
Representing Private Interests to Increase Trust in Russia-EU Relations



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Russie.Nei.Visions

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In collaboration with its partners, Ifri is currently supporting a task force on the future of EU-Russia relations. The first workshop was held on 2 December 2005 in Paris. Four original contributions were then presented: by Andrew Monaghan (security), Thomas Gomart (neighborhood policy), Timofei Bordachev (lobbying), and Michael Thumann (energy). They were debated by Xavier de Villepin, Louis Gautier, Dov Lynch, and Dominique David. The workshop was chaired by Thierry de Montbrial.

This special issue of *Russie.Nei.Visions* gathers all these contributions in one place. At this stage, they must be read as works in progress, intended for critique and thus as fuel for the EU-Russia debate. They will be further enriched through the work of the second workshop, in 2006, and will end by issuing precise recommendations.

The four contributors would like to thank and acknowledge all the participants for their active contribution to this project.

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Abstract

I ncreasing the number of actors participating in the daily dialogue between Russia and the EU can not only contribute to solving important issues surrounding these bilateral relations but also, more broadly speaking, to those surrounding the integration process within Europe itself. The inclusion of business representatives and non-profit organizations in this process would make it easier to gage the different social, economic, and political behaviors within “Old Europe” and overcome the “democratic deficit” resulting from the absence of citizen participation in the management of Russia-EU relations, and its monopolization by state bureaucracies.

“Dans les limites de la compétence qui lui est conférée par le Traité, la Haute Autorité <...> est en relations directes avec toutes les entreprises.”

(“Within the limits of the competencies bestowed upon it by the Treaty, the High Authority (...) is in direct relations with all businesses.”)

Jean Monnet, 1954*

* Statement made at the extraordinary session of the Common Assembly of the ECSC in Strasbourg, 30 November 1954. Source: Ch. Zorgbibe, *Histoire de la construction européenne*, Paris, PUF 1993, p. 40-44.

Introduction

Although the term “strategic partnership” is still unclear for both the expert community and decision-makers in Russia and the EU, this very ambiguity perhaps, best captures the state of bilateral relations. On the one hand, Russia cannot be regarded as a potential candidate for European Union membership. This is first of all impeded by the existing divergence between its political and economic system and EU basic criteria, but also by the absence of political will in elite and ruling groups to follow the path of institutionalized “europeanization”. On the other hand, even this apparently unquestionable statement—“Russia is not willing to join the EU under any circumstances”—has its limitations. Some of the recent Russian studies show evidence that a reasonable share of elite and expert community—when asked—do not exclude the possibility to join the EU *in fine*.¹

Russia and the ex-Soviet states are often perceived as threatening European “soft security”. At the same time, Russia remains a European country and in a number of essential ways follows *de facto* the path of integration with the EU economic space. Russia is gradually adopting EU rules and regulations in economic activity or is undertaking long-term obligations to move this way.²

It should also be taken into consideration that in terms of longer perspective the European integration process itself—an unprecedented effort to establish a union of nations that benefits all members—is of interest, rather than the present form of “political Europe”. From this viewpoint, the possibility of creating an integrated community between Russia and today’s EU space, which would one day include a common market and a unity, or rather identity, of aims and actions on the international scene, makes more sense than thinking of the EU’s ability to admit Russia as a full member or of its willingness to do so. From this perspective, the participation of Russia in the European integration process is more likely a matter of time.

However one should also never ignore the fact that such a community (bringing together Russia, EU etc.) can hardly be established without a gradual

¹ These are the results of a survey conducted among 25 Russian experts, business people, and politicians during the brainstorming session “Russia-EU Relations: The Present Situation and Prospects”, organized by the Council for Foreign and Defense Policy in January 2005. For the text in English, see: <http://shop.ceps.be/BookDetail.php?item_id=1246>, July 2005.

² First among these spheres are budget planning, taxation and accounting of companies, and tariff legislation.

merger of their social and economic environment. Moreover, the inhabitants of this community should not only feel comfortable in their relationship with their own governments but also have a reason to support supranational initiatives. Especially when a Russia–EU “joint venture” will have clear sovereignty implications and practical consequences for citizens and business.

The present relationship between Russia and the EU reflects three major problems essential to the European integration process itself, that is a crisis of confidence (perceptions and support problem), a crisis of governability (leadership problem) and a lack of strategic goals of rapprochement (shared and supported by both partners). The most important and meaningful of them is the crisis of confidence that blocks implementation of formally reached agreements.

