

Connectivity: Different visions and approaches – areas for selective cooperation

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Connectivity is about the creation of physical infrastructure links, the accompanying harmonization of regulations, and the socio-cultural linkages that emerge in the process. In terms of infrastructure development and harmonization of the accompanying regulation, connectivity covers transport (via land, air and sea), energy networks, as well as digital networks, which are becoming increasingly important. In a nutshell, connectivity encompasses both hard and soft aspects that together define the ability to engage in the trade of goods and services.

Connectivity has moved to the forefront of the discussion over the last five years in a rapidly changing world that is marked by economic growth shifting to Asia (60% of GDP growth is now coming from there). There is a more fractured global picture as a result, with more and more economic centres competing against each other and trying to set new norms.

EU-Russian trade remains strong; up until now, the EU has been Russia's largest trade partner. Despite these strong economic ties, connectivity is gaining importance in EU-Russian relations. This is due to two factors. On the one hand, the EU is an established "regulatory power" and sees itself as a frontrunner in the process of establishing new rules and standards, including connectivity-related issues, such as transport and digital networks; while on the other, Russia is part of the Eurasian Economic Union, which is defining its own standards and regulations. The two sides are not able to

work on the harmonization of standards because they disagree about the right approach: The Eurasian Economic Union claims that political-level contacts with the EU are necessary to underpin the technical work on common standards. The EU would be ready to start the technical work immediately, but has excluded political level contact until a solution to the Ukraine crisis has been found.

Despite these disagreements, there are a number of overarching interests that would justify closer cooperation on connectivity between Russia and the EU in selected areas. Such an interest was formulated in the framework of the Organization for Security and Cooperation in Europe (OSCE) in 2016, when all participating states, including every member of the Eurasian Economic Union and the European Union, recognized connectivity as being a contributor to economic cooperation, good-neighbourly relations, and trust. They underlined the positive effect of harmonizing, simplifying and streamlining norms and procedures that are related to trade and transport, and pledged to pursue a dialogue about regional and sub-regional economic cooperation.¹

Different connectivity projects

There are, however, several strategic movements and projects in Eurasia that are based on the connectivity concept. The most successful example is the EU internal market with its free flow of people, goods, services and capital. The EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica Mogherini, and EU Commissioner for Transport, Violeta Bulc, presented the EU's vision

¹ OSCE Ministerial Council Decision No. 4/16: Strengthening Good Governance and Promoting Connectivity.

for a new and comprehensive strategy to improve connectivity between Europe and Asia in September 2018.²

China realizes its idea of connectivity through the Belt and Road Initiative (BRI), which is backed by the US\$40 billion Silk Road Fund and the US\$100 billion Asian Infrastructure Investment Bank (AIIB). This aims to link China and Europe through Central and Western Asia. It will also connect China with South and Southeast Asian countries. This mega initiative includes many small infrastructural connectivity projects between Asia and Europe.

Russia is developing its own connectivity project: the Eurasian Economic Union with a common tax area, common markets for goods and energy, common rules for business and social activities, as well as common rules and regulations.

The Russian integration and connectivity project unfolds against a specific historical background. Since the collapse of the Soviet Union and the Council for Mutual Economic Assistance (CMEA) in 1991, Russians have seen the disintegration of shared transportation and energy infrastructure systems in both Eastern Europe and Central Asia. This process continues even today in the disintegration of energy grids and Russia's attempts to avoid and replace certain energy transit routes through the Baltic States, Ukraine, and the Balkans. This impacts negatively on attitudes towards connectivity, not only in Russia but also in neighbouring countries, and undermines mutual trust. Nonetheless, Russia wishes to participate in the creation of a broader Eurasian economic space by using its infrastructure development advantage, its resources and high quality of labour, as well as the commitment to regional security and sustainable development it has announced.

