

Unpacking ‘Coherence’ in EU Foreign Policy:
How Policy Setting and Policy Content Shape EU
External Relations Towards Russia

By
Philipp Thaler

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Supervisor: Prof. Uwe Puetter

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Philipp Thaler

September 30, 2015

Abstract

The foreign policy of the European Union (EU) towards Russia has been characterized by extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will since the end of the Cold War. These elements matured over time, reflecting the aim to increase the Union's external impact. However, the relationship with Russia is also characterized by an inherent lack of external coherence. The EU has ongoing difficulties to coordinate the interests of different political stakeholders and policies vis-à-vis Moscow.

This thesis explores the reasons for the EU's lack of external coherence. For that purpose, it develops a dual analytical approach that distinguishes between *policy setting* and *policy content*. Consistent with institutionalist research agendas, the policy setting highlights bureaucratic structures, rules and procedures to explain policy outcomes. In contrast, the policy content emphasizes substance and objectives of policies. The central conceptual move of the thesis is the application of Arnold Wolfers' concept of milieu and possession goals to the specific context of EU foreign policy to investigate the relation between policy content and external coherence. Using the examples of external energy and human rights policies, domains in which the lack of coherence towards Moscow is arguably most visible, the thesis has three main findings.

First, the ongoing quest for coherence is not a marginal normative claim but practically incorporated in the EU foreign policy context. It reflects a broad consensus that the degree of coherence is positively related to the effectiveness of the external approach. 'Coherence matters' since it responds directly to structural deficiencies prevalent in the area of EU foreign policy: external unity is inherently challenged by the functional fragmentation of the institutional

structure. Coherence has become a guiding principle that promotes coordination to overcome these problems and increase the external impact of the EU.

Second, external coherence is undermined by constant coordination failures between the varied interests of political stakeholders. Different reforms and modifications to formal procedures and informal processes sought to make the policy setting more conducive to coordination. While there is much evidence for positive effects on policy outcomes, there are also examples that illustrate the opposite. External coherence is undermined by partly insufficient coordination mechanisms and inexpedient institutional reform.

Third, an analysis of the policy content depicts the EU as a milieu shaper towards Russia. In rebuilding and consolidating relations it seeks to shape the external environment based on norms and values. Particularly visible in the domains of energy and human rights, external coherence is lacking where norms and values are challenged or not sufficiently operationalized. In addition, the EU as a milieu shaper faces constant tensions between milieu and possession goals. A lack of coherence is prevalent in those policy episodes and areas where the tensions can neither be avoided nor resolved. Case studies reveal that the sequencing of objectives is crucial: external coherence is more likely to be achieved where milieu goals further possession goals rather than the other way around.

These insights inform the formulation of recommendations in the conclusions that can help design more coherent external policies. Moreover, understanding the EU as a milieu shaper contributes to the debate on the Union's identity as an international actor.

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List of Abbreviations

CFSP	Common Foreign and Security Policy
CMEA	Council for Mutual Economic Assistance
COEST	Council Working Party on Eastern Europe and Central Asia
CoEU	Council of the European Union
COHOM	Council Working Party on Human Rights
Commission, COM	European Commission
COREPER	Committee of Permanent Representatives
Council, CoEU	Council of Ministers, Council of the European Union
CSCE	Conference on Security and Cooperation in Europe
CSDP	Common Security and Defense Policy
DG	Directorate General of the European Commission
DG ENER	Directorate General for Energy of the European Commission
DG RELEX	Directorate General for External Relations of the European Commission
EC	European Community
ECHR	European Convention on Human Rights
ECJ	European Court of Justice
ECT	Energy Charter Treaty
EEAS	European External Action Service
EP	European Parliament
EPC	European Political Cooperation
EPE	Energy Policy for Europe
EU	European Union
EWP	Council Working Party on Energy
FAC	Foreign Affairs Council
GAC	General Affairs Council
GAERC	General Affairs and External Relations Council
HR	High Representative of the Union for Foreign Affairs and Security Policy
HR-CFSP	High Representative for Common Foreign and Security Policy
IEA	International Energy Agency

IEM	Internal Energy Market
IRENA	International Renewable Energy Agency
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organization
PCA	Partnership and Cooperation Agreement
PPC	Permanent Partnership Council
PPCE	Permanent Partnership Council on Energy
PSC	Political and Security Committee
QMV	Qualified Majority Voting
SEA	Single European Act
SG	Secretariat General of the European Commission
TCA	Trade and Cooperation Agreement
TEU	Treaty on European Union
TFEU	Treaty on the functioning of the European Union
TTE	Transport, Telecommunications and Energy (Council)
WTO	World Trade Organization

1. INTRODUCTION

“It is always important that the EU speaks with a coherent voice to its partners.” (MS-19/ExtR)

“Russia is the epitome why it doesn’t work.” (EU-23[COM]/Ener)

The two quotes above are at the heart of a paradox that inherently characterizes the foreign policy of the European Union (EU). On the one hand, there is widespread agreement that the EU should become a more *coherent* external actor. In the context of EU foreign policy-making, coherence – both between political actors and different external policies – is understood as the key element to increase the Union’s international impact. On the other hand, the EU repeatedly fails to meet this aim. The effectiveness of its external approach is undermined by deep internal divisions between actors and across policy areas. In practice, the notion of the EU as an influential international actor frequently turns out to be wishful thinking rather than a reality. Relations with Russia are a prime example in this respect. The EU and its Member States have a major stake in the eastern neighbor; yet coherence of external policies is frequently undermined by a fundamental conflict over interests and approach.

Calls for a stronger external role of the EU are rooted in the uniqueness of the project of European integration. Since the Treaty of Rome it has preserved peace amongst its Member States on a formerly war-prone continent, contributed to economic growth and prosperity for its citizens, and created a shared body of European law. The list is non-exhaustive and could be extended with many more exceptional attributes: the EU is one of the largest economies in the world with a gigantic internal market and a common currency, it has a system of shared values, and it grants fundamental rights to every citizen. Despite the fact that it is not a state *per se*, it shapes the lives of more than 500 million citizens. Due to such achievements, the EU is widely

regarded as a success story. The vast majority of policy makers and observers are of the opinion that these internal achievements should be reflected in a stronger international role of the EU.

Since the early days of the EU as an international actor, its external performance has been subject to heated debates. There is widespread agreement amongst practitioners and observers that the EU lacks international impact. Among others, it has been referred to as an “economic giant, a political dwarf, and a military worm” (Belgian Foreign Minister Mark Eyskens quoted in Whitney 1991) and was prominently criticized for “simply not punching its weight on the international stage” (European Commission President Jacques Santer quoted in Cameron 2009, 19; see also Diez Medrano 1999; Thomas 2012). A seminal scholarly contribution in the field identified a gap between the Union’s external capabilities and expectations (Hill 1993). In order to increase the Union’s external effectiveness, the past decades witnessed a plethora of policy initiatives and reforms that culminated in the creation of the European External Action Service (EEAS) and the post of the High Representative of the Union for Foreign Affairs and Security Policy (HR). Accordingly, the first HR Catherine Ashton interpreted her mandate as to help Europe “punch its weight” politically.¹

The limited external impact of the EU is generally associated with a lack of *coherence* between Member States, EU institutions, policies and instruments. The Council Conclusions of October 2000 identified

“that reinforcing the coherence of the Union's external action and realising its policy objectives are priorities if the Union is to pull its full weight in international affairs.”²

¹ European Parliament Press Release, “Catherine Ashton: EU should do more to ‘punch its weight’ politically”, Reference 20091202IPR65813, published on 2 December 2009.

² Council of the European Union, 2294th Council meeting (General Affairs), Conseil/00/364, Luxembourg, 9 October 2000.

Similar references to coherence are a recurrent theme in a multitude of documents and public statements of high-level speakers from the 1970s until today. They are evidence of a shared perception that coherence is the key towards more external effectiveness. It is striking that the despite this centrality of the notion, coherence has never been officially defined. According to the working definition advanced in Chapter 2, coherence in this project is understood as the *presence of synergies between external policies and objectives of the EU and its Member States*.

The lack of external coherence is arguably most visible in the relations of the EU with Russia. There is a constant imbalance between expectations for impact and actual external achievements. On the one hand, as the EU's largest neighbor with close trade ties, a shared history and geo-strategic importance, Russia is naturally in the center of attention. Given its relevance, Member States share a broad consensus that a combined European effort vis-à-vis Russia could be beneficial. This view is manifested in frequent calls for a 'Europe speaking with one voice'. On the other hand, Brussels has revealed more difficulties to coordinate different policies and interests into a coherent external approach towards Moscow compared to any other partner. This becomes most evident in the area of energy. Due to their high dependence on Russian energy supplies, some EU Member States regard their priorities in the area as a matter of national security and sovereignty which dominate all other external interests. For instance, Member States have resisted initiatives to pool energy purchases; they have kept their gas prices which they had negotiated with Moscow hidden from each other; they have competed for the establishment of gas pipeline hubs; and they engaged in bilateral pipeline projects with Russia that are rival to other Member States' interests. Discrepancies exist also in more value-based policy areas like human rights. In the past, EU Member States have repeatedly revealed disagreement about the external instruments to promote and enforce the EU's human rights

policy in Russia. Responses in specific human rights cases therefore often reflect not more than the lowest common denominator; an outcome that does not match the EU's ambition to be a vigorous defender of human rights in the world.

Such examples illustrate the difficulty to find consensus amongst 28 Member States and to aggregate different foreign policy objectives into a unified Russia policy. In this context, the former Commissioner for external trade, Peter Mandelson, pointed out that “the incoherence of European policy towards Russia [...] has been frankly alarming. No other country reveals our differences as does Russia.”³ Similarly, scholarly analysis has emphasized that the “relationship with Russia has arguably been the most divisive factor in EU external relations policy” (Schmidt-Felzmann 2008, 170).

The difficulty of the EU to agree on a common foreign policy towards Russia is sometimes framed as collective action problem: 28 Member States with diverse interests are unlikely to find agreement; particularly on issues where high interests are at stake. However, such an argument is simplistic and disregards the fact that the EU has always been a diverse polity where consensus is required for certain outcomes (cf. Scharpf 2006). In EU external policy-making, this requirement is reflected in three fundamental characteristics that commonly aim at overcoming national differences. First, EU foreign policy is extensively institutionalized. Successive reforms have improved the coordination between relevant actors, eased information-sharing, simplified decision-making and encouraged consensus-finding. Second, the area rests on a catalogue of formally stated objectives. It includes references to broad norms and values as well as to more explicit external goals. This combination provides political and practical

³ European Commission, Press Release, Peter Mandelson, “The EU and Russia: our joint political challenge”, SPEECH/07/242 of 20 April 2007.

guidance in both the long-term and in specific policy episodes. Finally, the development of EU external relations enjoys popular political backing. European leaders have repeatedly expressed political will to act more coherently and speak with one voice. This attitude is also enshrined in the Treaty on European Union which stipulates that Member States ought to support common foreign policies “in a spirit of loyalty and mutual solidarity”.⁴

Over time, these three features have contributed to a remarkable maturation of EU foreign policy. Contrary to how it is sometimes depicted, the way in which the EU formulates and decides upon its external policies is far from being a random ad-hoc exercise. Extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will – should these attributes of EU foreign policy not be sufficient to facilitate and ensure external coherence?

With regard to the relations of the EU with Russia, the answer to this question is a clear ‘no’. Illustrated more prominently than with any other country, Brussels’ enormous efforts to become a more coherent external actor do often not materialize. The central research question of this project therefore reads:

Why is the external policy of the EU towards Russia lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will?

The aim of this project is to unfold the contradiction between the external ambitions and the external achievements of the EU. It is though striking that the term coherence has never been officially defined despite its crucial role in debates around EU foreign policy. The central

⁴ Article 24 (3) TEU.

research question thus needs to be read in conjunction with a number of sub-questions: *What is the role of coherence in EU foreign policy-making? How does coherence impact on the effectiveness of EU foreign policy? What are the key features to enhance external coherence? And which factors constrain such a development?*

This project uses the vast empirical laboratory of EU-Russia relations and particularly the specific areas of energy and human rights policy to answer these questions. The main argument is two-fold. First, external coherence is not a marginal normative claim but a self-defined objective that is practically incorporated in the EU foreign policy context. It reflects a broad consensus that the degree of coherence is positively related to the effectiveness of its foreign policies. Chapter 3 shows that the quest for more coherence has become a guiding principle of EU foreign policy. The external unity of the Union is constantly challenged by multiple actors, decentralized competences, and policy areas that are subject to different decision-making procedures. Coherence is interpreted as a practical answer to overcome this functional fragmentation of the Union's external policies. There is no clear-cut dichotomy between coherence and incoherence, but the quest for coherence embodies the idea to achieve *more* external coherence. Consequently, the empirical chapters deal with the identification of different factors that impact positively or negatively on the degree of external coherence.

Second, the focus on coherence yields new perspectives on the topic of EU foreign policy. Chapter 2 advances a dual analytical approach that informs a number of novel hypotheses to investigate facilitators and obstacles of coherence. It rests on a distinction between the *policy setting* and the *policy content*. The policy setting stands synonymously for an institutionalist research agenda. Employed in Chapter 4, it explores the conduciveness of the EU's institutional structure to more external coherence. It is argued that the policy setting can account for much of

the variation in policy outcomes. A more comprehensive image of the EU as an international actor is though provided by an additional focus on the policy content. This approach is novel in that rather than focusing on institutional structures, it highlights the impact of the EU's external objectives on coherence. External objectives are analytically grasped through the application of Arnold Wolfers' dichotomy of milieu and possession goals to the specific context of the EU. It claims that any external action is rooted in two types of goals: whereas milieu goals are concerned with the external environment, possession goals seek to secure something to which value for the domestic use is attributed (Wolfers 1962). Chapters 5 and 6 find that the EU is a milieu shaper towards Russia: it seeks to promote its norms and values and thereby shapes the external environment. A lack of external coherence, it is argued, results from a constant tension between milieu and possession goals. In cases where these tensions can either be avoided or resolved, the EU's external policies are likely to be coherent. These findings inform a number of recommendations that can help to formulate more coherent external policies in the future.

The findings of this project have both practical and theoretical implications. On the one hand, it offers an extended understanding to the difficulties the EU faces in foreign policy-making. Scholarship in the field is traditionally dominated by contributions drawing on institutionalist research agendas that explain policy outcomes with reference to the policy setting (cf. Aspinwall and Schneider 2000; Aggestam et al. 2008; Duke 2011; M. E. Smith 2013; Vanhoonacker and Pomorska 2013; Edwards 2013). This project acknowledges the wide explanatory potential of these approaches. Nevertheless, the focus on the policy content and the advanced dichotomy of milieu and possession goals bear additional insights. Chapter 6 and the conclusion advance practical guidelines indicating how milieu and possession goals can be coordinated to result in external coherence.

On the other hand, the finding that the EU is a milieu shaper towards Russia clearly sets a new theoretical focus. Compared to power-based explanations of previous research that labeled the EU as a ‘civilian’ and ‘economic power’ (Duchêne 1973; Bull 1982), a ‘normative power’ (Manners 2002), a ‘normal power’ (Pacheco Pardo 2012), a ‘military power’ (Wagner 2006), a ‘small power’ (Toje 2008) and even a ‘superpower’ (Whitman 1998; Moravcsik 2002; McCormick 2007), the image of the EU as an external milieu-shaper is theoretically more encompassing. As suggested by the case studies in this project, the dominance of milieu goals in the EU’s external relations towards Russia is prevalent in policy areas as diverse as energy and human rights policy. This conclusion informs the development of a theoretical perspective that explains the external identity and “nature of the beast” (Risse-Kappen 1996) in terms of its objectives rather than sources of power.

The project is structured along five main chapters. Chapter 2 develops the analytical framework for research on external coherence. It reviews theories and literature from the scholarly fields of international relations and European studies and assesses their potential to explain varying outcomes of EU external policies. A special focus in explaining the external performance of the EU is placed on coherence: the concept is defined, structured, and operationalized. On this basis, the chapter proposes the above-mentioned dual analytical approach to investigate the coherence of EU foreign policy. A distinction is drawn between the policy setting and the policy content, and Arnold Wolfers’ conceptualization of milieu and possession goals is introduced to investigate the latter. On basis of this analytical work, a set of hypotheses on external coherence are formulated that are tested in the following four empirical chapters. A section on methodology underpins the benefits of an interpretive research agenda, the utilized data and its collection, as well as the chosen policy cases.

The 3rd chapter demonstrates the practical relevance of the concept of coherence as it was developed in Chapter 2. Based on interviews, it reviews the role and the meaning of coherence in the context of EU external relations. The answers confirm the significance of the theoretically identified conceptual characteristics. Coherence between actors and policies is a recurrent theme in debates in Brussels. Moreover, it is shown that coherence has become a guiding principle in EU external relations that is inherently linked to the problems that arise from the fragmented institutional structure.

Chapter 4 addresses the first part of the dual analytical approach: it investigates the policy setting of the EU and its impact on external coherence towards Russia. A central element to increase coherence is the ability to coordinate the interests of different actors and between different policy areas. On the one hand, this is reflected in the formal institutional structure of external policy-making. The chapter reviews procedures and reforms in the European Council, the Council of the European Union, the European Commission, the HR and the EEAS, and their impact on external coherence. On the other hand, the coordination of interests is facilitated by a number of informal practices that have developed in the institutional structure in Brussels. Socialization processes between actors, the development of common values and objectives, like-minded groups, the practice of uploading and the creation of documents like the ‘Key Outstanding Issues’ have become facilitators of coordination that advanced alongside formal institutional design. Conversely, there are also certain elements of the policy setting that undermine the external coherence of the EU. Missing competences at the supranational level, a complicated institutional framework, turf wars between institutional actors, a lack of strategic objectives and administrative overload thwart coordination.

Chapters 5 and 6 are informed by the second part of the dual analytical approach employed in this project: the focus of the analysis rests on the policy content. Chapter 5 investigates the relations of the EU with Russia from a macro-level perspective. It assesses the external role of the EU in rebuilding and consolidating the relationship since the end of the Cold War. The EU's activities in the areas of human rights and energy policy seek to shape the external milieu. Institutionalization in combination with reference to norms and values has effectively become an instrument of external governance. While these elements depict the EU as a relatively coherent external actor, this picture is repeatedly undermined by a number of external and internal challenges. Russia increasingly challenges common norms and values. Their effective operationalization vis-à-vis Moscow is constrained by the EU's lack of identity as an international actor.

Chapter 6 assesses the external coherence of the EU towards Russia in specific policy areas and episodes. It is shown that problems to achieve external coherence appear when tensions between milieu and possession goals cannot be resolved. Analyses of the EU's external human rights and energy policy suggest that the coherence is dependent on mechanisms that avoid a conflict between different foreign policy objectives: where the EU engages solely in milieu-shaping activities without challenging possession goals, external policies are relatively coherent. Moreover, Chapter 6 presents three distinct case studies from the areas of energy and human rights policy in which the interaction of milieu and possession goals caused different outcomes. The Polish-Russian gas negotiations of 2010 successfully avoided a conflict and became an example of a successful coordination of objectives that resulted in external coherence. In EU responses to human rights violations towards Russia, tension between different objectives could only partly be resolved. Often, the EU's external action is therefore characterized by a lack

of coherence. Finally, the case of the European Council in Lahti exemplifies a failed attempt to coordinate different external objectives, resulting in an ongoing lack of external coherence. Based on insights from the policy areas and the cases, the chapter concludes with an overview displaying different modes of coordinating objectives and the likelihood for policy coherence.

Finally, the conclusion reviews the main findings of the four empirical chapters, identifies answers to the central research question, and assesses their implications for policy-making and future research.

2. INVESTIGATING EXTERNAL COHERENCE: A FRAMEWORK FOR RESEARCH

The relations of the European Union (EU) with Russia are paradoxical. While the EU has been devoting considerable resources to improve its relationship with Moscow, reality has confronted it with many setbacks. Neither internal institutional reforms nor the design of policies have materialized in the kind of external impact that was envisioned. Analyzing the reasons for this ineffectiveness, commenters of external relations, policy makers and academics generally refer to a lack of coherence that does not only impede Brussels' Russia policy but EU external action at large. Their central assumption, shared also in this project, is that coherence is the main determinant of EU foreign policy outcomes. Most available analyses though leave unclear how coherence can be enhanced and why the EU seems to have ongoing difficulties in the formulation of coherent foreign policies. One reason for insufficient explanations is that the entire debate around coherence is somehow obscure: it remains largely unclear what exactly coherence is and which factors impact on it.

This chapter offers an analytical framework to guide research on coherence in the context of EU external policies that is applied in the empirical sections of this project. It builds on the current academic and political debate but remains broad in its conclusions. Since the quest for more coherence is a *leitmotif* of all EU external relations, reference to EU-Russia relations is only made where necessary. The special focus on Russia reappears in the formulation of the hypotheses and the empirical chapters. The benefit of a focus on Russia is rooted in the importance that Brussels attributes to its relations with Moscow. A plethora of institutional reforms, processes and policies offer a particularly rich laboratory for empirical research. Insights from this specific case can therefore re-inform our understanding of coherence and the EU as an external actor at large.

Nevertheless, from a broader perspective researching and writing about EU foreign policy first involves a basic problem: what are we actually supposed to research and write about? There is no clear-cut, formal definition of what ‘EU foreign policy’ *is* and, indeed, the answers may vary according from which direction the topic is approached. If policies are at the center of the researcher’s attention, would we only consider those which fall under the EU’s Common Foreign and Security Policy (CFSP) or would we include any policy with an external dimension, such as trade, energy or competition policy? Would our study include policies where the EU has shared competences or do we limit it to areas where the EU can act without the Member States? And if the focus was placed on actors, who would be included in the analysis? Currently, the Presidents of the European Council and of the European Commission, the High Representative of the Union for Foreign Affairs and Security Policy (HR), the European External Action Service (EEAS) and the various delegations of the EU all carry out functions of external representation.

Such examples indicate that the EU as an international actor is not easy to comprehend – an assessment that is neither new nor surprising. The former US Secretary of State Henry Kissinger was once credited with asking “Who do I call, if I want to call Europe?”, emphasizing that the setup and functioning of the European integration project remained opaque even to one of its most important allies. Despite several rounds of enlargement that were accompanied by new treaties, a steady shift of competences to the EU level, institutional innovations and procedural modifications, the EU as an external actor still remains *sui generis*. The former President of the European Commission José Manuel Barroso pointed out its difference to a traditional nation state as an international actor, arguing that “We are not the United States, we

are not China, we are not Russia and we do not want to be... We are a union of states, so by definition our system is more complex.”⁵

This complexity is mirrored in scholarly debates around EU external policies that highlight the need for clear definitional demarcations. Authors that aimed at conceptualizing EU foreign policy have advanced definitions that differ substantially in a range of aspects (see the discussion in Carlsnaes 2006). One recurring difference addresses the scope of EU foreign policy: while some authors have a narrow understanding of EU foreign policy that is equivalent to those policies and actions which fall under the area of the CFSP (cf. M. E. Smith 2004), others choose much wider definitions that include all foreign policy output of the EU and even those of its Member States (Ginsberg 2001). This project follows the academic footprint of Hazel Smith (2002, 7) and Karen Smith (2008, 2) who offer rather unproblematic and wide definitions of foreign policy. Recalling their main elements, EU foreign policy is defined here as

all activities that develop and manage relationships between the EU and other international actors, and which promote the values, interests and policies of the EU abroad.

The scope of the research thus goes beyond the CFSP and contains also other policy areas with an external effect. The emphasis of the analysis rests with EU policies, yet foreign policies of its Member States are considered where they facilitate or hamper EU foreign policy-making. While several actors in the EU are engaged in the foreign policy-making process, as a heuristic device

⁵ José Manuel Barroso, quoted by David Brunnstrom in “EU says it has solved the Kissinger question”, published by Reuters on 20 November 2009. Accessed on 10 February 2015: <http://www.reuters.com/article/2009/11/20/us-eu-president-kissinger-idUSTRE5AJ00B20091120>

this project generally treats the EU as *one* foreign policy actor, since the Treaty of Lisbon sets out common foreign policy objectives for the entire EU.⁶

What makes EU external relations – next to their complex setup and definitional questions – even more difficult to comprehend is that their underlying developments and everyday activities follow different, occasionally even conflicting trends. On the one hand, there is an image of the Union where external interests of the Member States have repeatedly not been compatible and sometimes openly clash. In such cases, the EU lacks a single voice and appears as a divided external actor. The Iraq War and the conflict in Libya are relatively recent and prominent examples that revealed deep internal divisions preventing agreement on a common EU response to challenges abroad. While such cases receive a great deal of attention it is, however, often overlooked that everyday EU external policy-making is in fact concerned with the same problem on a much more frequent basis. In central foreign policy areas – for instance in external energy and human rights policy towards Russia, the case studies of this project – a unified EU approach is repeatedly undermined by incompatible interests of the Member States and unwillingness to satisfy to the common European good. This kind of disunity runs like a golden thread through external policy-making in Brussels, causing difficulties in bilateral relations like those experienced on a frequent basis with Moscow.

On the other hand and starkly contrasting these examples, the EU insists that it is not an anarchic arena of nation states seeking to defend their interests. Despite its setup as a Union of sovereign Member States it has a common foreign approach, underpinned by commonly defined objectives, extensive institutionalization and frequently articulated political will. In particular institutional innovations following the latest treaty reform highlight wide-spread agreement in

⁶ Article 21 (1) TEU.

the quest for more external impact. The creation of the new position of the HR and the setup EEAS bear bureaucratic witness of far-reaching external ambitions that are supported by all Member States.

Traditional theories of European integration are unable to explain these different patterns. In suggesting answers that predict either divergence *or* convergence of Member State interests and policies, they cannot comprehensively illuminate the variation observed in EU external relations. This project therefore proposes an analytical approach that arguably bears more explanatory potential in this respect and, moreover, can help to better locate the EU's role in the international system. The approach rests on two distinct conceptual moves that are systematically introduced in parts of the present chapter. The first move builds on the three concepts *actorness*, *effectiveness* and *coherence* to highlight particularities within the challenges experienced in the realm of EU external policy. As the central element towards more EU external effectiveness, a special focus is placed on coherence: it is reviewed with reference to existing literature, (re-)defined and structured along a vertical and horizontal dimension. Different means to enhance coherence are grouped under three categories (legal remedies, institutional reform and political initiatives), each of which responds to enabling and constraining factors (labeled the internal and external opportunity structure).

The analysis of coherence proposes that outcomes of EU external relations can be explained with reference to both the institutional *setting* of policy-making as well as the policy *content* employed in the external approach. This observation informs the second conceptual move: it suggests a modification of Arnold Wolfers' framework of *possession* and *milieu goals* and successive application to the specific context of EU external relations for a comprehensive analysis of its policy content. Research on the policy content has so far widely

been neglected in European studies for the benefit of institutionalist research agendas focusing on the policy setting. Nevertheless, such an approach bears considerable benefits since it informs a range of novel hypotheses on EU external relations. In addition, it suggests classifying external actors along the dichotomy *possession seeker* and *milieu shaper* which can enhance our understanding of the EU's external role and, more specifically, the problems encountered in its approach to Russia.

The chapter is structured along five sections. The first introduces theories and literature from the scholarly fields of European studies and international relations (IR) and reviews their explanatory potential regarding EU external policy outcomes. A special focus is placed on literature dealing with actorness, effectiveness and coherence. The second section is based on the first conceptual move. Coherence is interpreted as a central element in understanding the EU's external impact. For the purpose of making coherence analytically comprehensible, the concept is defined, structured and operationalized. The third section reviews the benefits of an institutionalist research agenda focusing on the policy setting of an external actor in explaining policy outcomes. As an alternative analytical approach containing additional explanatory powers, a focus on the policy content is proposed. In a second conceptual move, Wolfers' conceptualization of milieu and possession goals is introduced. It is argued that its application to the specific context of the EU brings new insights in the content of its external policies. Based on this theoretical and analytical work, the fourth section develops a set of hypotheses that are systematically tested in the empirical chapters of this project. Finally, the fifth section presents the methodology utilized to find answers to the hypotheses. It emphasizes the multi-faceted EU-Russia relationship – deep and problematic at the same time – that is a fertile ground for research on external coherence, and introduces the EU's energy and human rights policy towards Russia

as the main case studies employed in this project. In addition it provides an overview of data and sources used in the empirical chapters of this project.

2.1. *Power or performance? Theoretical contributions to comprehend EU external action*

The 1990s witnessed a major step forward in the development and application of EU foreign policy. On the one hand, the Treaty on European Union (TEU) introduced the CFSP pillar in the Union's primary legislation. The new competences paved the way for the EU to emerge as an international actor. On the other hand, the end of the Cold War provided a laboratory for a renewal of relations with eastern neighbors in which novel forms of foreign policy cooperation and engagement could be tested. Given the significance and scope of these political changes it did not take too long that a new generation of scholars started to become interested in the EU as an international actor. As a consequence, since the second half of the 1990s a whole new body of literature has been created that analyzes, conceptualizes and theorizes these developments (see for instance Herrberg 1997; Rhodes 1998).

Scholarly work aimed at enhancing our understanding of EU foreign policy is essentially informed by three sets of literature from European studies and international relations (IR) that are presented and reviewed in the following paragraphs. Treating EU external relations as one example of a policy area in which EU Member States started to work together, European integration theories make predictions about the development and outcome of the integration process. However, the dominant theoretical approaches – supranationalism/neofunctionalism and intergovernmentalism – suggest contrasting and incompatible courses of integration; each of

which can only highlight specific elements of EU external policy-making but fails to explain broader observations. Similarly, the second set of literature whose contributions aim at identifying the EU as some kind of international *power* suffers from one-sided and deterministic foci that have difficulties to stand the test of a complex reality. The third set of literature does not have the ambition to provide macro-level understandings of policy outcomes but is concerned about facilitating and constraining elements in the process of common foreign policy-making in the EU. It is built around the concepts of *actorness*, *effectiveness* and *coherence*. It is one claim of this project that a focus on these concepts and in particular a better understanding of coherence is the most promising route towards new insights into to field of EU external relations.

2.1.1. Integration theories and ‘power-debates’: explanatory limits of dichotomies

Scholars of European studies have drawn upon two rival explanations of regional integration, both of which are closely associated to the notions of *sovereignty* and *preferences*. On the one hand, *supranationalism* postulates that states do not retain complete control over the integration process, compromising on their preferences which ultimately entails some loss of national sovereignty (Nugent 2006, 558). This line of reasoning was picked up and refined by neofunctionalism which became particularly influential in the debates around European integration (see for instance the seminal work of Haas 1964; Haas 1968; Lindberg 1963; Schmitter 1969; Nye 1970). It understands the formation of the EU as a continuous, self-sustaining process whereas integration in one policy area *spills over* and triggers integration in other policy areas. On the other hand, *intergovernmentalism* interprets integration as a process fully controlled by nation states that cooperate on matters of common interest (Nugent 2006,

558). In contrast to neofunctionalism, it refutes the existence of spill over and synergies, and instead regards the integration process as a zero-sum game (Hoffmann 1966, 882). In its liberal version, intergovernmentalism admits the influence of other actors, such as interest groups, on national preference formation, relaxing the assumption that states' actions are only guided by their vital interests (Moravcsik 1993).

In accordance with these lines of reasoning, intergovernmentalism and supranationalism propose different answers to the question in how far a common foreign policy would develop in the EU. For intergovernmentalists, integration or the lack of it is the result of concurrent or respectively divergent foreign policy preferences among EU Member States. Several models outline necessary conditions for agreement, focusing for example on the interplay of two decision-making levels (Putnam 1988), traps in joint decision-making (Scharpf 1988; Scharpf 2006) or multiple actors with veto powers (Tsebelis 2002; Tsebelis and Yatağan 2002). In a political system in which foreign policies are dependent on recurring consensus-finding, intergovernmentalists would therefore predict unstable foreign policies over time.

Conversely, supranationalism in the neofunctionalist tradition would propose that a European common foreign policy is the logical outcome of previous integration in other sectors that has functionally spilled over to the area of external relations. The integration process has created a dynamic of its own and is to some extent uncontrollable for the participants who have transferred parts of their sovereignty to the supranational level. Constructivist scholars have explained dynamics within this process making reference to a 'co-ordination reflex' (cf. M. E. Smith 2004, 94; Juncos and Pomorska 2006, 7; Duke and Vanhoonacker 2006) and socialization amongst the actors (cf. Checkel 2003; Checkel 2005; Hooghe 2005) that cause shared visions and further agreement to common actions (Nuttall 1992, 312–313; M. E. Smith 2004, 58). In a

system where consensus is repetitively required to develop common foreign policies, neofunctionalists would therefore predict a deepening of integration and an increasingly coherent foreign policy output, even if this development counters the initial interests of Member States.

Some of the fault lines between the intergovernmentalist and neofunctionalist paradigm are reflected in empirical studies. Followers of the constructivist school have for instance researched how deliberation (cf. Joerges and Neyer 1997; Risse 2000; Teague 2001; Eriksen 2002; Joerges 2002; Neyer 2006; Puetter 2012), policy-learning and socialization (cf. Bennett and Howlett 1992; Juncos and Pomorska 2006; Puetter and Wiener 2009; Schimmelfennig and Thomas 2009; Schout 2009; Thomas 2009b; Zito and Schout 2009) trigger convergence of interest and facilitate consensus-finding. The referenced authors have in common that they identify *changes* in actors' preferences, thereby empirically supporting a central claim of the neofunctionalist logic of integration. In line with the intergovernmentalist argument, other scholars insist that realism better describes Member States' preference formation and interaction. They provide diverse examples such as institutional reform (Bendiek 2010; Bendiek 2012), international trade negotiations (Zimmermann 2007), democracy promotion (Seeberg 2009) or military operations (Gegout 2005; Kluth and Pilegaard 2011). Only recently, few contributions have attempted to merge the intergovernmentalist logic with constructivist arguments of preference formation (cf. Puetter and Wiener 2009; Howorth 2010; Puetter 2012).

At the same time, both supranationalism and intergovernmentalism also face explanatory limits when tested against developments of EU integration. Literature supporting a supranational logic of integration (in particular constructivism) is underpinned by developments of ever-more integration and agreed objectives. However, with regard to EU foreign policy this body of scholarly work has not given a sufficient answer whether the reasons for the lack of coherence in

the foreign policy output lie in underdeveloped fusion of norms and interests or whether specific interests can still defect common action despite extensive institutionalization (cf. Puetter and Wiener 2007). The EU's repeated difficulties to 'speak with one voice', a term that emphasizes Member States' persistent national interests, further challenges this argumentation. Similarly, also intergovernmentalism has difficulties to explain certain peculiarities of European foreign policy integration. An increasingly sophisticated institutional structure, materialized in the CFSP and Common Security and Defense Policy (CSDP) and legally grounded in the EU treaties has evolved, coupled with defined objectives and political will for common policies that go far beyond what was originally envisioned. These explanatory limits indicate the need for better theories that can cope with the variation observed in EU external policy integration.

Mostly borrowing from the field of IR, a number of scholars have shifted the focus of scholarly attention away from integration dynamics towards the question 'what kind of foreign policy actor' the EU is. However, also this stream of literature has shown difficulties to agree on a single answer. The EU's *sui generis* structure differs fundamentally from that of traditional foreign policy actors in terms of external representation and, due to an incomplete transfer of policy-making competences to the supranational level, policy areas in which foreign policy is conducted. As a result, contributions assessing the external impact of the EU are intrinsically related to the adopted focus and their authors similarly divided as those analyzing internal dynamics of foreign policy-making. The central debate revolves around the role of material and non-material or ideational power resources in assessing the external impact of the EU. This search for evidence regarding the utilization of hard or soft power permeates empirical studies.

Ian Manners for instance assessed the ideational impact of the EU on the abolishment of the death penalty worldwide, concluding that the EU was a 'normative power' (Manners 2002)

which caused a wide scholarly debate throughout the past decade (cf. Diez 2005; Hyde-Price 2006; Lerch and Schweltnus 2006; Manners 2006a; Manners 2006b; Sjursen 2006; Pace 2007; Tocci 2008). Previous labels such as ‘civilian’ and ‘economic power’ (Duchêne 1973; Bull 1982) similarly characterized the EU as an external actor whose impact is predominantly resulting from its soft powers. These conceptualizations are united in rejecting substantial influence of material power resources in Brussels’ external relations, thereby upholding the argument that compared to traditional international actors the EU is a different kind of power. However, on the other hand some authors also described the EU’s external action based on characteristics that point towards the application of hard power: among others, it has been labeled a ‘superpower’ possessing a wide array of soft as well as hard power resources (Whitman 1998; Moravcsik 2002; McCormick 2007), a growing ‘military power’ whose developments in the area of CSDP challenge its identity as a civilian power (Wagner 2006) and a ‘normal power’ which does not differ to other foreign policy actors in its aspiration for security (Pacheco Pardo 2012).

This variety of different labels leaves students of EU external relations somehow puzzled. With contributions and case studies supporting both sides of the spectrum, what is the EU in international relations: a hard or a soft power? This project argues that for analytical purposes, the many dichotomies proposed by both European studies (intergovernmentalism vs. neofunctionalism) and IR literature (hard vs. soft power) offer little value since all contributions based on them face explanatory limits when tested against reality. For analytical purposes, it is therefore necessary to move beyond single-focused and deterministic claims made by these two streams of literature. Various later academic trends confirm this criticism. The debates about normative and hard power have for instance become less influential in contemporary research.

Yet, not all contributions to the EU foreign policy literature are locked up in the dichotomies presented above. In particular a scholarly community that published seminal work on learning, socialization and institutionalization focused on the micro-level of preference-formation and policy-making, disregarding the claims made by grand theories of European integration (cf. Juncos and Pomorska 2008; M. E. Smith 2008; Wiener and Puetter 2009; Bickerton 2011b; Merlingen 2011). The following paragraphs will show that also more recent scholarship focusing on the quality of EU foreign policy output chose micro-level perspectives to enhance the understanding of EU external action. This project builds on insights from this literature to illuminate some of the challenges that are experienced with regard to the EU's external coherence.

2.1.2. From *actorness* and *effectiveness* to *coherence*: unpacking challenges of EU external performance

The body of literature that is concerned with specific factors which can explain variation in EU foreign policy output is in many ways rooted in the work of Christopher Hill (1993). He identified a 'capability-expectations gap' in the EU's external performance and thereby set the tone for successive criticism regarding the Union's external achievements. Skeptics see a growing discrepancy between what the EU is expected to do on the international stage and what it actually manages to deliver. Analyses have highlighted among others divided Member State interests (cf. Manners and Whitman 2000; Schmidt-Felzmann 2008; Thomas 2009b; Bendiek 2012), institutional design (cf. Duke and Vanhoonacker 2006; Aggestam et al. 2008; Duke 2011) and ill-defined objectives (Thomas 2012) as factors that impede the formulation of coherent

foreign policies. Some of them, subtly criticizing literature that seeks to define the EU as some kind of power, conclude that rather than playing a major role in international affairs the EU is at best a potential power (Wunderlich 2012, 657).

While not all commenters go as far in their judgment, it is relatively undisputed within academic and political circles that the EU often punches below its weight in international affairs. Accordingly, a range of scholars devoted their attention to identify conditions that have an effect on the EU's external impact. Keen to understand the role of the EU as an actor in the global system many of them drew upon insights from IR. A frequently mentioned element in their attempt to shed light on the question how the EU can be recognized as an international actor is the reference to *actorness*. While there are different understandings of this concept within the international law and IR literature (the former emphasizes the legal personality of the Union whereas the latter highlights elements through which power is exerted), at a more general level all definitions point towards those features that make an actor internationally visible and distinct.

In an early contribution, Gunnar Sjöstedt described actorness broadly as the ability to function “actively and deliberately in relation to other actors in the international system” (Sjöstedt 1977, 16), a definition that influenced most subsequent work on the topic (Koops 2011, 107). Over time, a range of authors refined the concept, often with the aim of making it operationalizable for empirical studies. Roy Ginsberg, for instance, developed a framework that focuses on internal decision-making structures of external policies (Ginsberg 1999). While his work draws a bow towards European studies literature it is, however, too narrow for a comprehensive analysis of EU relations with its partners. In this respect contributions like that of David Allen and Michael Smith are more promising (Allen and Smith 1998). They systematically structured elements of actorness, adding in particular the notion of *presence*

which comprises internally the legitimacy and capacity to act and externally the reputation vis-à-vis third states. Charlotte Bretherton and John Vogler provided scholars with an even more comprehensive conceptual framework of actorness, consisting of three dimensions (*presence*, *opportunity* and *capacity*) and four requirements (shared values and principles, the ability to formulate coherent policies, policy instruments, and the legitimacy of decision-making processes) for international impact (Bretherton and Vogler 2006).

The development of conceptual frameworks went hand in hand with an increasing number of empirical studies that tested the EU's actorness in different external areas. Smith, for instance, associated Brussels' external impact closely with economic power, taking the effects of the EU's common commercial and agricultural policy in developing countries as an example (M. E. Smith 1998). Other scholars used the conceptual tools provided to analyze EU actorness in international climate negotiations (Groenleer and Van Schaik 2007; Groen and Niemann 2013; Vogler and Bretherton 2013), development aid (Carbone 2013), security and defense policy (Papadimitriou, Petrov, and Greiçevci 2007; Greiçevci 2011) and in international institutions (Drieskens 2008; Gehring, Oberthür, and Mühleck 2013).

The conceptual and empirical body of literature on EU actorness did not develop without criticism. Arguably, the underlying concepts are tailored around the *sui generis* polity of the EU. While this allows them to highlight peculiar systemic characteristics, they face substantial limitations regarding their applicability to other international actors. This prevents comparative analysis and the location of the EU in an international system comprised of traditional state actors, international organizations and hybrids between the two. As a remedy, some authors have embedded their contributions within regional studies, allowing to overcome the *n=1 problem* and compare the EU's impact on its neighborhood to those of other regional organizations in the

world (cf. Telò 2007; Hettne 2010; Wunderlich 2012). However, a comparative regional focus cannot sufficiently explain dynamics of EU bilateral relations, such as those with Russia which are at the core of this project. Assessing the conditions under which the EU creates impact requires a more comprehensive analysis of its motives to act, its institutional setting and the content of its external policies.

The most substantive criticism to the conceptual work on EU actorness has been voiced by IR scholars. They call for a fundamental re-framing of the concept, an argumentation which is supported here since it paves the way for more elaborate concepts that are foundational to the analytical framework in this project (*effectiveness* and *coherence*). Three points of criticism stand out: first, debates around the question ‘what kind of power’ the EU is, often inspired by work on EU actorness, have brought unsatisfactory results. The influential ‘civilian power Europe’ and the ‘normative power Europe’ debates have both become heavily contested on various grounds (on civilian power Europe see for instance K. E. Smith 2000; Wagner 2006; on normative power Europe see for instance Hyde-Price 2006; Merlingen 2007; Tocci 2008; Niemann and de Wekker 2010). In particular the thin empirical support questions the usefulness of academic practice to frame the EU as ‘some kind of power’ and suggests that taking a step back in order to reassess and improve our understanding of actorness is a more viable strategy before engaging in such debates.

Second, it has been argued that EU foreign policy has arrived at an unprecedented crossroads: it is boosted, on the one hand, by institutional innovations and a broadening of the external agenda, and hampered, on the other hand, by a lack of internal reforms, politicization of low politics issues, a changing external environment and the negative effects of Eurozone crisis

(Niemann and Bretherton 2013, 262). This double-edged development calls for an improved understanding of the processes and resources that cause external impact.

Finally and closely connected to the previous point, a number of more recent publications of IR and European studies scholars implicitly criticize older conceptualizations of actorness for not sufficiently establishing a link to the *effectiveness* of EU external action. Compared to actorness which denotes the ability to act, effectiveness is associated with actual ‘goal attainment’ and the capability of ‘problem-solving’ (see the discussion in Niemann and Bretherton 2013, 267). Actorness therefore precedes effectiveness and is a necessary requirement to the latter. With regard to EU foreign policy, effectiveness has been defined as “the Union’s ability to shape world affairs in accordance with the objectives it adopts on particular issues” (Thomas 2012, 460).

Many previous studies of the EU as an international actor assessed its actorness, yet a focus on effectiveness can help to formulate more far-reaching claims about the Union’s external performance and role on basis of what it *de facto* achieves. Christopher Hill’s identification of a capability-expectations gap presented above in this section (Hill 1993) is an early example in this stream of literature concluding with an inherently negative evaluation about the EU’s effectiveness. Since then, other authors have empirically and conceptually contributed to a growing body of scholarly literature. Schimmelfennig for example empirically assessed the effectiveness of political conditionality, highlighting the interaction of EU internal and domestic factors of the partner country (Schimmelfennig 2008). Bickerton engaged in a comprehensive conceptual research-agenda on effectiveness and functionality of EU foreign policy, enquiring the function EU foreign policy plays in the EU as a whole (Bickerton 2010; Bickerton 2011a). Following the argument that greater political coherence will increase the EU’s international

effectiveness, Thomas proposed a number of testable hypotheses to assess their relationship (Thomas 2012). The so far most comprehensive collection of conceptual and empirical work aiming to shift the focus from actorness towards effectiveness was initiated in 2013 by Niemann and Bretherton who guest edited a special issue in the academic journal *International Relations* on ‘EU External Policy at the Crossroads: The Challenge of Actorness and Effectiveness’⁷. Although the emphasis of the presented contributions varies in both conceptual and empirical terms, they are united in the view that a re-evaluation of earlier notions of actorness towards a focus on effectiveness is necessary to enhance the understanding of EU external action.

More recent analyses have shifted the attention particularly towards *coherence* which can be defined broadly as “as the adoption of determinate common policies and the pursuit of those policies by EU Member States and institutions” (Thomas 2012, 458). The implications of coherence on EU external policy effectiveness are complex and have been described as “one of the most fervently discussed” (Gebhard 2011, 101). Much of this scholarly focus is rooted in the EU’s increased concern to ‘speak with one voice’ which has become an integral part in debates around the integration agenda throughout the past two decades and is reflected in treaties, institutional innovations, documents and statements. Few studies have postulated that the relationship between coherence and effectiveness is complex and non-linear (cf. Missiroli 2001; Szymanski and Smith 2005). However, the majority of authors in the field attribute little importance to the exact causal dynamics. They are united in a rather pragmatic assumption that coherence is a necessary requirement towards more effectiveness in EU foreign policy (cf. Gauttier 2004; Berteau 2005; Nuttall 2005; Gebhard 2011; Thomas 2012; Niemann and Bretherton 2013).

⁷ ‘EU External Policy at the Crossroads: The Challenge of Actorness and Effectiveness’, *International Relations* 27(3), special issue published in September 2013.

This project follows the argument that a better understanding of coherence is foundational to comprehending the EU's external role – insights that also help to solve the puzzle of deep but persistently problematic EU-Russia relations. It postulates that coherence conceptually matters both in analytical terms to give novel insights into the institutional processes around EU foreign policy-making and in broader terms to re-assess the EU's external role and identity. The notion of coherence has frequently re-appeared in the policy realm as well as in scientific publications. Nevertheless, often perceptions, understandings and conceptualizations differ substantively, leaving the meaning of coherence somehow opaque. The following section therefore reviews different scholarly understandings and dimensions of coherence to merge them into a working definition and operationalizable framework for the analysis to be applied in the course of this project.

2.2. Opening the external black box: analyzing EU foreign policy with a focus on coherence

Coherence is a relatively loose term. In the domain of EU external relations it is frequently used to highlight challenges associated with the development and implementation of a common European foreign policy. Regarding problems encountered in the partnership with Russia, references to coherence constantly reappear in political and scholarly discourses (cf. Schmidt-Felzmann 2008, 170; Bozhilova and Hashimoto 2010, 640; Delcour 2011, 58). However, the exact meaning of coherence often remains underspecified and is subject to change according to

the context in which it is mentioned.⁸ Similarly, academic literature does not offer complete definitions. Different authors refer to coherence in different ways, depending on the scholarly field and the analytical focus. There are, nevertheless, several points of reference extractable that provide the basis for the first conceptual move in this project: the establishment of a working definition and conceptual framework aimed at enhancing our understanding of coherence. After defining coherence and the closely connected *consistency*, this section turns towards an operationalization of coherence. It suggests a vertical and horizontal dimension of coherence, identifies three means to enhance coherence (legal remedies, institutional reform and political initiatives), and argues that the materialization of these means depends on a range of enabling and constraining factors (labeled the *internal* and *external opportunity structure*). On basis of this understanding of coherence, the empirical chapters of this project will extract deeper insights into the causes of the experienced problems in the EU's external approach towards Russia.

2.2.1. A working definition of coherence

In EU jargon, coherence is often used as a synonym for consistency. Treaties and documents, for instance, use them interchangeably (cf. Nuttall 2005), a habit that can lead to confusion for anyone attempting to precisely grasp the two terms. In contrast to the way policy makers use them, both legal and political science scholars do draw a distinction between coherence and consistency, albeit under a range of definitions (Duke 2011, 15). The following paragraphs aim to extract elements from scholarly discussions that help to clarify the two concepts. Based on

⁸ A comprehensive overview over the role of coherence in EU foreign policy-making, perceptions of officials and its use in Brussels is provided in Chapter 3.

this, a typology of coherence and consistency is established to serve as the working definition for this project.

Christopher Hill's understanding of the term coherence is a good starting point in the discussion. He defines coherence as

“the ability to pull together diverse strands of policy, and those responsible for managing them, into a single efficient whole, capable of action, and resistant to third parties' attempts to exploit internal division.”
(Hill 2008, 12)

This definition involves a variety of elements that can also be detected in debates on EU external policy: policy coordination, actor coordination, efficiency of unitary policy, ability to act, and resilience against external attempts to create internal division. Nevertheless, Hill does not offer a definition of consistency and is in that respect not helpful in demarcating the two terms.

Bretherton and Vogler's work delineates coherence and consistency amongst two different dimensions: “consistency indicates the degree of congruence between the external policies of the Member States and of the EU”. Coherence, on the other hand, “refers to the level of internal coordination of EU policies” (Bretherton and Vogler 2006, 30). The distinction draws attention to cooperation between different spheres of foreign policy-making, both with regard to the involved actors and the coordination of their policies. While consistency is a matter of coordination along the EU-Member State axis, coherence requires coordination between EU level actors. A disadvantage of Bretherton and Vogler's definitional distinction is that they identify the two terms with the *level of interaction* while simultaneously ignoring the possibility that there is a more substantial difference between consistency and coherence.

In this respect, Pascal Gauttier provides a more comprehensive definition. He prefixes the words ‘vertical’ (meaning coherent/consistent interaction between EU Member States and actors

at the EU level) or ‘horizontal’ (meaning coherence/consistency across EU pillars⁹) and thereby effectively attributing different *dimensions* to coherence and consistency (Gauttier 2004, 25; see also Pechstein 1995). With regard to the difference between the two terms, Gauttier regards consistency as subordinate and a first requirement to reach coherence, an understanding shared by other authors. For Antonio Missiroli consistency mainly denotes the absence of contradictions and is thus a minimal requirement for coherence which involves systematic synergies. According to him, coherence unleashes “positive connections” between several factors and is therefore a “desirable plus” compared to consistency (Missiroli 2001). Gauttier fully agrees with this definition, noting that “coherence encompasses both the absence of contradictions within the external activity in different areas of foreign policy (consistency), and the establishment of a synergy between these aspects” (Gauttier 2004, 25–26). Also for Stefano Bertea, coherence is the superior concept that presupposes a number of more primitive elements, including consistency (Bertea 2005, 159).

All of these authors have in common that they see a qualitative difference between coherence and consistency. Consistency is considered as “static” (Gauttier 2004, 26) or “neutral” (Duke 2011, 18), whereas coherence is more far-reaching and dynamic, involving interaction between the different components (actors or policies) in ways that create positive synergies. In line with this view, Carmen Gebhard offers a comprehensive distinction between consistency and coherence that, due to its clarity, is particularly valuable for this project. Quoting her at length,

⁹ Although the Treaty of Lisbon abolished the so-called ‘pillar structure’, some observers (cf. Duke 2011) stick to the terminology since they see clear institutional differences between the foreign policy areas falling under the CFSP and those falling under full community competence.

“each term essentially refers to a different ontological context. While ‘consistency’ mainly refers to the character of an outcome or state, which is logically compatible with another or not, ‘coherence’ rather specifies the quality of a process, in which ideally the single entities involved join together in a synergetic procedural whole. This implies that the two notions also differ in the way they relate to time and space. One can be (in)consistent over a period of time, and as such, provide continuity (or not), but coherence remains a matter of quality of interaction between organizational entities.”

(Gebhard 2011, 106)

This project will largely stick to the qualitative distinction between consistency and coherence provided by the above-cited authors. In addition, it will employ a structural differentiation between a vertical and horizontal dimension of consistency and coherence which has been featured in the work of different scholars (cf. Gauttier 2004, 25; Gebhard 2011, 107–109)¹⁰:

- *Vertical consistency/coherence* refers to the degree of congruence between interests and policies (absence of contradictions or presence of synergies) between the Member State and EU level. It is closely associated with the normative principle of coherence described in the previous section: coherence is not legally enforceable but there is a broad consensus that coherence of external actions across different levels leads to greater effectiveness. Therefore, vertical coherence is not only a matter of technical compatibility of policies, but also refers to shared objectives, compliance with EU norms (such as those enshrined in the *acquis*), commitment to integration and solidarity.
- *Horizontal consistency/coherence* refers to the degree of congruence between interests and policies (absence of contradictions or presence of synergies) at the EU level. Since

¹⁰ Whereas Gauttier denotes the structural differentiation by referring to *dimensions* of consistency and coherence, Gebhard uses the term *types* of coherence. This project will apply the term ‘dimensions’, since it better indicates the structural fragmentation of the EU foreign policy-making process, in which the interests of different actors at the Member State and European level need to be reconciled.

different policies are produced both in the supranational and intergovernmental realm of decision-making, a further distinction can be employed here.

On the one hand, horizontal coherence can refer to *inter-pillar coherence*, denoting congruence between the supranational and intergovernmental sphere of external action and the Commission and Council as the main institutional entities governing them. The challenge is to reconcile both the procedural aspects of foreign policy-making (i.e. different decision-making and implementation procedures) and its policy content (i.e. the strategic objectives and policy priorities in the areas of CFSP/CSDP and those under Community competences).

On the other hand, horizontal coherence can refer to *intra-pillar coherence*, denoting congruence between different policies within either the supranational or intergovernmental domain of policy-making¹¹. Since more or less centralized authorities exist within each of the realms (the President in the European Commission and the Foreign Affairs Council within the Council of the EU), intra-pillar coherence is more concerned with procedural effectiveness within the institutional hierarchies than with conflicting policy content.

This differentiation is, however, not as clear-cut as it may seem. The two dimensions of coherence are interlinked and mutually reinforcing. The fact that a Member State's veto in the Council can affect both vertical and horizontal aspects of coherence exemplifies their close ties. At the same time the dimensions emphasize the point that in external relations the EU is not a unitary but a coordinated actor. To 'speak with one voice' essentially depends on sound coordination of procedures and content.

¹¹ Gebhard (2011, 107) refers in this case to 'internal coherence'.

The previous discussion on different dimensions of consistency and coherence translates into a 2x2 matrix illustrated in Table 1 (similar to the chart proposed by De Jong and Schunz 2012, 169).

Table 1: a working definition of 'coherence'

	Consistency	Coherence
Horizontal dimension	(I) The absence of contradictions between external policies and objectives of actors at EU level	(II) The presence of synergies between external policies and objectives of actors at EU level
Vertical dimension	(III) The absence of contradictions between external policies and objectives of actors at EU and Member State level	(IV) The presence of synergies between external policies and objectives of actors at EU and Member State level

In the following chapters, this project will primarily focus on coherence rather than consistency, assuming that in order to establish more effectiveness in EU external relations the absence of contradictions is not sufficient but that the creation of synergies is a necessary requirement.

2.2.2. Operationalizing coherence

It is inherently difficult to judge whether the outcome of a set of policies is coherent or incoherent because EU treaties and documents do not provide sufficient quantitative or qualitative benchmarks against which reality could be measured. Reference to coherent policies is often part of overtly broad objectives, such as the aim to 'speak with one voice' or to produce

policies that reinforce each other. Coherence seems to be a guiding principle of EU foreign policy-making that, however, lacks instructions and is not legally enforceable. But how could any assessment of policy outcomes be objective, given they are produced in a fragmented political system and structured along multiple interests of different actors? Coherence and consistency remain useless concepts in a world, where “everyone follows a consistent aim in a consistent way” (EU-21[COM]/Ener) without a single coordinating authority.

