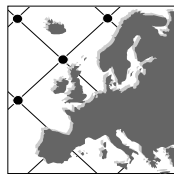


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Intermediation of Interests in the European Union

Beate Kohler-Koch
Christine Quittkat

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Beate Kohler-Koch
Christine Quittkat

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Editorial Note:

The working paper summarises the results of a study conducted at the MZES within the project “Interest Intermediation in the European Union”. The findings are summed up as a report for the trade associations and companies participating in the survey.

Prof. Dr. Beate Kohler-Koch holds a chair in Political Science at the University of Mannheim, „Jean Monnet Chair for European Integration“ (honorary title). Her main fields of research are International Relations and European Integration. Apart from her own research (interest intermediation in Europe, challenges to democratic governance through Europeanisation and globalisation) she is the co-ordinator of a national research programme on governance in the EU under the auspices of the DFG (Deutsche Forschungsgemeinschaft). She is head of the Department of Comparative and European Integration Studies at the Mannheim Centre for European Social Research. Currently she participates in an independent expert group preparing the next European summit.

Christine Quittkat studied Political Sciences, History and Public Law in Heidelberg/Germany and Manchester/Great Britain. Since 1997 she is working in the project „Interest Intermediation in the European Union“ at the MZES and prepares her PhD thesis in Political Science at the University of Mannheim on “The Europeanisation of Interest Intermediation: French Trade Association in Comparative Perspective.”

Abstract

The working paper gives a first evaluation of a comprehensive survey of trade associations in Germany, the United Kingdom, France, and at the European level. This survey is part of a broader research programme on "Interest Intermediation in the European Union" that started with a number of case studies and a survey of the Members of the European Parliament on their experience and their attitudes concerning lobbying. The objective of the research is twofold: to give an empirical account of the differences and similarities between organisational patterns and strategies of national and European trade associations, and to explain the existing convergences or continuing discrepancies in theoretical terms.

The questions were selected in a way to test the relevance of selected variables in terms of specific characteristics of actors and institutional properties of member states and the EU system. The data of the survey confirm our expectation that trade associations have adjusted to the (new) "European" political dimension but they also reveal significant differences in organisation and strategic behaviour along national lines.

This is in contradiction to conventional wisdom which tells us that the Community system's specific properties will lead to specific patterns of interest representation in EU politics, and that the increasing orientation towards a common environment will promote the convergence of national systems.

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What we did

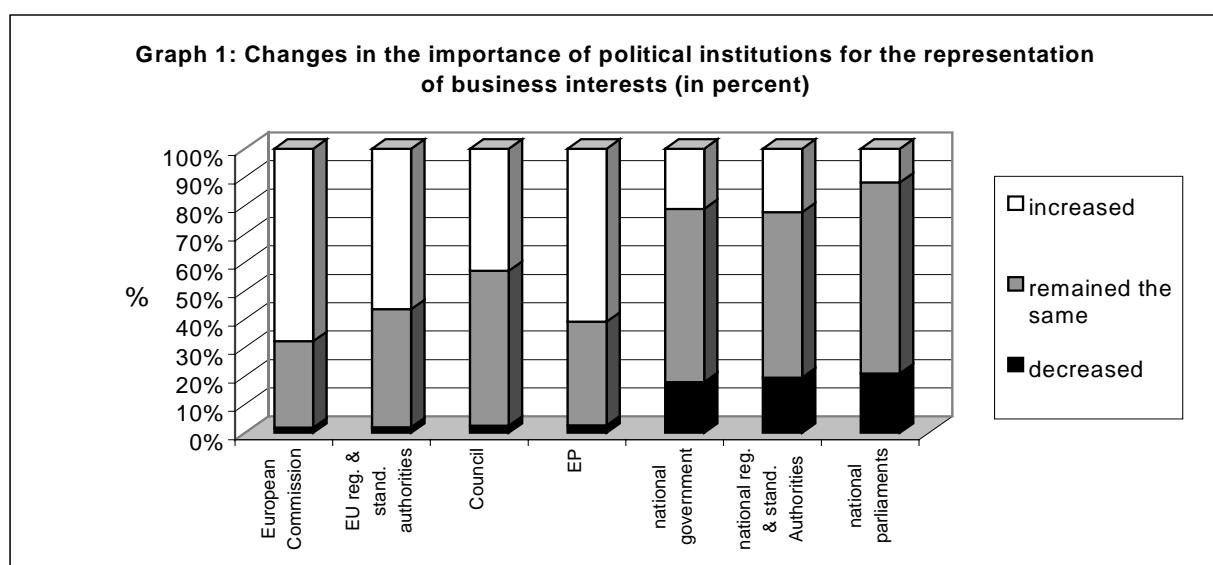
Between June 1998 and March 1999 we have asked all German, British, and French trade associations, as well as transnational European trade associations about their relationship with European and national political institutions and other organisations. Our high return rate demonstrates that the subject is considered to be a relevant one: the final count of questionnaires returned was 860.¹

The issue: The “Europeanisation” of interest representation

Due to the changes in the distribution of competencies between European and national political institutions we expected economic interest groups to attribute a higher importance to the European political institutions and, in consequence, to have rearranged and intensified their interest representation and organisation at the European level in response to the increase in regulation powers of the EU.

