

A Less than Special Relationship - the UK's Russia Experience

Abstract

This article examines the UK's post-Cold War relations with Russia, arguing that three factors have defined the relationship: the mix of a values and interests approach, leadership, and external pressures. These have resulted in the emergence of three distinct phases, each underpinned by the same objectives but with different ideas on how to achieve them. The effects of the UK's special relationship with the USA are also examined, concluding that the UK's transatlantic orientation had the positive benefit for the EU of insulating it from the worst effects of a troubled bilateral relationship, showing bilateralism does not always signal trouble for multilateral arrangements.

For many Member States, the European Union has proved a significant forum for managing relations with Russia. The same cannot be said for the UK. In successive foreign policy documents, the EU is referenced as just one of a wider circle of arrangements through which the UK's relations with Russia are conducted. Each is a supplement *to* rather than substitute *for* bilateralism. Indeed, the UK has tried to position itself as interlocutor between Russia and others, notably the USA, rather than rely on the EU or others to perform that role on its behalf. In demonstrating this, three phases in the UK's post-Cold War relationship with Russia are identified and followed: the first is a period of engagement and accommodation; the second one of disappointment and disapprobation; the third, wary cooperation and pragmatic engagement. Factors most affecting the relationship are not UK membership of the EU but i) the simultaneous pursuit of values and interests, ii) the role of leadership and iii) external pressures. Neither state is *necessarily* reliant upon each other but common threats and challenges and the desire to trade mean neither is entirely independent of the other either. Historically and currently the UK and Russia both seek status as global powers. An intervening and often detrimental variable in this is the USA.

The UK's reputation in Europe has been defined by its primary commitment to the USA and secondary involvement with the EU. Russia's relatively benign perceptions of the EU and the long-time Franco-German axis in the EU, which has looked favourably on Russia, as well as Russia's ultimate conclusion that the UK was not an effective interlocutor between the USA and itself, have all put pressure on the UK-Russia relationship and highlighted the differences between EU member states' priorities. It is not the USA-factor alone, however. Long before the 'special' relationship with the USA, the UK and Russia had a history of troubled engagement with each other, both central players in the nineteenth century Concert of Europe, for instance. Even today, the relationship can be said to have foundered on their similar desires for power and influence, although equally on their differing methods. The most salient aspect of the US relationship is that the UK's much-diminished status is unquestionably brought into relief. Russia has so far refused to accept the same of its position.

The UK's objectives have remained constant throughout the period discussed here and are consistent with EU aims for Russia. They were summed up by the then-Foreign Minister, Robin Cook, as: 'firstly, to secure democratic and stable society in Russia and, secondly, to secure a modern reformed market economy in Russia.'(1999). It would be as fair to say in 2011 as Cook said then: 'We are still a long way from the latter and have some way to go on the former' (Cook, 1999). The objectives are an indication of Britain's attunement to what Hague has called this 'networked world' (2010) and notions of shared threat. Thus, through various bilateral and multilateral efforts, including but not limited to the EU, it has sought to engage Russia on issues such as the nuclear and environmental threats, crime, trafficking and terrorism. At a more directly self-interested level, Russia's resource-rich territory has proven a consistent lure for Britain's businesses. Thus officials refer persistently to the fact that Britain and Russia share threats, best managed through cooperation, the pre-requisite for which has remained the same: that Russia democratise and build a market economy based on respect for the rule of law. Ultimately, these objectives have been the source of conflict.

1992-2005 : engagement and accommodation

Russia's emergence as a state with which the West could do business was due in no small part to the intervention of Prime Minister Margaret Thatcher between Soviet leader Mikhail Gorbachev and US President, Ronald Reagan, setting the stage for the UK's preferred form of relations thereafter. In 1992, the new British Prime Minister, John Major, signed a treaty and economic cooperation agreement with Russia, established a joint trade and investment steering committee and expert credit guarantees. Major spoke also of the Board of Trade's support for the involvement of British companies in projects with and in Russia, including Rolls Royce (Major, 1992). Thus, economic and trading relations were highest on the bilateral agenda.

