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Economic Cooperation of Russia and Greece during the Sanction Restrictions period and the Policies to Strengthen the Integration Process

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Abstract

The article is devoted to defining the economic cooperation between Russia and Greece in the context of the sanction measures and the ways to strengthen the integration process among the two countries. The authors analyze different economic cooperation measures between Russia and Greece as the subjects for this study. Firstly, they identified the reasons for the considerable elimination of Russian-Greek trade relations. Secondly, they presented a detailed description of a mutual economic cooperation scheme for the period 2014- 2016. Thirdly, they propose measures to stimulate economic cooperation between Russia and Greece.

As a result of this research, the authors concluded that we should not expect a major breakthrough in the external economic cooperation between Russia and Greece in the coming years, at least, before overcoming the economic depression in the economies of the two countries and the complete removal of sanction restrictions between Russia and the European Union.

Key Words: *Russia, Greece, foreign economic cooperation, Russian-Greek relations, integration processes, sanction restrictions.*

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1. Introduction

The economic cooperation between Russia and the European Union Member States is characterized not only by a close interdependence due to their history and geographical proximity, but also by the opposition of their international positions, impeding the implementation of mutual economic interests because of a tense political situation in the recent years.

Intensive integration processes in Europe, observed since the establishment of the European Union, are displaced by centrifugal processes in recent years. Though, the European Union is still the most successful monetary integration with the population of about 510 million people (as for January 2016)⁵. The Russian Federation, in its turn, carries out the international integration policy through the implementation of the Eurasian Economic Community and the creation of initiatives to strengthen cooperation with Asian countries and the Arab States.

However, the mutual sanctions, operating more than two years, are not conducive to mutual beneficial cooperation and set a negative vector of development. The Hellenic Republic, as a member of the EU, has to adhere to a common foreign policy of the association. Despite the fact that Greece is a sovereign country (Thalassinos *et al.*, 2006; Thalassinos *et al.*, 2015a; Thalassinos *et al.*, 2015b; Thalassinos and Stamatopoulos 2015; Thalassinos, 2008) the right to conduct a multifaceted foreign policy and to play a geopolitical role is restricted by a huge debt to external creditors. But, realizing the lack of prospects for further trade and economic confrontation, its leaders are increasingly in favor of stopping sanctions and cooperation with the Russian state. This fundamental position of the Greek government on the issue of cooperation with Russia is due to the inextricable links of the two countries in historical, spiritual, economic and social spheres over the centuries.

Relations between Russia and Greece have always been friendly and mutually beneficial; this is primarily due to the lack of fundamental differences between the two countries. They were united and are still united by common historical memory and cultural heritage, which stimulates initiatives both from Russian and from Greece. Special role in the Russian-Greek relations have played the development of direct links with the Black Sea regions of Russia –these are the places of residence of representatives of the Greek Diaspora.

Greece occupies a special position in Russian foreign policy and according to Russian Foreign Minister Sergey Lavrov in the world, as he says, "there are few

⁵ Eurostat. URL: <http://ec.europa.eu/eurostat/statistics-explained/index.php/Population> (date of access: 30.08.2016).

other countries, that are so closely related as Russia and Greece, with such a long history of sincere friendship"⁶. In addition Greece is the only NATO country to actively develop military-technical cooperation with Russia.

Year 2016 is a cross-year for Russian-Hellenic culture and heritage and as the Prime Minister of Greece A. Tsipras characterized his visit to Russia as "the beginning of a new spring" in relations between Athens and Moscow. In May 2016 a joint declaration for an effective Government Partnership between the two countries was signed. It declares modernization, according to which willingness to contribute to the creation and promotion on the market of modern competitive products and encouraging mutual investments in innovative technologies, the elimination of barriers and constraints to the free and cost-effective sharing of the results with activities, improving the business environment in a fair, prompt and constructive dialogue between the business communities and public authorities of the two countries. Also a memorandum of understanding on inter-regional cooperation between the Russian Ministry of Economic Development and the Ministry of Foreign Affairs of Greece was adopted. The parties signed a "road map" of Russian-Greek relations in the field of agriculture, adopting a tourism program of mutual actions for the next three years, including contributing to the speedy changes from the agreement signed in May 25, 2006 between the Russian Federation and the European Community on the facilitation of visas issuance to the citizens of these countries, promoting the dialogue on establishing visa-free travel for them.

