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Paper Proposal

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What is Modernization in the EU-Russia Dialogue?

The main objective of the paper is to analyse the EU-Russia agenda from the perspective of the concept of 'modernisation', which is not only an objective necessity but also a challenge for Russia. We are observing a gap between urge of modernization and real readiness to implement it in Russia. Dialogue with the EU is historically predetermined. From time immemorial Europe was one of the main sources of Russian modernization, its democratic transformations, a kind of tuning-fork, which sound is hardly heard.

In this paper I will analyse the reasons for the level of inertia today in the EU-Russia relationship, including lack of political will, low trust level, gap in both value and mutual expectations, ebbing of European institution role and decrease in their strategic initiative that led to strengthening of roles of national states. This context allows to talk about redirecting trend in strategic priorities with focus on bilateral cooperation between Russia and member states which is considered more an alternative than addition to EU-Russia dialogue.

A key matter of investigation is viability evaluation of the Partnership for Modernization initiative and assessment of weakening drivers including EU-Russia communication gap in modernization process and frequent view of modernization as interference into internal affairs. So Partnership for Modernization is either doomed to follow a fate of four 'Roadmaps' 2005 or will become a new renovation of EU-Russia agenda.

For the first time the concept “Partnership for modernization” appeared at the EU-Russia Summit in Stockholm in 2009 as the main direction of cooperation development under both parties. According to witty remark of Napoleon Bonaparte “There are no roads in Russia – only directions”. Hopefully, modernisation direction will be more successful than concept of Roadmap. The core of this initiative is to advance objectives of four EU-Russia cooperation Roadmaps - to launch and implement future-oriented ambitious projects in the trade and economy, science and technology and culture and humanities spheres including a civil societies dialogue.

For Russia Dmitry Medvedev marked four main priorities of development of EU-Russia cooperation in the context of involving European potential into modernization process in Russian economy. Among them there are compatibility of technical regulations; technological development and interchange of technologies; promotion of Russia entering WTO; facilitation of human contacts and visa-free regime. Not much later these priorities were expanded with the task to provide synergy on priorities of EU and Russia socio-economic development until 2020. For Russia it is important to identify necessities of specific industries for their priority modernisation with the support of European potential.

Key step in establishing concept of Partnership for modernization was made in 25th Summit EU-Russia in Rostov-upon-Don on May 31-June 1, 2010, when the European Union and Russia launched a Partnership for Modernisation to the mutual benefit of their citizens. “Priority areas of the Partnership for Modernisation will include: expanding opportunities for investment in key sectors driving growth and innovation, enhancing and deepening bilateral trade and economic relations, and promoting small and medium-sized enterprises; promoting alignment of technical regulations and standards, as well as a high level of enforcement of intellectual property rights; improving transport; promoting a sustainable low-carbon economy and energy efficiency, as well as international negotiations on fighting climate change; enhancing cooperation in innovation, research and development, and space; ensuring balanced development by addressing the regional and social consequences of economic restructuring; ensuring the effective functioning of the judiciary and strengthening the fight against corruption; promoting people-to-people links; and enhancing dialogue with civil society to foster participation of individuals and business”¹

As for implementation instruments it will be the sectoral dialogues (over 30 working groups and dialogue formats), the coordinators of the Partnership and the co-chairs of the European Union – Russia. The European Union and Russia have exchanged concepts on the European Union’s and Russia’s visions of the main areas for cooperation within the context of the Partnership for Modernisation and in December, 2010 the coordinators of both sides have presented the first work plan of realization Partnership for Modernisation. It happened not very big, rather vague document.

Concerning financial support it was presented the programme of the Partnership for Modernisation Facility. It will support activities which reflect the quoted above priority areas of the Partnership for Modernisation and which are presented by the existing EU-Russia Dialogues in the framework of the four EU-Russia Common Spaces. EU is ready to credit 2 milliard euro for the programme. Partnership for Modernisation Facility is not a grant programme, the applications, which receive a positive assessment from the relevant services of the European Commission and the Russian government, will be implemented by experts / consultants selected according to the tender procedures of the European Commission.

Today, after a year, what are the first results?

