As two islands situated separately from the European mainland and at an appreciable distance from Russia, the United Kingdom and Ireland are relatively independent of Russia and its politics. That said, both are as susceptible to the pressures of the globalising world and thus, for both, Russia is a state that warrants attention, albeit in the case of each, for quite different reasons. Close geographically and historically, Ireland and the UK are nevertheless vastly different foreign policy actors, not least by virtue of the one having been colonized by the other. They are distinguished today by disparities in size, resources and global influence and inevitably these factors too result in each having quite different relations with Russia. Those differences extend to each state’s relationship with the EU as well: Ireland’s reputation within the EU is a positive one, that of a committed and well-adapted member state; the UK, meanwhile, is most often characterized as an ‘awkward’ partner, whose attitude to EU membership is ambivalent at best.

This chapter seeks first to identify the basis for and nature of Irish and British relations with Russia. In the case of Ireland, the relationship is primarily an economic rather than political one. For the UK, both economics and politics figure highly and interactions between the UK and Russia are more intensive and extensive than in the Irish case. It is of little surprise, therefore, that the UK has experienced far more problems in its relations with Russia than has Ireland. With the nature of the relationships established, I
move on to consider Irish and British relations with the EU. In examining the impact of these bilateral relationships with Russia on the EU, I argue that neither case presents many problems for the EU, albeit for quite different reasons. The chapter concludes with a short discussion on the contribution of each member state to EU-level attempts to adopt a unified Russia policy.

**IRELAND**

The story of Irish foreign policy is that of a small state (Laffan 2007, O'Regan 2010) on Europe’s periphery. A former British colony, its ‘tradition is largely one of dependence and adaptation to external terms of reference’ (Hay and Smith 2010: 126). Ireland’s sense of identity is rooted in a principled adherence to its neutrality, to the pursuit of values as well as interests, and to the upholding of human rights. The official discourse is one of an historical engagement with the rest of the world, beginning with missionaries in the sixth and seventh centuries and continuing today through trading relations and a commitment to multilateralism, as evidenced through membership of the UN, EU, OSCE and so on. Its engagement in multilateral fora is necessitated by its relative lack of economic resources, affecting its ability to conduct an independent foreign policy. In 2011, for instance, its mandatory contributions to international organizations, primarily the UN, consumed almost two thirds of the annual budget of the Department for Foreign Affairs. It is unsurprising, therefore, that the UN and EU are considered to be of particular significance; the EU itself described as ‘a central framework’ through which Ireland seeks to achieve its foreign policy goals (Department of Foreign Affairs and Trade [Ireland] 2012). For much of the post-Cold War period,
Ireland has been focused on its domestic economic problems. Motivated by the desire to improve its economic standing and the objective of ‘rebuilding Ireland’s international reputation’ (Gilmore 2011), the Irish Government has sought deeper, more extensive engagement with other states, particularly with the emerging economies, including Russia. As a result, although Ireland has had some historical encounters with Russia, the bilateral relationship today has to be seen in the context of Ireland’s economic difficulties and the need to find new, promising markets.

What historical links there are between the two states derive mostly from their mutual revolutionary experiences, although economic ties can be traced further back to tsarist Russia. In the 1920s, the Communist International (Comintern) was instrumental in assisting the Communist Party of Ireland and was resolutely pro IRA. The Comintern saw Ireland, ‘as a flashpoint adjacent to the heart of British imperialism and the homeland of a diaspora spread throughout the empire and the USA’ (O’Connor 2003: 117). The Comintern was active, of course, wherever it felt there might be fertile ground for Bolshevik ideas, including in respect of the UK’s Trade Union movement in the 1920s. The Russo--Irish relationship would be sustained later by reason of Ireland’s geostrategic significance and perception of mutually beneficial economic opportunities. Cultural links should be neither ignored nor over-stated. Particularly notable are the Irish pianist and composer John Field’s near-30 year stay in Russia and early nineteenth influence over the Russian piano school; as well as the Irish poet, lyricist and singer Thomas Moore’s influence on Russian poets and writers (in 2011 a statue of Moore was unveiled in St Petersburg). Russia remains keen on Irish culture today. Irish dancing is particularly popular and both Moscow and St Petersburg hold annual dance
competitions (feis), in which both Russian and non-Russian dancers compete. St Patrick’s Day has been celebrated in Russia since 1992, Moscow, St Petersburg, Kazan and other Russian cities hold festivities and Irish music and dance again plays a central role. Dublin also holds an increasingly well-established annual Festival of Russian Culture, which attracts visitors and participants from both countries.

