010.



FES Regionalbüro für Zusammenarbeit und Frieden in Europa

FES Regional Office for Cooperation and Peace in Europe



# Engage!

Alexandra Dienes 2nd edition April 2018

Why the European Union Should Talk with the Eurasian Economic Union



#### Introduction

Economic cooperation has been an avenue for peace in Europe ever since the end of the Second World War. In 1950, the French foreign minister Robert Schuman proposed the creation of the European Coal and Steel Community (ECSC) to prevent potential war between former arch enemies France and Germany. The ECSC, founded the following year, became the first step in the process of European integration, which made the growing number of member states more prosperous and stable than ever. In the Eastern part of the continent, the Soviet Union represented an alternative economic and political project based on an authoritarian one-party system. After the end of the Cold War, there was a sense of hope that the division of Europe was over and that the countries of the former eastern Bloc would develop liberal democracies and market economies. Some of them did and ultimately joined the EU, while others remained closely aligned with Russia. Russia in turn increasingly felt not represented as an equal partner in Europe.

Presently, 25 years after the end of the Cold War, new divisions are manifesting in the form of two integration projects in Europe - the European Union (EU) and the Eurasian Economic Union (EEU). Simultaneous membership in the EEU and a reciprocal free trade agreement with the EU is technically not possible: members of the EU or EEU (both custom unions) cannot have bilateral trade relations with other partners. Eastern European countries that are neither members of the EU nor of the EEU - such as Ukraine, Georgia, Azerbaijan, and Moldova – are left in-between and appear to need to choose which project to join - free trade with Europe or membership in the EEU. The dangerous repercussions of this either-or choice have been noticeable in Ukraine since the end of 2013, a nation central to both regional integration projects. This situation triggered an ongoing conflict in Ukraine, which has claimed more than 10,000 lives so far, annexation of Crimea by Russia and an ensuing major crisis of the European security order. Technically, however, economic cooperation between the EU and the EEU is still possible and can be achieved by lowering trade barriers, harmonizing standards and creating a common free trade zone.

The idea of economic connectivity was introduced in 2014 by the Swiss chairmanship of the OSCE and

emphasized by the following German (2016) and Austrian (2017) chairmanships. Though not explicitly defined in OSCE documents, connectivity refers to the deepening and improvement of trade and economic ties among members. Closer economic cooperation between the EU and the EEU is one way to achieve increased connectivity in the OSCE region. For Russia, creation of a common economic space between the EU and the EEU with the goal to »prevent the emergence of dividing lines on the European continent« is one of the strategic priorities in relations with the EU, according to the country's 2016 foreign policy strategy.1 Remarkably, the idea of Eurasian integration is promoted in Russia not only by conservative elites such as Alexander Dugin or Sergey Glazyev, prominent Eurasianism advocates concerned with geopolitics, but also by progressive reformists such as the liberal economic presidential advisor and former minister of finance Alexey Kudrin. The latter group, however, focuses on reasons of economic modernization.

The European Union adopts a more cautious stance. The European Parliament's September 2014 resolution states, albeit rather vaguely, that »the Commission should explore the modalities of EU cooperation with the Eurasian Economic Union«.2 In autumn 2015, the President of the Commission Jean-Claud Juncker welcomed engagement between the two economic blocks in response to an unpublished letter from the Eurasian Economic Commission advocating connectivity. However, he stated that cooperation was conditional on the implementation of the Minsk II agreement. Tellingly, Juncker addressed his (also unpublished) letter to Russia's President Putin rather than to the Eurasian Economic Commission.3 Given the lack of progress in the Minsk II processes, closer economic cooperation between the EU and the EEU seems off the shelf now.

<sup>1.</sup> Foreign Policy Concept of the Russian Federation 2016; http://www.mid.ru/en/foreign\_policy/official\_documents/-/asset\_publisher/CptlCkB-6BZ29/content/id/2542248.