By the time of a 1994 meeting, external events predominated. Major talked about the challenges Russia and the West were encountering, particularly the Bosnian War (as a result of Russia's close relations with the Serbs), nuclear non-proliferation and the Treaty on Conventional Forces in Europe. These would be issues that would later drive Russia further from the USA - and the UK. For the moment, the British themselves were not entirely unsympathetic to the Serbs and Major framed these very carefully as events external to the bilateral relationship and somewhat irrelevant: 'On foreign policy questions, there are no significant disagreements' (Major, 1994).

Early on, exchanges between the two states were frequent and commonplace. From 1992 – 1999 a number of FCO-defined (2000) 'high level' visits took place, an annual average of 7.6 outward visits to Russia and 10 inward; Yeltsin visited four times in eight years, British Prime Ministers the same (FCO, 2000). By 1999, it was estimated the British Embassy received 80,000 visa applications in Moscow, compared to 3,000 in 1989 (in HoC, 1999). There was also much diplomatic activity, British staffing levels in Russia were higher than those of France and not negligible compared even to Germany (FCO, 1999). Other British activities ran parallel to the EU's assistance programme. The FCO identified the Department for International Development's Know How Fund (KHF) as a key facilitator, designed, like TACIS, to assist Russia make the transition to a market economy but focused also on ensuring positive effects trickled down to society. Funded by the KHF, young Russian managers trained in the UK to 'expose them to best Western business practice' (FCO, 1999). Under 'The

Marshall Plan for the Mind', the BBC was funded and tasked with creating programming 'in support of civic society, reform and democratisation' (FCO, 1999). The activities of the KHF extended regionally to regions such as Sverdlovsk and Samara, thanks to the 'increasing regionalisation in Russia' (FCO, 1999), something Putin's later 'verticalisation' would make more difficult.

Major's early hopes for British business opportunities in Russia were fulfilled in the period up to 1997, primarily for energy companies such as BP Amoco and British Gas but also Cadbury Schweppes. UK exports to Russia totalled £420.3 million in 1997 and rose to £712.6 million the following year, but dropping by 58% in 1999, following Russia's financial crash and devaluation of the rouble. Import figures rose from £459.0 million in 1997 to £763.4 million in 1999 (FCO, 1999). However, Russia's failure to stabilise its economy, the bureaucracy associated with doing business there and the lack of legal protections for foreign investors impacted negatively on the trading relationship.

Despite, even because of, the increased number of official and people-to-people contacts there were points of contention in the relationship. While Western states may consider increased contact creates deeper understandings, for Russia, foreign elements are often seen as instruments of external involvement in its internal affairs. In the shift from good to poor relations, external pressures and Britain's objectives and ideas undoubtedly played their part, but so too did the 1997 change in leadership. Both Prime Minister Tony Blair and Cook came into government determined on operating an ethical foreign policy. In 1998, the world recognised that a crisis was approaching in the Yugoslav province, Kosovo, as a result of Serbian repression of Kosovar Albanians. The eventual response, NATO airstrikes against Belgrade, was contentious for the lack of a clear UN Security Council resolution mandating intervention and was interpreted by Russia as a breach of state sovereignty. The intervention was as much instigated by the UK as the USA as was clear from Blair's Chicago Speech, when he declared, '... our actions are guided by a more subtle blend of mutual self interest and moral purpose in defending the values we cherish. In the end values and interests merge' (1999).

Yet for a while to come, the relationship remained on a firm, if troubled, footing. In April 2000, Putin chose the UK for his first visit abroad as (acting) Russian President. The British media reported widely that Tony Blair considered Putin a man with whom the West ‘could do business’ (BBC, 2000) and, indeed, it seemed Britain would again play a pivotal role in Russia’s westwards orientation, especially with the USA. In November 2000, Blair visited Moscow, to act as interlocutor between the USA and Russia in their dispute over the USA’s proposed Strategic Defence Initiative (SDI). However, the Iraq War of 2003, like Kosovo, would put the leaders on opposing sides and the relationship cooled rapidly. An attempt was made to resurrect the early good relations through Putin’s third visit to Britain in June 2003, this time a state visit, the first from Russia for well over 100 years. But by now, it was widely understood that Russia had found more harmony in Paris and Berlin. Further, it would not be long before BP would run into trouble with the then-embryonic deal with the Russian energy company, TNK, and before extradition would become a sore point in relations.