As a consequence, any operationalization of coherence cannot aim at providing a set of criteria that would allow the identification of coherent as opposed to incoherent policies. It must rather offer a list of factors that impact positively on coherence and that, in case of absence, can explain a lack of coherence. Gebhard (2011, 113–121) suggests that different means to enhance coherence can be grouped in three categories, namely legal remedies, institutional reform and political initiatives. This project will largely stick to these categories but fills their meaning beyond what is provided in Gebhard’s framework.

- *Legal remedies*: in the broadest sense, they refer to requirements for coherence. Nevertheless, in the EU’s legal system coherence is not enforceable and remains a normative requirement depicting better, more effective foreign policies. Any legal requirement of coherence cannot be targeted at the content of policies (due to the lack of clear benchmarks and of a prioritization of different policy objectives) but must focus on the process of policy-making. It can, for instance, oblige interaction amongst the actors involved in the decision-making process or require the combination of separate instruments in order to satisfy various policy objectives.

With regard to horizontal coherence, legal remedies are targeted at overcoming negative consequences rooted in the EU’s functional fragmentation. The current structure

of the EU's external governance system is the result of successive decisions of the Member States how to integrate external relations. The fragmentation in the field started with the division between the intergovernmental EPC and the supranational Community as distinct realms of external policy-making. Since then, successive treaty reforms have reproduced rather than resolved the problems associated with this setup. Accordingly, the most efficient legal remedy is to define requirements that increase inter-pillar coherence. Intra-pillar coherence is less of an issue in policy areas under Community competence due to the presence of a single authority (the President of the European Commission). In the case of the CFSP/CSDP the Secretariat of the Council has taken an important role in establishing coherence amongst the different foreign policy objectives.

Concerning vertical coherence, any legal requirement is a tricky issue since it ultimately challenges the sovereignty of the Member States. Due to their insistence on the prerogative to decide on external policy, treaty reforms changed very little in this respect. Throughout the past decades of EU foreign policy-making, hardly any new competences were transferred to the supranational level to give Brussels the legal authority to speak for all of its members. Rather to the contrary, negotiated opt-outs acknowledge a *Sonderweg* of various Member States which counters the ultimate objective of consensual foreign policies (for instance Denmark has an opt-out from the CSDP).

- *Institutional reform*: this category refers to administrative structures designed for the coordination between external policies and the actors responsible for them. An increase in the bureaucratic capacity to coordinate horizontally between and within pillars as well as vertically between Member State and EU level foreign policy-making reduces the likelihood of contradictory policies, unleashes potential synergies and therefore has a

positive effect on coherence. Institutional reform towards capacity building has been the most frequently employed form to increase particularly horizontal dimension. In the past, reforms have mostly been targeted at establishing intra-pillar coherence rather than inter-pillar coherence, aiming to improve the efficiency of the hierarchical consensus-finding structures within the Commission and the Council.

- *Political initiatives*: this category is arguably the least tangible, though not inferior in its importance compared to the other two. It is dependent first and foremost on the political will to establish coherence. Practically, this implies support by the whole spectrum of actors involved in the processes of external policy-making to foster a culture of coordination. Often, political initiatives require far-reaching debates that express the political will for more coherence and that precede institutional reform. While such debates are generally held at the top-level of policy-making, they often materialize at lower levels in the institutional hierarchies, for instance through the creation of expert forums in which both formal and informal coordination practices take place.

The three categories translate into a list of indicators for enhanced vertical and horizontal coherence, presented in Table 2, against which reality can be tested.

Some of the above-listed indicators are inherently inward looking and focus at the distinct legal and bureaucratic system of the EU. Enabling and constraining factors for policy coherence are, nevertheless, not only to be found *within* the EU polity. Enhancing coherence is ultimately a question of – as it shall be labeled in this project – the internal and external opportunity structure. The *internal opportunity structure* depicts the presence (or absence) of political will, public support, administrative capacity, legislative means and legitimacy within the

Table 2: indicators for enhanced coherence

	Indicators for enhanced vertical coherence	Indicators for enhanced horizontal coherence
Legal remedies	<ul style="list-style-type: none"> • Transfer of competences/sovereignty to EU level • Obligations to disclose/share Member State information at EU level 	<ul style="list-style-type: none"> • Unity in decision-making procedures • Unity in external representation • Unity in policy implementation
Institutional reform	<ul style="list-style-type: none"> • Creation of forums for information exchange and coordination 	<ul style="list-style-type: none"> • Enhancing bureaucratic coordination capacities
Political initiatives	<ul style="list-style-type: none"> • Unity in decision-taking • Legitimacy to act at EU level • Increased voluntary coordination of Member State and EU level • Creation of European identity 	<ul style="list-style-type: none"> • Unity in decision-taking • Increase in debates at EU level • Assimilation of bureaucratic cultures • Creation of European identity

EU. Since foreign policy is an area fundamentally characterized by bilateral or multilateral action, re-action and interaction, external factors may likewise enable or constrain coherence. Accordingly, the *external opportunity structure* depicts the presence (or absence) of factors conducive to internal coherence, such as frank and open relations based on mutual trust, a responsive external environment, external partners that do not exploit vested interests within the EU and a stable external environment based on the rule of law towards which the EU can define strategic objectives and long-term policies. Neither of these lists of factors is exhaustive; they should rather be read as examples of elements that can impact on the internal and external opportunity structure of coherence. While the internal opportunity structure affects primarily the

legal remedies and institutional reforms towards establishing coherence, the external opportunity structure has more influence on political initiatives, influencing for instance debates around unity in EU external policy-making.

Along the lines of legal remedies, institutional reforms and political initiatives while keeping in mind the effects of the internal and external opportunity structure, the EU's attempt to enhance its external policy coherence vis-à-vis Russia will be conceptually operationalized in the course of this project. Chapter 3 reviews this approach from the policy-maker's point of view: it confirms the practical relevance of the conceptualization of coherence based on empirical evidence and assesses the role of the terms in Brussels. Chapter 4 analyzes the setting in which policies towards Russia are formulated and agreed. It highlights particularly the internal opportunity structure and its changing nature through consecutive institutional reforms. The 5th chapter, focusing on re-establishing relations with Russia, takes a closer look at the conduciveness of both the external and internal opportunity structure to more coherent policy content. Finally, the 6th chapter shares the focus on the policy content but emphasizes dynamics of coherence in specific policy areas and episodes.

2.3. Institutions, milieu and possession goals as determining factors to external coherence

The previous section clarified the concept of coherence along several lines. It defined coherence and demarcated it from consistency, it introduced a vertical and horizontal dimension of coherence, it identified different means to enhance coherence (legal remedies, institutional reform and political initiatives) and it pointed out that the internal and external environment can

either be conducive or constraining for these means to take effect (which was labeled the internal and external opportunity structure). Any assessment of coherence, including the problems experienced in the EU's relations with Russia, must take all of these elements into account.

There is, nevertheless a further line along which an analysis of EU external coherence can be organized. It is fundamental for the structure of the empirical chapters in this project and shall therefore be introduced in the following paragraphs. A good starting point is to recall the indicators to enhance coherence introduced above. They refer, on the one hand, to systemic factors of improving coherence, such as the efficiency of decision-making procedures, coordination of policies or unity in external representation. On the other, they mention unity in decision-taking and debates – indicators that do not directly refer to systemic factors but are rather targeted at the policy strategy. A similar distinction is advanced by Gebhard (2011, 106) who separates between two approaches to analyze coherence. The first puts the focus on technical and procedural aspects that revolve around the topic. It includes for instance the administrative implications of having to reconcile different institutional actors, their distinct decision-making procedures and bureaucratic machineries. The second approach is more strategic or policy related. It highlights among others conflicting objectives and clashing political agendas.

This observation is important because it is at the heart of the second conceptual move employed in the analytical framework of this project. It suggests that an analysis of coherence in EU foreign policy should comprise a dual focus: that on the *policy setting* and that on the *policy content*. The first focus follows a conventional argument in European studies literature, namely that the institutional setting in Brussels impacts on policy coherence. The second focus is rather novel. It claims that certain inherent components of foreign policy areas and an actor's approach

to them can likewise impact on policy outcomes and therefore explain variation in coherence. To conceptually assess policy content, the project suggests the application of Arnold Wolfers' framework of milieu and possession goals to the specific context of EU external policy. This approach offers the formulation of a set of testable hypotheses that provide new insights in the challenge to enhance the EU's foreign policy coherence. Moreover, a focus on the policy content in combination with Wolfers' framework also contributes to a better understanding of the EU's external role. To that end, the project advances a distinction between two forms of external engagement along which the EU can be located: that of a *possession seeker* and that of a *milieu shaper*.

All these analytical approaches are relevant for the investigation of the problems encountered by Brussels in its relations with Moscow. They are applied one by one in the empirical sections of this project. While some of them reconfirm findings advanced by available literature, others yield novel insights. It is for instance argued that the EU acts predominantly as a milieu shaper towards Russia. This perspective offers new answers to the variation experienced in external policy coherence.

To structure the various approaches, the following paragraphs first review the benefits of an analysis of coherence that focuses on the policy setting while employing an institutionalist framework. The section then lists the advantages of a research agenda that rests on an analysis of the policy content. It introduces Wolfers' conceptualization and suggests a way to operationalize it within the EU context. A brief summary reviews the dual analytical approach, contrasts the main assumptions and shows in how far policy setting and content correspond to the different means to enhance coherence. Finally, the distinction between possession seeker and milieu shaper will be introduced.

2.3.1. Policy setting: why ‘institutions matter’

That ‘institutions matter’ is not new to the field of European studies. On the one hand, many scholars have pointed out the distinct nature of the EU that differs considerably from both the traditional nation-state and international regimes. Among others, it has therefore been labeled “less than a federation, more than a regime” (W. Wallace 1983), or an “unidentified political object” (Jacques Delors cited in Schmitter 1996, 1, own translation). On the other hand, it is “the most densely institutionalized international organization in the world, with a welter of intergovernmental and supranational institutions and a rapidly growing body of primary and secondary legislation” (Pollack 2009, 125). Institutional analysis therefore offers a viable approach to conducting in-depth research on the functioning of the EU’s *sui generis* system. It provides a conceptual toolkit that points towards specific observations, allows the tracking of longitudinal developments and serves as a starting point for comparisons. Unsurprisingly, institutionalist research on the EU is popular. It has spanned across many areas of European studies, from general difficulties of joint decision-making (cf. Elgström and Jönsson 2000; Tsebelis 2002; Scharpf 2006) via the analysis of specific institutional setups (cf. Tallberg 2008; Batory and Puetter 2013) to EU external action and its distinct institutional environment (cf. Juncos and Pomorska 2006; Aggestam et al. 2008; Schimmelfennig and Thomas 2009; Vanhoonacker and Pomorska 2013). And at a more general level of debate, intergovernmentalists and supranationalists have often referred to institutional structures and processes to support their arguments on autonomy and authority in EU policy-making (Rosamond 2000, 81).

Researchers following this institutionalist tradition have in common that they causally link policy-making and policy outcomes to the institutional framework in which decisions are

made. The approach is particularly prevalent within European studies. Theoretical grounding of the research agenda rests largely on the seminal work on ‘new institutionalisms’ by Peter Hall and Rosemary Taylor (Hall and Taylor 1996) which has shaped an entire scholarly field. Joseph Jupille and James A. Caporaso (1999) argued that the increasing application of institutional analysis to the study of the EU has improved scholarship in the field and made it more integral to the discipline of political science. The plethora of institutionalist research agendas coupled with the promising prospects to yield new insights in the functioning of the EU motivated Mark D. Aspinwall and Gerald Schneider (2000) to proclaim an ‘institutionalist turn’ in the study of European integration. Mark A. Pollack (2009) elaborated on this argumentation and showed how specifically the new institutionalisms contributed to an improved understanding of integration within the EU. Consequently, today some of the most prominent and comprehensive textbooks on the EU highlight the setup of EU institutions, rules and procedures of governance, and actors involved in the decision-making processes of different policy areas (cf. H. Wallace, Pollack, and Young 2010; Dinan 2010; Nugent 2010; Hix and Høyland 2011 and their respective earlier editions). Textbooks and articles specifically dedicated to the foreign policy of the EU show a similar analytical focus (cf. K. E. Smith 2008; Aggestam et al. 2008; Hill and Smith 2011, pt. 2).

In fact, each of the three new institutionalisms – namely rational choice, historical and sociological institutionalism (Hall and Taylor 1996) – underlines institutional dynamics prevalent in the EU’s external policy-making that impact on coordination and thus policy coherence. In brief, rational choice institutionalism highlights the constant struggle between Member States and EU level actors and thereby points towards formal processes of decision-making in which interests clash. The EU’s institutional setup is understood as to optimize the utility of Member States’ interests. Historical institutionalism, in contrast, emphasizes

institutional changes across time. It helps to explain how calls for a more efficient foreign policy are reflected in institutional innovations, such as the installation of permanent chairs in various forums following the Lisbon Treaty. Finally, sociological institutionalism highlights informal processes that permeate forums in which interaction among actors takes frequently place, such as socialization and the construction of a stronger European identity that impact positively on coordination and coherence.

This project refers to the *policy setting* as all systemic and structural aspects that, in the institutionalist logic, affect policy outcomes. The policy setting thus includes the bureaucratic setup of all relevant actors, formal rules and procedures, informal practices as well as primary and secondary legislation (see also Puetter 2006, chap. 2 on the role of informal governance practices within the policy setting). A comprehensive analysis of the policy setting in conjunction with the effects on external policy coherence towards Russia is carried out in Chapter 4. It investigates the EU's institutional structures and decision-making processes in areas concerned with external policy-making, focusing on formal as well as informal procedures that aim at facilitating interest-coordination and consensus-finding.

2.3.2. Policy content: comprehending coherence through an operationalization of *milieu* and *possession goals*

While acknowledging the value of institutionalist research in enriching our understanding of EU external effectiveness and the difficulties that revolve around enhancing coherence, this project proposes a broader analytical focus. It is argued that an assessment of the EU's external impact that is inherently inward-looking ignores important elements that likewise contribute to its

external performance and shape its role as an international actor. For that reason, this project applies an analytical framework that moves beyond a mere focus on the policy setting towards a consideration of what will be labeled the *policy content*. So far, such an approach has been widely neglected in European studies which are dominated by institutionalist research agendas. Yet, a focus on the content of policies bears novel insights into EU external relations. The main assumption here is that not only institutions matter in defining policy outcomes, but that policies, their strategies and objectives define the institutional design prevalent in international relations.

On a more general level, comparing policies based on their content has brought insights in international relations before. It is for instance a central assumption of some realist authors that issues have different hierarchies and that the ‘high politics’ of military security issues dominate the ‘low politics’ of economic and social affairs, irrespective of the institutional setting (Keohane and Nye 2001, 20). Nevertheless, such a distinction seems to be more relevant for traditional foreign policy actors with a single authority and full sovereignty rather than the EU which only has competences to act in some areas, the vast majority of which realist authors would classify as low politics.

An attempt to bring the content of policy areas to the center of the research has also been made by the ‘problem-structural approach’ which argued that “if neither the attributes of the actors nor the characteristics of the international system as a whole can account for all variation of behavioral patterns across issue-areas, the nature of the issue-areas themselves (or of the issues they are composed of) may well be responsible for at least part of the observable differences” (Hasenclever, Mayer, and Rittberger 1997, 59–60). The focus of the problem structuralists was placed on international relations and constructed *issue-area typologies* which allow, by the characteristics of the issue-area in which a conflict occurs, to make predictions

whether a conflict is dealt with cooperatively or unilaterally (Efinger and Zürn 1990, 67). The developed issue-area typologies are though relatively narrow and limit generalizations of more overarching patterns of foreign policy-making. The framework has therefore insufficient applicability to explain the complexity of EU external action.

However, this project shares the main claim of problem-structuralists that the policy setting cannot account for all variation of policy outcomes and that a parallel focus on the policy content is necessary. Relations with Russia indicate that the EU is not only institutionally *sui generis*, but also with regard to diverse actors that follow a wide spectrum of interests and approaches in central foreign policy areas. As it is argued here, the difficulties experienced with the formulation of coherent foreign policies towards Moscow are to a considerable degree rooted in these different contents. Referring to the case studies of the project, energy policy involves a plethora of specific economic, security and environmental interests that shape the behavior of actors and policy approaches. In a similar way, the EU's external human rights policy is characterized by multiple interests and instruments to deal Russia that affect policies irrespective of the setting.

A conceptual approach that bears considerable analytical value is rooted in the work of Arnold Wolfers (1962). Although he developed his ideas more than five decades ago to analyze international relations, this project proposes that the concept's application to the particular context of the EU in the 21st century highlights specific elements of EU foreign policy-making that have been neglected by traditional institutionalist research agendas. Wolfers focuses on the *goals* of foreign policy areas and by identifying essential features of these goals he shifts the *content* of policy-making rather than the *policy setting* in the center of the researcher's attention.

A goal, for Wolfers, is a hope, ideal or aspiration in connection with a reached decision that an effort is made for their realization (Wolfers 1962, 71).

The central assumption of Wolfers' conceptual approach is that the multitude of foreign policy goals can be structured in "particularly significant and persistent groups of contrasting goals", most of which "are in the nature of dichotomies" (Wolfers 1962, 73). Although Wolfers' conceptualization was originally targeted at the foreign policy of nation states, the institutional structures, procedures and rules that guide their interaction are of minor analytical value. *Goals* of foreign policy exist independently from structure in any political environment in which decisions on external relations have to be made, including that of today's EU. For that reason, the *sui generis* character of the EU poses no limits on the applicability of Wolfers' approach to the EU. This point is supported by the work of other authors such as Tocci (2008, 7), who has applied Wolfers' framework to the EU context, albeit in a brief, descriptive and not systematic way.

At the core of Wolfers' concept lies the analytical distinction between two types of goals which are of relevance in external affairs and which he labels 'milieu goals' and 'possession goals'. Every objective that a foreign policy actor pursues within a certain policy area can be classified under either of these categories, which differ in various ways. Possession goals are concerned with the possession of something that a foreign policy actor seeks to have for its own use, such as a good or commodity. The 'materialization' of something wanted is a central theme in this respect. What is 'wanted' can be of divers kind. Wolfers mentions the examples of as stretch in territory, membership in the Security Council of the United Nations and tariff preferences. Actors compete for the attainment of these possessions that are of share characteristics of private goods (rivalrous in consumption and excludable) and they seek to have

their share either left intact or increased (Wolfers 1962, 73–74). Competition for the possession is resolved through bargaining or market forces that lead to deals (Wolfers 1962, 74).

Milieu goals are of a different kind. Unlike possession goals they are not concerned with a specific good or commodity but with the wider environment. Here, the objective of a foreign policy actor is to shape conditions beyond the national boundaries rather than pursuing any tangible possession to the exclusion of others (Wolfers 1962, 74). As examples, Wolfers mentions peace, the promotion of international law and the establishment of international institutions. The focus is therefore much broader than that on possession goals, and it shares the central elements of public goods (non-rivalrous in consumption and non-excludable). The reasons to shape the milieu outside one's borders may be manifold, but they often refer to improving the own international prestige, strengthening peace and security, promoting social and economic progress and making the external environment more conducive to the attainment of possession goals. In order to achieve these aims, possession goals require cooperation between at least two international actors, which involves agreements on international principles, norms and values. Because such endeavors can be highly complex, the enactment of the agreed principles, norms and values can require long-term operationalization (Wolfers 1962, 74–77). Due to their nature, they are followed in different ways compared to possession goals. Often soft means are applied to shape the external environment, such as dialogue, deliberation and leading by example. Also incentives are frequently set through conditionality. Only under exceptional circumstances are milieu goals furthered through sticks, like economic or political sanctions.

Table 3 displays a basic typology of milieu and possession goals, based on Wolfers' seminal work. It structured along four defining characteristics and typical examples that summarize the discussion of the previous paragraphs.

Table 3: a basic typology of milieu and possession goals

	Possession goals	Milieu goals
Target of goals	<p><i>Concerned with a specific possession</i></p> <ul style="list-style-type: none"> Enhancement or preservation of something to which value is attached 	<p><i>Concerned with the wider environment</i></p> <ul style="list-style-type: none"> Shaping conditions beyond the national boundary
Characteristics of goals	<p><i>Limited supply/resources</i></p> <ul style="list-style-type: none"> Rivalrous in consumption and excludable ⇒ Private good Narrow focus on one or few possessions 	<p><i>Non-limited supply/resources</i></p> <ul style="list-style-type: none"> Non-rivalrous in consumption and non-excludable ⇒ Public good Broad focus on conditions/environment
Goals are rooted in	<p><i>Specific interest</i></p> <ul style="list-style-type: none"> Need for a specific commodity Aim to increase relative international influence 	<p><i>Concerns about the environment</i></p> <ul style="list-style-type: none"> Own prestige Peace and security Promote social and economic progress Make environment more conducive to attainment of own possession goals
Goals are achieved through	<p><i>Competition/challenge</i></p> <ul style="list-style-type: none"> A single international actor strives for it Bargaining and specific deals ⇒ Can be solved ad hoc/short-term 	<p><i>Cooperation</i></p> <ul style="list-style-type: none"> At least two international actors strive for it Agreement on common international principles, norms and values ⇒ Enactment can require long-term operationalization
Typical examples	<ul style="list-style-type: none"> Attainment of a commodity Trade preferences Territorial stretch 	<ul style="list-style-type: none"> Peace and security Promotion of international law Establishment of international institutions

2.3.3. Setting and content: an overview of the dual analytical approach

The previous introduction, discussion and operationalization of policy setting and policy content leads to two research agendas for this project, each of which is rooted in a different research tradition, based on contrasting assumptions and speaks to diverse means of enhancing coherence. On these basic aspects the analytical approaches are distinct yet points of intersection cannot be excluded. Nevertheless, for reasons of simplicity and clarity, the analytical framework highlights in particular the differences.

An analysis of policy coherence in which the policy setting is the independent variable is typically rooted in an institutionalist research agenda. It highlights formal procedures and informal processes, the role of actors and the legal framework in which policy decisions are taken. A special focus rests on the question in how far channels for the coordination of diverse interests facilitate consensus-finding and agreement. The main assumption is that the policy setting impacts on policy outcomes and hence coherence. This also implies that in the causal relationship the policy setting ranks higher and impacts on the policy content. Means of enhancing coherence are primarily those previously grouped under the categories legal remedies and institutional reform: often they refer to an increase in the effectiveness of coordination and decision-making processes, for instance through pooling competences, unity in procedures or information exchange.

On the other hand, an analysis of policy coherence where the policy content serves as the independent variable is, as this project suggests, based on a research agenda with a focus on Wolfers' framework of milieu and possession goals. It emphasizes the content of policies, their strategies, instruments and objectives to achieve a desired outcome in international relations.

Here, the main assumption is that the policy content – whether alone or a combination between different policies – can account for variation in outcomes and coherence. Conversely to the a research agenda based on the setting, in the causal relationship the policy content is dominant and impacts on the policy setting, such as the type of institution-building in the international realm. Means of enhancing coherence regarding the policy content are primarily those grouped under the category political initiatives: increase in debate and voluntary coordination, identity creation, assimilating bureaucratic cultures and unity in decision-taking.

An overview of the main differences between the two analytical approaches is presented in Table 4. Each of the approaches offers answers to the challenges regarding external coherence that Brussels experiences with Moscow. However, only a research agenda that takes both analytical perspectives into account can provide a more comprehensive picture of the EU's external role and its problems associated with it. Therefore, both approaches provide the basis for the formulation of the hypotheses that guide the empirical research of this project.¹²

Table 4: *overview of the dual analytical approach employed in this project*

Research focus/ independent variable	Research tradition	Main assumption	Means of enhancing coherence
Policy setting	Institutionalism	Policy setting impacts on policy outcomes/ coherence (including content)	Legal remedies and institutional reform
Policy content	Focus on policy objectives (milieu and possession goals)	Policy content impacts on policy outcomes/ coherence (including setting)	Political initiatives

¹² See section 2.4.

2.3.4. What kind of actor? *Milieu shaper* and *possession seeker* as new categories to evaluate the external role of the EU

As indicated earlier, the benefit of a complementary focus on the policy content is that it offers new insights to the question what kind of international actor the EU is. The underlying assumption is that any foreign policy actor has various different external objectives; some of them could be classified as possession goals while others fall under the category milieu goals. This variation is not only observed across policy areas but also within policy areas. Trade policy may for instance be concerned with securing specific trade deals (either the purchase or the sale of a commodity) which, according to the typology advanced, classify as possession goals. At the same time, it may be the purpose of trade policy to create an external environment that is conducive to trade deals, for instance through the promotion of the rule of law and market economic principles. These policy objectives are typical milieu goals, aimed at shaping the environment beyond one's jurisdiction.

While milieu and possession goals can thus co-exist within the external ambitions of a single actor, there is however also the possibility that one of these types of objectives dominates the external strategy or appears dominant in the external actions. According to this difference this project advances a dichotomy to classify types of external actors: an external actor that predominantly follows possession goals will be labeled a *possession seeker*. Conversely, an external actor that predominantly follows milieu goals will be labeled a *milieu shaper*. It is possible to attribute certain characteristics and types of behavior to each of these actors that propose assumptions about the coherence of policy outcomes and thereby inform a set of novel hypotheses.

Possession seekers use external relations primarily to maximize material utility. The process of materialization involves interaction, generally in the form of competition, with another international actor which also has possession claims. Analogously to the anarchy of international relations, the competition is generally unstructured and each party seeks to get its share of the possession. Nevertheless, for example in the case of trade deals, the claims may be diverse (e.g. a resource for money) and the interaction self-regulated through market forces. Since agreements or policy choices to further material interests are made at a specific point in time – either once or repetitively to re-define the terms of the agreement – the frequency of external contact on the subject is rather rare.

Milieu shapers use external relations predominantly to shape the environment beyond their borders in a preferred way. The motivation may be of diverse kind: it can seek to ensure stability and security in the region but may likewise be a strategy to further interests that classify as possession goals. In order to sustainably shape the external environment the interaction requires a minimum degree of cooperation. The milieu shaper organizes or structures the external environment in a preferred way, but he will only be successful if the external partner who owns the milieu accepts the efforts, internalizing for example norms and values associated with the milieu-shaping process. In this respect, an engagement strategy building on teaching and conviction is regarded as superior to coercion. The responsiveness of the external environment to adopt structures, norms and values is thus highly relevant. In other words, the external opportunity structure, composed of enabling and constraining factors to achieve milieu goals, is crucial. Since the adoption of structures, norms and values by a third country is a lengthy process that requires interaction and review, it is furthermore assumed the frequency of external contact

is regular and potentially institutionalized. Table 5 provides an overview of a basic distinction between possession seeker and milieu shaper.

Table 5: *a typology of possession seeker and milieu shaper*

Type of international actor	Type of external interaction	Impact on external environment/ opportunity structure	External contact
Possession seeker	Competition between two possession seekers, guided by one-sided self-interest	Low/medium	Rare, possession-specific
Milieu shaper	Cooperation between milieu-shaper and milieu-owner	High	Regular, potentially institutionalized

2.4. Hypotheses

The two conceptual moves introduced in the previous sections – the operationalization of coherence on the one hand and the dual analytical approach focusing on both policy setting and policy content on the other hand – inform four groups of hypotheses, each of which is consisting of one or two main- and sub-hypotheses. All of them are based on specific assumptions derived from the conceptual moves and make claims about the EU's external coherence and effectiveness. Consistent with this structure, each group of hypotheses will be tested in one of the four empirical chapters of this project.

Chapter 3 reviews the role of coherence in the EU. It is striking that since the beginning of EU external relations all treaties as well as the main policy documents and debates have

referred to the terms coherence and consistency. This prevalence is not known from other governance systems and indicates that the self-imposed aim to act more coherently on external matters is a specific characteristic of the EU. References are often broad and general, but they get particularly prominent relevance with regard to the EU's Russia policy. Accordingly, it is assumed that questions of coherence and consistency arise from the specific context of EU external policy-making. The hypothesis that guides the research of Chapter 3 therefore reads:

H1: *The achievement of policy coherence is the guiding principle of EU foreign policy.*

This hypothesis is based on the underlying assumption that policy outcomes, understood as foreign policy goals being achieved or not, are directly associated with the presence or lack of coherence. Therefore, frequent reference to coherence is made because it is regarded as *the* remedy to problems experienced in external relations. A lack of coherence is traced back to insufficient coordination between EU external actors and policies that can be observed within both the policy setting as well as the policy content. Accordingly, the sub-hypothesis in Chapter 3 reads:

H1_{Sub}: *The EU interprets problems in foreign policy as a lack of coherence, rooted in a policy setting that is uncondusive to coordination and in insufficient coordination of the policy content.*

Chapter 4 focuses specifically on the policy setting in which the EU formulates its foreign policies. It is the only empirical chapter that is guided by two distinct main hypotheses. However, they have a strong contextual connection and are therefore tested within the same chapter. In the EU, for many years the perceived lack of foreign policy coherence has been countered with successive institutional and legal reforms to increase horizontal and vertical

coordination mechanisms. Among others, new actors became involved in external policy-making, forums for debate were created and coordination procedures adjusted. In addition, a range of different informal coordination processes emerged. Many of these developments originated against the backdrop of a general concern with EU external policy coherence. Though, some of them were triggered or reinforced by the specific context of EU Russia relations: they fall exactly in the time period when problems of external coherence towards Moscow became more pressing and therefore received political attention. For example, the strengthening of the leadership role of the European Council coincides strongly with the need for more horizontal coordination of policies vis-à-vis Russia. Similarly, the installation of a permanent chair in the Council working group dealing with Russia aimed at creating more vertical coherence between EU and Member State interests in a time when a common European external voice towards Moscow was considered increasingly important. Accordingly, the first main hypothesis of Chapter 4 reads:

***H2_a:** The lack of external coherence triggers the reinforcement of vertical and horizontal coordination mechanisms of the policy setting.*

It is one argument to claim that a perceived lack of external coherence triggers the reinforcement of coordination mechanisms. Conversely, it could be asked: do these coordination mechanisms actually lead to the desired outcomes, i.e. more coherent external policies? A wide range of literature has investigated effects of the policy setting on policy outcomes. Most of the research sought to identify causal mechanisms explaining the relationship between institutional change and the propensity for agreement on policies. The literature review in this chapter presented different contributions from institutionalist and constructivist research traditions, highlighting formal procedures and informal processes that facilitate coordination and agreement to common

policies (cf. Juncos and Pomorska 2006; Puetter 2012). Their argumentation and insights would predict that changes in the policy setting lead to more coherence in the EU's Russia policy. Nevertheless, this literature does not preclude that also other observations can be possible. In fact, Chapter 4 identifies diverging trends. Some changes to the policy setting are indeed conducive to more external coherence vis-à-vis Moscow. However, there are also a number of effects that hamper coordination practices and therefore constrain coherence. The second main hypothesis that is tested in Chapter 4 leads to ambiguous outcomes and thus reads:

***H2_b:** Changes in the coordination structure of the policy setting generally lead to more external coherence but not under all circumstances. It is expected to find diverging outcomes over time and in relation to specific policy episodes.*

Chapter 5 reviews the rebuilding and consolidation of the EU's relations with Russia since the end of the Cold War. Brussels signed a number of association agreements with Moscow that went far beyond the technical and trade aspects known from previous bilateral contacts. Most importantly, they included references to common norms and values aimed at guiding the future of relations. Their centrality in the partnership is underpinned by the inclusion of conditionality and a harmonization requirement, both of which are predominantly targeted at Russia to approximate to EU standard. In addition, the EU sought to strengthen the partnership through gradual bilateral institutionalization of relations at large and, more specifically, in particular areas such as energy and human rights. Considering the typology of international actors advanced from Wolfers distinction between external goals – namely that an international actor is either a possession seeker or a milieu shaper – the guiding hypothesis of Chapter 5 reads:

***H3:** In its external approach towards Russia the EU acts as a milieu shaper.*

Milieu-shaping of the EU involves among others the externalization of internal policies, norms and values toward Russia, predominantly via soft means and targeted at the long term. Yet, despite a constant and ongoing deepening of relations, considerable problems do not only persist but have come increasingly to the fore in more recent times. The external opportunity structure, the Russian milieu, is becoming increasingly unresponsive to milieu-shaping activities. The adoption of foreign norms and values is questioned and at times outspokenly opposed. Common agreements and institutions as the main instruments of a milieu shaper gradually forfeit effectiveness. At the same time, the EU itself is suffering from a number of internal problems that remain unresolved and undermine its external impact and prestige. A milieu shaper is, nevertheless, strongly dependent on a conducive external and internal opportunity structure. Norms and values need to be substantively invoked, which becomes problematic with external opposition and potentially impossible with a substantial internal handicap. Accordingly, the sub-hypothesis in Chapter 5 reads:

***H3_{Sub}:** The difficulties experienced in EU-Russia relations are a direct consequence of the EU's external role as a milieu shaper in combination with an increasingly uncondusive internal and external environment for milieu-shaping activities.*

Chapter 6 investigates the impact of different foreign policy goals and their combination on the external coherence of EU policies. Similar to Chapter 5, the focus is placed on the policy content. However, rather than analyzing external activities from a macro-perspective seeking to locate the EU along the dichotomy milieu shaper vs. possession seeker, Chapter 6 highlights the micro-level of foreign policy-making *within* the EU. It is assumed that the degree of coherence in policy outcomes is inherently linked to the kind of external goals that guide the policy episode. Recalling from the conceptual sections in this chapter, possession goals are based on specific

interests while milieu goals are rooted in a larger set of norms and values. In the EU, the attainment of possession goals largely falls under the competence of the Member States, which often have extremely diverse external interests. Conversely, there is a basic consensus about the norms and values that the EU seeks to promote. It is thus assumed that EU external policies based on milieu goals are less likely to result in conflict between the external decision-makers compared to those policies that concern possession goals. Accordingly, the main hypothesis of Chapter 6 reads

H4: *A policy issue or episode that is subject to milieu goals is more likely to generate external coherence than a policy issue or episode that is subject to possession goals.*

Nevertheless, policies are not often isolated from one another. Any foreign policy actor designs policies that follow milieu as well as possession goals. Both types of objectives can even co-exist within one policy area (Wolfers 1962, 72). For that reason, the coordination of different policy goals is paramount for external coherence. Wolfers postulates that one of the reasons why an international actor follows milieu goals is to make the external environment more conducive to the attainment of possession goals (Wolfers 1962, 74). For instance milieu goals can shape the external environment in a way that creates an advantage in the competition over a specific commodity. This constellation is assumed to lead to external coherence because the different policies – either from the same or from different policy areas – are designed to materialize synergies. Accordingly, the first sub-hypothesis of Chapter 6 reads:

H4_{Sub1}: *Where milieu goals are utilized to further possession goals, the EU appears as a coherent external actor.*

Conversely, possession goals are unlikely to further milieu goals for at least two reasons. First, possession goals have a short-term focus. They can therefore not substantially reinforce the long-term changes abroad associated with milieu goals. Second, democratic actors have an interest to satisfy the electorate which holds them accountable. Since only possession goals can materialize domestically in the short or medium term, for instance through securing a specific commodity, these actors have limited incentives to sacrifice their possession goals for the attainment of milieu goals. Failure to secure them would ultimately result in political consequences. It is thus assumed that actors are reluctant to further milieu goals through possession goals. Accordingly, the second sub-hypothesis of Chapter 6 reads:

***H4_{Sub2}**: Where possession goals are utilized to further milieu goals, external coherence is unlikely.*

Table 6 provides an overview of the hypotheses and the analytical approaches employed in the empirical case studies in chapters 3-6 of this project.

Table 6: overview of the hypotheses and analytical approaches

Chapter	Analytical focus/ Independent variable	Empirical case study	Main hypothesis and sub-hypotheses
3	Analytical focus: Meaning of coherence	Perceptions of coherence	<p>H1: <i>The achievement of policy coherence is the guiding principle of EU foreign policy.</i></p> <p>H1_{Sub}: <i>The EU interprets problems in foreign policy as a lack of coherence, rooted in a policy setting that is uncondusive to coordination and in insufficient coordination of the policy content.</i></p>
4	Policy setting (internal opportunity structure)	Internal procedures and processes of energy and human rights policy- making	<p>H2_a: <i>The lack of external coherence triggers the reinforcement of vertical and horizontal coordination mechanisms of the policy setting.</i></p> <p>H2_b: <i>Changes in the coordination structure of the policy setting generally lead to more external coherence but not under all circumstances. It is expected to find diverging outcomes over time and in relation to specific policy episodes.</i></p>
5	Policy content (internal and external opportunity structure)	Rebuilding relations with Russia; energy and human rights policies	<p>H3: <i>In its external approach towards Russia the EU acts as a milieu shaper.</i></p> <p>H3_{Sub}: <i>The difficulties experienced in EU-Russia relations are a direct consequence of the EU's external role as a milieu shaper in combination with an increasingly uncondusive internal and external environment for milieu-shaping activities.</i></p>
6	Policy content (internal policy episodes)	Relation and coordination of external policy goals	<p>H4: <i>A policy issue or episode that is subject to milieu goals is more likely to generate external coherence than a policy issue or episode that is subject to possession goals.</i></p> <p>H4_{Sub1}: <i>Where milieu goals are utilized to further possession goals, the EU appears as a coherent external actor.</i></p> <p>H4_{Sub2}: <i>Where possession goals are utilized to further milieu goals, external coherence is unlikely.</i></p>

2.5. Methodology

This project investigates challenges of external coherence encountered by the EU in its relations with Russia. While problems experienced with external coherence are a relatively common phenomenon permeating EU external relations with many third countries, the choice for a special focus on Russia is rooted in several arguments. The EU and its Member States have particularly close historical, cultural, economic and political ties with the eastern neighbor. All of them have high stakes in Russia, albeit their interests at times starkly differ. Russia has also a special status due to its importance as the main supplier of energy commodities to the EU, its geo-strategic importance, and its relevance for security in the common neighborhood. Against this background, calls to speak with one voice and to act externally more coherent have become particularly loud vis-à-vis Russia. For this reason, Brussels' relationship with Moscow has been fundamentally rebuilt and consolidated since the end of the Cold War. This relatively recent and still ongoing development offers an extensively rich and new laboratory for empirical research, unrivalled by other case studies like that of the United States. Finally, with no other external partner is the relationship characterized to the same extent by a *coherence paradox*: despite a historically unparalleled deepening of EU-Russia relations, the return of tensions and the lack of a coherent Russia policy have become *the* central characteristics of Brussels' engagement with Moscow.

The emphasis of this project lies on the time after the fall of the Iron Curtain that coincides with the Russian transition to a democracy and market economy and a deepening of relations with the EU in all aspects. A special focus in the analysis is placed on the areas of energy and human rights for four reasons. First, within the EU, both energy and human rights policy play a specific role. Human rights are foundational to the EU's values system and

repeatedly mentioned to be at the basis of EU external action. Their importance is highlighted by the fact that they constantly feed into other policy areas (*mainstreaming* of human rights), as well as by the EU's role in establishing human rights dialogues with third countries around the world. Energy, on the other hand, has been at the core of the European integration project with the European Coal and Steel Community, and once more arrived on the highest political agenda in 2015 with the launch of the Energy Union. Nowadays, its importance is rooted in the relative scarcity of energy resources on EU territory and the dependence on external suppliers. Second, both fields lie at the heart of EU-Russia relations and provide insights in the roles that norms and values play in the partnership. An investigation of the policy areas offers both a better understanding of the mutual interdependence as well as causes for tensions. Third, both policy areas are subject to deep and ongoing institutionalization between the EU and Russia. The plethora of established bilateral forums at different levels is a rich laboratory for scholarly research on the EU's quest for more coherence. Moreover, longitudinal institutional analysis provides valuable insights on the development of relations and the EU's role as an external actor. Finally, regarding the institutional processes in the EU, external energy and human rights policy are subject to different decision-making procedures. While external human rights policy largely falls under the EU's CFSP, energy policy is an area in which the EU and Member States have shared competences. The resulting procedural differences provide further insights in the challenges the EU faces to act externally coherent.

For the project, data was collected from both primary and secondary sources. Primary sources comprise interviews, public documents from the EU and Member States, undisclosed EU documents received from interviewees, as well as publicly accessible speeches from politicians and policy makers. Secondary sources mostly include academic publications and to a lesser

degree media publications, in particular from official websites of government institutions or non-governmental organizations and the news agency ‘Agence Europe’. In addition statistical data from Eurostat and other official sources was utilized. In full accordance with academic standards, all sources are clearly referenced.

European Council Conclusions were a primary and publicly accessible source that was frequently utilized. The documents published between 2000 and 2014 were analyzed with a focus on agenda items and themes of relevance to this project.¹³ On the one hand, a qualitative evaluation was conducted to highlight policy episodes of specific concern to the Heads of State or Government. On the other hand, the frequency of topics mentioned in the Conclusions was quantitatively analyzed with the help of Microsoft Excel to retrieve regularities within the agenda and trends in the importance attributed to specific topics.

The vast majority of data for the project was collected through semi-structured interviews. For this project, a total of 55 interviews were conducted with officials from EU institutions and services (27), Member States (26) and other organizations (2).¹⁴ The sample of interviewees was compiled based on a number of criteria. First, interviewees had to be able to provide information on EU-Russia relations, human rights policy towards Russia, energy policy towards Russia, policy coordination within the EU or the EU’s external relations due to their current or former position. Second, the sample of interviewees had to cover different levels of institutional affiliations, hierarchies, functions as well as national backgrounds. Individuals that

¹³ Prior to 2010 the European Council Conclusions were called European Council Presidency Conclusions. For reasons of simplicity, in the course of this project reference will only be made European Council Conclusions.

¹⁴ It is relatively common that civil servants change their position on a regular basis between different resorts and in few cases even between national level and EU level institutions (for instance so-called ‘seconded national officials’). For the compilation of the interview sample, interviewees were classified according to the position in which they worked at the time of the interview or according to what position they used work in and on which basis they could respond to the interview questions.

fulfilled these criteria were contacted by telephone or by email or in person. Inquiries included a short project outline and the information that responses would be treated anonymously in accordance with academic standards.

The majority of interviews were held face-to-face (46), and the rest via Skype or telephone (9). Interviews were guided by a previously elaborated and tested questionnaire. The questionnaire comprised general and in-depth questions structured along the overarching themes ‘coherence’, ‘coordination’, ‘foreign policy’, ‘Russia’, ‘energy’ and ‘human rights’ that were relevant in answering the hypotheses of this project. The average interview lasted 55 minutes. The quality of responses was generally high, implying that all questions were answered and additional information on the topic was provided. At a certain time during the interview stage, no more new information could be retrieved on the overarching themes. This point of saturation signaled the end of the field work (Guest, Bunce, and Johnson 2006). By then, more than 80% were recorded with the permission of the interviewee. In all other cases notes were taken. While some records were transcribed, others and the notes were summarized in the form of interview protocols. All interview data was organized, coded and analyzed with the qualitative data analysis program Atlas.ti. In accordance with the guidelines developed by Erik Bleich and Robert Pekkanen on how to report interview data (Bleich and Pekkanen 2013), a complete list of interviewees and a list of coded interviews are available in Annex 1 and Annex 2.

This project uses a citation format for the interviews that provides the reader with necessary information on the context of the cited interview. For that purpose, each interview has been coded according to the format

AA-00[BBB)]/CCC

whereas ‘*AA*’ denotes the institutional or organizational affiliation of the interlocutor (EU: European Union; MS: Member State; OO: other organization), ‘*00*’ indicates the number of the interview in consecutive order (for EU numbers 01 until 26; for MS numbers 01 until 26; for OO number 01 until 02) and ‘*[BBB]*’ refers to the specific affiliation of interlocutors from the EU (COM: European Commission; EEAS: European External Action Service; CoEU: Council of the European Union). No further specification in this regard has been undertaken for interlocutors from Member States or other organizations to guarantee anonymity. Finally, ‘*CCC*’ indicates the main topic of the interview, consistent with 5 codes that have been developed for analytical purposes (ExtR: external relations; Rus: Russia; PolC: policy coordination; Ener: energy; HuR: human rights).

3. 'COHERENCE MATTERS': WHY AN UNDEFINED TERM BECAME A GUIDING

PRINCIPLE FOR EU FOREIGN POLICY

From its very outset, the idea of a coherent foreign policy runs like a golden thread through debates and documents on European Union (EU) external action. References to coherence have been included in EU treaties and virtually all major documents of EU foreign policy-making. The term also frequently appears in public statements of politicians and high-level policy makers, and is a central component of any discussion on the topic. In general, there seems to be widespread agreement that coherence is a positive and desirable element of foreign policy. Such a prevalence of the term is not known from other governance systems and suggests that the self-imposed aim to act more coherently on external matters is a specific characteristic of the EU. However, it is striking that despite its centrality no formal definition of coherence exists. Wherever treaties, documents or actors refer to the term in EU external relations its actual meaning therefore potentially differs. The same applies to the term consistency, which is widely used as a synonym for coherence in the EU.

In this chapter it is argued that despite the lack of a definition a very specific meaning of coherence has crystallized in Brussels, which coincides in large parts with the scholarly definition outlined in the previous chapter. The meaning and the associated function of coherence are thereby not trivial – it is hypothesized that *the achievement of policy coherence is the guiding principle of EU foreign policy*. The hypothesis rests on the underlying assumption that policy outcomes, understood in this project as foreign policy goals being achieved or not, are dependent on the presence or lack of coherence. A lack of coherence is rooted in insufficient coordination between EU external actors and policies, which can be observed in the policy

setting as well as in the policy content. As it is furthermore argued, the ongoing quest for more coherence thus fulfills a specific purpose: it is aimed at offering a functional solution to governance problems that directly result from the architecture of EU external relations. Accordingly, research in this chapter is also guided by a sub-hypothesis, stating that *the EU interprets problems in foreign policy as a lack of coherence, rooted in a policy setting that is uncondusive to coordination and in insufficient coordination of the policy content.*

The question of more policy coherence and the challenges associated with its achievement permeate many areas of EU external relations. The function of this chapter is to investigate coherence from a general perspective. While references to coherence remain largely broad, the following sections are nevertheless important for the course of this project: they are setting the baseline for a deeper analysis of EU-Russia relations and the role of coherence therein. Comprehending the different elements presented in this chapter is important to understand the main features of Brussels' approach towards Moscow where the quest for more external materializes on a regular basis.

This chapter is structured in three parts. It starts with a review of the mentioning of coherence and consistency in the area of EU foreign policy. It is shown that the use of these terms have always been of central concern and a key element in documents and debates around external relations. Second, building on insights from interviews with policy makers from Brussels and the Member States, this chapter reviews perceptions of coherence of those active in the field. All of the characteristics of coherence and consistency outlined in Chapter 2 – the vertical and horizontal dimension, the roles of setting and content, and the means to enhance coherence – can be detected within the responses. The reappearance of two foci to coherence in interviews (on policy setting and on policy content) demonstrates the practical relevance of the

concept of coherence which was developed in Chapter 2 and is successively applied in the empirical chapters 4-6.

Finally, this chapter provides a deeper understanding of the role of coherence, grounded in policy-making practices in Brussels. It investigates why coherence is specifically relevant for external policies of the EU and frames it as a ‘principle’ of EU foreign policy-making that responds to structural challenges of external governance.

3.1. The presence of ‘coherence’ in the debate around EU external action

The idea of a coherent foreign policy has shaped the debate around EU external action since the creation of the European Political Cooperation (EPC) with the Luxembourg Report in 1970. All the following major treaties make reference to consistency in the context of EU external affairs. The Single European Act (SEA) mentions the term in the Preamble and two articles in which different dimensions of the concept are laid down; similarly to what has been labeled horizontal and vertical coherence in the previous chapter.¹⁵ The original Maastricht version of the Treaty on European Union points towards the need for greater consistency in the various policies concerning the Union’s external relations.¹⁶ Few years later, the Treaty of Amsterdam made only minor adjustments to existing provisions on policy coherence. According to the analysis of academic literature, the subsequent Nice Treaty was mainly dealing with so-called Amsterdam-leftovers (cf. Sverdrup 2002; Tatham 2009, 403 ff.). Nevertheless, with regard to coherence and consistency, the treaty introduced a far-reaching requirement which until today is the principal

¹⁵ Single European Act, Preamble §5, Article 30 (2)(d) and Article 30 (5).

¹⁶ Treaty on European Union (original version), Article C

legal provision to establish coherence between the Unions internal and external policies.¹⁷ Similarly, the European Convention dealt more extensively with the issue, frequently making reference to coherence throughout the published documents on external action.¹⁸ The eventually non-ratified Constitutional Treaty therefore involved a range of articles that clearly mentioned the need for more consistency in foreign policies.¹⁹

However, while reference to foreign policy consistency and coherence became a regular element of the aforementioned Treaty revisions, their meaning remained rather broad and loose. None of the treaties triggered a substantial institutional reform to overcome the structural division between intergovernmental and supranational aspects of EU external policy-making. Coherence and consistency nevertheless always remained central elements in debates about the EU's external effectiveness. The rebuilding and consolidation of EU-Russia relations after the end of the Cold War is a prime example in this respect: the architecture of the new relationship reflects in many ways the concern to build a comprehensive partnership that stretches across all areas of common interest.²⁰

In the years following the Constitutional Treaty, the importance EU leaders attributed to the issue of coherence was emphasized by regular publications by the consecutive Council Presidencies on improvements and obstacles to coherent foreign policies.²¹ Finally, the Treaty of Lisbon made clear reference to consistent policies as an objective of the Union:

¹⁷ Treaty on European Union (Nice version), Article 3 (6), inserting Article 27a.

¹⁸ See CON 161/02 EU External Action; CON 200/02 Summary Report of the Plenary Session – Brussels, 11 and 12 July 2002; CON 206/02 Working Groups: Second Wave

¹⁹ Treaty establishing a Constitution for Europe, Article I-24 (3), I-28 (4); in particular Title V and Article III-292 (3) therein

²⁰ See also section 5.1.

²¹ See for instance the documents of the Council of the European Union 16467/07 and 10612/08

“The Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions.”²²

In addition, it specifically highlights the consistency of external action:

“The Union shall ensure consistency between the different areas of its external action and between these and its other policies.”²³

In contrast to the Amsterdam, Nice and the non-ratified Constitutional Treaties, the Lisbon Treaty also included institutional reforms, emphasizing that the coherence of external policies can be supported through more efficient bureaucratic processes. To that end, the Treaty stipulated for instance that external consistency had to be ensured by the Foreign Affairs Council (FAC) and its chairperson, the High Representative of the Union for Foreign Affairs and Security Policy (HR).²⁴

Reference to consistency and coherence is, however, not only made in the EU treaties and documents on general EU external relations. The terms also appear in documents of specific policy areas, such as energy and human rights policy and often making reference to Russia as the following chapters of this project show. In the field of human rights, various Commission communications and Council documents provide suggestions and guidelines to increase the coherence between Member State and EU approaches, internal and external human rights policies as well as to ‘mainstream’ human rights in all other policy areas with an external dimension.²⁵ In addition, the EU’s Annual Report on Human Rights summarizes the progress

²² Treaty of Lisbon, Article 1 (14)

²³ Consolidated Version of the Treaty on European Union, Article 21 (3)

²⁴ Consolidated Version of the Treaty on European Union, Article 16 (6) (Treaty of Lisbon, Article 1 (17)) and Article 18 (4) (Treaty of Lisbon, Article 1 (19)).

²⁵ Commission Communication ‘The European Union and the External Dimension of Human Rights Policy: From Rome to Maastricht and Beyond’, COM(95) 567; ‘The European Union’s Role in Promoting Human Rights and Democratisation in Third Countries’, COM(2001) 252; ‘Human Rights and Democracy at the Heart of EU External

made to enhance the coherence of the human rights policy.²⁶ Also in the area of external energy policy references to coherence appear frequently, for instance in various Commission contributions, Council Conclusions and European Council Conclusions.²⁷ Many references to coherence and consistency of EU external relations in specific policy areas can be found in statements of policy makers. The frequency in which the terms appear in the context of EU external relations is a further indicator of their relevance in policy-making.

From this discussion, two points are noteworthy. First, the recognition that more consistent and coherent external policies are needed to improve the external impact of the Union has been a recurring feature in treaties and documents since the EU has started to intensify its external ambitions. Second, even though throughout the past decades and in particular after the Lisbon Treaty the EU's external actions have become increasingly institutionalized, calls for more coherence and consistency have not faded but rather gained momentum as external ambitions matured. Both points underpin that coherence and consistency are interpreted as essential requirements to enhance the effectiveness of EU foreign policy.

However, despite the centrality of the notions of coherence and consistency, their actual meaning has largely remained underspecified. In a historical analysis of the terms, Nuttall has shown that their mentioning became more frequent as the institutional structure of EU external relations developed and diversified. As expectations for more EU external impact grew, any sort of political failure was increasingly blamed on a lack of coherence (Nuttall 2005). In practice,

Action: Toward a more effective Approach', COM(2011) 886. Council Conclusions of 25 June 2001, Document 10228/01 (Presse 250), and Council Conclusions and the 'EU Strategic Framework and Action Plan on Human Rights and Democracy' of 25 June 2012, Document 11855/12.

²⁶ See the EU's Annual Reports on Human Rights of 2007 through 2013.

²⁷ Commission Green Paper 'A European Strategy for Sustainable, Competitive and Secure Energy', COM (2006) 105; Commission Communication 'External energy relations – from principles to action', COM(2006) 590; Commission Communication 'The EU Energy Policy: Engaging with Partners beyond Our Borders', COM(2011) 539. Council Conclusions on 'strengthening the external dimension of the EU energy policy', TTE Council of 24 November 2011. European Council Conclusions of 9 December 2011, Document EUCO 139/1/11.

coherence thus became an umbrella term for criticism towards the EU's external effectiveness, closely associated with the capability-expectations gap.

3.2. Perceptions of coherence in the context of EU foreign policy-making

One of the most striking characteristics of consistency and coherence is that the terms have neither been officially defined nor demarcated from one another despite their centrality in EU treaties, documents and statements. So far, 'consistency' and 'coherence' have widely been used interchangeably. In particular EU treaties do not clearly distinguish between the two terms. Most of the English language EU treaty versions refer to 'consistency', whereas the treaty versions in other languages, such as French, German, Italian and Spanish use the term 'coherence'.²⁸ This indicates that those drafting or translating the treaties did not carefully distinguish and *de facto* used the terms synonymously.²⁹

In accordance with the lack of a formal definition, policy makers involved in the area of EU external relations find it difficult to extract a specific meaning from the notion that would guide their actions. During the interviews conducted for this project, interlocutors repeatedly revealed that an application of the term to the everyday craft of foreign policy-making is a redundant exercise since its concrete meaning remains too abstract. Consequently, some interviewees had problems to categorize certain policy episodes or events as either coherent or incoherent. To a Member State official the distinction appeared "a bit inconceivable [which]

²⁸ The Treaty versions refer in French to 'cohérence', in German to 'Kohärenz', in Italian to 'coerenza' and in Spanish to 'coherencia'; see also the extensive analysis by Nuttal (2005).

²⁹ For reasons of simplicity in this section the project will likewise treat 'coherence' and 'consistency' as synonyms. Elsewhere, it sticks to the definition advanced in the 2nd chapter, where consistency denotes the absence of policy contradictions while coherence involves the presence of synergies.

makes it hard to apply such categories.” He added that “we are not judging our actions or results by such terms” (MS-03/Ener), suggesting a limited direct impact of the concept on his daily work.

Paradoxically, almost no interviewee disputed the importance of coherence in external relations. Particularly regarding the EU’s approach towards Russia, there was a strong consensus that coherence was desirable. Yet motives to highlight the value of coherence differed. One Member State diplomat understood coherence as the basis for sound, long-term policies where “the main line should remain solid” to create temporal policy stability and thereby a “better foreign policy” (MS-11/PolC). Similarly, a high-ranking EU official from the field of energy made clear that “coherence does matter because incoherent policy-making is incredible” (EU-19[COM]/Ener). Nevertheless, all these answers remain general and they indicate a rather abstract perception of coherence. One interviewee therefore understood coherence as a “big umbrella term” of which it would only makes sense to speak “as a sort of ‘moving-towards process’. It is a road and you may never reach 100% coherence” (EU-16[CoEU]/Ener). Similar answers were repeatedly given during the interviews and they are most comprehensively summarized by the words of a senior Commission member who described coherence as a “postulate” in the political process (EU-10[COM]/Ener). This provides a first indication that coherence is perceived as a guiding principle towards more effective policy-making rather than a policy objective as such.