<sup>2.</sup> European Parliament resolution of 18 September 2014 on the situation in Ukraine and the state of play of EU-Russia relations; http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%-2fEP%2f%2f-TEXT%2bTA%2bP8-TA-2014-0025%2b0%2bDOC%2bXM-L%2b-V0%2f%2fEN&language=EN.

<sup>3.</sup> Gotev, G. (2015): Juncker opens the door to EU-Eurasian Union rapprochement, Euractiv; https://www.euractiv.com/section/economy-jobs/news/juncker-opens-the-door-to-eu-eurasian-union-rapprochement/.



There are numerous political obstacles to increased EUEEU connectivity; the unresolved conflict in Ukraine is a significant hindrance. So far, there have not been any official talks between the EU and the EEU or any engagement above the level of technical standard harmonization. This seems to be a vicious circle: the conflict in Ukraine erupted in part due to the competition between the two integration projects, and the resulting deterioration of the relationship between Russia and the West leads to little to no engagement between the two projects.

This report explores possibilities for breaking the vicious circle and changing the situation from a damaging zerosum competition to a mutually beneficial engagement between the EU and the EEU. The only way to do so is to abandon the logic according to which cooperation is impossible given the political disagreements and lack of trust. We suggest an opposite approach: one should not wait for the solution of big political problems and reestablishment of trust as a pre-condition of cooperation, but rather start engaging in those few areas where it is still possible, expecting that trust will gradually emerge in the process of interaction. As networks of cooperation grow denser over time, positive spill overs to other areas will eventually occur, ultimately contributing to the solution of political problems and re-establishment of peace and undivided security in Europe. This approach can be seen as an economic track of peacebuilding and engagement with the EEU can be perceived as a peace initiative. Closer economic cooperation and thereby increased connectivity between the EU and the EEU is a promising step that can help re-establish trust and prevent further conflict or its escalation.

Economic cooperation between the EU and the EEU makes sense both for pragmatic and humanitarian reasons. To make greater Europe a more prosperous place, it is hardly possible to ignore the issue of regional connectivity. Considering the current stalemate and the options at hand, rapprochement and engagement is the only way to go. EU-EEU cooperation is one of the few available and worthwhile avenues for improving relations between Russia and the EU. Conversely, if we continue to avoid engaging with the EEU or openly confront it, we will only further alienate Russia and exacerbate the competition in the region. Most importantly, this will happen at the expense of the countries between the

EU and the EEU as well as in Central Asia. We cannot afford this, since people's lives and wellbeing are at stake. To make greater Europe a more prosperous and secure place for all, we should use the opportunities that trade and economic connectivity bring. At the same time, it is crucial not to gloss over difficulties and political obstacles such as the Minsk II processes and the illicit annexation of Crimea. These issues need to be discussed parallel to the economic rapprochement in separate, designated forums.

In summary, this report proposes using closer economic cooperation between the EU and the EEU as a platform for overcoming the current stalemate in relations between the EU, Russia and countries in between. We show possibilities for such cooperation and discuss the obstacles. Unlike parts of the European business community that advocate separating politics from economics and view the EEU as a magic bullet, we aim to put forward a differentiated, balanced and realistic appraisal of the EEU based on three major sources of information:

- Interviews with leading EEU officials and experts in Moscow from April 2017. First-hand accounts are vital as the EEU tends to be poorly understood in the EU:
- 2. Conversations with diplomats, high level officials and experts from the EU and the OSCE in Linz and Vienna from spring 2017 in the framework of an academic conference on connectivity organized by the Austrian OSCE chairmanship;
- 3. Critical publications on the EEU.4

<sup>4.</sup> Dragneva, R. and K. Wolczuk (2017): The Eurasian Economic Union. Deals, Rules and the Exercise of Power. Chatham House; Мовчан, А. (2017): Между Брюсселем и Москвой: «неопределившиеся» страны в зоне влияния Евросоюза и ТС. Carnegie Moscow Center; International Crisis Group (2016): The Eurasian Economic Union: Power, Politics and Trade; Safranchuk, I. (2016): Russia in a Reconnecting Eurasia. Foreign Economic and Security Interests. Center for Strategic and International Studies; European Parliament Research Service (2017): Eurasian Economic Union. The rocky road to integration. Briefing; Кондратьева, Н. (2016): Евразийский Экономический Союз: Достижения и перспективы. Мировая Экономика и Международые Отношения, том 60, № 6: 15-23; Винокуров, Е. и др. (2015): Конфликт двух интеграций. Москва: Библиотека ИНСОР; Dobbs, J. (2015): The Eurasian Economic Union: A Bridge to Nowhere? European Leadership Network Policy Brief.