Modernisation was in agenda of the EU-Russia Summit in Nizhny Novgorod on 9-10 June 2011. After two-day discussion each participant, as it should be, put a paragraph about modernisation into Joint Statement. Pragmatic Barroso marked that “our Partnership for Modernization is now delivering in practice. Our coordinators have reported on the progress made. The Partnership is thus making a major, mutually beneficial contribution, as do the 16 bilateral modernization partnerships which our Member States have concluded with Russia. Clearly, this modernization

must be broad-based to be successful. Transformation is not just about technology. The creative forces of society as a whole must be engaged. It is important that they fulfil their role engaging the societies in these modernisation efforts.”². Very romantic Herman Van Rompuy accentuated that “Modernisation is a broad and diverse agenda: promoting people-to-people contacts and mobility are central features in its social aspects for instance via visa free travel”³ Medvedev told about innovations and Skolkovo.

It is necessary to say some words about long-term practice of EU-Russia summits. According to the opinion of some observers, EU-Russia summit taking place twice a year could be more effective if it was not held so frequently. There are a lot of discussions about formality in statements. For a long time there haven't been any break-through summits. The last one was, perhaps, connected with ratification of roadmaps (2005, Moscow) which stays unrealized history. Delivered declarations are too formal for a diplomatic document. As for the progress in modernization that the summit participants “with great satisfaction” marked off, then even a formal approach to the results makes doubt in actual progress.

Thus, short document Work plan of realization Partnership for Modernisation, passed in December 2010 consisted of 10 pages. Progress report agreed by the coordinators of the EU-Russia Partnership for Modernisation and presented at summit – occupied only 3 pages.

The most positive outcome of recent EU-Russia summits is possibility to know each other better. Once had come to Russia Nikola Sakrosy said – « I've come to understand Russia». And Putin quoted to him a famous quatrain by Tiutchev:

*You will not grasp her with your mind
Or cover with a common label,
For Russia is one of a kind –
Believe in her, if you are able...*

It is pleasant to hear that Barroso stated his speech with the words of Pushkin. ‘Alexander Pushkin, such a great famous Russian poet, whose life is closely associated to this city, said once: “Inspiration is needed in politics, just as much as in poetry.” And I think we got good inspiration from the very positive atmosphere of this Summit⁴. Van Rompuy was amazed by the beauty of Russian nature «I am glad that we had the possibility to both experience the magic of the sunset over Volga last evening...I look forward to seeing you in Brussels for the next EU-Russia summit before the end of this year - no Volga there, but probably a small river in a small country.⁵

In my opinion, the number of EU-Russia summits shouldn't be reduced, at some stage the quantity must bring to quality improvements.

What can we consider as a quality improvement? With reference to modernization – the practical realisation of common spaces of research and economy represents a logical ending. Without it all talks about modernization will stay only good wishes.

A year later after the official announcement of the initiative there is still an open question what is «EU-Russia Partnership for Modernisation»? The fatal initiative in EU-Russia relations. Dialogue with the EU is historically predetermined. From time immemorial Europe was one of the main sources of Russian modernization, its democratic transformations, a kind of tuning-fork, which sound is hardly heard.

Today an applied, technical conception of modernization is prevalent. Modernisation, then, is primarily understood as *innovation*. The core project announced by Russian authorities, the Skolkovo high technology business complex, seems overly ambitious at Russia's current stage of development, and therefore financial, scientific and intellectual resources are needed from foreign partners. Such understanding of modernisation entails that the EU serves as a reform supporter and a technology provider, a much more limited role than it plays in guiding the reform process and providing a model under the enlargement and (to a lesser extent) neighbourhood policies. Moreover, this understanding of modernisation as innovation seems to rule out political reforms in Russia in the nearest future.

Let's view the steps to convergence in the S/T sphere that were made long before initiation of the Partnership for Modernisation.

It is necessary to notice, that Russian and European science is facing comparable challenges. During the 2000th Russian Federation internal R&D expenses in absolute figures were steadily increasing from 48 billion roubles in 1999 to 485,8 billion roubles in 2009. As a result Russia becomes one of the first of ten world countries leading in general volume of inputs in this sphere. Though it remains appreciably behind of the leaders in such indicator as share of R&D expenses to GDP in 2008. The value of scientific research in Russia is 1,04%.