Most emphasis must be placed on the economic relationship, however. As Cold War relations thawed in the 1970s and 80s, Ireland provided a vital stopping point for Russian airplanes en route to the USA, Aeroflot establishing a fuel base at Shannon airport in 1980. Most famously, in 1994, President Yeltsin failed to disembark a plane at Shannon, sparking a minor diplomatic embarrassment for the Taoiseach, Albert Reynolds. But it was those links established in the late Soviet period that positioned Ireland well for the immediate post-Soviet period, translating into Irish management of Russian airports and the establishment of the first Irish bar at Moscow’s Sheremetyevo airport: Aer Rianta International Duty Free (ARI) began operating at Sheremetyevo as early as 1989. It now runs duty free operations at four airports in Moscow and St Petersburg, notably winning a seven year contract in 2007 to develop further duty-free services at Sheremetyevo’s new Terminal Three. The traffic is two-way, in April 2012, for example, it was announced that the Russian airline, Transaero, had bought an airline maintenance business at Shannon airport. Cooperation literally extends through the stratosphere: in June 2012, Ireland signed an agreement with Russia on bilateral cooperation on space exploration.
Ireland experienced a high growth in exports to Russia in 2010 and 2011, a response to Ireland’s domestic problems as well as the global banking crisis which made credit-raising activities very problematic. Russia has so far proved to be a fertile market for Ireland’s ambitions. In 2009, the Ireland--Russia Business Association (IRBA) was established. Its head, Constantin Gurdgiev, accounts for IRBA as the result of calculation of future opportunities for both states following Ireland’s 2007-8 investment in Russian industries such as construction, logistics and industrial development. In 2010 and 2011, Ireland featured in the bottom five of the member states in respect of both import and export revenue, making it a relatively unimportant player in the EU--Russia relationship. However, the Irish export market to Russia grew by an impressive 46 per cent from 342 million euros in 2010 to 500 million in 2011 (Eurostat 2012). This growth was experienced by many other member states although Ireland was one of only a handful to maintain a trading surplus with Russia in both years. The upwards trend looks set to continue for Ireland, with reports of a 32 per cent increase in Irish exports to Russia in the first quarter of 2012 (Corcoran 2012a).

In 2012, Ireland made concerted efforts to ensure this growth continued. In February, a delegation went to Moscow to meet Russian counterparts in tourism, sales, conference and events organization in a bid to promote Ireland as a destination of choice. This was followed by an Enterprise Ireland trade mission, which in June 2012 spent five days of intensive networking in Russia. A third mission is planned for the autumn of 2012. The export market comprises many sectors: food, medical and pharmaceutical, agri-equipment and service industries. Irish companies such as PM Group, anticipating the decline of the construction industry in Ireland, focused on Russia, while Ireland is also
moderately successful there in the soft drinks and alcoholic drinks industry. Although Ireland is also targeting Brazil and China, the Russian market presents more opportunities. It is noted, for instance, that Russia represents a better consumer market given its high rate of GDP per capita - more than double that of China in 2010 (Gurdgiev in Corcoran 2012b).

Part of Russia’s interest in Ireland lies in the reputation it built as the ‘Celtic Tiger’ from the mid 1990s until the economic downturn in 2008. Ireland also provides a base from which re-exporters can conduct trading relations with other European countries and the USA (Gurdgiev in Nikitenko 2011), indeed, their links with the USA are also seen as good opportunities. Investment opportunities for Russians lie in the pharmaceuticals industry and information and communications technology (ICT), industries that are well represented by the big trans-national names. Other areas are airline leasing, financial services, and legal services. Work has already been done to ensure both states are more physically connected to each other, with the reinstatement of direct flights, for example, the Moscow to Dublin route on S7 in 2008. These physical links, coupled with the cultural links outlined above, mean that there is an increasing passage of people between each state. However, Tourism Ireland points out that Russians have ‘limited understanding of what the island of Ireland has to offer as a holiday destination’, their aim is therefore ‘to begin building awareness in Russia of the many things to see and do’ (Tourism Ireland 2012). This ‘limited understanding’, incidentally, is in marked contrast to the UK, which has no trouble attracting visitors or business, a fact of which Ireland seeks to take advantage. In 2011, the Irish Government instituted a visa waiver scheme, making it easier for tourists from Russia (and other
countries), to travel between the UK and Ireland. Tourism Ireland notes that over 24 million people are now travelling out of Russia and that in 2010 the UK received an increase of over 23 per cent of Russian visitors. The visa waiver scheme is designed to encourage those tourists to make the extra trip over to Ireland.

**Ireland in the EU**

Ireland is widely seen as a ‘good’ partner within the EU, both within the Brussels context and in respect of domestic attitudes and behaviour. Eurobarometer data consistently record the Irish people as strongly in favour of the EU (see Kennedy and Sinnott 2007 for evidence that the picture is more divided and complex than this), notwithstanding the Irish people’s rejections of the Nice Treaty in 2001 and the Lisbon Treaty in 2008. Like other member states, Ireland experiences differing political party stances towards EU membership but nevertheless, the dominant political party discourse has long been a positive one. Historically, two of the larger parties, Fianna Fáil and Fine Gael, have been supportive of Irish membership of the EC/U. The Labour Party had traditionally exhibited greater concerns about membership but over time its position has softened somewhat and the attitude towards the EU today might be described more as one of a ‘critical friend’. (See Devine 2009 for an historiographical account of Irish political parties’ attitudes on neutrality and how these play out in EU interactions.)

In Brussels itself, Ireland operates with a small number of officials who have relatively high levels of autonomy in relation to their capacity to negotiate on behalf of their government. Ireland is described as a member state which accords the EU a high
priority in its workload; as ‘solution-oriented rather than problem-focused’; and which delivers high quality, flexible positions in a timely fashion (Panke 2010: 771, 780-2). Panke’s results, it should be noted, differ from Laffan’s (2010: 704-5) inasmuch as the latter speaks of Ireland as being low-skilled and with information of an average quality. On the other hand, Laffan also finds that Ireland bargains effectively by virtue of its practice of limiting its interactions to just that handful of issues which it chooses to prioritize, explaining Ireland’s relative lack of involvement in the EU’s Russia policy.