Throughout the interview phase, interlocutors gave very different answers when asked for their understanding of coherence in EU foreign policies. However, regularities were detectable with regard to the *subject* of coherence. While some responses highlighted coherence between institutional *actors*, others emphasized coherence of external *policies*; a distinction that supports

the choice for a dual analytical focus investigating coherence through the lens of the policy setting as well as the policy content.

3.2.1. Coherence between institutional actors

For a large number of interviewees, the meaning of ‘coherence’ was closely associated with the ability of different institutional actors to coordinate their external policy approaches. Answers were directed at both the horizontal dimension (across different actors at EU level) as well as the vertical dimension (between Member State and EU level actors) of coherence. On a general note, this understanding of coherence was mostly considered to be positive since it is closely connected to the argument that a unified EU makes a stronger international actor than the sum of its Member States (EU-16[CoEU]/Ener, MS-18/HuR). Accordingly, many interlocutors irrespective of their position, nationality and policy area, used expressions such as ‘speaking with one voice’ or ‘common voice’ as a remedy against an EU that is otherwise punching below its weight (MS-01/PolC, MS-04/Ener, MS-08/Ener, MS-11/PolC, MS-25/Ener, EU-01[EEAS]/ExtR, EU-02[EEAS]/Rus, EU-03[EEAS]/ExtR, EU-17[COM]/Ener, EU-23[COM]/Ener).

Some interviewees emphasized that coherence between institutional actors produces better foreign policies since an externally united EU is less susceptible to internal division. There is a general agreement that contradictory positions can be harmful to the Union as a whole because for partner countries they appear as the EU’s weak points that can be exploited. In this respect, reference was often made to the area of energy policy. A frequently mentioned example was that of EU Member States who individually negotiate long-term supply contracts with

suppliers on which some of them heavily depend. Such constellations can potentially be dangerous if they become instrumentalized by a partner country against the general EU line (EU-17[COM]/Ener).

The large majority of interlocutors were well-aware that according to their understanding of the term, EU external policies were often lacking coherence. Coherence between the various institutional actors in the EU was an ideal that yet did not always resemble reality. In policy makers' experiences, this was a direct result of the complex architecture of foreign policy-making in the Union that disperses competences among various institutional actors from different levels. EU Member States who often have different interests and who act as veto-players in the Council were frequently mentioned as the major obstacle to 'one voice' (EU-01[EEAS]/ExtR, EU-05[EEAS]/ExtR). In addition, competition for influence in the external policy-making process between other institutional actors, in particular between the Commission and the European External Action Service (EEAS), was also referred to as spoiling policy coherence (MS-07/ExtR).

To stress some of the challenges that are specific to the Union's external relations, respondents compared the foreign policy-making processes inherent to the system of the EU to those of other international actors. An EEAS official argued that individual nation states "have it much easier to conduct foreign policy because you know where your own limits are", whereas EU foreign policy always required the consensus of all Member States (EU-04[EEAS]/Rus). Also a policy officer from the Commission used a comparison with traditional nation states to underline the EU's pitfalls when conducting foreign policy:

"Coherence in foreign policy means probably that there is just one authority that ideally takes decisions. Of course, aside from totalitarian states there is no country which has a truly unified and coherent foreign

policy, because diverse interests exist everywhere. But when you look at traditional nation states, there is mostly a single authority, the Prime Minister or President, where decisions are taken, sometimes maybe after a vote in the Parliament. And this is something which sometimes does not come about in the EU, simply because there are the different positions and then there is in principle no clear outcome.”

(EU-17[COM]/Ener)

Amongst the respondents, national officials repeatedly highlighted the Member States’ sovereign right to conduct foreign policy whereas officials from the supranational level generally pointed towards institutional processes aimed at overcoming division. Yet, they were united in their perception that coherence was in essence about managing the interests of diverse actors within a complex decision-making system and that better coordination was the key to more external coherence. In this sense, the respondents implicitly referred to legal remedies and institutional reform as appropriate means to enhance coherence within the policy setting.

3.2.2. Coherence between external policies

An equally large group of interviewees perceived the prevention of “contradictory policies” as the defining feature of coherence or used similar expressions (EU-02[EEAS]/Rus, EU-06[EEAS]/Rus, EU-07[EEAS]/ExtR, EU-18[EEAS]/HuR and EU-25[EEAS]/Rus). In their understanding, coherence is given if two or more policies do not neutralize or negatively affect each other. This can concern policies from the same policy area as well as policies rooted in different policy areas. For instance, senior Commission official understood policy coherence in external relations as a situation in which “two or more policies” do not “follow diverging interests with regard to a single country or one region” (EU-10[COM]/Ener). Similarly, a high-level EEAS official from the area of human rights pointed out that

“[w]ith respect to a specific country it is important that every policy area gets out of its own narrow perspective and that one looks at all broad policy areas to see how they interact and possibly reinforce each other.”

(EU-18[EEAS]/HuR)

Compared to the first group that perceived coherence essentially as a matter of reconciling institutional actors’ diverse interests, this argumentation is more policy-centered. Rather than focusing on actors, this understanding of coherence emphasizes that “policies should be more comprehensively formulated” (ibid.).

A precondition for *comprehensive formulation* is sound coordination of policies and policy areas, no matter whether the channels of coordination are formal or informal. However, another senior official from the EEAS pointed out that a situation in which “no policy line abstracts from others” would only lead to a first level of coherence. At a higher level, these different policies should be “mutually supportive” or even “pro-actively used as leverage”, for instance for trade-offs or package deals (EU-25[EEAS]/Rus). Such higher levels are more difficult to achieve since they depend on a good understanding of available policy options, transparency about these options and sophisticated coordination of policies and policy areas. Yet, the above-cited quotations that policies should be ‘comprehensively formulated’, ‘reinforce each other’ and ‘be mutually supportive’ all point in the direction that an optimal external policy is achieved once policies produce synergies. In this sense, interlocutors advanced a similar distinction between different degrees of coherences as academics see between consistency (the absence of contradictions) and coherence (the presence of synergies).

Interestingly, many interlocutors referred to synergies but merely had a vague idea of how they appear in practice. Consequently, few responses entailed concrete examples. Rather,

interviewees frequently used metaphors and illustrations to exemplify their understanding of coherence. A Commission official for instance explained that

“coherence is [achieved] when the energy ministers and the foreign ministers sing from the same sheet of music. It may be alto and soprano but it should produce a harmonic melody.”

(EU-19[COM]/Ener)

It is noteworthy that this response, just like many others, also corresponds with what the EEAS official called “levels” of coherence. First, they entail the observation that policies may have their origin in different policy areas and that this can produce problems in case policies neutralize each other. The quote postulates that policies should be non-contradictory by outlining that ministers should ‘sing from the *same* sheet of music’. Second, these quotes refer to the ‘higher level’ of coherence, i.e. when policies ‘mutually support’ each other or are used ‘pro-actively as leverage’. The musical metaphor above also falls in this pattern. It pictures different policies by referring to the registers ‘alto’ and ‘soprano’ that should produce a melody. At the same time this melody can be augmented with harmonies; a hint to the synergies that policies can produce if well-coordinated. This understanding of coherence is thus largely in line with the scholarly definition advanced in the previous chapter and points towards the need for sound coordination of different policy contents.

3.2.3. A Brussels jargon of ‘coherence’: focus on ‘coordination’ and ‘agreement’

The paragraphs above indicate that among those involved in EU foreign policy-making, ‘coherence’ may have different meanings. While one group of respondents places the focus on *institutional actors*, a second group puts the emphasis on *policies*. However, they are united in the belief that the key to more coherence is sound coordination resulting in agreement.

This centrality of coordination and agreement in the understanding of coherence is remarkable because it differs from its original meaning in the English language. It is a known fact that due to the large number of non-native English speakers within the European institutions a very specific vocabulary has been developed that is sometimes referred to as ‘Brussels English’ or ‘EU English’. A document with a list of misused English terms in EU publications produced by the Court of Auditors and the Commission’s Secretariat General and Translation Directorate highlights ‘coherence’ as one of them. According to that list

“[c]oherent means ‘logical; consistent and orderly’ or ‘capable of logical and orderly thought’. In the former meaning it is generally an internal characteristic of an argument or a publication, for example, and in the latter meaning, it is an internal characteristic of a person (e.g. ‘he is totally incoherent, he must have been drinking’). In the EU, on the other hand, it is frequently used with the meaning of ‘in agreement with’ or ‘accordant with’ (something else).”³⁰

The same document also refers to ‘consistent/consistency’ which it regards as an alternative to ‘coherent/coherence’, re-illustrating the interchangeable use of the terms by many. What is more important, however, is that coherence has gained a very specific meaning in the context of EU foreign policy-making, closely associated with the *coordination* of interests to find *agreement* on policies and issues. Looked at from a different perspective and supporting the sub-hypothesis, problems experienced in the EU’s external policies are interpreted by policy makers as a lack of coherence that can be traced back to a policy setting uncondusive to coordination and insufficient coordination of the policy content. These two perspectives are the building stones of the dual analytical approach that structures the research in the empirical chapters of this project and illuminates the challenges prevalent in EU-Russia relations.

³⁰ Court of Auditors, the Secretariat General and the Translation Directorate, ‘A brief list of misused English terms in EU publications’, May 2013, p. 19.

3.3. *Coherence in practice: an abstract concept to facilitate external effectiveness*

The perceptions of coherence and consistency expressed in the interviews are a valuable starting point to highlight specific characteristics of EU foreign policy-making. In fact, many of the mentioned elements resemble those highlighted by scholars in their attempt to conceptualize coherence. In particular the distinction between an actor-centered and policy-centered understanding of the terms indicates different challenges that the EU faces in the context of foreign policy-making. The dual analytical focus on policy setting and policy content suggested for this project is consistent with this observation.

This section builds on foregoing insights, yet goes a step further. The following paragraphs argue that the centrality of ‘coherence’ and ‘consistency’ in treaties and documents is no coincidence. Rather, their frequent appearance is a direct consequence of the need to find functional answers to structural deficiencies inherent to the external policy-making process of the EU. Thus, coherence is far more than a mere term but, confirming the main hypothesis of this chapter, has become a guiding principle for EU external action. The section first assesses different reasons why coherence is needed in EU external policies, followed the introduction of coherence as a principle. The observations set an important baseline for the following empirical chapters in this project: while they contribute to a better understanding of the relevance of coherence in EU external relations in general, they also point out key elements that specifically matter in the relations with Russia.

3.3.1. Why is coherence needed in EU external policies

In EU foreign policy-making, the benefits of policy coherence are fairly unquestioned. Not only do treaties and documents frequently make reference to the need for coherence as presented above. Interlocutors from both the Member State as well as the EU level also confirmed during the interview stage of this project that policy coherence in external relations is generally desired. However, the mere prominence of the term does not imply that there is an agreed path *towards* more policy coherence. Why coherence is desirable and how external action can become coherent provokes different answers.

The confusion around the term is rooted in the fact that it touches upon different meanings that are often not clearly distinguished in the general discourse. Conceptually, there are at least three different aspects to coherence. From a normative point of view, external policy coherence addresses the idea of a common foreign policy that promotes the security of the EU and its citizens in the world.³¹ From the perspectives of applied instruments, policy coherence speaks to a foreign policy approach in which different policies do not cancel each other out. In the case of the EU, the focus is often placed on ‘soft’ means that are aimed at reconciling agreed goals and shared values with a partner country. Institutionally, the terms make reference to the bureaucratic system in which foreign policy-making is carried out in Brussels. They address questions and problems that the EU faces to ‘speak with one voice’ and the institutional complexity of EU foreign policy-making that involves multiple actors at different levels.

These three aspects and their different foci highlight the complexity associated with crystalizing a single concept of coherence. Whether a specific external approach is coherent as

³¹ See for instance the European Security Strategy of 12 December 2003.

opposed to incoherent depends on whether viewed through the normative, instrumental or institutional lens. What is regarded as coherent from a security perspective rooted in normative considerations can lead to very different results compared to when the same policy is assessed with regards to the coherence of instruments employed or institutional coherence between the EU and the Member State level. Likewise, each of the perspectives provides different answers to the question why coherence is needed. Thus, the definition of a single concept of coherence, that spans across all these aspects and provides a logic of operation to EU external action, is particularly challenging. Van Vooren points out that one is

“easily trapped between the need for abstraction and the need for a concrete definition of coherence: If the concept is all too abstract, it becomes an ideal with little or no real traction for legal organization of the European Union in support of coherent external policies, but if the concept abandons generality and is too concrete, it loses its guiding characteristics [...]”

(Van Vooren 2012, 58)

This discussion exemplifies the difficulty to extract a meaning from coherence which is universal as well as tangible. In the course of this project, the approach will therefore be limited: while instrumental and institutional aspects are emphasized, normative implications are largely neglected. This focus is justified by the fact that the EU has a particularly distinct institutional structure and set of foreign policy instruments.³² Other governance systems, such as nation states or international organizations, are also intrigued by the challenge to produce coherent foreign policies, for instance to reconcile different policy spheres or to manage structural complexities. However, for the EU these questions are even more pressing due to its multilevel character (Gebhard 2011, 102). On the one hand, lacking a single authority, a common external position is dependent on consensus by the Member States. On the other hand, external relations are

³² A focus that neglects the normative aspects is also in line with the perceptions of interlocutors on coherence presented in the previous section: responses emphasized institutional (see section 3.2.1) and instrumental (see section 3.2.2) rather than normative aspects of coherence.

diversified and spread across different forms of intergovernmental and supranational representation, decision-making procedures, financing channels and implementation. This functional fragmentation of institutional structures and application of instruments prevents a unilateral execution of foreign policies and a minimal level of coherence is therefore always required for the EU to be able to act. As the analysis in the following empirical chapters will show, this becomes particularly relevant in its Russia policy. The issue of coherence is therefore necessarily at the center of any comprehensive assessment of Brussels' external approach towards Moscow.

3.3.2. Coherence as a *principle* of EU foreign policy-making

A central characteristic of the mention of coherence in the treaties is its lack of legal nature. The treaties do not set requirements to an instrumental, institutional or normative implementation of the term. This also prevents the definition of generally applicable benchmarks against which coherence as opposed to incoherence could be tested. Consequently, coherence and consistency as referred to in the treaties are not enforceable and have to be understood as a normative objective of foreign policy-making rather than a legal requirement (cf. Gebhard 2011, 114). Ultimately, the terms remain loose and subject to interpretation. In this respect, an interlocutor pointed out that “coherence is not an objective for the sake of coherence. [...] The question is to which extent this comes about; whether you need coherence” (MS-06/Ener).

Within the scope of this project which emphasizes institutional and instrumental aspects, the need for coherence in EU external policy-making is twofold. Both arguments relate to the architecture of EU foreign policy-making and present coherence as a principle to overcome

functional deficiencies. On the one hand, the need for coherence is rooted in the institutional setting. In the EU, a large variety of actors are involved in the formulation of foreign policies and decision-making procedures. Their involvement differs across policy areas and is based on the distribution of competences. In the Council, unanimity among the Member States is the usual decision-making method on foreign policy issues; a requirement that characterizes the EU as a “‘compulsory negotiation system’ where certain purposes can be realized only through agreement” (Scharpf 2006, 848). An insider of the Council bureaucracy pointed out that the Member States, highly aware of this procedural requirement, “always wanted to be coherent and consistent. [...] As a principle it has been with us from day one” (EU-01[EEAS]/ExtR). EU foreign policy is, however, also made when Community policy areas have an external effect. In this case it is not the Council but the supranational Commission which needs to coordinate its intra-institutional interests to produce coherent foreign policy output. Finally, institutionally the EU’s external unity and impact is challenged by different actors that speak in its name vis-à-vis external partners. Since the Lisbon Treaty, depending on the issue the EU can be externally represented by the Commission, the President of the European Council, the HR or the Council Presidency. From an institutional perspective, the term coherence is thus closely associated with the idea of an EU that is able to coordinate multiple interests and ‘speak with one voice’. The case of Russia indicates how the EU has attempted to improve coherence with specific institutional reforms and likewise specifies why these efforts have not always been crowned with success.

On the other hand, the need for coherence can be understood as a reaction to overtly broad foreign policy objectives and guidelines that are dispersed across different areas of foreign policy-making. The pillar structure introduced with the Maastricht Treaty came with the risk of

diverging foreign policies in the Community and the Common Foreign and Security Policy (CFSP) pillars. It was argued that Article A of the original version of the Treaty on European Union (TEU) construed the ‘principle of coherence’ as a fundamental principle of the treaty (Wessel 2000).³³ Even though the pillar structure has been formally abolished by the Treaty of Lisbon, the functional duality in EU foreign policy-making between areas where the Commission has a competence to act and those where the Member States retain their prerogative remains. The EU’s energy policy towards Russia is a prime example of this division, torn between intergovernmental security aspects and a communitarized Internal Energy Market (IEM). Analogous to the statement of a high-level Commission official that “every topic has an impact and effect on other areas” (EU-22[COM]/PolC), the reiterated reference to coherence stresses the necessity of sound coordination to avoid policies that mutually neutralize their effects. In addition, it has been argued that the application of the ‘principle of coherence’ contributes to the affirmation of an identity in external affairs, since it constrains to wide scope of objectives and paves the way towards the recognition of the EU as a distinct foreign policy actor (Gauttier 2004, 26–27).

Coherence and consistency are thus terms that are closely associated with the governance structures of EU external relations. Rather than prescribing a legal requirement, from a political point of view, they denote a “prerequisite to effective government” (Gauttier 2004, 24). With regard to both internal political decision-making procedures and the external implementation of foreign policies ‘coherence matters’: confirming the main hypothesis of this chapter, policy makers in Brussels understand coherence as a guiding principle offering a functional solution to

³³ The relevant section of the Article postulates that “The Union shall be founded on the European Communities, supplemented by the policies and forms of cooperation established by this Treaty. Its task shall be to organize, in a manner demonstrating consistency and solidarity, relations between the Member States and between their peoples.”

problems that are a direct consequence of the architecture of EU external relations. For research on Brussels' relations with Moscow, this perspective bears novel and valuable insights. It explains the ongoing quest for more external coherence and highlights, at the same time, reasons connected to the persistent difficulties encountered in working towards this aim.

3.4. Conclusion

Coherence does not only have conceptual relevance as pointed out in the 2nd chapter but also in the reality of everyday EU external policy-making. The frequent mentioning in treaties, documents and debates since the early days of EU external action indicates that coherence is widely understood as a central element to improve the effectiveness of EU foreign policy output. Particularly in the more recent years when expectations about the EU's international role matured, calls for coherence became louder and more outspoken: in many ways, reference to a lack of coherence became a synonym for criticism regarding the EU's external impact.

Interviews held with interlocutors from EU institutions and Member States have revealed that despite the lack of a formal definition, a specific understanding of coherence has emerged in Brussels. The use of the term points the difficulties and challenges in the policy-making process which, by and large, reflects the elements that were elaborated in the conceptual Chapter 2 of this project. On the one hand, coherence is a matter between institutional actors, both in the horizontal dimension across EU level actors and the vertical dimension across Member State and EU level actors. To increase coherence, within the policy setting institutional mechanisms for the coordination of diverse external interests need to be improved. Examples are the creation of forums where diverse actors meet, and the simplification of decision-making procedures. On the

other hand, coherence is also a matter of organizing various policy areas in a consistent external approach. For this purpose, it is necessary to facilitate discourse and debates triggering substantive coordination of the policy content. This concerns external policy goals, their underlying norms and values, as well as the broader strategic approach and the choice of instruments. In addition, empirical research has shown that a specific Brussels jargon of coherence has developed that links external coherence to sufficient coordination, with regard to both the policy setting and the policy content. All of these findings confirm the sub-hypothesis advanced for this chapter, namely that problems in EU foreign policy are interpreted as a lack of coherence, rooted in a policy setting that is uncondusive to coordination and in insufficient coordination of the policy content.

The chapter has also shown that the quest for coherence in EU external relations is not coincidental but serves a specific purpose: it responds directly to the need for answers to structural deficiencies prevalent in the area of EU foreign policy. Institutional inconsistencies coupled with the application of diverse instruments can undermine the unity of an external approach. Compared to other governance systems, the EU is particularly affected by this problem since it is characterized by the lack of a single authority and an inherent functional fragmentation of institutional structures. As postulated by the main hypothesis, empirical research has confirmed that coherence is a guiding principle that offers a practical solution to limit adverse effects of the EU's external governance structures and to improve the overall effectiveness of foreign policy output.

In view of the wider implications, the findings presented in this chapter offer a first important reference point to answer the central research question of this project. When investigating reasons why the external policy of the EU towards Russia is lacking coherence

despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, the focus needs to be placed on coordination mechanisms in the policy setting and coordination of the policy content. In this sense, the presented empirical insights on coherence also support the choice of the dual analytical focus proposed in this project.

4. HOW TO COORDINATE THE EU'S FOREIGN POLICY TOWARDS RUSSIA?

EXTERNAL COHERENCE WITHIN THE POLICY SETTING

The previous chapter has shown that coherence matters in the external policies of the European Union (EU). Its *sui generis* character disperses competences across different institutional actors at different levels of governance. EU foreign policy output can fundamentally differ in its main characteristics, depending on the actor that formulates the policy and the applied instruments. As a result, it is difficult to speak of a single EU external policy and also, as some interlocutors pointed out, of a 'Russia policy'. This wider context fundamentally challenges the aim of becoming a more effective external actor. As a remedy, references to coherence weave like a golden thread through EU treaties and official documents as well as debates in Brussels. Coherence has become *the* guiding principle of EU foreign policy-making to overcome functional fragmentation and increase external effectiveness. The increasing problems experienced in the external approach towards Russia throughout the past years have therefore also provoked calls for more coherence. In fact, many policy makers, academics and observers of the EU's external relations regard the Russian case as a classic example of the challenges experienced by the EU in becoming a more coherent external actor. Yet, how can the aim of more external coherence be ensured?

At a general level, the most important factor to improve coherence in the EU's external policies is the ability to coordinate the interests of the various actors involved in the process of EU foreign policy-making. In many ways this is a challenge because specifically the EU's foreign policies are subject to dense web of institutional actors and practices. The mere numbers are impressive and indicate the complexity of the system: Jolyon Howorth counted twelve

institutional actors involved in EU external relations around the turn of the millennium.³⁴ Following the Lisbon Treaty in 2010, with the European External Action Service (EEAS), an additional actor entered the stage. Howorth was therefore puzzled that “[w]ith so many cooks in the kitchen, it is, in some ways, amazing that any broth is produced at all” (Howorth 2010, 4). For the same reason, in the last decade or so, much scholarly attention shifted towards the institutional setting of EU foreign policy and its ability to coordinate the various interests (cf. M. E. Smith 2004; Juncos and Pomorska 2006; Thomas 2009a; Howorth 2010).

This chapter focuses specifically on the policy setting and the ability to coordinate interests. It is assumed that there is an inherent connection between the policy setting and the variation of coherence in policy outcomes. Coherence is presented as an element in EU foreign policy-making to whose attainment *all* institutional actors involved contribute. The ability to coordinate their diverse interests is thereby of paramount importance. Changes to the policy setting in the EU to improve vertical and horizontal coordination mechanisms are part of a general trend aimed at improving the effectiveness of foreign policy-making at large. This trend is particularly detectable since the end of the 1990s and has occasionally been reinforced through the particular problems experienced in EU-Russia relations. Moreover, independently from this formal institutional design, various informal coordination processes emerged. The first part of the research in this chapter is thus guided by the hypothesis that *the lack of external coherence triggers the reinforcement of vertical and horizontal coordination mechanisms of the policy setting*.

³⁴ Howorth (2010, 4) mentions the European Council, GAC, COREPER, Political Committee, Council Secretariat, rotating EU presidency, European Commission, EP, HR-CFSP, PSC, the EU Military Committee and the EU Military Staff.

It is in the nature of reforms and changes that not all of them lead to the desired results. The chapter therefore investigates in how far new coordination mechanisms lead to more coherent external policies. Many scholarly contributions, often borrowing from institutionalist and constructivist lines of reasoning, suggest that changes to the policy setting indeed have an impact on coordination and lead to more external coherence. While this argument holds true in many cases, this chapter nevertheless identifies diverging trends. Some observed changes to the policy setting in fact turn out to have adverse effects on external policy coherence. The second main hypothesis tested in this chapter therefore states that *changes in the coordination structure of the policy setting generally lead to more external coherence but not under all circumstances. It is expected to find diverging outcomes over time and in relation to specific policy episodes.*

The structure of this chapter reflects different elements of the policy setting that impact on the coordination of external interests. The first section analyzes the formal roles of institutional actors in coordinating external preferences. The focus is placed on the European Council, the Council of the European Union (formerly known as the Council of Ministers, henceforth called the Council), the European Commission, as well as the High Representative of the Union for Foreign Affairs and Security Policy (HR) and the EEAS. A common theme amongst these actors is an ongoing functional modification through successive institutional reform; at times triggered by the specific context of EU-Russia relations. The main aim behind this pattern is the creation of a formal institutional setting that is more conducive to coordination and thus external coherence and effectiveness. The second section presents various informal practices that significantly contribute to the coordination exercise. Aside from formal rules and procedures, actors have become socialized into consensus-finding, developed common values and objectives, created like-minded groups, uploaded domestic issues to the European level, and

advanced agenda-structuring practices. Finally, the chapter turns towards an analysis of factors that impede the formulation of coherent external policies. It points specifically to the problem of decentralized competences, deficiencies in the institutional framework, turf wars between institutional actors, the lack of strategic objectives and administrative overload.

4.1. From many interests to a single EU position: formal aspects of coordination

A range of different institutional actors are to a different extent involved in the processes of interest coordination and EU external policy-making. Their roles differ fundamentally depending on the policy area and the topic therein. The analysis in the following paragraphs puts the focus on the European Council, the Council of the European Union, the European Commission, and the HR and the EEAS. The European Parliament (EP) is not directly involved in formal coordination practices investigated in this section. Its role in the EU foreign policy-making process only concerns a right of information as well as the requirement to be consulted and to give consent to certain international agreements.³⁵ For that reason, the EP is largely excluded from the further analysis in this section.

Over time, the specific roles carried out by the institutions have undergone major changes. On the one hand, institutional reforms altered formal competences and procedures. Particularly the Lisbon Treaty has been decisive in this respect and its innovations feature prominently in the following analysis. On the other hand, treaties and political developments also changed the interinstitutional balance and, along with it, both institutional self-conception and

³⁵ Article 218(10) and 218(6)(a) TFEU

identity. As a consequence, modes of operation have been refined, new key actors appeared on the stage and their influence altered the context of EU external policy-making.

In the highly legalized system of the EU, decision-making procedures vary considerably depending on whether competences have been fully, partially or not at all transferred from the Member State to the EU level. The EU's external policies towards Russia stretch across diverse areas in which Brussels has either gained the full competences to act alone or competences remain with the Member States. The resulting supranational and intergovernmental policy-making processes are subject to different decision-making procedures and involvement of actors. In addition, there are certain policy areas that remain under the full competence of individual Member States which engage bilaterally with Moscow. The overall European foreign policy output towards Russia thus resembles a patchwork which makes well-elaborated vertical and horizontal coordination mechanisms even more pressing to avoid contradictory, incoherent policy outcomes. For that reason some of the institutional modifications highlighted in the following paragraphs are directly related to the EU-Russian context.

A broad distinction can be drawn between policies in the area of the EU's Common Foreign and Security Policy (CFSP) and those that are concerned with the externalization of internal policies. Most of what is by and large considered as 'typical' foreign policy is part of the intergovernmental CFSP and carried out in the Council. There, decision-making generally requires unanimity which ultimately puts the Member States and the procedures for consensus-finding in the focus of analysis.³⁶ The veto power of individual Member States on CFSP matters emphasizes the need for interest coordination in order to be able to take decisions (cf. Tsebelis 2002, chap. 11). It is for the same reason that the EU has been described as a "compulsory

³⁶ Article 24(1) TEU.

negotiation system” where policy output can only be realized through agreement (Scharpf 2006, 848). In other words, without consensus there is no CFSP.

In stark contrast to this kind of consensus requirement stands external policy-making that is rooted in the externalization of internal EU policies. In these areas the formal procedures differ fundamentally since the main actor is the European Commission and qualified majority voting (QMV) is generally sufficient in the Council. Compared to the Council, decisional powers in the Commission are centralized since the final authority resides with the President. This concentration of power allows the formulation of a single position or policy, even if conflicting interests prevail within the institutional hierarchy of the Commission. In addition, QMV in the Council implies that single Member States cannot act as veto players but a blocking minority is required in order to thwart agreement. As a consequence, areas in which the Commission can act or where the Council takes decisions under QMV are institutionally advantaged to coordinate interests.

The above discussion is of high relevance for this project because the EU’s external relations towards Russia belong to areas that fall under different decision-making procedures and involvement of diverse actors. External human rights policy is generally a matter of the CFSP. However, internal human rights policy, conducted by the Commission and the Justice and Home Affairs Council (JHA), shifts the external focus inward whenever the question of the EU’s credibility as a value-promoter and milieu shaper comes up. In order to avoid double standards it is important that internal standards are coherent with what is propagated externally. In energy policy, an area of shared competences between the Member State and EU level, the Commission and the Transport, Telecommunications and Energy Council (TTE) which acts under QMV are the central actors. Nevertheless, as the main provider of energy commodities to the EU, many of

the external contacts with Russia concern EU internal market rules. On these matters, the Commission has the sole competences to act vis-à-vis Russia. Only rarely, whenever energy touches specifically upon security issues, external energy policy becomes an agenda item of the CFSP and is discussed in the FAC. The vast majority of the foreign policy-making towards Russia is not a matter of legislative decision-making. It is about coordinating a common EU line, often in the form of a mandate for the actor that speaks on behalf of the EU with Russian counterparts. These general political lines towards Russia, mostly consisting of the EU's approach in the numerous dialogues, are by and large set within the intergovernmental CFSP framework and decided by unanimity (EU-16[CoEU]/Ener).

This discussion has shifted the focus particularly on the Commission and the Council. However, also the European Council, the HR and the EEAS contribute significantly to the process of foreign policy-making and interest coordination. In fact, much of today's success in CFSP decision-making is rooted in the new role of the EEAS, a topic that is elaborated further below. The European Council provides political guidance and legitimacy to the entire process of EU external policy-making; a significant role that cannot be neglected. The following subsections will analyze in detail decision-making and coordination processes by those actors that are considered most relevant for the EU's external relations towards Russia: the European Council, the Council, the Commission, as well as the HR and the EEAS.

4.1.1. European Council

The European Council comprises the Heads of State or Government of the 28 Member States of the EU, its President and the President of the Commission. The HR takes also part in its

meetings. It is the highest political body within the EU which has, nevertheless, no formal legislative powers. Its involvement in the policy process is governed by Article 15(1) TEU, pursuant to which “[t]he European Council shall provide the Union with the necessary impetus for its development and shall define the general political directions and priorities thereof.” In the past years, this role has gained considerable importance. Scholars have identified an institutional evolution that has made the European Council the “new center of political gravity” in the EU (Puetter 2014, chap. 3). Similar developments are detectable in the areas of external relations, where “the European Council shall identify the strategic interests and objectives of the Union” and may take necessary decisions both in the area of CFSP and in other areas of external actions.³⁷

The European Council makes frequent use of the rights conferred to it by the Treaty. This is primarily rooted in the fact that other EU institutions lack the competences to initiate policies in some areas that require European responses. External relations are a prime example in this respect. From a legal perspective, the EU treaties conferred only few competences to the European Commission. Often, it therefore cannot act alone and remains a rather weak player. In addition, after Jacques Delors the Commission was continuously headed by Presidents that shied away from any confrontation that might have increased the Commission’s institutional weight on external matters (EU-24[COM]/Ener). As a consequence, in the recent decades Member States have remained central foreign policy actors by individually maintaining bilateral relations with third countries. At the same time, Heads of State or Government recognize a growing need to commonly address certain external challenges. For this reason, there are an increasing number of

³⁷ Article 22(1) TEU

examples where the European Council provides a mandate and sets tasks to be carried out by the Commission or the EEAS.

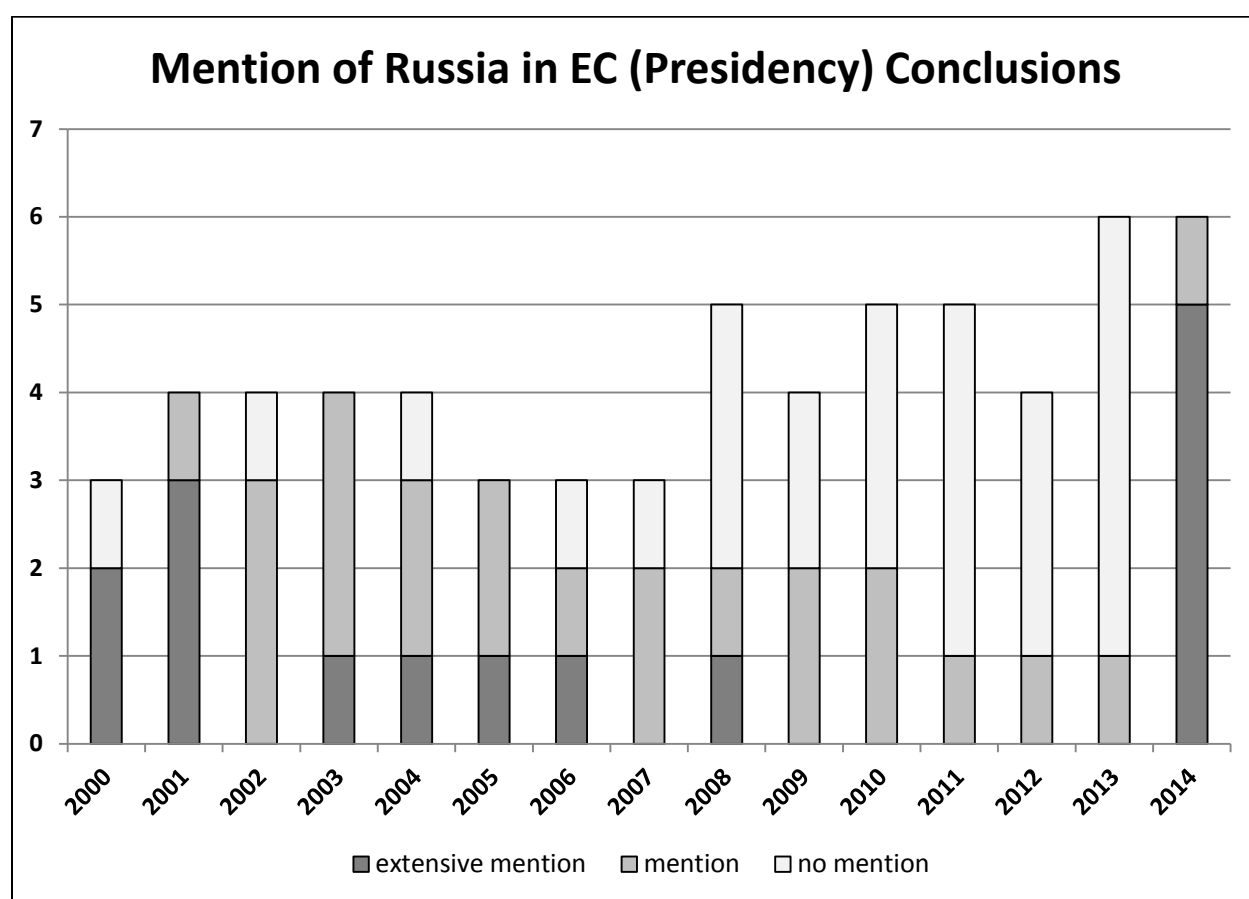
Through these kinds of initiatives, the European Council has become a key player in the EU's external relations. Rather than requesting event-driven ad hoc actions, its decisions provide policy guidance and principles in lengthy processes. For instance, the European Council Conclusions of December 2012 included a program on Common Security and Defense Policy (CSDP) and how to progress until the December 2013 Council. For the course of a one year process, it set clear tasks and deadlines for the Commission and the EEAS.³⁸ The approach was considered successful since it was based on a comprehensive long-term strategy which went far beyond the ad hoc actions that the young EEAS had been undertaking in the area until then (EU-07[EEAS]/ExtR).

The growing role of the European Council in EU external policy-making is also connected to the changing political context of EU-Russia relations. After a long time of rapprochement, bilateral relations have recently reappeared as a 'hot' topic at the highest political level. The European Council Conclusions reveal some opposing trends. Figure 1 displays an increase in the total number of European Council meetings between the years 2000 until 2014. While this trend supports the argument that the European Council has become the center of EU politics (Puetter 2013; Puetter 2014), it also indicates a growing need for high-level political guidance in a time of multiple crises. However, at the same time the graph shows an almost steady decline in number of European Council meetings during which discussions were held on Russia. The gradual disappearance of Russia from the agenda of the highest political body in the EU can be interpreted as a result of the normalization of EU Russia relations: in the

³⁸ European Council Conclusions, Document EUCO 205/12 of 14 December 2012, pages 8-11.

EU, the administration of relations was increasingly left to lower political and technical levels. This trend is sharply interrupted by the Ukraine crisis starting in 2014 when Moscow again became the focus of discussions between the Heads of State or Government and accordingly the number of European Council meetings in which Russia was on the agenda skyrocketed.³⁹ These sharp changes of the Russian example indicate a reflex of the Heads of State or Government to capture and coordinate a policy topic or area if deemed necessary for external coherence.

Figure 1: mention of Russia in the European Council (Presidency) Conclusions



An example from the area of energy illustrates how EU leaders facilitate foreign policy. Initiatives are usually based on the recognition that complex internal market rules must somehow

³⁹ Author's own analysis of European Council Conclusions. Russia has also been extensively discussed in 2000 and 2001 as a result of the Chechen War.

fit the behavior of third countries, that external shocks can be harmful to the European economy and that security of supply issues need to be resolved. While it remains unquestioned that Member States retain their bilateral relations with supplier countries, initiatives of the European Council “give a push” in the development of the common external dimension, as one interviewee pointed out (EU-13[COM]/Ener). A long-time problem of EU external energy policy, particularly with regard to the main supplier Russia, is its Janus-faced character. While supranational policy initiatives are generally related to provisions of the internal energy market, decisions about the energy mix and securing energy supplies rest with the Member States. Until today, the main elements of the policy area have thus been carried out distinctly by different actors at two levels of governance without any institutionalized mechanisms for coordination between them. EU energy policy vis-à-vis Moscow has thus been in many ways fragmented and characterized by disunity and a lack of coherence.

This situation became increasingly unsatisfactory to the European Council. As a consequence, external energy policy came for the first time to the attention of EU leaders at their March 2006 summit. As a part of a new initiative to create an Energy Policy for Europe (EPE), they invited the European Commission and the High Representative for Common Foreign and Security Policy to prepare input for an EU strategy on external energy relations.⁴⁰ Setting these tasks, the European Council implicitly created a degree of coordination between different areas of external energy policy that had so far been missing. A set of recommendations proposed jointly by Benita Ferrero-Waldner and Javier Solana was subsequently welcomed by the June

⁴⁰ Council of the European Union, Document 7775/1/06 REV 1, Brussels European Council 23/24 March 2006, Presidency Conclusions, page 16.

2006 European Council as a “sound basis for an external policy”.⁴¹ In addition, the Commission was invited to take the input into due account while drawing up a review of EU energy policy.⁴² Based on the various Commission contributions, the June 2007 European Council adopted an Action Plan for the period of 2007-2009 that should pave the way towards an EPE.⁴³ It included, among others, a chapter on International Energy Policy that advocated the development of a “common voice” and a deepening of EU-Russia energy relations.⁴⁴

The example highlights how the European Council initiates policy coordination and thereby facilitates external coherence. With its recurrent ‘invitations’ for input from different actors, it pushes for coordination and progress where the Union has no mandate to act. Requests are based within the larger context of developing a policy area but often triggered by specific policy problems, like that of unsatisfactory levels of policy fragmentation and a lack of coherence vis-à-vis Moscow. The high quality of input makes the difference: as an interlocutor revealed, the contributions in the energy example led to a situation in which for “the first time the European Council had a really holistic view on European energy policy including external relations” (EU-16[CoEU]/Ener). Under this division of labor – the European Council providing mandate and guidance, the Commission, the HR-CFSP, the HR and the EEAS carrying out the tasks – different elements of a policy area are coordinated that otherwise co-exist, producing potentially conflicting messages and a lack of external coherence. The energy example presents a different outcome: based on the European Council initiative, developments in the area became

⁴¹ Council of the European Union, Report from the Commission and the Secretary-General/High Representative, “An external policy to serve Europe’s energy interests”, Document 9971/06 of 30 May 2006.

⁴² Council of the European Union, Document 10633/1/06 REV 1, Brussels European Council 15/16 June 2006, Presidency Conclusions, page 10.

⁴³ European Commission, Communication to the European Council and the European Parliament, “An Energy Policy for Europe”, COM(2007) 1 final of 10 January 2007.

⁴⁴ Council of the European Union, Document 7224/1/07 REV 1, Brussels European Council 8/9 March 2007, Presidency Conclusions, pp. 16-23.

feasible and eventually crystallized in the February 2011 European Council that agreed on far-reaching provisions on external energy policy, comprehensively and coherently formulated as never before.

4.1.2. Council of the European Union

The Council is involved in EU foreign policy-making in several ways. The FAC, presided by the HR, is responsible for elaborating the Union's external action on the basis of strategic guidelines developed by the European Council and for ensuring consistency of the Union's external action.⁴⁵ Other Council configurations deal with external relations whenever internal policies they are concerned with touch upon international aspects. In addition, the Council plays a central role in the conclusion of international agreements.⁴⁶ Decisions are generally taken by QMV, unless covering a field in which unanimity is required, such as the CFSP and certain international agreements.⁴⁷ Within the Council a considerable degree of coordination is required between the positions of the Member States to produce policy output. Uwe Puetter identified a changing institutional role of the Council that increasingly shifts from law-making towards policy coordination (Puetter 2014, chap. 4). This section takes a closer look at this coordination function, in particular with regard to streamline diverse Member State interests, which is a fundamental prerequisite for a Union speaking with one voice on external matters. Specifically in its external relations with Russia, the EU frequently encounters problems of vertical coherence (cf. Delcour 2011, chap. 7). Accordingly, this section puts a special focus on attempts to make

⁴⁵ Article 16(6) TEU

⁴⁶ Article 218 TFEU.

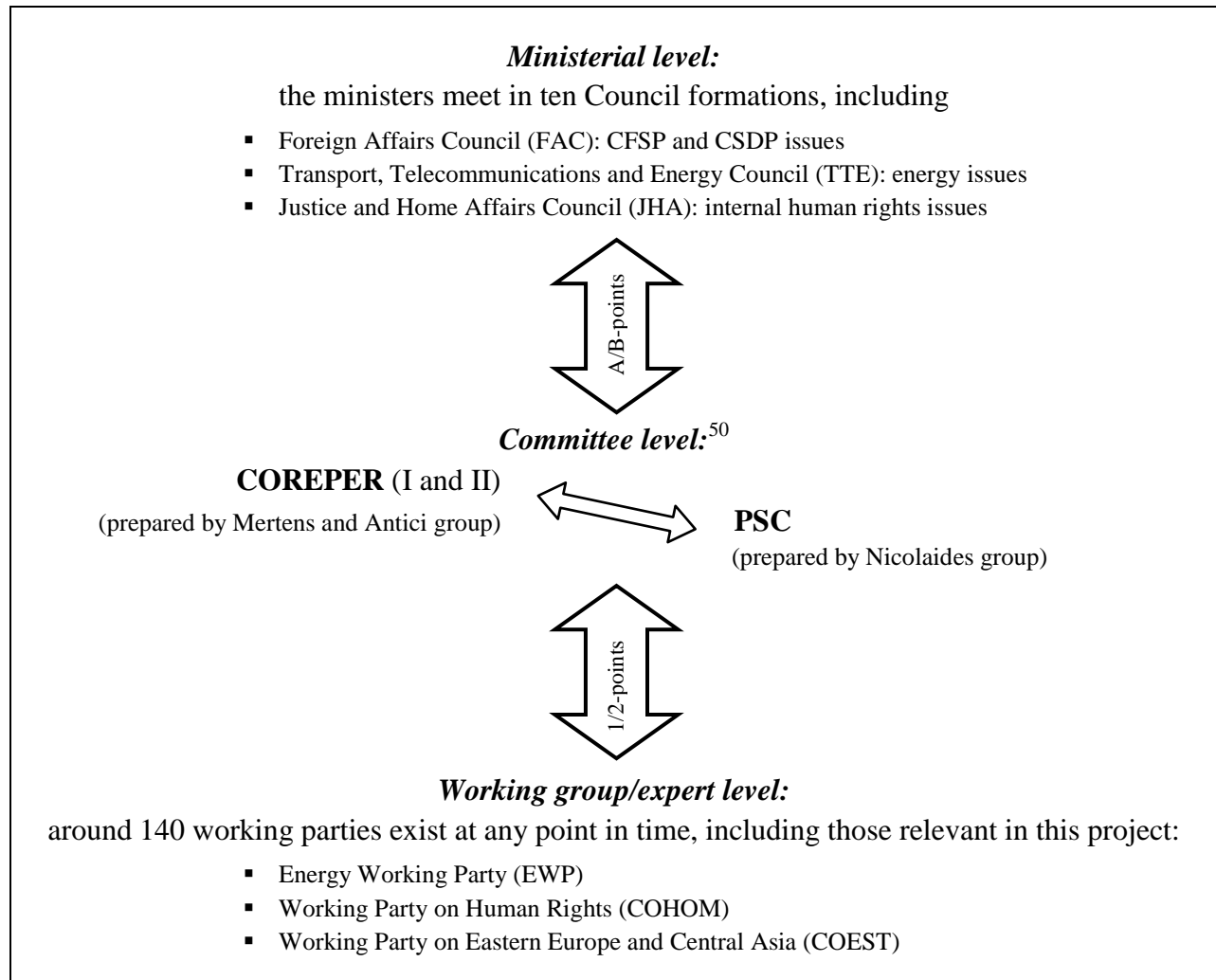
⁴⁷ Articles 24(1), 207(4) and 218(6) TFEU.

the institutional setting more conducive to Member States' interest coordination towards Moscow.

The coordination of the interests of the Member States in the Council is a strictly hierarchical exercise that spreads across technical and political forums before a formal decision is taken at the ministerial level. Legislative files, documents or debates enter the Council at the preparatory working parties and pass the committee level for final agreement in the responsible Council formation.⁴⁸ Agreement amongst the Member States is tested with shadow votes each time before an issue is passed on to the next higher level. The impact of this multi-level procedure on consensus-finding is significant: studies have shown that the majority of issues in the area of CFSP are agreed below the ministerial level. Duke and Vanhoonacker suggested that around 70 per cent of topics are resolved in the Council working groups and another 15-20 per cent at committee level. Only for the remaining 10-15 per cent agreement has to be found at the ministerial level (Duke and Vanhoonacker 2006, 169). Figure 2 provides an overview of the working groups, committees and Council formations that are of relevance to this project and whose impact on the coordination of EU external policies will be further analyzed in the following paragraphs.

⁴⁸ A complete list of Council preparatory bodies is regularly published by the General Secretariat of the Council. Document 11926/14 of 15 July 2014 lists a total of 13 committees and 139 working parties. The term 'working group' is often used as a synonym for 'working party'.

Figure 2: the hierarchical structure of the Council⁴⁹



4.1.2.1. Working group level

Situated at the lowest level of the Council hierarchy are the working parties, comprised of experts from each Member State. Issues and files on which agreement has been found are passed on to the committee level as so-called ‘1-points’, whereas those that require further discussion at

⁴⁹ Information retrieved from the webpage of the Council of the European Union. Accessed on November 17, 2014: <http://www.consilium.europa.eu/council?lang=en>

⁵⁰ Preparation for specific Council configurations may also be carried out by other high-level committees, which, however, have no relevance in foreign policy matters and hence are not mentioned. Prior to the Treaty of Lisbon only COREPER had a mandate in the Treaties. With the Lisbon Treaty also the PSC has a mandate.

the higher level are marked as ‘2-points’ (Dinan 2010, 205 ff; Nugent 2010, 135 ff). Working parties can be grouped into two broad categories: while *thematic* working parties deal only with one policy area, *geographical* working parties deal with a country or a region and therefore have a much broader, horizontal approach.

Three Council working parties are particularly relevant for the EU’s relations with Russia. Each of them is a key forum for coordination of diverse Member State interests. Some of the investigated institutional reforms in the working groups respond directly to the need for better coordination and more external policy coherence towards Moscow. The Energy Working Party (EWP) and the Working Party on Human Rights (COHOM) are thematic expert groups which deal with the policy topics discussed as case studies in this project. The Working Party on Eastern Europe and Central Asia (COEST) is an expert group with a geographical focus that deals besides other countries specifically with Russia.

COEST is the Council’s pendant to a country desk in a foreign ministry or the EEAS. It processes a wide range of issues that address Russia, the majority of which are located in the area of CFSP. Member State interests are generally diverse and require “heavy brain gymnastics” among the representatives to “find a way through all that mess”, as an insider revealed (EU-06[EEAS]/Rus). The expert group has therefore convened more meetings in the past than any other working party of the Council. To cope with the diverse workload, COEST meets in two formations: while Brussels-based experts from the Permanent Representations meet twice per week, capital-based diplomats hold an additional meeting every second month (MS-19/ExtR).⁵¹ During the meetings, the Member States are encouraged to formulate, discuss and reconcile their

⁵¹ The terms ‘capital-based’ or ‘Brussels-based’ are used in the EU jargon to indicate whether a person, often a diplomat, mainly resides in the national capital or in Brussels.

interests. In addition, COEST serves as a venue for information exchange which can trigger new policy debates on Russia.

Compared to other working parties, COEST stands out. Many Member States have high stakes in Russia which makes the expert debates sensitive. Whereas discussions on other partners generally origin at working group level, debates on Russia sometimes start at the higher and more political committee level from where guidance is given to COEST. Also the specific bilateral institutionalization of EU-Russia relations that includes two summits per year requires a different handling of Russia compared to other countries. For that purpose, COEST is for instance involved in extensive policy debates that generally start three months prior to the summits (EU-06[EEAS]/Rus).

Due to the wide range of issues that concern Russia, COEST has a tremendously important vertical and horizontal coordination function. As a result recent institutional reforms have sought to strengthen different coordination mechanisms within the working group. To facilitate the complex technical coordination exercises in the area of CFSP, Member State representatives are not only supported by the concerned Directorate General (DG) of the European Commission, but since the Lisbon Treaty also by officials from the EEAS (EU-02[EEAS]/Rus). Yet the most relevant example indicating how the EU-Russian context has had direct repercussions on the institutional reform of COEST is the installation of a permanent chair. The Lisbon Treaty replaced the chair from the 6-monthly rotating Council Presidency with a permanent chair from the EEAS. This innovation was aimed at generating more policy continuity, and has materialized in increased coordination and coherence in the EU's approach to Russia (EU-02[EEAS]/Rus).

In fact, interlocutors reported different elements indicating how institutional reforms bore fruit for coordination. Besides a more streamlined agenda resulting from the permanent chair, COEST benefits from working methods that indicate extensive coordination and were therefore described as remarkably efficient (EU-06[EEAS]/Rus). On the one hand, during meetings expert and broad policy knowledge are coupled with an extensive exchange of information. This creates an overview of EU-Russia relations that is unmet in any other expert forum in the EU. On the other hand, representatives share an attitude of “anything that can be related should be coordinated”, which facilitates consensus-finding for a common EU line (ibid.). Two examples underpin COEST’s success. It has been estimated that agreement is found on roughly 90% of agenda items, a figure that is unmatched in other Council working parties (ibid.). Moreover, the fact that the number of EU contacts with Russia is constantly increasing while those of Member States are decreasing indicates COEST’s skillful ability in developing a common EU line and contributing to policy coherence (ibid.). Consequently, despite the fact that the newly created EEAS has four divisions that deal with Russia, COEST remains Brussels’ main driver in bilateral relations with Moscow.

Similar to COEST, the EWP has regular, weekly meetings. Its members, often called ‘Energy-Attachés’, are Brussels-based civil servants from the Permanent Representations of the Member States. Unlike other working parties which are headed by a permanent chair since the Lisbon Treaty, sessions of the EWP are chaired by a representative of the rotating Council Presidency. The Presidency sets the agenda in close collaboration with the General Secretariat of the Council and the Commission, while broad orientation is given by the program of the trio-Presidency (EU-24[COM]/Ener). Particularly this latter mechanism is meant to ensure continuity and consistency of the Council’s policy output (Batory and Puetter 2013).

The EWP deals with the two main aspects of the external dimension of EU energy policy: external implications of the Internal Energy Market (IEM), and the Union's international energy cooperation. Where shared competences reside with the supranational level, the Commission's DG Energy has usually engaged in coordination exercises before issues enter the EWP and the higher Council levels (EU-16[CoEU]/Ener). For instance, a monthly agenda item of the EWP is the point 'International Energy Issues'. It includes briefings and de-briefings by the Commission on international energy relations and cooperation. For international institutions in which the EU is represented (e.g. Energy Charter Treaty, Energy Community, IRENA) the Commission suggests a common EU position in the form of a 'line to take', sometimes also called 'strategic orientations' that is discussed in the EWP for adoption in the Council. In addition, the EWP and the Commission work closely together on the preparation of the agenda and speaking points for the annual Permanent Partnership Council on Energy that the EU holds with Russia (EU-17[COM]/Ener). While especially such topics with a higher political visibility require higher level approval from the committee and the ministerial level, the pre-cooking of issues and the coordination of Member State positions towards a common EU line works, according to an EWP representative, "quite well" (MS-25/Ener).

COHOM is, like the EWP, a thematic working party. It deals with external human rights aspects of the EU, most of which fall under the area of CFSP. Different from the other two working parties presented above, COHOM consisted until recently of capital-based human rights experts that travelled to Brussels once per month. Following the Human Rights Action Plan this practice has been changed to increase the number of meetings.⁵² During the current interim phase two COHOM formations exist, one with Brussels-based and one with capital-based diplomats,

⁵² Council of the European Union, EU Strategic Framework and Action Plan on Human Rights and Democracy, Document 11855/12 of 25 June 2012, point 7.

until all representatives reside in Brussels (MS-26/HuR). COHOM meetings are chaired by a permanent chair from the EEAS and attended by an official from the Commission. The working group is responsible for the development of the Union's human rights policy instruments including guidelines and dialogues, the elaboration of strategies for mainstreaming human rights into other policy areas and the definition of EU positions on external human rights issues. COHOM does not only coordinate positions between the Member States but also with other working parties of the Council to ensure mainstreaming of human rights in all aspects of external relations and the coherence between external and internal actions in the field of human rights (EU-18[EEAS]/HuR).⁵³

Proposals that feed into COHOM meetings are prepared either by the Commission or the EEAS. There is no standing agenda but in general the working party is concerned with long-term strategic issues. Nevertheless, if deemed necessary it also deals with individual human rights cases, such as the Pussy Riot or the Magnitsky case (MS-15/HuR). Such situations emphasize the importance of the permanent chair: rather than approaching the partner solely based on evidence from the human rights case, the “general politics, the coherent policy approach with a country, is weaved into that package” because a too outspoken approach in one policy area potentially “ruins your relationship with Russia and you won’t be able to talk on any other issues” (EU-02[EEAS]/Rus). The quote indicates the importance of balancing different diplomatic instruments and how COHOM implicitly benefits from its permanent chair with EEAS background: the Foreign Service has the general overview over EU-Russia relations and can therefore contribute to the horizontal policy coordination and external coherence.

⁵³ With information from EEAS, The Human Rights Working Group (COHOM). Website accessed on 12 December 2014: http://eeas.europa.eu/human_rights/workgroup/index_en.htm.

