

Policy Paper

Czech-Russian Escalation as a Case of Deeper EU-Russia Crisis: Time for a United and Credible Action

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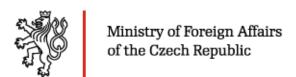
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Policy recommendations

- The EU should create a new and comprehensive strategy for relations with Russia and sufficiently reflect on the threat that is coming from the Russian leadership today, including issues of strategic importance and dependence, such as energy, security, green agenda or economy.
- The EU should substantially bolster its system of support of the Russian opposition leaders and civil society organizations, including flexible visa policy, financial and technical assistance and support for people-to-people contacts, but should also look for further scope for its expansion.
- In the context of the growing repression of the Russian regime, the EU with its members should consider strengthening its own capacity and creating a basis for Russian emigration and establishment of shelter cities around the block. In addition, the EU should pay more attention to the integration of the Russian community.
- The EU should actively advocate that the instruments of international organizations for responding to violations of international law, such as the OSCE Moscow Mechanism, UN Special Procedures and the reports of the Council of Europe Commissioner for Human Rights, be strengthened and able to be better used in practice.
- EU diplomacy should invest more in capacities within multilateral diplomacy, better link this work with bilateral relations of its individual members and more effectively explain its strategic priorities when negotiating a new set-up of EU-Russian relations. It is essential that the EU common and coordinated voice is better heard in the OSCE, Council of Europe as well as in the UN.
- The EU should start investing significantly more in the protection of critical infrastructure against cyber attacks, which is still one of the weaknesses of the European institutions and national administrations. This together with integrity of democratic processes and fight with disinformation and Russian state propaganda remains a key weakness of the EU public space.
- The EU needs to invest more in investigating corruption schemes and money laundering in its members, which remains a problem in relations with Russia. This also includes the practice of "golden passports" that some of the Russian oligarchs could buy in individual member states.
- The EU should be more rigorous when screening the Russian business and investment in individual members and carry out a coordinated investment review, especially in the case of strategic industries.
- The Union needs to dedicate much more resources to the energy diversification from the unpredictable Russian supplies of oil and natural gas and finish the process of building up the Energy Union. In addition, it needs to integrate closer to the countries of Eastern Partnership and Western Balkans which are too often also exposed to the Russian blackmail and pressure in this area. The Energy Community provides a solid framework for future cooperation on this issue.
- The EU must step up its cooperation with the Eastern Partnership countries, particularly the Associated Trio of Ukraine, Georgia and Moldova that have decided for closer integration within the Western alliances. The battle for their state sovereignty and territorial integrity is ongoing and the EU needs to offer a credible future alternative to the Russian plan of their reintegration in its sphere of influence.







Introduction

In the past, the Czech-Russian relations went through periods of ups and downs. However, after April 17, 2021, as a result of the Vrbětice affair, they found themselves at the biggest crossroads to date. The bilateral escalation was followed by a dramatic diplomatic pressure and inclusion of Czechia to the list of Russia's official "enemies" together with the United States, as the only two countries in the world. Nevertheless, for quite some time, the bilateral ties have pursued a negative trend and the attribution of attacks on ammunition depots on the Czech territory to Russia's military intelligence GRU only brought the last nail to the coffin of the bilateral relationship.

It is essential to see the Czech-Russian crisis not as an isolated incident (or accident) but rather as a part of a wider series of crises between the West and Russia, of which this is just the most vivid example of how far things might go. Similar escalations have recently appeared in bilateral ties of Bulgaria, Germany, Poland, Spain, Lithuania or Ukraine and other countries too. They are a part of a deeper and more structural issue, which does not necessarily have anything in common with behaviour of individual European states, but rather Russia's revisionist perception of the world. This fact is also connected to the Russian appetite to confront the West in order to regain its great power status for which an effort to undermine and divide the West is an obvious tactic.

For these reasons, the real turning point in the Western-Russian relations was the Kremlin's annexation of the Crimea in 2014 and the continuing aggression of the Russian army and the *so-called* separatists in the Donbas, which is now - once again - being scaled up to an unprecedented extent. This has fully revealed that Russia is willing to start an open military conflict in Europe in the pursuit of its zone of privileged interests at the expense of closest neighbours. The continuous attack against Ukraine, of which we might be seeing a new phase right now, also clearly illustrated that Russia's invasion of

Georgia in 2008 was not an individual act of aggression, but the first harbinger of more profound conflicts and crises between Russia and the EU and the West as such.

The Czech-Russian conflict

In response to the diplomatic escalation after Vrbětice, the Czech government first decided to expel those employees of the Russian embassy that the Czech intelligence services identified as Russian agents, and later to introduce strict parity in diplomatic missions between the Czech Republic and Russia, as only the second state in Europe after the United Kingdom. An overstaffed Russian mission to Prague has been for a long time considered a headquarters of spy activity in the wider region and the Czech security community had been for many years warning about the high number of Russian operatives based at the embassy working under diplomatic coverage.