THE UNITED KINGDOM

Examination of the UK--Russia relationship shows that over 450 years and more of history between these two countries, there remains a surprisingly high degree of continuity in their relations, notwithstanding certain periods when they stood on opposite sides in a conflict. The relationship dates back to 1553 and the ‘discovery’ of Russia by an Englishman, Richard Chancellor, who established relations between the English monarchy and the Russian tsars; establishing also the first trading relationship (through the Muscovy Company) between a western European state and Russia. England continued to occupy a privileged trading position and an active diplomatic relationship. Culture also figured highly from the beginning, the Russian connections in Shakespeare’s *Love’s Labour’s Lost*, for instance, reflecting the high degree of public attention paid to Russia in Elizabethan England. Thus, from its very beginnings, the UK--Russia relationship was characterized by trade, diplomacy, monarchical links and culture. Only the loss of the Russian monarchy has changed this configuration, although other dynamics have been added to it.
Keen to continue trading, to share and explore cultural links and to interact at the highest diplomatic levels, the two states are nevertheless today often divided by their differing ideas about what constitutes ‘appropriate’ behaviour. Indeed, the very question of what constitutes legitimate behaviour and who adheres ‘best’ to such standards, divides the two. They meet in a range of fora, but given the comparative international status of the UN, G8 and EU, it is unsurprising that the UK sees the EU as one forum through which to manage relations with Russia, but not the most important one. Many UK foreign policy actions are defined by the close UK—USA relationship, inevitably affecting Russian perceptions of the UK (see David 2011). From the UK and USA perspectives, they are ranged on opposite sides to Russia in relation to democracy, respect for law and human rights, and so in respect of what constitutes dominant international organizational thought on legitimacy. Russia, as seen clearly in the New Cold War discourse (see Sakwa 2008, Galbreath 2008), is still perceived by both as relatively unprogressive, adhering to sovereign, Westphalian norms of international organization. The 1999 Kosovo crisis, the 2003 Iraq War, Libya in 2010, the ongoing (in 2012) Syrian situation – on all of these the UK and USA have met with Russian opposition in the UN. The UK--USA position is officially that such large-scale humanitarian crises cannot be ignored by the ‘international community’, that justice must be served; the Russians argue for the upholding of international law, respect for the primacy of the UN and state sovereignty, and proper consideration for the impact of intervention on international order. These positions go some way to explaining why much of the UK—Russia relationship is mediated through a US rather than EU lens. Add to this the UK’s ambitions as a foreign policy actor and the realization forced upon
it by, for instance, the 1956 Suez Crisis that it cannot be an effective actor without the support of the USA. There are, in fact, underlying foreign policy similarities between France and the UK: neither is fully reconciled to its reduced position in the world; both realize that a fully independent foreign policy does not always make for an effective one; and both seek to align themselves with other actors that will facilitate the achievement of objectives. For the UK, the EU’s relative weakness means it is not the sensible option (and increasingly as Le Noan shows, France shares the same concerns).

Despite this, there are appreciable differences between the UK’s foreign policy approaches and those of others, such that a distinct British style is discernible, including in respect of Russia. The UK has steered a path between the more (arguably, overly) conciliatory Franco–German approach to Russia and the antagonism of the US, avoiding what Russia certainly sees as the excesses of legislation such as the Jackson—Vanik amendment and the proposed Magnitsky bill, but avoiding too the type of criticism levelled at Sarkozy over Georgia or Schröder generally (see Le Noan and Stewart in this volume). While in a global economy, it becomes increasingly difficult to separate the political from the economic, it is precisely this separation that the UK has sought to maintain in its relations with Russia, with some success as discussed below.

Differing perceptions, even values, explain the often discordant nature of the political relationship but it is also the case that the relationship is conducted at more than just the intergovernmental level and should not be reduced to that. Indeed, in the British case, business interests might be said to function as the glue that holds the relationship together, even when intergovernmental relations have come close to breaking. Business
interests dominate and at the societal level too, there is a genuine, shared desire for interaction. The relationship can only be understood, therefore, through an analysis of not only the intergovernmental relationship but also those of the business community and people-to-people contacts. To an extent, this is a false division for the two societal-based groups are not completely free of government involvement. This is Russia’s point: that it is disingenuous to argue that the British government is removed from the activities of those working with and amongst ordinary Russians. Thus, Russia interprets external funding of NGOs working on its territory as an attempt to interfere in the internal affairs of Russia, symbolized by the signing in July 2012 of Russia’s NGO Law, popularly dubbed in western media as the ‘NGO foreign agents law’. In considering the work in Russia of actors such as the British Council and the BBC World Service, one cannot disregard the links that can be drawn between them and the British government but it is nevertheless fair to ascribe to them a good deal of agency as entities working independent of British governmental interference and oversight in terms of their day-to-day running.