The examples of COEST, the EWP and COHOM illustrate how extensive coordination of Member State interests is carried out within the working parties. For the formulation of a more coherent Russia policy, their work is of paramount importance. The example of COEST indicated how the specific EU-Russian context reinforced institutional reforms in the working groups' setup in order to facilitate coordination and ease the formulation of long-term policies. Most of these elements are targeted at increasing vertical coherence. Nevertheless, the above-mentioned classification between thematic and geographical working parties hints at the possibility that a specific topic may have to be addressed in several expert groups. For instance, the Human Rights Consultations with Russia are prepared by the EEAS and forwarded to the Council for the coordination of a single EU mandate. Usually the EEAS approaches both relevant working parties: COEST which has the overview over EU-Russian relations and COHOM which is the expert group regarding human rights consultations with third countries (EU-02[EEAS]/Rus, EU-18[EEAS]/HuR). In this way, not only vertical but also horizontal coordination is ensured and coherence facilitated.

4.1.2.2. Committee level

Legislative files, documents and debates are passed from the working groups to the committees where the final preparation for discussions and formal adoption in the different Council formations takes place.⁵⁴ Similar to the expert level a number of different committees deal with the issues, depending on the policy area.⁵⁵ Formally, the Committee of Permanent Representatives (COREPER) stands above all other committees and has the final say,

⁵⁴ Committees have yet another 'filter': the Mertens (COREPER I), Antici (COREPER II) and Nicolaidis (PSC) groups prepare committee meetings but do not work on the policy documents.

⁵⁵ Special committees are, where deemed necessary, set up by a Council decision.

irrespective of policy issues and areas discussed.⁵⁶ COREPER operates in two different formations, COREPER I and COREPER II which share their work depending on the policy area. The more senior COREPER II is composed of ambassadors from the Member States' Permanent Representations and generally deals with issues of 'high politics', including those that address external relations. COREPER I, composed of the ambassadors' deputies, is in charge of politically less sensitive areas. From COREPER, agreed issues and files are forwarded as 'A-points' to the relevant Council configuration while those where agreement has yet to be found are marked as 'B-points' (Dinan 2010, 205 ff; Nugent 2010, 135 ff).

The creation of additional 'special committees' and the division of labor amongst them and COREPER is mainly a result of the large workload. Nevertheless, this institutional setup can impact on the degree of external policy coordination, since it is in practice possible that different committees deal with the same issue. The area of external energy policy provides an example. Having energy in its portfolio, COREPER I prepares the TEE Council, including the external dimension of the IEM. However, also COREPER II touches upon external energy issues, for instance when it prepares high level bilateral meetings such as the EU-Russia Summit during which energy relations are frequently discussed. In addition, the Political and Security Committee (PSC), a special committee that is formally located under COREPER and which prepares CFSP issues, has been dealing with energy when it touched upon security issues. With three different committees preparing issues that are inherently connected, coordination becomes paramount. It is for that reason that COREPER is the "overall ultimate coordination body to look at the whole thing from a horizontal perspective" when issue is comprehensive and different elements come from different parts of the Council structure (EU-01[EEAS]/ExtR).

⁵⁶ Article 240 TFEU and Council Decision 2009/937/EU of 1 December 2009 adopting the Council's Rules of Procedure ('Council's Rules of Procedure'), Article 19(2).

In the area of external relations, the PSC has become an important coordination body. Set up in 2001, it is composed of Brussels-based diplomats from the Member States who have ambassadorial status.⁵⁷ Meetings are held twice per week and prepare CFSP matters for the FAC. Since the Lisbon Treaty, the PSC is permanently chaired by an official from the EEAS, an institutional innovation meant to increase external policy continuity and coherence (EU-07[EEAS]/ExtR). Several authors have analyzed the committee's functioning and emphasized its growing influence on foreign policy coordination within the Council hierarchy (cf. Duke 2005; Juncos and Reynolds 2007; Howorth 2010). All work of the PSC passes COREPER which insists on its formal prerogative to prepare the Council. Due to this clear distribution of roles, the "PSC is having a minority complex and always trying on certain issues to come to an agreement so that COREPER doesn't have to sort it out", as an interlocutor with insider-knowledge of the PSC explained. Driven by a "professional honor" to be the experts on CFSP issues, PSC ambassadors in fact reach consensus in most of the cases. (EU-07[EEAS]/ExtR) Overwhelmed with the preparation of other Councils, COREPER rarely intervenes on issues where agreement was found in the PSC and came to accept "that the substantial preparation of the FAC has to come from PSC." 90% of the cases or more remain untouched and indicate how sound institutional design, coupled with professionalism and expert knowledge can facilitate policy coordination (EU-01[EEAS]/ExtR).

4.1.2.3. Ministerial level

For formal adoption, files, documents and debates are passed from the committee to the ministerial level where the relevant ministers of the EU Member States meet in different Council

⁵⁷ Council Decision 2001/78/CFSP of 22 January 2001 setting up the Political and Security Committee.

formations. The number of configurations has changed over time from 22 in the 1990s to 16 in June 2000 and 9 two years later. Following the Treaty of Lisbon that split the former General Affairs and External Relations Council (GAERC) into the General Affairs Council (GAC) and the Foreign Affairs Council (FAC), currently 10 configurations exist. This last change should help to overcome a range of difficulties that the GAERC was facing, such as an ever-growing and unmanageable workload and resulting ineffectiveness (Dinan 2010, 212). The GAERC comprised two different formations. One (General Affairs) was responsible for horizontal coordination of the other Councils whereas the other formation (External Relations which after Lisbon became the FAC) dealt with EU foreign relations, including CFSP, defense policy, trade and development aid policy (K. E. Smith 2008, 34).

The Lisbon Treaty provided the newly created FAC with a relatively strong mandate to streamline different instances of foreign policy. According to Article 16(6) TEU, the FAC “shall elaborate the Union’s external action on the basis of strategic guidelines laid down by the European Council and ensure that the Union’s action is consistent.” Granting an own Council configuration to the EU’s foreign affairs, presided by the HR as a permanent chair and assisted by the new EEAS, highlights the growing importance that EU Heads of State or Government attribute to efficient vertical and horizontal policy coordination of EU external relations. The Lisbon Treaty and the reforms in the Council can therefore be interpreted as a declaration of intent that institutional innovations positively impact on external policy coherence. From this point of view, reforms were also a reaction against the problematic context of EU-Russia relations where policies, generally conducted by Member States “under the chapeau of sovereignty and bilateral interests”, often lacked coordination and therefore appeared incoherent (EU-05[EEAS]/ExtR).

Nevertheless, Ministers meet generally less often than once per month in the Council configurations, implying much fewer interactions compared to their colleagues in the lower-level preparatory bodies. This emphasizes the central role working groups and committees play in the technical and sometimes political coordination process of Member State interests. In fact, it rarely happens that a debate on which agreement has been found is re-opened at a Council meeting. A Member State diplomat therefore described the practice of consensus-finding and policy coordination in the Council as a “hierarchical escalation ladder” that offers “added value” in terms of efficiency (MS-01/PolC). The different Council bodies and policy topics relevant for project including their decision-making method are displayed in Table 7.

Table 7: *flow of policy topics through preparatory bodies to the Council formations*

Policy topic	Decision-making method	Preparatory working party	Preparatory committee	Council Formation
General external relations with Russia	unanimity (CFSP), QMV (international agreements)	COEST	COREPER II (preparation of summits); PSC (CFSP issues)	FAC
External Energy Policy	QMV (internal market, international agreements); unanimity (security issues)	EWP	Mostly COREPER I (external dimension of the IEM); also COREPER II and PSC (security issues)	TTE (external dimension of internal policies); FAC (security issues)
External Human Rights Policy	unanimity (CFSP), QMV (international agreements)	COHOM	Mostly PSC (human rights strategy); COREPER II	FAC

In conclusion, the Council is the central institution for Member States to discuss their external interests. Its bureaucracy consists of highly complex and sophisticated mechanisms designed to facilitate technical and political coordination. Following initiatives and input from the Commission and the EEAS, the hierarchical institutional architecture serves as an escalation ladder to turn diverse Member State interests into a common external voice. Some institutional reforms and innovations stand out: the creation of the PSC or the introduction of permanent chairs following the Lisbon Treaty improved coordination and consensus-finding and thus became the key to more external coherence. Although only few reforms can be directly related to improving the coordination of Russia policies (the example of the installation of a permanent chair in COEST has been mentioned in this respect), the timing of many of them coincides with increasing problems experienced in the EU-Russian context and a growing consensus that speaking towards Moscow with one voice is beneficial. By and large, interlocutors considered reforms and the current functioning of the Council as successful: synonymously for most of them stands the opinion of a high-ranking Member State diplomat who found it “amazing how far this system has come” in its ability to coordinate diverse interests and who considered that “progress is tremendous” in formulating more coherent external policies (MS-05/ExtR).

4.1.3. European Commission

The Commission’s general tasks are laid down in Article 17(1) TEU. With the exception of the CFSP, it has the right to initiative, including all other areas of EU external relations. In addition, together with the Council and assisted by the HR, the Commission shall ensure the consistency between different areas of its external action and between these and its other policies and

cooperate to that effect.⁵⁸ These provisions make the Commission an important actor in the area of EU external relations. As described above, on matters where the Union has no mandate, it is often the European Council that sets tasks to be carried out by the Commission. Conversely, where the Union possesses the competences to act, the Commission in its executive function can initiate legislation or represent the Union externally. It has this latter role for instance in international organizations such as the Energy Community or the Energy Charter Treaty.

Nevertheless, all tasks the Commission carries out in the area of external relations require sound in-house cooperation among the different DGs. In recent years, the need for Commission-internal coordination has increased due to a decentralization of responsibilities and the interdependence and multidisciplinary nature of many EU policies.⁵⁹ For that reason, a variety of institutional mechanisms and procedures have been established that aim at ensuring horizontal coherence of the Commission's policy output.

Within the Commission, units that prepare foreign policies are dispersed across a variety of DGs. International units exist for instance in DG Energy (Unit A3 - International Relations and Enlargement), DG Enterprise and Industry (A2 - International Affairs and Missions for Growth; C1 – Internal Market and its International Dimension), DG Environment (E1 – International, Regional & Bilateral Relations) and DG Climate Action (A1 – International and Inter-Institutional Relations).⁶⁰ Naturally, each of the DGs has its own view on policy issues that is biased towards its portfolio. An EEAS official regretted that “many of the DGs [...] want to do a separate foreign policy in their area”, giving the example of DG Trade which regularly attempts to push the focus of foreign policies in an economic direction (EU-02[EEAS]/Rus).

⁵⁸ Articles 21(3) and 22 TEU

⁵⁹ European Commission, Secretariat General Management Plan 2014, p. 10.

⁶⁰ Information retrieved from the organization charts available on the DG websites. Accessed on 1 December 2014.

Such behavior potentially undermines horizontal coherence in the Commission's external approach. The situation has become more complicated following institutional reforms of the Lisbon Treaty. On the one hand, the DG for External Relations (DG RELEX), traditionally the main coordinator of the Commission's external messages, was abolished on account of the creation of the EEAS (EU-23[COM]/Ener). On the other hand, the move of the portfolio to the new Diplomatic Service caused a mass-migration of officials (EU-03[EEAS]/ExtR, EU-25[EEAS]/Rus) which hollowed out the Commission's expertise on external policies.

To mitigate such adverse effects and ensure horizontal coherence across the policy areas of the deeply specialized DGs, the Commission has established a number of institutionalized mechanisms to coordinate external messages. Similar to the practice in the Council, the coordination process is based on a strictly hierarchical structure. At the lowest 'services level', the so-called Inter-Service Consultations are held; regular meetings that provide an opportunity for each DG to comment on the content of any Commission draft or proposal. On external matters, also the EEAS is invited to voice its opinion (EU-07[EEAS]/ExtR). Furthermore, inter-service groups, composed of representatives from the affected DGs, deal with specific policy topics. For instance, the Inter-Service Group on External Competences (GICE) focuses on issues in the field of external relations (EU-22[COM]/PolC). The various stances towards Russia are coordinated in the Inter-Service Group on Russia, which is composed of officials from different DGs that work on the topic. EEAS diplomats also attend the meetings to provide policy guidance and present the broader view on current events (EU-02[EEAS]/Rus).

The coordination setups within the Commission and their reforms cannot be directly related to the EU-Russian context as the cases of intergovernmental and inter-institutional coordination presented in this chapter. Since the Commission's has no competences in the area

of CFSP, it is not taking part in one important area where the EU's policy towards Russia is discussed. In addition, the abolishment of DG RELEX with the Lisbon Treaty and the creation of the EEAS that took over most of its functions have decreased the Commission's relative impact on EU foreign policies. Apart from this, the Commission carries out some representative functions for the Union vis-à-vis Moscow. It is for instance responsible for the Energy Dialogue with Russia. The most relevant direct engagement of the Commission with Russia is, however, a consequence of its internal market competence. The application of the provisions of the third energy package under competition law to Russian energy companies (an example is the recent Gazprom antitrust case) is an illustration of the Commission's powers stemming from the application of internal market rules to foreign companies.⁶¹

At a higher level, the heads of the Commissioners' cabinets hold weekly 'Hebdo' meetings (from the French term 'réunion hebdomadaire des chefs de cabinet') which are chaired by the Secretary General. The forum deals with questions of political rather than technical concern, coordinates issues that have not been resolved at the services level and prepares the meetings of the Commissioners (MS-12/ExtR). The final coordination exercise takes place at the weekly College Meeting of the Commissioners. The Commissioners also meet in smaller, issue-specific groups. In 2011, 'External Relations Group of Commissioners' was founded to coordinate the Commission's external policies. It includes a fixed number of Commissioners whose portfolios have a strong external dimension, the Commission President and the HR. The aim of the group's coordination exercise is to ensure overall policy coherence on horizontal issues and towards geographical areas. However, the forum did not turn out to function efficiently. Only few meetings were held and none of them was attended by Catherine Ashton,

⁶¹ European Commission, Press Release "Antitrust: Commission sends Statement of Objections to Gazprom – Factsheet", MEMO/15/4829 of 22 April 2015.

HR and Vice-President of the Commission. The new Juncker Commission announced to revitalize the forum, scheduled meetings at least once per month and charged the incoming HR Federica Mogherini to chair them. Moreover, the number of participating Commissioners was increased and since then includes the Commissioner for Energy which emphasizes the recognition that the Union's energy policy has a growing external dimension.⁶²

In addition to the hierarchical coordination structure, the Commission's Secretariat General (SG) has been specifically charged with ensuring the homogeneity of Commission policies. According to a Commission official, "policy coordination is the daily bread of [the SG] for a number of years under all aspects." SG's approach is that "every topic has an impact and effect on other areas" and therefore all "issues of general interest are dealt with horizontally" (EU-22[COM]/PolC). To safeguard consistency among Commission policies, SG fosters inter-service cooperation, and shapes and develops cross-cutting policies.⁶³ For instance, Commission contributions to meetings of the European Council are generally coordinated by the office of the Secretary General, irrespective of the policy topic.⁶⁴ Specifically with regard to EU foreign policies, SG attempts "to increase the degree of coherence between CFSP initiatives and the Commission's external action." To that end, it represents the Commission in the Council committees (COREPER and PSC) as well as Council working parties, it "offers strong support to the Commission's external action" and it ensures the functioning of the Commission's coordination mechanism with the EEAS.⁶⁵ Since the creation of the EEAS, numerous direct contacts exist with Commission services which are overseen by the SG that acts as a guardian of

⁶² European Commission, Secretariat-General Management Plan 2013, p.11. EU Observer, "EU commission [sic!] creates new foreign policy cell", published on 11 September 2014. Accessed on 2 December 2014: <http://euobserver.com/institutional/125567>

⁶³ European Commission, Secretariat-General Management Plan 2014, p.10.

⁶⁴ Author's own experiences during a traineeship in the European Commission and interviewee EU-22[COM]/PolC.

⁶⁵ European Commission, Secretariat-General Management Plan 2014, p.10.

external policy coordination (EU-22[COM]/PolC). The broad overview coupled with the sound execution of its tasks make the SG, as an insider explained, “very influential” within the Commission (MS-12/ExtR).

4.1.4. HR and EEAS

With the Treaty of Lisbon, a new actor entered the stage that impacts on EU foreign policy-making. The EEAS was established by a Council decision to support the HR in fulfilling her duties, in particular to ensure the consistency of external relations and the functioning of the CFSP.⁶⁶ Its setup is *sui generis* since it is not an institution but a “functionally autonomous body” that is administratively independent from the Commission and the Council.⁶⁷ Legally, it is placed under the authority of the HR which is the basis for their close working relationship.⁶⁸ The main tasks of the EEAS are to assist the HR in conducting the CFSP and chairing the FAC. It also supports the HR in carrying out external responsibilities of the Commission, and in coordinating the Union’s external action at large. In addition, the EEAS supports the President of the European Council and of the European Commission.⁶⁹

Unlike the European Council, the Council, the Commission and the HR, the EEAS has no formal role in the foreign policy-making process. However, in carrying out its supportive tasks it is heavily involved in coordination exercises and thereby can add its footprint. Since the institutional reform of the Lisbon Treaty, both the HR and the EEAS carry debates and external perspectives to different levels of the Commission and the Council as the following, non-

⁶⁶ Council Decision 2010/427/EU of 26 July 2010 (the ‘EEAS Decision’). Articles 21(3), 24 and 27(3) TEU.

⁶⁷ Article 1(2) EEAS Decision.

⁶⁸ Article 27(3) TEU, Article 1(3) EEAS Decision.

⁶⁹ Article 2 EEAS Decision

exhaustive list of examples indicates. Within the Commission, the HR in the function as vice-President is formally represented in the College and the External Relations Group of Commissioners. At a lower level, the EEAS coordinates the Commission's Inter-Service Group on Russia and provides guidance as well as a broader view on EU-Russia relations for the involved DGs (EU-02[EEAS]/Rus). Within the Council, the HR chairs the FAC and thereby presides over the Foreign Ministers of the Member States. An official from the EEAS with ambassadorial status is the permanent chair of the PSC, the Council committee that deals with all matters of CFSP (EU-07[EEAS]/ExtR). Also some of the Council working parties, including COEST and COHOM, are permanently chaired by officials from the EEAS (EU-06[EEAS]/Rus, EU-18[EEAS]/HuR).

These institutional innovations have considerable effects on the coordination of EU foreign policy-making, also with regard to Russia. The bi-functional role of the HR and Vice-President of the Commission embodied in one person bridges two formerly institutionally segregated areas of foreign policy-making: the intergovernmental CFSP that is negotiated in the FAC on the one hand; and the external dimension of internal EU policies carried out by the Commission on the other hand. Among others, the *double-hatting* involves coordination between external economic and foreign policies of the Union in an unprecedented way which carries debates between the institutions (Edwards 2013, 278–279). The new practice has facilitated a more integrated foreign policy agenda which also impacts positively on the horizontal coherence of external policies (EU-02[EEAS]/Rus). This development is strongly supported by the EEAS. The installation of permanent EEAS chairs in various Council forums has strengthened the role of the service vis-à-vis the Member States due to its influence on the agenda (MS-05/ExtR). Particularly the intergovernmental CFSP is experiencing new and ambitious forces at work:

compared to DG RELEX which was formerly responsible for the overall foreign policy coherence, the EEAS as a “joint foreign diplomatic service” has better access to the Member States and is keen to make use of this advantage (EU-02[EEAS]/Rus).

Most interlocutors regarded the establishment of the EEAS as an outspokenly successful institutional innovation to facilitate policy coherence. Built up at a time when EU-Russia relations have turned out to be increasingly problematic, the EEAS has made positive contributions to policy coordination and external coherence. An official explained that “it is true that we try to merge the various elements of external action. In the past it was more or less geared towards cooperation and the external dimension of internal policies. Now it is more a link between CFSP, CSDP and the other issues” (EU-03[EEAS]/ExtR). The quote emphasizes the EEAS’ self-understanding as a fully-fledged diplomatic service that has an overarching coordination function of the Union’s entire external policies. Several working methods are aimed specifically at coordinating different interests and policies towards Russia. It serves, for instance, as an information platform for external energy policy (EU-05[EEAS]/ExtR) where it seeks to reconcile Member State and EU policies towards Russia during special coordination meetings (EU-09[EEAS]/Rus). Similarly, it coordinates the Union’s external human rights policy towards Russia (EU-02[EEAS]/Rus), and keeps the overview over general EU-Russia bilateral relations (EU-08[EEAS]/Rus, EU-13[COM]/Ener). According to one official, this involvement has made external policy-making more politically oriented than ever before since many interests are pondered and coordinated that formerly have been treated individually (EU-03[EEAS]/ExtR).

The fast growth in the institutional confidence is also rooted in the unique recruitment process of the personnel. The Treaty of Lisbon stipulated that EEAS staff should mainly be hired from relevant departments of the General Secretariat of the Council and the Commission as well

as from national diplomatic services of the Member States.⁷⁰ As a consequence, from its outset the Service had considerable institutional strength that was rooted in its highly experienced and qualified personnel (cf. Murdoch, Trondal, and Gänzle 2013).

Commonly, the HR and the EEAS have thus contributed to a considerable improvement of horizontal and vertical coordination practices in the EU. Sophie Vanhoonacker and Karolina Pomorska pointed for instance out how the HR and EEAS built credibility and gained attention for their priorities (Vanhoonacker and Pomorska 2013). Their formal or supportive roles in a variety of Council and Commission forums, and the EEAS' function as an information and coordination hub of external interests have turned them into significant actors in EU foreign policy-making that contribute to more coherence of EU external policies, also in the case of Russia. In addition, their mere presence during meetings with third countries affects the quality of external contacts. Increasingly, the HR speaks on behalf of the Union to partners and third countries. Regarding interaction with Moscow, the participation of EEAS diplomats in bilateral meetings has changed the dynamics of negotiations. According to an interlocutor, "the Russians see the difference between having in front of them just a Commissioner alone as in the past, or having someone representing the External Service of the EU" (EU-05[EEAS]/ExtR). The quote indicates that sound institutional innovations do not only impact on the effectiveness of the domestic policy setting but can likewise improve the Union's external representation and prestige.

⁷⁰ Article 27 (3) TEU.

4.1.5. Interinstitutional coordination mechanisms

The previous section described the important impact of the EEAS and the HR on intra- and interinstitutional policy coordination. While the EEAS has no formally assigned policy-making competences and the HR can only act autonomously in a limited number of cases, both facilitate the formulation of more horizontally coherent policies. They carry debates from the Member States to the Council and the Commission and vice-versa, and they act as information platforms that embody the overview of the entirety of EU external relations.

However, policy coordination between institutions is not only rooted in the new roles of the HR and the EEAS. A number of interinstitutional practices and mechanisms, some of them already existing for a long time, have developed in the Commission and the Council. The Commission, initiator of policies, works closely together with the Member States whenever possible. It is formally represented at the working party and committee level in the Council, where it keeps the Member States informed about its policy initiatives. In the area of energy for instance, it provides the EWP with regular debriefings of its activities and updates on the external dimension of energy policy; a practice that has been described as fruitful (MS-25/Ener). The Commission also assists the Member State holding the prospective Council Presidency in drawing up a coherent presidency program (EU-24[COM]/Ener), and once a year it works closely with the Member States on the preparation of agenda and speaking points for the Permanent Partnership Council on Energy with Russia (EU-17[COM]/Ener). Furthermore, a good relationship and close cooperation exists between the Commission and the General Secretariat of the Council. Commonly they assist the Council Presidency in drafting the presidency program and the Council agenda, which promotes policy continuity (MS-20/Ener).

Interinstitutional contacts promote information flows and learning processes in both directions. Through its very presence in various Member State forums, the Commission gains a deeper understanding what is possible regarding policy initiatives and consecutive consensus-finding. As an insider explained, in the area of external energy policy “the Commission is looking at the big picture and tries to see what is needed and tries to act on that” (EU-16[CoEU]/Ener). For instance, it collects information from the Member States on bilateral energy agreements with third countries. In pushing the common policies,

“the Commission is sometimes more ambitious than the Member States. But in the end the Commission always listens to the Member States. So if there is an objective that the Member States tell the Commission to do or not to do then the Commission listens to that and usually takes it into account.”

(ibid.)

The example emphasizes that the Commission is highly aware of the need for sound policy coordination to find consensus in the Council. Hence, rather than simply pushing for its own policies, it interprets its role as that of an *active* initiator who uses its formal presence in the Council to engage in a reciprocal information exchange that is ultimately reflected in its policy initiatives.

In summary, this section has presented the formal policy setting of the EU as a highly complex institutional system based on elaborate procedures and practices that serve to coordinate the external interests of various actors. Moreover, confirming the first main hypothesis, throughout the past years, this policy setting has been refined through institutional reforms aimed at further improving the effectiveness of EU external policy-making. Some of them can be interpreted as a direct consequence of the increasingly problematic EU-Russia context: the establishment of a permanent chair in COEST following the Lisbon Treaty and the increasing policy guidance provided by the European Council are two of the prominent examples. However,

the timing of many observed changes reinforcing vertical and horizontal coordination mechanisms coincides with the growing number of challenges experienced vis-à-vis Moscow. Among others, intra- and inter-institutional coordination mechanisms have been strengthened, agenda-setting competences have been pooled through the creation of permanent chairs, and a new information and coordination platform, the EEAS, has been created. The vast majority of interlocutors interviewed for this project considered these changes to have a positive impact on external coherence. Nevertheless, not only formal aspects of the policy setting impact on the degree of coordination observed in the EU. The following section turns towards various informal facilitators of coordination, some of which have directly developed against the EU-Russian context.

4.2. Facilitators of coordination: informal coordination practices

The previous section outlined how the formal institutional setting of the EU impacts on foreign policy coordination. In addition, there are also a number of informal practices, some of which have become well-established over time, that significantly contribute to the coordination of external interests and are conducive to more policy coherence. While most of these practices are applicable to a variety of policy areas, this section focuses specifically on their effect on the EU-Russia context.

4.2.1. Socialization

The EU is based on an increasingly thick institutional environment in which individual officials, whether employed by the supranational institutions or the Member States, engage in frequent interaction. Some authors have argued that repeated contacts and information exchange amongst policy makers trigger a process described as ‘socialization’ (cf. Checkel 2003; Checkel 2005). Sociological analysis conceptualized that socialization leads to shared “ways of thinking, feeling and acting” which causes the internalization of rules and norms and creates a we-feeling or identity (Johnston 2001, 493). In European studies, socialization has gained widespread attention. It is claimed that the political life in Brussels with its frequent contacts between officials is a fertile breeding ground for socialization processes which can have an implicit impact on policy outcomes.

A part of the scholarly attention has focused on socialization within EU foreign policy-making, in particular the European Political Cooperation (EPC) and its successor the CFSP. This policy area is dominated by intergovernmental bargaining of Member States in the Council. From its outset the EPC institutionalized regular meetings of different national representatives and thereby changed the terms for social interaction (Glarbo 1999, 640). For Nuttall, the early success of the EPC is rooted in the phenomenon of socialization. According to him, frequent personal contacts with counterparts from other Member States led to “an automatic reflex of consultation” (Nuttall 1992, 312). In the post-Maastricht era, the research field gained more attention and a range of authors researched on socialization of foreign policy makers in the EU (cf. Tonra 2001; Beyers 2005; Lewis 2005; Juncos and Pomorska 2006). Answers from interlocutors conducted for this project were fully consistent with a key finding of earlier empirical studies on the topic: socialization is an ongoing phenomenon in the Council with

tangible effects on policy outcomes. In a variety of ways, interviewees described how they are impacted on by interactions in Brussels; sometimes even to a degree that has affected the way national positions are put forward.

By its very *modus operandi*, Brussels appears to be conducive to socialization. A formerly Brussels-based Member State diplomat explained that there has always been a strong “European feeling” since “the people are every day in contact with all the other nationalities” (MS-01/PolC). The statement points directly to the frequency and intensity of interactions between national representatives, which academics consider as the main cause of socialization. Consistent with the findings of academic research (cf. Checkel 2005; Juncos and Pomorska 2006; Juncos and Pomorska 2008), interviews revealed that socialization effects are primarily strong in the working groups and committees of the Council, where representatives meet regularly to exchange information. One insider spoke of a “club-like attitude” prevalent between “knowledgeable people” (EU-04[EEAS]/Rus).

Interestingly, socialization is not similarly detectable across all Council working groups and committees. A distinction can be drawn between those forums where members are permanently based in Brussels and those where members reside in the capitals. A diplomat’s permanent location depends on the frequency of committee or working group meetings. National representatives in forums that hold only occasional meetings commute from the capitals, whereas their colleagues in forums with one or more weekly meetings are typically required to reside in Brussels. For this project, the analysis focuses specifically on COREPER and the PSC at the

Council committee level as well as the EWP and COEST at the working group level, all of which are forums whose members reside in Brussels.⁷¹

The difference in permanent residence has repercussions for the type and intensity of social interaction. Responses of interlocutors with insights into forums consisting of Brussels-based diplomats suggested that socialization has taken far-reaching forms. A member of the EWP described the atmosphere as “more than great,” adding that “[w]e are all friends” (MS-21/Ener). Another interviewee confirmed the “excellent working relationship” that was rooted in friendships (EU-24[COM]/Ener). Problems are resolved through extensive face-to-face contacts, but also through calls, emails and text messaging (MS-24/Ener). Next to the friendship theme, there was also an indication that the common mission to find consensus and advance the European interest creates profound group-think. COEST representatives consider themselves to be “in the same boat or sometimes in the same mess” and thereby experience a common identity (EU-06[EEAS]/Rus). Similar dynamics were reported from a PSC insider, who described how the strong will to solve problems together had lifted the idea of ‘speaking with one voice’ from a mere slogan to a guiding principle of the committee. In his words

“[...] this is a natural thing to work for. Obviously you work for your national interest but the whole thing is about trying to reconcile your national interest with the interest of the 27. I think it comes from the capitals but it also comes from each and every individual ambassador. And you know – this is the right thing to do!”

(EU-01[EEAS]/ExtR)

In their endeavor to coordinate their policies, socialized representatives have also developed an understanding for challenges to coordination. One diplomat explained that different

⁷¹ COEST meets in different formats, the majority of which consist of Brussels-based experts. In line with the argument of this section, a COEST representative who travels every second month from a capital to Brussels described working relationships that showed no indication of socialization (MS-19/ExtR). COHOM has been excluded from the analysis since only after the field work for this project was conducted a Brussels-based COHOM formation has been founded.

views do not impact on the personal relationships in the group because there is a high level of trust and all members know that every mandate faces certain limits. A PSC insider explained that also in such a moment a ‘we-feeling’ prevails. According to her

“if [the PSC ambassadors] say ‘we want a result’ then they stay in the room until they have a result. And they take into account what difficulties their colleagues from other Member States might have. Of course getting to a result sometimes may take very long. But it is true that they have this kind of group understanding.”

(EU-07[EEAS]/ExtR)

In stark contrast to these examples stand observations from Council working parties composed of capital-based diplomats. There, an EEAS official identified a “completely different attitude”, characterized by more professional relationships (EU-02[EEAS]/Rus). Interviews also revealed that capital-based Member State diplomats found it generally more difficult to hypothetically upgrade the European cause to a level where it would challenge the national interest. While none of them denied the importance that the EU speaks with one voice on external matters, they often referred to a conflict of interests in which they would always give supremacy to the national position. Quoted at length, a Member State official frankly confessed that

“one is a bit torn. On the one hand, everyone who works with us [...] feels European in his heart. On the other hand it is, of course, our job to represent the national [...] position and possibly push it through. Hence it is not always congruent. I would say the primary approach in our daily work is indeed the one focusing on the interests of the nation state. [...] Well, we are not EU officials – after all we are [Member State] officials.”

(MS-01/PolC)

Using similar wording, a capital-based official from another Member State confirmed that he had never ceased to act and think as a national civil servant (MS-07/ExtR). Interviewed diplomats from the capitals thus regarded EU foreign policy-making by and large as a reflection of ‘unity in diversity’, dominated by national interests.

These differences in answers support the claim that strong socialization processes are at work in Brussels, which affect particularly those with a permanent residence in the EU capital. In general, Brussels-based diplomats have a much closer relationship with their counterparts from other countries and seem more willing to challenge their own national interests for the advancement of coordination and consensus. Commonly they experience what could be described as a ‘Brussels-effect’ – close relationships on the edge to friendships and group-think. Thereby, the reconciliation of the various Member State interests becomes a new norm within certain Council preparatory bodies. Rather than defended, national mandates are stretched and fully exploited with strong impact on EU foreign policy-making. This kind of socialization benefits problem-solving and coordination exercises in the respective Council preparatory bodies and thus impacts positively on the coherence external policies.

4.2.2. Development of common values and objectives

Interview data also indicated the development of common values and objectives that facilitate foreign policy coordination. On the one hand, some of them are closely connected to mechanisms of socialization, such as the creation of group-internal norms and identity. A Member State diplomat from the national level described that EU-membership and the deepening of integration has become a reason of state in his home country (MS-01/PolC). This norm has become prevalent amongst many Member State representatives in the Council, is amplified in the various forums and thereby impacts on coordination. A working party representative explained that within the meetings “to achieve consensus is a goal [...] in itself” (MS-15/HuR), implicitly pointing to a robust coordination reflex among the group members.

On the other hand, values and objectives that facilitate coordination are also rooted in events and contacts that intensify the belief in commonality. “It is often through external contacts that we re-discover our own values”, an interlocutor pointed out, indicating that ‘the Other’ can shift the focus from differences to common themes (EU-22[COM]/PolC). In addition, a crisis can trigger a recollection of shared values and ideals. A Member State diplomat explained that “in crisis situations we much more reflect on coordination and coherence” to avoid division and appear united vis-à-vis external partners” (MS-03/Ener). Changes in the EU-Russia relationship which are increasingly viewed as problematic relate to this.⁷² In the past years, views on Russia in the Council, particularly in COEST, have become more common (EU-06[EEAS]/Rus). A high level-diplomat from the EEAS explained that concerns about the EU’s eastern neighbor overcome divisions and facilitate agreement among the Member States (EU-25[EEAS]/Rus). Russia has thus become ‘the Other’ against which values and objectives unify and ease coordination. The EU sanctions towards Russia following the start of the Ukraine crisis in 2014 are a further indication how external events that are perceived as value- and norm-challenging facilitate agreement for responses.

4.2.3. Like-minded groups

An important impact on the coordination of Member States’ interests in the Council comes from so-called ‘like-minded groups’. Like-minded groups are groups of EU Member States that have repeatedly had similar positions on a given topic. Often, this congruence stems from a range of characteristics which are common to all members of the group, such as historical experiences,

⁷² See also section 5.3.1.

geographical proximity, size, location, security concerns, cultural affiliation and economic aspects, and which are reflected in their interests (MS-02/PolC, MS-03/Ener, MS-07/ExtR). For the intergovernmental negotiations in the Council, being like-minded with a range of other Member States has strategic benefits. Like-minded groups coordinate their interests *prior* to Council meetings and eventually present a common position to the other Member States. The procedure provides a chance for Member States, especially the smaller ones, to increase their voice, influence the Council agenda, and steer debates (MS-07/ExtR). In policy areas where QMV applies in the Council, like-minded groups can even exercise extensive voting power.

There are two different kinds of like-minded groups: while some groups are only like-minded on specific issues and formed on an ad hoc basis, others have turned out to be traditionally like-minded on a wide range of issues and practice more institutionalized coordination. Amongst those two categories, issue-based like-minded groups are the more frequent phenomenon. A diplomat from a small Member States explained that “on most issues the coalition happens based on the dossier that is on the table and really created ad hoc. [These groups] are not permanent, they are just issue-related” (MS-11/PolC). Analogous to the realist conception of international relations, Member States seek coalitions whenever it appears beneficial to them in advancing their interest. A diplomat from a small Member State explained quite frankly that

“[w]e always try to contact those countries where we see the biggest potential in terms of the position based on the dossier and not really what the country stands for. Of course it’s better to have a bigger country on your side and we also try to, especially on the political agenda, to look north a bit more than to the south. But I think that’s due to the current economic situation. So it’s based on the facts and not on the liking of this or that country.”

(MS-11/PolC)

Issue-specific like-minded groups only appear to coordinate their positions whenever a given topic gains political relevance or appears on the Council agenda. Coordination can take place at different levels. On the one hand, lower level-level officials from the capitals make use of official diplomatic channels through their embassies or, in more urgent cases, higher-level officials such as the European correspondent or the political director in the Foreign Ministry get in touch with their counterparts from other Member States. On the other hand, Member State representatives in Brussels exchange their views, such as COREPER and PSC ambassadors (MS-05/ExtR, MS-11/PolC). Several, issue-specific like-minded groups have been explicitly mentioned by the interlocutors: a ‘Nordic group’ has shared views on Internal Market aspects (MS-02/PolC); Germany, the UK, Sweden and the Netherlands are usually like-minded on energy topics (MS-03/Ener); and Central and Eastern European Countries are generally like-minded on energy security (MS-06/Ener). Other groups frequently appeared in the media and in the context of overcoming the financial and economic crisis, such as Euro-group countries, the new Member States and southern Member States.

There are also a few like-minded groups that have a more established routine of exchange, although these permanent groups are “the exception rather than the rule” (MS-11/PolC). In this respect several interlocutors referred to the so-called ‘Visegrád Four’ countries, which include the Czech Republic, Hungary, Poland and Slovakia. These Member States, bound among others by similar historical experiences under Soviet rule, geographic proximity and the challenges of the post-transition phase, meet on a regular basis. In the week before a Council meeting, either ministers or political directors from the capitals make a video conference to go through the various agenda items, discuss their positions and engage in the “regular pre-cooking.” In Brussels, the Ministers have one more exchange before the Council meeting starts

(MS-05/ExtR). It is also well-established that Germany and France, sometimes referred to as the ‘motor of European integration’, tend to coordinate their interests. Similarly the Baltic States have a special relationship and shared interests that they regularly coordinate, for instance due to the large Russian minorities in their population (MS-13/HuR). However, while long-standing like-minded groups can facilitate the policy coordination process, they do not necessarily guarantee to do so. There may be areas in which like-mindedness faces limits. An interlocutor pointed out that “even though you may be like-minded, there may be different interests.” Energy policy, for instance, is not subject to an “overarching manual” and even in long-standing like-minded groups issues still arise “on a case-by-case basis” (MS-06/Ener).

With regard to the EU’s foreign policy towards Russia, like-minded groups play an important role in shaping the direction. An insider revealed that prior to COEST meetings Member States’ stances are coordinated in a range of like-minded groups (EU-06[EEAS]/Rus). Another interviewee described how the foreign ministers of the Visegrád Four countries had a 30 minutes long dinner to coordinate their positions before all EU Foreign Ministers met their Russian counterpart Sergey Lavrov (MS-07/ExtR). Such examples show how like-minded groups can have a direct impact on EU external policies towards Russia. The key is, however, that group-internal coordination reduces the general amount of conflict potential and thereby contributes to the formulation of more coherent policies.

4.2.4. Uploading

Different EU Member States uphold a variety of relations with third countries. It is undisputed that most Member States are protective of this prerogative and that, under the current

institutional structure, it is therefore unlikely that the EU will ever substitute these relations (EU-25[EEAS]/Rus). A high-ranking Member State diplomat made clear that “[i]f there is a bilateral aspect then countries have a preference to deal with the issue in a bilateral way” (MS-05/ExtR). However, there are also moments when Member States, conversely to their normal behavior, pro-actively push to lift a bilateral foreign policy topic to the EU level. The aim behind what some interlocutors (EU-04[EEAS]/Rus, EU-06[EEAS]/Rus, EU-25[EEAS]/Rus) and academics (cf. Schmidt-Felzmann 2008, 173–176) call ‘uploading’ is to Europeanize an issue and utilize the combined weight of all Member States to pursue individual interests or solve bilateral problems.

The strategy to upload deserves some qualification. First, a range of studies on EU foreign policy have drawn a difference between large and small Member States. The predominant conclusion is that small member States have less administrative and material resources at their disposal and therefore tend to be more active in pursuing their foreign policy aims through the EU (Whitman 1998, 202–203). On the other hand, larger Member States such as Germany, France or the UK are more prone to engaging in bilateral negotiations (Schmidt-Felzmann 2008, 171–172). Second, there is evidence for regional variation. Member States located in geographical proximity to Russia, the majority of which have vivid historical experiences under Soviet rule, often favor to deal with Moscow at the European level (EU-11[COM]/Ener, MS-05/ExtR, MS-09/Rus). Third, not all topics get equally uploaded. There seems to be a specific pattern regarding issues that Member States would like to see dealt with at the EU level and those they prefer to retain for their own bilateral relations. An interviewee relatively frankly distinguished between the “nice things”, such as trade or cultural exchange, which Member States manage bilaterally, whereas “difficult tasks” such as trade problems or human rights issues are uploaded (EU-25[EEAS]/Rus, also EU-04[EEAS]/Rus). Vis-à-vis

Russia, the Member States frequently encourage the Commission to stay strong and “defend of the internal market”, for in instance with regard to the third package for electricity and gas markets (EU-17[COM]/Ener).

Finally, uploading also depends on the perceived strength of the third country. For instance, an interviewee with insights into the dynamics of Council working groups highlighted that Member States gladly manage bilateral human rights relations with countries such as Turkmenistan whereas they often refrain to do so with Russia which is regarded as too powerful (EU-06[EEAS]/Rus). Uploading is then used as a strategic device to ‘outsource’ bilateral disputes with third countries that could otherwise backfire on other national interests. A prominent example is the murder of Alexander Litvinenko, a former officer of the Russian Federal Security Service who had escaped prosecution in Russia, received political asylum in the UK and eventually died of lethal polonium-210-induced acute radiation syndrome. Although the case was essentially a UK-Russia bilateral question, the UK – in many ways infamously known for its rather negative stance to more Brussels involvement – was particularly keen on bringing the issue to the EU level (EU-02[EEAS]/Rus, MS-05/ExtR).

Institutionally, uploading is generally observed in the Council where each Member State is represented. There, individual Member States use various channels to influence the Council agenda, trigger discussions and eventually provoke the development of a common EU line on an issue. European studies research has shown that uploading is particularly pursued by those countries that hold the EU Council Presidency since they, in agreement with the General Secretariat of the Council, set the agenda (Tallberg 2003; Tallberg 2008). A Member State representative who chaired a Council working party during her country’s presidency term and who was actively involved in drawing up the presidency program made clear that “[w]e are not

naïve – we do understand that it is impossible to solve our problems but we can highlight them” (MS-23/Ener). A concrete example in this respect is the Lithuanian Council Presidency during the second half of 2013. Being a small country that experienced decades under Soviet rule and nowadays has security concerns about Russia, Lithuania, as some interlocutors pointed out, formulated a presidency program that was nuanced towards its own interests and placed a special emphasis on EU-Russia relations (EU-24[COM]/Ener, MS-20/Ener).

Such examples present how the informal practice of uploading brings topics to the European level that would otherwise not be dealt with there. Member States strategically communitarize their individual problems and seek support for their cause. Resolution at the higher level is often given since the urgency of the matter facilitates coordination. Moreover, lifting a bilateral issue to the EU encourages Brussels to speak with one voice in the international arena and thereby contributes to more external coherence.

4.2.5. Defining the focus: ‘Key Outstanding Issues’

In the EU, formal institutional reforms always leave some room for the development of informal practices and dynamics within newly created forums or bodies that impact on the EU’s functioning. The growing impact of the EEAS on foreign policy coordination for instance is not only rooted in formally assigned roles. After its creation, processes developed that could neither be designed nor predicted beforehand (cf. Carta 2012, chap. 7). The compilation of the so-called ‘Key Outstanding Issues’ is a prime example in this respect. The name refers to a regularly updated and publicly undisclosed document that lists issues of common concern towards Russia. It is of central importance in the coordination process of a common European external approach

towards the eastern neighbor. The fact that Russia is the only partner country for which such a document is prepared highlights on the one hand its special status as a partner, and on the other hand the multitude of diverse interests that prevail towards Moscow. The ‘Key Outstanding Issues’ therefore seek to give guidance to the EU’s and Member States’ bilateral relations with Russia (EU-06[EEAS]/Rus).

In more detail, the document consists of a long list of outstanding issues regarding the eastern neighbor and advises a line to take for each of them. Generally, the ‘Key Outstanding Issues’ are updated in a lengthy and comprehensive coordination process prior to any important meeting with Russia. The EEAS first prepares a draft version, consisting of input from each Commission DG: issues that remain unresolved, issues that developed and issues that have been resolved. In a second step, the EEAS analyzes, shortens and edits all information before it consults its Russia contact points in every DG whether they endorse the final draft version. Eventually, the document is passed to the Council hierarchy where it is discussed by the Member States at committee and ministerial level and formally adopted (EU-02[EEAS]/Rus).

The main value of the ‘Key Outstanding Issues’ is the creation of a document that stretches horizontally across different policy areas and that has the support from actors at both EU and Member State level. The ‘Key Outstanding Issues’ go deeply into minute detail and are therefore, according to a senior EEAS official, the “most important indicator” that the Member States’ approach towards Russia is more coordinated than it might sometimes seem (EU-25[EEAS]/Rus). In the words of another EEAS official “that adds to coherence because we got some documents, some lines to take that we use and agree with the Member States and then they are put on the table” (EU-02[EEAS]/Rus).

The ‘Key Outstanding Issues’ are thus an example of an informal agenda-structuring practice that has advanced over time and eventually become a well-accepted policy guidance document for bilateral relations with Moscow. Thereby, the inclusiveness and sophistication of the inter-institutional coordination process is unrivalled by any formal procedures that seek to reconcile external interests towards Russia that prevail in the EU. The very existence of the document and its uniqueness therefore highlights the importance of informal practices within the policy setting of the EU and their positive impact on external policy coherence towards Russia.

In conclusion, besides the formal aspects listed in section 4.1, the EU’s policy setting consists of a number of informal facilitators of policy coordination. A lack of external coherence triggers their reinforcement which confirms the first main hypothesis of this chapter. The impact of these coordination mechanisms should not be underestimated. Not only do they significantly contribute to the formulation of more coherent policies, but they are also more flexible in their development and can therefore respond effectively to experienced external challenges. Consequently, unlike the formal mechanisms, many of the informal practices of policy coordination evolved against the increasingly problematic background of EU-Russia relations. Uploading or seeking like-minded countries have become viable strategies to give more voice to one’s concerns regarding Moscow. Socialization processes and the development of common values and objectives have created an unprecedented we-feeling and identity amongst those policy makers involved in formulating Russia policies. One of the most remarkable outcomes of these informal practices is the formulation of the ‘Key Outstanding Issues’: the preparation of this comprehensive document on Russia emphasizes the importance of informal processes in complementing formal coordination mechanisms. In fact, the ‘Key Outstanding Issues’ come

closest to a ‘Russia policy’ that many interlocutors for this project and general commenters of EU-Russia relations are regretfully missing.

4.3. When coherence is lacking in the EU’s foreign policies

The previous two sections depicted formal and informal elements of the policy setting that facilitate the coordination of actors’ foreign interests and are conducive external coherence. Thereby, two diverging trends could be detected. On the one hand, institutional reforms of formal coordination mechanisms were often triggered against the background of improving the effectiveness of EU external policies at large. While a direct causality to the EU-Russian context could rarely be supported, their timing largely coincides with growing bilateral tensions. On the other hand, the observed development of various informal practices aimed at facilitating coordination often came as a direct response to the challenges experienced vis-à-vis Moscow. Whether direct causality can be inferred or not – both formal as well as informal elements of the policy setting have widely been interpreted as to facilitate coordination and increase external policy coherence towards Russia.

Nevertheless, there is no guarantee that changes in the formal and informal coordination structure of the policy setting lead to more external coherence. This section presents a number of examples where a lack of coordination and external coherence is directly rooted in the policy setting. While in most of these cases, the reasons lie in larger systemic deficiencies, in some cases they can be traced back to adverse effects of institutional reforms. The following paragraphs thus confirm the second part of the second hypothesis of this chapter, namely that *changes in the coordination structure of the policy setting do not lead to more external*

coherence under all circumstances. To show this case, references are made to missing competences, adversities of the institutional framework, turf wars, the lack of strategic objectives and administrative overload.

4.3.1. Missing competences

One reason for a lack of European foreign policy coherence vis-à-vis Russia is closely connected to the degree to which competences have been transferred to the supranational level. In some policy areas, such as trade, the Commission has exclusive competences and decisions can therefore be taken by a single authority. The avoidance of far-reaching coordination exercises amongst potential veto-players makes the design of coherent foreign policies a comparatively simple exercise. However, particularly in the area of external relations, competences remain in many ways decentralized and large shares reside with the Member States. The area of CFSP is the classic example of intergovernmental policy-making. But also in areas where competences are shared, such as energy, the positions of Member States are characterized by diverse economic and security interests that require coordination. Multiple institutionalized forums in the EU offer its members an opportunity to discuss and negotiate certain topics. However, this does not mean that agreement is necessarily found. As a high-ranking EU diplomat put it, “when the EU is unable to speak with a common voice it is not because the institutions are not there. It is because you don’t have the consensus among the 27 Member States” (EU-01[EEAS]/ExtR) Specifying the problem of diverse interests coupled with a consensus-requirement in the area of CFSP, the interlocutor added that

“[...] you need to have consensus. To put it in another way, every Member State has a right to veto. And obviously when it comes to coordination you end up with the lowest common denominator. It would be difficult and useless to conceal that in some cases you cannot have consensus. And I think this is a very painful exercise because you need consensus if you want the EU to demonstrate its strength and you want the EU to be a global player. And because of the lack of consensus it is not happening.”

(ibid.)

The quote shows how the diversity of interests amongst Member States is a problematic yet well-accepted characteristic of EU foreign policy-making (see also Wong and Hill 2011). A comprehensive coordination of interests is, in the words of a former high-level EU and national diplomat “a bit of an illusion [...] because these are sovereign states with sovereign foreign ministers, who are doing their job” (MS-12/ExtR). Consequently, in cases where Member State interests are incompatible, some policy options may be unavailable because of a lack of competences at the supranational level. However, what is more important for this case is that the statements of the above-cited and other interlocutor hint in the direction that the policy setting is a necessary but not sufficient condition for external coherence. As long as competences remain decentralized and diverse interests persist, coordination mechanisms can facilitate external coherence but are no ultimate guarantee full coherence is reached.

Under the EU’s current lack of competences, particularly two elements undermine external coherence towards Russia. On the one hand, the formulation of a common policies is undermined by vast domestic differences between the Member States in various areas (MS-07/ExtR). The field of energy, for instance, reveals fault lines in terms of access to resources and the associated approach to secure imports. Member States retain the competence to decide over their energy mix and main supplier. The associated commercial deals, many of which are long-term contracts with Russian state-owned enterprises, are generally kept secret. A resulting problem is particularly evident in the case of Russia: information sharing on energy pricing is

widely considered as central to more external unity, yet so far any substantial attempt to increase coordination on the subject has, in the words of a key negotiator on the subject, “really, fully, totally failed.” As a result, “the only guy who knows how much different Member States pay for their gas sits in Moscow” (MS-08/Ener). The example illustrates how actions that lie outside the supranational sphere of competences can undermine a common European approach and thereby impede external coherence (EU-03[EEAS]/ExtR).

On the other hand, a lack of external coherence is also a consequence of incompatible positions regarding the broader political approach towards Russia. A distinction can be drawn between two camps. Some Member States see Russia as a potential partner that should be integrated into the European orbit through a process of Europeanization and rapprochement. They advocate common institution-building to strengthen political ties with Russia and to promote economic integration. Other Member States, most of which have common memories and experiences under the rule of the Soviet Union, see Russia as a threat. Accordingly, they support a harder line towards Moscow, based on values such as respect for democracy, the rule of law and protection of human rights. At the same time, they support EU integration of the EU’s eastern neighbors and NATO eastwards expansion (Giusti and Penkova 2012, 121).

Despite these differences, all EU Member States have a considerable interest in Russia. This is illustrated by the fact that Moscow, besides Washington, is the only capital in the world where all Member States, including small ones like Malta, are represented with an embassy (EU-25[EEAS]/Rus). The architecture of bilateral relations between EU Member States and Russia is though, in stark contrast to EU-Russia relations, generally not institutionalized (MS-19/ExtR). Most meetings take place on an ad-hoc basis; a circumstance that makes it easier for Russia to respond to specific interests of individual Member States and apply its strategy of divide and rule

(EU-25[EEAS]/Rus).⁷³ The resulting patchwork of EU and Member State relations with Russia has negative implications for both vertical and horizontal coherence and fundamentally undermines the idea of an EU speaking with one voice on external matters.

Consequently, the reason for a lack of vertical coherence towards Russia is directly rooted in missing competences of the EU to formulate a common line to take (MS-07/ExtR). Most interlocutors could not see a change to the status quo in the near future; the prerogative of Member States to uphold their own bilateral relations with Russia was considered unlikely to cease. Even more radical, an EEAS official doubted that the EU would ever substitute or replace Member States' external relations under the present system (EU-25[EEAS]/Rus). Similarly convinced, a high-ranking Member State diplomat was of the opinion that the "[...] national aspect will remain with us [as long as] the nation states will be present. And in my conclusion that will prevail: the nation state has a future, even within the EU" (MS-05/ExtR). In summary, as long as competences remain decentralized within the policy setting rather than pooled at a single authority, mechanisms for interest coordination develop only insufficiently. This constellation, a central characteristic of the EU's policy setting, has negative repercussions for external coherence.

4.3.2. Institutional framework

One result of the incomplete transfer of competences to the supranational level is the EU's multi-layered and fragmented institutional framework in which foreign policy is conducted. In fact, it is hardly possible to speak of *the EU* as a single foreign policy actor since multiple institutions

⁷³ See also section 5.3.1.

are involved in the process of foreign policy-making.⁷⁴ On the one hand, the supranational European Commission has its own foreign affairs program that it seeks to promote. On the other hand, the intergovernmental European Council defines principles and general guidelines of EU external relations specifically in the area of CFSP. On this basis the FAC adopts *joint actions* or *common positions* by unanimous decision-making. Within this institutional structure, the EEAS, charged to implement the CFSP and other areas of the EU's external representation, is searching for its role and influence. This fragmentation of the policy setting undermines external coherence.

It is a paradox of EU foreign policy-making that the creation of the EEAS, an autonomous service that is sometimes referred to as the 'EU's foreign ministry' and which is supposed to bring unity to external policies, is also adding complexity (cf. M. E. Smith 2013). Despite its far-reaching procedural influence on the EU's external policies, the EEAS has not prepared an overall foreign policy program. This neglect jeopardizes the very idea of creating foreign policy coherence. Prior to the Lisbon Treaty when the EEAS was set up, EU external policy-making was in some ways more structured than it is nowadays. An EEAS official explained that the rotating Council Presidencies had always formulated a program with clear objectives they wanted to achieve during their six months term. With the creation of the EEAS and the introduction of permanent chairs that took over the agenda setting in a variety of Council forums, no real programming took place. During the interview held in December 2012 and thus two years after the launch of the EEAS, the official concluded that "it is getting better now but we still don't have anything like a presidency or an EEAS program" (EU-07[EEAS]/ExtR).

⁷⁴ In order to illustrate the complexity of EU foreign policy-making, the different actors are depicted in this section. However, as described in the introduction of Chapter 2, as a heuristic device, this project generally treats the EU as *one* foreign policy actors, since the Treaty of Lisbon sets out common foreign policy objectives for the entire EU.

The main problem with the EEAS is that the Lisbon Treaty created a body and its tasks without specifying its functioning. The entire work for a global foreign policy service of 3400 staff and 139 delegations had to be defined and organized from scratch and its output integrated in the EU's already complex institutional environment. The first HR Catherine Ashton described her job as "trying to fly a plane while still bolting the wings."⁷⁵ Using a similar metaphor, an EEAS official spoke of "a baby trying to walk" and added "but we have to run at the same time because Member States want results," (EU-05[EEAS]/ExtR), clearly hinting at the high expectations that surrounded the new service. Against this benchmark, the impact of the EEAS on the foreign policy-making processes still remains relatively low. Institutional isomorphism, a well-known phenomenon within the EU, has not generated the new key actor as that it was envisioned. Accordingly, not all interlocutors were praising the Foreign Service. Some interviewees from the EEAS and the Member States openly blamed the first HR Lady Ashton to be a "weak" figure that clearly missed the chance to create a strong body that would make an impact on the coherence of EU foreign policy (EU-02[EEAS]/Rus, MS-05/ExtR, MS-06/Ener, EU-07[EEAS]/ExtR).