Internally, differences had begun to show between parliamentarians, the Government and FCO. Although Cook and Blair condemned the Russian action in Chechnya in 1999, under intense pressure to do more, Cook delivered a measured response to the questions of the Foreign Affairs Select Committee in December 1999, emphasising the belief that Russia could still be brought round, even on the question of Chechnya. Such rhetoric suggests both Blair and Cook did indeed operate something of what looks now like a naive faith in the willingness of the Russians to listen to ‘reason’ and in the British ability to persuade, which in turn accounts for the sometime-vitriolic rhetoric that characterised the second phase, particularly after Cook’s death and the eventual appointment of David Miliband to his role. Even after Kosovo and the beginning of the 2nd Chechen War (albeit taking into account 9/11 when Russia promised to stand ‘shoulder to shoulder’ with the West), Cook continued to promote a message of friendship. He talked of the new century as one in which the UK and Russia would not be ‘opponents’ but ‘partners’, saying: ‘... we are facing each other across a bridge which we want to make sounder and wider’ (Cook, 2002). This bridge would narrow to tightrope proportions by 2008.

The deepening deterioration in relations that followed from 2003 stemmed from three factors: external pressures, leadership and British activity in Russia. To take the last

of these first, throughout the 1990s, Britain made no secret of the fact that it sought to 'help' Russia in its transition to democracy and a market economy. Ultimately, Russia would tire of its role as pupil. Additionally, while Putin would undoubtedly still have targeted the British – as any foreign - presence in Russia, the pressure might not have been so intense if it had not been for the UK's alignment with the USA in respect of so many fault lines in Russia's Western relations. Leadership is also an important factor. Blair's desire to act as interlocutor between the USA and Russia put him in a position of being seen to choose between them and it was inevitable the US relationship would be privileged. Over Kosovo, NATO enlargement, the 2nd Chechen War, admittedly with a brief window for improvement following 9/11, but then the 2003 Iraq War, Britain stood again and again with the USA, even while speaking of the need to engage Russia. Ultimately, the position in the middle became untenable. It should be noted, however, that for the UK this was always a three-player game. The EU was not a primary consideration in the UK's Russia policy.

2006-2008: disappointment and diapprobation

The shift into the second phase could be said to date back to 1999 with the Kosovo crisis, were it not for Cook's insistence that effective dialogue could still be had with Russia, and Blair's early good relations with Putin. From FCO and Foreign Affairs Select Committee evidence, it was clear that relations between the two states were deteriorating. In her October 1999 evidence to the Committee, Professor Light talked about Russia's worsening relations with the West, arguing the USA was the main focus of Russian antagonism but that since 'Britain is perceived to be a particularly loyal supporter of American policy; disapproval of the United States spills over, therefore, towards Britain' (HoC FAS, 1999). The crisis came in 2006, the year in which Alexander Litvinenko was murdered in London and the year that Stephen Cohen (2006) warned a New Cold War would begin if the USA did not take care.

In an informal conversation with a former foreign policy advisor to Blair, it was suggested that the primary reason for the deterioration in Blair's relations with Putin was he felt humiliated for what had proved to be naivety in handling Russia. This may certainly explain the bitter discourse that characterised this phase in relations but it

was accompanied too by concrete events to which the British government could hardly have reacted without censure. By February 2007 the relationship had plummeted to such a low that the Foreign Affairs Select Committee announced that Russia would be the subject of an inquiry (HoC, 2007). The Committee cited imperatives such as Russia's actions over disruption of energy supplies to much of Europe in two successive winters, general security issues as well as UK-Russia specific tensions, especially the murder of Alexander Litvinenko.