In addition, Russia and Greece signed a Memorandum of Understanding and Cooperation in the field of standardization between the Federal Agency for Technical Regulation and Metrology of the Russian Federation and the national infrastructure system in Greece, a memorandum of understanding between the autonomous non-commercial organization "Russian Investment Agency: Invest in Russia" and the Greek organization of investment and foreign trade, as well as a memorandum of understanding between the Ural Federal University and the University of Piraeus. The paper notes readiness to expand trade in goods and services, the importance of development of small and medium-sized businesses for the economies of both countries, cooperation in energy, agriculture and the transport sector including the transit potential of the Greek transport system.

The institutional framework for the partnership between the two countries is: Mixed Russian-Greek Commission on Economic, Industrial and Scientific Cooperation (within the framework of working groups on energy, agriculture, scientific and technical cooperation, tourism, and inter-regional cooperation), Mixed Russian-Greek intergovernmental commission on military-technical cooperation, the Greek-Russian Chamber of Commerce, Russian-Greek Council for cooperation and

⁶ Speech of the Russian Minister of Foreign Affairs Lavrov S.V. to the Greek society. Athens 2.12.2009. URL: http://www.mid.ru/ru/maps/gr/asset_publisher/D4tBbKa1q61C/content/id/270818 (accessed: 29.08.2016).

investment (created with the participation of the Russian Union of Industrialists and Russian businessmen), Russian-Greek Business Council for trade and economic cooperation, the Russian-Greek forums of civil society and more. Russian-Greek cooperation is developing in the framework of the Chambers of Commerce and Industry (CCI): the Union of Greek Chambers of Commerce and Industry, the Chamber of Commerce and Industry of Athens, the Piraeus Chamber of Commerce and Industry, the Chamber of Commerce and Industry of Thessaloniki and Kozani and the Federation of Greek producers, the Greek Organization of Small and Medium Enterprises, the Center of Inter-Balkan cooperation "HELEKSPO" organization. Cooperation with Greek partners is also carried out within the Euro Chambers and the Business Council of the Black Sea Economic Cooperation (BSEC).

In September 2016 the Russian delegation, which includes more than fifty companies from different regions of the country, participated in the largest exhibition in the Mediterranean area, the 81st Thessaloniki International Fair (TIF) in the city of Thessaloniki. At the same time the International Forum "The Russian-Greek Business Dialogue" was held. It consisted of Russian-Greek business in a forum in which the development of cooperation in the field of agriculture, the prospects for regional cooperation, cooperation in the sphere of science and education, for the exchange of technology capabilities and more were discussed; in addition the Russian-Greek Forum on Renewable Energy and Energy Efficiency took place.

2. Theoretical, Informational and Empirical Grounds of the Research

The downgrading of the Russian-Greek relations observed since 2009 fits into the general trend of world development: in the context of globalization the mutual trade and investment is highlighted, whereas stability and positive dynamics of bilateral cooperation depends on the availability of sufficient economic basis. In the case of trade relations between Russia and Greece in the period before 2009 the economic potential has not been implemented adequately, even in 2008, which was the peak point of trade cooperation, while trade turnover between Russia and Greece gave way to trade turnover between Russia, Bulgaria and Romania, not to mention investments⁷.

The causes for the decline of economic relations development will be divided into three groups:

In the first group, the national-ethnic causes, which are expressed in the actual disappearance of the Russian lobby in Greece and the Greek lobby in Russia, are included. Currently, you can only talk about individual initiators of the development

⁷ Kvashnin Y. Olenchenko V. Current situation and possible ways to improve Russian-Greek relations..URL: http://russiancouncil.ru/inner/?id_4=3169#top-content (accessed: 26.08.2016).

of Russian-Greek relations among businessmen. Despite the fact that among the major Russian businessmen there are a lot of people of Greek origin, their role in the economic relations between the two countries is insignificant. In addition, they have to withstand the tough competition with pro-Turkish and pro-Serbian lobby in Russia, because of its economic content of Russian-Greek, Russian-Turkish and Russian-Serbian relations which are very close.

We have to admit a landslide reduction of contingent media ideas and supporters of maintaining the dialogue between the two countries, its practical implementation in the trade and mutual investment.

In the second group, the historical-ideological causes, which consists of a slowdown in the Russian approach to the possibilities of relations with Greece, due to the fact that their current state and prospects are assessed mainly through historical and ideological stereotypes, are included. The current angle approach to Russian-Greek relations should be recognized as outdated, inconsistent with the global trend, the growth and the strengthening of economic integration in international relations.

In the third group, the domestic economic and social causes, which are the sharp deterioration of the situation in the Greek economy, the change in its foreign policy priorities, its strengthening policy and its dependence on creditors, are included.