Like in the EU itself, trust or credibility challenge in EU–Russia relationship comes from the imperfection of democratic mechanisms in smoothing differences of social behavior. Though this is a problem that can be solved at the micro level by the interested parties of civil society and business of Russia and EU countries, a minimum support from the state and its administrative machine is required.

Integration and Confidence

Lack of trust remains probably foremost on the list of the numerous hardships typical of the relationship between two major players in Eurasia—Russia and the European Union (EU). Though armed conflicts between the two after 1991 are inconceivable and bilateral trade and interpersonal relationship have multiplied, Moscow and EU authorities admit more and more that the problem of trust impairs the implementation of reached agreements. The repeatedly stated intention of both parties to follow “redline tactics” in important political and economic negotiations prove this fact and cannot be regarded as a practice typical for friends or even “strategic partners”.³

During recent years Russian authorities announced more than once their intention to play an independent role in the international scene without allying with major players. Among other things, this implies the construction of a strategy of mere cooperation and a refusal to share any part of national sovereignty.

The EU–China relationship follows more or less the same model. Totalitarianism in China is not an obstacle for investment from EU countries and trade turnover is increasing. Mutual understanding in negotiations is achieved due to principles other than mutual trust.

This can hardly be applied to Russia, however. European rules and regulations of economic activity have long been filtering through Russian business practice regardless of the real intentions of official authorities and tactical interests on the part of Russian business. The interests and stability of Russian companies are increasingly dependent on decisions made in the EU Council rather than in the Russian government. “Road maps” approved at the Russia–EU summit in May 2005 will make extra contributions to this. Despite the fact that their general result to “build up an open and integrated market”

³ In the beginning of 2004, the European Commission suggested revising its formal relations with Russia, and to introduce therein the notion of “red lines”, meaning policy areas where the EU should in no way concede any ground to Russia. Outside of these areas, it was suggested that relations should remain friendly. Communication from the European Commission to the Council and the European Parliament on Relations with Russia (COM (2004) 106), 9 February 2004; Council of the European Union, Brussels European Council 25 and 26 March 2004—Presidency Conclusions (POLGEN20 CONCL1), Brussels, 19 May 2004.

can remain unachieved, these guidelines will probably lead to a minor, however measurable advance of Russia towards EU socioeconomic model.⁴

Aside from this, Russia and the European Union (political and economic Europe) are natural allies in the international arena and the heirs of Roman and Byzantine culture. Humanistic Renaissance culture enriched this heritage in Western Europe and together with it synthesized “European values” in their modern understanding. In Russia it was enriched by the great Russian culture of the XIXth century and nowadays it stands up to Americanization. Seventy years of socialist experiment added to the “europeanization” of Russia that set a strong commitment to the idea of social justice and governmental and social support for “needy persons”. In other words, contemporary Russia is much closer to “French Orleans” than to “New Orleans”.

Secondly, citizens of Russia and the EU are equally interested in stabilizing the near periphery and establishing tight bonds between their economies and their societies. Russia has no alternative except getting closer to the rest of Europe. For the EU, a fenced off and non-stable Russia will pose a threat either as a separate source of instability or as a victim of destructive external powers.

Thirdly, Russia and a unified Europe will not be able to meet the challenges of international security without each other. If Russia is not involved, the European Union will never feel its south-eastern flank securely protected. Without Europe, Russia will stay face to face with forces it cannot physically confront. Both Russia and Europe are literally “seated” on the instability zone, which extends, with different level of violent outcomes, from Morocco to the north-western regions of China.

Finally, the only alternative to the gradual integration of Russia and the part of Europe already integrated under the EU may be the isolation of Russia and even willful downgrading to an “energy appendix” of the Common EU market. In this case, Russia will probably become a problem for the rest of Europe because of its internal socioeconomic situation and its increasing vulnerability to threats coming from East and South.