The increasing importance of EU institutions and the dual path of interest intermediation

Regarding the changed competencies of the EU since the 1980s the assessment of the increasing importance of the European institutions is quite unequivocal and most respondents agree that the European institutions have gained importance for the representation of their interests. Yet, this has not, so the general picture, reduced the status of the national political institutions for interest representation of business.



Consequently, there is ample evidence that most trade associations follow a double strategy in representing their "European" interests. 69 % of all *national* trade associations participating in our survey are in contact with European as well as national institutions; only 18 % of all national trade associations still follow a mere national strategy. Even *European* trade associations have regular contacts with both, European and national political institutions.²

This clearly shows that the European integration, which has brought about an increase in the importance of EU institutions in the process of policy making, rendered the representation of interests more complex, forcing interest representatives to act on several political levels simultaneously.

The different role and accessibility of political institutions

The different accessibility of the EU institutions

Political scientists as well as practical experts are well aware that different political institutions not only play a different role in the European policy process, but that they also differ in their accessibility.

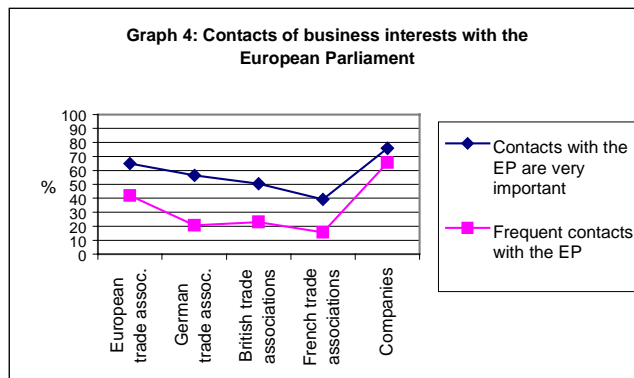
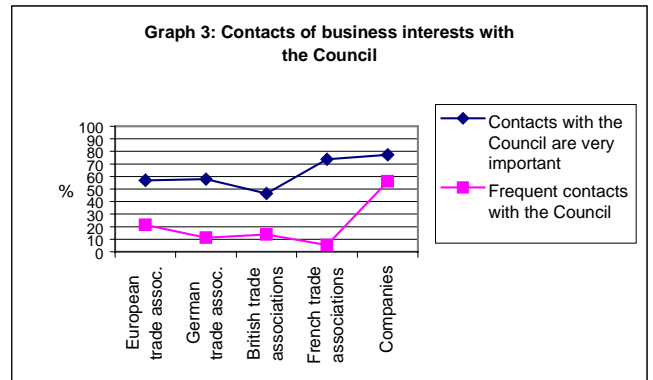
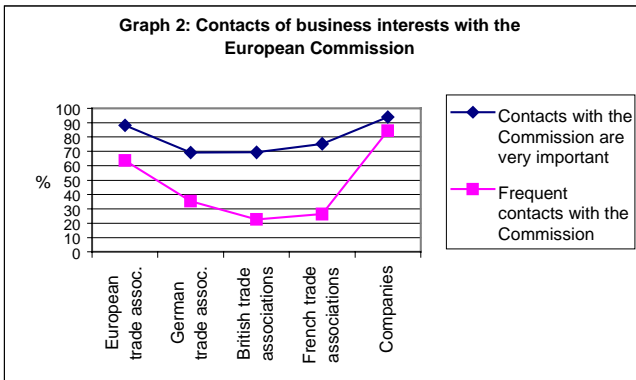
- The *European Commission* plays a decisive role in the European process of policy making due to its exclusive right to initiate European legislation; at the same time the Commission promotes the inclusion of affected interest groups into the process of policy formulation in order to draw upon the expert knowledge of external actors.
- The *Council*, on the other hand, although probably still the most important European institution in the policy-making process, is difficult to get in touch with due to its inter-governmental and international composition. Interest groups not only must try to convince their own national government of the legitimacy and appropriateness of their demands, they also have to make sure that their interests are supported by a sufficient number of states, either to form a veto-minority, or to ensure a stable majority of EU-member states.
- The *European Parliament*, finally, still has less influence on the policy-making process than the European Commission or the Council of Ministers, although it has gained importance through the expanded application of the co-decision legislative procedure. However, the EP is very interested in the communication with interest groups as this is a good opportunity to interact with the electorate and to become a "spokesman" for the voters' concerns, although this applies more to NGOs than to business interests.

¹ In the social sciences a return rate of 20 percent is considered to be sufficient; in our survey around 40 percent of the questionnaires have been returned. See appendix 1.

² 62 % of the European trade associations participating in our survey do have contacts with national governments, 42 % with national parliaments and 41 % with national regulatory and standardisation authorities.

A closer look at the contacts with different political institutions and their relative importance confirms these hypotheses.