**UK--Russia intergovernmental relations**

The intergovernmental relationship is characterized by high level diplomatic activity, directed at the pursuit of national interests and the shaping of interactions within the international system. A high point for the UK was Prime Minister Margaret Thatcher’s role as interlocutor between the US President, Ronald Reagan and the Soviet leader, Mikhail Gorbachev. However, British influence since has not been seen to serve Russian interests. A discourse of insistence that Russia must move further down the
road of democratization, successive international interventions and differing ideas about what constitutes legal and legitimate intervention mean that Russia has learned to distrust the USA and UK equally. Divided as the UK and Russia are on such subjects, there is a clear imperative to cooperate: the FCO refers to climate change, trade, Afghanistan, the Middle East and Iran (HoC Defence Committee 2009). More direct threats also necessitate cooperation, cyber security, for instance, is creeping up the UK—Russia political agenda. In late 2011, GCHQ reported it was ‘disturbed’ by the high number of cyber attacks against the UK, with Russia and China identified as the worst ‘culprits’.

The vested nature of the UK’s interest in Russia is clear. A stable, democratic Russia issues fewer challenges than an unstable, economically weak and authoritarian version. This was the immediate preoccupation for the UK as the USSR fell apart. Uncertainties lay in whether mass, economically-induced migration from Russia might ensue and of particular concern was what would happen to the Soviet arsenal of nuclear, chemical, possibly biological, as well as conventional weaponry (interview with former British ambassador 2012) ¹. Today, however, Russia is not deemed to represent a direct existential threat to the UK, although the question of whether the more assertive nature of Russian foreign policy represents a threat to Europe is not dismissed (HoC Defence Committee 2009). In 1991 the UK was alive both to the threats and opportunities: Russia then (and today), offered a vast, unsaturated market.

As early as 1992, Alexander Shokin (Russian Minister of Labour and Employment) and Michael Heseltine (UK Secretary of State for Trade and President of Board of Trade)
signed an Agreement on Economic Cooperation. The agreement confirmed the establishment of the still extant UK—Russia Intergovernmental Steering Committee on Trade and Investment and spoke of encouraging financing mechanisms, training and exchange of knowledge and skills. Thus, as with the earliest beginnings of the relationship, economic and trading relations were high on the bilateral agenda. Early trade took the form of cosmetics, confectionery, alcohol and motor cars particularly and sales, it was anticipated, would only increase as Russians became more prosperous. Security concerns as well as trading interests ensured strong diplomatic relations were maintained from the beginning, with President Yeltsin visiting four times in eight years, British Prime Ministers the same (FCO 2000). That top level activity was mirrored by numerous ministerial visits and an increase in the traffic of ordinary people out to Russia (see David 2011).

Despite relations at the highest level of government remaining on a firm, even if sometimes shaky, footing until midway through the first decade of the new century, there were early signs that Russia had not fully reconciled itself to western ideas about Russia’s (reduced) position and what the post-Cold War world should look like. Nuclear non-proliferation, disputes over the CFE Treaty, the continued existence of NATO, let alone its enlargement: all these and more would serve to upset Russia’s relations with the USA, and, by association, the UK. Nevertheless, despite deep divisions between Russia and the UK over the 1999 Kosovo crisis and British concerns over Chechnya, in 2000 the UK would be the first overseas destination for the new (acting) Russian President, Putin. The early relationship between then-Prime Minister Tony Blair and Putin was a good one and seemed to bode well for the bilateral relationship,
notwithstanding the second Chechen War and Blair’s oft-referenced promulgation of and commitment to an ‘ethical’ foreign policy. For some, Blair trod the wrong side of his own commitments; both he and his Foreign Minister, Robin Cook, for instance, condemned Russian actions in Chechnya but this was insufficient for the Foreign Affairs Select Committee which roundly questioned the Government’s reaction in December 1999, deeming it insufficient in scope. Cook and Blair continued, outwardly at least, to speak positively of Russia, even as the Foreign Affairs Select Committee heard more and more evidence of a deteriorating relationship and of an increasing divide between the USA and Russia, which, given close Anglo—American relations, would inevitably impact negatively on the Anglo—Russian relationship (HoC, 1999). Blair’s failed attempt to reconcile the US and Russian positions over the USA’s proposed Strategic Defence Initiative (SDI), the Iraq War of 2003, and the burgeoning relationship between Russia and France and Germany, all contributed to the cooling of the intergovernmental relationship. The crisis when it came was in the form of an event no government could ignore.

The circumstances of the 2006 murder of Alexander Litvinenko, a former KGB/FSB agent, are the stuff of fiction. Litvinenko was granted political asylum in London 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, and soon to become a British citizen, Litvinenko made further allegations against the Russian security services, most notably accusing them of responsibility for the bombing of a Moscow apartment block. This attack had been blamed on Chechen terrorists by the Russian authorities and used, Litvinenko now
claimed, as a pretext for the second Chechen War. On his death-bed in London, Litvinenko alleged his murder by polonium poisoning was the result of a Russian state-sponsored plot. The Government response was robust: four Russian diplomats were expelled, visa restrictions applied and cooperation on counter-terrorism suspended. The British Police quickly established that Andrei Lugovoi, a former KGB agent himself, was a person of interest in the investigation. The Russians refused the British request for his extradition on the grounds it would violate their Constitution. The Litvinenko matter remains on the bilateral political agenda, even after the 2010 change of British government, and has the capacity to plague inter-state relations for some time to come.

