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Contradicting concept - Modernisation for or without Partnership

The theme of modernization is eternal in dialogue Russia-Europe. Historically Europe provided a powerful source of development and modernization in Russia. There is a history with European mission of Peter the Great. During his visit to Paris in 1717 Peter exclaimed before Richelieu's monument, "Ah, great man! If thou wert still alive, I would give thee one half of my kingdom to teach me to govern the other!" A standing by Frenchman remarked, that if Richelieu had the one half, he would take and keep the other.

Now "Partnership for Modernization" is the only working concept in EU-Russia dialogue. 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. *"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

What are the outcomes of the interaction after two-year experience of realisation of "Partnership for modernization".

Firstly, the institutional issues

The 16 sectoral dialogues for modernization were created: Energy, Transport, Health, Trade and Investment, Customs, Industrial Regulations, Agriculture, Space, Intellectual Property, Migration, Visa-Free Dialogue, Environment, Macroeconomics, Science, Public Procurement, Financial Policy.

Also there has been established infrastructure including the coordinators from each side, plans of the work, progress reports, and also some mechanisms of support such as The Partnership for Modernisation Facility. It can support activities which reflect the priorities of

the Work Plan 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 with a very modest budget – according to the memorandum of understanding signed by Vnesheconombank with EBRD on the one hand and the European Investment Bank on the other hand, making available close to EUR 2 billion as credit. The EU has already committed a total of 7 million Euros.

The next issue – real work, according to the progress reports of coordinators of sectoral dialogues. Let's see the progress reports. The last one was presented at the EU-Russia summit on 15 December 2011, when "*The EU and Russia can look back at a successful year in their cooperation*".

What puts on the successful year?

In the progress report the following achievements were fixed: conclusion of the technical bilateral and multilateral negotiations on Russia's WTO accession; adoption and launch of the implementation of the list of Common Steps towards visa-free short-term travel and elaboration of amendments to the Visa Facilitation Agreement as well as the adoption of the amendment of the Local Border Traffic Regulation; a new trade and investment dialogue to solve trade irritants; alignment work on technical regulations and advanced discussions on a cooperation agreement between European and Russian standardization bodies; space cooperation and first launch of Galileo satellites with Soyuz from Europe's spaceport in Guyana; concrete projects in energy efficiency within the Northern Dimension Environmental Partnership; establishment of contacts between industry-led European and Russian technology platforms; joint projects in the area of the modernization of the judiciary; cooperation on implementing the Hague Conventions on family law ratified by Russia; start of cooperation in the fight against corruption; intensification of contacts between civil society from both sides².

It is obvious, that the first point (Russia's WTO accession) is the most successful, but the completion of negotiations on Russia's WTO accession is not the result of Partnership for modernisation only, to be more exact – is not a result of P4M at all.

We observe a more interesting situation in the progress reports, the latest one, agreed on EU-Russia summit of 15 December 2011. The progress report is a very short document - 2 pages only - there are 6 points according the key priorities. The statements in the report are more applicable for suggesting but not for reporting, for example "*In the priority area of expanding opportunities for investment in key sectors driving growth and innovation, numerous projects involving companies from the EU and Russia are underway and/or planned in a range of industrial and technological sectors, energy efficiency and energy saving, and transport. The practical experience of investors should help policy makers to identify concrete measures needed to create an enabling environment leading to additional opportunities for investment and trade*³." The same thing we can see in each point.

I would like to analyse the outcomes of P4M in the targeted area – S&T development. Today an applied technical conception of modernization is prevalent. Here the need in modernisation is on the surface.

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 USA⁴.

Modernisation, then, is primarily understood as innovation. Under P4M there are envisaged supplementary mechanisms for cooperation, especially the sectoral dialogues on Science, Intellectual Property, and not only these targeted dialogues. We have to note that innovation is prevailing theme under such dialogues as Energy, Transport, Health, Industrial Regulations, Agriculture, Space, Environment.

What is the real impact of P4M's mechanisms for EU-Russia S&T cooperation?