On his death-bed in London, former KGB/FSB agent, now naturalised British citizen, Litvinenko, had alleged this was a Russian state-sponsored murder. He had been granted political asylum after speaking out in Russia against the security forces, claiming he had been ordered by them to murder Russian oligarch, Boris Berezovsky, who had himself by now fled Russia to Britain. Once in London, Litvinenko made a series of allegations against the Russian security services, including accusing them of having blown up the Moscow apartment block attributed to the work of Chechen terrorists and used as a reason for embarking on the 2nd Chechen War. The British responded to his murder and allegations robustly. Four Russian diplomats were expelled, visa restrictions applied and cooperation on counter-terrorism suspended (Miliband, 2008).

Most controversy surrounded the person of Andrei Lugovoi, a former KGB agent himself and the main murder suspect. The British request for his extradition has been a sustained and bitter one, and despite repeated statements by the Russians that this would breach their Constitution, it is an issue inherited by the new Foreign Secretary, William Hague. However, the question has divided even the British elite. MP Andrew MacKinlay, for example, spoke of the lack of parity that underpinned the request, saying: 'It is just untenable—unrealistic—to suggest that that can be justified and that somehow their law is different from ours in quality' (HoC, 2008). Whatever the rights and wrongs, it is clear the British government could not take this perceived enormous breach of its sovereignty anything but seriously. Even if one accepts then-President Putin's argument that this was not state-sponsored, the bilateral relationship was not helped by the bellicose stance Russia adopted and the airtime given to Lugovoi at home.

From the Russian perspective, this was not the only episode which made the British government vulnerable to charges of hypocrisy. The oligarch, Boris Berezovsky, came to Britain in 2000 where he was eventually granted political asylum after attempts by Russia to have him extradited. Since then, Berezovsky has been a prominent personality in the British media, commenting, for instance, on the 2008 war in Georgia, despite previous investigations by the Crown Prosecution Service for alleged attempts to incite violence abroad by arguing for regime change in Russia in a prominent media interview in 2007 (HoC, 2007). The granting of political asylum in 2003 to former Chechen separatist leader Akhmad Zakayev has also defied Russian attempts at extradition. Putin argued this made it impossible 'to build a normal relationship' between Russia and Britain (in Beeston, 2008). The House of Commons itself noted that none of the 13 different extradition requests received from the Russian government since 2001 had been granted. It concluded the matter of extradition had been a major factor in the deterioration of bilateral relations.

The UK was not the only Western state to experience declining relations with Russia as a result of failure to make it 'one of us'. While the EU managed, through its accession process, to play the role of teachers to much of the former soviet bloc, Russia had no appetite for the carrot of eventual membership and less patience for the related conditionality:

It is important for the European elites to realize that Russia no longer needs anyone's instructions as to how it should, for example, conduct elections to be able to meet 'universal European values' and 'European democratic models,' or how to build its domestic and foreign policy. (Muradov, 2008: 82)

British foreign policy discourse therefore only played a part in portraying Russia as the 'other' and by the mid-2000s, many had come to believe Russia did not share the dominant norms and standards of the West (Barysch 2007, Tangiashvili 2006). However, as other articles in this issue show, for other western European members, there have been far fewer flash points in the bilateral relationship despite perceived differences over values. Further explanations for the UK's greater difficulties reside firstly in the fact that successive leaders have positioned themselves as interlocutors between Russia and the USA, and secondly in the depth of British activity within Russia itself – which extends beyond trade and investment into cultural and societal

initiatives. Both areas have raised questions for Russia about the extent to which it needs to protect its territory from the incursion of foreign influence.