We believe that now is the right time to address the issue of EU-EEU engagement for two reasons. First, the current »wait and see« approach is not likely to improve the situation but will rather protract the conflicts. Second, the status of countries in between the EU and EEU is neither stable nor sustainable. It is time to abandon the old thinking in terms of zones of influence - these countries belong both to the East and West. At the same time, these countries should be viewed not merely as passive objects of geopolitical competition, but rather as subjects of international law. Responsibility for their future lies not only with the great powers but also with themselves. This means that countries in-between are active contributors in the process of overcoming the current Russia-West stalemate. Good relations and economic ties with both sides should be in their utmost interest.

#### The Case for Economic Engagement

Economic cooperation between the EU and the EEU is possible and desirable for three reasons:

# 1. It provides a neutral platform for kickstarting rapprochement between the EU and Russia.

The Eurasian Economic Union (and the Eurasian Economic Commission in particular) is a suitable channel for dialogue since it is a multilateral economic organization. The regional aspect of the EEU is advantageous as it allows engagement with Russia to be de-politicized. As member of the EEU, Russia is hedged and bound in a multilateral institutional framework (one country – one voice, principles of consensus and veto, overrepresentation of smaller countries in the Commission). This makes the EEU an appropriate platform for starting a dialogue with Russia without ignoring the countries in-between. Economic cooperation can be a tool for finding compromises and mutually beneficial solutions for all.

At the same time, we need to acknowledge that Russia dominates the EEU both economically and politically. Russia accounts for around 80 percent of GDP, trade, territory, and population of the EEU. Part of its rationale for promoting the EEU is not economic but rather geopolitical. Indeed, Eurasian integration and close ties with the countries of the former Soviet Union are

Russia's priorities according to its foreign policy strategy.

However, these aspects are neither unusual nor typically Russian, and are not good excuses for avoiding cooperation with the EEU. Big countries always have leverage; for example, Germany plays a defining role in the handling of the debt crisis in Greece and has decisive influence on many other issues in the eurozone. Similarly, Brazil dominates the Latin American trading block Mercosur, comprising economically much less potent and smaller states like Argentina and Uruguay. Geopolitics should not divert our attention from the fact that some countries in the Eurasian region have historical ties. EEU members were once one country and their economies were connected. After the collapse of the Soviet Union, they continued to have integrated transport and energy infrastructure, common technical standards, and many still use Russian as a lingua franca. Moreover, the second-biggest EEU member, Kazakhstan, with its pronounced resistance to politicization and political integration of the EEU. provides an important counterbalance to Russia within the organization. Moreover, smaller members can successfully bargain and receive concessions within the EEU framework which they would not have been able to do bilaterally. This can be seen in the recent gas price dispute between Belarus and Russia (Belarus was threatening not to sign the EEU's Customs Code). It is equally important to recognize implicit geopolitical aspects of EU's foreign economic policy that are often overlooked and sometimes even vehemently denied. Acknowledging that the EU did not accompany its trade agreement talks with Ukraine by political talks with Russia is important for understanding the root cause of the current problems. These issues will be difficult for the EU to solve without Russian involvement or at least consideration of Russia's interests. Sometimes it is beneficial to recognize political underpinnings of economic projects.



## 2. EU-EEU cooperation allows to overcome the EU-Russia divide and bring the neighbourhood closer to the EU

By actively engaging with the EEU, the EU has a chance to extend its influence over the countries of the Eastern Partnership and Russia, thereby helping to modernize their economies, expand the market and stabilize the region by making it a more prosperous place. In this context, the shortcomings of the EEU can be seen as an opportunity rather than an obstacle.