That is possibly why building Russia–EU relations based on the so-called “Chinese” model has always been out of the question. It is another matter that obligations, which Russia undertook in early 90s, were not linked to institutional perspective of a relationship (joining the EU), and probably because of that they have seemed of no interest and out of reach for Russian society thus far. Though even now, when no visible progress in the “europeanization” of Russia is quite obvious, the quality and integrational nature of most of the EU requirements clearly put Russia aside from the majority of other non-candidates partners of the European Union. And Russia cannot turn its back on the EU, whether it decides to or not. It is deemed

⁴ «Road Map» of Common economic space, ratified on 10 May 2005 in Moscow by the President of Russia V. Putin, the Prime Minister of Luxemburg J.C. Junker, the Chairman of Commission of the European Communities J.M. Barroso, and the EU Foreign Policy and Security High Representative J. Solana.
<www.kremlin.ru/interdocs/2005/05/10/1940_type72067_87994.shtml>.

symbolic that the Russian oligarch who suffered most is the one who was also the most fervent supporter of turning Russia's routes of natural resource exportation away from Europe and who opposed the development of production-sharing agreement supported by a number of EU companies.

It is reasonable to suggest that Russia and EU member states are now so close, and the content of their relations so rich, that the institutions and practices that have been set in place in the early 90s can no longer match the new level of dialogue reached between them. Thus the confidence problem nowadays is no longer connected with increasing resentment but with extension of a de facto bilateral agenda and the introduction of issues that seemed utterly impossible some 10-15 years ago.

In this case there appears a crucial issue of the adaptation of these institutions and practices and the introduction of new ones that will be able to ensure the dialogue on the level required now. Though it must be said that, at this stage, the high priority task of these institutes and practices is no longer to provide minimum mutual understanding and dialogue represented by the regular summits, meetings of "Troika" and Minister for Foreign Affairs of Russia, bilateral summits or roundtables of Russian and EU industrialists and entrepreneurs held once a year.⁵ Rather, new or renewed mechanisms of Russian–EU cooperation should be able to secure the sophisticated and long-term integration process.

Here though as in any integration process we come across the differences in culture and set of values.⁶ Cultural variety,⁷ typical of the EU—where differences exist in social behavior patterns of Northern, Central, Southern and now Eastern countries of "the enlarged European Union"—, influences equally the EU–Russia relationship, which follows its own patterns shaped by traditions and dominating religious currents. In Russia's case, these differences are magnified by the fact that President Putin's style of state management clashes with the principles of international organizations (such as the OSCE or the Council of Europe).

This inevitably leads to the fact that irritating differences in political, social and administrative cultures of partners play a negative role.⁸ In most cases these differences become the reason for mutual distrust and paralyze the execution of decisions, rather than the obvious deviations from the market democracy model. The total elimination of these differences cannot be seen even within the EU itself. However, their smoothing out and taking them into consideration while developing and making decisions is becoming a major issue.

⁵ The present institutional structure of the relations between the EU and Russia can be found at: <www.delrus.cec.eu.int/en/p_210.htm>.

⁶ In the case of Russia this is aggravated by governance that prevails after 2000 and provokes many questions as to conformation to basic principles of a number of international organizations (OSCE, Council of Europe).

⁷ G. Hofstede, *Cultures and Organizations*. London, Sage Publications, 1994.

⁸ R. van Schendelen, *Machiavelli in Brussels: The art of lobbying the EU*. Amsterdam, Amsterdam University Press, 2003.

Extending relationship ground and cooperation, so far limited to that between official authorities, can help smooth differences. On the part of politics and bureaucracy there is a clearly stated, at least declared, intention of further rapprochement. The existing—even if by no means perfect—legal base for relations, the Partnership and Cooperation Agreement of 1994 (PCA) and other documents, already enables an advance in de facto integration of Russia and the European Union. It is widely recognized that the problem lies in implementation. Here disagreement of economic and other factors starts playing a negative role. As it follows from recent relationship experiences, elimination of Russian and European companies from negotiations and, in the case of Russian companies, the absence of opportunities to assert their interests in the EU institutions in Brussels can affect the spirit of the relationship. Even so, an absolute majority of business players of Russia and the EU are interested in close relationships and cooperation. In this case, if they have opportunities to bring forward their interests and have them reflected in the decision-making process, there will be many less “pitfalls” in Russia–EU relations. It will also lend support to bettered public opinion attitudes and perceptions.