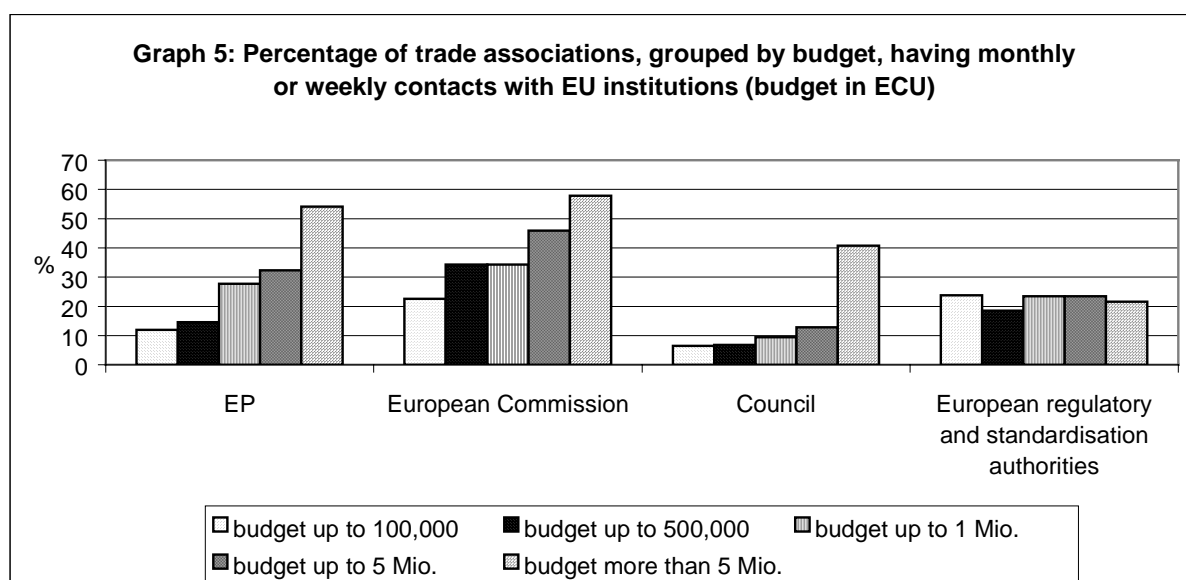
- Generally, regular contacts with the *working level* of national governments or of the European Commission (department managers; director-general) are more frequent than contacts with the *political level* of government (Prime Minister/Bundeskanzler, ministers, national secretaries) or the European Commission (Commissioners and cabinets).
- Similarly, contacts with individual members of a national parliament or the European Parliament are more frequent than contacts with parliamentary parties or parliamentary committees.
- Finally, our data confirm that European institutions are easy to access and to receive information from. An exception to this rule is the Council of Ministers: 14 % of all participants of the survey consider it as *difficult to obtain information from the Council* and, as visible from graphs 2 to 4, the data show a discrepancy between the high importance attributed to contacts with EU institutions and the actual scope of these contacts, which again becomes especially visible in the case of the Council of Ministers.



The relevance of the budget

The general wisdom that “money makes the world go around” is also true for trade associations: those which can fall back on high resources will find it easier to follow different tracks to represent their interests than trade associations with a limited financial background and a smaller number of personnel. This fact, however, does not tell us anything about their success of interest representation.

Indeed, the proportion of trade associations having monthly or weekly contacts with the different European institutions is much higher within the group of trade associations with a high budget than within the group of associations with a lower budget. Further, our data show that a trade association's work force is determined by its budget: the higher the budget, the larger the personnel employed by a trade association. Trade associations with only few employees usually concentrate on the European Commission and the national government as a lobbying addressee whereas trade associations with more working staff also focus on the European Parliament and national parliaments as a target group.

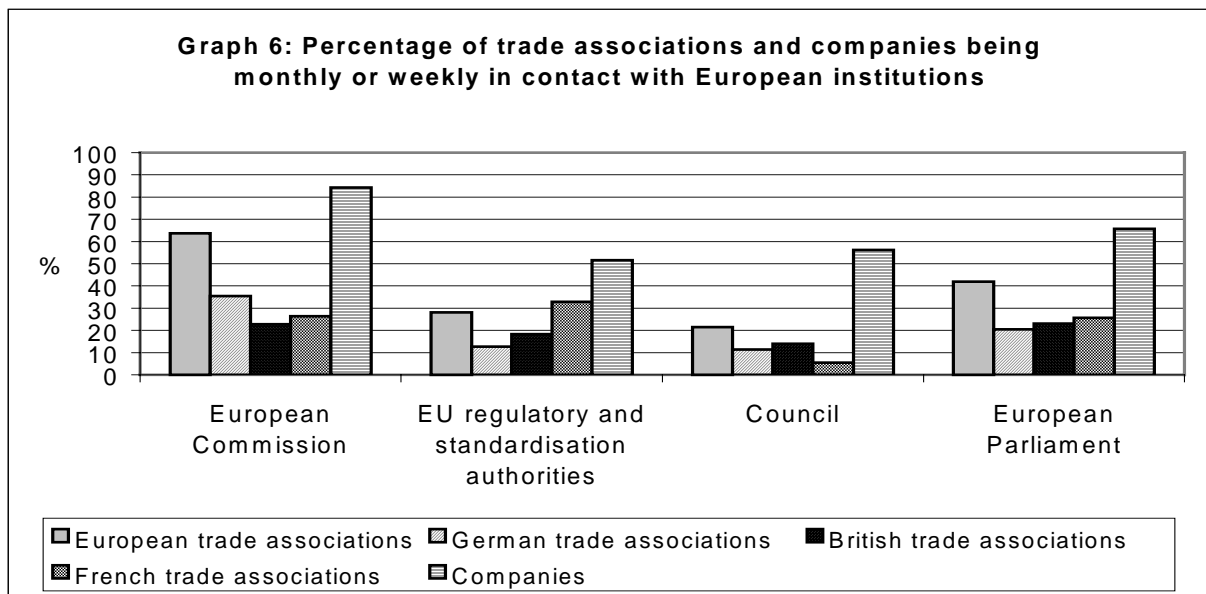


Not surprisingly, the frequency of contacts with the European regulatory and standardisation authorities does not correlate with the budget of a trade association, but with its assignments and functions. Especially trade associations which are in charge of defining technical norms and standards, but also trade associations involved in setting quality and educational standards often make use of their communication channels to the European regulatory and standardisation authorities.