Many of the divisions between the UK and Russia have revolved around the wider question of states' sovereignty in the international system – Kosovo, Iraq, Georgia. But the Litvinenko murder and intimidation of British actors within Russia showed big international issues could have a profound effect at the level of society too; many of the problems experienced have centred around society and culture and Russian concern that many British societal actors in Russia were actually government spies. The British Council openly plays a key part in the government's activity in Russia, seeking to promote interest in and knowledge of the UK, focusing on culture and education and administering the scholarship programme of the FCO, including enabling regional administrators to study in Britain. Staff at British Council offices in Russia have experienced what the Council called 'intimidation', forcing them in early 2008 to close their offices outside Moscow on the basis of 'external pressures' (FCO, 2009), although then-Head of the British Council, Lord Kinnock, stressed that many within Russia continued to value and respect the Council's work (FCO, 2009). The BBC World Service has fared little better. Its cautious relationship with Voice of Russia that had culminated in the creation of the jointly-operated FM Bolshoie Radio came to an end in August 2007 when Russia's regulatory board ordered a cessation of all World Service broadcasts if Bolshoie Radio was not to be closed altogether. This reduced the Service to medium and shortwave transmissions, effectively limiting its reach to bigger cities such as Moscow and St Petersburg. However, the Service noted that from late 2008 it had re-focused efforts to online services, reaching 2-3 million people and 'that there has been no attempt by the Russian authorities to obstruct access to BBC internet services' (FCO, 2009). Nor have diplomats been immune. Seeing non-governmental organisations (NGOs) as tools for external interference in Russia's sovereign affairs, the FSB has directly accused the British Embassy in Moscow of using NGOs to spy and diplomats there of engaging in espionage, a serious allegation that produced some comedic images in the British media of rocks being used to disguise surveillance equipment (HoC, 2007).

Even under an ethical foreign policy agenda, trade is a fundamental part of what foreign policy is about, and this is particularly true for the British given their reliance

on trade (Gaskarth, 2006: 337). Throughout the 2000s, trade grew steadily, although it did not return to the heights of the pre-1998 rouble crisis. By 2006 the export market was worth \$1.9 billion and imports \$3.6 billion, making the UK Russia's biggest foreign investor for that year, the fourth largest over the period from 2001-06. And as a result of BP's and Shell's activities, the UK was the largest foreign investor in the energy market. By this point, 400 UK companies were involved in Russia (HoC, 2007) and the number of Russian holdings in the UK was increasing, albeit slowly. The CBI reported some disruption to business activities as a result of worsening political relations but the Foreign Affairs Committee concluded the overall effect had so far (in 2007) been limited. Visa applications to the Moscow office were 128,261 from 2006-7, lower than the figure cited by Cook in 1999 but rising annually by 20% and fifth highest of those states applying for visas (HoC, 2007).

Such positives did not apply everywhere. The 2008 brief hot war in Georgia brought relations to a historic low. Now-Prime Minister Gordon Brown (2008) berated Russia for acting in a unilateral fashion and for not seeing that 'with rights come responsibilities'. However, interests as much as values underpinned the condemnatory language as Brown said, 'the events of August have shown the critical importance of diversifying our energy supply' (2008). He further implied Russia was an unreliable and unpredictable partner and called for changes in multilateral-level responses:

And, in the light of Russian actions, the EU should review - root and branch - our relationship with Russia. We should continue to strengthen the transatlantic relationship and may need to meet more regularly as the G7. We are also reflecting on the Nato response. We must re-evaluate the alliance's relationship with Russia, and intensify our support to Georgia and others who may face Russian aggression (Brown, 2008).

Such conclusions were not indicative of what would follow, not least because of the change of US leadership, but also because it was recognised that it served no-one's interests to escalate tensions. In the event, the movement into a less tense phase reflected the House of Commons European Union Committee's conclusions that 'it is important to remain engaged with Russia but, as we stated in our previous report, that engagement must be hard-headed, pragmatic and unsentimental' (HoC, 2009). This precisely mirrored the EU position, although, again, the EU was just one of a number of institutional arrangements to which the British referred.

2009-?: wary cooperation and pragmatic engagement

The movement into the third phase of UK-Russian relations mirrored events in the outside world and is summarised by an intention to continue to build relations with Russia but to do this emphasising interests and not values – ‘hard-headed pragmatic engagement’, which nevertheless does not shy away from having ‘difficult’ conversations. Forces for the change exemplified by Washington’s January 2009 ‘resetting’ of US-Russia relations came in the form of the New Cold War discourse, and particularly Georgia, which had highlighted the general need for a new approach with Russia. Thus for the UK, it was in 2009, even before the 2010 change in government, that the beginnings of a new relationship began to show, Miliband visiting Russia in November 2009, the first visit by a Foreign Secretary in five years.