In the report we find only the paragraph, quite optimistic "*The very good cooperation in the priority area of enhancing cooperation in innovation and research and development in particular the increased active role of Russia in EU Framework Programmes and of EU researchers in Russian Federal Targeted programmes*"⁵.

At institutional level

The first steps for convergence in the S&T area was taken before the P4M initiative. 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.

In April 2008 the Russian government expressed their interest to join the FP7 as an associate member. In May 2008 was the first meeting of the EU-Russia Permanent Partnership Council on Research, and the last by now. This change in Russian status in the EU Framework programmes has a crucial importance for development of EU-Russia S/T cooperation. The negotiations have been lasting for three years already and as FP7 ends in 2013, adoption of Association Agreement hardly seems real. Association agreement was envisaged as part of a new Russia-EU agreement. The negotiations have received an unexpected final. As the result of joint meeting of the Russian Government and the European Commission on 24 February 2011 the EU side declared non-expediency of initiating further negotiations on association of Russia to the FP7 under new Russia-EU Agreement by present time. Relating to that and according to instructions of Mr. Shuvalov of 28 April "there was taken decision to discontinue supervision over the Government order of initiating negotiations process on the issue of Russian association to the EU framework programmes for research and technological development. Due to absence of a subject of the further negotiations with the European Commission there was taken decision to dissolve Russian part of the delegation"⁶.

Practical results of S&T cooperation, the level of Russian participation in FP7

In the current 7th Framework Programme (FP7) following the conclusion of the first five years of calls for proposals, 568 Russian research organisations are involved in 352 main listed projects.

If we overview the dynamic of Russian participation in FP7 for the latest 4 years (from 2007 to 2011) we could observe the significant reduction of volume of financing of Russian participants under EU programs - from 2007 to 2011 the financing has reduced from 19 mln euro to 6,7 mln - three times less. The figures are presented in table 1.

Table 1. EC contributions(in euros) for each Specific Programme of FP7⁷

	2007	2008	2009	2010	2011	total
Cooperation	16.127.014	8.661.892	10.869.46	9.877.194	6.071.07	51.606.632
Capacities	2.963.828	1.418.404	1.005.934	813.264	305.004	6.506.434
Euratom	322.680 €	80.000 €	2.101.132	308.000	297.250	3.109.062
Ideas			134.100			134.100
People	437.961	1.409.398	72.260	75.000	86.250	2.080.869
Total	19.085.483€	11.569.694	14.182.889	11.073.458	6.759.573	63.437.097

These figures indicate a quite paradoxical situation – when in spite of great efforts at institutional level, new mechanisms created under P4M (new EU-Russia dialogues in Science and Innovation) level of Russian real participation in joint projects is falling in several times.

If we have a look at Education area, where there is also an evident need for modernization and turn to the realization of well-known European programme in Education – Tempus for the latest 4 years (Table 2), we could see the same situation.

The number of the projects has also reduced from 20 projects in 2008 to 15 ones in 2012, volume of financing has reduced correspondingly. Total number of proposals from Russian participation is around 200 each year, so success rate is 7-8%.

Under the Tempus priorities there is a reform of governance structures and university management. For the latest three years there are only 5 projects on this priority, and during of the realization of P4M Russia has only one project.

Table 2. Russian participation in Tempus IV (2008-2012)⁸

	2008	2009	2010	2011	2012	total
All projects with Russian participation	20	14	8	11	15	68
Projects on reform of governance structures and university management	2	2	0	0	1	5
EU contribution for Russian organizations, in euro	18 028 688	19 321 331	7 885 335	10 034 595	13 291 749	68 561 700

Table 3. Ukrainian participation in Tempus IV (2008-2012)⁹

	2008	2009	2010	2011	2012	total
All projects with Ukrainian participation	12	12	5	9	23	61
Projects on reform of governance structures and university management	1	3	1	1	5	11
EU contribution for Russian organizations, in euro	10 699 154	10 774 792	5 057 721	9 016 693	22 041 522	57 589 883

If we compare the participation of Russia and Ukraine for this period (see table 3), we can see 11 projects on reform of governance structures and university management, which five 5 this year opposite to the only one for Russia. This year Ukraine has received nearly twice more Tempus projects by number of the projects and by financing than Russia.

