



Cooperation and Complexities in Franco-Russian Relations

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Amid the twists and turns in the regional strategic environment and widening of differences in the transatlantic partnership, there has emerged a renewed urge for cooperation between France and Russia. President Macron has sought to advance relations with Moscow and cooperate in preserving multilateral deals and finding effective political solutions to crises in the Middle East and Eastern Europe. A few days after assuming the Presidency, he hosted Russian President Vladimir Putin at the Palace of Versailles for an exhibition marking 300 years of Franco-Russian diplomatic ties. In a 'frank exchange'¹ with President Putin, he discussed 'disagreements' and stated that Russian news agencies *Russia Today* and *Sputnik* "interfered, acting under the influence of certain political interests"² during French presidential election. Nevertheless, showing a remarkable element of pragmatism, he sought to strengthen the partnership in the fight against international terrorism, search for political solutions to crises in Syria and Ukraine and to expand cooperation on bilateral issues.

President Macron visited Russia to participate in the St. Petersburg International Economic Forum in May 2018 as a 'guest of honour'. Ahead of his visit, President Putin said that he was ready to talk about "key international issues, the resolutions of which are important to both France and Russia." President Macron said that he believed France and Russia "must work together on joint initiatives."³ France is a leading trade partner and French investment an important overseas employer in Russia. Moscow is keen to explore avenues for further expanding economic linkages and attracting more investments. Their political synergies on regional and global issues can facilitate solutions and advance the virtues of multilateralism in dealing with global challenges.⁴ President Macron and President Putin discussed the situation around Iran, Syria and Ukraine.

In the current geopolitical environment, Paris's growing effort for finding political solutions of global and regional crises is of importance. European leaders appear to be concerned over some decisions of the US President, which are considered contrary to the spirit of multilateralism. President Trump has announced withdrawal of the US from the Joint Comprehensive Plan of Action (JCPOA), or the Iran nuclear deal. Earlier, the US decided to exit the Paris Climate agreement. Now the US has imposed tariffs on European steel and aluminium. Consequently, the EU has also imposed retaliatory tariffs on American goods. Their trade differences seem set to further escalate as President Trump may move to impose tariffs on European automobiles. President Macron enthusiastically advocates multilateralism in dealing with global challenges, and such moves and differences in the transatlantic partnership have the potential to corrode the ethos of multilateralism. Despite these developments, President Macron reiterated his belief in multilateralism during his visit to Russia.

Future of Iran Nuclear Deal and Transatlantic Partnership

Europe had played a key role in conclusion of the JCPOA. The deal was hailed as a crucial development for regional peace and security. Recently, UN Secretary-General Antonio Guterres called the nuclear deal as a valuable part of peace and security, and said, "The JCPOA should remain as a valuable section of peace and security, irrespective of the discussions that are being made about Iran's role in the region."⁵ European countries moved to ease economic sanctions after the deal, and subsequently, expanded their economic linkages with Iran. European companies entered major business deals and explored possibilities for investments in Iran.

US President Trump did not have favourable opinion about the deal and termed it as the 'worst deal ever'⁶. Despite the confirmation by the International Atomic Energy Agency (IAEA) that Iran is in compliance with the nuclear deal, President Trump announced withdrawal from the deal. Consequently, the future of the deal now is at the stake. France, along with Germany, Britain and the EU, extended its support to Iran and vowed to preserve the deal. European countries maintain that they would stand by the deal and urged Iran to stay in the deal. However, the US decision would have implications for the deal's effectiveness and relevance, evolving Europe-Iran economic relations, Middle East dynamics and so on. It would also be a challenge for European countries to protect their companies from the secondary American sanctions, if they have businesses with Iran.