From the beginning of the crisis, Russia tried to get rid of its responsibility and portray the whole affair in a different light with the coordinated help of Russian propaganda and disinformation "smoke screen". This benefitted its position not only in response to the immediate consequences of the crisis and when facing the response from the international community, including most notably the EU and NATO, but also in the subsequent negotiations about 1 billion CZK of financial compensation demanded by Czechia. That is also why Russia strived to get domestic allies in the Czech politics to support its narrative and official position and to some degree succeeded when, for instance, President Miloš Zeman presented several possible versions of the case, contradicting the united position and narrative presented by the government and the state prosecutors office.

In general, the Kremlin does not view the Czech Republic as a major player in the international arena or a powerful actor. In its understanding of international relations, Czechia falls into the buffer







area, which leaned towards Brussels and the United States line by joining NATO and the EU. Therefore it does not have its own foreign policy agenda, but copies the US political stances. Also because of this, various initiatives in the field of Czech-Russian dialogue have not met with significant success and Russia considered them only as an opportunity to promote its own interests.

On the other hand, Czechia perceives Russia's behaviour in the international arena from the perspective of revisionism and efforts to rebuild the position of power that Russia lost 30 years ago with the collapse of the USSR. This brings a direct conflict between the foreign policy and security interests of Russia and Czechia, the latter which is directly dependent on the rule-based multilateral system of compliance with the international order co-created by the EU. This discrepancy between Czech and Russian perceptions of foreign policy is also reflected in the Czech foreign policy concept of 2015, which speaks of Russia as an actor destabilising the European security architecture, but also a major player represented on the UN Security Council, with which it is somehow necessary to cooperate. The Strategy mentions Russia in the context of global instability, new security challenges and an authoritarian model of governance opposing the liberal democratic order.

Already before the Vrbětice escalation, the Czech-Russian relations have been framed by numerous conflicts over historical memory and different interpretation of common history, including the Soviet intervention against the Prague Spring in 1968 or affairs associated with the relocation of historical monuments, such as the statue of Marshal Ivan Koněv in Prague and the liquidation of monuments dedicated to Czechoslovak legions in Russia. This is also common to many European countries, including the Baltic states, Poland, Romania, Slovakia, Ukraine or Germany. Due to the lack of political will of Russia, bilateral initiatives to "normalise" relations have not been met with any

understanding despite repeated attempts, which illustrates the current state of play.

On the other hand, Czechia has historically had good experience with cooperation with the Russian nongovernmental and non-profit sector and the area of people-to-people ties, which it has long supported. In 2011, Czech diplomacy - for example - contributed to the establishment of an EU-Russia Civil Society Forum, the biggest pan-European platform for civil society cooperation. At the same time, Czechia has a flexible visa policy for Russians persecuted by the regime for their critical activities and opposition activities. Support of independent Russian and Russian-language journalism is also of importance, since it is one of the long-term Czech priorities. Czechia backs primarily the RFE/RL or the so-called Russian Language Media Exchange, through which media support in Eastern Europe is often realised. All of these, most recently the Memorial movement, are suffering from enormous pressure from the Russian authorities right now.

In addition, the Czech diplomacy also contributes financially to the EU's European Endowment for Democracy and the Prague Civil Society Center (PCSC), two prominent implementing bodies, which actively promote democracy, pluralistic society and civic activism through non-profit organisations and independent media projects in Russia and Eastern Europe. Prague - similar to Warsaw, Vilnius or Helsinki - also serves as one of the European centres of Russian independent thinking and activism, and a number of Russian and Czech initiatives operate from there.

The EU-Russia relations in the past

Over the past two decades, the EU has tried to change Russia's thinking about its place in Europe and the world but largely failed when seeking to involve Russia as a "normal" state in European and international affairs. The EU support of Russian





membership in the WTO (concluded in 2012) or the Four Common Areas of the EU-Russian Partnership of 2004 - a privileged alternative to the European Neighbourhood Policy - and later the Partnership for Modernisation, promoted primarily by Germany, could be all listed as policy attempts to integrate Russia in the wider European space. The belief that the EU and the West will ever succeed in tying Russia into the international system based on rules and norms through economic cooperation and investment has definitely proved odd after 2014 and the Russian annexation of Crimea.