As EU Trade Commissioner, Lord Peter Mandelson had argued that perceptions of exploitation (Russian) and disappointment (EU) troubled EU-Russia relations and blinded both sides to ‘the strategic importance of our common interest’ (Mandelson, 2008), and that Russia was a necessary priority and partner not only for the EU but for the UK. In 2008 he was appointed Secretary of State for Business and on the occasion of an impending visit from Russia’s Finance Minister and Deputy Prime Minister talked of the opportunity to deepen Britain’s - and the more than 1,000 UK businesses in Russia - trading relationship with Russia. He continued: ‘Whatever our differences, we must continue to work hard at deepening our understanding of each other and improving our commercial ties’ (in Osborn, 2009). In February 2010, three months before the change of government, the two states celebrated the 90th anniversary of the Soviet Trade Delegation in the UK. Thus, it was at the level of a long and prosperous history in trade that Russia and the UK appeared to be seeking rapprochement and there were early signs that this would be pursued by the new government. The future Foreign Secretary William Hague had met Sergei Lavrov back in January 2010 and was clear then that he would be happy to meet the Russians halfway (in Stevenson, 2010). Once in government, both Hague (2010) and Cameron (2010) emphasised the importance of trade and committed to doing business with Russia.

As the Labour Government lost power to the new Conservative-Liberal Democrat coalition, the British Foreign Policy message to Russia began to be delivered in an internally consistent fashion, reflecting broad agreement on how best to achieve the objectives, which had remained constant. FCO Minister, Lord Malloch-Brown, advocated seeing the Russian perspective from which Western actions, particularly NATO's enlargement, looked 'provocative' and helped to explain Russian responses, including to the Georgian conflict (in HoC, 2009). In its 2007 report, the Foreign Affairs Select Committee made a series of recommendations, including consistency of message through the range of foreign policy arenas. It emphasised particularly the need for '... Government [to] make some changes to the terms in which it does so, in order to improve the likely effectiveness of its message' (HoC, 2007). Recommended changes included appealing to Russia's pragmatism, stressing interests not values, employing an inclusive rather than exclusive rhetoric, 'international', rather than 'Western', and to adopt some measure of reflexivity in its own behaviour in respect of human rights issues.

William Hague's rhetoric and actions with respect to Russia have so far chimed precisely with these recommendations. With his comment that, '... the networked world requires us to inspire other people with how we live up to our own values rather than try to impose them' (Hague, 2010), it seems that the approach to the export of values under Hague will be more 'nuanced' than previously. The new Government made it clear from the outset that foreign policy was about the facilitation of trade as much as anything else, receiving a positive response from the business world if not everyone else. But while there is no reason to doubt the new British Government does wish to improve relations and increase trade with Russia, it has so far not been the primary focus of the Government's attention and India, China and Japan are far higher priorities.

But with a New Cold War apparently no longer a risk, Russia has again been the focus of headlines in the British business pages. In January 2011, BP announced it would move into a joint venture with the Russian part-state-owned oil company, Rosneft. The move followed a series of disputes in 2008 related to the joint TNK-BP venture in Russia, over visas for BP employees, police raids on its offices, Interior Ministry investigations into alleged tax evasion and finally the ignominious departure

of now BP boss, Robert Dudley, from Russia after disputes over management. This further extension of BP's involvement with Russian corporations suggested first that the potential benefits for UK business far outweighed both risk and ignominy, and secondly that Russian businesses need external know-how. The proposed 2011 venture aroused immediate controversy in Britain because it gave each company stakes in the other, effectively giving the Russian Government a stake in a major British corporation (Wagstyl, 2011). Nor was it long before TNK managed to engineer an injunction against the deal alleging that it breached the terms of their own agreement with BP.

Aside from the specificities of BP's problems, signs are more positive currently that Russia will be amenable to the approaches of UK businesses. Russia is undergoing an extensive level of change in respect to a modernisation agenda, fuelled by a 7.9% contraction in the Russian economy and predictions from the World Bank (2010) that without a reform agenda, Russia will experience a significant contraction in its economy by 2013. President Medvedev is committed to this agenda, as evidenced by his intention to build a Silicon Valley-equivalent at Skolkovo, just outside Moscow. Coming from a country regarded as lacking innovative product design capabilities, Medvedev impressed on a much-talked about 2010 trip to California's original Silicon Valley, on which occasion CNN referred to him as 'tech-savvy' (2010).