In spite of the better financing for science the number of research institutions is decreasing: in 2007 - 3957 institutions, in 2008 – 3666 that is more than 290 institutions per year. The number of staff occupied in R&D sphere is decreasing as well: from 801136 people in 2007 to 761252 people in 2008. Decreasing number of researchers at that period was 17 thousand people. Indicators of research effectiveness in Russia are much lower than in Europe. In 2008 Russia accounts for only 2,48% of research articles published in scientific magazines indexed in Web of Science database. While France - - 5,5%, Germany – 7,5%, China – 9,7%. According to the number of scientific publications Russia was between Brazil (2,59%) and the Netherlands (2,46%). The share of Russia at the world market of scientific products is only 0,3% - 0,5%, while the share of the USA is 36 %, Japan – 30 %, Germany – 17%. The share of innovation active SMEs in Russia industry (9,4 % in 2007) is several times lower than in developed countries and the results of the process of innovation can be characterized as ineffective. So the share of high-tech products in Russia export doesn't come over 4%-5 %, while in China this indicator is 22,4 %, in South Korea - 38,4 %, in Hungary - 25,2%. In absolute volume of high technology export Russia is at the level of such countries as India, Portugal, and Slovakia. It is 14 times inferior to Korea, and 42 times - to China and the USA.

Strategic task of R&D policy is to return Russia to the number of countries leading in the sphere of research and to make it able to perform breakthrough basic and applied research in themes that are relevant to world economy in whole and for Russia specially. In 2005 at the summit EU-Russia in Moscow there was set an ambitious task to create a "common space on research and education, including cultural aspects".

The practical cooperation basis is formed by multilateral mechanisms at the level of the RF Ministry of Education and Science and EC Directorate for Research and Innovation: Permanent Partnership Council (PPC) in Science; Joint EC-Russia S&T Cooperation Committee; Joint EU-Russia Thematic Working Groups (WG) in priority research areas (Nanotechnologies & New Materials, Health, Food-Agriculture-Biotechnology, Non-Nuclear Energy, Nuclear Fission, Aeronautics, and ICT), with possibly more to come in future.

To realise EU-Russia common space on research it is necessary to coordinate activities on defining research themes, organizing joint research, supporting participation of Russian scientists in European research projects and programmes, assisting integration of Russian research teams into European scientific networks.

Participation of Russian scientists in EU Framework programmes is a practical tool for creating EU-Russia common space. Over the period of the Sixth Framework Programme for Research & Technological Development (2002-2006) 450 Russian research institutions participated in 330 projects. The total budget of the projects was about 1,4 billion euro, EC contribution for Russian participants came to about 50 billion euro, co-financing from Russian side amounted to 20 billion euro.

Russian participation in FP7 performs the same level as under the previous FP. At the time being we can talk about little increase in Russian participants. The preliminary data reports that for the last 4 years 391 Russian institutions has participated in 264 FP7 projects. The indicative European Commission contribution is 45,6 million euro, 7 Russian organizations are project

coordinators⁶. Success rate of Russian researchers is 19% that fully corresponds with European one - 19-21%.

In the meantime, Russia has a great number of researchers considering indicator of a number of scientists per 10 thousand of in the labour force – 72, comparing to Germany - 69, France - 77, Norway - 92, and Denmark - 95, and even more than in the Netherlands - 45, Poland – 45, and Italy – 29, that evidently does not correspond to an existing level of Russian participation in EU research projects. Thus, Russian scientists has taken part in 350 FP6 research projects with indicative budget of 50 million euro while the whole number of the projects is 7 thousand, where Germany has implemented 4100 projects (2,29 billion euro) and France – 3500 (1,4 billion euro) 7.

Among the whole range of reasons for such state-of-the-art can be mentioned, such as lack of experience of participation in the EU Framework Programmes (European researchers has participated since 1984), backwardness of Russian S&T support infrastructure as well as administrative and language barriers.

One of the key determinants of low level of Russian participation in FP7 is the third country status of Russia. It ties up. Participation of Russian organizations in the most of calls for proposals should be justified in terms of the enhanced contribution to the objectives of FP7. In some calls for proposals under the so-called Specific International Cooperation Actions (SICA) participation of third countries is obligatory. In this case Russia enjoys the same conditions as other almost 160 countries which are included into a group of International Cooperation Partner Countries (ICPC).