After 2014, the EU focused mainly on a policy of soft deterrence and gradual efforts to unite and support allies in Eastern Europe, as also reflected in the so-called EU's Five Guiding Principles from 2016, 1 which represented the first meaningful attempt to establish a common framework of EU policy on Russia. However, even these principles of EU's interaction with Russia have recently been questioned by some EU Member States, such as Germany or France and others, that - despite the historically poor level of EU-Russia relations² - still prefer to gain bilateral benefits over a common approach. These ongoing debates are part of the wider strategic reflection on EU's relations with Russia, which Czechia is now more actively trying to influence and - in cooperation with like-minded EU states and the European Parliament - push for a more prominent normative view when shaping future relations with Russia.

The main pillar of European deterrence policy since 2014 has been built around the common EU understanding of Putin's malign activities in the EU's eastern neighbourhood, most notably in Ukraine and Georgia. This is on the policy level manifested by the sanction regime operating at several levels, which since 2014 not only remains in force, but has recently been extended by a stronger emphasis on the defence of democracy and human rights with the EU Global Human Rights Sanctions Regime now in place. Nevertheless, the EU is - often rightly - criticised for being too cautious about Russia in an effort to maintain at least a basic level of dialogue and cooperation in certain areas, including the green agenda or energy and economy. Apart from that, the European members still continue to struggle with a truly shared understanding of the threats and challenges that Russia and other countries in the world really pose.

For example, the initiative of Germany and France in June 2021 to hold an EU-Russian summit along the lines of the US's showed that significant differences of opinion remain between EU countries on how to deal with the Russia crisis. The eastern flank of the Union sharply rejected the initiative and argued at the time with inappropriate timing and a lack of political will on the part of the Kremlin. It is therefore clear that the debates and reflections on the state of the EU-Russian relations and the resolution of the bilateral conflict will stay for the foreseeable future, as illustrated by for some controversial European Commission and the HR/VP Josep Borrell join communication,³ but also by the latest European reactions to the crisis in Ukraine, including with the turbulence around the Nord Stream 2.4 Even if it is

https://www.europarl.europa.eu/RegData/etudes/BRIE/2016/589857/EPRS_BRI(2016)589857_EN.pdf

https://www.reuters.com/article/us-eu-russia-michelidUSKBN2BE20I



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https://ec.europa.eu/info/sites/default/files/joint-communication-eu-russia-relations.pdf

^{4 &}lt;u>https://www.ft.com/content/b6ba9132-98f7-4aed-82b6-51d3ea3bd9f0</u>



clear that the mutual level of understanding among the European nations has been increasing.⁵

Right now, the open debates and ongoing divisions of the European members prove it hard to meaningfully engage in the high-level discussions on the future of the security architecture in Europe, which are led by the Russian leadership and their US counterparts. Despite some efforts to coordinate between Americans and Europeans, the EU voice is often missing in the debates, which makes the Union vulnerable and weak on the international scene, as the High Representative Josep Borrell complained to Die Welt.⁶

The way forward

Based on the Czech-Russian tense relations and a series of in-depth interviews with key stakeholders in Brussels released in October 2021, it is clear the EU must learn from past mistakes and play with the Kremlin from a real position of power. Stronger leadership, common understanding of the shared challenge and joint actions are going to be more respected than efforts to accommodate Russia, as the trip of Josep Borrell to Moscow in February 2021 showed.

Now, it is evident that the Kremlin is not interested in promoting any kind of meaningful relations with the EU when trampling on the Five Mogherini's Principles as it escalates the situation in relations with Ukraine and tries to crush the domestic civil society, independent media, Alexey Navalny and his team too.⁷ Therefore, the European push against this trend needs to continue and be much increased, as

Borrell said when speaking about deterrence,⁸ but it might just not be enough. Russia is clearly not interested in showing any kind of mutual respect when further escalating the energy crisis or pushing once again for its sphere of interests. The Kremlin understands negotiations as a means to only win tradeoffs, for which the EU side has not found an appropriate answer beyond its emphasis on the rights and values and principles of international law.

Based on the consultations in Brussels as well as the Czech experience with Russia, the EU should come back to the origins of its own consensus on Russia and further bolster the five guiding principles. There is also much to be done in terms of the EU's resilience to external influences, including disinformation, hybrid threats, and corruption and money laundering. And the EU's neighbours in Eastern Europe need it more than ever for dealing with the Russian aggression and military build-up on their borders. In addition, the Eastern Partnership and enlargement policy in Western Balkans have received a boost by the recent high-level summits but both would certainly deserve an injection of Euro-Atlantic optimism. At the same time, the EU needs to more proactively support the Russian civil society, independent media and political opposition that suffer from an unprecedented wave of domestic repressions and terror from the authorities.

How to achieve this?