Advantages of big companies and European trade associations

- There are two reasons to expect big European companies and multinationals to gain access to European political institutions without difficulty: (1) not only do they represent a considerable power in terms of investment capacities and working places, which is difficult to ignore, but (2) they also can - as single players - more easily adapt to the new European political environment than can trade associations having different members whose divergent interests need to be tuned before common action is possible.
- It is further assumed that European political institutions prefer to communicate with one single interlocutor rather than with fifteen or more different interest representatives. Therefore, European trade associations often aggregate and harmonise the various national or sectoral interests of their members and hence find it easier to gain access to European political institutions than national trade associations.

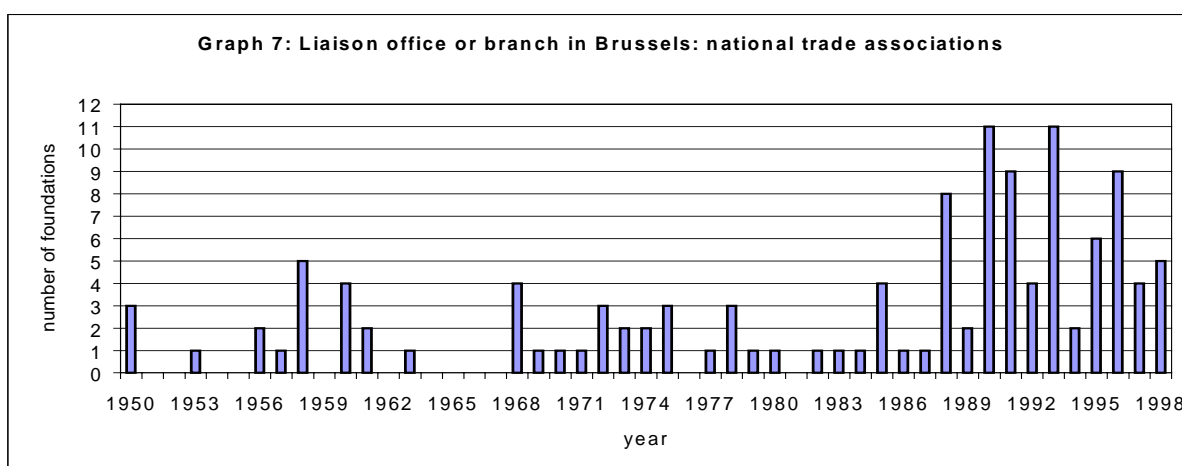
Our data confirm the expectation that it is easier for European trade associations and big companies to get access to European institutions than it is for national trade associations. The data prove that the share of European trade associations and big companies having very frequent contacts with European institutions is much higher than the national trade associations' share. This is particularly evident in the



case of the European Commission, but holds true for the other European institutions, too. Although most trade associations do not consider it difficult to get information from *European institutions*, European trade associations or big companies find this even easier than national trade associations.

Opening a liaison office or branch in Brussels?

Interest groups extend their representation and organisation activities from the national level to the European level by both the foundation of European trade associations and the establishment of liaison offices or branches in Brussels. The development of the former is well known and coincides with the different integration phases of the European Community, reaching its highest numbers in the years 1958-63, 1968-73 and 1988-93. The mushrooming of liaison offices or branches in Brussels by national trade associations is a rather recent phenomenon, which has only become more common since the Single European Act. Although only 23 % of all *national* trade associations participating in our survey do have an office or branch in Brussels, quite a number of respondents intended to open a branch in Belgium; therefore it can be expected that the number of liaison offices at the European level will continue to rise.



And indeed, opening an office or branch in Brussels seems to be a useful investment. Our data imply that the probability of having monthly or weekly contacts with the European Commission increases by 19 percentage points with the opening of an office or branch in Brussels, independent of a trade associations' financial resources.³ The latter, of course, may play an important role when setting up a branch in Brussels is considered in the first instance.

In brief, our survey's results concerning the accessibility of EU institutions are that whereas most trade associations, independent of their budget, have contacts with the European Commission, contacts with the Council are difficult to obtain, while contacts with the European Parliament seem to be of second-rate importance. A liaison office in Brussels, however, may help to improve the interaction with EU institutions.

³ See appendix 2.

The influence of national traditions on European lobbying strategies

As advanced political scientists would expect, our data reveals that *national traditions do matter*. The survey discloses some national peculiarities which can be explained by the differences in the national political systems and by distinct traditions of policy making in Germany, Great Britain and France.

Access to national governments

Although around 80 % of all national trade associations have contacts with their national government the data show that in France contacts of trade associations with the *political level* of government are more regular than in Germany or Great Britain: whereas 47 % of the French trade associations do have at least quarterly or even monthly or weekly contacts with the top level of the national government, in Germany and in Great Britain this is true for only 29 % of the national trade associations.