On 26 May 2008 in Ljubljana an outstanding event - the first meeting of the EU-Russia Permanent Partnership Council on Research - was held. It was a result of long collaborative activities and tremendous efforts from the side of DG Research and Russian Ministry of Science and Education. The agenda includes implementation and prolongation of the current EC-Russia Science and Technology Cooperation Agreement. One of the key issues was discussion of as well as exchange of views on Russia's interest to join the FP7 as an associate member claimed in an inquiry by the Ministry of Education and Science in April, 2008. Such change in Russian status in the EU Framework programmes has a crucial importance for development of EU-Russia S/T cooperation.

Participation in the EU Framework Programmes as an associated country can be a significant step in creation of competitive European Research Area having a strategic importance both for Russia and the EU, which issues an ambitious challenge to establish itself as a leader in science and innovation. In the final joint statement of EU-Russia Permanent Partnership Council on Research necessity of speedy introduction of the inquiry and making steps to negotiations on Russian Association Agreement to FP7 were marked.

Unfortunately, we should admit that S&T cooperation field is getting rather politically loaded. In spite of the unanimous decision of the EU in Ljubljana to consider immediately the inquiry of Russia, negotiation of an association Agreement to the FP7 has not got start even a year later. The negotiations have been lasting for three years already and as FP7 ends in 2013, adoption of Association Agreement hardly seems real. Association agreement is considered in the framework of negotiations on PCA, that is a strategic error and leads to indefinite prolongation of talks. Hopefully, the existing controversies will be overcome by the launch of the next Framework Programme and Russian institutions will enjoy the same rights as European ones, since according to Daniel Descoutures, the European Commission policy officer, a consistent initiator of Russian association to FP7 "overall political & strategic importance of a possible association to the Framework Programmes is clear, over and above the obvious scientific and financial benefits which it would entail» 8.

Research policy takes a universal character, that places it a priori out the frontiers of any single state. Regarding the contemporary economy challenges R&D policy should become an important priority of society strategic development. As for the European dimension of research

policy, it is necessary to note that the tasks put in the Lisbon strategy (employment level – 70% and 3% of GDP expenditure on S/T development) were not fulfilled on time (2010). It is difficult to say about any significant progress. In January, 2009 European Commissioner for the research Janez Potochnik made the report about state-of-the-art in ERA. In the report he marks stagnation in the development of research policy.

The percentage of GDP spent on R&D by the EU-27 was 1.85% in 2007. This share has been quite stable over the past years (1.84%, 2006; 1.86%, 2000). While in the same period the percentage of GDP spent on R&D by Japan grew from 3,04% to 3,39%, by Korea from 2,39 to 3,23%, by China from 0,90 to 1,42%. Janez Potochnik underlines that “ L'Espace européen de la Recherche devient plus attrayant, mais l'intensité de l'activité de R&D stagne dans l'UE: ce n'est pas le moment de relâcher l'effort»⁹.

Modern state of science, complexity and global dimension of challenges facing the society practically in all spheres essentially decrease effectiveness of a single country efforts. The fundamental principle of European Research Area is to join efforts of different countries to solve various scientific problems. EU-Russia S/T cooperation is traditionally less politicized sphere possessing great potential for developing. The implementation of the 4th Common Space for Research is the most advanced and the least controversial of the four spaces. In fact, unlike some other areas of the overall EU-Russia relationship, we have no outstanding or vexing problems to solve in the area of research cooperation, but only a positive agenda to move forward. High-quality progress in the S/T sphere – that means Russia associated participation in FPs – can become a kind of engine for development of EU-Russia dialogue in more problem fields of cooperation.

But modernization should not be limited by science and innovations. Now we are trying to replace a frame of the window that Peter the First opened to Europe in the beginning of 18th century with a modern vinyl window frame, while it's high time we got profound reconstructions.

Russia witnessed not an only modernization through its history. This year we have recollected a 150th anniversary of Alexander the Second's Great Reforms, which turned over Russian society. In my opinion, reforms of 1860s performed the most successful experience of modernization of Russian society, ways of their implementation seems appropriate to address challenges of today society.

It's well known, that large-scale transformations started with declaration of Emancipation Manifesto about the Abolition of Serfdom in Russia signed in February, 1861. The Manifesto became a launch of reforms in the fields of education, public health, local governance, judiciary system, Russian army reorganization. In fact, the government conducted a full modernization of various economy sectors, public governance and social life. By the way, the most consistent and complete was a reform of judiciary system.

What is a secret of great reforms? Is it possible to exploit this experience today?

Modernisation of Russia of the second half of 19th century includes landmarks that can be entirely taken into consideration while conducting modern transformations.