In the EU itself, one of the ways to solve this problem is through the participation of non-governmental actors such as business and association representatives in decision-making processes. Despite the fact that their effectiveness constantly brings a storm about the ears of both administrative authorities and non-governmental players themselves, this is the type of relationship that does present a kind of “safety net” that holds the whole integration process together. The original neo-functional approach put forward the key importance of government-business relations. The transparent and effective interest-representation of non-governmental players (business and civil society) is traditionally considered to be one of the main pillars of the European integration process. It seems symbolic that the “Founding Fathers” of the European Coal and Steel Community (ECSC) High Authority believed that it should have entered in direct relations with the existing businesses of member countries.⁹

The engagement of non-profit non-governmental organizations in EU–Russia relations is no less important. Trade unions, consumers’ associations and societies for the defense of civil rights can introduce essential corrections to the final decisions of the Russian and EU authorities to make them more stable. At the moment the role of these players is not understood fully. However, while economic relations and investments are growing, the role of NGOs that influence the issues of ecology, labor conditions and payment, standardization and quality of products, and social policy will be only strengthened. At the current stage, the engagement of Russian non-profit organizations in their relations and presence in the EU (i.e., Brussels) can play an important role in building up a number of entirely political aspects of relations between the EU and Russia. This might help avoid difficulties in formal relations between Russia and the EU provoked by the initiatives of the Russian government concerning NGO activities and financing.

⁹ See the epigraph.

Also, it can be asserted that increasing the role of Russian NGOs in relation with the EU and the possibility to represent their interests within it will be a weighty element in the dialogue between authorities and civil society inside Russia itself. It is well-known that in transition countries like Russia, at the moment, engagement of non-profit institutions in international networks contributes to the socialization of their members, increases performance at the national level, and contributes to better positioning in relationship with national authorities. This is also true for activities of business associations and companies.

The Democracy Deficit Problem in Russia–EU Relations

As it follows from the observation of the existing practices in Russia–EU relations, two types of decisions can be marked out. Firstly, these are documents and other decisions made by Russia and the EU within the existing bilateral interstate mechanisms. Among these are the 1994 Agreement, the “road maps” of the four common spaces, future agreement between Russia and the EU for the period after 2007—whatever legal form it may take—, decisions of joint working groups, and documents approved within the “dialogues” and on separate issues of cooperation. What is important here is that the effect of disagreements on the negotiation process and its results are related not only to administrative cultures but that they can also be derived from the interests of the different actors within each partner. Secondly, there are the decisions of the national authorities in Moscow and supranational ones in Brussels concerning implementation of bilateral agenda or influencing the terms of activities of non-government players (business and civil society). In the case of the EU, this process is happening also at the level of legislative and executive powers in individual member countries.

At the moment, decisions made at these levels feature a high degree of democracy deficit. There is a lack of accountability in public authorities and of citizen participation in the preparation and process of decision-making. The democracy deficit itself is one of the most essential issues European integration faces while increasing the delegation of powers to the supranational level. This problem was one of the reasons behind the EU’s systemic crisis in the summer of 2005. It is notable that increasing transparency of decision-making mechanisms and the quality of communication between EU institutions and its citizens is among the priorities of the EU’s plans for improving its integration process. It should be noted that measures offered by Brussels in this direction will be probably insufficient and the future integration model will require larger and more radical changes.

However, the democracy deficit problem becomes even more serious when the European Union starts building something together with the countries that are not its members or candidates. The EU, being much more economically powerful and unable to review its own legal base, is in fact bound to impose its norms on partners as the only possible framework for joint projects. As a result, any form of cooperation going beyond mere trade with those neighbors that cannot or do not want to become members leads to the democracy deficit in relationship.

In the case of Russia, the democracy deficit, usually projected by the EU to its neighbors, becomes even more frightening as it comes in addition to unbalanced relations between government, business and civil society inside the country. No less than 80% of the Russia–EU agenda is handled by the European Commission, the institution most affected by the democracy deficit of the EU. As for Russia, the key EU partners are also executive authorities, the accountability of which to the weak parliament and society in general invites many questions. And certainly both bureaucracies “try to enhance their authority by concealing its knowledge and intentions”.¹⁰

As a result, the official representatives of Moscow and Brussels do not always deem it wise to involve non-governmental players in discussions on bilateral initiatives. The engagement of business and civil society organizations in Russia–EU relations is probably part of daily cooperation practices where the viewpoints and interests of Moscow and Brussels conform the most. Neither the Russian government nor the European Commission are ready to secure the high-level transparency and publicity of the decision-making process at the bilateral level. Although the Commission acts amidst more democracy and the interests of European business and non-profit institutions are protected in Brussels more effectively than in Russia, on Russian soil the Commission is mainly forced to play along with the rules set out by Russian authorities.