This finding coincides with the picture of a more politicised public life and hence more politicised lobbying strategies in France than in Germany or Great Britain, which is also underlined by the fact that a significantly higher share of French trade associations consider the mobilisation of the public and the media as a very useful strategy for European lobbying.

On the other hand, in all countries compared, regular contacts with the *working level* of the national government are more numerous than contacts with the political level of the national government. Yet, in Germany monthly or weekly contacts between national trade associations and the working level of government are most frequent (FRG: 59 %; UK: 50 %; F: 43 %) which reflects the German 'corporatist' system and the important role of associations as intermediary organisations between the state and the market.

The role of parliament

Another point proving the impact of national settings and traditions on the development of specific European lobbying strategies is the role of the national parliament in the three political systems compared. The role of the national parliament diverges significantly in Germany, Great Britain and France.

- In *Great Britain*, where parliament is an important actor in the national policy process and where Members of Parliament (MPs), due to the majority vote system, depend heavily on the support of interest groups in their constituency, the percentage of trade associations having monthly or weekly contacts with national MPs is much higher than in Germany or France (FRG: 22 %; UK: 32 %; F: 17 %).

- In *Germany*, on the other hand, contacts with MPs are an important channel to represent interests by providing useful expert knowledge to politicians, the *Bundestag* being a “working parliament” with its members highly engaged in parliamentary working committees. Not surprisingly therefore almost one out of two German trade associations which do have contacts with national parliament committees consider these contacts to be very important. This is a significantly higher share than in Great Britain or in France (FRG: 46 %; UK: 41 %; F: 31 %).
- In *France*, finally, the *Assemblée Nationale* and the *Senat* only have a limited influence on legislation, the French government and the French president being the main political actors. Again this low importance of the French national parliament is reflected by our data, which also reveals how divergent contacts with the national parliament as a medium for interest representation are assessed: whereas 56 % of the German trade associations and 48 % of the British trade associations considered contacts with the national parliament as very useful, this is only the case with 27 % of the French trade associations.

National regulatory and standardisation authorities

Contacts with national regulatory and standardisation authorities provide another example of national differences. Once more, the differences can be attributed to distinct institutional settings. While in Great Britain and France there exists a system of governmental control concerning the definition of norms, in Germany technical standards and norms are not only laid down by trade associations, but German trade associations also have committed themselves to control their members' adherence to the norms. As national regulatory and standardisation authorities therefore differ significantly in their role, it comes as no surprise that in Germany contacts between trade associations and national regulatory and standardisation authorities are less frequent than in the countries compared.

Table 1: Monthly or weekly contacts with regulatory and standardisation authorities (in percent)

	European trade associations	German trade associations	British trade associations	French trade associations	Companies
national regulatory and standardisation authorities	23,3	27,7	44,9	54,3	51,7
European regulatory and standardisation authorities	28,2	12,7	18,3	32,9	51,7

Who is contacted, how and why?

Criteria for selecting a contact partner

Selecting a *contact partner* follows similar rules at national as well as at European level, with some minor national differences. Administrative responsibility is the most often named criterion for the selection of a contact partner, although personal relationship is another very important criterion for choosing an interlocutor.

Table 2: Percentage of trade associations considering the following criteria as very important for the selection of their contact partner

	European trade associations	German trade associations	British trade associations	French trade associations
EU-level				
Administrative responsibility	77,0	87,5	56,7	82,4
Personal relationship	54,6	45,3	38,9	53,5
Language	12,6	22,0	36,2	33,3
Nationality	11,5	17,9	16,7	26,5
Party membership	8,7	3,7	5,9	6,8
National level				
Administrative responsibility	70,3	90,6	65,5	83,1
Personal relationship	48,3	46,7	40,0	58,8
Regional origin	10,0	34,8	9,8	9,4
Party membership	6,5	7,4	5,2	15,0

Due to different “language teaching traditions” the share of those lobbyists considering *language* as an important question when selecting a European contact partner is smaller in Germany than in Great Britain or France.

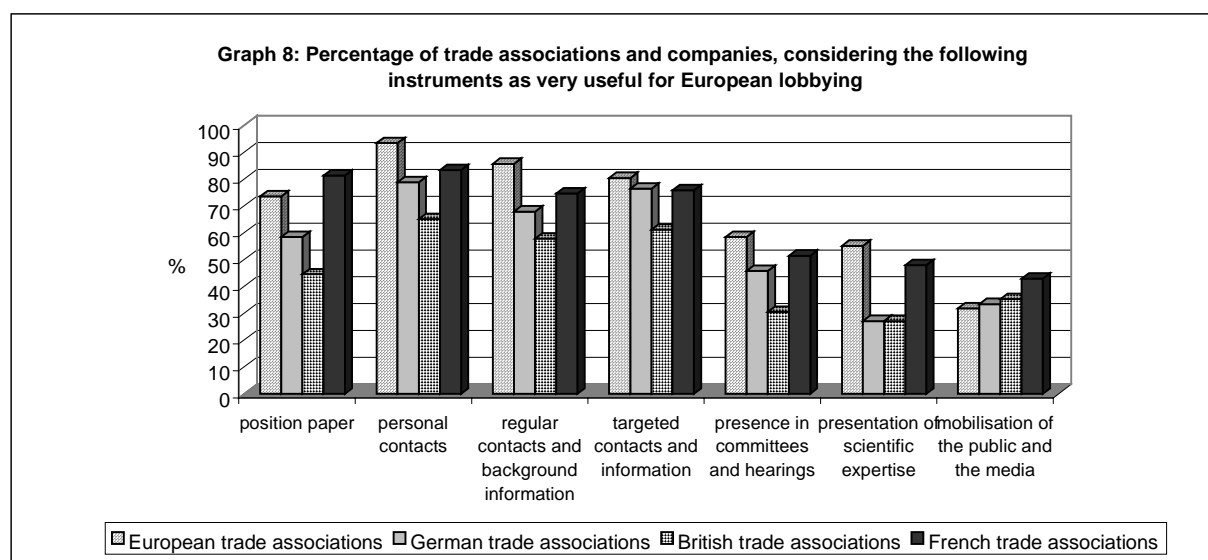
The ideal contact person at the European level therefore is a personal acquaintance speaking the same language as the lobbyist and holding important administrative responsibilities, his or her nationality or party membership being of no importance. At national level, however, regional origin is a further selection criteria in Germany’s federal system, while party membership proves to be of some importance in France when looking for a person to turn to.