During his visit to Russia, President Macron discussed with President Putin the future of the Iran deal. At the joint press conference, President Macron said that three European countries intended to remain within the JCPOA, and it would be 'preserved in the shape in which it was signed.' The French President stated that Tehran fulfils its obligations under the deal. He argued that enterprises should look for 'pragmatic solutions', hold on to their positions and try 'to preserve their economic benefits in spite of the American sanctions.'⁷ However, international companies have started withdrawing from Iran fearing US sanctions. They would face penalties if they do not stop their business with Tehran between 90 and 180 days since withdrawal from the

deal. Companies including Boeing, Total and Maersk have announced their pulling out of Iran. Other companies, such as Nike, have stopped supplying Iranian football team with boots, and the PSA, which produces the Peugeot and Citroen brands, has also announced that it is leaving the country. Meanwhile, Renault has decided to stay in Iran despite the risks of US sanctions. The carmaker sees future in the country and seeks solutions to do business.⁸

President Macron argued that this framework (nuclear deal) is necessary for regional security. Although some European countries too voiced concerns about the Iranian missile programme and its regional activities, they also want the nuclear deal to not be scrapped. The High Representative of the European Union for Foreign Affairs and Security Policy and the Vice President of the European Commission, Federica Mogherini argued, 'the nuclear deal was never meant to clarify every single controversial matter in relations with Iran.'⁹ President Macron also discussed with President Putin about Iran's post-2025 nuclear programme, its ballistic missile programme and some regional issues. France believes that more dialogues with Iran and other partners and measures to avoid tensions in the region should be undertaken.¹⁰

Russia is one of six signatories to the deal. It supports the Iran deal and it is open to future deal 'without damaging concrete projects and concrete areas of cooperation that are building between all members of the deal.'¹¹ As of now, it seems that Europe and Russia have developed political understanding to preserve the nuclear deal and open to negotiations over post-2025 nuclear deal scenario¹².

Syrian Crisis: Search for Political Solution

France and Russia discussed about a political solution as well as contribution towards humanitarian projects in Syria. President Macron and President Putin noted that it was necessary to continue facilitating an early political settlement, in particular, given the recommendations approved by the Syrian National Dialogue Congress. President Putin said that Russia would continue its relations with the Syrian Government and the opposition as part of the Astana process. Russia believes that the Astana process format of negotiations has proved its viability and is producing tangible results. At the joint press conference, President Putin also talked about establishing contacts with smaller groups.¹³

President Macron emphasized on negotiations with all regional powers and all sides in settling the Syrian conflict to 'find a real political solution to it.' He maintained that the fight against terrorism and Islamist threat is priority in Syria. President Macron noted that France changed its political course in the beginning of 2017. France wants 'an inclusive political solution' which can ensure participation of the Syrian people in drafting a new constitution and electing a new government.¹⁴ He proposed to President Putin to do practical work in the humanitarian sphere. France has created new momentum and wants to invest euro 50 million in humanitarian activities in Syria. However, there are 'deep differences' over chemical weapons. The French President has repeatedly warned that the use of chemical weapons is not acceptable, which he

said was a “red line” that would draw French action, even unilateral. In a joint press conference with President Putin, President Macron talked about creating ‘a mechanism for determining responsibility in the event of fresh cases of chemical weapons being used by this or that side.’¹⁵

Ukraine Crisis

Russia’s relations with the EU have been severely strained over the crisis in Ukraine. The relationship of confidence between France and Russia has been undermined by the annexation of Crimea and conflict in Donbass. Diplomatic efforts have been made to resolve the crisis and bring sustainable peace and stability in Ukraine. The situation in Ukraine remains far from satisfying. French President insisted that France is committed to ‘Ukraine’s sovereignty with its recognized borders.’¹⁶ As part of the Normandy format, which includes France, Germany, Russia and Ukraine, Paris supported resolution of the conflict in the Minsk agreement framework. During the visit, Russia and France talked about peace and stability in eastern Ukraine and implementation of the Minsk agreement signed in 2015. President Putin and President Macron emphasized the importance of ‘scrupulous compliance’ with the Minsk agreement to ensure a sustainable and comprehensive resolution of the intra-Ukrainian crisis.¹⁷ Resolving the situation in Donbass is a key phase in the settlement of Ukraine crisis. President Putin stated that the implementation of Minsk agreements is the only way out of the situation. He said, “over the next few weeks working groups will be organized and I hope that there too we will achieve positive results.”¹⁸

Separately, a Dutch investigation has pointed out to an alleged Russian role in the shooting down of the Malaysia Airlines flight MH17 in 2014 over Ukraine. Another investigation also revealed that Oleg Ivannikov, a Russian military intelligence general, played a role in the attack. The outcome of their investigations could create diplomatic strains. Reportedly, President Putin tried to avoid questions about the investigation during the Forum. It seems that President Macron also avoided talking about the accusations, he said, “I think that President Putin is absolutely right that we have to remember the victims of this tragedy and their families. An independent investigation was done, and I agree with what President Putin said yesterday: cooperation with the Dutch judiciary is needed.”¹⁹