The EU future approach towards Russia should be based on three main pillars: a) a more assertive and confident position towards the Russian regime, b) a more active and effective cooperation and support to



https://www.euractiv.com/section/globaleurope/opinion/as-russias-repression-grows-the-west-needsto-react/

^{8 &}lt;u>https://eeas.europa.eu/headquarters/headquarters-homepage/92722/my-visit-moscow-and-future-eu-russia-relations_en</u>

⁵ https://www.consilium.europa.eu/media/53575/20211216-euco-conclusions-en.pdf

⁶ https://eeas.europa.eu/headquarters/headquarters-homepage/109373/die-welt-nothing-will-bedecided-about-us-without-us-being-there_en



the Russian civil society and finally c) fulfilling the domestic tasks and building-up societal resilience and resistance to negative influences from the East.

First, the EU should rely on cooperation with allies and other like-minded partners, including NATO, the US, Council of Europe or OSCE with which it often shares similar experience when dealing with Russia. These organisations might bolster the EU approach and multiply the effect of its own policies thanks to the multilateral format of negotiations. Countries, such as Czechia, should thus be more active in the EU and at the international stage in order to influence the Western debates on the future of relations with Russia, which are taking place right now in both the EU and NATO. One of the concrete opportunities is the EU's Strategic Compass project that should build a common EU understanding of the threats and challenges in the world. On the NATO side, the process of strategic reflection and adaptation to the future challenges under NATO 2030 represents another opportunity to achieve a more robust and value-driven Western approach towards Russia.

Since the Kremlin only understands the language of power, it is also high time to prepare a credible plan of deterrence in case of continuation of the Russian aggression against Eastern European allies of the EU, including most prominently Ukraine, Georgia or Moldova that are all suffering from the Kremlin's pressure in terms of the open military aggression (Ukraine, Georgia), energy (Moldova) or migration and other hybrid tools (Belarus) since these are then impacting the EU itself to. A comprehensive deterrence plan, including sectoral and economic as well as personal sanctions against Russian oligarchs, as it was advocated by a number of international experts would bolster the European response to the ongoing crisis and present the red lines that Russia is facing.

During the upcoming strategic negotiations with Russia, it is necessary to avoid any compromises with the Russian leadership on the future foreign and security orientation of EU's closest allies, namely Ukraine and Georgia. Just on the contrary, the upcoming series of high-level negotiations needs to strengthen the fragmented Western response to the Russian aggression and bolster the resolute response the the Russian escalation around the borders of Ukraine, which might be used to pressure the West any time in the future.

Secondly, the EU should bolster its cooperation with the Russian civil society, the independent media as well as the political opposition, which the Putin regime has been trying to completely crush in recent months. Many Russian citizens critical of the situation in Russia have recently had to flee abroad, but in many cases they struggled with a complex bureaucratic system for receiving political refuge or asylum, especially when aspiring for a longer stay in the EU. Individual EU members have very diverse and not always friendly regimes of welcoming repressed citizens. Lithuania and Poland serve as positive examples when offering the humanitarian visa option but this is not the case for all EU member states. Nevertheless, a substantial number of Russians managed to escape from Russia and the EU and its members need to care more about their integration and integrity of their societies.

As much as this is possible, the EU should redirect its resources and attention to active support and cooperation with the Russian citizens. It should invest and promote strategic communication, offer more exchange programmes and opportunities and offer shelter if the situation at home is already unbearable. The recent Czech and Danish non-paper calling for increased EU support to the civil society at multiple levels, which was endorsed by 18 EU countries, is a good example of a strong and efficient way forward in this direction. Prague, Vilnius or Warsaw are together with Berlin and other cities around the EU flourishing centres of Russian independent activism and thinking, but more could be one to support these efforts on a systemic level.



of the Czech Republic



Finally, the EU faces a number of domestic challenges that have not yet been properly addressed, including the fight against corruption or hybrid threats that the whole of the EU is constantly struggling with. The EU must invest more resources in strengthening the institutional as well as member states' capacity and capability to promote social resilience, creating a robust system of dealing with foreign and domestic disinformation as well as defence against cyber attacks and other forms of malign foreign interference in the democratic political processes. The EU Action Plan for Democracy (EDAP) and its smooth implementation at the member state level leads the way towards this kind of resistance.

The issue of foreign investment, corruption and money laundering through the European banks and real estate has also been a long-standing problem, and many member states have been turning a blind eye to it for too long. Only recently, EU members finally started to adopt the screening mechanism, on the basis of which it can examine investments in critical infrastructure and other sensitive sectors of the economy. A specifically Central and Eastern European problem are the so-called Russian banks based in Budapest, through which the Putin regime is able to invest considerable funds in countries of CEE, which represents a major problem for the integrity of European economies.







About the author

Pavel Havlicek is Research Fellow of AMO Research Center. His research focus is on Eastern Europe, especially Ukraine and Russia, and the Eastern Partnership. He also deals with questions of strategic communication and disinformation as well as democratisation and civil society support.