One of such shortcomings of the EEU stems from the tension between supranationalism and national interests. The EEU is still largely an intergovernmental rather than a supranational organization. Due to the resistance of member states to cede sovereignty, the Eurasian Economic Commission appears to be a weak organ and further integration steps stall. These weaknesses are exacerbated by the principle of unanimity in decisionmaking as well as personnel politics in the Commission: smaller states who tend to have less qualified staff are overrepresented and bureaucrats are often loyal to their capitals rather than to the supranational organization. Additionally, some experts believe that Russia seems to lose interest in the EEU since economic gains turn out negligible (the EEU accounts for just about 6-7 percent of Russia's foreign trade). There is no serious political »mentor« behind the integration project. These points are often mentioned to make the case against engaging with the EEU.

Despite these shortcomings, the EEU is more effective than previous integration attempts in the post-Soviet space, which lacked implementation mechanisms. For example, the dysfunctional Commonwealth of Independent States (CIS) »was born out of feeling of guilt«, according to one respondent. Unlike the CIS, the EEU has a serious economic and institutional underpinning. The Eurasian Economic Commission is a functioning supranational body which develops and implements EEU policies and legislation. Economic gains from integration, which were tangible for smaller members after the introduction of the Customs Union in 2010, have been slowing since 2014. This is largely due to the crisis in Russia, not because of inadequacy of integration. Still, the EEU has high popular support in member states, at around 65 percent (down from 70–80 percent when the EEU was launched).5 On the whole, the

EEU is not a priority project for Russia, its institutions are not strong and it explicitly lacks a political mandate making political integration unlikely to deepen in the near future. The EEU thus appears to be a »harmless« project. In this context, initiating talks with it would be neither politically dangerous nor costly.

On a more fundamental level, the EU and the EEU differ in terms of their respective integration logics, which is often seen as an obstacle to closer cooperation. Liberal (and democratic) EU integration appears to be incompatible with the protectionist (and authoritarian) EEU integration. Indeed, external tariffs are higher in the EEU than in the EU. Moreover, all EEU members except Belarus had to raise their tariffs in the course of accession to the EEU, which turned them away from global competition and made them more dependent on Russian trade and subsidies. Moreover, the EEU's internal market does not function well given the trade disputes between its members, partial re-installation of border controls, multiple exceptions to common tariffs and unofficial customs checks such as those on the Russian-Belarusian border. Russia's unilateral moves such as its countersanctions towards EU agricultural products also weaken the EEU.

However, these differences can also justify EU cooperation with the EEU. It can be a chance to bring neighbouring countries closer to the EU and to negotiate and coordinate the gradual reduction of protectionism through the alignment of tariffs and standards (accompanied by some financial and technical aid). This may encourage the desperately-needed modernization in Russia and neighbouring countries. Recently, Russian leadership has been sending clear signals that it is committed to economic transformation and seeks to diversify and reform the rent-dependent and corruptionridden economy. Furthermore, oil prices are likely to stay low for quite a while, which may lead to an ongoing decline of the living standard. This increases the pressure on Russian leaders to adapt their current economic model. Similar challenges plague many countries in the region. In the long run, economic liberalization and convergence (or at least closer cooperation) with the EU

<sup>5.</sup> Eurasian Development Bank (2017): »Bank Integration Barometer«; https://eabr.org/en/analytics/integration-research/.European Leadership Network Policy Brief.



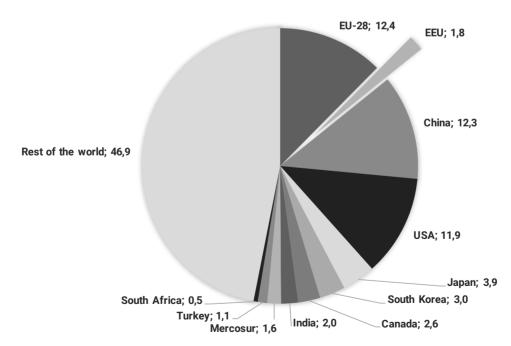
# 3. Economic cooperation and trade enhance the wellbeing of all participants and help prevent competition for surrounding countries.