Useful lobbying instruments

The evaluation of different lobbying instruments reveals that most trade associations participating in our survey consider *personal contacts* as the most important asset for the representation of their interests in the European Union.

Furthermore, not only the presence in *committees and hearings*, but also *regular contacts* and the disposition of *background information*, as well as *targeted contacts and information* are considered as

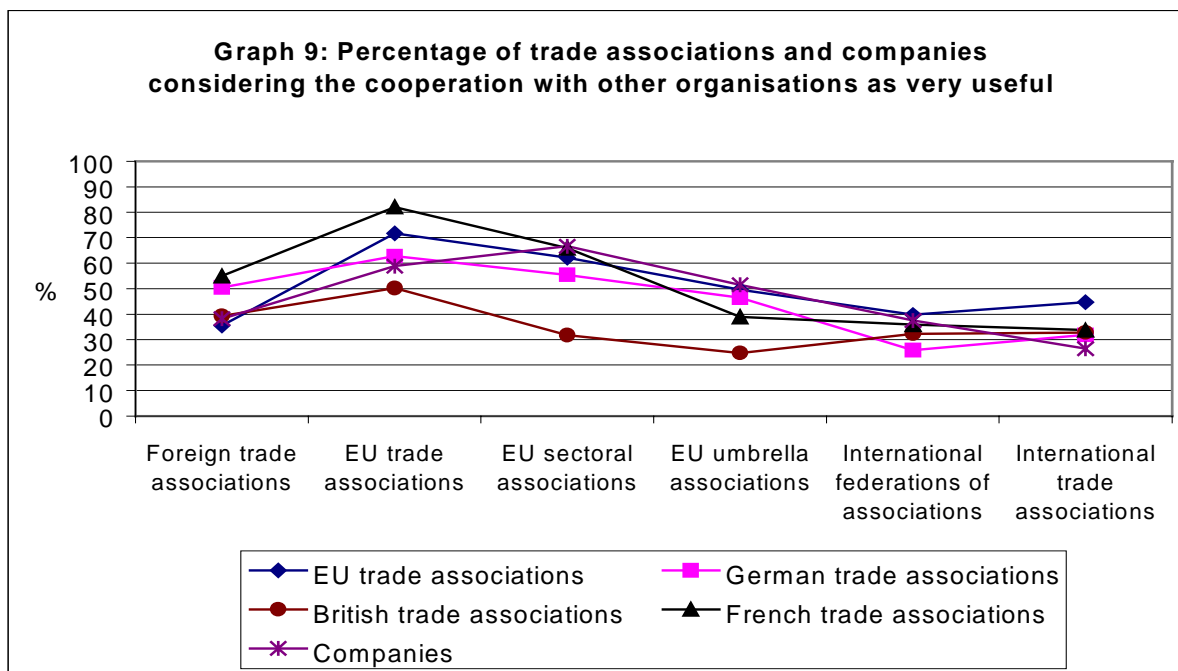
very helpful instruments for interest representation by a majority of the survey participants. *Position papers* and the *presentation of scientific expertise* are, however, assessed quite differently in the different national groups, showing some parallels between French and European trade associations: whereas more than three quarters of French and European trade associations responding to this question consider *position papers* as very important, it is less than 58 % of the survey participants in Germany and Great Britain.



Similarly, the *presentation of scientific expertise* is considered to be a very useful lobbying instrument by around half of the European and French trade associations, while only a quarter of the German and British trade associations consider this an effective lobbying tool.

The usefulness of transnational co-operation

Due to specific decision procedures in the European Union interest representatives are forced to co-ordinate their activities with colleagues in different countries and on different levels. A comparison of the usefulness assigned to the co-operation with different organisations indicates the important role of EU trade associations for European interest intermediation. As the bi- or trilateral co-operation between individual trade associations across borders requires a great deal of co-ordination, the institutionalised co-operation within European trade associations turns out to be considered the most useful way for business interests to synchronise their activities transnationally.



Service provider or interest group?