The official preliminary hearing for the British inquest into the death began in September 2012, the media rife with reports that the Russian state might be found guilty of state-sponsored nuclear terrorism. The hearing and the 2013 inquest that will follow may therefore derail recent attempts to restore diplomatic relations and put the relationship back on track.

The Litvinenko murder is notable also for how it visibly served to underline for the British the futility of turning to the EU for solidarity, despite the extreme circumstances. The British Ambassador to Moscow at the time, Sir Tony Brenton, was treated to what can only be described as harassment by the Russian authorities and Putin supporters, such as Nashi, the Russian youth movement. The murder was an inexcusable breach of British sovereignty and 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. Despite British attempts to mobilize support in the EU, beyond informal messages of support to Brenton from other
EU diplomats and a lukewarm (considering the circumstances) supporting statement, the UK would be offered no reason to rethink their opinion that the EU is not an effective foreign policy actor.

To return to the bilateral relationship, from the Russian perspective, the UK is hardly immune to criticism itself. Its own attempts to have persons of interest extradited have all met with failure. A case in point is the oligarch, Boris Berezovsky, who was granted political asylum following Russian extradition attempts. Like Lugovoi in Russia, Berezovsky was a prominent personality in the British media, including on extremely sensitive issues like the 2008 war in Georgia. This was despite the fact that the Crown Prosecution Service had investigated him for alleged attempts to incite violence abroad when he argued for regime change in Russia in a 2007 interview (HoC 2007). As for Denmark and Austria (see relevant chapters in this volume), the Chechen War would have direct consequences for the UK, when in 2003 it granted political asylum to former Chechen separatist leader Akhmad Zakayev, in defiance of Russian attempts at extradition. Even as Putin argued that such instances stood in the way of ‘normal’ relations (in Beeston 2008), it was clear that the Russians would or could not believe that Judge Timothy Workman’s decision to refuse the request for extradition was the defining ruling in the case and that this was not a matter for the British government. This misunderstanding may be said to have stemmed from differing perspectives about democracy and the separation of powers but it was a sign too of the mistrust the pervaded the relationship. In an attempt to restore the state of the now visibly poor relations, the Foreign Affairs Select Committee 2007 recommended an appeal be made to Russia’s pragmatism, that the UK adopt a less exclusive, more inclusive discourse
with Russia, and that it see the need to be more reflexive in examining its own behaviour.

For just a little longer, these recommendations would not hold sway. The brief, yet pivotal, 2008 hot war in Georgia was met in Britain with severe disapprobation. Then-Prime Minister Gordon Brown (2008) accused Russia of irresponsible, unpredictable behaviour and took the opportunity to argue for the need to diversify energy supply to reduce Europe’s reliance on this unreliable actor. This very critical stance was not echoed by all other European member states, most notably France (see Le Noan in this volume), and instead engagement with Russia in the EU moved to a more pragmatic footing. The shift was supported by the British then-EU Trade Commissioner, Lord Peter Mandelson (2008), by virtue of ‘the strategic importance of our common interest’. The message found common voice within the UK as FCO Minister, Lord Malloch-Brown, spoke of the need to step into Russia’s shoes and see how certain western actions looked ‘provocative’ (in HoC 2009). The new pragmatism, it should be noted, was not supposed to come at the expense of continuing to criticize Russia when deemed necessary. Whether the UK has stayed on the right side of this line, is debatable.

The change of British government in 2010 made it easier for relations between the two states to move on. The new Secretary of State, William Hague, had met Russian Foreign Minister, Lavrov, in the months leading up to the General Election. Once in power, Hague and Prime Minister David Cameron made clear from the outset that foreign policy was about the promotion of trade as much as anything else, receiving a positive response from the business world (if not everyone else). Thus while the UK’s Foreign
Office may be a distinct entity from the Department for Business, Innovation and Skills, no less than in the Irish case the Foreign Minister has been at the forefront of the pursuit of British business interests. In September 2011, Prime Minister Cameron made the first British prime ministerial visit to Russia since the death of Litvinenko. Interpreted widely as a desire to move diplomatic relations on, Cameron nevertheless refused to restore links between the states’ security services, visibly emphasizing instead the economic aspects of the relationship by taking along a number of high profile business people. In November 2011, the Russian Ambassador, Alexander Yakovenko (in Embassy of Russian Federation 2012) said:

A new chapter is being written now in the history of our countries’ relations. … Certainly, some differences in approaches still remain ... But business collaboration, as a foundation for the overall system of our bilateral relationship, once again became the focal point of the discussions.