So, even brief overview of the last results on EU-Russia cooperation in modernisation of S&T and education shows the real problems and this paragraph in the progress report "*The very good cooperation in the priority area of enhancing cooperation in innovation and research and development in particular the increased active role of Russia in EU Framework Programmes and of EU researchers in Russian Federal Targeted programmes*" seems not really very good.

However S&T area is less controversial in EU-Russia agenda. In this area we have the same challenges. Research policy takes a universal character, that places it *a priori* out of 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). 10.

It's obvious, that modernization should not be limited by science and innovation, we need full modernization of various economy sectors, public governance and social life. Science and innovation here as flagship areas, most advanced, but "*if the cream is bad, what can the milk be like?*" This words said Tourgenev about Russian nobility of XIX century, and I think, that it's possible to use it concerning actual concept of the P4M.

It's quit difficult to discuss the results of the P4M in public governance, development of infrastructure in the different areas.

To conclude, the P4M is a real working initiative or an elegant tool to fill a long pause up to New Basic Agreement. It is possible to suppose that P4M is a good tool for preparation of a new agreement. We know that Russia and the EU started negotiations on a new agreement in July 2008. By now twelve negotiation rounds have been conducted. Five negotiation rounds were conducted in 2010 and zero - in 2011 and 2012, so the P4M seems as a pause.

The tradition of Russian classic theatre starting with Stanislavsky time supposes the art of making a pause, during which the tension of audience is not slacken. There is the conception of "pause of MKHAT(The Moscow Art Theatre)".

Now it seems that this pause in the P4M is too long. The P4M becomes a good conception to replace the real cooperation. Practice of the last-year EU-Russia summits is a clear evidence of this. The 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. It is pleasant to hear how Barroso loves using Pushkin's words in his speeches, but it is the only good results in the background of the vain declarations.

Now the second part of the P4M seems lost how to realise a "partnership" as a dialogue of two partners with mutual benefits. We should add the forgotten value dimension of the P4M, as a condition of historically determinated interaction between Russia and Europe - to build integrated Europe we should agree how to create modern patterns of European civilization in XXI century and geo-cultural dimension should become a way to democratize Russia-EU dialogue.

I think, the concept of the P4M is needed in modernization and democratisation itself: modernization of mechanisms of it realization, preparation detailed and realistic program through active involvement of research community, intensifying dialogue on the level of experts, working groups and civil society. I believe it would be a good idea to make P4M

Facility more open not only for the Ministry and Commission representatives but for the expert community as well.

The P4M may become a good opportunity for preparation of a new basic agreement, working programmes developed under each sectoral dialogue with real and detailed content may become the part of new EU-Russia agreement.

Now, in my opinion only real impact is the bilateral agreements – Russia – Member States. Up to now relevant bilateral agreements have been signed with 25 EU member states. In my opinion the real potential for this moment is in bilateral cooperation. However this replacement of EU-Russia dialogue by dialogues Russia-Member States seems to be a step back in the context of development of European integration.

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

² Progress report agreed by coordinators of the EU-Russia partnership for modernisation for information to the EU-Russia summit of 15 december 2011 <http://formodernization.com/en/info/doc15-11-12.php>

³ Ibid. <http://formodernization.com/en/info/doc15-11-12.php>

⁴ http://www.economy.gov.ru/minec/activity/sections/innovations/doc20101231_016

⁵ Ibid. <http://formodernization.com/en/info/doc15-11-12.php>

⁶ http://formodernization.com/projects/3_1_1.php

⁷ Report on the Russian participation in the 7th Framework Programme. E-URAL project

⁸ http://eacea.ec.europa.eu/tempus/results_compendia/results_en.php

⁹ http://eacea.ec.europa.eu/tempus/results_compendia/results_en.php

¹⁰ IP/09/92 <http://ec.europa.eu/research/index.cfm?pg=reports&reportyear=2011#report>