With the creation of the EEAS, also the external representation has become more fragmented than it already was. Still, the EU as an external actor is not easy to comprehend for the EU's partners. While Henry Kissinger was already unsure who he should call if he wanted to call Europe during his time in office as Secretary of State of the United States, the situation has become further complicated. Nowadays, the President of the European Council, the President of the Commission, the HR, the EEAS, delegations of the EU and the Member State holding the Council Presidency do all carry out external functions on behalf of the EU.

⁷⁵ European External Action Service, EEAS Review 2013, Foreword, p.1.

EU-Russia relations are a recurring example of how the fragmentation of the institutional framework can materialize in a lack of external coherence. Russia is a highly centralized foreign policy actor with one political level and a company level very closely entangled with the state. In fact, in negotiations on energy, Gazprom often appears as “Russia’s sword executing state policies” (EU-20[COM]/Ener). Conversely, the policy setting of the EU is extensively fragmented, spreading over the supranational, national and corporate level, while each of these levels consists of different actors. This setup causes a disadvantage when dealing with a unitary block like Russia, since diverse and potentially uncoordinated approaches of various actors contradict the idea of external coherence.

From the side of the EU, direct contacts with Russia are accordingly dispersed across various players. While most of the everyday bilateral relations are handled via the EU’s representation in Moscow (EU-09[EEAS]/Rus), the EEAS and the Commission lead the negotiations in various dialogues and forums, for instance those associated with the Partnership and Cooperation Agreement (PCA), the Permanent Partnership Council (PPC) or the Partnership for Modernisation. During the Ukraine crisis, particularly the HR and the President of the European Commission represented the EU position. However, during the Russian-Ukrainian gas dispute of 2009 the Czech Council Presidency was mandated to speak to Moscow on behalf of the EU (MS-08/Ener). In addition, on the side of the EU, negotiations on long-term energy delivery contracts are led by the corporate level without any political involvement. These diverse points of intersection with Russia, each handled by a different actor stand synonymously for a completely fragmented institutional framework that transports a plethora of diverse messages and thereby undermines EU external coherence.

4.3.3. Turf wars

A third problematic issue which impacts on the EU's foreign policy coherence is closely associated with the complexities of external policy-making. In certain situations, different actors that take part in policy-making process compete for influence. These 'turf wars' are a relatively known phenomenon in the external policy setting in Brussels and have been interpreted as "a result of a fundamental ambiguity over where final authority resides within the Union" (Bickerton 2010, 219). Turf wars in the area of foreign policy traditionally existed between the Commission and the Council and their respective coordination forums. Nevertheless, a number of more recent examples have further complicated EU external policy-making. It is particularly striking that these new turf wars originate in institutional reforms of the Lisbon Treaty that were designed with the intention to reinforce external policy coordination. Paradoxically, some reforms have had adverse effects, making certain aspects of the coordination exercise more complicated and hence impeding external coherence. In the present context of EU foreign policy-making, the more recent turf wars thus need to be understood as deficiencies in the attempt to strengthen coordination mechanisms: new questions of final authority have arisen amongst the involved actors, leading to competition and struggles for influence.

The prime example of a new turf war is that between the EEAS with the European Commission. From its outset, the new Foreign Service was institutionally situated relatively close to the Commission since the former DG RELEX was merged into it. The Lisbon Treaty created the EEAS with the aim to become an information and coordination hub for the external policies of the EU. However, this institutional reconfiguration did not imply that the Commission would give up its ambitions to influence the EU's external agenda. An EEAS official explained that "after the creation of the EEAS [...] the coordination aspect has become much, much more

difficult” since “Commissioners in their particular area want to do foreign policy, too. So they don’t only want to coordinate [with the EEAS]” (EU-02[EEAS]/Rus). The Commission’s claim is illustrated by the organizational structure of various DGs which include units responsible for external relations in the respective policy area.

Turf wars between the Commission and the EEAS do result not only from unresolved questions of final authority to coordinate, but have also been sparked by the European Council. In the past, the Heads of State or Government charged both actors to prepare elements of the same policy area. An example are the provisions of the February 2011 European Council. EU leaders invited the Commission to submit a Communication on security of supply and cooperation to improve the consistency and coherence of the Union’s external action in the field of energy. Simultaneously, they charged the HR, in her functions institutionally assisted by the EEAS, “to take fully account of the energy security dimension in her work.”⁷⁶ Consequently, both the Commission as well as the HR/EEAS were involved in overlapping tasks while the question of authority was not settled. An interlocutor explained that such cases frequently lead to inter-institutional competition and rival approaches with negative effects for external coherence (MS-07/ExtR).

In the European institutions, turf wars often origin from a gradual expansion of competences initiated by some actors. An example par excellence is the division of labor between the FAC and its preparatory body, the PSC, on the one hand, and the Council formations prepared by COREPER on the other hand. In the past, competences were considered of paramount importance and the tasks clearly divided. Regarding EU-Russia summits for instance, COREPER dealt with the overall coordination while the PSC prepared only the CFSP

⁷⁶ European Council Conclusions, Document EUCO 2/1/11 of 8 March 2011, p.4.

aspects (EU-02[EEAS]/Rus). Any energy or Justice and Home Affairs issues “automatically went to COREPER and nobody in the PSC questioned this practice” (EU-01[EEAS]/ExtR). Nevertheless, the division of labor between these preparatory bodies and the respective Council formations has become increasingly blurred. Officials observe increasing institutional competition between the committees over the agenda; a situation that gained particular momentum since the Lisbon Treaty formally conferred competences to the PSC.⁷⁷ While the chain of command remains intact with COREPER finalizing the preparation for ministerial level meetings, under the influence of a permanent chair from the EEAS the PSC has attempted to extend its portfolio and that of the FAC.

In this respect, energy policy has been described as a “hot potato” (EU-01[EEAS]/ExtR). It is per definition a Council issue, prepared in COREPER for the TTE and agreed under QMV. Nevertheless, throughout the past years the security dimension of energy has increasingly gained attention. One of the main reasons is the high dependence on Russian imports, a situation that is widely considered as problematic. Recurrent delivery stops during the Russian-Ukrainian gas crises, political instability in the transit states, and the growing general tensions with Moscow are just some of the examples pointing out that energy is not just an internal market issue. In fact, throughout the past years the topic has become a frequent item on the external agenda and appeared in virtually all debates on Russia (*ibid.*).

For this reason, energy was informally discussed in the PSC already before the Lisbon Treaty, claiming that it touched upon CFSP issues (EU-01[EEAS]/ExtR). The new topic marked the beginning of an agenda expansion in the post-Lisbon era. Charged with the preparation of the

⁷⁷ Article 38 TEU lists the competences of the PSC. It shall monitor the international situation in the area of CFSP, contribute to the definition of policies, monitor the implementation of agreed policies and contribute to crisis management operations.

PSC, the young EEAS sought influence in the area of energy and therefore facilitated a discourse dominated by security considerations. As a consequence, for the first time the Director General of DG Energy had an exchange with the PSC. The meeting was noteworthy since its very occurrence illustrates the growing influence of the EEAS/PSC on the energy agenda. In this respect, an insider noted that officials from the European Commission “normally try to avoid to meet us because they consider energy as their competence. So they don’t necessarily see why we as the PSC should get into this” (EU-07[EEAS]/ExtR). Politically even more sensitive, for the first time in July 2012, energy security and Russia were discussed in the FAC during a meeting that was attended by the Commissioner for Energy, Günther Oettinger.⁷⁸ For that occasion, the EEAS had drafted a non-paper on EU external energy policy, a further indication how the new service sought to extend its influence in the area with a contribution to the political discourse (MS-16/PolC).

The problem with such examples is that different actors aim at shaping a policy while their concern for influence is potentially larger than that for coordination and external coherence. A result of such turf wars is for instance, that both the EEAS and DG Energy formulate energy policies towards Moscow. An EEAS official explained that the service has “a very clear view of what we want in the energy field with the Russians” (EU-02[EEAS]/Rus). However, the sectoral Energy Dialogue with Russia is organized by Commission officials from DG Energy which coordinate only very little with their EEAS counterparts (EU-23[COM]/Ener). The view of an interlocutor that “the EEAS is not the brother or sister of the Commission but rather a distant cousin” emphasizes the discrepancies (EU-19[COM]/Ener). Rather than joining forces, the creation of the EEAS has led to competition over authority in the area of energy that hampers

⁷⁸ Council of the European Union, Press Release of the 3183rd Council meeting (Foreign Affairs), Document 12800/1/12 of 23 July 2012.

coordination practices. Consequently, the clear division of tasks and protection of the turf makes a unified EU approach towards Russia “a little bit difficult” (EU-02[EEAS]/Rus).

Turf wars are thus a recurrent feature in EU external action. They have their origin in the decentralized policy setting of the EU in which certain tasks are not clearly assigned, overlap, and cause competition over final authority. Better coordination mechanisms could help to overcome this problem. Yet paradoxically, as it has been shown a number of institutional reforms from the Lisbon Treaty have rather worsened the situation. Aimed at improving the EU’s external performance, in particular the creation of the EEAS has caused unprecedented turf wars in the area of external relations. Some of them are fought directly by the EEAS, others in forums where the Foreign Service sets the agenda, yet all of them have in common that they fragment EU foreign policy which impedes external coherence.

4.3.4. Strategic objectives

It is frequently argued that the lack of coherence of EU external relations is rooted in a fragmentation of external representation. In this respect, Henry Kissinger repeated his famous quote in June 2012 at a panel discussion with Poland’s Foreign Minister Radoslaw Sikorski that “[i]t isn’t really absolutely clear when America wants to deal with Europe who exactly the authorized voice of Europe would be.” However, he also added that “[m]ost importantly, on many issues, there doesn’t really exist a unified European strategic approach.”⁷⁹

⁷⁹ The Wall Street Journal, “Kissinger Still Lacks a Number to Call Europe” by Marcin Sobczyk, published on 27 June 2012. Accessed on 22 July 2015: <http://blogs.wsj.com/emerging europe/2012/06/27/kissinger-still-lacks-a-number-to-call-europe/>

It is this general lack of a strategic approach and objectives that impact negatively on the coherence of EU external policies. A Commission official frankly called “the lack of strategic objectives [in its external relations] a key weakness of the EU” (EU-12[COM]/Ener). Its approach to Russia is a prime example. Different high-level EEAS officials made very clear that there was no such thing as an agreed policy on Russia and that this caused a lack of coherence within but mainly across sectors (EU-01[EEAS]/ExtR and EU-05[EEAS]/ExtR). Often this is a direct result of the multitude of diverse and irreconcilable interests in the decision-making process. Some interviewees pointed out that it was much easier for individual Member States to set up their own strategy on Russia than for the EU as a whole. The consensus needed by the 28 Member States spoils agreement on meaningful objectives since too often negotiations get lost in the “nitty-gritty” and consequently there was “only broad stuff that everyone can agree to” (EU-04[EEAS]/Rus). The lack of strategic objectives is thus implicitly related to the lack of a final authority.

The more recent years have witnessed an attempt to develop a more strategic foreign policy approach that likewise exemplifies the difficulties and the reason for failure. Post-Lisbon, the new President of the European Council sought to give new impulses and put ‘strategic partners’ as a new point on the agenda. EU foreign ministers were invited to intensify work on the topic, in particular to develop new ideas and guidelines with the so-called BRIC states (Brazil, Russia, India and China). However, overburdened with work and having more pressing issues on the agenda, neither of the Council formations composed of Foreign Ministers got active. Whereas the focus of the GAC was placed on the preparation of European Council meetings and coherence among the work of other Council formations, the FAC was dealing with various crisis situations around the world, including the Arab Spring, the Civil War in Syria and

the crisis in Ukraine. A Member State diplomat bluntly voiced his opinion why the EU misses out on developing more strategic guidelines in its external relations:

“In reality it is extremely difficult that foreign ministers are dealing with an issue that is not burning. [...] The Council is a place for the Ministers to discuss current topics and maybe to find a solution. [...] Strategic discussions take place only rarely since they don’t make it on the agenda due to more urgent foreign policy issues. [...] Every time that the FAC or the GAC have attempted to put more cross-cutting issues or the topic of the Strategic Partnerships in the center of discussions it has not worked.”

(MS-16/PolC)

In a similar way, also European common values, much-cherished by many and supposedly providing a basis for the EU’s foreign policy do hardly guide EU external affairs or lead to action (MS-08/Ener). Using the example of finding agreements on sanctions, a Member State diplomat explained that values could provide a general policy frame, yet the last part of negotiations in the Council was exclusively utilized to defend the national interest (MS-07/ExtR). Another interviewee was particularly outspoken in blaming the large Member States for the discrepancy between the idea of European common values and actual foreign policy output. According to him, larger Member States often form a position in their own bilateral relations which limits their room for maneuver in coordinating a line to take for Brussels. Small Member States, on the other hand, are generally more willing to participate in the CFSP and also feel bound to the EU position in their bilateral relations (MS-16/PolC).

With regard to human rights policies, the EU is for instance missing a clearly structured catalogue of measures, including guidelines and prioritizations for reactions in specific events that would ensure more coherent policy responses. Without such a catalogue, the area risks to be based on *ad hoc* fit. An example is that specific human rights violations on the Russian side cause a multitude of different responses from the EU, ranging from strong criticism to inaction.

Even Commission diplomats are at times puzzled about this variety and openly assume that economic interest may play a strong role (EU-14[COM]/HuR).

Common strategic objectives are also missing in the area of external energy policy. Taking the example of security of supply and the problem of recurrent unreliability of transit countries for Russian energy supplies to the European market, Member States and the EU have acted consistently incoherent. Many Member States deepen relations with Russia with bilateral or multilateral pipeline projects, partly without coordinating their approaches. On the other hand, the EU's approach is to strengthen the Energy Community and externalize the IEM; a strategy that is somehow predefined since the supranational level can act without the consent from the Member States on these two policy aspects. In the words of a critical Commission official, this indicates that "Member States don't know what to do, the EU has no competences and hence there is no such thing as a clear Russia Policy" (EU-23[COM]/Ener). The variety of uncoordinated approaches can cause conflicting messages and thereby impede a coherent external approach (EU-12[COM]/Ener).

In summary the policy setting of the EU produces a range of co-existing Member State and EU policies. Particularly energy policies towards Russia exemplify how relations and approaches can take different forms. Thereby, over-arching strategic objectives that would guide all policies into a single external approach are largely missing. Once again, at a more general level this pattern can be traced back to an incomplete transfer of competences to the EU level that goes hand in hand with the unwillingness of the Member States to give up their prerogative to formulate certain external policies. Confirming the negative outcome of the second hypothesis advanced for this chapter, changes in the coordination structure of the policy setting have not overcome this problem. Despite successive Treaty reforms aimed at facilitating coordination, the

lack of strategic objectives that would help to formulate more coherent external policies remains a central characteristic of EU foreign policy.

4.3.5. Administrative overload

Finally, a last factor that constrains coherence of external policies is the increasing inability of the institutional structure to deal with the amount and the complexity of the topics to be coordinated. This criticism applies particularly to the Council where the efficiency of the above-quoted ‘escalation ladder’ is compromised by the sheer workload in some forums. Already at the committee level COREPER ambassadors are overloaded with issues. An insider explained that “in COREPER [...] you are always under time pressure and you have a multitude of very different topics. [...] There is one single ambassador of a country who has to know everything. Everything! So it is an impossible job” (MS-12/ExtR). The same interlocutor saw strong parallels to the meetings of European Heads of State or Government, when arguing that “this is a bit similar to the European Council – you could raise the same question. Why don’t they coordinate? Because they are representing Member States and they haven’t got the time and the knowledge to go down deeply into the inter-sectorial organization of things” (ibid.).

In addition, the financial and economic crisis has dominated the agendas in Brussels and thereby negatively impacted on the EU’s ability to conduct coherent foreign policy. “As long as the economic and financial crisis persists we are handicapped in foreign affairs”, a high-ranking EEAS diplomat pointed out (EU-25[EEAS]/Rus). The effects are for instance visible in the area of energy, where a Member State official regarded the issue-attention on financial problems to cause “a situation in Europe in which we are unable to cooperate.” Policy areas besides those

being essential to restore financial stability were simply not “at the utmost interest [...] for policy makers” (MS-08/Ener). These observations are confirmed by the topics discussed at the European Council since the beginning of the crisis. The agenda at the meetings and the European Council Conclusions have been pre-occupied with financial and economic points (MS-16/PolC). In the perception of Russia, the EU has therefore become a weakened partner that is unable to accomplish its desired role in the world (EU-25[EEAS]/Rus).

4.4. Conclusion

The policy setting of the EU is based on a highly complex system, designed for consensus-finding and decision-making amongst a variety of actors. In the area of EU external policy-making this endeavor is particularly challenging. Different interests of various actors clash on a constant basis and impede agreement on the formulation of a common foreign approach. This aspect has negative implications for the EU’s external coherence. Such observations can be made when investigating EU external relations at large but the specific context of the partnership between Brussels and Moscow offers a particularly rich laboratory for empirical research: on the one hand, the involved parties have high expectations about developing an increasingly deepened relationship that stretches across many policy areas. On the other hand, these expectations are repeatedly not met. The EU suffers from constant coordination failures between interests of political stakeholders that undermine an EU that would speak with one voice. In this respect, an EEAS diplomat spoke of “a mess because there is no prescription or overall imperative to come to a consensus, and there is no mechanism for that. Hence in cases with different views there can be a mess” (EU-16[CoEU]/Ener).

It is for that reason that successive modifications of the policy setting have been undertaken. A variety of examples listed in sections 4.1 have confirmed the first main hypothesis that the lack of external coherence triggers the reinforcement of vertical and horizontal coordination mechanisms in the policy setting. Various institutional and legal reforms sought to improve the formal procedures of external policy-making and make them more conducive to the coordination of interests. The European Council provides increased policy guidance for external policies. The Council of the European Union and the European Commission are built on highly sophisticated and hierarchical coordination mechanisms which are still being refined to improve their effectiveness. A range of horizontal mechanisms have been created to improve the coordination process between different external policy areas and actors. The most far-reaching case of institutional reform to facilitate EU external action is, nevertheless, the creation of the EEAS. Together with the HR, it is charged with keeping the overview over the EU's entire external approach, serving as an information platform for other actors and molding the different interests into more coherent foreign policy proposals.

Yet, the first hypothesis was confirmed not only with references to formal institutional reforms. Section 4.2 presented informal facilitators of coordination that developed as a response to a perceived lack of external coherence. Socialization processes emerged within different forums where actors frequently meet. Interactions are deepened with the aim to improve coordination and consensus-finding. Most of these dynamics can be observed in the intergovernmental working parties of the Council. Associated with socialization processes and with the aim to speak with one voice is also the development of common values and objectives. Moreover, actors use specific strategies to strengthen their external position by merging it with those of others into a more coherent external approach. To that end, they seek to be part of like-

minded groups and upload topics to the European level. Finally, an example how specifically the lack of external coherence vis-à-vis Russia has triggered coordination mechanisms, is the compilation of the ‘Key Outstanding Issues’ by the EEAS.

Yet, do these means always lead to desired outcomes? Much of the analysis in the chapter has shown that many of the changes in the coordination structure of the policy setting indeed lead to more external coherence. The European Council’s more active role in policy initiation has led to a more comprehensive external agenda. It combines aspects that were formerly divided under supranational and intergovernmental competences into a single approach. The hierarchical escalation ladder of the European Council has been described as highly efficient, capable of coordinating diverse Member State interests, facilitating consensus and thereby improving the coherence of external EU policies. The European Commission coordinates the different external elements of Community policies and has a key role in representing the Union in institutionalized forums with Russia. Finally, the EEAS and the HR, albeit relatively new actors on the external scene, have ambitiously aimed at making the Union speak more often with a unified voice on external matters. The positive effects can be witnessed in the EU’s approach vis-à-vis Moscow: among others the EEAS coordinates policies, represents the EU in some dialogues, formulates the ‘Key Outstanding Issues’ and adds leverage in negotiations with Russia.

Commonly, these examples support the institutionalist argument that changes to the policy setting have an effect on policy outcomes. In the case of the EU, the successive institutional reforms can thus be interpreted as functional solutions to improve real-world compliance with the guiding principle of external policy coherence. Their effects are positively reinforced by informal coordination practices that have emerged over the past years. Socialization, as suggested by constructivist reasoning, has facilitated coordination in a way that

is conducive to more external coherence. National representatives in Council working parties have created working processes and an identity that overcomes the rivalry between the EU and national interest. Uploading and like-minded groups are informal forms of interest coordination to reach consensus on intergovernmental topics that likewise contribute to more coherence. Often, these informal coordination practices play a particularly important role for coherence in the case of Russia. Here, Member State interests are so diverse that formal institutional procedures are at times insufficient in reconciling them. Again, the ‘Key Outstanding Issues’ are a prime example how informal coordination practices facilitate consensus-finding and external coherence towards Moscow.

However, as also predicted by the second hypothesis guiding this chapter, not all changes to the coordination structure of the policy setting lead to more external coherence. Section 4.3 listed various examples in this respect. The EU level still suffers from a lack of competences to formulate a comprehensive external approach. This deficiency is best illustrated by the fact that no coherent Russia policy has ever been formulated, offering a set of clear, hierarchical policy objectives and outlining the instruments to achieve them. While these problems are not new and various reforms have been carried out to counter them with new coordination mechanisms, it is *the* paradox of institutional engineering that some of these reforms have led to adverse effects. The institutional framework continues to be fragmented in a way that undermines external coherence. The EU is for instance externally represented through various actors which contributes to a schizophrenic character and confuses bilateral partners. Internally, turf wars between different institutional actors weaken policy coordination and the formulation of a more coherent foreign approach. Unity on external topics is spoiled by unresolved questions of final authority. This also impedes the definition of common strategic objectives, capable of giving

more guidance to the EU's external ambitions. Finally, administrative overload and the associated institutional inability to satisfactorily cope with all elements of external action thwart policy coordination and external coherence.

When attempting to answer the central research question of this project, the present chapter thus leads to inconclusive findings. Why is the external policy of the EU towards Russia lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will? A focus on the policy setting would suggest that the coordination mechanisms are paramount in explaining variation in external coherence. On the one hand, this chapter presented a range of well-developed and increasingly sophisticated formal coordination procedures and informal coordination processes. They would suggest that, differently from the puzzle, external policies towards Russia should be relatively coherent. Conversely, the chapter showed that the policy setting also embodies impediments to coordination of interests and policies. They may have some explanatory potential to answer the central research question: EU external policy towards Russia is lacking coherence because of insufficient coordination mechanisms and inappropriate institutional reform.

Is this explanation sufficient and satisfactory? A potential disadvantage of the focus on the policy setting is that it is inherently inward-looking and does not account for the dynamics of bilateral relations and their impact on policy effectiveness. Coherence, as the argument of authors like Arnold Wolfers (1962) suggests, is not only a question of institutional structures, their procedures and processes. For that reason, the following chapter will depart from emphasizing the policy setting and instead bring the policy content in the center of the analysis.

5. EU FOREIGN POLICY AND RELATIONS WITH RUSSIA: THE CHALLENGE TO SHAPE AN UNRESPONSIVE MILIEU

The European Union (EU) and Russia are bound by geographical proximity and a shared neighborhood as well as a common history and culture. Unsurprisingly, external relations between the two European powers have developed over time and nowadays culminate in close trade ties and cooperation across most policy areas. Even during the darker times of European post-World War II history, when the bipolar world carved deep fault lines in the continent, the development of relations did not halt. Throughout the past decades, there have been frequent and continuous attempts to ‘normalize’ the relationship. To that end agreements have been signed, forums for political dialogue have been created and trade barriers abolished. These are just few examples of common initiatives and many more are likely to follow in the future since an intensification of relations is to be expected in a range of areas such as trade and security cooperation.

It is though striking that the rebuilding and consolidation of the EU’s relations with Russia since the end of the Cold War has taken very specific forms. As presented in this chapter, the main agreements went far beyond technical aspects that had previously dominated the common agenda. Among others, they included references to norms, values, conditionality and harmonization. Moreover, relations with Moscow became increasingly institutionalized, for instance by setting up bilateral forums to review developments of the partnership. Most of these developments were initiated by the EU and required responses from Moscow and changes within the Russian environment. It is therefore hypothesized that *in its external approach towards Russia the EU acts as a milieu shaper*. Milieu-shaping takes different forms. It involves for

instance the externalization of internal policies, norms and values toward Russia, predominantly via soft means and targeted at the long term.⁸⁰

However, this approach has not always led to more external effectiveness. In fact, despite agreements and extensive bilateral institutionalization, the EU's Russia policy lacks in many ways coherence. On the one hand, the external opportunity structure, the Russian milieu, is becoming unresponsive to milieu-shaping activities. Increasingly, Moscow questions those European norms and values it subscribed to in the 1990s: among others, President Putin's understanding of democratic and economic governance and the approach to conflicts in Russia's immediate neighborhood illustrate a *Russian way* to deal with internal and external challenges that strains relations with the West. Under these circumstances, common agreements and institutions as the main instruments of a milieu shaper have repeatedly turned out to be ineffective. On the other hand, the EU itself is hampered by internal problems that undermine its external impact and prestige. Research interviews for this project with EU and Member State officials emphasized that 'there is no such thing as a Russia policy of the EU'. None of the relevant EU institutions and services, neither the European Commission, the European Parliament (EP), the European Council and the Council of the European Union nor the European External Action Service (EEAS) have developed a coherent approach how to deal with Russia. Lacking a clear external strategy that is based on objectives and prioritization of various policies, the EU often appears inconsistent and lacking an external identity. Coherent milieu-shaping requires, nevertheless, constant operationalization of the promoted norms and values to which end conducive internal and external opportunity structures are of paramount importance. The sub-hypothesis guiding the research of this chapter therefore states that *the difficulties*

⁸⁰ See the typology of milieu shaper and possession seeker in section 2.3.4.

experienced in EU-Russia relations are a direct consequence of the EU's external role as a milieu shaper in combination with an increasingly uncondusive internal and external environment for milieu-shaping activities.

To support these arguments and test the hypotheses, this chapter first reviews the rebuilding of EU-Russia relations. It is shown how the EU has taken on the role of a soft milieu shaper that sought to embed its eastern neighbors in a European orbit of norms and values. In this regard, bilateral agreements with Russia make reference to common values, include political conditionality to adhere to these values, and facilitate norm convergence. In the phase of consolidating and deepening the partnership, the EU initiated common institution-building in various policy areas and at different levels as an instrument to normalize relations. The chapter emphasizes particularly institutionalization of general EU-Russia relations as well as the rebuilding of relations on energy and on human rights. All these elements, presented in sections 5.1 and 5.2, flag the EU as a relatively coherent milieu shaper. Against this harmonious background, the growing number of contradictions between the EU and Russia come as a surprise. The chapter therefore elaborates an explanation of the contemporary notion of EU-Russia relations that is characterized by rising distrust and hostility despite an enormous corpus of common institutions and policies. To that end, section 5.3 shows how both the external and the internal opportunity structures have changed throughout the past decade and became increasingly uncondusive to the EU's milieu-shaping activities. While the Russian environment gradually became an unresponsive milieu challenging European norms and values, the EU's lack of identity as an international actor coupled with home-made crises undermined its milieu-shaping capacities.

5.1. *Rebuilding EU-Russia relations: a partnership based on shared norms and values*

Russia is the EU's largest neighbor. Given the geographical proximity, it shares with the EU a common neighborhood and in many aspects also elements of a common history and culture. Recent trade-figures also illustrate the close economic ties: in 2013, Russia was the EU's third largest trading partner in terms of total trade value after the United States and China.⁸¹ Even more indicative, the EU is Russia's largest trading partner, accounting for roughly 50 percent of total Russian exports and imports.⁸² These figures are the result of a lengthy process of building a solid EU-Russian relationship that origins long before the fall of the Iron Curtain and, yet, has sped up since the breakup of the Soviet Union and the start of Russia's transition to a democracy and market economy. The development of the relationship – from animosity and mistrust during the times of the bipolar world order to one that is characterized by close ties in a variety of fields – has been closely observed. Academic and political circles speak of a 'partnership', 'strategic partnership', 'security partnership', 'interdependency' and 'friendship' (Stojanovic 2012, 8). Such labels reflect the deepening and increasing institutionalization of relations that is still ongoing.

With large economic benefits materializing from closer cooperation, both Brussels and Moscow had an interest in a 'normalization' of relations. However, the terms under which a rapprochement should take place were far from clear. The fall of the Berlin Wall, the dissolution of the Soviet Union and the creation of the Russian Federation dramatically changed the political landscape in Europe. The newly emerging political order called for a reconsideration of external

⁸¹ Eurostat, International Trade data.

⁸² Website of the Permanent Mission of the Russian Federation to the European Union. Areas of cooperation: trade section. Accessed on 27 July 2014: <http://www.russianmission.eu/en/trade>

policies in both the EU and Russia. In the previous decades, relations between East and West were coined by the power politics of a bipolar world (Mearsheimer 1990; Keohane and Nye 2001). Europe's new political landscape that emerged in the early 1990s entailed a different set of challenges, paralleled by new interests and political priorities. The EU's foreign policy towards Russia was aimed at smooth democratic and market economic transitions, which were regarded as foundational to stability and security in Eastern Europe (Höhmnn, Meier, and Timmermann 1993). In contrast to that, Russia's main concern was to secure its position in the new order of post-Cold War Europe (Arbatov 1997). Although the underlying motives for a renewed bilateral engagement differed in the EU and Russia, they triggered a new impetus for cooperation that eliminated some of the former fault lines.

For many, the international developments starting in the late 1980s came as a surprise, yet the EU was relatively well-equipped to rebuild relations with the new Central and Eastern European states. Internally, Member States and Community institutions had experienced a first period of foreign policy coordination through the framework of the European Political Cooperation (EPC). The move towards deeper integration and political union with the adoption of the Maastricht Treaty in 1992 sophisticated the EU's role as an actor in the area of foreign policy. In particular the creation of the Common Foreign and Security Policy (CFSP) provided the newly created EU with the possibility to develop more actorness. Externally, the EU benefited from a set of experiences with its eastern neighbors. By the early 1990s the EU had established a range of Trade and Cooperation Agreements (TCA) with the Council for Mutual Economic Assistance (CMEA) and the Soviet Union. This precedent was further expanded after the fall of the Iron Curtain and eventually allowed the Community to respond with a number of instruments to the new political challenges (K. E. Smith 2004, 65).

The Community's involvement in Central and Eastern Europe was intended to bring stability to the region through the facilitation of economic reforms in former communist countries and their reintegration into the world economy.⁸³ However, besides security aspects, ideas took on a major role in the EC's interaction with the East. The spirit of the time saw, much in line with Francis Fukuyama's 'End of History' thesis (Fukuyama 1992), a triumph of western liberal values. In this context the EC developed a foreign policy approach in which liberal democracy, the respect for human rights and the rule of law played an increasingly important role. Undoubtedly, the 'End of History' thesis soon became contested. Nevertheless, the *Zeitgeist* of the time is reflected in what has often been labeled 'European values'.⁸⁴ Since then, offers for EU cooperation with third parties are generally made conditional on a set of key criteria that include both norms and values. For that reason, it has been argued that the policy choices of the early 1990s mark the starting point of the EU's "claim of regional normative hegemony" (cf. Haukkala 2010b, 70 ff.). This foreign policy strategy is targeted at shaping the external environment and is a first indication of the EU acting in its eastern neighborhood as a milieu shaper rather than a possession seeker.

The external activities of the EU were always aimed at promoting its fundamental values in the international arena.⁸⁵ However, the reconfiguration of relations with the EU's eastern neighbors following the tumultuous events of the early 1990s provided a vast laboratory for the Union's legal-normative foreign policy agenda in the region (cf. Hillion 2009). Russia did not oppose the underlying liberal values. To the contrary, they were regarded as the European

⁸³ See for instance European Commission, Commission Communication "Developing Industrial Cooperation with Central and Eastern Europe and the Independent States of the Former Soviet Union", SEC (92) 363 final, Brussels, 13 March 1992.

⁸⁴ These values or principles are for instance enshrined in Article 6(1) TEU, the Charter of Fundamental Rights of the European Union and Article 1 of the Treaty of Lisbon.

⁸⁵ This external objective is laid down in Article 21(1) TEU.

society's "noble democratic ideals."⁸⁶ Nevertheless, Russia was not willing to simply adopt the views of others as a basis for reconstructing its own political system. Rather than imitating established patterns for state-building and organizing the economy, Russia would follow its "own mechanism of renewal", thereby taking into consideration all of "humanity's experiences" (Yeltsin and Kozyrev quoted in Haukkala 2010b, 71). As a consequence, from the outset EU-Russia relations were characterized by an imbalance concerning the role of liberal values.

The different priorities are reflected in the negotiation process that started in 1992 and led to the Partnership and Cooperation Agreement (PCA) in 1997, which replaced TCA signed between Soviet Union and the EC in 1989. For the EU, the inclusion of political conditionality in the PCA was of high importance. Russia, on the other hand, understood it primarily as a trade agreement (Haukkala 2010b, 76). These positions were incompatible in many ways and resulted in lengthy, exhausting and partly halted negotiations. Eventually, the European Commission persuaded the Russian negotiators to accept a suspension clause in the agreement that made reference to liberal values. This clause, however, did not amount to any new obligations on behalf of the Russian Federation since it merely restated principles of the UN and the Conference on Security and Cooperation in Europe (CSCE) by which Russia was already bound (Haukkala 2010b, 80).

The afore-mentioned initial differences should not overshadow the important achievement of signing the PCA, praised as the "first step in the 'normalization' of relations between Brussels and Moscow" in the post-bipolar era (Giusti and Penkova 2012, 120). The agreement consolidated relations in a variety of fields and emphasized the idea of a common

⁸⁶Statement of Russian Minister for Foreign Affairs, Andrei Kozyrev. See Secretary General of the Council of Europe, 'Accession of the Russian Federation to the Council of Europe. Memorandum by the Secretary General', CM (96)31, 2 February 1996.

value system. The preamble pointed towards “the historical links existing between the Community, its Member States and Russia and the common values that they share”. More clearly, Article 2 of the PCA highlighted that “respect for democratic principles and human rights [...] underpins the internal and external policies of the Parties and constitutes an essential element of partnership and of this Agreement.” The fact that Russia *committed* itself to these values within the framework of the PCA made it directly susceptible to criticism by the EU and ultimately subject to consequences of the suspension clause. From then on, a breach of common values such as democratic principles or human rights, could directly lead to legally grounded consequences.⁸⁷ The agreement thus broadened the scope of EU-Russia relations and furthered the Union’s milieu goals: whereas earlier cooperation with Moscow was based on material interests (the TCA focused exclusively on trade) the PCA essentially became a foreign policy tool through which European values could be exported to the eastern neighborhood.

However, the content of the agreement does not imply that both EU and Russia had the same interests in signing it. Although the PCA as a central document in the formalization of EU-Russia relations articulated European values, clear asymmetries in the motives for external cooperation persisted. The EU aimed to consolidate its actorness and impact on the architecture of a stable Europe, essentially a long-term strategic approach. On the contrary, Russia was largely guided by short-term interests with a strong focus on rebuilding a country for which immediate economic assistance and political support was required (Utkin 1995, 18). This initial discrepancy regarding the role of possession and milieu goals has characterized EU-Russia relations ever since and stretches like a golden thread through a number of follow-up and sectoral agreements.

⁸⁷ See also references to the ‘human rights clause’ in section 6.1.1.

Essentially, from the EU's point of view, the values that are referred to in the PCA have a two-sided function. They constitute the very basis and prerequisite of the relationship with Russia and they create a benchmark against which the scope of the relationship can be measured. The second function, the benchmark, sets a baseline for the application of conditionality in this area of the Union's external action. Conditionality as an external instrument is not new to international agreements. The Vienna Convention on the Law of Treaties (1969) made clear that a treaty can be suspended or terminated in case of 'material breaches'. However, the EU's insistence on the inclusion of *political* conditionality in the PCA extended the legal right to suspend or terminate the treaty to the breach of 'European values'. Such a provision is novel in the governance of bilateral relations and it emphasizes the EU's strong commitment to shape its milieu based on norms and values alike.

In addition to political conditionality concerning values, the PCA calls for norm-convergence in various articles. Article 6 states that the future of EU-Russia relations aims at 'economic convergence [that] will lead to more intense political relations'. This is specified in Article 55 which requires Russian legislation to become 'gradually made compatible with that of the Community' (Article 55.1) and lists areas in which laws should particularly approximate (Article 55.2). Moreover, a range of further articles make reference to specific sectors where convergence to those of the EU is obligatory. Article 6 of the PCA establishes the necessary institutions to support these provisions: it sets up a regular political dialogue aimed at increasing 'convergence of positions on international issues of mutual concern'. The forums for multi-level dialogue are the biannual EU-Russia Summits and a range of Councils and committees. These political dialogues provide an opportunity to review the achievements regarding normative convergence and to discuss breaches of values.

The inclusion of a convergence-criterion next to political conditionality fulfills a specific function. As an extensively legalized system the EU has repeatedly experienced difficulties in dealing with third actors that do not share the same logic of operation. Access to the highly complex single market requires, however, a certain degree of approximation and harmonization (Cremona 1998). Internally, a continuously growing body of laws – the EU’s *acquis communautaire* – has developed that created common standards and norms which regulate and ensure the Union’s functioning.⁸⁸ Analogously, the promotion of their convergence with third parties has become a central component of EU external action (Longo 2003, 163). In fact, many of the convergence criteria in the PCA are derived from the *acquis communautaire*.

The provisions on political conditionality and convergence equip the PCA with an exceptional character amongst treaties governing bilateral relations. Not only does the agreement have a coordination function between two parties but it also makes the quality of the partnership dependent on domestic responses to international rules. Hiski Haukkala (2010b, 86) has therefore argued that the PCA is an example of a *post-sovereign* international institution: compared to conventional bilateral agreements it is characterized by a broader scope that stretches beyond material interests to include also norms and values. Coupled with conditionality and convergence criteria, this setup can lead to an asymmetrical and sovereignty-challenging relationship since it requires one party – in the given case primarily Russia – to domestically adopt externally defined provisions. Key points of this reasoning therefore support the argument advanced in this chapter that the EU acts as a milieu shaper towards Moscow, shaping the Russian environment based on what it considers as European norms and values.

⁸⁸ Differently from how the term is used in the IR literature, ‘norm’ is used here in a rather technical sense that is consistent with the meaning of the term in EU documents. Nevertheless, it should be noted the normative power Europe debate also applies a more encompassing understanding of norms when it refers to both what has been labeled ‘European values’ and European norms in their technical sense.

An indication of the imbalance between the contracting parties embodied in the PCA is also illustrated by differences in compliance with the agreed norms and values. Despite Russia's initially expressed commitment to the stated provisions, clear differences in their application persist. Repeatedly, Russia has refused to harmonize norms and abide by European values. Examples of persistent normative divergence are Russian military operations in the Caucasus where numerous human rights violations have been reported, infringements on the freedom of the press and the suppression of the domestic political opposition.⁸⁹ At the same time, Russia communicated a growing reluctance to act as a norm- and value-taker. Normative hegemony of the EU appears to be increasingly incompatible with Russia's regained sense of power (see the discussion in Haukkala 2010a, 165–171). For instance, Russia has rejected an agreement with the EU under the framework of the European Neighborhood Policy (ENP) which is based to large degree on normative convergence and political conditionality. Since it regards itself as an equal partner to the EU, Russia does not want to be a subject to foreign values and rules any longer. The creation of the so-called 'Four Common Spaces', a framework governing relations beyond the PCA, has therefore also granted Russia a special status compared to other EU neighbors.

Today, Russia reclaims what it considers its legitimate role in the world. President Putin made clear that to him "Russia is not a project – it is a destiny."⁹⁰ This regained self-confidence marks an important turning point in EU-Russia relations, because to a certain degree the foreign policy approach adopted by the EU in the early 1990's was targeted at the challenges of the post-socialist time. The Russia that was left after the Soviet Union fell apart was heavily dependent on

⁸⁹ See for instance Amnesty International (1999), "Russian Federation: Chechnya, for the Motherland", EUR 46/46/99; Human Rights Watch (2000), "'Welcome to Hell': Arbitrary Detention, Torture, and Extortion in Chechnya", Human Rights Watch Report; Médecins Sans Frontières (2002), "Chechnya/Ingushetia: Vulnerable Persons Denied Assistance".

⁹⁰ Vladimir Putin, President of the Russian Federation, during a meeting of the Valdai International Discussion Club on 19 September 2013. Transcript accessed on 25 September 2014: <http://eng.kremlin.ru/transcripts/6007#sel=342:7,342:12>

European assistance. The Russia of the Putin era, however, steadily regained the status of an economic power, primarily due to its role as the most important supplier of energy to the EU. It rejects the kind of agreements that the EU has signed with the majority of its neighbors since it ultimately regards them as a challenge to its sovereignty. Instead, it favors a more pragmatic approach as Russian Foreign Minister Lavrov made clear in an article in 2010:

“Being the largest geopolitical entities on the European continent, Russia and the EU are interdependent in many spheres, linked by their common civilization roots, culture, history, and future. The agenda of our interaction is multidimensional and covers various sectors. We are willing to enhance it – on the basis, of course of equality and mutual benefit.”⁹¹

The quote is a prime example of Russia’s new self-awareness in dealing with the EU. It is in favor of a strong and growing partnership – yet one that is characterized by equality and not by a one-sided imposition of terms. At the same time, the quote hints at Moscow’s understanding of integration in the shared neighborhood. In comparison to the model promoted by the EU in which values play a central role to shape the external milieu, Russia favors a more pragmatic approach that responds to material interests, such as the exchange of lower gas prices for political loyalty. Such characteristics flag Russia as an international actor whose external ambitions are dominated by possession goals. Accordingly, Moscow is wary of Brussels’ transfer and diffusion of standards, norms and regulations in which it sees the creation of an EU-centric continent (Giusti and Penkova 2012, 122). All these views and elements by and large confirm the first hypothesis that the EU external approach towards Russia is that of a milieu shaper. As the later sections in this chapter will show, these different visions of a partnership have repeatedly

⁹¹ Sergey Lavrov, Minister of Foreign Affairs of the Russian Federation. Extract from an article that was originally published in the “Diplomatic Yearbook 2010” and presented on the website of the Permanent Mission of the Russian Federation to the European Union. Accessed on 4 August 2014:
<http://www.russianmission.eu/en/brief-overview-relations>

caused tensions and are at the heart of the external challenges that the EU as a milieu shaper experiences.

5.2. Consolidating EU-Russia relations: common institution-building and normalization

The renewal and deepening of EU-Russia relations based on shared norms and values was supported by the negotiation of agreements and common institution-building. This section reviews EU-Russia relations as they currently stand. It first takes a general look at the institutionalization of relations, followed by a closer evaluation of the interdependency in the field of energy and relations in human rights policy, the two case studies of this project. It is argued that the institutionalization of bilateral relations became the central foreign policy instrument of the EU to advance its external agenda as a milieu shaper.

5.2.1. Institutionalization of EU-Russia relations

Over time, EU-Russia relations have become gradually institutionalized. The current legal basis for all forms of cooperation is the PCA, an international treaty that was signed in 1994 and came to effect in 1997. The PCA is largely economic in character, focusing on trade cooperation, investment and regulation. However, it also makes reference to matters of security, the promotion of democracy and reform. One of the most remarkable outcomes from the PCA negotiations is the establishment of bi-annual EU Russia summits; high-level political meetings that define the strategic development of relations. Nowadays, the EU is represented by the

President of the European Council, the President of the European Commission and the HR, whereas Russia is represented by the President and Ministers responsible for the policy areas under discussion. Both parties are assisted by a large number of officials. The PCA also established a forum for regular dialogue at ministerial level, the EU-Russia Cooperation Council.

The 11th EU-Russia summit held in May 2003 in St Petersburg marked the beginning of a new stage in EU-Russia relations. According to the joint press statement, the summit “reflected the quality and intensity of EU-Russia co-operation and reconfirmed our commitment to further strengthen our strategic partnership on the basis of common values.”⁹² To that end, cooperation was reinforced through the agreement to work towards the development of four ‘Common Spaces’ – essentially long-term objectives within the wider framework of the PCA – in the areas of economy, of freedom, security and justice, of external security and of research and education. In terms of content, the Common Spaces show striking similarities to the Action Plans which are part of the European Neighbourhood Policy (ENP). Russia had initially rejected the offer to join the ENP, which it regarded to create a junior rather than an equal partnership with the EU. The similarities in substance are, nevertheless, an indication that the EU managed to institutionalize its long-term interests also within the special framework agreed with Russia. The creation of Common Spaces therefore supports the argument that the EU acts externally as a milieu shaper.

In order to enhance the efficiency of EU-Russia cooperation, the Saint Petersburg Summit also sought to strengthen the institutional setting for dialogue in which the details of the Common Spaces were to be agreed. For that purpose, the already existing EU-Russia Cooperation Council was replaced by the Permanent Partnership Council (PPC). This new forum was mandated to act as a “clearing house for all issues of co-operation”, to meet more frequently

⁹² Council of the European Union, Press Release 9937/03 (Presse 154) of 31 May 2003; paragraph 1.

and in different formats, and to streamline the political dialogue to reach agreements that could be forwarded to upcoming summits for formal approval.⁹³ Until today, the PPC serves as the main working body for EU-Russia cooperation. It brings together the Russian minister responsible for the policy area under discussion and the European Commissioner, the HR or in some cases the Minister of the rotating Council Presidency to discuss relevant issues of common interest.

At the Moscow Summit in May 2005, two years of preparatory negotiations came to an end with the adoption of roadmaps for the creation of the four Common Spaces. Nevertheless, this kind of institutionalization of EU-Russia relations went far beyond what was initially expected and the 1994 version of the PCA was soon considered inadequate to serve as the legal basis for such forms of cooperation. At the Khanty-Mansiysk EU-Russia Summit in June 2008 the parties therefore decided to launch negotiations on a successor agreement to the PCA. The aim of the new agreement – whose negotiations are still ongoing on as this project is conducted – was to provide a more comprehensive framework including legally binding commitments covering all main areas of cooperation.⁹⁴ Following Russia's accession to the World Trade Organization (WTO) in 2012, negotiations are expected to continue further since the conclusion of an even more wide-ranging agreement has become necessary.

The 25th EU-Russia Summit held in Rostov-on-Don in the early summer of 2010 witnessed a further strengthening of relations. With the 'Partnership for Modernisation' an initiative was launched that has particular significance in the context of commonly overcoming the negative impact of the financial and economic crisis. It responds to "the need to modernize

⁹³ Ibid., paragraph 3.

⁹⁴ Council of the European Union, Press Release 11214/08 (Presse 192) of 27 June 2008.

economies and societies” and shows commitment of the EU and Russia to jointly search “for answers to the challenges of current times.”⁹⁵ In his remarks, European Council President Hermann Van Rompuy emphasized the importance of the new partnership in the context of ever closer EU-Russia relations and growing mutual interdependence:

“The EU wants to be Russia's partner in its modernization. We are indeed Strategic Partners. In many ways we are strongly interdependent. In a spirit of mutual benefit we can only win by deepening our cooperation even further.”⁹⁶

The partnership deals with different aspects of modernization such as economic and technical reform, the rule of law as well as the functioning of the judiciary and it reinforces the dialogues that were initiated under the Common Spaces. For the EU, the cooperation presents an opportunity to place the focus of bilateral relations on the strengthening of the civil society, an issue that is sensitive for Russia (EU-08[EEAS]/Rus). However, at the same time the new agreement marks a turning point in EU-Russia relations. It renounces the principle of conditionality that had molded the engagement with all eastern neighbors until then. The lack of a conditionality criterion implies a change in the external strategy of the EU as a milieu-shaper in two ways: on the one hand, the EU seems to have accepted that convergence, at least in the case of Russia, is also feasible if ‘European values’ are treated more flexible and Russia is no longer being lectured on the need to reform (Giusti and Penkova 2012, 126). On the other hand, bilateral institutionalization without the inclusion of a conditionality criterion reflects the idea that relations have reached a stage where ongoing deepening at various levels is considered sufficient for further convergence.

⁹⁵ Council of the European Union, Press Release 10546/10 (Presse 154) of 1 June 2010.

⁹⁶ European Council, The President, “Remarks of Herman Van Rompuy, President of the European Council, following the 28th EU-Russia Summit”. EUCO 162/11, PRESSE 500, PR PCE 121 of 15 December 2011.

This new approach is also mirrored in the large number of sectoral bilateral dialogues that have been established besides the above-mentioned frameworks for cooperation and political dialogues.⁹⁷ Sectoral dialogues are held between officials from Russian ministries, state committees, federal agencies, federal services, directorates or the Russian Permanent Representative to the EU and their EU counterparts from the EEAS or the relevant Directorate General (DG) of the European Commission. In most cases working groups prepare the discussions of all other dialogues. The architecture of EU-Russia relations is thus based on a hierarchy, where working groups feed the political and sectoral dialogues which are supervised by ministerial meetings and culminate in the summits. The current list of forums of EU-Russia bilateral relations is complemented by the Parliamentary Cooperation Committee, an annual inter-parliamentary dialogue between the European Parliament and the Russian Federal Assembly, and the EU-Russia Industrialists' Roundtable. There have also been a number of direct meetings between the European Commission and the Russian Government.⁹⁸

Plans to further institutionalize EU-Russia relations had been developed at the time of writing this thesis. Besides a follow-up agreement to the PCA, a number of proposals for a deepening of relations have been brought forward. Russia has initiated discussions on two major initiatives: a Treaty on European Security and a new legal basis for international cooperation in the field of energy.⁹⁹ The Meseberg memorandum, a German-Russian initiative launched in 2010

⁹⁷ The European Strategic Partnership Observatory (ESPO) counted 35 sectoral dialogues in June 2013 in a variety of policy areas. For a regularly updated overview visit <http://strategicpartnerships.eu/pays/eu-russia/>. Accessed on 4 June 2014.

⁹⁸ Since most of the dialogues take place behind closed doors and details remain usually unknown, this list of institutionalized forums in EU-Russia relations cannot be regarded as exhaustive. It was created primarily based on data collected during the research interviews for this project and data available from the European Strategic Partnership Observatory (ESPO), the first web-based platform to provide information about the institutional architecture of the EU's strategic partnerships. ESPO collects its data from EEAS officials and the Belgian Ministry of Foreign Affairs. More information can be retrieved under <http://strategicpartnerships.eu/>.

⁹⁹ Treaty on European Security, draft version of November 29, 2009. Accessed on 7 July 2015: <http://en.kremlin.ru/events/president/news/6152>; Permanent Mission of the Russian Federation to the European

by Chancellor Merkel and President Medvedev, calls for the establishment of an EU-Russia Political and Security Committee. Nevertheless, most of these initiatives were suspended by the sanctions policy of the EU towards Russia which came as a reaction to the Ukraine crisis that started in 2014. Likewise, the EU discontinued several political and sectoral dialogues with Russia. It remains to be seen how the conflict in Ukraine can be resolved, yet most observers wish for a renewed normalization of relations. If this can be achieved, a further institutionalization of relations can be expected in the future.

In summary, since the end of the Cold War the EU has been pushing to institutionalize EU-Russia relations at different levels and across a variety of sectoral policy areas. Thereby, bilateral forums have become a central instrument of the Union to shape the external milieu. In particular dialogues and consultations that take place at a more frequent basis provide opportunities for open debate. In addition, the strong emphasis on norms and values laid down in a variety of bilateral agreements – among others respect for human rights, the rule of law, democratic and market economic principles – set the tone for discussions and a benchmark against which the partner's development could be reviewed. The two key components that govern the relations with Moscow – institutionalized bilateral forums coupled with the commitment to adhere to common norms and values – are thus the foundations for deliberation and norm convergence, and the main strategy of the EU as a milieu shaper to socialize the partner into its own system of values. The following two sub-sections of this chapter show that the same patterns can also be observed in specific policy areas. EU-Russia relations in energy as well as human rights policy are likewise coined by common institution-building that went hand in hand with a gradual deepening of relations based on norms and values. Finally, it should be

Union, Brief overview of relations. Accessed on 7 July 2015: <http://www.russianmission.eu/en/brief-overview-relations>

emphasized that the latest bilateral agreements have partly renounced the inclusion of political conditionality. While the institutionalization of relations still moves on, core elements of earlier agreements are not included anymore. Since conditionality was one of the few harder external instruments of the EU, this change may indicate that Brussels has become more lax regarding its external agenda of value promotion

5.2.2. EU-Russia relations on energy

The EU and Russia are very close trading partners with regard to energy commodities. Energy flows from Russia to the West are not a recent phenomenon but their origins date back to the bipolar world order of the Cold War when cautious political rapprochement, created through new external strategies such as the German *Ostpolitik* of the 1970s, paved the way for an easing of tensions and a renewal of trade relations. Since then, large quantities of natural gas and crude oil, mostly produced in Siberia, are exported to Europe and the CIS through an elaborated pipeline network stretching over thousands of kilometers and passing various different ‘transit states’.

Today, Russia is the world’s largest net exporter of natural gas and, after Saudi Arabia, the second largest net exporter of crude oil.¹⁰⁰ Recent data reveals the importance of the European market for Russian energy sales. The vast majority of energy exports are delivered towards the west. In 2012, 79% of Russia’s crude oil exports were delivered to European countries (including Eastern Europe), in particular to Germany, the Netherlands and Poland. Natural gas figures are even more impressive since virtually all Russian exports go to Europe.

¹⁰⁰ International Energy Agency, 2013 Key World Energy Statistics. 2011 date for crude oil, 2012 data for natural gas.

57% of the deliveries flow to Western Europe, 24% to Eastern Europe and 19% to Turkey.¹⁰¹ A closer look at import data of energy commodities of the EU shows a similarly dominant pattern. In 2011 roughly 35% of total crude oil and 30% of total natural gas imports to the EU27 came from Russia.

Nevertheless, the degree of interdependency is subject to change, as presented by the Eurostat data in Figure 3. Whereas the relative dependence of the EU27 on Russian gas has declined almost steadily – also as a result of the diversification of supply policies initiated by the EU – relative dependence on Russian crude oil is on the rise. In terms of absolute numbers, EU27 natural gas imports from Russia peaked in 2005 and for crude oil in 2006.¹⁰² These figures illustrate a combination of both the impact of the financial and economic crisis as well as the effectiveness in the EU's energy agenda that promotes energy efficiency and a rise of renewables in the energy mix.

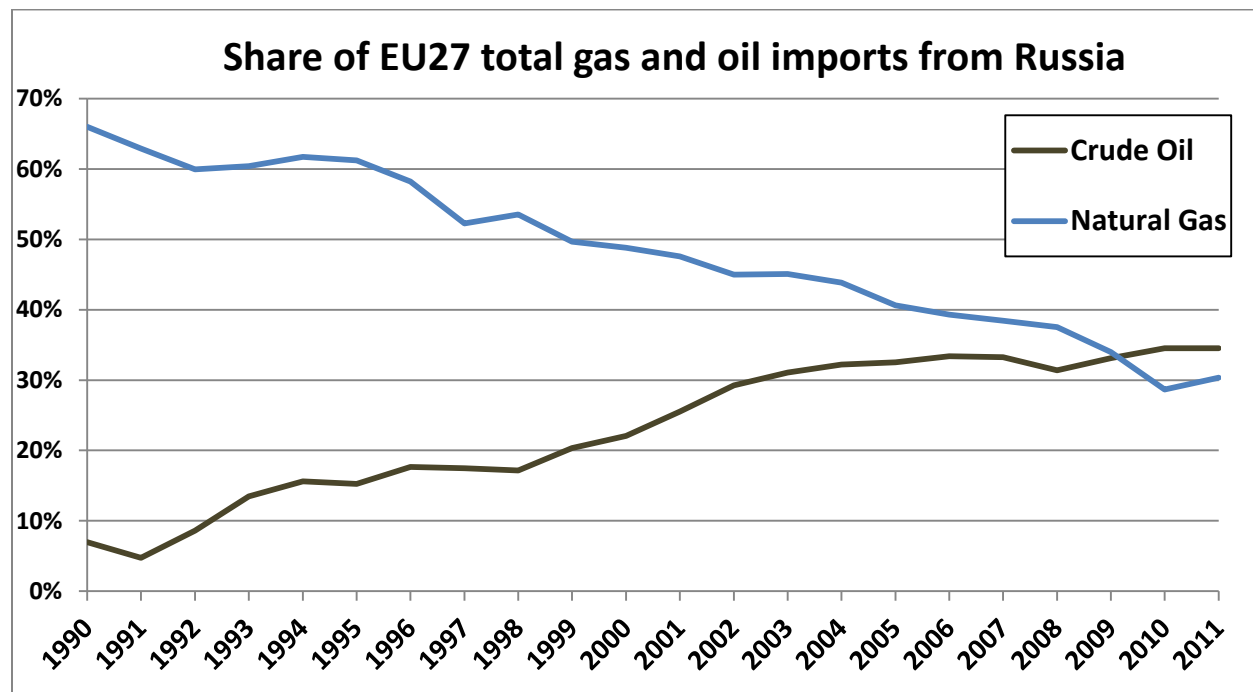
The fact that EU countries satisfy a large share of their energy demands through imports from Russia has caused some observers to speak of a dependency. However, it is sometimes overlooked that also Russia is heavily dependent on the EU since oil and gas revenues, of which a major share is generated through exports to EU countries, account for more than 50% of federal budget revenues.¹⁰³ EU-Russia energy relations are thus characterized by a mutual *inter-dependency*. As a consequence, similar to the general trend depicted in the previous section, relations have become increasingly structured and institutionalized over time.