Expanding Economic Linkages

Russia is keen on expanding economic ties with France. In his previous meeting with President Macron, President Putin pitched for greater economic cooperation between the two countries. After the annexation of Crimea in 2014 and crisis in Ukraine, the EU imposed sanctions against Russia. It is pressing for the implementation of the 2015 Minsk agreements and resolving the conflict. The EU sanctions against Russia were extended until September 2018. The European Council said, “An assessment of the situation did not justify a change in the sanctions regime” at this time.²⁰

President Macron addressed the St. Petersburg International Economic Forum, known as the Russian Davos. The central theme was “Creating an Economy of Trust” with discussions on trade, investment, finance, energy, technology, demographics and environmental protection. Managing Director of the International Monetary Fund (IMF) Christine Lagarde and Vice President of China Wang Qishan also attended the St. Petersburg Forum.

President Macron and President Putin paid considerable attention to economic issues during their talks. Positive trends have been registered in France-Russia economic relations. Bilateral trade increased in 2017 by 26 per cent to €13.2 billion. This can be attributed to strong increase in French imports, which rose 37 per cent to €7.59 billion. It is partly linked to the increase in oil prices and French exports account for 14 per cent to €2.25 billion. French companies have diversified their presence in a variety of sectors and are particularly well established in the agri-food, financial and banking areas, as well as in distribution, energy and the automobile industry. France was the second-leading foreign direct investor in Russia after Germany at the end of 2016.²¹ French companies are actively involved in the Yamal liquefied natural gas extraction project and a number of other large-scale projects. In turn, Rosatom covers 25 percent of France’s uranium fuel needs. In addition, large projects are underway in other fields - the automobile industry, machine and aircraft building, food industry and agriculture. French businesses have localized high-tech manufacturing in Russia.²²

In a panel discussion at the France-Russia Business Forum in St. Petersburg, President Putin said, “It is particularly good that Russia has developed a diversified relationship with its French partners. This diverse mix can pave the way to success moving forward.”²³ Both countries explored how to further increase their economic ties. French energy major Total will buy a 10 percent stake in a Russian Arctic gas project under a deal signed during Macron’s visit to Russia. Total will buy a minority stake in the Novatek-led Arctic LNG-2 project. The agreement solidifies Total’s footprint in Russia. Novatek, Total and their Chinese partners have already started producing gas on the Arctic Yamal peninsula from 2017.²⁴

Conclusion

President Macron’s policy reflects a renewed urge for advancing France-Russia cooperation in a complex strategic environment. He stands by European countries and has supported diplomatic measures against Russia, and openly expressed his concerns over the alleged intervention of Russian news outlets in French presidential election and electoral process of other European countries, state propaganda and even alleged human rights abuses in Chechnya. Under Macron, France joined the US and the UK to launch airstrikes on Syria in April 2018 and also Western countries in expelling Russian diplomats following nerve agent attack on Sergei Skripal and his daughter. Nevertheless, he believes that cooperation with Russia is crucial in seeking solutions to multiple international and regional crises. In the backdrop of rising protectionist tendencies and US unilateralism, President Macron’s emphasis on multilateralism seems to be a viable political framework for seeking cooperation with Russia for finding solutions to the crises in Syria,

Ukraine, Iran nuclear deal and climate change. European countries have shown their displeasure over the Trump administration's decisions. If trade war continues, their differences would further widen. Russian-French cooperation is likely to expand at the multilateral forums.

Bilaterally, Russia and France would move towards enhancing economic and cultural cooperation. Their political interactions and consultations would contribute towards strengthening international peace and security as well as regional stability. Positive trends are already perceptible in bilateral economic ties and French businesses are exploring opportunities for greater investments in Russia. France is one of most popular destinations for Russians. Russian and French universities have joint degree programmes and student mobility programmes. Tourism has also been growing between the two countries. Both the countries have taken initiatives to further promote their respective cultural attractions to each other. Media has also an important role in shaping people's perception. Nevertheless, global and regional dynamics are changing fast and there are a slew of issues which have the potential to further add to the complexities and tensions in their partnership and hamper the slowly progressing Europe-Russia rapprochement.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.*

Endnotes

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