Trading and economic interests

As elsewhere in the relationship, the narrative here is one of opportunity, some successes but some disappointments. British companies of all shapes and sizes have made inroads into the Russian market. Energy companies receive most media attention but the UK is represented in the drinks and food industry, in services (most notably financial and legal), the motor industry and so on. 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.
The boom period for UK exports to Russia came in the years immediately leading up to Russia’s 1998 crash and subsequent devaluation of the rouble. In 1999, exports dropped by nearly 60 per cent even as import figures rose by approximately 66 percent in the period from 1997-99 (FCO 1999). In the period leading up to Litvinenko’s murder and the subsequent downturn in political relations, some recovery was experienced. By 2006 the export market was worth 1.9 billion USD and imports 3.6 billion USD. The UK was Russia’s biggest foreign investor in 2006 and ranked fourth largest over the period 2001-06. BP’s and Shell’s presence in Russia made the UK 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 also increasing, albeit slowly. The CBI reported some disruption to business activities as a result of worsening political relations but the Foreign Affairs Committee concluded in 2007 that the overall effect to that date was limited. By 2008, Mandelson was referring to the 1,000 plus British companies operating in Russia, evidence that poor political relations do not inevitably lead to poor economic relations. Figures for 2010 and 2011 show the UK is maintaining a negative trade balance with Russia, of minus 2,123 million EUR for 2010 and minus 3,329 for 2011 (Eurostat 2012). This compares favourably with all of the EU’s larger member states, including France, Germany and Italy.

High profile cases involving the poor experiences of British companies in Russia have dominated media headlines in the UK. Most talked-about have been BP’s experiences, whose joint venture with Russia’s TNK resulted in visa disputes, police raids, Interior Ministry investigations into alleged tax evasion and ultimately BP boss Robert Dudley’s
departure from Russia following disputes over management. This did not prevent BP seeking further involvement with Russian corporations, suggesting the risks for BP are far outweighed by the benefits. Indeed, in 2011 David Peattie, Head of BP in Russia told the Executive Director of the Russo--British Chamber of Commerce (RBCC) he would do it all again because Russia is a great place to do business (interview with Stephen Dalziel 2012). Even following June 2012 reports that BP’s time in Russia may have come to an end, media reports show Peattie remains resolutely upbeat.

Relying on the British media, it would be all too easy to assume that only extreme risk-takers would dare to do business in Russia and this unfortunately has a negative effect on British attitudes to Russia. The RBCC reports a good deal of initial interest from British businesses but conservative attitudes that favour export rather than longer-term investment mean conversion rates of interested parties are low. Given the bureaucratic problems, Russia now presents best opportunities for those looking to do business in the longer-term. For those prepared to make a serious commitment - excellent prior research, contracts signed under English law and the establishment of good locally-based teams - there are many positives. The new NGO law has added a new layer of bureaucracy but does not necessarily impact detrimentally on those working in Russia (interview with Stephen Dalziel 2012). The RBCC experience is also that poor political relations do not lead inexorably to poor trading relations, rather an attitude of ‘business is business’ prevails. Where politics does interfere is in respect of structures. The RBCC deals with a constant stream of complaints from clients requiring help with visas. While it is quite easy for Russians to secure visas, the processes are time-consuming and the loss of a passport for two to three weeks is detrimental to business. As a result, Paris,
Berlin and other continental European cities are preferred meeting places (interview with Stephen Dalziel 2012). It is the bureaucracy involved in setting up a business in Russia that is the single biggest problem, however. This is second on UKTI's (2010) list of market challenges and the problem becomes much more severe when one considers that the corruption that both the RBCC and UKTI identify as a feature of doing business in Russia is a not irrational response to problems of bureaucracy.

**People-to-people contacts**

Despite the more high-level problems, there can be little doubt about the attraction that the UK offers for Russians. Visa figures alone demonstrate this. The British Embassy in Moscow witnessed a rise in the issue of visas from approximately 3-5000 in the 1980s to twenty times that by 2000 (interview with former British Ambassador 2012). The numbers of people travelling both ways are positive indicators of the possibility of gaps being bridged in a way that governments simply cannot manage, of mutual knowledge gained and relationships formed. They represent something inherently good and right in their own right, which cannot ‘but have a significant effect over time’ (interview with former British ambassadors 2012). Clearly, however, governments play a role in creating the structures and environments in which different societies and individuals can connect. It is not entirely surprising, therefore, that Russian political elites do not distinguish between contacts at the level of people and those at the level of government and fear societal contacts offer all too-many opportunities for espionage and dissemination of propaganda. Clearly there exists a close connection between the interests of any state and the values it espouses. After all, as already established, a free
and democratic Russia is a more stable one, reducing the threat of economic migration and offering a prosperous market in which British businesses can profit. Government-sponsored and facilitated activities include the Department for International Development’s (DfID) Know How Fund (KHF), and the British Council. These British ventures in Russia serve both the UK’s interests and its values, even while benefiting ordinary Russians too. As former Prime Minister Tony Blair said: ‘In the end values and interests merge’ (1999). However, the British are resolute that there exists a separation between state and society, and that the government role is restricted to helping construct a favourable environment and framework to facilitate exchange, eschewing interference in the day-to-day activities of non-governmental actors. The NGO law indicates Russia does not fully accept this.