Trade enhances economic well-being. Harmonization of technical standards and trade policies between the EU and the EEU may bring benefits for all. The EU could expand its market and, parallel to a long-term effort to switch to renewable energies, ensure security of hydrocarbon supply (Russia being one of the major suppliers to Europe). Russia, which is heavily reliant on European goods and technology, could import them at a lower cost and gain investment desperately needed for modernization and diversification of its economy, as well as security of energy deliveries to Europe. Countries of the common neighbourhood could secure benefits from trading with both EU and Russia. It is noteworthy that all members of the EEU express interest in cooperating with the EU, which is hardly surprising given their large trade share with it (figure 2). Recent attempts by Armenia and Moldova to engage with both integration projects are

indicative in this respect. Armenia is an EEU member that signed the specially designed Comprehensive and Enhanced Partnership Agreement with the EU. Moldova is a member of the Deep and Comprehensive Free Trade Area (DCFTA) that recently became an observer to the EEU. Especially Ukraine would benefit from increased EU-EEU connectivity: as a member of a free trade zone with the EU it could resume vital trade ties with Russia.

We need to be aware that the economic might of the two Unions is very unequal (figure 1). Due to economic asymmetries, closer cooperation will not bring equal gains for every country. The inflow of competitive goods from Europe to the EEU market will likely lead to the shutdown of some industries and to the re-structuring of the labor market, especially in the poorer members of the EEU. Therefore, a »compensation deal« might be useful, providing, for instance, extra investment, credits and assistance from the EU. Through these means, it would help modernize the economies and bring them closer to the EU.

Figure 1: Share of selected countries and trading blocks in international trade in goods (2015)



Data source: UN Comtrade

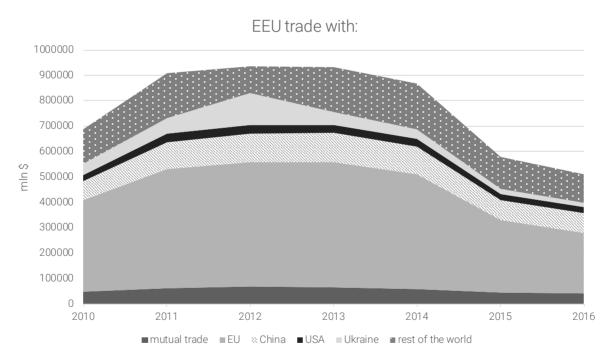
Note: For the EU, EEU, and Mercosur (Brazil, Argentina, Paraguay, Uruguay, Venezuela) only trade with third countries is counted (internal trade is excluded).



Another obstacle for increased connectivity may be the fact that not all actors have a stake in integration. Some EEU member states like Belarus and Kazakhstan prefer bilateral negotiations with the EU. On the EU side, members like Poland or the Baltic states are less interested in engaging with the EEU and might block talks. Generally, economic stakes from integration with the much less affluent EEU are not high for the EU. Moreover, the EU has a plethora of priorities right now ranging from Brexit, migration, and relations with China to an increasingly isolationist USA. Further sanctions with Russia and the simmering conflict in Ukraine are not overwhelmingly painful from an economic perspective. However, we need to recognize that there is a lot at stake politically.

The European Union could use cooperation with the EEU as an opportunity to improve the economic situation in the region as well as to overcome the stalemate in relations with Russia and end the unsustainable status of the countries in-between.

Figure 2: EEU trade with selected partners



Data source: Eurasian Economic Commission



# **Policy Recommendations**

If Europeans do not want to waste the chance to deescalate the current crisis and to engage Russia and the neighbouring countries, the EU should take the initiative and start dialogue with the EEU. The urgency of action is reinforced by the signals from Donald Trump's administration that the USA will decrease their engagement in the world, defy multilateralism and oppose free trade.