¹⁰¹ U.S. Energy Information Administration, Independent Statistics and Analysis, Russia Analysis Brief. Accessed on 22 July 2014: <http://www.eia.gov/countries/cab.cfm?fips=RS>

¹⁰² Eurostat, author's own calculation.

¹⁰³ U.S. Energy Information Administration; *ibid*.

Figure 3: share of total crude oil and natural gas imports to the EU27 from Russia



Source: Eurostat, author's own calculation

In October 2000, the 6th EU-Russia Summit initiated the establishment of an Energy Dialogue as a sectoral dialogue under the framework of the PCA. It aims at establishing a long-term energy partnership to ensure continued energy production, improve the obsolete transit infrastructure and reduce the environmental impact. Additional objectives are the opening of energy markets, the support for environmentally friendly technologies and energy resources, and the promotion of energy efficiency. According to a Commission official, the broader idea behind the launch of the Energy Dialogue was a normalization of relations. While the war in Chechnya and different conceptions regarding human rights had carved fault lines between the EU and Russia, common economic interests were regarded as a way to improve the relationship (EU-17[COM]/Ener). In its early days, the Energy Dialogue was held once or twice per year between

the European Commission's DG Energy and the Russian Ministry of Energy.¹⁰⁴ Nowadays, biannual high-level meetings are paralleled by a number of working groups that uphold more frequent relations. Shortly after the launch of the Energy Dialogue, in November 2000, the European Commission published a Green Paper on the security of energy supply that emphasized the importance of the partnership with Russia for long-term energy security.¹⁰⁵ Following that debate, also the Common European Economic Space was later regarded as a central instrument through which Russian energy policy could be shaped (Hughes 2007, 87).

In October 2005, the Permanent Partnership Council on Energy (PPCE) was established as one out of five sectoral formats of the PPC. The general aim of the PPC is a structuring of political dialogues to enhance the efficiency of cooperation. Accordingly, the PPCE became a new important forum in the EU-Russia Energy Dialogue by strengthening energy relations through open discussions and cooperation on key energy issues. The annual PPCE meetings are composed of experts from the European Commission and the Member States, the Russian Government and Russian business. Often they are held before the EU-Russia Summit to review EU-Russian cooperation in the area of energy and to prepare the way ahead. Throughout the entire year and during the actual meeting of the PPCE, a range of thematic groups on diverse topics such as market development, energy efficiency, energy strategies, forecasts and scenarios, some of which have a number of subgroups, serve as forums for debate of representatives from EU Member States and Russia.^{106 107}

¹⁰⁴ European Strategic Partnership Observatory, EU Russia Energy Dialogue. Accessed on 24 July 2014: <http://strategicpartnerships.eu/dialogues/eu-russia-energy-dialogue-2/>

¹⁰⁵ European Commission, Document COM/2000/0769 final of 29 November 2000: "Green Paper - Towards a European strategy for the security of energy supply".

¹⁰⁶ European External Action Service, "EU-Russia Common Spaces Progress Report 2011", published in February 2012, p.20-22.

Next to the two main political formats of EU-Russia energy relations, the Energy Dialogue and the PPCE, and the various thematic subgroups, there are a number of energy-related negotiations and agreements:

- Since 2008, the succeeding document to the PCA is being negotiated between the EU and the Russian Federation. Both parties have agreed that energy will constitute a major part of the new PCA.
- In November 2009, Energy Commissioner Piebalgs and Russian Energy Minister Shmatko signed a Memorandum on an Early Warning Mechanism in the Energy Sector within the Framework of the EU-Russia Energy Dialogue. The initiative that dates back to the May 2007 EU-Russia Summit in Samara aims to establish an effective instrument for the prevention and resolution of emergency situations. In February 2011 the EU Commissioner for energy Oettinger and Russia's Energy Minister Shmatko signed a document establishing the Early Warning Mechanism.
- In 2011 a Gas Advisory Council was established that held its first meeting in October of the same year and since then meets relatively frequently throughout the year. It consists of experts from EU and Russian gas companies as well as academic research organizations who assess the development of the gas markets and provide recommendations for long-term gas cooperation.¹⁰⁸
- In March 2013, Energy Commissioner Oettinger and Russian Energy Minister Novak signed the "Roadmap EU-Russia Energy Cooperation until 2050" in Moscow. The

¹⁰⁷ With information from European Strategic Partnership Observatory, EU Russia Energy Dialogue, accessed on 24 July 2014: <http://strategicpartnerships.eu/dialogues/eu-russia-energy-dialogue-2/>; and European Commission, EU-Russia Energy Dialogue, accessed on 24 July 2014: http://ec.europa.eu/energy/international/russia/dialogue/thematic_en.htm

¹⁰⁸ European Commission, Gas Advisory Council. Website accessed on 24 July 2014: http://ec.europa.eu/energy/international/russia/dialogue/dialogue_en.htm

document established a long-term perspective in the mutual energy relations on cross-sectoral issues, electricity, gas, oil, renewables and energy efficiency, and on cooperation regarding energy scenarios and forecast.¹⁰⁹

In summary, over time, EU-Russia bilateral energy relations have considerably deepened through extensive institutionalization at different levels. The sequencing of agreements reveals motives to enhance the efficiency of cooperation, to work together towards mechanisms that ensure uninterrupted energy flows and to define a common long-term vision. Given the mutual inter-dependence of consumer and supplier, this development does not come as a surprise: energy remains at the core of EU-Russia relations.

From the side of the EU, motives for an institutionalization of common forums in the area of energy resemble those that have guided the general rapprochement since the end of the bipolar world. Regular interaction is sought to promote debates and deliberation through which the partnership can develop, synergies be exploited, relations be reviewed and problems overcome. Similar to the rebuilding and consolidation of EU-Russia relations, institutions thereby are instruments to facilitate the objectives of a milieu shaper. The EU seeks to extend the main pillars of its energy market model to Russia, advocating a rules-based approach that promotes among others norm harmonization, uninterrupted flows of energy, resilient infrastructure, a reliable legal framework, investment and market economic principles. In the long run, the attainment of all of these elements aims at furthering possession goals such as security of supply and affordable energy. Securing the possession goals is not in the competence of the EU. Signing contracts on pricing and volumes as well as the choice of the energy mix remains the prerogative of the Member States and energy companies.

¹⁰⁹ European Commission, “Roadmap - EU-Russia Energy Cooperation until 2050” of March 2013.

5.2.3. Relations on human rights

Compared to the practice in the field of energy, EU-Russia relations on human rights are less institutionalized. However, this does not imply that human rights issues are of secondary importance in the relationship. From an early stage, human rights have become a focal point between Brussels and Moscow. Particularly the EU has been keen on their internal and external promotion: while the respect for human rights represents a cornerstone of the domestic value system, it is also regarded as a universal right and consequently furthered through a policy agenda of externalization. In following this foreign policy strategy, the EU appears – consistent with its activities in the general rebuilding of relations and in the area of energy that have been presented before – as a milieu-shaper.

From a legal perspective, human rights play an important role in the domestic systems of each of the parties. Both Russia as well as the EU enshrined human rights in the hearts of their legal frameworks: The Russian Constitution of 1993 proclaims that “fundamental human rights and freedoms are inalienable and shall be enjoyed by everyone since the day of birth.”¹¹⁰ In the EU, human rights are embedded in the treaties of the EU. In addition, the EU made clear that it regards respect for human rights, the rule of law and democracy as fundamental European values which it seeks to promote and defend not only internally but also beyond its own jurisdiction.¹¹¹ After the end of the Cold War the EU has in fact been amongst the first international actors to lay down these values into agreements with third countries.

Today, these provisions provide a common value basis for EU-Russia relations on human rights. Nevertheless, the mention of the topic within the domestic legal systems does not imply

¹¹⁰ Russian Constitution of 1993, Article 17 (2).

¹¹¹ See also section 6.1.1.

that the human rights situation is satisfactory. While it is often acknowledged that Russia's human rights record has improved since the breakup of the Soviet Union, considerable problems persist as recent figures indicate: with 119 judgments finding at least one violation it was more often convicted by the European Court of Human Rights than any other country in 2013.¹¹² Public attention in the EU on violations of human rights in Russia remains high, often boosted by cases involving prominent groups and individuals such as Pussy Riot, Anna Politkovskaya or Sergey Magnitsky. EU representatives have repeatedly been active in pointing out such cases and used them as examples to demand improvement of the general human rights situation.¹¹³ Likewise, also Russia has criticized the EU and its Member States several times in the past to improve their human rights record.¹¹⁴

As previously indicated, human rights became a core theme in EU-Russia relations with their mention in the PCA.¹¹⁵ While this framework serves as the legal basis for all further cooperation, the provision on human rights does yet not directly amount to the institutionalization of a bilateral forum dealing with human rights. In 2005, such a bilateral forum was created in the form of a sectoral dialogue, the so-called 'human rights consultations'. The setup is consistent with a general EU strategy that can also be detected in relations with other partners: since around the turn of the millennium, human rights dialogues have become a central instrument of the EU to promote and implement its human rights policy abroad. Until

¹¹² European Court of Human Rights, Statistics, Violations by Article and by State 2013. Accessed on 5 August 2014: http://www.echr.coe.int/Documents/Stats_violation_2013_ENG.pdf

¹¹³ See for instance the "EU Statement on the case of Sergey Magnitsky" of 23 July 2013. Accessed on 5 August 2014: http://eeas.europa.eu/delegations/council_europe/press_corner/all_news/news/2013/20130719_en.htm

¹¹⁴ See for instance the "Report on the human rights situation in the European Union" of 2012 of the Ministry of Foreign Affairs of the Russian Federation. Accessed on 5 August 2014: http://www.mid.ru/brp_4.nsf/0/F6501F42C40A25EE44257ACC004971FC

¹¹⁵ Agreement on partnership and cooperation establishing a partnership between the European Communities and their Member States, of one part, and the Russian Federation, of the other part, Title 1, Article 2.

today, human rights dialogues have been set up with more than 30 countries.¹¹⁶ In the case of Russia, consultations are held twice a year between officials from the EEAS and the Russian Ministry of Foreign Affairs.¹¹⁷ Generally, the issues covered during the meetings are chosen on a case-by-case basis. However, a number of priority issues are always on the agenda. Alongside the bilateral meetings with the Russian authorities, the EU also engages in dialogues with local civil society organizations.¹¹⁸

The discussions on human rights between the EU and Russia are though not limited to the framework of the Human Rights Consultations. There are a number of different forums where such questions have been frequently addressed in the past:

- In order to ensure a more regular engagement on the technical level than provided by the bi-annual Human Rights Consultations, the EU generally insists that questions regarding the common commitments to democracy, respect for human rights and fundamental freedoms are also addressed in the PPC and other meetings that take place within the Space on Freedom, Security and Justice.¹¹⁹
- Since the creation of EU-Russia summits, human rights questions have been almost always addressed at the political level as well. While the summits are not a forum to discuss technical details, they have been proven useful to draw attention to specific human rights cases of particular concern (EU-18[EEAS]/HuR).

¹¹⁶ European External Action Service, The EU's human rights dialogues. Accessed on 7 August 2014: http://eeas.europa.eu/human_rights/dialogues/index_en.htm

¹¹⁷ European Strategic Partnership Observatory, EU-Russia. Accessed on 7 August 2014: <http://strategicpartnerships.eu/pays/eu-russia/>

¹¹⁸ European External Action Service, the EU's human rights dialogues. Accessed on 8 August 2014: http://eeas.europa.eu/human_rights/dialogues/index_en.htm

¹¹⁹ Ibid., p.40.

- Relations on human rights are also structured along legal obligations and commitments that the EU and Russia have made by joining multilateral frameworks. Both parties subscribed to principles of human rights and democracy as part of their membership in the United Nations, the OSCE and the Council of Europe. Through the latter forum whose members have agreed on the European Convention on Human Rights (ECHR), the EU Member States and Russia are also subject to the judgments of the European Court of Human Rights.

The examples show that also in the area of human rights, EU-Russia relations have become increasingly institutionalized over time. The common forums serve as instruments for interaction at different levels in which both the EU and Russia have the opportunity to point to inconsistencies regarding the protection of human rights or, in more severe cases, violations and breaches. Deliberation in the form of an open and frank debate is considered the most effective tool to voice and overcome differences. Thereby, the approach of the EU to further its external human rights policy once more designates it as a milieu-shaper: it seeks to promote its values abroad and to shape the external environment in a way that is more conducive to these values. To achieve its policy objectives, the EU engages in a long-term strategy of binding Russia into common commitments, underpinned by bilateral institution-building. In this way, progress can be reviewed and the partner be held accountable for actions that take place outside EU territory.

In summary, the consolidations of EU-Russia relations in different areas presented in this section reveal a number of striking similarities. Analyses of general relations as well as those in the diverse policy areas of energy and human rights depict the EU as a milieu shaper. Rather than directly engaging in activities to secure possession goals, the EU predominantly follows an external long-term strategy aimed at promoting its own norms and values beyond its territory.

From the beginning of re-establishing relations until today, the EU's rapprochement to Russia rested primarily on the application of two soft instruments: the signing of agreements in which common norms or values are laid down, and the creation of bilateral forums for frequent exchange at political and expert levels.

EU Russia relations are thus much deeper grounded than by a mere focus on economic interdependence. Shared values, norms and key principles have become the building blocks of the strategic partnership, define a common way ahead and foster trust. In this respect, the role of common institution-building for frequent and frank exchange that allows overcoming differences and reviewing progress stands out. Nevertheless, the EU and Russia play different roles in this process. Standards for norms and values as a reference and benchmark are primarily formulated by Brussels and adopted by Moscow. Bilateral institutionalization has therefore become the most effective instrument of the EU as a milieu shaper to follow its external agenda of normalizing and deepening relations with Russia in a strategically preferred way. Whereas conditionality played an important role in the earlier phase of re-building relations, more recent agreements increasingly renounce such provisions. This new practice indicates an even softer engagement of the EU to shape its external environment, grounded in the belief that the normative basis for cooperation has been sufficiently solidified.

So far, the rebuilding and consolidation of EU-Russia relations have been summarized in a way that presents the EU as a relatively coherent foreign policy actor. Across different policy areas, Brussels follows its external ambitions based on an overarching objective (the milieu goal of promoting norms and values abroad) that is furthered with a consistent choice of instruments (binding the partner into common agreements that are sophisticated through bilateral institutionalization). These different elements characterize the EU as a milieu shaper which,

acting based on a set of coherent objectives and instruments, does have a considerable external impact. Nevertheless, this picture is misleading. Despite such observed regularities the EU's external policies towards Russia repeatedly lack coherence. The next section will identify a number of external and internal challenges that negatively impact on Brussels' capacity to reach its milieu goals.

5.3. Challenges in the EU's relationship with Russia

The previous sections described the rebuilding and consolidation of EU-Russia relations since the end of the Cold War with a focal point on common European values and norms. The institutionalization of cooperation – in a wide range of policy areas and in both bilateral and multilateral forums – as well as the increasing economic interdependency bear witness of continuous rapprochement. Given that, in the words of the former European Commission President Barroso, the EU and Russia “need each other to ensure stability and prosperity throughout our shared continent”¹²⁰, this development is not too surprising.

Nevertheless, EU-Russia relations are also characterized by an inherent ambiguity: rather than materializing in smoothly functioning cooperation, the increasing bilateral institutionalization coincides with permanent coordination failure, fundamental misunderstandings with regard to the common norms and values, and diverging preferences. In particular the recent years have witnessed a dramatically growing number of discords accompanied by an atmosphere of resentment that shatters the partnership in many aspects. This section identifies various factors that contribute to the current situation from the EU's point of

¹²⁰ Statement by European Commission President Barroso following the EU-Russia Summit, Brussels, 28 January 2014.

view, grouping them into external and internal challenges. On the external side, difficulties are mainly rooted in differing interpretations of shared values, the personality of Vladimir Putin, the Russian foreign policy strategy of ‘divide-and-rule’, and a reconfiguration of relative power coupled with rising competition for influence in the shared neighborhood. Internally, the EU’s lack of an identity as an international actor impedes the use of effective external instruments and the definition of a coherent Russia policy. In addition, persisting crises in the EU have harmed its external prestige and role model character. It is argued that, far from being random, these challenges are in many ways a result of the EU’s external appearance as a soft milieu-shaper. While it clearly takes the lead in the institutionalization of relations, it is incapable to sustainably operationalize the underlying norms and values.

5.3.1. External challenges: the bear that cannot be tamed

In the past years, EU-Russia relations have considerably changed. The normative rapprochement that has been taking place since the end of the Cold War has peaked and is gradually overshadowed by rising hostility. Initially, from the EU’s perspective, a lot of Russian internal matters were changing to the positive during the early transition phase. However, this development has halted in a time of Russian economic recovery and regained self-awareness. In this context, the image of the ‘Russian bear’ has once again become a widely used metaphor that is associated with threat, thereby echoing the prejudices and reservations that many European policy makers have vis-à-vis a strong eastern neighbor.

From a broader perspective the growing number of contradictions between the EU and Russia are also the result of a deepened relationship that has created expectations about the

behavior of the partner. Against this background, the limits of normative convergence that come increasingly to the fore question the very existence of a set of equally shared ‘European values’ – a problem that has alarmed Brussels. The European Commission has expressed concerns about “a growing gap with regard to common commitments.”¹²¹ A high-level EEAS official that regularly participated in institutionalized dialogues could cite a plethora of examples in this respect. He described “Soviet reflexes [that] come back to surface” and that indicate that Russia would no longer be moving in what the EU considers the right direction. Two recent trends would stand out: the Russian government has been “tightening screws at the domestic scene” and “elections did not meet democratic standards.” Voicing criticism against these developments within the framework of institutionalized dialogues, EU diplomats increasingly experience how Moscow openly challenges the common values it subscribed to in the 1990s replacing them by “its own set of *invented* values” (EU-25[EEAS]/Rus, emphasis added).

The growing divergence in the interpretation of what Brussels regards as *common* values indicates a reappearance of fault lines in the EU-Russian relationship. Among others, understandings differ over democratic standards and the rule of law, yet the recently most prominent cases pertain to the area of human rights. Here, the EEAS diplomat highlighted specifically the right to sexuality and freedom from discrimination on the grounds of sexual orientation. The Russian federal law “for the Purpose of Protecting Children from Information Advocating for a Denial of Traditional Family Values”, in western media coverage generally referred to as the ‘gay propaganda law’, has been heavily criticized by the EU for restricting and violating LGBT rights. While the EU argues in favor of the freedom of sexual orientation as a universal human right, Russia denies such universality, claiming that the protection of what it

¹²¹ European Commission, “Review of EU-Russia relations”. MEMO/08/678 of 5 November 2008.

considers as ‘traditional family values’ is superior. The dispute demonstrates how the EU’s understanding of what constitutes a human right is challenged by Russia. Moscow does not aim at improving the domestic situation but defends the status quo with a rhetoric that is based on a unilateral interpretation of human rights which clearly diverges from that of Brussels (EU-02[EEAS]/Rus, MS-13/HuR, EU-25[EEAS]/Rus).

Human rights issues are discussed at different levels between the EU and Russia. The institutionalized forum for the topic, the Human Rights Consultations, consists of expert-level meetings that are known for frank and open discussions (EU-02[EEAS]/Rus and EU-25[EEAS]/Rus).¹²² Russia, for instance, has repeatedly criticized racism and xenophobia in the EU, often with regard to the situation of the Russian-speaking minorities in the Baltic States (MS-13/HuR).¹²³ The EU has raised, among others, concerns about a range of individual human rights cases, the suppression of the civil society and bans of NGOs (EU-18[EEAS]/HuR). On paper, the Human Rights Consultations seem like an effective instrument to remind the partner of the common commitments.

Nevertheless, interlocutors reported of a fundamental imbalance regarding the acceptance of a mentioned issue as an actual domestic problem. Whereas the EU generally listens to criticism brought forward by the Russian side and aims at improving its human rights record, Russia shows more reluctance to get active in this respect (EU-02[EEAS]/Rus). Accordingly, a review of EU-Russia relations published by the European Commission in 2008 concluded that the Human Rights Consultations’ “impact [on improving the human rights situation in Russia]

¹²² Available EU Press Statements on EU-Russia Human Rights Consultations mention amongst other an “open”, “frank” and “friendly” atmosphere.

¹²³ European Union, Document A 566/12 of 10 December 2012, Press Release of the 16th EU-Russia Human Rights Consultations.

remains relatively limited.”¹²⁴ In the meantime, not much has changed to the better from the EU’s point of view. An EEAS official that has repeatedly taken part in the consultations complained that the Russians “are not very keen” on a “successful exchange on human rights issues.” Quoted at length, according to her

“[the Russians] want to have kind of a stamp that they are discussing human rights with the EU. However they don’t want it to be too meaningful. They don’t want it to play a role [...] outside that little forum. So then they have mandated the ministry of foreign affairs to hold these consultations, and there is nobody else who participates in it. We don’t have an ombudsman there, any other ministries, ministry of justice – I mean it’s purely the civil servants of the ministry of foreign affairs who sit there and kind of discuss the human rights issues. But I mean this is where the discussion starts and ends. The Russians say this is very good for them and indeed we have good discussions, I mean it’s a quite open and frank exchange. They provide us with some information and they attack some of our human rights violations. The problem is by all of this, the Russian do tick the box with us discussing human rights issues. And they see it as enough whereas we see it that these talks don’t really happen in effect as such.”

(EU-02[EEAS]/Rus)

The quote summarizes the increasingly problematic context described in the foregoing paragraphs and likewise points to a central dilemma the EU faces in its relations with Russia. A consolidation of common values that both parties equally adhere to has not sufficiently taken place. As a consequence, the EU acting as a milieu shaper in foreign affairs has *de facto* only limited influence on its external environment. The Human Rights Consultations serve as a prime example. A forum at expert level – originally created because of supposedly sufficient normative rapprochement at the political level – loses its meaning once its constitutive values are differently interpreted and promoted at the domestic scene.

A direct result of the contestation of common values and the associated ineffectiveness of expert-level meetings is that human rights issues are increasingly raised at the higher, political levels (EU-02[EEAS]/Rus). There, the divergence in the interpretation of values is mirrored in

¹²⁴ European Commission, “Review of EU-Russia relations”. MEMO/08/678 of 5 November 2008.

the rhetoric of high-level officials. In a speech on the future of EU-Russia held in 2008, then European Commissioner for External Relations and European Neighbourhood Policy Benita Ferrero-Waldner stressed that it was “not always easy to speak about ‘common values’”. Instead she referred to “the EU’s fundamental values” that are promoted in Russia, implying that the promotion of values that were initially regarded as *common* became increasingly one-sided.¹²⁵ The observation of a change in the EU’s approach is likewise underpinned by the way in which reference is made to common values within bilateral agreements. Whereas the PCA of 1997 explicitly mentioned “common” values, more recent agreements such as the 2010 Partnership for Modernisation waived this expression, thereby leaving concepts such as human rights, democracy and the rule of law more to the individual interpretation of each of the parties.

A practical example of the norm- and value-contestation is Moscow’s limited willingness to equally contribute to the functioning of the Human Rights Dialogues. These dialogues with third countries are generally structured in a way that meetings rotate between Brussels and the capital of the partner. However, Moscow has repeatedly been reluctant to host consultations. Official statements from Brussels expressing the wish to receive an invitation for a meeting in Russia have not led to the desired result.¹²⁶ So far, all human rights consultations were held in the EU, mainly in Brussels. This impedes the participation of relevant line ministries and agencies. From the Russian side only officials from the foreign ministry are sent to Brussels to join the consultations. Consequently, their EU counterparts from the EEAS are not able to engage in a dialogue with representatives of ministries that have more relevance regarding the

¹²⁵ European Commission, SPEECH/08/175 of 7 April 2008. Speech of Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy, on “The European Union and Russia – future prospects”, delivered on 6 April 2008 at the Salzburg Global Seminar.

¹²⁶ The consultations are held behind closed doors but the press releases of the 14th (press release A 488/11 of 29 November 2011), 15th (press release A 350/12 of 24 July 2012), 16th (A 566/12 of 10 December 2012) and 17th (press release A 258/13 of 19 May 2013) EU-Russia human rights consultations all mention that the “EU has restated its wish to hold the next round in Moscow”.

Russian domestic human rights situations, such as from the ministry of interior or the ministry of justice (EU-25[EEAS]/Rus). The Russian side has yet remained reluctant to change the format of the talks.¹²⁷

The questioning of agreed norms and values is a practice that is not confined to the area of human rights. Similar dynamics to those experienced in the Human Rights Consultations can be observed in the area of energy. Within the institutionalized dialogues Russian negotiators have shown growing reluctance to cooperate on problematic domestic issues, such as investment security or the modernization of obsolete transit infrastructure. The setup of the main forum for cooperation at expert level, the Energy Dialogue, is increasingly challenged by Moscow. Initially, its creation was promoted by the European Commission to deal with five major issues: markets and security of supplies; transport infrastructure; enhancement of the legal framework, the investment climate and transfer of technologies; energy efficiency and the Kyoto protocol; and the establishment of a pan-European energy market. While Moscow agreed to the first four points to satisfy short-term interests, from the beginning it has been critical of the EU's long-term vision of creating a pan-European energy market. Prior to 2001 when the setup of the Energy Dialogue was negotiated, Russia was regarded as a relatively weak partner that could neither oppose the ideas of the EU nor propose an alternative. Accordingly, essential long-term features of the design of the Energy Dialogues are largely a product of EU interests (cf. Romanova 2008).

However, throughout the first decade of the new millennium, Moscow's regained self-awareness left its footprint also increasingly on bilateral energy relations. The rejection of

¹²⁷ European External Action Service, "EU-Russia Common Spaces Report 2012", published in March 2013, p.46-47

joining the Energy Community and the non-ratification of the Energy Charter Treaty (ECT) indicate a Russian disapproval of essential norms and values furthered by the EU to govern European energy relations. A similar attitude has gradually become visible in the Energy Dialogues. Russia has developed a long-term vision of energy governance that drastically differs from the concept promoted by the EU. In essence, the incompatible positions are rooted in the support of contradicting energy market models. The EU favors the creation of a stable legal regime based on energy market liberalization that ensures a level-playing field for all market participants. In this scenario public authorities have limited influence while private companies guarantee security of supply. Conversely, Russia favors equality between partners where different market models do not approximate but are respected by each of the parties. The vision is born out of the Russian economic model where state and energy companies are closely entangled, thereby fundamentally opposing the norms and market principles on which the original setup of the Energy Dialogue is based (Romanova 2008, 225).

The opposing visions culminate in increased misunderstanding. An EEAS official reported that in cases of criticism voiced by the EU, “the first line of Russian defense is counter-attack” rather than constructive dialogue (EU-02[EEAS]/Rus). Ironically, what it regards as problematic in the EU is in fact often in line with norms, values or rules to which Russia committed in bilateral agreements and which are coherently followed in the EU. For instance, Moscow has strong reservations about the provisions of the ‘third liberalization package’ that challenge the business model of Russian companies, although the legislation essentially implements and enforces market economic principles (EU-02[EEAS]/Rus).¹²⁸ At the same time, it accuses the EU to apply double standards, pointing to inconsistencies of what it promotes on

¹²⁸ Directive 2009/72/EC and 2009/73/EC concerning common rules for the internal market in electricity and natural gas.

the one hand and what it actually does on the other hand (EU-05[EEAS]/ExtR). At times, such criticism may be justified, but as a Moscow-based EEAS official pointed out, the Russians “see non-coherence in our policies” mostly “when it fits their aims” (EU-09[EEAS]/Rus). With this in mind, from an EU point of view it appears that criticism from the Russian side is based on strategic considerations rather than rooted in a deeply grounded interest to defend values or principles of the issue under discussion.

Examples from the areas of human rights and energy fit into the context of a general change in Russia’s values and behavior that is strongly connected to the personality of President Vladimir Putin. Several EEAS officials stressed that especially the Medvedev era after Putin’s first term in office raised hopes for a deepened partnership and better bilateral relations. However, in the eyes of the EU the situation has dramatically worsened since Putin’s return to power. There are strong concerns about a concentration of powers that has been taking place in the presidential administration and that weakens the government (EU-05[EEAS]/ExtR, EU-06[EEAS]/Rus, EU-25[EEAS]/Rus). The EU appears largely helpless as Russia under the rule of Putin turns from pluralism to managed democracy and from open markets to state capitalism – a system based on norms and values that the EU does not share (Colton and McFaul 2003; Barysch 2006, 2). The conflicting understandings of democratic and economic governance clash on various bilateral fronts. A Commission official stressed for instance that different structures in the area of energy lead to substantial complications since the EU, relying on market forces, has to deal with a “Putin conglomerate” that is based on “a Sun King in energy matters that can push a button” (EU-19[COM]/Ener).

Also these concerns can be interpreted as an expression of unmet expectations that the EU has vis-à-vis Russia. While Russia under the Presidents Yeltsin and Medvedev was more

conducive to converge to western norms and values, Putin's Russia appears more confrontational. The EU's external approach as a milieu shaper is undermined by a climate of increasing unresponsiveness. Paradoxically, it sometimes appears that the more European values are openly challenged and concerns about Russia grow, the less divided are EU Member States in finding a common position. A Commission official from the area of energy claimed that gradual centralization of the EU's external energy policy was in fact a reaction to Russia. According to him, "without the behavior of Russia throughout the last years there would not be an external energy policy", adding that "Vladimir Putin has done a lot for the European unification!" (EU-10[COM]/Ener)

A further external challenge for the EU as a milieu shaper results from Russia's frequent and often successful attempts to divide EU Member States in their quest for a common European foreign policy (EU-05[EEAS]/ExtR, EU-06[EEAS]/Rus, EU-25[EEAS]/Rus). This Russian foreign policy approach – sometimes labeled 'divide and rule' (cf. Barysch 2004, 53) – is targeted against EU Member States' adjustment to a common EU position and thereby attempts to undermine the basic idea of EU foreign policy. In practice, Russia "offers 'goodies'" in various forms to specific Member States to alter their preferences (EU-04[EEAS]/Rus).

Multiple examples exist from various policy areas where Russian actions aimed at thwarting a unified EU position. For instance, Russia's import ban on EU pork products that the EU sought to challenge under WTO rules was offered to be lifted specifically for Denmark – an offer that put the Danish authorities under pressure from both its large domestic meat sector and its EU partners (ibid.). A recurrent example is the different price level of energy supply contracts with Member States that Russia negotiates to undermine the potential economic power of a single EU trading block. There is also a pattern detectable that Russia's offers are particularly

targeted at EU Member States that have a difficult standing within the Union. In 2014 the Hungarian government of Prime Minister Victor Orbán, repeatedly criticized by other European leaders for challenging common values, was offered a deal for an expansion of the Paks Nuclear Power Plant by the Russian state company Rosatom, including a favorable financing scheme. One year later, at the climax of negotiations around a Greek exit of the Eurozone, Russia offered a financially attractive deal to the government to build the ‘Turkish Stream’ pipeline across its territory. These examples illustrate how “Russia always attempts to go ahead with individual Member States” and why therefore more coherence in the EU’s foreign policy was required (MS-19/ExtR).

Also Russia’s ‘divide and rule’ strategy is strongly connected to the personality of President Putin. According to an EEAS official, “‘divide and rule’ is now more evident again. It was less evident during the Medvedev era, it was evident under the second mandate of Putin 2004 to 2008 and it is evident again now” (EU-05[EEAS]/ExtR). A growing number of instances were reported when the Russian Foreign Minister Sergey Lavrov approached his European counterparts with the question whether they agreed with a specific statement of the EU’s HR. Such actions are aimed at driving a wedge between the Member States and the EU. Moscow is well aware that the EU28 have retained their own specific interests vis-à-vis Russia which are yet not expressed in order to adhere to the common line of the EU. In this context, the EEAS official explained that “the Russians love that because they know there are issues that a capital would never raise with Russia” (ibid.). Once spoken out it may spoil the EU’s common line to take.

The Russian strategy of ‘divide and rule’ is, however, not constrained to the territory of the EU. Both actors consider themselves as regional players in a shared neighborhood of Eastern

Europe and the South Caucasus, whose internal security starts outside their borders. Security-oriented policies though follow a competing and mutually exclusive logic. Commitments and rapprochement by those countries to the EU are regarded as political loss by Russia and vice versa (Dias 2013). Consequently, both actors aim at deepening relations in the neighborhood and pursue a consolidation of their sphere of influence. Moscow often uses its leverage in the area of energy to pursue interests. The dependence of countries in the shared neighborhood on revenues from energy transit and concessions on energy prices provides a convenient and effective foreign policy tool. In the past, Russia has for instance created incentives for non-compliance with the market economic principles promoted by Brussels in order to further its own economic model. An example is the pressure exerted by the Kremlin on Ukrainian energy minister Mykola Azarov to withdraw from the Energy Community Treaty. An EEAS official described this act as a Russian attempt to regain control over its former satellites in order to create an external environment in which large monopolists like Gazprom, Rosneft and Transneft can conduct business independently from the EU's rules-based economic system (EU-05[EEAS]/ExtR). Also the Russian-Ukrainian gas disputes of 2006 and 2009 are examples of Russian power games on basis of its strong position in the area of energy.

In summary, this section provided an overview of different external factors that pose problems to the EU's external role as a milieu shaper. The increased challenging of norms and values across different policy areas, the associated questioning of the setup of sectoral dialogues, the personality of President Putin and Russia's divide and rule strategy stand for an external environment that is increasingly unresponsive to milieu-shaping activities of the Union. Throughout the time building a partnership, the general context has shifted and nowadays the EU's external opportunity structure is characterized by constraining rather than conducive

factors. Two conclusions can be drawn from the development that led to the current situation. First, in order to have an effect, norms and values need to be operationalized on a constant basis. Second, for a coherent foreign policy, a milieu shaper needs to support the promotion of norms and values by instruments that are capable of ensuring their operationalization – even against constraining factors within the external opportunity structure. From this perspective, it was a strategically adverse decision by the EU to follow an external approach which gradually bases milieu-shaping activities at expert-level forums while taking the underlying normative framework conditions as given. Differently from the EU's ambitions, reality has presented Russia as a bear that could not be tamed on various fronts. However, not only external factors undermine the EU's milieu-goals. In the past years, the EU's Russia policy was also subject to an increasingly problematic internal opportunity structure, to which this chapter will turn in the next section.

5.3.2. Internal challenges: the lack of an identity as an international actor

Besides the aforementioned external challenges, there are a number of internal difficulties that the EU as a milieu shaper experiences. Some of the problems are known for a long time and yet remain unresolved. At times, external and internal problems mutually reinforce each other and significantly impact on the coherence of the EU's foreign policy output towards Russia. In this section it is argued that Brussels' ongoing search for an identity as an international actor lies at the heart of the internal challenges. This search, both institutional and ideational in nature, has repeatedly failed to give guidance in external policy-making and produced conflicting messages to partner countries. In the context of EU-Russia relations this is even more the case, particularly

because the EU has created the expectation to build a credible and long-lasting partnership and yet faces profound difficulties in working towards this aim. The following paragraphs use the examples of energy and human rights policies to illustrate the lack of coherence between internal and external policy objectives and the inefficiency of available foreign policy instruments in promoting norms and values. Moreover, this section also presents how the EU's incapability to resolve different home-made crises undermines its external appearance as a desirable societal and economic model to which partners want to approximate.

The EU has initiated profound changes to the area of energy policy since around the turn of the millennium. At the center is the definition of three overarching principles to guide future policy choices: secure, sustainable and competitive energy.¹²⁹ While the reorientation of an entire field appears internally coherent, it is in many ways incompatible with the EU's external milieu goals. Tensions originate from a stark contrast between the EU-Russian interdependence as consumer and supplier on the one hand, and differing understandings of energy market development on the other hand. Thereby, the actor that behaves as a game-changer is the EU. Each of the newly defined principles sends conflicting messages to Moscow since they negatively affect Russian interests as the EU's most important supplier of energy and therefore stand in contrast to the practice of deepening the partnership.

The EU's principle to achieve more *energy security* undermines the continuity of demand for Russian energy supplies. Rather than acting as a reliable consumer of Russian oil and gas, the EU aims at decreasing its import dependency through a diversification in two ways.¹³⁰ On the one hand, it reaches out to alternative suppliers through new routes and methods of

¹²⁹ European Commission, "Green Paper - A European Strategy for Sustainable, Competitive and Secure Energy", Document COM/2006/105 final of 8 March 2006.

¹³⁰ See for instance European Commission, "An energy policy for Europe", Document COM/2007/1 final of 10 January 2007.

transportation. Brussels has for instance actively supported a variety of pipeline projects aimed at by-passing Russia and facilitated the construction of LNG terminals to import gas from overseas. On the other hand, the EU has encouraged the diversification of energy consumption to alternative and indigenous sources to decrease the dependence on traditional suppliers of fossil fuels, including Russia. Similarly, also the second principle of EU energy policy affects bilateral relations with Russia. Brussels' environmental agenda promoting *sustainable energy* is aimed at reducing the total amount of energy consumed in the EU and its carbon intensity. With the aim of consuming cleaner and less energy more efficiently, the EU and its Member States have agreed on a combination of energy and climate goals to be reached by 2020 and successively by 2030.¹³¹ In order to meet these targets one of the most effective strategies is to consume less carbon-intensive fossil fuels like gas, oil and coal – the main energy commodities exported by Russia. Finally, also the third principle, *competitive energy*, has affected EU-Russia relations. The rigid application of EU internal market rules challenges the business model of Russian energy companies. For instance, the 'third liberalization package' of the internal energy market requires unbundling from production and distribution, and third party access to distribution networks. Both provisions heavily hit vertically integrated Russian energy monopolists like Gazprom. Since many of the Russian energy companies are by a majority state-owned, the EU policy likewise impacts on Russian state revenues.

In summary, the newly defined principles of the EU's energy policy and the corresponding internal policy initiatives have repercussions on its external energy policy and challenge the EU-Russian partnership. The first two principles, secure and sustainable energy,

¹³¹ The 2020 targets were agreed by the European Council on 17 June 2010 (only the first two of the three 2020 goals are legally binding), the 2030 targets on 23 and 24 October 2014. See European Council, European Council Conclusions of 17 June 2010, Document EUCO 13/10, and European Council Conclusions of 23 and 24 October 2014, Document EUCO 169/14.

radically change the EU's energy consumption and energy mix already today and even more so in the future. Accordingly, traditional exporters of fossil fuels like Russia have to adapt their demand projections for the European market. In fact, total Russian export volumes of oil and gas to the EU have already peaked in the mid-2000s and since then are in almost steady decline.¹³² For the Kremlin, this is unacceptable: the fact that bilateral energy relations did not attribute much importance to the security of demand have been interpreted as one of the main reasons why Moscow terminated the accession to the Energy Charter Treaty (ECT) (Nochevnik 2015). The third principle, competitive energy, seeks to establish an energy regime within the EU and beyond its borders which further challenges Russian business projections. With the decision to subject its energy policy to three principles that go hand in hand with new targets and policy initiatives, the EU has unilaterally altered the balance of interdependency and thereby fundamentally challenged the old trajectory of EU-Russia relations. To Moscow, this development is perceived confrontational and hostile. An expert on EU-Russia energy relations described the current situation as beginning of "an absolutely new framework for an EU-Russia energy dialogue" that created an environment in which "you have to manage conflicts rather than elaborate perspectives" (OO-01/Ener). Internal policy choices have thus turned out to be mutually incoherent with the external aim to deepen the partnership. While the EU has established principles for its energy policy, it has failed to navigate them into an internally and externally coherent strategy.

Compared to its energy policy, the EU's human rights policy is characterized by more coherence between its internal and external principles. Nevertheless, the area also serves as a prime example how the choice of available policy instruments can undermine external

¹³² Eurostat, author's own calculations.

effectiveness. Essentially, the EU has a number of instruments at its disposal, ranging from soft instruments such as deliberation, debate and criticism that are applied within institutionalized dialogues, to hard instruments such as the suspension of agreements and sanctions. Since the intensification of EU-Russia relations, the EU has closely monitored the respect for human rights in Russia. Especially following the PCA, it has repeatedly criticized Moscow for not sufficiently securing the European values it had subscribed to. Thereby, criticism has taken a variety of different forms. It has been part of speeches given by Heads of State or Government, in particular when their respective country held the Council Presidency. European top level policy makers of all major EU institutions have also repeatedly articulated their discontent with Russia. Additionally, concern of the human rights situation in Russia has been voiced in debates and resolutions of the EP, in its Resolutions and in European Council Conclusions. However, clear variation is detectable concerning the sharpness of criticism. While debates in the EP and EP Resolutions often take a relatively harsh stance on Russia, Council Presidency as well as European Council Conclusions are generally more diplomatic and less confrontational. Nevertheless, between 2000 and 2010 eleven European Council Conclusions made specific reference to the human rights situation in Russia or reminded Russia to adhere to the common values.¹³³

In voicing this criticism, the EU follows a foreign policy agenda that promotes its norms and values abroad, much in line with the conceptualizations of the EU as a ‘normative’ and ‘civilian’ power (Bull 1982; Manners 2002). At the same time, the effectiveness of this approach is frequently undermined for two reasons. First, criticism is a comparatively soft instrument of exerting external pressure that often leaves Moscow unimpressed. Even when the cases were

¹³³ Author’s own analysis of European Council Conclusions.

considered important to the EU and therefore more outspoken criticism was expressed – Politkovskaya, Magnitsky, Litvinenko, Khodorkovsky, and Pussy Riot are some of the more recent examples – Russian authorities have repeatedly been unwilling to engage in a dialogue or open transparent domestic investigations. Moreover, the previous section illustrated a worsening of the external opportunity structure in this respect. As Russia’s economic recovery progressed and self-awareness was regained, it began to increasingly challenge the western interpretation of human rights and became gradually more immune to criticism. Second, the EU remains reluctant to back criticism by stronger instruments, such as applying sanctions or invoking the suspension clause in trade agreements. Until today, there are virtually no records of economic or political reactions towards Russia due to human rights violations.¹³⁴ Instead, it sticks to an engagement strategy aimed at creating an atmosphere of mutual understanding where issues are addressed in a more forward-looking way; sometimes labeled ‘positive agenda’ (EU-04[EEAS]/Rus). As suggested in the conceptual framework, the success of a milieu shaper is, however, dependent on *cooperation* with the milieu-owner. While Russia becomes increasingly unresponsive to the kind of cooperation promoted by the EU, the EU itself seems both unwilling and incapable to change its strategy and adjust its instruments.

The examples from the fields of energy and human rights policy illustrate some of the key problems that undermine the EU’s external effectiveness. On the one hand, the EU’s energy policy shows how internal policy choices can be incoherent with the external objective of deepening partnerships. While the EU follows a set of principles that coherently realign the domestic energy policy, the same principles send conflicting messages abroad and clash with the

¹³⁴ A notable exception was the temporary suspension of the signing of the interim PCA due to the Russian military intervention in Chechnya. Nevertheless, this policy episode falls in a period when Russia was still in the process of economic recovery from the transition and was a junior rather than an equal partner to the EU.

Russian long-term vision of an energy partnership. On the other hand, the area of human rights shows the need to follow milieu goals with a coherent choice of instruments. Moscow's unresponsiveness to soft instruments coupled with Brussels' reluctance to apply stricter measures merges into an increasingly ineffective external human rights policy. An EEAS official involved in the Human Rights Dialogues described the status quo as "frustrating" (EU-02[EEAS]/Rus). Putting the utilized policy instruments into perspective with the external ambition of value promotion, the EU therefore remains at best a 'toothless tiger'. In summary, the examples from diverse policy areas therefore present the EU as an international actor without a distinct external identity: it lacks sound coordination of internal and external objectives, it is missing a viable strategy to meet its external ambitions, and it therefore appears to its partner both unpredictable and incoherent.

The image of an EU without an external identity is underpinned by the institutional complexity of the EU's foreign affairs. Actors and decision-making procedures differ depending on the policy area concerned. However, what is most difficult to comprehend for its partners is the Union's external representation. Since the Lisbon-Treaty the EU is externally triple-headed: the Presidents of the European Council, the European Commission and the EP all fulfill representative functions. The setup is further complicated with the creation of the position of the HR who, supported by the EEAS, acts as a quasi foreign minister of the EU. This institutionally highly complex system of external governance and representation makes it difficult to identify a single, coherent EU foreign policy. Accordingly, the EU's lack of external identity is not only a result of the way specific policies are defined and implemented but is also directly rooted in the distinct institutional setup that decentralizes decision-making and representative functions. A

deeper analysis of the institutional setting and the effects on policy coherence is presented in Chapter 5.

Finally, internal problems have become dramatically reinforced by a number of different crises from which the Union has been fundamentally suffering and which have though remained unresolved for several years. The financial crisis of the Eurozone has had severe consequences for the economic development of the whole EU. The problematic financial situation of Greece, coined prominently by the buzzword ‘Grexit’ (a wordplay of the terms *Greece* and *exit*, indicating a potential Greek exit from the Eurozone), stands synonymously for the EU’s inability to build a stable currency union. For years, the Euro crisis has become the predominant topic that trumps developments of all other policy areas. In the words of a Member State diplomat, “the Euro crisis is the number one issue. [...] the best minds in all the EU countries are concentrating on the current situation and on nothing else” (MS-08/Ener). The recent agenda of the European Council which is heavily biased towards financial topics confirms this observation.¹³⁵ At the same time, the economic crisis has become a political crisis. An ever-decreasing voter turnout at EP elections and the rise of anti-EU parties indicate declining domestic support for the EU that questions its democratic legitimacy. The situation has culminated in the debate around an exit of the United Kingdom from the EU (also popularly labeled ‘Brexit’, a wordplay of the terms *Britain* and *exit*). In addition, the EU has also experienced massive difficulties to deal with specific sectoral problems, such as the unprecedented illegal migration.

While this list is not intended to be exhaustive, it points towards a central dilemma: in many aspects, the EU is incapable of solving its home-made problems. The ongoing dissatisfactory situation has shattered the belief in European integration as a success story and

¹³⁵ Author’s own analysis of European Council Conclusions between 2000 and 2014.

accordingly shaped the external image of the Union to the negative. As western style democracy and liberal market economy are increasingly unable to deliver continuous growth, development and prosperity, the EU's model of governance as well as the norms and values associated with it have become less desirable throughout the world. In this context, the EU appears increasingly ill-equipped to shape the external milieu with an approach resting on soft instruments like deliberation, conviction and leading by example. An EEAS official therefore concluded that "the best thing the EU can do is to bring the own house in order" in order not to remain handicapped in foreign affairs (EU-25[EEAS]/Rus).

5.4. Conclusion

The previous sections have illustrated and framed EU-Russia relations in different and partly contradictory ways. Sections 5.1 and 5.2 focused on the rebuilding and consolidation of relations. The early post transition-phase witnessed a return of Russia to European norms and values – among others democracy, the rule of law, respect for human rights, and market economic principles – which provided the basis for further political and economic rapprochement. Extensive institutionalization of bilateral relations at both the political and expert level in policy areas of common concern contributed to what some observers labeled the 'normalization' of EU-Russia relations and the beginning of a new partnership.

The observed process of rebuilding and consolidating relations with Moscow confirms the main hypothesis of this chapter: Brussels external role was that of a milieu shaper. Its primary long-term concern was to frame the governance and ideational context of relations. Both case study areas of this project, energy and human rights policy, are prime examples in this

respect. Bilateral relations in these fields grew over time and became increasingly structured through common institution-building and the development of dialogues to exchange views, further understanding for each other's concerns and discuss the way forward on a regular basis.

However, despite extensive bilateral institutionalization and a plethora of policy initiatives it would be misleading to coin the development of EU-Russia relations as a success story. Misunderstandings, disagreement and conflict have reappeared particularly since the turn of the millennium and undermined the EU's external impact. Section 5.3 depicted Russia as a partner that has become increasingly unresponsive to milieu-shaping activities, that challenges commonly agreed norms and values, and that seeks to extend its influence in the region. At the same time, the EU is missing a distinct identity as an international actor that would provide guidance for a more coherent external approach. The example from the field of energy policy showed for instance how its reliability as an international partner is undermined through conflicting internal and external policies. In addition, the Union suffers under unresolved home-made crises which have significantly damaged its prestige and role-model character in the world. These different elements confirm the sub-hypothesis advanced in this chapter, namely that the EU's difficulties in its Russia policy stem from its external role as a milieu shaper, coupled with an internal and external environment that is increasingly uncondusive to milieu-shaping activities.

The various challenges pointed out in this chapter are nowadays at the core of a new EU-Russian bilateral reality: rather than deepening the partnership and elaborating perspectives, conflicts need to be managed. As a consequence, domestic perceptions in both camps are once again dominated by a lack of understanding and distrust. For the EU as a milieu shaper, this state of affairs is highly unsatisfactory since it undermines the effectiveness of its external approach.

As a consequence, recently there are more pro-active reactions from the side of the EU towards its eastern partner. On various occasions Brussels has signaled the limits of partnership with regard to Moscow's defection of the common values and recent geo-political ambitions. This has become particularly evident in 2014 with the start of the political crisis in Ukraine and Russia's *de facto* annexation of Crimea. Not only has Russia become the target of outspoken criticism but the EU has also imposed economic and political sanctions, including the temporary suspension of EU-Russia Summits and institutionalized dialogues at the expert level.¹³⁶ A diplomatic sign of growing tensions is the EEAS' reluctance to publish annual Common Spaces Progress Reports in the years 2013 and 2014, routinely a document that reviews the overall advancement of EU-Russia relations on the technical level. A further important indicator of the EU's changing approach is that the European Council, the highest political forum in the EU, has increasingly taken Russia on its agenda.¹³⁷

The findings of this chapter have relevance for answering the central research question of this project. EU foreign policy towards Russia is lacking coherence despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, because of Brussels' incapacity to *sustainably* shape the external milieu. The recurrent characteristics stretching across general EU-Russia relations and specific policy areas – namely the focus on bilateral institutionalization as well as the attempt to create a common value system and facilitate norm harmonization – have insufficiently materialized. Internal and external challenges, in particular the EU's lack of an identity as an international actor and Russia's unresponsiveness, illustrate the limits of a milieu shaper. Norms and values need to be operationalized on a case-by-case basis (Puetter and Wiener 2007, 1085). EU foreign policy

¹³⁶ European Council, European Council Conclusions of 20/21 March 2014, Document EUCO 7/14.

¹³⁷ See also section 4.1.1.

output is often lacking coherence because this operationalization remains a recurring theme in the definition, implementation and execution of policies. An EU that ‘punches under its weight’ is therefore not an unlucky coincidence but a direct consequence of its external role as a milieu shaper, coupled with the incapability to face the constant challenge of operationalizing norms and values in a consistent way.

6. ACTING COHERENTLY: THE COMPLEX RELATIONSHIP OF MILIEU AND POSSESSION GOALS IN THE EU-RUSSIA CONTEXT

In the previous chapter, the European Union (EU) was interpreted as a milieu shaper towards Russia. In its approach of rebuilding and consolidating foreign relations it widely appears as a coherent external actor. Moments in which coherence is lacking have been interpreted as the result of an uncondusive internal and external opportunity structure. These conclusions were drawn from an analysis of EU-Russia relations with a broader, macro-level perspective that sought to locate the EU along the dichotomy milieu shaper vs. possession seeker. In contrast, this chapter focuses on the micro-level of external policy formulation and implementation within the EU. What regularities are to be found in specific policy areas and under concrete policy episodes? How do milieu and possession goals interact? And can certain causal mechanisms be identified that link the characteristics of the policy content to the likelihood for coherent policy outcomes?

In this chapter it is argued that the degree of coherence in policy outcomes is inherently linked to the characteristics of the dominant external goal. The most basic difference between milieu and possession goals is that the former is based on norms and values whereas the latter is a reflection of specific interests. In the EU, interests are articulated and defended by the 28 Member States and thus extremely diverse. On the contrary, there is a basic consensus on the norms and values that the EU seeks to promote abroad. It is therefore hypothesized that *a policy issue or episode that is subject to milieu goals is more likely to generate external coherence than a policy issue or episode that is subject to possession goals.*

Nevertheless, there are also policy episodes in which both types of external goals co-exist. The coherence of policy outcomes can vary in these cases, since milieu and possession goals have a complex and complicated relationship. The second argument put forward in this chapter is that the degree of external coherence is dependent on the sequencing of different external goals. Following the argumentation of Arnold Wolfers, one reason for an international actor to follow milieu goals is to make the external environment more conducive to the attainment of possession goals (Wolfers 1962, 74). The different external objectives are coordinated with the aim to create synergies. The first sub-hypothesis of Chapter 6 therefore postulates that *where milieu goals are utilized to further possession goals, the EU appears as a coherent external actor*. Conversely, possession goals are unlikely to further milieu goals. On the one hand, the short-term focus of possession goals cannot substantially reinforce the long-term focus of milieu goals. On the other hand, democratically elected actors are judged according to their ability to satisfy the interests of their electorate. Since only possession goals materialize in the short- and medium-term, actors have an incentive not to sacrifice possession goals for the sake of milieu goals. A second sub-hypothesis in this chapter thus suggests that *where possession goals are utilized to further milieu goals, external coherence is unlikely*.

In the following sections, these hypotheses are tested in specific policy areas and policy episodes of EU external policy-making. As in the previous chapters, the focus is repeatedly placed on relations with Russia. The section on human rights presents the EU as an external actor whose milieu-shaping activities are based on a strong consensus on values. While this has facilitated the development of an increasingly coherent human rights regime, the external application of human rights instruments is characterized by less coherence. Second, in the area of energy, the EU has also experienced a relatively coherent development that is based on shared

norms. There is a strict division of labor between the EU following milieu goals and the Member States following possession goals. The EU's milieu-shaping becomes particularly visible through externalization of internal market norms. Finally, the chapter assesses three policy episodes that exemplify the complex relationship between milieu and possession goals: the Polish Russian gas negotiations of 2010, EU responses to human rights violations in Russia, and the Lahti European Council. In each of these policy episodes, the conflict between milieu and possession goals played out differently. Commonly, they contribute to the understanding of the EU's policy content and offer insights that have relevance for a better design of external policies in the future.

6.1. External human rights policy: strong values underpin milieu goals

The previous chapter concluded that coherence in the EU's external promotion of human rights is undermined by the internal and external opportunity structure. This section focuses on the development of the policy area which appears, in contrast, relatively coherent. Externally, the promotion of human rights has been a central element of EU foreign policy that consistently matured as European integration progressed. The underlying values, shared by all EU Member States and institutions, created a strong basis for the EU's milieu goal to promote human rights externally. They materialize for instance in the main agreements signed with Russia. Nevertheless, the evolution of the EU's internal human rights regime lagged behind these external developments. What used to be regarded as a problematic imbalance has been largely resolved through successive political initiatives. Nowadays, the EU appears as a more coherent promoter of human rights because the underlying values are equally operationalized internally and externally. In the relationship with Russia, this coherence is of crucial importance because it

reinforces the EU's moral authority in promoting human rights. These insights confirm the hypothesis that policies which are subject to milieu goals are likely to generate external coherence since they are based on a strong consensus on values.