Both the EU and Russia have subscribed to promoting connectivity in the OSCE framework. It is important to note, however, that their approaches to connectivity do differ significantly. Russia, like the other post-Soviet states, mainly associates connectivity with the development of transport infrastructures, while the EU applies a broad definition that is in line with the OSCE approach. There are also important political obstacles to this cooperation. Russia is very concerned about ensuring its sovereignty and national security, and this limits the areas in which it is ready to cooperate, including

connectivity. Mutual sanctions have proved another major impediment since 2014. Moreover, Russia has been taking steps to ensure its self-sufficiency, renationalize the economy and strengthen protectionism in reaction to the Western sanctions. These differences need to be taken into account when EU-Russia cooperation on connectivity is discussed.

Areas for selective cooperation

Transport: Transport connectivity is one of the fields where the EU and Russia have an obvious interest in closer cooperation.³ However, problems abound. The often referred to difference between railway gauges is not the main impediment regarding transport between Europe and Asia, though. Different standards and regulatory regimes for rail transport create a patchwork that is slowing down the overland shipment of goods and increasing its costs. Moreover, rail and road infrastructure in the EU and Eurasian Economic Union are in great need of investment. A dialogue on transport connectivity could unblock some of these issues.

Energy: Up until today, EU-Russia and Eurasian energy cooperation has been mainly focused on the various gas pipeline projects. However, rapid technological change will quickly alter both the priorities and the role of the state, including in the context of energy connectivity projects. Sustainable development goals and the problems of climate change require new “connectivity style” initiatives in the area of energy.

Russia is developing several projects that are related to electricity interconnections in Eurasia. President Putin initiated the Asia Energy Ring (AER) project in 2017 at the Vladivostok APEC Summit.⁴ China's President Xi Jinping launched the Global Energy Interconnection (GEI) project at the United Nations General Assembly in September 2015, which aims to “meet global energy demands while promoting the development of green and alternative solutions”.⁵ The project is designed to promote the worldwide interconnection of power grids by 2050 in order to optimize the use of electricity coming from every power plant on the planet by employing supercritical UHV (ultra-high voltage) lines for fast, long-distance power transmission, as well as smart grids to boost end-use efficiency. GEI could be the backbone of a decarbonized world economy thanks to the full exploitation of renewables and clean technologies.

² Connecting Europe and Asia – Building blocks for an EU Strategy, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, JOIN(2018) 31 final, Brussels, 19.9.2018. https://eeas.europa.eu/headquarters/headquarters-homepage/50724/connecting-europe-and-asia-building-blocks-eu-strategy_en.

³ https://eeas.europa.eu/sites/eeas/files/joint_communication_-_connecting_europe_and_asia_-_building_blocks_for_an_eu_strategy_2018-09-19.pdf

⁴ Vladimir Putin, “XXV sammit ATEŠ v Danange: vmeste k protsvetaniyu I garmonichnomu razvitiyu, 8 noyabrya 2017, www.kremlin.ru/events/president/news/56023.

⁵ See unohrlls.org/custom-content/uploads/2017/03/3.-GEIDCO-Energy-Assistance-Initiative.pdf.



UHV grid continuity, coupled with the increased storage capacity provided by hydro, solar and wind energy, will enable the quicker distribution of power from renewables, even when it is generated in remote areas or if local supply exceeds local demand (as in the case of Italy and Germany). In other words, energy from renewables in Tibet, the Sahara Desert, the North Sea, southern Pakistan, South Africa or Brazil can gradually replace the energy provided by fossil fuels – a switch known as ‘clean replacement’ that is already underway in Europe and China. Russia and the EU should explore all the possibilities to jointly shape and promote these processes.

Education: Connectivity and technological change both require new formats to provide transnational capacity building and high-quality education. Digitalization of-

fers significant possibilities for the development of on-line classes, seminars and conferences involving leading universities and research institutions from the EU, Russia and other countries. Multilateral formats and the exchange of students for educational modules in different countries could provide an additional “connectivity environment” for people-to-people contacts.

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