A comparison of the tasks fulfilled by trade associations in Europe shows that their functions are quite different. While differences in respect to *market co-ordination* are not that clear-cut, the role of trade associations as *service provider* and *interest representative* vary considerably. Generally, it should be kept in mind that in France most trade associations are also employers' associations whereas in Great Britain and Germany as well as at EU level these two functions are usually not combined within a single association.

Among the numerous tasks of trade associations related to *market co-ordination*, the *definition of technical standards and norms* scores the highest: two thirds of all national and European trade associations carry out this function. Similarly, around 45 % of all national and European trade associations also co-ordinate *research and development*. *Regulating the market entrance*, however, is more often part of a trade associations' functions in France (36 %) and Germany (30 %), than in Great Britain (18 %) or of trade associations on the European level (19 %).

As specific *services* are considered an important incentive for becoming a trade associations' member, we also asked in our questionnaire what services trade associations offer. Most national and European trade associations provide services like *statistics and branch information* or *advertising and public relations activities* for their members. *Market research, individual legal and economic consulting*, and *access to consultancies*, however, are much more often offered by French trade associations than by German, British or European trade associations.

Yet, “external” **interest representation** proves to be the criterion distinguishing best between the European, German, British and French trade associations. Whereas almost all national as well as European trade associations participating in our survey *represent their members’ interests vis-à-vis other interest organisations*, the “political” representation of their members’ interests is definitely not part of the French political culture.

While *monitoring political developments* and *informing their members about political developments*, as well as *representing ones’ members’ interests in political committees and hearings* are main functions of at least three quarters of all European, German and British trade associations, only less than a half of the French trade associations have this functions.

Comparing trade associations’ activities in the three respective countries, French trade associations can rather be considered as service providers for their members, whereas German and British as well as European trade associations put the main emphasis of their work on political information and representation of their membership.

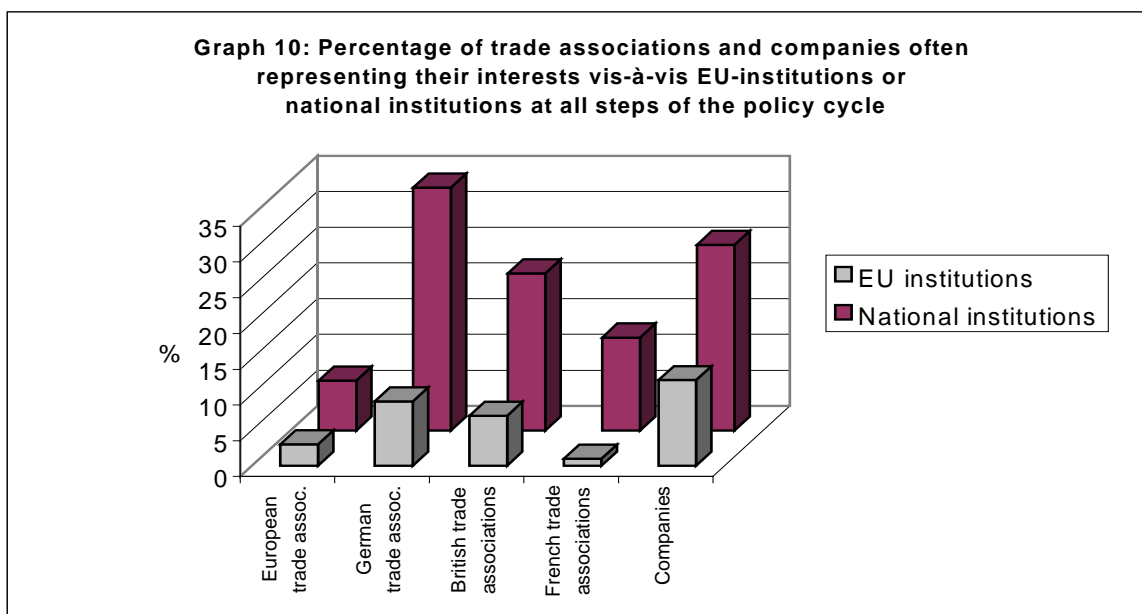
Active or reactive?

Benchmarking always involves the assessment of a competitors’ capacities as a “trend setter”. In the sphere of interest intermediation, therefore, the most demanding but probably very promising strategy is to influence the political agenda at the national or the European level right from the outset. Indeed, up to fifty percent of the responding trade associations and companies indicated that they often represent their interests as soon as the agenda is set. However, some qualifications on this finding need to be made:

- Firstly, national trade associations as well as companies represent their interests more often vis-à-vis *national institutions* than vis-à-vis European institutions when the political agenda is set, while European trade associations are more active at European level.
- Secondly, French trade associations diverge significantly from the general picture: only 13 % of the French trade associations claimed to represent their interests at the agenda setting stage vis-à-vis European institutions, while out of any other group at least a third (Great Britain), if not a half of the interest representatives (Germany, companies) do so.⁴

Yet, trying to influence the agenda alone is not enough. Almost every handbook on lobbying strategies underlines the importance to represent interests at *every* step of the policy cycle, starting from the moment the agenda is set, continuing while the Commission formulates a proposal and while the national position with regard to the Commissions’ proposal is formulated, but also during the debate in

the EP and the Council. Likewise, so the recommendation, contacts should be maintained during the transposition of EU law into national law and during the implementation by the national administration, each step offering a new chance of successful interest representation.