The EU should re-consider its skeptical stance and start talks with the EEU parallel to the Minsk process. This can help avoid the pitfalls of »bilateralization«. The case of the largely dysfunctional Shanghai Cooperation Organization (SCO) demonstrates how unilateral policies can be put forward at the expense of multilateral formats. Both Russia and China are members of SCO. China had been pressing for stronger integration and advocated a creation of a multilateral facility for investments in Central Asia. Russia vehemently opposed this initiative, fearing the increase of Chinese influence in the region. In response, the Chinese ultimately decided to extend bilateral credits to Central Asian countries instead and advanced their own Belt and Road initiative, independent of any multilateral framework and thus serving mainly Chinese interests.

To avoid a similar development with Russia, which could lead to Russia dominating the region and dealing with the EU only bilaterally, potentially disregarding interests of its neighbours, Europe would do well to stand unified and engage with Russia as part of the multilateral framework of the EEU. This would hedge Russia and include countries of the common neighbourhood on equal terms. Moreover, dealing with Russia as part of the EEU would give the EU the opportunity to challenge the Kremlin with constructive ideas. The timing is perfect, as President Putin clearly reached out to Europe ahead of the G20 summit in Hamburg, aligning Russian priorities with German ones and advocating for free trade, international cooperation and the Paris Agreement on climate change.6 Such invitation for dialogue should be neither taken for granted nor treated as mere lip service. It is worth to try to take Putin (and the Russian government) by his word.

In practical terms, engagement with the EEU could proceed in three steps:

- 1. Short-term: informal dialogue with the EEU, kickstarted by the German-French tandem, ideally in consultation with the OSCE second dimension. Existing technical talks on the operational level between DG Trade and EEU Commission should be lifted one level higher to Heads of Divisions or above. Talks can take the form of joint seminars. Designated areas of dialogue could include development of compatible regulatory systems in standards, trade, and customs procedures; energy; transport, research, and development; and digital cooperation (e. g., satellite navigation system, cyber security). These steps are neither costly nor politically risky. Resolution of political conflicts, foremost the Minsk II process, should run in parallel.
- 2. Medium-term: institutionalization of contacts between the EEU and the EU. This process can involve regular talks on technical standards, trade and customs regulations, as well as negotiation of a »package deal« that would secure European investment for modernization of EEU economies and offset the displacement of some EEU goods by more competitive EU goods. This step can also involve a joint conference of the heads of the European Commission and the Eurasian Economic Commission.
- 3. Long-term: establishment of a common free trade zone encompassing members of the EU, the EEU, as well as countries between the two integration projects. This would promote interaction instead of zones of influence. A common economic space could mitigate competition in the region, produce economic gains for all participants and lay the foundation for a common security space in the OSCE area.

<sup>6.</sup> President of Russia (2017): »Article by Vladimir Putin published in the German business newspaper Handelsblatt«; http://en.kremlin.ru/events/



Economically, all actors - the EU, Russia, and the countries in-between - would profit from EU-EEU cooperation. Politically, the EU-EEU dialogue could be a first small step towards solving some more complicated political crises in Europe and contribute to establishing a common and indivisible Euro-Atlantic and Eurasian security community stretching from Vancouver to Vladivostok, as envisioned in the OSCE Astana Declaration of 2010. This commitment was re-affirmed at the OSCE ministerial meeting in Hamburg in 2016: connectivity was proclaimed to enhance stability and security in the OSCE region and beyond. Small testcase connectivity projects are ongoing, such as the OSCE regional extra-budgetary project on trade facilitation between Kazakhstan, Belarus (EEU members) and Moldova (DCFTA member).7 In this context, closer cooperation between the EU and the EEU aligns with the goals of the OSCE as it would increase regional connectivity. Therefore, the experience of the OSCE as an organization committed to overcoming economic barriers in the region may be useful in the process of EU-EEU rapprochement.