At the same time, the European Commission follows its own agenda oriented toward the economic development of the Common Market and lobbied for by the companies and associations of EU countries. The Russian government, by contrast, eliminates non-governmental players from the process and is not able to represent their interests in the dialogue with Brussels.

The most telling example of the state of things is the joint “road map” of Russia and the European Union on the Common Economic Space approved in the Russia–EU summit of 10 May 2005.¹¹ This document explains the directions of economic and legal harmonization between the parties, four times mentioning the role of business circles. The “Investments” section (1.5.) includes the agreement to “consult with the organizations, including business circles, interested in developing procedures and instruments to improve the conditions of mutual investments and eliminate administrative obstacles in business development”. In the section “Entrepreneurship policy and economic dialogue”, which is supposed to mention the special role of economic players, only issues of automotive, textile and aerospace industries got the honor to be mentioned when the talk was about “support and facilitation of the dialogue between industry associations of both parties.”

Business is not mentioned at all in the “Transport” section, which is in fact one of the most promising axis of possible integration of Russian and the EU. Considering the dominance of national form of ownership in this field in

¹⁰ M. Weber, *Wirtschaft und Gesellschaft* (1976; s. 572-574)

¹¹ See EU-Russia Common Economic Space Road Map at: www.kremlin.ru/interdocs/2005/05/10/1940_type72067_87994.shtml.

Russia and the EU, only “assistance in development of public-private partnership” is mentioned in this section. In the energy issue (section 4), the most important at the moment and politically topical, the next to last paragraph raises a question to “proceed to the full-scale business dialogue between Russian and European energy companies”. As to other agendas such as the regulation of industrial production (standardizing, technical regulation and conformity of evaluation procedures), information and communication technologies, radio and telecommunication equipment, electric vehicles and equipment; medical equipment, pharmaceuticals, forestry and related fields, chemical industry, mining and metallurgical complex, agriculture, fishing industry, competition policy, investment regulation, sanitary and phytosanitary measures, foreign trade and customs legislation, transport and telecommunication, ecology—the possibility and necessity of dialogue with business were not mentioned at all.

The European Union not only projects its qualities to the neighborhood, but its defects as well. The “road maps” contents were influenced by a general crisis of EU foreign policy resulting from the monopolization of the majority of large-scale foreign policy projects. The foundation of this negative trend was laid in 1994 when the responsibility to develop candidate countries’ political and economic systems adaptation program to EU requirements and monitor this process was placed on the European Commission. Based on methods and instruments tested in the relations of Brussels with member countries, the EU Commission founded the main EU foreign policy project on a “harmonization of legislation” as the instrument of partners’ europeanization and of pressure on their internal political and economical situation. It seems symbolic that “road maps” between Russia and the EU, which were the apotheosis of the obscure technocratic and at the same time contradictory system of relations, were approved at the summit of 10 May 2005, just 19 days before the referendum in France resulted in the announcement of a crisis inside the EU. The more so since the crisis in confidence and the related democracy deficit became some of the most important reasons for the thorny situation revealed by the failure of the European constitutional project in early summer 2005.

In this context, the way in which the democracy deficit problem will be solved within the EU after June 2005 is of great importance. This process can seriously influence not only the current “balance of power” between “Brussels” and member countries but also basic issues of European integration such as the role of institutions, the whole EU development strategy and, what is equally important, decision-making transparency. From the viewpoint of the larger European space’s long-term development prospects—in our case relations between the EU and Russia—the most important consequences of the “growth crisis” was the enhancement of the EU’s internal dynamism and the activation of the related discussion on the ways to make the integration process more transparent and close to the people. A more dynamic European Union could acquire more stability and a more competitive edge in today’s international environment (i.e., globalization) and therefore offer some new opportunities for integration with its neighbors in the European space.

Mostly, the EU (i.e., Brussels') policy toward Russia was always dependent on the situation inside the European Union and, as a result, suffered from the same diseases. The process of recovery, as the only alternative to the new eurosclerosis, cannot avoid expanding democratic control mechanisms of decision-making. The EU external relations field is not an exception here.