The crisis has not forced the Greek leadership to pursue a more diversified foreign policy so far. On the contrary, it has led to greater coherence in economic (including foreign trade) Greece's policies with those of the European Union, and in the field of international security policy - with a common vector of NATO. And these factors are negative from the standpoint of the development of Russian-Greek economic relations, a fact that is necessary to take it into account as long as Greece does not come out the crisis.

Some statistical data of foreign trade as a whole, exports and imports between Greece and Russia in the period 2014-2016 are presented in Table 1. According to statistics in 2015, Russia was in the 9th place (3rd in 2014) concerning the cost value of turnover in Greece as a trading partner. At the same time the turnover decreased in 2015 to USD 4.0282 billion from USD 6.8931 billion in 2014 a rate of 41.6%. Respectively, Russia's share of turnover fell from 6.9% to 5.2%. In addition to Russia, other trading partners of Greece have reduced turnover (Kazakhstan by -50.7%, Iraq by -34.5% and Turkey by -42.7%). As Table 1 shows, the decline occurred in almost all countries except the United States where there is an increase by 29.2% from 2014 to 2015. For January-February 2015-2016 the drop in trade with Russia amounted to -37.7% while increases by 4.3% for USA.

Table 1: Main partners of Greece 2014-2016 (Eurostat, US mln. dollars)

| | 2014 | 2015 | pace 2015/14 | rank | january- february 2015 г. | january- february 2016 г. | pace january- february. 2016/15 |
|-----------------|-----------------|-----------------|-----------------|-----------|---------------------------------|---------------------------------|--|
| turnover | 99 936,7 | 77100,7 | -22,9% | | 12 122,0 | 11 083,6 | -8,6% |
| Italy | 8 378,2 | 7 278,7 | -13,1% | 1 | 1 206,7 | 1 150,7 | -4,6% |
| Germany | 8 809,0 | 7 280,4 | -17,4% | 2 | 1 220,6 | 1 145,9 | -6,1% |
| China | 3 675,7 | 3 085,1 | -16,1% | 3 | 588,9 | 582,0 | -1,2% |
| Holland | 3 759,0 | 3 231,5 | -14,0% | 4 | 493,7 | 502,4 | 1,8% |
| France | 3 786,8 | 2 891,2 | -23,7% | 5 | 517,9 | 447,9 | -13,5% |
| Bulgaria | 3 900,8 | 3 153,7 | -19,2% | 6 | 465,1 | 421,3 | -9,4% |
| Turkey | 5 890,2 | 3 375,6 | -42,7% | 7 | 560,7 | 406,9 | -27,4% |
| Spain | 3 076,0 | 2 551,5 | -17,1% | 8 | 458,4 | 385,6 | -15,9% |
| Russia | 6 893,1 | 4 028,2 | -41,6% | 9 | 604,0 | 376,2 | -37,7% |
| <i>share</i> | <i>6,9%</i> | <i>5,2%</i> | | | <i>5,0%</i> | <i>3,4%</i> | |
| export | 36 163,1 | 28717,1 | -20,6% | | 4 497,0 | 3 971,6 | -11,7% |
| Italy | 3 312,7 | 3 238,0 | -2,3% | 1 | 562,3 | 525,5 | -6,6% |
| Germany | 2 383,0 | 2 100,0 | -11,9% | 2 | 313,0 | 312,6 | -0,1% |
| Cyprus | 1 777,1 | 1 717,9 | -3,3% | 3 | 253,1 | 278,0 | 9,8% |
| Bulgaria | 1 878,3 | 1 499,4 | -20,2% | 4 | 226,9 | 192,3 | -15,2% |
| Turkey | 4 347,2 | 1 898,8 | -56,3% | 5 | 371,1 | 176,6 | -52,4% |
| USA | 1 071,6 | 1 384,3 | 29,2% | 6 | 168,7 | 176,0 | 4,3% |
| Russia | 474,1 | 236,7 | -50,1% | 34 | 28,9 | 22,0 | -23,8% |
| <i>share</i> | <i>1,3%</i> | <i>0,8%</i> | | | <i>0,6%</i> | <i>0,6%</i> | |
| import | 63 773,6 | 48 383,6 | -24,1% | | 7 625,0 | 7 112,0 | -6,7% |
| Germany | 6 426,0 | 5 180,4 | -19,4% | 1 | 907,6 | 833,2 | -8,2% |
| Italy | 5 065,5 | 4 040,6 | -20,2% | 2 | 644,4 | 625,3 | -3,0% |
| China | 3 310,8 | 2 830,9 | -14,5% | 3 | 558,6 | 544,1 | -2,6% |
| Holland | 3 180,6 | 2 670,1 | -16,0% | 4 | 416,5 | 403,7 | -3,1% |
| Russia | 6 419,0 | 3 791,5 | -40,9% | 5 | 575,1 | 354,2 | -38,4% |
| <i>share</i> | <i>10,1%</i> | <i>7,8%</i> | | | <i>7,5%</i> | <i>5,0%</i> | |