For the FCO, the KHF was designed as a key facilitating instrument, a mirror to the EU’s TACIS, to assist Russia in its transition to a market economy, consistent with both Russian (professed) objectives and UK values and interests. It was also about the trickle-down of technical and commercial knowledge to society. Young Russian managers were to be trained in the UK in order that they could return to Russia with increased knowledge of how business was conducted in the West. The British Council was also to play a key part in the government’s activity in Russia but again with the aim of transfer of knowledge and experience to ordinary Russians. The British Council is open about its objective of promoting interest in and knowledge of the UK and open too about its administration of the scholarship programme of the FCO, which enables regional administrators to study in Britain. During Sir Roderic Lyne’s time in Russia (2000-2004), 15 British Council offices were established, staffed mostly by Russians,
open to Russians and providing them with access to key resources, for instance, computers. The offices facilitated exposure to British culture and the English language but worked free of government interference (interview with former British Council staff member 2012). Nevertheless, ultimately staff at British Council offices in Russia would experience what the Council called ‘intimidation’, forcing them in early 2008 to close their offices outside Moscow on the basis of ‘external pressures’ (FCO 2009). The BBC World Service’s experiences were hardly more promising, manoeuvrings by Russia’s regulatory board effectively limiting its transmissions to larger urban areas such as Moscow and St Petersburg. In response, it concentrated efforts on online activity, encountering no obstacles in doing so (FCO 2009). However, developments in 2012 suggest the Russian government will become increasingly repressive in respect of internet usage. Effective hacking activities and campaigns of ‘dis-information’ are now being accompanied by tactics to restrict access, such as we have seen adopted by China for some time now.

People-to-people contacts occur outside directly government-facilitated schemes, of course. The UK enjoys a good reputation in Russia for the quality and integrity of its education, finance and judicial sectors. The UK remains the destination of choice for wealthy Russians seeking to educate their children abroad. As for finance, when Russia began to need access to money markets, London held more attraction than New York, in London Russians felt more comfortable and were condescended to less (interviews with former British ambassadors 2012). Today, the ‘London Stock Exchange remains a principal international platform for [Russian] companies to access global capital markets with more than 60 Russian and Russian-focused companies listed on the
International Order Book’ (Embassy of Russian Federation 2012). Meanwhile, the status accorded to the British legal system by Russians has been evident in the seeming rash of legal disputes by Russian oligarchs pursuing their cause in London’s courts. It must be recognised, however, that the importance of all these links in terms of exchange is diminished somewhat by the fact that many of the Russians coming to be educated in the UK do not return home and share that knowledge. Reflecting a relative lack of opportunity, Russia is experiencing a brain drain, which is detrimental to its own economy and to the deepening of understanding between the two states.

The EU in UK Foreign Policy

A noticeable absence from the UK--Russia relationship is the EU. Given the close relations so many of the EU member states have with Russia and the range and extent of the EU’s cooperative activities with Russia, it must be, for the uninitiated, a source of surprise that the UK does not conduct more of its relations with Russia through the multilateral resources available to it within the EU. This is particularly so given the UK has experienced some deeply troubling moments in its relations with Russia, moments which held warnings for other European states about Russia’s likely transition to a democracy based on rule of law, and which should, *prima facie*, have evoked a far stronger and more unified approach than they did. The UK opinion of the EU as a foreign policy actor is, it is fair to say, resigned, at best. The dominant perception is that a major part of the problem is that the many and various bilateral relations present a major obstacle to the establishment of a common Russia policy. From both the UK and the wider EU perspective, it is clear the EU has reached the limits of its capacities to
effect change in Russia; WTO membership is vital if Russia is to learn the importance of the rule of law and to become a more reliable partner (interviews with European Commission officials 2011 and former British ambassadors to Russia 2012). Whether even WTO membership will in and of itself be enough is highly questionable.

Listening to British accounts of EU failings, however, one cannot help but reflect on that fact that unity has to begin somewhere. If the EU has failed to establish a Russia policy, then the UK, as one of the 27 member states, must inevitably shoulder some blame. It is true that many of the reasons that bring the EU member states together to seek joint solutions to common problems regarding Russia do not pertain to the UK: energy dependence, insufficiency of foreign policy resources and perception of direct threat. This brings benefits to the EU in that the UK does not seek regularly to upload issues to the EU, indeed it prefers to rely on its own resources (David 2011). However, the flipside of that lack of engagement is that the EU suffers losses in that the UK fails to use its diplomatic resources for the benefit of the wider European good. As for why (leaving aside the residual attitude of great power status), from the UK perspective the EU has exhibited little unity over the Russia question and has been singularly poor at defending those values for which it stands, particularly as they relate to rule of law and human rights, as the differing discourses over Georgia demonstrated. The FCO position is that the EU must negotiate a ‘rules-based relationship with Russia’ and seek a replacement for the PCA that is ‘robust’, covering the entire range of EU—Russia relations and ensure it ‘will not be unconditional’ (HoC Defence Committee 2009). In the same report, the FCO speaks of the EU’s need to engage in dialogue and negotiation with Russia. What must precede that, however, is an arrangement suitable to ensure the
member states can first engage in dialogue and negotiation *with each other*. No current arrangement achieves that and it is the multiplicity of voices, despite the commonality of interests, which is the biggest hindrance to an effective EU—Russia policy. The UK does not constitute the biggest headache for the EU; indeed, in a range of interviews, the states most commonly referenced as obstacles to a Russia policy were France, Germany and Italy.