Preliminary Conclusions and Recommendations

In the previous analysis we tried to define the basic types of positive contribution the presence of non-governmental players (business and civil society) can make towards stabilization and the steadiness of rapprochement, maybe even integration, between Russia and the EU. They can now be marked out:

- Expanding the decision-making circle contributes to the fact that individual interests and worries based on the existing social (political and economic) behavior models are taken more into consideration. This allows to reduce the effect of inevitable irritating differences between partners and create an atmosphere of trust, the lack of which is supposed to be one of the main problems in Russia–EU relations at the current stage.
- The presence of non-government players in the framework of negotiations between Russia and the EU could enhance the quality of decision-making and make them more popular among circles whose interests could be affected. Lack of such popularity and support can be regarded now as the democracy deficit dominant in Russia–EU relations and one of the main reasons for paralysis in decisions implementation.
- The presence of Russian and EU non-governmental players in each other's information space will help prevent a clash in economic and political spheres at an early stage. At the moment, interests are represented within the decision-making process in Russia and the EU separately: this prevents agreement on common interests, and leads to a collision about the issues in question. In the case of Russia, this will be a good support for business and civil society in their dialogue with official authorities.
- Forming the organized interest groups at the EU–Russia level, though it appears to be the most difficult issue, will seriously contribute to the elimination of non-economic obstacles in promoting companies to each other's markets. Also, this will sensibly reduce opportunities for political and administrative manipulations of economic players' interests if these manipulations are not related to the protection of economic interests, but imposed by institutional agenda of the administrative bodies of Russia and the EU. This also can contribute to the improvement of the quality of dialogue between employers and employees within transnational economic cooperation.

- Until now the EU has not enjoyed any sort of special dialogue with civil society and business associations, as an officially recognized part of its external relations with different partners. Even countries as culturally close to the EU as Norway and Switzerland, not to mention the USA, do not have any embedded mechanisms to protect their internal non-public players' interests within the framework of their relations with the EU.

This issue is therefore very new and innovative and must thus be taken into account in expert dialogues on the new Agreement between Russia and the EU that will succeed the Partnership and Cooperation Agreement of 1994, which expires in 2007. Apart from that, a new and separate Russia–EU dialogue on non-governmental interests-representation and preparation of bilateral political and legal document on this issue should be promoted.

Involvement of the business and non-profit organizations representatives in Russia–EU relations can be done at three levels:

1. Involving various and specialized business dialogues and dialogues of civil society in the ongoing Russia–EU negotiations;
2. Building formal lobbying infrastructures of business and civil society institutions in Moscow, Brussels, leading European capitals, and the main Russian cities;
3. Developing the informal mechanisms of business and civil society interest-representation and their lobbying of Russian and EU authorities.

The legal base for the process can be a new Russia–EU Agreement on interest-representation support. The objective of this agreement is deemed as follows:

- Formal awarding of the rights for Russian and EU businessmen to represent and protect their interests in their partners' territory;
- Impose obligations on them to coordinate their approaches to economic relations issues within special consultative mechanisms;
- Provide to the associations, companies and their representatives the guarantees of access to governmental information without restrictions and within clearly defined types of documents and from certain stages of their development;
- Defining a minimum period (before the decision-making stage) to consult bilateral agreements and other documents (of declarative character) with the interest representation groups;
- Secure the minimum number of companies involved for an interest representation group to be supported in establishing its own bureau in Moscow or Brussels;
- Envisage special financial support mechanisms for SME or civil society interest representation in their partners' territory.

This agreement can be prepared within the renewal of the political and legal base for Russia-EU relations in view of the expiration of (PCA)

Agreement of 1994, and in accordance with the EU and the RF legislation, international law, secondary legislation and government initiatives of Russia and the EU Commission.¹²

As for involvement of non-government players in Russia–EU negotiations, the most promising approach is to expand the experience accumulated by the roundtable of Russian and EU entrepreneurs (since 1997). At the moment roundtable meetings have a large membership (150) and are timed to coincide with regular Russia–EU summits. The recommendations accepted during these meeting are rather laissez-faire and consist mostly of congratulatory words and support of state-promoted activities.

Russia and the EU should better think about giving the roundtable a more working character, and propose that member companies financially support the representations and offices in Moscow and Brussels. These offices and representations will be able to keep a file on individual issues and coordinate meetings of specialized councils on individual branches and sectors of the economy.¹³

Such councils should not only discuss the plans or actions of Russian and EU diplomatic bodies, but also look closer at the specific problems and issues of mutual interest that can make up a long list as well as number of Russian and European companies that want to get new and transparent lobbying resource. Official authorities of Russia and the EU, for their part, should enter an engagement to hold a separate consultation with these councils where national and corporate views on this or that issue can be put together.