6.1.1. Shared values to develop a coherent external human rights regime

Few other policy areas are characterized by a comparably strong consensus on underlying norms and values as the EU's external human rights policy. Their external promotion is a prime example of milieu-shaping. Already in the early days of the European Political Cooperation (EPC) the promotion of human rights and democratic principles was gradually introduced into the Community's external relations. Prior to the Single European Act (SEA), in the absence of any formal references to these issues policy-making rested on positions adopted by Community institutions and the Heads of State or Government. For instance, the Declaration on European Identity of the Copenhagen European Council of December 1973 as well as the Declaration on Democracy of the Copenhagen European Council of April 1978 unequivocally expressed the Community's determination to promote respect for human rights. Following the SEA in 1986, positions adopted by the Community became more operational. The June 1991 Luxembourg European Council adopted a Declaration on Human Rights which affirmed the Community's commitment to promote human rights worldwide and specified a number of priorities for action.¹³⁸ Few months later, the Council adopted its first resolution in the area.¹³⁹ Already these early episodes of the EU's external human rights regime support the main hypothesis of this

¹³⁸ European Council, Presidency Conclusions of the meeting in Luxembourg on 28-29 June 1991, Annex V.

¹³⁹ Resolution of the Council and of the Member States in the Council on Human Rights, Democracy, and Development of 28 November 1991. Information in this paragraph is partly excerpted from the introduction of the Commission Communication "The European Union and the External Dimension of Human Rights Policy: From Rome to Maastricht and Beyond", COM(95) 567 of 22 November 1995.

chapter since they indicate how the basic consensus on the underlying values facilitated consistent milieu-shaping activities.

From the late 1980s, the collapse of communism and the end of the bipolar world caused the Community to strengthen its external human rights policy. Central and Eastern European Countries (CEEC) were keen on a ‘return to Europe’ which implied prospective accession to the European Community and NATO. Brussels encouraged political and economic reforms in the region initially through trade, cooperation and aid agreements and later through association agreements and EU membership. The deepening of relations was conditional on satisfying a number of different criteria, such as moving towards a market economy and a democratic system, the rule of law and respect for human rights. The EU’s approach to use carrots and sticks in shaping its immediate external environment towards political and economic reforms culminated in the definition of the EU accession criteria at the Copenhagen European Council of June 1992, prominently known as the ‘Copenhagen criteria’. Since then, EU membership requires among others the stability of institutions guaranteeing human rights.¹⁴⁰

Conditionality – including the adherence to ‘European values’ and the respect for human rights – played also an important role in re-building relations with those countries for which EU accession was not an option. The Partnership and Cooperation Agreement (PCA) signed with Russia includes a human rights clause. Similar clauses were included in the EU’s international agreements with countries that emerged from dictatorships since the early 1990s. All human rights clauses share the same basic structure. They begin with an ‘essential elements clause’, typically located in one of the first articles of the agreement, which sets out the obligation to

¹⁴⁰ European Council, Presidency Conclusions of the European Council in Copenhagen, 21-22 June 1993, document SN 180/1/93 REV 1, p.13.

comply with human rights. The essential elements clause is generally enforced by a ‘non-execution’ or ‘non-fulfillment’ clause that allows one party to take ‘appropriate measures’ if the other party violates the essential elements clause.¹⁴¹ In the PCA the essential elements clause is included in Article 2, stipulating that

“Respect for democratic principles and human rights as defined in particular in the Helsinki Final Act and the Charter of Paris for a New Europe, underpins the internal and external policies of the Parties and constitutes an essential element of partnership and of this Agreement.”

Article 107(2) of the PCA enforces this provision, stating that

“If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures.”

Appropriate measures range from a partial and temporal suspension of the agreement to its complete termination.

The centrality of human rights provisions in the main agreements with Russia and other third countries emphasizes the important connection of values and milieu goals in external relations. With values as the basis for milieu goals shared amongst all EU Member States and institutions, the EU found a common basis on which external activities could be intensified. Agreement on the external promotion of values was possible and they were enshrined in the central bilateral agreement with Russia. Also this episode of external relations thus supports the main hypothesis of this chapter that milieu goals generally lead to externally coherent policies.

Starting with the 1992 Maastricht Treaty, the EU’s external human rights policy was also introduced into the Union’s primary legislation. On the one hand, “to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms” became

¹⁴¹ European Parliament, study by the Directorate-General for External Policies of the Union of February 2014, “The European Parliament’s Role in Relation to Human Rights in Trade and Investment Agreements”.

one of the objectives of the newly introduced Common Foreign and Security Policy (CFSP).¹⁴² On the other hand, the Treaty postulated that European Community development cooperation “shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.”¹⁴³ Moreover, Article F(2), stating that “[t]he Union shall respect fundamental rights, as guaranteed by the European Convention [...] and as they result from the constitutional traditions common to the Member States, as general principles of Community law”, converted the long-existing concern for human rights into a legal obligation (Defeis 2007, 1111). Formerly already interpreted by ECJ case law as a legal principle, this provision enshrined the protection of human rights as a principle of Community law into primary legislation. With these developments, the EU’s milieu-shaping activities rooted in shared values became reinforced through legal elements. This process continued and underpinned the coherence of the EU’s external human rights policy.

The Treaty of Amsterdam, signed in 1997, reaffirmed the EU’s commitment to promote universal respect for human rights as one of its founding principles.¹⁴⁴ The human rights provision of the Copenhagen criteria, namely that countries seeking EU membership must respect human rights, was introduced in the Union’s primary legislation and emphasized in article 49. Few years later, the Nice Treaty of 2001 strengthened the EU’s external mechanism to promote human rights. The provisions in the area of CFSP and development cooperation introduced in the Maastricht Treaty were complemented by article 181 that extended the objective to externally promote the respect for human rights to all forms of cooperation with third countries.

¹⁴² Article J.1(2) TEU, version of 1992.

¹⁴³ Article 130u(2) TEU, version of 1992.

¹⁴⁴ Article 6, TEU as amended by the 1997 Amsterdam Treaty.

Compared to the frequent developments in the area of external human rights policy illustrated above, the years following the Nice Treaty brought relatively little innovation. Despite considerable changes in the international environment, some of which went hand in hand with a worsening of the human rights situation, the EU's approach remained limited to means offered by the existing legal framework, such as the definition of Council guidelines, the broadening of human rights consultations and the more or less frequent use of available diplomatic instruments. The stagnation may be rooted in the rejection of the Constitutional Treaty that discouraged policy makers to pool further competences at the supranational level as well as the economic and financial crisis that preoccupied the Union's policy agenda. A new dynamic in the area emerged only with the 2009 Lisbon Treaty. It defined the promotion and protection of human rights as an objective of the EU's activities in the wider world to be pursued by appropriate means.¹⁴⁵ In addition, the newly created post of the HR and the Union's new European External Action Service (EEAS) pooled resources and thereby added value to the external representation and promotion of human rights. According to one interlocutor, all of this created a "real new impetus" (MS-13/HuR).

This impetus materialized in the adoption of two important human rights documents. First, a Joint Communication by the Commission and HR Catherine Ashton, released in December 2011, critically reflected the EU's action in the field. It concluded that efforts needed to become more effective to deal with the "seismic changes in the world" which had permeated the preceding decade and which caused new challenges to human rights.¹⁴⁶ An immediate response to the Communication was given by the second important document, the EU Strategic

¹⁴⁵ Article 2 and Article 3(1), (5) and (6) TEU.

¹⁴⁶ European Commission and HR, Joint Communication "Human Rights and Democracy at the heart of EU External Action – Towards a more Effective Approach", COM(2011) 886 final, Brussels, 12 December 2011.

Framework and Action Plan on Human Rights and Democracy adopted by the Council in June 2012.¹⁴⁷ The Strategic Framework reiterated the EU's external human rights objective as well as the challenges outlined in the Joint Communication. It particularly pointed out the pursuit of coherent objectives and to "promote human rights in all aspects of external action without exception." Effectively, it called for an integration of human rights promotion in a range of other policy areas including trade, investment, energy, development policy and CFSP. With this provision for the first time a document commonly adopted by the Member States made clear reference to the horizontal dimension of human rights. The Action Plan set out clear tasks for the EEAS, the Commission and the Member States for the coming years. Observers of the process praised the development of more sophisticated instruments to carry out the external human rights policy of the Union (MS-13/HuR).

A strong consensus was found on a strategic reorientation of the EU's human rights policy. The EU seeks to promote human rights through 'mainstreaming', an instrument emphasizing that they should run like a 'silver thread' throughout all other external areas.¹⁴⁸ These include among others trade, investment, energy, environmental and development policy as well as the CFSP and ESDP.¹⁴⁹ Besides the general promotion of human rights, the strategy of mainstreaming is considered to increase the vertical and horizontal coherence of the EU's human rights policy. The relevance of the strategy is two-sided. First, human rights became formally introduced as a horizontally linked foreign policy area. There is no external policy which does not have a human rights component (MS-13/HuR). For that reason, mainstreaming seeks to

¹⁴⁷ Council of the European Union, "EU Strategic Framework and Action Plan on Human Rights and Democracy", 11855/12, Luxembourg, 25 June 2012.

¹⁴⁸ European Commission, Joint Communication 'Human Rights and Democracy at the Heart of EU External Action: Toward a more effective Approach', COM(2011) 886 of 12 December 2011.

¹⁴⁹ See for instance European Parliament, "Human Rights Mainstreaming in EU's External Relations", study by the Directorate-General for External Policies of the Union of 11 September 2009, document EXPO/B/DROI/2008/66; or the Human Rights Action Plan.

include human rights as much as possible within the discussions of other policies (EU-02[EEAS]/Rus). Second, the human rights policy is largely based on soft instruments, which limits its external impact. Mainstreaming is considered as a functional solution to overcome this problem. Linking human rights to other areas indicates that a bilateral relationship is based on certain values (MS-12/ExtR). Likewise, the setup ensures that the EU only agrees on external policies with third countries that do not contradict human rights (EU-18[EEAS]/HuR). In line with earlier observations in this section, also these new initiatives in the area of external human rights policy are rooted in a deep consensus about basic values of milieu goals. As a result, the development of the EU's external human rights regime appears coherent.

6.1.2. Closing the internal-external gap: towards more coherence and credibility

For many years of European integration, developments of the EU's internal human rights regime lagged considerably behind the external developments described in the previous section. This was widely considered as a problem: the imbalance between what the EU was preaching abroad and what it was practicing at home questioned its credibility when applying its soft instruments to promote human rights in the world. Russia for instance repeatedly criticized Brussels for applying double-standards. To create more coherence between the Union's internal and external human provisions, successive efforts were undertaken to strengthen the internal human rights regime. Also this episode of the EU's human rights policy confirms the main hypothesis in this chapter that milieu goals based on shared values are likely to generate more external coherence.

The promotion of human rights in Europe has a long tradition. Soon after the Second World War one of the strongest international frameworks to protect human rights was

established on the continent. In 1950 the Council of Europe negotiated the European Convention on Human Rights (ECHR), which formalized various civil and political rights. Since then, individuals can sue any of the contracting states for breaches of their commitments and request a binding judgment from the European Court of Human Rights. This strong consensus on human rights protection and the establishment of the necessary legal framework is a transnational response of European states to the lessons learned from the eras of fascism and post-war reconstruction (K. E. Smith 2008, 112). It is also manifested in common institutions such as the Council of Europe. No longer are human rights an internal matter, but their universal nature is put under international scrutiny.

Nevertheless, both the European framework for the protection of human rights and associated institutions are completely distinct from the EU. While all EU Member States are members of the European human rights regime, until today the EU itself is not a contracting party. This highlights the initial economic rationale for European integration: none of the founding treaties includes a reference to human rights (Williams 2004, chap. 6). Scholars have therefore identified a sharp contrast between the legal provisions that underpin the protection of human rights within the EU and its external human rights policy (cf. K. E. Smith 2008, 112 ff.). Sometimes labeled the ‘internal-external policy gap’, this notion points towards the phenomenon that the EU – a vigorous promoter of human rights in the world – has no legal framework implemented to meet the high standards at home. Unsurprisingly, this has caused much criticism, challenging the EU’s credibility on the protection of human rights and provoking claims against the EU to bring its own house in order before ‘preaching’ human rights to other countries.

In the past decades, considerable efforts have been undertaken to close the internal-external gap and build a more balanced human rights regime. This development was rooted in a

strong consensus on values and depicts the EU as a milieu shaper that became increasingly concerned about the coherence between its domestic and foreign actions. In 1986, the preamble of the SEA introduced human rights to primary Community legislation. Few years later, the Maastricht Treaty mentioned them for the first time in the main body of a Treaty text. Nevertheless, a legal basis for Community action was missing which undermined the ability to hold European institutions or the Member States accountable for breaches of human rights.¹⁵⁰ For this purpose, the development to prepare EC accession to the ECHR that had already started in the 1970s gained importance. While progress was initially sluggish, the 1997 Treaty of Amsterdam included provisions aiming towards ECHR membership.¹⁵¹ Furthermore, the Charter of Fundamental Rights of the European Union, proclaimed by the December 2000 European Council and legally binding since the 2009 Lisbon Treaty, sought to strengthen the EU's internal human rights regime. Its provision though only apply to EU Member States as far as they are implementing EU law; a shortcoming that retains the internal-external gap (K. E. Smith 2008, 114). As a consequence, the process towards EU membership to the ECHR has been accelerated. The Lisbon Treaty and Protocol No. 14 of the ECHR made EU accession a legal obligation.¹⁵² Membership implies that the protection of fundamental rights within the EU is placed under the external control of the European Court of Human Rights. It has been argued that this is a

¹⁵⁰ TEU Article F(2), version signed in Maastricht on 7 February 1992.

¹⁵¹ The European Court of Justice had previously ruled in its opinion 2/94 of 28 March 1996 that an EC accession to the ECHR would require an amendment of the EC Treaty. Article 6 and 7 of the Treaty of Amsterdam make explicit reference to human rights.

¹⁵² Article 6 (2) TEU as amended by the Lisbon Treaty states that "The Union shall accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms."; Protocol No. 14 to the Convention for the Protection of Human Rights and Fundamental Freedoms mentions in Article 17 that "The European Union may accede to this Convention."

milestone in the development of the EU's internal human rights regime that will enhance coherence and boost the credibility of the EU in the area.¹⁵³

The ongoing efforts to strengthen the internal human rights provisions and to close the internal-external gap illustrate how the milieu goal to be a credible promoter of human rights reinforced the coherence of the EU's human rights regime. The EU responded to inconsistencies with an internal development towards more balance between its internal and external human rights policies. This element is crucial for EU-Russia relations since it restores the EU's moral authority as a milieu shaper and promoter of human rights in the world. With the internal-external gap gradually being closed, it is easier for the Union to reject accusations of double-standards and gain credibility (MS-13/HuR). The internal transformation was only possible because of a broad consensus on the basic values that is shared by the EU and all of its Member States and reflected in the milieu goal to promote human rights in the world. The example of closing the internal-external gap therefore also supports the main hypothesis of this chapter that a policy issue which is subject to milieu goals is likely to be coherent.

However, when assessed with a view to Moscow, the human rights policy of the EU appears paradoxical. Whereas its development led to a more coherent human rights regime as presented in this section, the external application of its human rights instruments towards Russia lacks coherence. While soft instruments like criticism and demarches are frequently applied – for instance within the framework of the EU-Russian Human Right Dialogue – harsher measures that would result from an application of the human rights clause can hardly be observed. The effects of mainstreaming are also questionable: there are so far no substantial practical examples

¹⁵³ See for instance Council of Europe, Accession of the European Union to the European Convention on Human Rights. Accessed on 12 March 2015: http://www.coe.int/t/dghl/standardsetting/hrpolicy/Accession/default_en.asp

how human rights are horizontally coordinated with policy areas that are of key concern vis-à-vis Moscow, such as energy. This presents the EU's external human rights policy as somehow ambiguous and demands a qualification about coherence. On the one hand, it appears coherent whenever reference is made to norms and values in a broader sense. As presented in this section, shared values triggered developments that led to a more coherent human rights regime. This facilitated the EU's credibility and coherence as an external milieu shaper. On the other hand, milieu goals are not always consistently followed in specific policy episodes. As it will be demonstrated in the case studies of section 6.3, this lack of coherence is rooted in the complex relationship of milieu and possession goals.

6.2. External energy policy: shared norms facilitate milieu shaping

With regard to its bilateral energy relations with Russia, this thesis depicted the EU as a relatively coherent milieu shaper. In particular the institutionalization of common forums bears witness of this external character. Challenges are rooted in partly uncondusive internal and external opportunity structures that impede coherent milieu-shaping. This section widely confirms such an image. However, rather than looking at the broad picture of EU-Russia bilateral relations, it investigates the policy content of external policy-making *within* the EU. How did the EU develop its external energy agenda and formulate policies? Which elements have caused coherent policies and which undermined this ambition?

In this section it is argued that the coherence of EU energy policy depends on a division of labor between the EU and the Member States in following milieu and possession goals. While the EU seeks to shape the internal and external environment towards a European energy market

based on market economic principles, the Member States (and to a certain degree companies) ensure the attainment of possession goals, for instance in the form of energy deals or pipeline projects. These different tasks are the consequence of a policy area where competences are shared between the national and the supranational level. In line with the main hypothesis of this chapter it is shown that coherence of the external policies is achieved when the division of labor is upheld. The EU appears as a coherent external actor in policy episodes where the EU focuses entirely on milieu-shaping. In cases where the distinction of tasks gets blurred, confirming the sub-hypotheses the EU's external policy appears coherent if the milieu goals further rather than challenge the attainment of possession goals. In other words, tensions between the supranational and intergovernmental spheres are only resolved when the added value of milieu goals is convincingly presented.

6.2.1. Energy policy: demarcating the supranational milieu from the intergovernmental possession

Energy policy played a crucial role at the outset of European integration. Two of the treaties that triggered a development towards what eventually became the EU, the Treaty of Paris establishing the European Coal and Steel Community of 1951 and the Euratom Treaty of 1958 establishing the European Atomic Energy Community (EAEC or Euratom), were concerned with energy. However, the importance of the topic declined considerably in the following decades of European integration. Only in 1988 energy was included into the single market program. Eventually the Maastricht Treaty of 1992 mentioned energy as an area of shared competence.

These provisions did though only confer very limited policy-making powers to the supranational level.

As a result of this slow development, an external dimension to a European energy policy was for a long time out of question. After signing the PCA with Russia in 1997, the European Council adopted a Common Strategy for the partnership. It highlights that “the Union and Russia have a common interest in developing their energy policies in such a way as to improve the exploitation and management of resources and security of supplies in Russia and in Europe.”¹⁵⁴ While this was one of the earliest references to objectives of an external energy dimension, it did not trigger any actions. The major problem was that Member States opposed supranational involvement in their national energy programs which were dominated by possession goals: the import of cheap and secure energy supplies countries like Russia. Milieu goals based on norms and values played only a subordinate role to them.

A rare exception in this respect was the Energy Charter Treaty (ECT) which established a multilateral framework for east-west cross-border cooperation of commercial energy activities, with a focus on investment and trade. Initiated in the early 1990s, it aimed at integrating the energy sectors of the former Soviet Union and Eastern Europe into the European energy market. For that reason, it promoted a number of principles, including openness and non-discrimination (Wälde 1996). Convinced that this kind of milieu-shaping would further the attainment of their possession goals, Member States supported the initiative. Moscow though saw a conflict with Russian interests, refused to ratify the agreements and officially announced its withdrawal from the provisional application to the framework in 2009 (EU-17[COM]/Ener).

¹⁵⁴ European Council document 1999/414/CFSP: “Common Strategy of the European Union of 4 June 1999 on Russia”.

Energy gained more attention from European policy makers once it was presented as a missing yet important feature to the accomplishment of other supranational initiatives. During the March 2002 European Council in Barcelona the Heads of State or Government acknowledged a key role of energy in the completion of the internal market.¹⁵⁵ However, energy was presented as an instrument to advance certain ends and the provisions remained technical and limited to particular areas of market integration rather than calling for a more European approach to energy policy. Broader attempts to highlight the benefits of a European initiative in the area came, if at all, from the European Commission. In 2003, a Commission Communication on energy in the neighborhood defined a range of general principles that are still valid today, such as the creation of a level playing field and equivalent environmental and safety standards (EU-23[COM]/Ener). The document also mentioned Russia as a key strategic partner with regard to gas, oil and electricity trade, as well as infrastructure projects.¹⁵⁶

Such Commission initiatives aimed at shaping the external environment though remained rare. Reluctant to compromise on their particular national interests, Member States had opposed integration (EU-10[COM]/Ener, EU-13[COM]/Ener). In particular the UK had repeatedly threatened to exercise its right to veto in the Council. Largely energy self-sufficient with net exports almost constantly exceeding net imports since the 1980s, British Prime Ministers had feared that supranational initiatives would interfere too much in the country's energy market (EU-23[COM]/Ener). The many examples of hampered energy integration due to opposition

¹⁵⁵ European Council document SN 100/1/02 of 16 March 2002: "Presidency Conclusions – Barcelona European Council 15 and 16 March 2002", see in particular paragraphs 36 and 37.

¹⁵⁶ European Commission, Document COM(2003) 262 final of 26 May 2003: "Communication from the Commission to the Council and the European Parliament on the development of energy policy for the enlarged European Union, its neighbours and partner countries".

from the Member States confirm the main hypothesis that policy episodes which are subject to possession goals are unlikely to generate external coherence.

The uncompromising position of the UK only changed once it became energy import dependent in 2003.¹⁵⁷ This paved the way for a milestone of European energy policy. At the October 2005 European Council in Hampton Court, European leaders could agree for the first time to work together on energy matters. The British Prime Minister Tony Blair had delivered his country's new message to the European leaders and created an atmosphere more conducive to future development in the area. At the press conference after the European Council, Blair made clear that he had opposed the idea of a common European energy policy with a Commission that would "start regulating North Sea oil platforms". On the other hand, an energy policy to improve the competitiveness and efficiency of European business, to reduce prices for consumers and to build interconnections on the European grid was "worth having".¹⁵⁸ The statement underpins the British and other leaders' vision on the supranational role in energy policy: integration would only be supported if it furthered and not constricted the attainment of the Member States' possession goals.

The Commission understood the message and Hampton Court marked a turning point in the EU's external energy policy. Successive supranational policy initiatives fully rested on milieu-shaping elements, carefully upholding a division of labor with the Member States. Along with this strategy, milieu goals were reframed in a way to further rather than to challenge the attainment of Member State interests. For instance, in March 2006 the Commission published a

¹⁵⁷ Library of the House of Commons, Social and General Statistics, Standard Note SN/SG/4046, update on 30 August 2013. Retrieved on 4 March 2014 from the World Wide Web: www.parliament.uk/briefing-papers/sn04046.pdf

¹⁵⁸ A transcript of the press conference is available from the University of Leicester. Retrieved on 4 March 2014 from the World Wide Web: http://www.le.ac.uk/eg/hvdc/Link%20pages/News%20Items/Press%20conference_PM_%20Hampton%20Court.doc

Green Paper which suggested three core objectives of a future European energy policy: sustainable development, competitiveness and security of supply.¹⁵⁹ These objectives were endorsed by a European Council meeting in the same month, describing them as the main pillars of an energy policy for Europe.¹⁶⁰ The Green Paper also called for the creation of a coherent external energy policy based on the goals to secure and diversify energy supplies and to build energy partnerships with producers and transit countries. These goals should be achieved through a range of instruments, such as dialogues, the development of a pan-European Energy Community, effective reactions to external crisis situations and the integration of energy into other policies with an external dimension.¹⁶¹ None of these proposals challenged the Member States' prerogatives in the area.

The approach of the Commission to external energy policy, namely to further external coherence with a focus on milieu goals rather than challenging Member States in the attainment of their possession goals, persists until today. It has been proven to be the only viable strategy to advance the policy areas since it avoids a conflict over competences that would cause opposition from the Member States (EU-27[COM]/Ener). As such, the Commission was only verbally pushing while making sure that actual proposals would not be perceived as too ambitious. For instance, in February 2006 President Barroso highlighted the importance to speak “with a common voice” on external energy matters because he considered it “ridiculous to have 25 separate energy policies in the EU.”¹⁶² While such general calls could not be rejected by the

¹⁵⁹ European Commission, document COM(2006) 105 final of 8 March 2006: “Green Paper – A European Strategy for Sustainable, Competitive and Secure Energy”.

¹⁶⁰ European Council, document 7775/1/06 of 18 May 2006: “Brussels European Council 23/24 March 2006: Presidency Conclusions”.

¹⁶¹ European Commission, document COM(2006) 105 final of 8 March 2006: “Green Paper – A European Strategy for Sustainable, Competitive and Secure Energy”, pp. 15-17.

¹⁶² Speech of Jose Manuel Barroso, President of the European Commission at Georgetown University on 9 February, 2006: “Speaking with a Common Voice: Energy Policy for the 21st Century”.

European Council, Commission input to develop the external energy dimension was generally more moderate.¹⁶³ At the same time, Member States' reluctance transfer competences to the European level persisted. For that reason, the Commission was therefore always careful not to overstretch what was considered politically viable. For instance, nowhere it interfered with the Member States' prerogative of their energy mix and commercial relations – both of which are inherently linked to the highly sensitive possession goals of secure and cheap energy (Geden, Marcellis, and Maurer 2006, 11).

The Commission's strategy to uphold a division of labor and, where possible, further Member States' possession goals through its milieu-shaping activities is reflected in the development of the policy area starting from the second half of 2006. A Communication from the Commission for the Lahti European Council focused the attention of European Leaders on external energy relations, in particular with regard to Russia.¹⁶⁴ At the summit, agreement was found to strengthen coherence between internal and external aspects of energy policy and between energy policy and other policies. The European Council called for the adoption of a prioritized Action Plan, endorsed the idea of an 'early warning mechanism' in the event of potential supply interruptions and agreed to discuss energy policy on a more regular basis.¹⁶⁵ A Commission Communication in early 2007 specified elements of a European energy policy and proposed an Action Plan. It argued that the main objectives of a European energy policy – security of supply, competitive and sustainable energy – could not be targeted effectively without

¹⁶³ Council of the European Union, Document 9971/06 of 30 May 2006: "Report from the Commission and the Secretary General/High Representative to the European Council: An external policy to serve Europe's energy interests." The input was accepted by the European Council, document 10633/1/06 of 17 July 2006: "Brussels European Council 15/16 June 2006: Presidency Conclusions".

¹⁶⁴ European Commission, Communication from the Commission to the European Council "External energy relation – from principles to action", document COM(2006) 590 final of 12 October 2006.

¹⁶⁵ European Council, document 16879/1/06 of 12 February 2007: "Brussels European Council 14/15 December 2006: Presidency Conclusions", paragraphs 33 ff. and 37.

embedding them in an international context. For that purpose, next steps were necessary, including the need for international agreements, building energy relations with the EU's neighbors, reducing the threat of supply disruptions outside EU borders and enhancing relations with Russia.¹⁶⁶ Again, none of the proposed elements challenged but furthered the Member States' possession goals and accordingly, as predicted by the sub-hypothesis, the European Council endorsed the Commission's input at its spring summit.¹⁶⁷

At first glance, the developments in the area and the agreement of the European Council seem far-reaching in contrast to the virtually non-existent European (external) energy policy of the pre-2005 period. However, a closer look at the documents reveals that with the provisions at hand, the EU was destined to remain a toothless tiger. With no or very limited competences transferred from the Member State to the European level the coordination of national energy policies remained problematic and at times undermined European initiatives. Aware of the flaws to a common approach, the European Council noted that "Member States' choice of energy mix may have effects on the energy situation in other Member States and on the Union's ability to achieve the three objectives of the EPE [Energy Policy for Europe]."¹⁶⁸ The opposition of Member States to give up on their possession goals and integrate their energy policies is also reflected in the priorities singled out by the Commission. None of them requires Member States to compromise on prerogatives like choosing their energy mix and concluding bilateral supply deals with third countries. Instead, they focus exclusively on milieu goals, such as the completion of the internal energy market, the external promotion of internal market norms

¹⁶⁶ European Commission, document COM(2007) 1 final of 10 January 2007: "Communication from the Commission to the European Council and the European Parliament: Energy Policy for Europe", in particular pp. 19-20 and Annex 1.

¹⁶⁷ European Council, document 7224/1/07 of 2 May 2007: "Brussels European Council 8/9 March 2007: Presidency Conclusions", paragraph 36-39 and Annex 1 (Action Plan).

¹⁶⁸ Ibid., paragraph 36.

through the Energy Community Treaty, its extension to new partners like Ukraine and Moldova, and the finalization of a post-PCA with Russia that includes energy provisions. Nevertheless, all of these initiatives follow milieu goals that are rooted in a strong consensus on promoting market economic principles and in this respect are externally coherent.

Developments in the area moved on with the basic parameters unchanged. The March 2008 European Council emphasized the need to improve external energy relations for better energy security. For that purpose, it attached “particular importance to the EU and its Member States speaking with a common voice on energy issues with third parties.”¹⁶⁹ The Commission prepared a Communication on the ‘EU energy security and solidarity Action Plan’ that included a chapter calling for a greater focus on energy in the EU’s international relations. However, the suggestions did only include few novelties, such as an energy chapter in the post-PCA agreement with Russia, the intensification of the Energy Dialogue and the development of legally binding energy interdependence provisions.¹⁷⁰ Again, the Commission’s initiatives focused on shaping the environment and avoided conflict with the Member States.

Two external events shaped the development of the EU’s external energy policy in the end of the first decade of the new millennium. The Russian-Ukrainian gas crisis in early 2009 shifted the focus of policy makers to energy security and the vulnerability of many EU Member States. Calling for a European response, EU Member States mandated the Czech Council Presidency to negotiate with Moscow and Minsk. The externally presented unity was regarded by many as a successful example of a Union speaking with one voice (MS-08/Ener). The issue-

¹⁶⁹ European Council, document 7652/1/08 of 22 May 2008: “Brussels European Council 13/14 March 2008: Presidency Conclusions”, paragraph 25.

¹⁷⁰ European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “Second Strategic Energy Review. An EU Energy Security and Solidarity Action Plan”, Document COM(2008) 781 final of 13 November 2008.

attention caused a momentum that led to the March European Council which stressed the importance of a diversification of sources, fuels and routes of energy supply and invited the Commission to present proposals for concrete action. Moreover, it re-iterated the importance of more coherence in external energy relations, including delivering consistent messages through speaking with one voice to supplier and transit countries.¹⁷¹ Conversely, a second external event halted developments in the area of energy from the end of 2009. The sovereign debt crisis of the Eurozone dominated the agenda of European leaders and progress in other policy areas became of minor importance. This period of inactivity ended only in early 2011 with a thematic European Council that placed energy prominently on the agenda. Yet similar to the pre-crisis time, no major steps towards integration were undertaken with the Member States keen to retain their sovereignty on energy mix and bilateral relations. Agreement could only be found on broad milieu goals such as the need for a “reliable, transparent and rulesbased partnership with Russia” that should be developed in the negotiations on the post-PCA, as well as the on-going Partnership for Modernization and the Energy Dialogue.¹⁷²

More recently, the development of the external energy policy was advanced for two reasons. First, at the May 2013 European Council, yet another thematic summit focusing on energy, Commission President Barroso held a presentation that revealed a worsening of the Union’s global competitiveness due to high energy prices. The topic was wisely chosen by the Commission: during the crisis, the Heads of State or Government had become particularly sensitive to economic and financial issues. Barroso was said to have impressed European leaders with an analysis that only supranational milieu-shaping could improve Europe’s energy scenario.

¹⁷¹ European Council, document 7880/1/09 of 29 April 2009: “Brussels European Council 19/20 March 2009: Presidency Conclusions”, paragraph 25.

¹⁷² European Council, document EUCO 2/1/11 of 8 March 2011: “European Council 4 February 2011: Conclusions”.

A high-level interlocutor with insights into the dynamics of the European Council emphasized that the summit marked the first time that European leaders fully grasped the urgency to get more active in the development of a European energy policy. Particular the external dimension and relations with supplier states required progress (EU-27[COM]/Ener). The new willingness of European leaders to move ahead with a European energy policy led to the second important development. In 2014, a process towards the creation of an Energy Union was started. While the Energy Union is the most comprehensive initiative in the area since the beginning of European integration it is, nevertheless, too early for an analysis of its impact.

Several trends are detectable in the development of the EU's external human rights policy. In many ways, it follows a functionalist logic in which one development has triggered another. Nevertheless, truly ambitious steps forward have been rare. Too often, Member States have been reluctant to share competences with the supranational level; a precondition for a more sophisticated external energy policy. As a consequence, there has been a division of labor. Whereas the EU is focusing on advancing milieu goals, the attainment of possession goals rests with the Member States. Supporting the main hypothesis of this chapter, supranational actions appear relatively coherent. The milieu goals are subject to shared norms, such as the promotion of market economic principles, improvement of the infrastructure mechanisms or to ensure security of supply. Nevertheless, a more comprehensive external approach is only feasible when EU gets the support of the Member States. Confirming the sub-hypotheses, this is more likely to happen where the EU convincingly designs milieu-shaping activities to further the attainment of Member States' possession goals, for instance in the case of the ECT, the Energy Community or the response to the Russian-Ukrainian gas crisis. On the contrary, whenever Member States

doubt benefits, such as the UK before the Hampton Court summit, initiatives are blocked and the external energy policy lacks coherence.

6.2.2. Milieu-shaping through externalization: participatory requirements and export of the legal framework

The EU has been described as a relatively coherent milieu shaper in the area of energy. Its approach rests on a strong consensus on shared norms, in particular market economic principles. Yet, how do these norms become operationalized to shape the external environment? Milieu-shaping in the area of energy is predominantly carried out through ‘externalization’ or ‘external governance’. These terms denote a situation when parts of the EU’s *acquis communautaire* are extended to non-Member States (Lavenex 2004, 683). Two forms of externalization stand out and will be presented in the following paragraphs. On the one hand, *participatory requirements* demand from foreign energy companies to obey internal market rules if they chose to operate on European territory. What appears obvious on first sight has strong external repercussions since it impacts on the business model and corporate governance structures of these companies. On the other hand, the EU exports the rules of the internal energy market beyond its borders. This *export of the legal framework* is the strongest instrument of milieu-shaping since it transforms the governance systems of third countries and approximates them to EU standards. Both forms of milieu-shaping support the main hypothesis of this chapter: where the EU’s foreign approach rests on milieu goals rooted in shared norms, it is a coherent external actor. Moreover, neither of the instruments challenges Member States’ possession goals but helps to create an environment

that facilitates their attainment. In this sense, the success of these external approaches also confirms the sub-hypotheses of this chapter.

In the past, there have been various instances when internal market rules contested the business model of Russian energy companies on European territory. While other exporting countries like Qatar sell their gas at LNG terminals, Russian companies, often vertically integrated across production and transmission to distribution, operate on the internal market and therefore have to comply with its rules. Lavenex and Schimmelfennig stress that

“EU rules can produce both negative and positive externalities for external actors who adopt and comply with EU rules because ignoring or violating them would create (opportunity) costs. This ‘governance by externalization’ is most obviously produced by the EU’s internal market and competition policies: firms interested in participating in the EU market need to follow the EU’s rules.”

(Lavenex and Schimmelfennig 2009, 799)

Lavenex and Schimmelfennig thus point towards a mode of external governance that creates participatory requirements for foreign market players.

This form of externalization has been a source of conflict in EU-Russia relations. The Commission, playing the role of a “liberal actor in a realist world” (Goldthau and Sitter 2014), has frequently used policy and regulatory intervention to improve the functioning of the internal market. While none of the measure included an explicit foreign dimension, they nevertheless turned out to have a strong external impact in the case of Russia. An interlocutor pointed out that

“the big issues in EU-Russia relations are not represented in foreign policy. That’s only the surface. What really matters is the EU internal policies.”

(OO-01/Ener)

EU-Russian high-level meetings as well as technical dialogues therefore often place the focus on details of the EU's internal energy and regulatory policies. A Commission official estimated 30-50% of summit discussions concern the internal energy market (EU-21(COM)/Ener).

For instance, the application of classical competition law repeatedly challenged the business model of the Russian predominantly state-owned monopolist Gazprom. Between 2003 and 2005, the Commission forced Gazprom to lift the 'destination-clause' from its contracts with several European energy companies which had prevented the resale of purchased gas.¹⁷³ In 2009, the Third Energy Package included the 'Gazprom clause' that specifically addressed concerns about the company's dominant position on the European market (cf. Eikeland 2011). The most drastic example of regulatory intervention by the Commission against a Russian company was the opening of antitrust proceedings against Gazprom in 2012.¹⁷⁴ The landmark antitrust case of the decade (Riley 2012) was an internal market matter for the Commission while Moscow perceived it as a diplomatic affront with significant financial consequences (OO-02/Ener). For the EU, the case was symbolic because the Commission took a "long-awaited leadership in the defense of liberal market values" (MS-06/Ener). The different chapters of the Commission's energy market intervention thus present an increasingly coherent application of internal market rules that includes a strong milieu-shaping element since a Russian state-owned company had to adjust its business model.

¹⁷³ See for instance European Commission Press Release, "Commission reaches breakthrough with Gazprom and ENI on territorial restriction clauses", IP/03/1345, Brussels, 6 October 2003; "Commission confirms that territorial restriction clauses in the gas sector restrict competition", IP/04/1310, Brussels, 26 October 2004; "Competition: Commission secures improvements to gas supply contracts between OMV and Gazprom", IP/05/195, Brussels, 17 February 2005; "Competition: Commission secures changes to gas supply contracts between E.ON Ruhrgas and Gazprom", IP/05/710, Brussels, 10 June 2005.

¹⁷⁴ European Commission Press Release, "Antitrust: Commission opens proceedings against Gazprom", IP/12/937, Brussels, 4 September 2012.

The other form of externalization is the export of the EU's legal framework to third countries. The continuous effort to extend the energy market beyond its own borders is a prime example how external energy relations are framed by internal market principles. Third countries in the Union's immediate orbit either comply with EU internal *energy acquis* as a part of EU accession conditionality or as a result of their membership in the Energy Community. Although Russia has neither EU membership prospects nor is it a Member of the Energy Community, internal market legislation has strong repercussions on EU-Russia relations since it is effectively pushed towards the Russian border.

Established in 2006, the Energy Community is an international organization with the mission to establish a Pan-European energy market basis of the EU's *energy acquis*, as well as environment and competition law. Initially targeted at countries located in South East Europe it nowadays stretches beyond this region and includes for instance geo-strategically important transit countries like Ukraine and Moldova. All contracting parties commit themselves to abide by the common rules, including the Third Energy Package of the EU.¹⁷⁵ The EU28 are represented by the Commission which has a mandate to negotiate the framework in their name.¹⁷⁶ This approach is novel in various respects. On the one hand it integrates third states into a legal framework and commits them to establish similar institutions as in the EU to monitor the functioning of the market. On the other hand, with an exclusive focus on the legal framework the approach is based entirely on milieu goals and represents a coherent attempt to speak externally with one voice via the Commission. This combination of impact and unity prompted an

¹⁷⁵ For information on the Energy Community, see for instance its website. Accessed on 16 January 2015: <https://www.energy-community.org/>

¹⁷⁶ Council Decision 2006/500/EC of 29 May 2006 on the conclusion of the Energy Community Treaty specifies the EU-internal procedures.

interlocutor to label the Energy Community as the EU's "king's road towards a structured external energy policy" (OO-02/Ener).

For the EU, the Energy Community has become a strong instrument to export its energy market rules to the direct neighborhood. Sometimes referred to as "legal transplantation", the provisions trigger far-reaching reform processes amongst the contracting parties (Buschle 2014). The fact that non-Member States commit themselves to EU rules creates authority of EU institutions over these third countries. Albeit Russia is not a contracting party, the Energy Community has implicitly had a strong impact. European milieu-shaping in the common neighborhood limits Moscow's room for diplomatic and corporate maneuver. The Energy Community's approach of replacing bilateral relations through a multilateral legal framework challenges the Russian external energy policy, such as the strategy of divide and rule. While initially few points of contact existed between the Energy Community and Russia, this has dramatically changed since the accession of Moldova and Ukraine in 2010. Both countries are important transit states of Russian energy deliveries that are now bound by the provisions of the Third Energy Package. In this way, the Energy Community touches directly upon Russian interests (EU-17(COM)/Ener). The relevance of this foreign policy instrument is illustrated by the fact that Moscow has exerted pressure on both Kiev and Chisinau to resign from the Energy Community (EU-05[EEAS]/ExtR, OO-02/Ener).

The two forms of externalization – participatory requirements and export of the legal framework – present the EU as a milieu shaper in the area of energy. Its external actions are based on a legal framework that is rooted in a strong consensus on liberal market norms and principles. With the instruments at hand, the EU has worked coherently to develop a rule-based energy level-playing field across Europe that stands in stark contrast to previous unregulated

‘pipeline diplomacy’. The consistent internal and external application of the EU’s *energy acquis* thus also marks a turn towards more external coherence in the EU’s foreign energy relations. In this way, the examples confirm the first hypothesis of this chapter that milieu goals based on a strong consensus on underlying norms result in coherent external policies.

6.3. *Dynamics between milieu and possession goals and their effect on coherence: examples from energy and human rights policy*

The relationship between milieu and possession goals is complex. Based on their combination they can create synergies or lead to suboptimal policy outcomes that lack coherence. In this section it is argued that the way milieu and possession goals relate to each other can explain the degree of external coherence of EU policy. In the following sections, three policy episodes examine the dynamics that exist between different goals of an external actor. Whereas the examples of the Polish-Russian gas negotiations and landmark human rights cases resulted in external coherence, this was not the case for the Lahti European Council where European leaders discussed to coordinate energy and human rights policies. The diverse outcomes of the three examples confirm the two sub-hypothesis of this chapter which postulate that external coherence is only likely where milieu goals further possession goals but not in cases where possession goals further milieu goals.

6.3.1. The Polish-Russian gas negotiations of 2010: successful coordination of foreign policy goals in the area of energy

The Polish-Russian negotiation for a long-term gas agreement exemplifies the interplay of milieu and possession goals in the area of energy policy. Based on an initiative of the Commission milieu goals were successfully coordinated with possession goals. As a result, the European side at the negotiation table was speaking with one voice. The case became known as a positive precedence in an area that had previously been dominated by a strong reluctance to let European actors interfere in what was considered to be of national or commercial interest.

In January 2010 the Polish company PGNiG and Russian Gazprom concluded a draft long-term agreement on transit and extension of Russian gas supplies delivered through the ‘Yamal-Europe’ pipeline from Siberia to Poland and Europe. The deal covered Russian gas deliveries to Poland until 2037, increased the amount of Russian gas supplied to 10.3 billion cubic meters per year and set the conditions for gas transit through Poland to Western Europe until 2045. Initially, the Polish side did not endorse the agreement, awaiting the European Commission’s approval on its conformity with EU internal market rules. Poland and the Commission were both concerned that the Russian side would try to link concessions on price negotiations to a commitment from Poland to not apply internal market legislation on the pipeline section running through Polish territory called ‘Jamal’. Such a package deal would have left Warsaw in an impossible situation: it was potentially stuck between two conflicting legal obligations, not being able to comply with both of them (EU-09[EEAS]/Rus, EU-11[COM]/Ener).

On 31 August 2010, the European Commission expressed its reservations about the draft agreement and threatened to bring Poland to court, should certain provisions not be changed (EU-11[COM]/Ener). Criticism foremost concerned the EuRoPol Gaz S.A. which manages the Polish Jamal section of the pipeline and which is a joint venture of the Polish PGNiG, the Russian Gazprom (each holding 48% of shares) and the Polish Gas-Trading S.A. (holding 4% of the shares). The Commission wanted to be sure that, in line with the third liberalization of the internal energy market that was due to come into force in March 2011, access to the pipeline would also be granted to other operators and that tariffs for access would be equitable. Moreover, the Commission criticized low reverse flow capacities at the Polish border and the lack of transparency regarding tariffs of Gaz-System, the technical operator of the pipeline owned by PGNiG.¹⁷⁷

Energy Commissioner Günther Oettinger and the Polish economy minister Waldemar Pawlak discussed the issue on the sidelines of the Energy Council on 6 and 7 September in Brussels.¹⁷⁸ Following that meeting, Poland and Russia renegotiated various parts of their agreement. Warsaw's amendments to the gas deal were the result of a specification of key points the Commission wanted to see changed. However, Gazprom opposed the agreement between the Polish minister for economy and Commissioner Oettinger. In particular, it was reluctant to give up its control over the Jamal pipeline to other operators.¹⁷⁹ To overcome the differences in negotiations and ensure the compliance of the new agreement with EU legislation, Poland invited the European Commission to accompany its delegation to Moscow on 24 September (EU-

¹⁷⁷ Agence Europe, 31 August 2010.

¹⁷⁸ Agence Europe, 2 September 2010.

¹⁷⁹ Agence Europe, 14 September 2010.

11[COM]/Ener).¹⁸⁰ This invitation was a novelty: concluding a profitable energy deal – essentially the attainment of a possession goal – was considered a matter of national security and a symbol of sovereignty. Never before in the long history of European integration had the Commission been invited to attend such talks (MS-06/Ener and EU-09[EEAS]/Rus).

The final gas deal was renegotiated in mid-October 2010.¹⁸¹ Upon request by Poland, the European Commission was constantly present during the negotiations and analyzed the agreements in order to ensure conformity with EU rules. Negotiations came to an end on 18 October, merely two days before the old supply contract was about to expire. Several amendments dispelled the Commission's initial concerns about the agreement. It welcomed in particular the new provision on the operation of the pipeline which brought the agreement more in line with internal market rules. On 4 November during a visit to Warsaw, Energy Commissioner Oettinger approved the new gas contract.¹⁸²

Albeit the criticized elements of the gas deal concerned business operations on European territory, the case had a strong external dimension. It illustrates how the EU's internal energy market *de jure* sets the rules of the game for external suppliers and the contents of international agreements. This is milieu shaping par excellence: domestic market economic norms and principles impact on the business operations of external actors. Since the negotiations were of bilateral nature, the Commission could not directly intervene. It therefore took up an observatory and advisory function and gave its input for instance during the coffee breaks (EU-05[EEAS]/ExtR). A senior official from the Commission was always present during the renegotiation, effectively ensuring *real-time compliance* of the negotiated provisions with the

¹⁸⁰ Ibid.

¹⁸¹ Agence Europe, 11 October 2010.

¹⁸² Agence Europe, 5 November 2010.

EU's energy *acquis*. Commissioner Oettinger expressed his satisfaction with the outcome of the agreement, stating that

“There are grounds for confidence here, because all sides – the Polish government and the Russian side – have taken into account the provisions of EU legislation. They certainly know what those provisions are and we've all worked together to ensure that the treaty which is going to be initialled is in compliance with EU legislation.”¹⁸³

Negotiations that had previously been characterized by the attainment of a possession goal were hence extended by a milieu-shaping element. Still, the EU is not a purchasing pool for energy commodities. The negotiation and signing of bilateral energy deals with third countries is a competence of the Member States and likely to remain so. However, the mere involvement of the Commission and constant reference to internal market rules dramatically changed the dynamics at the negotiation table. The previously anarchic world of bilateral negotiations on energy deliveries became subject to a legal framework. During earlier negotiations, Gazprom had often achieved wide-ranging commitments from its European partners. With the Commission at the negotiation table, Russian economic power was challenged by legal requirements. An observer of the case noted that

“it was not about the Commission but it was about someone saying ‘That's not possible, we have a template here and a judicial framework’. [...] And that added a new dimension to the negotiations.”

(OO-02/Ener)

A pre-defined set of rules resulting from the EU's milieu goals created legal restrictions. Limited options for agreement changed the power balance to the advantage of Poland. Moscow had to give Warsaw a range of concessions that would have been unimaginable in the past, in particular the granting of third-party access to the Jamal pipeline and the lifting of the destination clause (MS-06/Ener). Compared to earlier agreements, Poland was more successful in the attainment of

¹⁸³ Agence Europe, 3 November 2010.

its possession goals since these changes made the new deal commercially more favorable. These points support the first sub-hypothesis of this chapter: the EU appeared as coherent external actor vis-à-vis Russia because milieu goals furthered the attainment of possession goals.

In addition, external coherence was also a result of the different agendas of the EU as a milieu shaper and Poland as a possession seeker. The involvement of the European Commission became a “successful example how Member States and the Commission should team up in negotiations with Russia” (EU-11[COM]/Ener). For instance, the Commission’s political weight and continuous presence in the negotiation room strengthened the Polish position. According to one official from the EEAS, the “Russians respect the Commission” which gave Warsaw an “information advantage and pre-warning to help shaping the negotiation techniques and agenda” (EU-05[EEAS]/ExtR). While negotiating the new gas agreement, Poland thus benefitted from political resources and experiences of the Commission. Moreover, in the past Moscow had often exploited Member States’ dependence on Russian energy supplies for its own benefits. These divide and rule tactics were particularly harmful for the idea of a Europe speaking with one voice in the area of energy: granting price concessions for political influence, Moscow played off Member States against one another which undermined the EU’s external coherence. Seeking to shape the milieu, the Commission was particularly aware of this problem. With EU and Member State competences being pooled into a common negotiation strategy during the Polish-Russian negotiations of 2010, such attempts could be successfully countered (EU-11[COM]/Ener). Thus, not only with regard to the legal conformity of the agreement but also due to the support of the power resources associated with the EU as a milieu shaper, the attainment of Polish possession goals was furthered. Also this point confirms the first sub-hypothesis of this chapter and explains the externally coherent appearance of the EU.

Cases like the Polish example have broader implications. The final agreement that Poland signed with Russia after the Commission had joined the negotiation table was much more favorable for Poland compared to the initial draft agreement. Other Member States took close notice of this precedence and the added value of the Commission (MS-06/Ener, MS-14/ExtR). One interlocutor explained that

“countries drew two type of conclusions: positive as well as ‘Oh my God!’. From now on the Commission will enter every bilateral negotiation. Will we allow it because of our sovereignty? But others drew absolute positive examples. And I see that more and more countries lean on and invite the Commission into negotiations and issues which they cannot solve. And I think this may have been one of the good precedents when they saw that it works.”

(MS-06/Ener)

Rather than challenging a Member State’s sovereignty, in defense of its milieu goals the Commission furthered the attainment of a national possession goal. This did not only lead to a more favorable gas deal for Poland but also, confirming the first sub-hypothesis of this chapter, to more external coherence. Accordingly, soon other countries such as Lithuania in 2011 followed the Polish example and invited the Commission to negotiations on long-term gas agreements with Russia.

6.3.2. EU responses to human rights violations in Russia: external coherence of landmark cases

The EU’s human rights policy towards Russia is frequently criticized for a lack of coherence. One recurrent argument concerns the EU’s inconsistent reactions to violations of human rights. Most cases of concern are listed by the EEAS and handed over to the partner under the framework of the Human Rights Dialogue. The list usually contains several dozen of people

about which the EU is asking the Russian side to provide information (EU-02[EEAS]/Rus). Yet, while some cases get only limited or no attention, others appear under the political spotlight and cause reactions at a high level. Karen E. Smith described such inconsistencies as a gap between the EU's rhetoric and practice and one of the most problematic shortcomings in the EU's human rights policy. Yet, what can explain these diverse patterns? Why do cases like Khodorkovsky, Magnitsky, Litvinenko or Pussy Riot stand out?

There are a number of broad reasons for varying responses to breaches of human rights. Some interlocutors gave a rather trivial explanation that emphasized specific characteristics of the administration responsible for a reaction. On the one hand, a considerable amount of expertise is needed to handle all topics. Human rights are an extremely diverse field. The promotion of their universal and indivisible implementation in third countries requires vast resources. In practice, many smaller international actors have a selective approach to the topic while larger countries and the EU can act more comprehensively (MS-18/HuR). On the other hand, the attitude of the main individual decision-maker towards an issue can play a role whether an administration takes action. A Member State diplomat pointed towards the strong human rights track record of the country's minister and explained that action or inaction is often a matter of his personal decision (MS-09/HuR). The same dynamics can also be prevalent at EU level. An EEAS official recalled a negotiation of the former Director General of DG RELEX, Eneko Landaburu, and a Russian ambassador who were discussing a new EU-Russia agreement. Upon the questions of the ambassador how many references to human rights the European side demanded, Mr. Landaburu who had experienced the Franco era in Spain answered "me who has grown up in a dictatorship, in a regime where we did not have human rights and where we should have, I would say it could never be enough" (EU-02[EEAS]/Rus).

Besides administrative characteristics, external pressure can play a major role whether a human rights violation ranks high on the bilateral agenda. Non-governmental organizations (NGOs) and the EP are often quite outspoken and demand more determined responses to Russia. For instance, the EP frequently adopts resolutions in which it condemns violations of human rights in Russia and calls for a common European reaction.¹⁸⁴ Yet most external pressure stems from public attention. Interlocutors described those human rights cases as the most prominent ones that “are really in the spotlight of public interest” (MS-13/HuR). Famous Russian human rights cases to which the public and the EU have attributed considerable attention are among others the murders of the journalist Anna Politkovskaya, the former KGB agent Alexander Litvinenko, and the lawyer Sergei Magnitsky, as well as the imprisonments of the businessman and oligarch Mikhail Khodorkovsky, the members of the punk-rock band ‘Pussy Riot’, and the member of the political opposition Alexei Navalny. Certain features of two of the most prominent cases, Magnitsky and Pussy Riot, are highlighted in the following.

Sergei Magnitsky, representing as a lawyer the investment advisory firm Hermitage Capital Management, had alleged Russian officials of large-scale corruption that included theft from state sources. Following his accusations, he was imprisoned on charges of tax evasion. In 2009 Magnitsky died in prison seven days before the one year-term came to an end during which he could be legally held in pre-trial detention. During that time, he had several illnesses for which he received inadequate medical care. Moreover, it was found that Magnitsky was exposed to violence shortly before his death (EU-02[EEAS]/Rus). Due to its scope, coupled with domestic inconsistencies and insufficient investigations, the case gained unprecedented

¹⁸⁴ See for instance European Parliament, resolution of 10 June 2015 on the state of EU-Russia relations, document 2015/2001(INI); resolution of 23 October 2014 on the closing-down of the NGO ‘Memorial’ (winner of the 2009 Sakharov Prize) in Russia, document 2014/2903(RSP); and resolution of 24 May 2012 on the fight against homophobia in Europe 2012/2657(RSP).

international attention. The United States adopted the Magnitsky Act, a bill passed in 2012 with the intention to punish Russian officials that were considered responsible for the death of Magnitsky. Following this example, the European Parliament adopted a resolution in 2014, calling for the adoption of a ‘Magnitsky list’ that involved sanctions such as the denial of visas and freezing of assets against 32 Russian officials.¹⁸⁵ Nevertheless, the issue was not placed on the agenda of the Foreign Affairs Council (FAC), where an unanimous decision was required for a sanctions policy. Less strict measures were preferred by the Member States although the Magnitsky case featured prominently at the EU’s highest political level (MS-09/HuR). For the first time, the President of the European Council Herman Van Rompuy sent a letter voicing human rights concerns to President Medvedev.¹⁸⁶ In addition, in 2013 the HR Catherine Ashton had issued two statements following ongoing inconsistencies in the investigations and a posthumous ruling against Magnitsky.¹⁸⁷ Finally, the case was also consistently raised in the human rights consultations with Russia.¹⁸⁸

The Pussy Riot case featured even more prominently. It was named after a Russian punk-rock band that was trialed for staging a guerilla performance in a cathedral in Moscow in 2012 to criticize the entanglement between the Orthodox Church and the political elite. In the aftermath of what Pussy Riot considered as protest, three members of the group were arrested on charges of hooliganism and two of them eventually sentenced for two years of prison camp. The judgment caused strong reactions in the EU. HR Catherine Ashton said she was “deeply disappointed with the verdict” that she considered “disproportionate”. In combination with

¹⁸⁵ European Parliament, Press Release “‘Magnitsky list’: MEPs call for EU sanctions against 32 Russian officials”, Reference No: 20140331IPR41184, 2 April 2014.

¹⁸⁶ Andrew Rettman, “EU president: Magnitsky case is ‘emblematic’ for Russia”, published by euobserver on 20 April 2012. Accessed on 12 August 2015: <https://euobserver.com/magnitsky/115968>

¹⁸⁷ European Union, Document A 154/13 of 20 March 2013 and Document A 382/13 of 12 July 2013.