Many UK officials are not unappreciative of the fact that the EU has scored some goals. In relation to Russian membership of the WTO, the EU was credited; as it was too for its progress in relation to energy policy (interviews with former British ambassadors, 2012). However, the compliments were directed at a narrow sampling of EU entities: DG Trade, DG Energy, and notably the European Parliament for its strong defence (in marked contrast to the member states and the Council) of human rights and its very outspoken record against Russia in this regard. Implicit in all conversations, but explicit rarely, was a perception of limited agency on the part of the EU, or indeed the UK. Sir Andrew Wood (Shevtsova and Wood 2011) has argued that: ‘It is Russia’s own historic development that will count, not the rhetoric of foreigners, and Russia is in a self-absorbed condition. Outside influence seems to me to be limited at best’.

The one exception to this is the WTO, which was consistently evoked as the most necessary step to be taken if Russia is to become a reliable partner for the West. However, the UK adheres most strongly to the view that real change will come only when there is a change of the guard within Russia. Thus, the protests seen in Russia following the parliamentary and presidential elections in late 2011 and early 2012 are
vindication of an approach that criticizes Russia for human rights violations and emphasizes the importance of adherence to certain norms and standards of behaviour, but which simultaneously pursues partnerships at the various levels of state and society. In this, there is really little daylight between the EU and UK positions. For the UK, however, until other member states come to appreciate that and act accordingly, the EU will remain an ineffective foreign policy actor, affecting the willingness of the UK to act through it.

CONCLUSION

While Ireland and the UK are quite different foreign policy actors, in one fundamental aspect they are similar and that is in respect of their economic interconnectedness with the EU. Indeed, Hay and Smith (2010: 129) argue that they, along with the rest of the EU and Europe, ‘have experienced a de-globalisation not a globalisation of [their] economic activities’. Each state does adopt a different approach, however, to this interconnectedness and has varying levels of capacity to effect change within the EU. Ireland is distinct from the UK by virtue of its relatively positive ‘can-do’ attitude within the EU context, albeit it is relatively protected by its status as a small state and what might fairly be regarded as the lower expectations that others have of it, and it of itself. To date, Ireland has embraced its place in Europe and the EU. Any questions of sovereignty have revolved around the issue of neutrality mainly but also other issues that reflect on Irish identity, abortion laws for instance. On the whole, however, membership of the EU has been interpreted as an enhancement of Irish sovereignty, not a loss of it, again, a story common to many of the EU’s smaller member states. In
respect of sovereignty, the opposite is true of the UK, where the dominant, political, media and societal discourse is of the EU tapping away at the walls of British sovereignty, of an insiders’ defence against encroachment by ‘outsiders’. This is a paradoxical reflection of ideas about the UK’s economic and political significance relative to many EU member states, but fears also about a diminishing role for the UK in world affairs. In this, Russia and the UK have much in common. Compared to Ireland, the UK’s resource base means that it has greater capacity to build bilateral relations that serve its interests well and reduce the imperative to coordinate its relations within a multilateral environment. It is perhaps telling, however, that the Irish Government is directing resources and efforts into building a deeper bilateral relationship with Russia, even as the EU seeks to build a more unified Russia policy. How is this to be interpreted?

It is Ireland’s economic interests that are driving its interactions with Russia. There is a close connection between the Irish government and Irish business (the Foreign Ministry is the Department of Foreign Affairs and Trade and the Minister of State led the June mission to Moscow) so it would be surprising if we did not see government policy reflecting Irish business interests. As for that, the Chief Executive of the Irish Exporters’ Association has ‘urged’ Irish businesses to exploit the potential of the 2012 trade missions in order ‘to break away from the stagnant EU markets’ (Whelan in Corcoran 2012a). This suggests that the government too will continue to court Russian trade and this will inevitably affect some of the positions Ireland will adopt in relation to the EU’s relations with Russia but there is no reason to think they will impact negatively on the EU. Indeed, it may mean Ireland will play an increasingly active and
constructive role. Ireland is intent on freeing up the visa regime with Russia, a subject which has long been on the EU’s political agenda and its agreement on space exploration is a consequence of a wider EU initiative.

Implicit in all the criticism of the EU is the assumption that if the member states did adopt a common stance in their relations with Russia, then Russia would be brought round to ‘our’ way of thinking. However, it is worth remembering Sir Andrew Wood’s admonition that ultimately change needs to come from within Russia itself. Events within Russia suggest that change may well be coming. The question is where the EU and its member states should position themselves in respect of it. Change is needed in the EU too, in particular for mechanisms that enable the member states to come together to share perceptions and arguments on Russia, to analyze and to agree on answers and desirable parameters of action. Without such mechanisms, and despite a wealth of excellent analysis available to the EU, the member states see the same thing differently and fail to appreciate the insights that other states have to offer (interviews with former British ambassadors, 2012). The lesson from the UK is that business is business and can be compartmentalised to a large extent from politics. After all, British trading figures with Russia rose even as the bilateral political relationship suffered, all parties recognizing the extent to which each other’s prosperity was dependent on facilitating business relations. The Ireland--Russia and UK—Russia relationships will be sustained in the longer term by the mutual recognition of business and trading opportunities and the people-to-people contacts that promote a genuine cultural exchange.

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1 Interviews were conducted in 2012 with three former British Ambassadors to Russia; also with representatives of NGOS and the Russo–British Chamber of Commerce.

2 Interviews were conducted in 2011 within COEST, the European Commission and the EEAS.