Business councils and their panels made up of corporate analytical departments and independent experts should revise all documents prepared by Russia and the EU that can influence the activities of companies. The probability of success of this or that project, and the possible obstacles which put their implementation at risk, are of fundamental importance.

Also, responsibility to control the execution of the Russia–EU agreement to support representation of interests within trade and economic cooperation can be laid on the roundtable secretariat, provided this agreement is prepared.

In building the formal lobbying infrastructure of business and civil society institutions the parties should encourage and finance, the establishment of business-associations and civil society institutions representative offices in Moscow and Brussels. As to big business, what is meant there is only clear presentation of the problem as to whether civilized representation of interests can secure access to additional government information and full participation in

¹² <http://europa.eu.int/comm/commission_barroso/kallas/transparency_en.htm>.

¹³ At the moment the organized interests-representation of European companies in Moscow is performed via the European business-club (<www.aebrus.ru/index.php>), geared toward internal discussion about appearing problems and the organization of conferences on integration of Russia into European economic and legal space.

consultation at an early stage.¹⁴ Also the problem should be solved as whether to involve experts from business-associations of Russia and the EU into government advisory bodies that review programs and proposed laws directly connected with economic and political relations of Russia and the EU.

As to small and medium business and civil society institutions, the Russian and EU authorities should study the problem of financing the establishment and activities of the representative bodies and placing audit functions on the specialized joint cooperation sub-committee.

In regards to the informal mechanisms of economic interest-representation and the lobbying of government authorities (be they those of Russia or the EU), the only thing that is asked is that such activities be officially recognized as legitimate, and legalized. Preparation of interest-representation law (lobbying) in Russia and the new EU initiatives in this field (UE Commissions communication)¹⁵ will also contribute to this.

Non-governmental interest-representation was always of major importance in the European integration process, securing the socialization of its members, and leveling collisions and national barriers. Ernst Haas assumed in 1958 that the activities of the interests groups could partially explain the development and functioning mechanisms of European communities.¹⁶

Firstly, interests representatives promote contacts between the people and the European institutions, contributing to the democratic legality of the decisions made. Beyond this, even perfect bureaucratic mechanisms of the EU, Western Europe and the USA cannot ensure the quality of decisions made and the steadiness of the policy carried out based on those decisions, without involving interested players and independent experts.

Secondly, aiming to maximize benefit from further opening the markets, the representatives of private interests will support and promote further economic integration and lobby government authorities in favor of the expansion of single rules and standards to all new spheres of economic activities. This took place in the EU not long before the adoption of Single European Act in 1986, when representative of big EU business groups demanded a political initiative that could assist European business in the face of competitors from Japan, the USA and the growing economies of South-east Asia.¹⁷

No doubt the role of private interests cannot play a pivotal role. Very often they are helpless in the face of geopolitical or social factors that prevent the higher level of inter-state cooperation and *rapprochement*. At the same

¹⁴ R. Hull: "Lobbying the European Community: A view from within", in S. Mazey, J. Richardson (eds.) *Lobbying in the European Community*, Oxford, Oxford University Press, 1993.

¹⁵ See for example:

<http://europa.eu.int/eur-lex/en/com/cnc/2002/com2002_0704en01.pdf>.

¹⁶ E. Haas: *The Uniting of Europe: Political, Economic and Social Forces, 1950-1957*, Stanford, Stanford University Press, 1958.

¹⁷ J. Greenwood: *Representing Interests in the European Union*, London. Polgrave Macmillan, 2002.

time the role of interest-representation is great compared with expenses the companies bear to lobby their interests. All the more so compared with the expenses that they might bear provided insufficient attention is paid to the “civilized” lobbying.

Speaking about the relations between the EU and such a culturally close, politically challenging, and economically important partner as Russia, the role of non-governmental players and their own interests can not only promote necessary mutual confidence, but also contribute greatly to the “europeanization” of Russian state and society, making this European country closer to the norms and social behavior most widely spread in “Old Europe”. Two main functions of profit and non-profit “lobbying”—leveling culture differences and reducing the democracy deficit—can contribute significantly to public support of the common endeavors, and play a pivotal role in the integration of Russia and the rest of Europe.