¹⁸⁸ Agence Europe, 3 April 2014.

reports on mistreatment during the pre-trial detention as well as reported irregularities of the trial, “a serious question mark” would be put over Russia’s respect for international obligations of a legal process and for freedom of expression. She also reiterated that “respect for human rights and the rule of law is an indispensable part of the EU-Russia relationship.”¹⁸⁹ EU Member States and leaders of various parties in the EP were similarly critical of the sentence, condemning it as exaggerated and in breach with the rule of law and human rights. Also the European public was becoming increasingly engaged in the case, with numerous demonstrations in support of Pussy Riot being organized throughout the continent.¹⁹⁰

The political attention that the Magnitsky and Pussy Riot cases gained is rather unusual. Often, Member States are reluctant to agree on comparatively harsh measures when the promotion of values can negatively impact on other interests. A former top-level Member State diplomat made clear that

“few countries risk their interests for some idealistic values. Interests go first, for every country. Every country! There is no altruistic country just serving some values and forgetting about the interests. Interests go first. [...] Because the scope of interests is rather narrow. It’s a concrete thing. Very often material.”

(MS-12/ExtR)

The quote points towards the problematic relationship of milieu and possession goals. The described attributes of ‘interests’ – *narrow scope*, *concrete* and *material* – denote them as possession goals which are unlikely to be compromised for the *idealistic values* of milieu goals. Indeed, many EU Member States perceive the promotion of human rights and the attainment of sectoral interests vis-à-vis Russia as rival rather than complementary (MS-13/HuR, MS-16/PolC). For them, the two policies form a zero-sum game whereas taking action on human

¹⁸⁹ European Union, “Statement by EU High Representative Catherine Ashton on the sentencing of "Pussy Riot" punk band members in Russia”, Document A 370/12 of 17 August 2012.

¹⁹⁰ Agence Europe, 21 August 2012.

rights issues involves the opportunity cost of losses on other interests. As a consequence, human rights cases are subject to double standards and not equally followed (MS-10/HuR). Commonly, these points confirm the second sub-hypothesis of this chapter that external coherence is unlikely where possession goals need to be compromised for the attainment of milieu goals.

Nevertheless, this logic did not apply to the Magnitsky and Pussy Riot cases. Member States asked for a line to take (EU-02[EEAS]/Rus) and both cases were prominently brought up at the political level with Russia despite the risk of conflict and repercussions for other interests. What made these cases stand out compared to others that gained less attention?

The answers of several interlocutors provided insights in this respect. One official from a Member State pointed out that “if there is a public statement from the EU, you also have to take into account whether there is a *demand* [for action]” (MS-13/HuR, emphasis added). The quote highlights strategic considerations in the decision to respond to a specific human rights case: certain cases are singled out because there is a ‘demand’ for bringing them to the international stage. In fact, several responses hinted to opportunity costs that exist for failing to satisfy that demand. For instance the Pussy Riot case had a “huge international lobby” (EU-18[EEAS]/HuR), attracted “a very big attention” and became “quite symbolic” (MS-10/HuR). The prominence and status made it “fashionable” and “more progressive” than other cases (MS-15/HuR). These characteristics did not only offer an opportunity for the EU and its Member States to speak up; they in fact exerted pressure that made action almost compulsory as the following quote shows:

“The point is [...] that in case our ministry would not comment on the Pussy Riot trial then everyone would ask ‘Why did you not comment?’. So this is also some kind of, I mean I am frank on this, [...] group thinking or group action [...]. So really, if you have some particular case that everyone follows and I mean

most EU Member States comment on this – if you do not comment then everyone would ask ‘Why didn’t you comment on this?’.”

(MS-09/HuR)

A case that becomes symbolic thus creates a demand for action that is difficult to resist. Not only are there group dynamics as explained in the quote above, but inaction entails consequences. A diplomat made clear that “if you don’t act on such cases you can lose something: part of your international prestige” (MS-15/HuR). An EEAS official confirmed such considerations, claiming that “very much political credibility” can be lost in case of a lack of reaction on specific human rights cases (EU-04[EEAS]/Rus).

So far, throughout this project the EU’s human rights policy has generally been described as following milieu goals: it seeks to shape the external environment based on a set of norms and values. However, taking action on a specific human rights case due to strategic considerations and the satisfaction of a demand for action is not a milieu goal per se. Instead, such examples entail the central characteristics of possession goals, as defined by the typology advanced in the conceptual Chapter 2. Rather than being concerned with the wider environment, they are concerned with political losses that result from inaction in a specific case. In such moments, credibility, prestige and moral authority become limited goods whose attainment needs to be ensured. In these particular policy episodes, not the wider environment is of main concern but the preservation of an interest that is considered endangered in the short-term.

For the EU and the Member States reactions on landmark cases like Pussy Riot or Magnitsky were necessary because they signified key moments in which moral authority, credibility and prestige were challenged. During such policy episodes the often-criticized gap between rhetoric and action in the area of external human rights policy closes. The long-term milieu goal of externally promoting human rights is complementing the short-term possession

goal to operationalize, restore and uphold the underlying values. Confirming the first sub-hypothesis of this chapter, in these situations the EU appears as a more coherent external actor since its milieu goals are utilized to further possession goals.

6.3.3. The Lahti European Council: an unsuccessful attempt to coordinate human rights with energy policy

The examples of the Polish-Russian gas negotiations and the human rights landmark cases presented the EU as a coherent external actor since different foreign policy goals were successfully reconciled. In stark contrast, the attempt to horizontally coordinate human rights with energy policy at the Lahti European Council utterly failed. Rather than utilizing milieu goals to further possession goals, Lahti witnessed a reverse effort to further milieu goals through possession goals. The diverging outcomes of the three cases confirm the relevance of the two sub-hypotheses of this chapter: whether or not external policy coherence is achieved in a specific policy episode depends on the sequencing in the coordination of milieu and possession goals.

On 20 October 2006, the Heads of State or Government held an informal European Council in Lahti, Finland. One of the agenda points concerned the external energy relations of the EU. Prior to the summit, several documents were released and a number of decisive events took place that sparked discussions around the future of EU-Russia relations, the EU's external energy policy and a potential politicization of energy policy to promote interests in other policy areas. First, the March 2006 European Council had endorsed the Commission's proposal for three main objectives of a European energy policy: sustainable development, competitiveness

and security of supply.¹⁹¹ Few months later, the June European Council adopted recommendations to complement the EU's energy policy by an external dimension.¹⁹² With agreement on the overarching policy objectives and an external agenda, developments in the area gained momentum.

Second, the European Commission sought to make use of this momentum and pushed for integration. Shortly before the Lahti summit, it adopted a Communication, also known as the 'Lahti Paper', that suggested five principles of a European external energy policy to reinforce the energy policy objectives. The first of these principles stated that

“Coherence is central to achieving these objectives. Coherence between the internal and external aspects of energy policy, and between energy policy and other policies that affect it, such as external relations, trade, development, research and environment.”¹⁹³

Next to the importance of vertical (internal-external policies) and horizontal (energy and other policy areas) coherence, the Communication also referred explicitly to the relationship with Russia. The third principle pointed out that “EU-Russia energy cooperation is crucial in ensuring energy security on the European continent” and that it “is essential that Member States have a common understanding on the proposed approach on the principles for a future energy partnership with Russia”. These provisions to coherence and Russia caused discussions in how far energy policy should be coordinated or embedded into a wider foreign policy strategy.

Third, two political events impacted significantly on the atmosphere during the summit. On the one hand, the Russian-Ukrainian gas crisis of early 2006 had created a new awareness of

¹⁹¹ Council of the European Union, Document 7775/1/06 REV 1, Brussels European Council 23/24 March 2006, Presidency Conclusions. European Commission, Document COM(2006) 105 final of 8 March 2006: “Green Paper - A European Strategy for Sustainable, Competitive and Secure Energy”.

¹⁹² Council of the European Union, Document 10633/1/06 REV 1, Brussels European Council 15/16 June 2006, Presidency Conclusions; “An external policy to serve Europe's energy interests”, 9971/06, 30 May 2006.

¹⁹³ European Commission, document COM(2006) 590 final of 12 October 2006: “External energy relation – from principles to action”.

EU-Russian interdependence. The dispute had not only revealed the EU's dependence on Russian gas supplies but likewise the importance of the EU's sales market for Russian state revenues from energy exports. This contributed to a "new confidence" among EU leaders and reinforced the belief that "a much more robust approach [on external energy matters is] needed" (MS-08/Ener). On the other hand, the murder of Anna Politkovskaya two weeks before the Lahti European Council caused new tensions with Russia. Reactions of EU Member States varied considerably. Amongst the most outspoken was the Finish Council Presidency which, on behalf of the EU, called for a "thorough investigation of this heinous crime".¹⁹⁴ Across the EU there was wide agreement that the human rights situation in Russia was a worrying problem.¹⁹⁵

Finally, EU-Russia relations were generally amongst the top priorities of the Finish Council Presidency. During a meeting on 2 September 2006 in Lappeenranta, Finland, EU foreign ministers had stressed the importance to strengthen the EU-Russia strategic partnership. Ten years after entering into force, the PCA was due to expire in November 2007 and the conclusion of a follow-up agreement offered the chance to deepen relations. Against this background the Finish Council Presidency decided to invite Russian President Vladimir Putin to the summit dinner in Lahti to discuss the EU-Russian partnership. A special focus was thereby to be placed on energy issues.¹⁹⁶

All of these different events impacted on the atmosphere at Lahti. Awareness of the EU's market strength boosted confidence, yet the European leaders knew at the same time that the relationship with Moscow was multifaceted. For Commission President Barroso it was therefore

¹⁹⁴ Ministry of Foreign Affairs of Finland, "EU Presidency Statement on the killing of Anna Politkovskaya", Press Release 410/2006 of 8 October 2006.

¹⁹⁵ See for instance EU Annual Report on Human Rights 2007, pp.23 and 72. Retrieved from the World Wide Web on January 29, 2014:

http://consilium.europa.eu/uedocs/cmsUpload/2007.5997-EN-EU_annual_report_on_human_rights_2007.pdf

¹⁹⁶ Agence Europe, 4 September and 9 October 2006.

important to send a “message of convergence” to President Putin: next to the subject of energy security, the EU’s “concerns” about the deterioration of democracy and the human rights situation in Russia should be raised.¹⁹⁷ Many European leaders shared this view and discussions at Lahti which were held behind closed doors gained a remarkable dynamic. The combination of European Council’s willingness to develop European external energy relations, the Commission’s input emphasizing the need for a coherent foreign policy approach towards Moscow, awareness of the deep interdependence in energy relations, the issue-attention on the worrying human rights situation in Russia and the need to negotiate a new EU-Russia agreement had opened a window of opportunity that encouraged the formulation of new ideas how to govern the relationship with the eastern neighbor. Several European leaders envisioned a greater balance between interests and values in the EU’s external approach.¹⁹⁸ Their contributions to the debate were novel and based on ‘out-of-the-box thinking’ since they went far beyond the mere principle that ‘trading values’ was not an option for the EU.

The discussions at the European Council revolved around the role of energy in the relations with Russia and a potential coordination with other policy areas. Two proposals were put on the table, both of which politicized energy policy in an unprecedented way. Some advocated a passive coordination of energy with human rights policy: the EU would not compromise on the promotion of its values for the sake of a favorable energy partnership. Others were in favor of a more ambitious and active instrumentalization of energy policy: a summit participant remembered that “the call was coming from [several countries], which said that we should use energy, especially towards Russia, as a tool” to advance other interests (MS-08/Ener). Applying the terminology advanced in this project, this initiative was in favor utilizing

¹⁹⁷ Agence Europe, 20 October 2006.

¹⁹⁸ Ibid.

possession goals (the EU's importance for Russian revenues from energy sales) to further milieu goals (including the promotion of human rights). Using energy as an instrument in external relations was in many ways a novel and revolutionary but also a heavily contested idea. For many Member States, energy is a matter of national security and symbol of sovereignty. Unsurprisingly, little information about the discussions leaked from the European Council meeting.

In particular representatives from Finland, the Czech Republic and Poland were in favor of a more comprehensive approach to EU-Russia energy relations that would be horizontally coherent with other European external interests, such as human rights policy (MS-08/Ener). Their ideas corresponded to that of a 'mutually beneficial approach' which had entered debates since the European Security Strategy of 2003. The term describes a more holistic external agenda whereby "economic development in partner countries and in the EU, well-managed legal migration, capacity-building on border management, asylum and effective law-enforcement co-operation go hand in hand" (Kuijper et al. 2013, 720). The EU's external energy policy could be used to promote regional stability, the rule of law and human rights. These efforts could in turn have a positive effect on EU energy policy since, as an interlocutor explained, they help to establish a democratic model in supplier countries which "will normally lead to a somewhat more efficient model for the energy sector and this would in a broad sense be beneficial to energy security" (EU-15[CoEU]/Ener).

On the other hand, there were strong voices against the idea of coordinating energy with other policy areas. A politicization of economic issues was not acceptable to Member States (MS-08/Ener). In particular the larger ones with strong energy interests towards Russia opposed the initiative in informal discussions. German Chancellor Angela Merkel was unwilling to

sacrifice her country's energy interests for the sake of human rights. She called the then EU25 to "guide Russia towards the path of democracy and the market economy" but made clear that she did not want to utilize energy policy to reach this objective.¹⁹⁹ French President Chirac argued outspokenly that "human rights and energy are two different things" and that there was "no question of linking moral action to economic actions" since both Russia and the EU had "legitimate interests which we must seek to harmonise."²⁰⁰ These views were shared by Commission President Barroso who referred to energy as a strategic issue that should not be subject to over-politicization.²⁰¹

In the end, the more progressive and far-reaching ideas to politicize energy were rejected. A coordination between the possession goals from the area of energy policy with human rights and other milieu goals was not agreed and those who had been in favor of such an initiative "completely lost the case" (MS-08/Ener). The outcome of the policy episode thus confirms the second sub-hypothesis of this chapter: where possession goals are utilized to further milieu goals, external coherence is unlikely. The Lahti summit witnessed the birth as well as the quick erosion of a vision to coordinate energy and human rights issues because Member States were unwilling to compromise their possession goals for the attainment of milieu goals.

The European Council thus set a clear limit to the idea how the milieu goals of the EU's human rights policy could be mainstreamed into other policy areas. While the EU would attempt to make sure that more coherent messages would be sent to third countries regarding the balance of values and interests it was not specified how such a balance should be achieved.²⁰² Consequently, discussions with the Russian President during the summit dinner were frank and

¹⁹⁹ Agence Europe, 23 October 2006.

²⁰⁰ Ibid.

²⁰¹ Ibid.

²⁰² Agence Europe, 15 December 2006.

open but confrontation was avoided. Josep Borrell, then President of the European Parliament, remembered the dinner where he “had to tell President Putin, seated next to [him], that Europe should not be exchanging human rights for energy supplies” as a politically significant moment in his career.²⁰³ However, a more coherent coordination of energy policy with other policies was out of question and against the background of the ambitious ideas discussed by European leaders Putin eventually “got a treatment in gloves” (MS-08/Ener).

6.4. Conclusion

The relationship between milieu and possession goals is complex and at times complicated. They can be clearly distinct or overlap and their interaction can lead to synergies or suboptimal policy outcomes. The present chapter illuminated these dynamics in the evolution and in specific external episodes of the EU’s human rights and energy policy towards Russia. It was shown that in different stages and moments of policy-making the prevalence of milieu and possession goals and their interaction is intrinsically linked to the degree of external coherence.

There were several similarities identified in the developments of EU human rights and energy policy. In both policy areas, successive steps in policy integration have been dominated by milieu goals. The EU seeks to shape the external environment based on sets of norms and values which are inherently reflected in the content of policy formulation and the development of policy areas. In this respect, sections 6.1 and 6.2 highlighted the roles of values (universality and indivisibility of human rights) and norms (*energy acquis*) in the evolution of the EU’s human

²⁰³ European Parliament (2008), *Reflections of former Presidents of the European Parliament 1958-2008*, published by EU Publications Office, p.90.

rights and energy regimes. The strong consensus around both norms and values within the EU reinforced its milieu goals and facilitated a widely coherent development of the policy areas. In the EU's relationship with Russia, this coherence is of crucial importance: it underpins the EU's credibility and moral authority as a promoter of human rights, and its support for the spread of market economic principles as well as its role as a liberal actor. In both approaches – that of external human rights and energy policy – the EU shapes the common neighborhood towards a more value- and rules-based environment. A comparable consensus on interests in policy episodes dominated by possession goals is generally missing. For that reason, the EU has for instance not become a purchasing pool of energy commodities. In this respect, the development of the EU's external human rights and energy policy confirm the first hypothesis that policies rooted in milieu goals are more likely to generate external coherence than those based on possession goals.

Nevertheless, this conclusion can only be drawn with reference to those policy episodes in which milieu and possession goals are functionally isolated. Whenever the interests associated with possession goals touch upon the realm of EU external policy-making, the degree to which norms and values impact on external coherence is affected. This becomes particularly evident in the EU's external energy policy towards Russia. Here, external policies are subject to a division of labor. Whereas the EU is a milieu shaper, Member States are predominantly concerned with possession-seeking, mostly in the form of securing energy deals. They regularly oppose supranational milieu-shaping activities which are perceived as to compromise the attainment of a national possession. As a consequence, there is a constant tension between milieu and possession goals that is only resolved in policy episodes that uphold the clear division of labor. A similar pattern limits the EU's external instrument to horizontally mainstream human rights policy

towards Moscow. Member States, many of which have strong economic interests in Russia, have repeatedly opposed the consistent application of instruments that link the promotion of human to other policy areas in which they have a possession element. Policy responses thus appear selective, a reality that a Member State diplomat compared to the functioning of a jukebox where “you put the money in but it doesn’t mean that you will always play the same song” (MS-09/HuR).

Though, these observations do not imply that any involvement of possession goals in external policies of the EU does necessarily lead to incoherent outcomes. Rather to the contrary, possession goals can also facilitate external coherence. Confirming the two sub-hypotheses of this chapter, different examples from the fields of human rights and energy policy have revealed a complex relationship between different external objectives. The likelihood of coherence in policy outcomes depends on the sequencing of these goals, i.e. which of the goals is utilized, and which is furthered. Table 8 lists four possible combinations and their likelihood of generating coherence. Each of the four boxes is moreover filled with examples presented in this chapter.

Boxes number I and IV correspond to the main hypothesis of this chapter: a policy issue or episode that is subject to milieu goals is more likely to generate external coherence than a policy issue or episode that is subject to possession goals. A broad consensus on values and norms gives guidance not only to milieu-shaping but also to the wider development of the policy areas. In Energy policy this is for instance exemplified in the agreement on the three broad objectives on a European energy policy (security of supply, sustainability, competitiveness). They trigger external milieu-shaping activities like the promotion of market economic principles through externalization of internal market norms. In the EU’s human rights policy, the continuous closing of the internal-external gap that has enhanced external coherence stands

synonymously for a policy development that is deeply rooted in adherence to common values. Conversely, policy areas or issues dominated by possession goals are less likely to lead to external coherence in the EU. The main reason is that 28 Member States have different and partly contradicting external interest which impact on their possession goals. Towards Russia, this becomes for instance visible in the reluctance to agree on a rules-based institutionalization of mainstreaming human rights that would lead to more coherent external policies. In energy policy, Member States have different energy mixes and import dependencies which made integration towards a purchasing pool impossible.

Boxes number II and III correspond to the two sub-hypotheses of this chapter. Box number II lists examples where external policy coherence is unlikely since possession goals were utilized or compromised to further milieu goals. The limits of this kind of policy design became clear during the Lahti European Council where the initiative to further the promotion of human rights through energy policy failed. Likewise, the development of an EU external energy policy was hampered whenever Member States saw their possession goals compromised or endangered, such as the UK before 2005. Finally, box number III corresponds to the first sub-hypothesis: where milieu goals are utilized to further possession goals, the EU appears as a coherent external actor. This has been shown in the two case studies about the Polish-Russian gas negotiations and the human rights landmark cases. In both examples a strong milieu-shaping element was considered to be beneficial for the attainment of possession. The conflict between milieu and possession goals could therefore be resolved and resulted in synergies.

Table 8: combinations of milieu and possession goals and their effect on external coherence

		Utilized goal:	
		Milieu goal	Possession goal
Furthered goal:	Milieu goal	<p>(I) Coherence rather likely</p> <ul style="list-style-type: none"> • General development of policy areas • Energy: three objectives of the European energy policy; promotion of market economic principles (externalization) • Human rights: Closing of internal-external gap 	<p>(II) Coherence unlikely</p> <ul style="list-style-type: none"> • Example of Lahti European Council (6.3.3.) • Challenging Member States' attainment of energy possession goals (e.g. UK before Hampton Court European Council)
	Possession goal	<p>(III) Coherence likely</p> <ul style="list-style-type: none"> • Example of Polish-Russian gas negotiations (6.3.1.) • Example of human rights landmark cases (6.3.2.) 	<p>(IV) Coherence rather unlikely</p> <ul style="list-style-type: none"> • Reluctance by Member States to institutionalize the mainstreaming of human rights • Different energy mixes and dependency structures of Member States

What do these insights imply for answering the central research question of this project?

The external policy of the EU towards Russia is lacking coherence despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will because of a complex and complicated relationship between milieu and possession goals. In policy episodes where the attainment of milieu goals challenges that of possession goals, even a strong consensus on norms and values cannot ensure policy coherence. For the EU's policy design, two conclusions can be drawn. First, external coherence is more likely if policies avoid a

tension between milieu and possession goals. For that purpose, the EU must for instance ensure a clear division of labor in external policies with the Member States. Agreement on integration can be found where the milieu goals remain overtly broad without leading to direct political consequences. Nevertheless, the danger is that this kind of divided external approach reinforces a schizophrenic external appearance of the EU. The second conclusion addresses those policy episodes where a division between milieu and possession goals cannot be upheld. In such cases, external policy coherence is likely to be achieved if the EU convincingly presents that its milieu-shaping activities do not endanger but further the attainment of milieu goals.

7. CONCLUSION

In this research I have set out to answer the following central research question: *Why is the external policy of the European Union (EU) towards Russia lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will?* Based on a dual analytical approach, the four empirical chapters of this thesis have investigated the central research question from diverse angles. The results contribute to a better understanding of EU-Russia relations. This conclusion reviews the main findings of the research, identifies answers to the central research question, and assesses their implications for policy-making and future research.

7.1. Four answers to the central research question

The section identifies four answers to the central research question; each of which reflects the findings of one empirical chapter. Common to the research in the chapters was the assumption that a conceptual and empirical focus on coherence yields new perspectives on the EU's problematic relationship with Russia. For that purpose a dual analytical approach was proposed that informed nine (sub-)hypotheses to investigate facilitators and obstacles of coherence. Central to the duality was a distinction between policy setting and policy content. The former is closely related to an institutionalist research agenda and explores the conduciveness of the EU's institutional structure to more external coherence. While policy setting has much explanatory power, I have argued that an additional perspective beyond institutional structures contributes to a more comprehensive understanding of the EU's relations to Russia. For this reason, the thesis introduced a second analytical focus on the policy content. Based on Arnold Wolfers' seminal

work on milieu and possession goals, and applied to the specific context of the EU, the thesis highlighted the impact of the EU's external objectives on coherence. The following paragraphs review the main findings from the empirical chapters 3-6, which are reflected in four different answers to the central research question.

Chapter 3 pointed out that the quest for coherence is not a marginal normative claim but practically incorporated in the EU foreign policy context. It reflects a broad consensus that the degree of coherence is positively related to the effectiveness of the EU's foreign policies. There is no clear-cut dichotomy between coherence and incoherence, but the quest for coherence embodies the EU's aspiration to achieve *more* external coherence. The term has a practical relevance: multiple references to coherence in the treaties, documents and debates are a synonym for criticism regarding the EU's external impact. Despite the lack of a formal definition, a specific understanding of coherence has emerged in Brussels that largely mirrors the elements elaborated in the analytical framework. First, a specific Brussels jargon surrounding the claim for coherence has developed that inherently links external coherence to *coordination*, with regard to both policy setting and policy content. Second, coherence is a matter between institutional actors. Here, particularly the policy setting seeks to improve coordination procedures and processes of external interests, for instance through successive reforms. Third, coherence is also matter of organizing different foreign policy elements and areas into a coherent whole. This aspect responds particularly to the policy content and the attempt to coordinate different external objectives. Based on these empirical insights, it was found that problems in EU foreign policy are interpreted as a lack of coherence, rooted in a policy setting that is uncondusive to coordination and in insufficient coordination of the policy content.

The quest for coherence in EU external relations is not coincidental but serves a specific purpose: it responds directly to the need for answers to structural deficiencies prevalent in the area of EU foreign policy. External unity is challenged by a functional fragmentation of the institutional structure. Multiple actors and decentralized competences culminate in the lack of a single authority to take decisions. Different decision-making procedures involve a variety of actors that bring diverse interests into the political process. The application of diverse external instruments is a consequence of political feasibility rather than of an overarching foreign strategy. In this unsteady context, coherence is a guiding principle that offers a practical solution to limit adverse effects of the EU's external governance structures and to improve the overall effectiveness of foreign policy output.

Based on these insights, the first answer to the central research question is that coordination matters – both with regard the policy setting and the policy content: *the external policy of the EU towards Russia is lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, because of the insufficient development of mechanisms to coordinate between different actors and policy objectives*. Existing limitations lead to further calls for continuing improvement of policy coordination procedures and processes.

Chapter 4 investigated the policy setting of the EU. This setting is based on a highly complex system, designed for consensus-finding and decision-making among different actors. This endeavor turns out to be particularly challenging in the area of external relations towards Russia. The EU suffers from constant coordination failures between interests of political stakeholders that undermine an EU speaking with one voice. Different reforms, modifications and practices of the policy setting have sought to make it more conducive to interest-

coordination in order to increase external coherence. On the one hand, coordination mechanisms concern formal procedures: the European Council focused increasingly on giving political guidance; the hierarchical coordination structures in the Council and the Commission became more sophisticated and efficient; horizontal coordination procedures have been implemented to bring together diverse actors and policy areas; and the creation of the European External Action Service (EEAS) and the post of the High Representative of the Union for Foreign Affairs and Security Policy (HR) formed new actors who oversee the Union's foreign policies, serve as an information platform and mold different interests into more coherent policy proposals. On the other hand, the coherence of the policy setting is supported by informal processes that became facilitators of coordination: socialization processes improved working mechanisms in expert forums; common values and objectives developed; strategies such as uploading or seeking like-minded groups improved interest coordination; and established practices like the compilation of the 'Key Outstanding Issues' set the focus and structured debates on Russia. Commonly, these examples illustrated that the lack of external coherence triggers the reinforcement of vertical and horizontal coordination mechanisms in the policy setting.

However, the thesis provided examples of diverging outcomes as to whether or not the reinforcement of coordination mechanisms in the policy setting also leads to more external coherence. The above-mentioned formal and informal facilitators of coordination generally demonstrated a positive effect on external coherence towards Russia. This finding supports the institutionalist argument that changes to the policy setting are reflected in policy outcomes. In the case of the EU, the successive institutional reforms and the development of coordination processes can thus be interpreted as functional solutions to improve real-world compliance with the guiding principle of external policy coherence. Though, not all changes to the coordination

structure of the policy setting do necessarily lead to more external coherence. There remains a lack of competences at the supranational level to formulate a comprehensive external approach. Institutional engineering in the EU also embodies the paradox that some reforms have adverse effects. The fragmentation of the institutional framework is not resolved but partly reinforced: the EU is externally represented through various actors; internally its administrative effectiveness is undermined by turf wars; and there remain unresolved questions of final authority. Administrative overload resulting in an institutional inability to cope with all elements of external action further thwarts policy coordination and external coherence. These diverging trends indicated that changes in the coordination structure of the policy setting generally lead to more external coherence but not under all circumstances. Outcomes diverge over time and in relation to specific policy episodes.

Based on the insights from Chapter 4, the second answer to the central research question is that the policy setting is unable to fully generate and ensure coherence: *the external policy of the EU towards Russia is lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, because of partly insufficient coordination mechanisms and inexpedient institutional reform.* However, this answer can be criticized for being inherently inward-looking and not taking full account of the dynamics that evolve in the bilateral relations of the EU with Russia. This limitation of an analysis focusing exclusively on the policy setting was overcome through the dual analytical approach. Chapter 5 and 6 focused on the policy content that yielded additional insights into the topic.

Chapter 5 illustrated EU-Russia relations in different and partly contradictory ways. The rebuilding and consolidation of relations illustrated the return of Russia to European norms and values which provided the basis for further political and economic rapprochement. This

development was underpinned by extensive bilateral institutionalization of areas of mutual concern. These elements contributed to a ‘normalization’ of relations and the beginning of a new partnership. The underlying long-term aim of Brussels was to frame the governance and ideational context of a common future. Energy and human rights policies were presented as prime examples in this respect. The relationship in both areas deepened over time and became increasingly structured through common institution building and the establishment of dialogues. These observations illustrated that in its external approach towards Russia the EU acts as a milieu shaper.

In contrast to this relatively coherent development, EU-Russia relations have also been characterized by rising tensions. Since the turn of the millennium, misunderstandings, disagreement and conflict have reappeared that undermined the EU’s external impact. Russia has become increasingly unresponsive to milieu-shaping activities; it has challenged commonly agreed norms and values, and sought to extend its influence in the region. In addition to this worsening of the external opportunity structure, the EU has been facing various internal challenges. Until today it is missing a distinct identity as an international actor which would provide guidance for a more coherent external approach, including a prioritization of different competing external objectives. EU energy policy revealed for instance agreement on internal objectives that conflict with the aim of developing credible external policies for a long-term partnership with Russia. In addition, the Union suffers from unresolved endogenous crises which have significantly damaged its prestige and role-model character in the world. These different elements have amounted to unprecedented challenges that the EU as a milieu shaper faces towards its eastern neighbor. Together they indicate that the difficulties of the EU in its Russia

policy stem from its external role as a milieu shaper, coupled with an internal and external environment that is increasingly uncondusive to milieu-shaping activities.

With these insights, Chapter 5 informs the third answer to the central research question: *the external policy of the EU towards Russia is lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, because internal and external challenges continuously question the fundamental norms and values of the relationship.* As a milieu shaper, the EU appears incapable of operationalizing norms and values in a consistent way.

Chapter 6 investigated the complicated relationship between milieu and possession goals. The dynamics between the different types of external objectives revealed to be complex. In different areas and episodes of policy-making the prevalence of milieu and possession goals and their interaction is intrinsically linked to the degree of external coherence. In the relations of the EU with Russia, there is a broad division of labor between the supranational and the national level. Whereas the EU follows milieu goals, Member States individually aim at securing possession goals. These different roles became particularly evident in the area of energy policy, while the EU's focus on milieu-shaping was similarly detectable in its promotion of human rights. In this respect, the EU appeared not only as milieu shaper in the rebuilding and consolidation of relations with Russia as indicated in Chapter 5, but also in specific policy episodes where external approaches are designed and instruments applied. The strong consensus on norms and values that is inherent to milieu goals was thereby a strong facilitator of consensus and external guidance. Conversely, policies subject to possession goals are generally followed individually by 28 Member States with different interests towards Russia, resulting in divergent

approaches. For that reason it was shown that policies rooted in milieu goals are more likely to generate external coherence than those based on possession goals.

However, this conclusion was only valid for policy areas and episodes where milieu and possession goals remain functionally isolated. The two types of external objectives were demonstrated to be in a constant state of tension that was only resolved in moments that uphold the division of labor between the national and European level. Where milieu and possession goals interacted, the resulting degree of external coherence depended on the sequencing of their interaction. Three case studies (the Polish-Russian gas negotiations of 2010, EU responses to human rights violations in Russia, and the Lahti European Council of 2006) highlighted the dynamics that arise between different external objectives. Member States consider the attainment of possession goals as a part of national security and sovereignty. As a consequence possession goals were unlikely to be compromised for milieu goals. Where possession goals were utilized to further milieu goals, external coherence was unlikely. On the other hand, milieu goals could provide the necessary external environment for the attainment of possession goals. This turned the conflict between the external objectives into synergies. Where milieu goals were utilized to further possession goals, the EU appeared as a coherent external actor.

Based on the insights from Chapter 6, the fourth answer to the central research question emphasizes the sequencing of different external objectives in determining external coherence: *the external policy of the EU towards Russia is lacking coherence, despite extensive institutionalization, a catalogue of formally stated objectives and repeatedly articulated political will, because there are moments when the conflict between milieu and possession goals can neither be avoided nor resolved.*

7.2. *Implications for policy-making and future research*

The diverse findings of the research have several implications for policy-making and the design of more coherent external policies. The first part of the dual analytical approach focusing on the policy setting highlights the importance of sound institutional engineering and the relevance of informal processes for the coherence of policy outcomes. These findings confirm the central arguments and propositions of the existing literature on institutionalism: institutional structures and practices directly affect policy outcomes (cf. Jupille and Caporaso 1999; Aspinwall and Schneider 2000; Pollack 2009). As a consequence, sound reforms and the facilitation of formal and informal developments can contribute to the increase in external coherence (cf. Aggestam et al. 2008; Duke 2011; M. E. Smith 2013; Vanhoonacker and Pomorska 2013; Edwards 2013). However, there are additional aspects to the problem of external coherence that were emphasized through the second part of the dual analytical approach. The focus on the policy content and the findings in chapters 5 and 6 inform novel policy recommendations that complement those of existing scholarship.

The research revealed that a lack of external coherence towards Russia results from a constant tension between milieu and possession goals. In those policy areas and episodes where the tension can be mitigated external coherence increases. How this can function in practice is illustrated by two conceivable scenarios: the tension between milieu and possession goals can either be *avoided* or *resolved*. Avoidance of tensions is based on a foreign policy approach that strictly separates milieu from possession goals. Chapter 5 presented the EU as a milieu shaper towards Russia. In the areas where it followed this approach, it appeared externally coherent. The challenge is to design policies that uphold the distinction between external objectives – not only in broad terms but also in the nitty-gritty of everyday foreign policy-making. For that

reason, it appears beneficial if different external objectives are pursued at different levels of governance, as seen in the example of European energy policy. Section 6.2 interpreted a division of labor between different levels of energy governance as the main reason for external coherence. Whereas the EU acts as a milieu shaper vis-à-vis Russia, the Member States are concerned with the attainment of their possession goals. The weakness of such an approach is that external coherence is only detected when the different levels are considered individually. However, viewed through a broader lens, the EU's energy policy is fundamentally fragmented between the EU and the national level which reinforces a schizophrenic external appearance. A division of labor between levels of governance is therefore not an advisable policy strategy to achieve external coherence in the long-term.

A scenario that resolves rather than avoids the tension between milieu and possession goals is more likely to generate and increase of external coherence. In this respect, Chapter 6 emphasized the importance of sequencing: milieu goals must facilitate the attainment of possession goals instead of the other way around. Compared to the avoidance of tensions, this strategy is superior because potential synergies between objectives can create a more resilient form of external coherence. The key to success in this approach is to credibly convince relevant decision makers that milieu-shaping activities do not endanger but further the attainment of milieu goals. For that purpose, three policy recommendations are advanced.

The first recommendation to resolve the tension between milieu and possession goals addresses the need for a change in the risk perception of possession-seekers. Often they show reluctance to support milieu goals since such measures are considered as a loss of control. In the EU, Member States have repeatedly been wary of supranational milieu-shaping activities which are associated with a loss of control over the external policy-making process. In severe cases,

this can have negative consequences for national sovereignty and security. For the milieu shaper it is therefore important to convey the message that there are either no losses of control or that potential losses are outweighed by the synergies of a more coherent external approach. This can be underpinned by deliberation to change the risk perception of possession seekers. For instance, EU Member States are generally concerned about the transfer of competences to the supranational level. Reframing topics can therefore be a more viable strategy compared to institutional reform, since it forgoes conflicts over competences which lead to less confrontation and more fruitful debates. Scholarship highlighting different forms of deliberation in the EU has theorized such approaches (cf. Eriksen 2002; Neyer 2006; Puetter 2011; Puetter 2012). They emphasize cultures of discussion and consensus seeking that permeate supranational and intergovernmental forums in the EU.

To overcome the hostility between the supranational attempts for ever-closer Union and national competence fixation, intergovernmental deliberation forums should also involve supranational actors. A promising example in this respect has been the establishment of informal strategic orientation debates at European Councils under the Van Rompuy administration. These meetings generally involve the Commission, enabling a more comprehensive exchange at the highest political level. In addition, thematic European Councils can put the spotlight on areas that are characterized by conflicts over competences. During the February 2011 and May 2013 European Councils dedicated to energy, the Commission provided the main input for the Heads of State or Government. The summits are widely regarded as positive examples of how agenda setting furthers deliberation between different levels of governance. During the discussions, European leaders developed an unprecedented understanding that only a more coherent EU energy policy could meet their concerns regarding security of supply and competitiveness (EU-

27[COM]/Ener). More supranational milieu-shaping would not challenge but further the attainment of affordable and secure energy. The example thus indicates how deliberation can be a viable strategy to overcome national opposition to more coherent external policies.

The second recommendation to resolve the tension between milieu and possession suggests a more prominent display of those cases where successful coordination led to synergies. Only possession seekers that discover the benefits of milieu-shaping for the attainment of their possession goals will agree to more comprehensive policy coordination. For that reason, precedence cases can serve as catalysts that trigger emulation, turning rare occurrences into customary practice. The example of the Polish-Russian gas negotiations of 2010, presented in sub-section 6.3.1, is indicative in this respect. Highly concerned about their sovereignty and national security, Member States had previously been reluctant to share sensitive components of their long-term supply contracts, such as pricing. Commission participation in the negotiations sought to ensure the conformity of the new agreement with internal market rules. Rather than challenging Polish competences in the area, concerted action and references to the regulatory framework led to more leverage and a favorable deal for Poland. The positive outcome had attracted attention and other countries, like Lithuania, followed the Polish example. More prominent display of such successful examples may reinforce the image that concerted action between a milieu shaper and possession seeker can lead to policy synergies.

The third recommendation to resolve the tension between milieu and possession goals addresses the problem of domestic opposition. It is generally assumed that consensus among the Heads of State or Government facilitates European integration. Though, this assumption does not always hold true. While deliberation in the European Council may result in novel agreements, it can be difficult for the leaders to convince domestic political actors of the benefits. In line with

what Robert Putnam described as a two-level-game (Putnam 1988), a domestic opposition can block implementation and become a key impediment to more external coherence. The danger is most acute in cases where national security and sovereignty are perceived to be at stake: a policy that appears to go counter to the national interests is unlikely to get support and can easily be exploited by political opponents. In this situation, the development of a deliberative consensus compared to that in the European Council is highly unlikely. Facing the domestic opposition, a Head of State or Government may lose the incentive to carry out and implement policies agreed at the level of the European Council.

An increase in cooperation between the Commission and domestic political actors can overcome this problem and support the creation of a culture of deliberation at the national level. The recent move towards Energy Union is an example in this respect. Following endorsement at the European Council the Commission presented the initiative to the national parliaments. For each Member State it prepared a country *fiche* on energy that included a SWOT-analysis (Strengths, Weaknesses, Opportunities, and Threats). This document was presented to the Parliamentarians by the Vice-President for Energy Union during a promotion tour. The initiative gathered support among elected representatives who hold governments accountable (EU-27[COM]/Ener). In this way, political leaders had fewer incentives to satisfy short-term possession goals at the cost of more coherent long-term policies.

Finally, the findings of this thesis have also implications for future research on the effectiveness of the EU as an international actor. On the one hand, the EU-Russian bilateral relations on human rights and energy policies are distinct cases. Specific findings of this analysis on external coherence are not necessarily transferable to other case studies. It may merit further research in how far the EU's external role as a milieu shaper can also be detected with regard to

bilateral relations with other countries and how the complex relationship between milieu and possession goals affects external coherence in other policy areas.

On the other hand, this thesis showed that the EU differs in central characteristics from traditional international actors like nation states. The focus on milieu goals and the lack of competences to follow possession goals make it *sui generis*. Similarly to the ongoing debate on the internal ‘nature of the beast’ (Risse-Kappen 1996), it may therefore be fruitful to frame the external identity of the EU in terms that depart from benchmarks that were created to assess nation states. First and foremost, this criticism addresses scholarship that sought to frame the EU as ‘some kind of power’ (cf. Duchêne 1973; Bull 1982; Whitman 1998; Manners 2002; Moravcsik 2002; Wagner 2006; McCormick 2007; Toje 2008; Pacheco Pardo 2012). In the international realm the EU as a milieu shaper should not be judged by benchmarks that relate to power and in this way compare it to other international actors that have full authority over all aspects of external policy-making, including following possession goals. Agreeing with Jens-Uwe Wunderlich, it is necessary “to move beyond a state-centric view of world politics to assess the actor capabilities, nascent or advanced, of other players in the global arena” (Wunderlich 2012). Otherwise any assessment on the EU’s external impact will be guided by standards it cannot meet.

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ANNEX

Annex 1: List of interviewees

Interviewees are listed according to their affiliation and in alphabetical order of their last name. The position relevant for falling into the interview sample is mentioned. If not indicated differently, interviewees held the position during the time of the interview. The list of interviewed Member State officials also mentions the country of origin. In all cases where interviewees requested anonymity, also the interviewee's position is kept confidential since the mere mentioning of the position could make identification possible.

Interviewees from European Union Institutions and Services

European Commission

Paula Abreu Marques	Head of Unit A3 - International Relations and Enlargement, Directorate General for Energy
Inge Bernaerts	Head of Unit B2 - Internal Market II: Wholesale markets; electricity & gas, Directorate General for Energy
Adina Crisan	Policy Officer in Unit A2 - Communication and Interinstitutional Relations, Directorate General for Energy
Brendan Devlin	Advisor to the Director for Internal Energy Market, Directorate General for Energy
Thomas Dodd	Former Policy Officer for Corporate Social Responsibility, Directorate General for Enterprise and Industry
Florian Ermacora	Head of Unit A2 - Communication and Interinstitutional Relations, Directorate General for Energy
Michael Hager	Head of Cabinet of the Commissioner for Energy
Michael Köhler	Director of Directorate F – Neighbourhood, Directorate General for Development and Cooperation Former Head of Cabinet of the Commissioner for Energy
Kristóf Kovács	Policy Officer in Unit B.2 - Internal Market II: Wholesale markets; electricity & gas, Directorate General for Energy
Jeffrey Piper	Policy Officer, Unit A3 - International Relations and Enlargement, Directorate General for Energy
Manuel Rivas Rabago	Team Leader in Unit A2 - Communication and Interinstitutional Relations, Directorate General for Energy

Luc Tholoniati Assistant to the Secretary General of the European Commission,
Secretariat General

Anonymous Interviewee

Anonymous Interviewee

Council of the European Union

Anonymous Interviewee

Anonymous Interviewee

European External Action Service

Sven-Olov Carlsson Deputy Head of Division III.B.3 - Russia

Erika Ellamaa-Ots Deputy Permanent Chair of the Council of the European Union's
Eastern Europe and Central Asia Working Party (COEST)

Daniel Guyader Head of Division VI.B.1 - Global Issues and Counter Terrorism

Søren Halskov Seconded National Expert from Denmark in the Division III.B -
Russia, Eastern Partnership; Central Asia, Regional Cooperation and
OSCE

Saskia Herrmann European External Action Service, Assistant to the Permanent Chair
of the Political and Security Committee, Olof Skoog

Monika Kacinskiene Policy Officer at the Russia Desk

Later position: Policy Officer at Unit A3 - International Relations and
Enlargement, Directorate General for Energy, European Commission

Johanna Koopmans Seconded national expert from the Netherlands in Division III.B-3 -
Russia

Andras Kos Delegation of the European Union to the United Nations, Minister
Counselor General Assembly Affairs

Former position: Hungarian Representative to the Political and
Security Committee

Engelbert Theuermann Permanent Chair of the Council of the European Union's Working
Party on Human Rights (COHOM)

Konstantinos Vardakis Deputy Head of Division III.B.1 - Eastern Partnership, regional
cooperation and OSCE

Anonymous Interviewee

Interviewees from Member States

Arad Benkő	Austria	Deputy Head of Department/Head of Unit - European Council, General Affairs Council, Foreign Affairs Council and COREPER II Coordination, Federal Ministry for European and International Affairs
Gerhard Doujak	Austria	Head of Unit I.7 - Human Rights, International Humanitarian Law, Ethnic Groups, Federal Ministry for European and International Affairs
Anonymous Interviewee	Austria	
Anonymous Interviewee	Austria	
Vaclav Bartuska	Czech Republic	Ambassador-at-Large for Energy Security, Ministry of Foreign Affairs
Lucie Čiháková	Czech Republic	Director of the Department of EU Policies, Ministry of Foreign Affairs
Jan Havlík	Czech Republic	Director of the Department of European Affairs and the Internal Market, Ministry of Industry and Trade
Jan Marian	Czech Republic	Head of Unit for Russia, Belarus and the Eastern Partnership, Ministry of Foreign Affairs
Tibor Opela	Czech Republic	Desk Officer at the Russia Desk, Ministry of Foreign Affairs
Jana Rácová	Czech Republic	Human Rights Officer in the Department for Human Rights and Transition Policy, Ministry of Foreign Affairs
Laura Arildsbo	Denmark	Energy Attaché, Permanent Representation of Denmark to the EU
Sebastian Brökelmann	Germany	Desk Officer on COREPER coordination, Ministry of Foreign Affairs
Julia Grzondziel	Germany	Deputy Head of Division E.A.1 - EU policy, coordination of EU policy, Federal Ministry of Economics and Technology
Jörg Kirsch	Germany	Deputy Head of Division on International Energy Policy, External Energy Policy, Federal Ministry of Economics and Technology
Patrick Specht	Germany	Deputy Head of Division on European Energy Policy, Federal Ministry of Economics and Technology

Péter Balázs	Hungary	Former Hungarian Minister of Foreign Affairs, Former Hungarian Commissioner in the European Commission, responsible for Regional Policy
Levente Benkő	Hungary	Ministry of Foreign Affairs of Hungary, CFSP Director, European Correspondent
Zoltán Hernyes	Hungary	Chief counselor in the International Organizations and Human Rights Department, Ministry of Foreign Affairs
Anita Orbán	Hungary	Ambassador-at-Large for Energy Security, Ministry of Foreign Affairs
Péter Sztáray	Hungary	Political Director, Deputy State Secretary, Ministry of Foreign Affairs
Theodoros Christopoulos	Greece	Energy Attaché, Permanent Representation of Greece to the EU
Christos Gogakis	Cyprus	Energy Attaché, Permanent Representation of Cyprus to the EU
Michael Goodwin	Ireland	Energy Attaché, Permanent Representation of Ireland to the EU
Ona Kostinaitė-Grinkevičienė	Lithuania	Energy Attaché, Permanent Representation of Lithuania to the EU
Sophie Westlake	United Kingdom	Energy Attaché, Permanent Representation of the UK to the EU

Interviewees from other organizations

Dirk Buschle	Energy Community Secretariat, Legal Counsel and Deputy Director
András Deák	Hungarian Institute of International Affairs, Associate Fellow on Russian Energy Affairs

Annex 2: List of coded interviews

The coding of the interviews ensures both the interlocutors' anonymity and an efficient structuring to analyze the data. The format of the code **AA-00[BBB]/CCC** can be found displays

Code	Meaning of code	Possible answers
AA	Level/affiliation	EU: European Union MS: Member State OO: other organization
00	Continuous number according to the date of the interview	EU: 01 to 27 MS: 01 to 26 OO: 01 to 02
BBB	EU institution or agency to which interlocutor from EU level is affiliated. In case of interviewee from Member State or other organization no specification to ensure anonymity	COM: European Commission EEAS: European External Action Service CoEU: Council of the European Union
CCC	Content-related classification of interview. Critical for the classification was the <i>main</i> topic covered during the interview	ExtR: external relations Rus: Russia PolC: policy coordination Ener: energy HuR: human rights

Example: the code *EU-08[EEAS]/Ener* means that the interlocutor was the eighth interviewee (08) from the EU level (EU) and in this case specifically from the European External Action Service (EEAS). The main topic covered during the interview was energy (Ener).

Additionally, the list of coded interviews provides further information as listed below:

Information	Possible answers
Interview date	05/12/2011 to 11/08/2015
Interview setting	Face-to-face interview, Skype interview or telephone interview. At times combined with several other meetings.
Source	Sample frame, referral, personal or professional relation
Length of interview in minutes	Between 33 and 90 minutes, average length 60 minutes
Interview recorded	Yes or no
Data set created for qualitative analysis	Transcript or interview protocol
Disclosure of requested parts of interview data set	Transcript/interview protocol available or confidentiality required

Excerpts of transcripts or interview protocols can be requested from the author (philipp.thaler@gmail.com) with reference to the interview code and the page in the thesis.

Interview Code	Interview date	Interview setting	Source of identification of interlocutor	Length of interview in minutes	Interview recorded	Data set created for qualitative analysis	Disclosure of requested parts of interview data set
EU-01[EEAS]/ExtR	05/12/2011	Skype	Referral	46	yes	Transcript	Transcript available
EU-02[EEAS]/Rus	04/05/2012	Face-to-face and several other meetings	Sample frame	75	yes	Transcript	Transcript available
EU-03[EEAS]/ExtR	13/12/2012	Face-to-face	Sample frame	43	yes	Interview protocol	Interview protocol available
EU-04[EEAS]/Rus	13/12/2012	Face-to-face	Sample frame	70	no	Transcript	Transcript available
EU-05[EEAS]/ExtR	14/12/2012	Face-to-face	Sample frame	56	yes	Interview protocol	Interview protocol available
EU-06[EEAS]/Rus	17/12/2012	Face-to-face	Sample frame	60	no	Transcript	Transcript available
EU-07[EEAS]/ExtR	18/12/2012	Face-to-face	Sample frame	70	yes	Interview protocol	Interview protocol available
EU-08[EEAS]/Rus	18/12/2012	Face-to-face	Referral	60	no	Transcript	Transcript available
EU-09[EEAS]/Rus	06/06/2013	Telephone	Sample frame	45	yes	Interview protocol	Confidentiality required
EU-10[COM]/Ener	11/06/2013	Face-to-face	Sample frame	46	yes	Interview protocol	Interview protocol available
EU-11[COM]/Ener	20/06/2013	Face-to-face	Sample frame	50	yes	Interview protocol	Interview protocol available
EU-12[COM]/Ener	21/06/2013	Face-to-face	Sample frame	52	yes	Interview protocol	Interview protocol available
EU-13[COM]/Ener	24/06/2013	Face-to-face	Sample frame	45	no	Interview protocol	Interview protocol available
EU-14[COM]/HuR	26/06/2013	Face-to-face	Referral	62	yes	Interview protocol	Interview protocol available

Interview Code	Interview date	Interview setting	Source of identification of interlocutor	Length of interview in minutes	Interview recorded	Data set created for qualitative analysis	Disclosure of requested parts of interview data set
EU-15[CoEU]/Ener	02/07/2013	Face-to-face	Referral	50	yes	Interview protocol	Confidentiality required
EU-16[CoEU]/Ener	02/07/2013	Face-to-face	Sample frame	42	yes	Interview protocol	Confidentiality required
EU-17[COM]/Ener	04/07/2013	Face-to-face	Referral	55	yes	Interview protocol	Confidentiality required
EU-18[EEAS]/HuR	05/07/2013	Face-to-face	Referral	50	yes	Interview protocol	Interview protocol available
EU-19[COM]/Ener	18/07/2013	Face-to-face	Sample frame and professional relation	71	yes	Interview protocol	Interview protocol available
EU-20[COM]/Ener	25/07/2013	Face-to-face and several other meetings	Sample frame and professional relation	35	yes	Interview protocol	Interview protocol available
EU-21[COM]/Ener	25/07/2013	Face-to-face	Sample frame	43	yes	Interview protocol	Interview protocol available
EU-22[COM]/PolC	25/07/2013	Face-to-face	Sample frame and professional relation	64	yes	Interview protocol	Interview protocol available
EU-23[COM]/Ener	25/07/2013	Face-to-face	Sample frame	70	no	Interview protocol	Interview protocol available
EU-24[COM]/Ener	26/07/2013	Face-to-face and several other meetings	Sample frame and professional relation	90	no	Interview protocol	Interview protocol available

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Interview Code	Interview date	Interview setting	Source of identification of interlocutor	Length of interview in minutes	Interview recorded	Data set created for qualitative analysis	Disclosure of requested parts of interview data set
EU-25[EEAS]/Rus	31/07/2013	Face-to-face	Sample frame	60	no	Interview protocol	Interview protocol available
EU-26[COM]/Ener	31/07/2013	Face-to-face and several other meetings	Sample frame and professional relation	90	no	Interview protocol	Interview protocol available
EU-27[COM]/Ener	11/08/2015	Face-to-face	Personal relation	90	no	Interview protocol	Interview protocol not available
MS-01/PolC	23/02/2012	Face-to-face	Sample frame	70	yes	Transcript	Transcript available
MS-02/PolC	27/02/2012	Face-to-face	Sample frame	70	yes	Transcript	Transcript available
MS-03/Ener	27/02/2012	Face-to-face	Sample frame	70	yes	Transcript	Transcript available
MS-04/Ener	27/02/2012	Face-to-face	Sample frame	70	yes	Transcript	Transcript available
MS-05/ExtR	11/10/2012	Face-to-face	Referral	45	yes	Transcript	Transcript available
MS-06/Ener	16/10/2012	Face-to-face	Referral	60	yes	Transcript	Transcript available
MS-07/ExtR	18/10/2012	Face-to-face	Sample frame	70	no	Transcript	Transcript available
MS-08/Ener	30/10/2012	Telephone	Referral	36	yes	Transcript	Transcript available
MS-09/Rus	01/11/2012	Skype	Sample frame	60	yes	Transcript	Transcript available
MS-10/Rus	01/11/2012	Skype	Sample frame	60	yes	Transcript	Transcript available
MS-11/PolC	02/11/2012	Telephone	Sample frame	51	yes	Transcript	Transcript available
MS-12/ExtR	05/11/2012	Face-to-face	Sample frame	55	yes	Transcript	Transcript available
MS-13/HuR	06/11/2012	Face-to-face	Sample frame	80	yes	Interview protocol	Interview protocol available
MS-14/ExtR	08/11/2012	Telephone	Sample frame	33	yes	Transcript	Transcript available

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Interview Code	Interview date	Interview setting	Source of identification of interlocutor	Length of interview in minutes	Interview recorded	Data set created for qualitative analysis	Disclosure of requested parts of interview data set
MS-15/HuR	13/11/2012	Telephone	Sample frame	50	yes	Interview protocol	Interview protocol available
MS-16/PolC	05/02/2013	Face-to-face	Sample frame	51	yes	Interview protocol	Interview protocol available
MS-17/Ener	06/02/2013	Face-to-face	Sample frame	60	no	Transcript	Confidentiality required
MS-18/HuR	07/02/2013	Face-to-face	Sample frame	69	yes	Interview protocol	Interview protocol available
MS-19/ExtR	07/02/2013	Face-to-face	Sample frame	36	yes	Interview protocol	Confidentiality required
MS-20/Ener	11/07/2013	Face-to-face	Sample frame and professional relation	69	yes	Interview protocol	Interview protocol available
MS-21/Ener	19/07/2013	Face-to-face	Sample frame	45	yes	Interview protocol	Interview protocol available
MS-22/Ener	22/07/2013	Face-to-face	Sample frame	42	yes	Interview protocol	Interview protocol available
MS-23/Ener	29/07/2013	Face-to-face	Sample frame and professional relation	52	yes	Interview protocol	Interview protocol available
MS-24/Ener	29/07/2013	Face-to-face	Sample frame	61	yes	Interview protocol	Interview protocol available
MS-25/Ener	12/09/2013	Telephone	Sample frame	51	yes	Interview protocol	Interview protocol available
MS-26/HuR	13/04/2015	Face-to-face	Sample frame	62	yes	Interview protocol	Interview protocol available

CEU eTD Collection

Interview Code	Interview date	Interview setting	Source of identification of interlocutor	Length of interview in minutes	Interview recorded	Data set created for qualitative analysis	Disclosure of requested parts of interview data set
OO-01/Ener	12/10/2012	Face-to-face	Referral	62	yes	Transcript	Transcript available
OO-02/Ener	06/02/2013	Face-to-face	Sample frame	57	yes	Interview protocol	Interview protocol available