In fact opportunities for British businesses extend beyond the provision of technological know-how. According to the FCO's offshoot, UK Trade and Investment (UKTI), some of the best opportunities for UK companies reside in advanced engineering, financial services, ICT, power/energy, sports and leisure infrastructure (Russia will host the 2014 Winter Olympics). UKTI (2010) advises: 'Russia remains a long term market of great potential for British exporters and investors. UK-Russia economic relations remain strong ... UK exports of goods to Russia were valued £2.4 bn in 2009'.

While reminiscent of the early years of the first phase when Russia was seen as an opportunity, the optimism of the third phase is tempered with consideration of the problems that remain. Medvedev himself is fighting divisions and naysayers at home and without quick gains in respect of his agenda, may well be forced to retreat from

reform. For British investors, the experiences of BP stand as a salutary reminder of what even the largest of companies can expect to face and no-one doubts but that Russia remains a challenging market. Second on UKTI's list of market challenges is the assertion that: 'Bureaucracy, poorly established rule of law and corruption affect such areas as establishing a business tax collection, dispute settlement, property rights, product certification and standards, as well as Russian Customs clearance' and concluding: 'One of the major barriers to the Russian market remains its differing business etiquette and culture' (UKTI, 2010). The UK is not alone in this perception. Medvedev's attempt to move the goalposts from the democratisation process to a modernisation agenda have led Brussels to comment that there is a societal dimension too.

Despite continuing problems, such as the February 2011 exclusion of *Guardian* journalist Luke Harding from Russia, the UK is standing firm with what is also the current EU message. Minister for Europe, David Lidington, has stressed that the best method of influencing Russian behaviour was to remind it that foreign investment is reliant on confidence that the rule of law is operated and basic freedoms observed (HoC, 2011). Both bilateral and multilateral mechanisms are being applied, but once again the EU is no more privileged in the discourse than the Council of Europe, World Trade Organisation and even NGOs.

The Effect of UK-Russia Relations on the EU

The UK-Russia case shows that bilateral relations do not necessarily signal trouble for the EU. The UK has not uploaded its problems to Brussels and left it to resolve them, nor has it, to date, built a relationship with Russia that is antithetical to wider EU interests or the EU's own (less than well-developed) Russia policy. This does not mean that wider generalisations can be made. In respect of the former issue, not all member states have the diplomatic resources that Britain does and some are far more vulnerable to reliance on Russia than is the UK. However, it is perhaps time to acknowledge that the UK's relative lack of dependence on the EU can serve the EU's interests as well as those of the UK. For, *had* the UK used Brussels as the arena through which to express its invective, this could *only* have had a very damaging

impact on the Brussels-Moscow relationship. As it was, the EU was able to express support and sympathy for the UK position (HoC, 2007) but did not have to let this define its own relations with Russia. Where other member states have left the EU to deal with the aftermath of their own poor relations with Russia, the UK case shows that bilateral relations can be the forum for the playing-out of antagonisms, insulating Brussels from their worst effects. At the same time, commitment to supporting wider European interests can be used as a defence to explain why certain forms of business are still undertaken. In sum, a two-level game is possible that accrues advantages to both levels.

There is one caveat to this otherwise positive message. Foreign policy is both a dynamic and a static field. One of the major obstacles to building fresh and good relations with another actor is memory of historically poor relations and the path-dependency that results. While the cases of Poland and Estonia seem to suggest EU membership can have a positive effect and cause states to (at least begin to) put history behind them, the UK case suggests that *ad hoc* events have the power to bring old perceptions and reactions back to the surface. The jury is still very much out on the question of whether Lisbon is evidence the EU states have seen the limitations of a Deutschian approach to community-building, and will rely instead on strong institutional structures to create new processes and understandings, institutional memories and more stable external relations.

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