There are many skeptical arguments about closer cooperation with the EEU that are hard to debunk. However, if the EU does not open dialogue with the EEU, it could be wasting a chance to engage with Russia who

is constrained by a multilateral governance structure, which prevents it from acting unilaterally. At the same time, the EEU includes not only Russia but also other countries that did not cause the current crisis in EU-Russia relations but are negatively affected by it. By not engaging with the EEU, the EU would also disregard economic interests and potentials of its Eastern partners. It does not cost much to begin to cooperate. Today, it is the only realistic option. Moreover, it is the only route that would lift EU's and Russia's common neighbours out of an unsustainable in-between status and stop dangerous competition. Political problems are not a good excuse for inaction, since 1) economic cooperation can help to overcome the political stalemate; 2) after political crises are solved, it would be good to have a prepared ground for economic cooperation. We need to start moving if we want to achieve a common economic and security space as envisioned by the OSCE.

<sup>7.</sup> The project, funded by Germany, is titled »Promoting Economic Connectivity in the OSCE region«. It is being implemented by the OSCE with the support of the UN. See: http://www.osce.org/



## List of Interview Partners

Moscow

Evgeni Gontmakher, advisor to President Putin and senior economic advisor to Alexey Kudrin

Ulf Schneider, CEO, Schneider Group

**Tatiana Valovaya**, Commissioner (Minister) for integration and macroeconomics, Eurasian Economic Commission

**Vyacheslav Sutyrin**, editor in chief of the online information portal »Eurasia.Expert«, research director of the Centre for Integration Perspectives, Moscow Lomonosov State University

Yaroslav Lissovolik, chief economist, Eurasian Development Bank

**Evgeny Vinokurov**, director of the Centre for Integration Research, Eurasian Development Bank (telephone interview)

Alexander Knobel, Gaidar Institute for Economic Policy

Maxim Medvedkov, Head of division for trade negotiations, Russian Ministry of Economy

Sergey Kulik, Institute for Modern Development (INSOR), former advisor to Presidential Administration

**Andrey Zagorsky**, Institute for World Economy and International Relations (IMEMO), Russian Academy of Sciences

**Leonid Vardomsky**, **Svetlana Glinkina, Ruslan Grinberg,** Institute for Economy, Russian Academy of Sciences

Vienna and Linz (conference presentations and personal conversations)

Andreas Stadler, Austrian OSCE Chairmanship, Austria

Andreas Metz, German Committee on Eastern European Economic Relations, Germany

Jean Blatz, DG Trade, EU Commission, Brussels

Peter Havlik, International Institute for Applied Systems Analysis, Austria

Ricardo Giucci, Berlin Economics, Germany

Sergey Utkin, Centre for Strategic Developments, Russia

Amat Adarov, Vienna Institute for International Economic Studies, Austria

#### FES ROCPE in Vienna

The goal of the FES Regional Office for Cooperation and Peace in Europe (ROCPE) of the Friedrich-Ebert-Stiftung in Vienna is to come to terms with the challenges to peace and security in Europe since the collapse of the Soviet Union a quarter of a century ago. These issues should be discussed primarily with the countries of Eastern Europe – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – and with Russia, as well as with the countries of the EU and with the US. The security order of Europe, based until recently on the Helsinki Final Act (1975) and the Paris Charter (1990), is under threat. This is, among others, a result of different perceptions of the development of international relations and threats over the last 25 years, resulting in divergent interests among the various states.

For these reasons, ROCPE supports the revival of a peace and security dialogue and the development of new concepts in the spirit of a solution-oriented policy. The aim is to bring scholars and politicians from Eastern Europe, Russia, the EU and the US together to develop a common approach to tackle these challenges, to reduce tensions and to aim towards conflict resolution. It is our belief that organizations such as the FES have the responsibility to come up with new ideas and to integrate them into the political process in Europe.

We support the following activities:

- Regional and international meetings for developing new concepts on cooperation and peace in Europe;
- A regional network of young professionals in the field of cooperation and peace in Europe;
- Cooperation with the OSCE in the three dimensions: the politico-military, the economic and the human.

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ISBN: 978-3-96250-097-9

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