- Modernisation had a global dimension and affected all social spheres.
- Adjustment of European experience of state administration, social order and techniques to moral standards, spiritual and cultural traditions of the peoples.
- Reforms were a fruit of cooperation of different public groups
- Implementation of the reforms based on the principle of social accountability as well as deliberate abandonment of part of preferences and benefits by people of property as a pledge of successful reforms. In the 60s of 19th century the Russian ruling class was wise enough to abandon a part of their hereditary privilege. Today it sounds impossible to really perform grave transformations without such a capacity to share your resources – intellectual or material.

- Moral dimension of modernisation. Reformation cannot be implemented with up-down approach exclusively without involvement of people themselves and institutions of civil society. "However beneficial a law may be, it cannot make people happy if they do not themselves organize their happiness under protection of the law"¹⁰.

Performance of these reforms was not complete in full. As it well known, the very tragic day Alexander II was shot to death by an assassin on 1 March, 1881, he signed an order which logically finalized transformation in Russia - namely order of introduction of representative form of governance that was, in fact, a project of Constitution of Russian State. Each powerful movement aimed to change life of people and society always faces a resolute opposition. Thus the tsar's assassination was followed by a reaction, which beat Alexander's constitutional intentions into far future.

Modernisation today seems inescapable, and the only condition of development for Russia in the long term. However in the short term its future is vague because it is not policy that should be changed but mentality of both representatives of authority and society, citizens. It is no mere chance that the Manifesto of 1861 admits that the motivation of nobility to free the peasants was respect for a person's dignity.

Walter Laqueur, British researcher, compares present choice of Russia with a dilemma of Akaky Akakievich, the hero of "Shinel," or "The Overcoat," a 1842 story by Nikolai Gogol. «Akakievich, the owner of an old and shabby coat that makes him the butt of many jokes, decides to buy a new one, although he can hardly afford it. Almost immediately thereafter, he is robbed of the coat, which leads to countless misfortunes. Today, most Russians, like Akakievich, seem to agree on the need for a new overcoat but not on its size, length, color, where to buy it, the price to be paid, or the urgency of its acquisition--immediately, or perhaps at some unspecified date in the future».¹¹

From my point of view, "European overcoat" looks a bit second-hand for Russia even if it is a bargain and in size. We shouldn't take European patterns and apply them automatically as if we change kaftans in the Peter the First's times. If we want to build an integrated Europe we should agree how to create modern patterns of European civilization in XXI century.

¹ Joint Statement on the Partnership for Modernisation EU-Russia Summit 31 May-1 June 2010

² José Manuel Durão Barroso Statement by President Barroso following the Russia-EU Summit Joint press conference with the Russian President, Nizhny Novgorod, 10 June 2011

³ Remarks by Herman VAN ROMPUY President of the European Council at the press conference following the EU-Russia Summit Nizhny Novgorod, 10 June 2011 PCE 0146/11

⁴ José Manuel Durão Barroso Statement by President Barroso following the Russia-EU Summit Joint press conference with the Russian President, Nizhny Novgorod, 10 June 2011

⁵ Remarks by Herman VAN ROMPUY President of the European Council at the press conference following the EU-Russia Summit Nizhny Novgorod, 10 June 2011 PCE 0146/11

⁶ «FP7 2012 Work Programme. International Dimension. Opportunities for Russia» <http://www.st-gaterus.eu/media/EU-Russia.pdf>

⁷ First FP7 Monitoring Report. Research Directorate General, February 2009

⁸ Joint Statement of EU-Russia Permanent Partnership Council on Science http://www.eu2008.si/en/News_and_Documents/Press_Releases/May/0526EU_Russia_Research_Joint_Statement.html

⁹ L'Espace européen de la Recherche devient plus attrayant, mais l'intensité de l'activité de R&D stagne dans l'UE: ce n'est pas le moment de relâcher l'effort !

<http://ec.europa.eu/research/index.cfm?pg=reports&reportyear=2011#report>

¹⁰ Emancipation Manifesto of March 3, 1861

¹¹ Walter Laqueur. Moscow's modernization dilemma: is Russia charting a new foreign policy? Laqueur, Walter. "Moscow's modernization dilemma: is Russia charting a new foreign policy?" *Foreign Affairs* 89.6 (2010): 153. *Global Issues In Context*. Web. 27 Aug. 2011.