Surprisingly, this is an advice only rarely followed. Generally, more trade associations and companies represent their interests during the *whole policy cycle* vis-à-vis *national institutions* than vis-à-vis European institutions. Yet, even in Germany, a country with a “corporatist culture”, only a third of the trade associations participating in our survey claimed to be present at the *national level* at every phase of the policy process.

Business interests, so the quintessence, mainly react to the political agenda focussing their resources and man-power differently, depending on their individual possibilities and duties.

⁴ At the national level, the shares are a slightly higher, with 71 % of the German, 54 % of the British, 31 % of the French, and 36 % of the European trade associations, and 65 % of the companies claiming to represent their interests vis-à-vis national institutions at the agenda setting stage.

Synopsis

The specific decision-making procedures in the European Union oblige interest representatives to coordinate their activities with colleagues in different countries and at different organisational levels within European (or international) trade associations.

However, our survey reveals that not only European trade associations and multinational companies, but also national trade associations have direct contacts with European political institutions, even though national trade associations still concentrate their activities during the European law-making process on the national level, i.e. they are especially active

- when the national position with regard to the Commission proposal is formulated,
- when EU legislation is transposed into national law, and
- during the implementation by the national administration.

Influencing EU decisions via political institutions at the national as well as at the European level has become an important part of European interest representation. Yet, the tools and paths chosen differ significantly by country of origin owing to differences in the national political systems and traditions of the EU member countries.

Appendix

1. Rate of Returns of the Survey "Intermediation of Interests in the European Union"

	German trade associations	British trade associations	French trade associations	EU trade associations	Companies	Total
Questionnaires returned	322	206	113	185	34	860
Trade associations addressed	727	501	350	420	68	2066
Rate of returns in percent	44,3 %	41,1 %	32,3 %	44,0 %	50,0 %	41,6 %

2. Logistic Regression Model of Monthly or Weekly Contacts with the European Commission

Summary Statistics

Initial -2 Log Likelihood	615,88876
-2 Log Likelihood	514,883
Goodness of Fit	482,677
Cox & Snell - R ²	,195

Coefficients *

Variable	Coeff.	Odds-ratio
Categories of trade associations		
<i>European</i>		
French	-2,1138	,1208
British	-1,8006	,1652
German	-1,3437	,2609
International	-,5851	,5570
Resources used for interest representation		
<i>less than 50 %</i>		
more than 50 %	,5831	1,7916
Number of members		
<i>less than 250</i>		
more than 251	-,0130	,9870
Degree of organisation		
<i>less than 50 %</i>		
more than 50 %	,1367	1,1465
Budget		
<i>less than 500.000 ECU</i>		
more than 500.000 ECU	,4924	1,6362
Office or branch in Brussels		
<i>no</i>		
yes	,7687	2,1570
Constant	-,1463	

*As our questionnaire was sent to all trade associations in Germany, France, Great Britain, and at the European level, this is not a random sample survey and tests of significance are not feasible.

View Interest Intermediation Research Papers on Academia.edu for free. Recent transformations in the European Union have been putting significant pressure on the management function of the European Commission. Examining its brokerage position in policy networks, this article asks what kind of role does the Commission have in the political interactions in Brussels after the year 2000. Developing a conceptual framework about brokerage roles in EU policy, the article uses a combination of quantitative and qualitative data in an empirical analysis of two extreme cases where the Commission has been embattled the past years. The European Union (EU) is a modern political phenomenon that has risen out of the social, historical and economic context of the 20th century. Furthermore, this context has created a political system which is unique in comparison to all others. Although it has traits that bear resemblance to the political systems of federal states as well as intergovernmental organisations (IGOs), it remains one of a kind, sui generis, as a political system. (McKay 2005). Thus, the EU represents the interests of its citizens and interests in the same way that a federal state would. The national governments of the member states are, however, given the most powerful and institutionalised position in the EU system. The systems of interest intermediation of most developed countries seem to have evolved into one of the two most frequent "mixed" patterns. One is an organized and more or less regulated pluralism, often with strong oligarchic tendencies, which usually begins with "regulation by the regulated," as in the USA during the Progressive Era. This was seen in the UK, but less so in some other countries, especially in Europe. Pro-trade union support and legislation was repealed and replaced by anti-trade union laws in a "step-by-step" approach which whittled away union strengths in the UK. By 1997 the UK employee relations legal terrain was dramatically different from that of the earlier period. View chapter Purchase book. Logically the analysis of the European Union's interests should not be a problem. Due to Europe's position in the world, its action in terms of the major challenges facing our societies (environment, energy, information society, terrorism, etc.) and its profile within major international organisations, it is quite easy to establish a strategic agenda for the Union without this causing any controversy. Might we hope to provide meaning to the idea of common interest and strategic vision for the European Union? Is it possible to develop awareness amongst Europeans in support of a responsible, autonomous, active role within the community of nations? Russia and the European Union had all objective preconditions for establishing a lasting cooperative relationship, which could subsequently lead to integration. However, objective factors of their internal development and systemic changes in global politics resulted in a situation where such relations proved to be unclaimed for both parties. In the new historical situation, a return to practices which existed in relations between Russia and Europe before the crisis of 2014 is impossible and, apparently, not viewed as reasonable by either party. However, in the mid-term perspective, the parties may build a new model of relationship based on unbiased assessment of systemic resources and constraints. Keywords: Russia, the European Union, systemic factors, development, relations, crisis.