Source: Official website of the Russian Ministry of Economic Development. URL: <http://economy.gov.ru/minec> (reference date: 09/08/2016)

As for the Greek exports in 2015 Russia occupies the 34th place (22nd in 2014) among the destination countries of Greek goods, while it decreased in 2015 from

USD 474.1 million in 2014 to USD 236.7 million in 2015 a rate more than 50.1%; the Russia's share of turnover fell from 1.3% to 0.8% in the same period. In addition to Russia, other trading partners in 2015 of Greece have reduced their turnovers (Macedonia -30.7% and Turkey -56.3%). As it is shown in Table 1, the drop occurred in most countries except for the United States, where the growth amounted to 29.2%, for Egypt an increase by 15.4% and for Lebanon an increase by 4.4%. For the period January-February 2015-2016 the fall in exports from Greece to Russia amounted to -23.8%.

In the Greek import trade Russia was in the 5th place in 2015 (2nd in 2014), which is mainly due to the extensive imports of energy products. Falling imports to Greece from Russia in 2015 decreased to USD 3.7915 billion from USD 6.4190 billion in 2014 or by -40.9%. It should be noted that imports decreased from all over Greece. For January-February 2015-2016 the drop in imports from Russia to Greece amounted to -38.4%.

Greece in 2015 was in the 33rd place in the list of trade partners of the Russian Federation. Russian Federation has not even a trade mission in Athens, which is not surprising, paying attention to the fact that the share of Greece in the turnover with Russia in 2014-2015 has only 0.5%; imported product in Russia was 0.1% of total imports in 2015 (0.2% in 2014), and exports to Greece was 0.7% in 2014-2015. Russian embargo has influenced Greek exports: foreign trade turnover in Greece decreased by 39.2 from 2013 to 2014, Greek imports from Russia decreased by 41.2% and Greek exports to Russia decreased by 18.8% from 2013 to 2014. It is important to know that a significant reduction of mutual trade turnover was not only because of the mutual sanctions, but also due to lower deliveries of Russian energy resources to Greece: oil and oil products by USD 2 billion, gas by USD 0.5 billion. Russia provides 66% of Greece's energy needs; oil makes up 74% of the total imports from the Russian Federation to Greece.

The main exports from Greece to Russia in 2015 were (in descending order, aggregated): 1. Chemical industry products and rubber, 2. Mineral products and agricultural products 3. Food stuffs 4. Machines, equipment and vehicles. These product groups were differentiated in 2014 as follows: 1. Food stuffs and agricultural raw materials (the lion's share) 2. Chemical industry products and rubber 3. Mineral products.

The main imported goods in Greece from Russia in 2014-2015 were (in descending order, aggregated): 1. Mineral products (fuel and energy products, by a considerable margin) 2. Food stuffs and agricultural (mainly wheat and maize) 3. Metals and products made of them.

As you can see, the flow of goods of Greek-Russian import and export cross overlap among different partners, which eliminates competition and is a positive factor for development.

Considering the share of the tourism sector in the foreign trade, we note that Russia is in the 4th place in the list of countries choosing Greece as a vocational place. According to the Greek statistics in 2012 Russians accounted for 5.6% of all tourists while in 2013 it was 7.5% (1.17 million people.). According to the Federal Tourism Agency in 2014, the flow of tourists from Russia decreased by 14% amounted to 1.02 million people; in 2015 Greece was visited by about 660 thousand Russian tourists, this is 30% less than in 2014. In 2016, these figures have increased significantly, which is associated mainly to the acceleration of the timing of issuing visas. Tourism provides 20% of Greece's GDP, is one of the most important sectors of the Greek economy, which employs 25% of the country's citizens.

Investment cooperation between Russia and Greece began in the 1990s, with the penetration of the Greek capital in Russia and registration of the institutional framework for future investments. Greece is not one of the main economic partners of Russia, but some of the Greek companies have carried out major investment projects and firmly have been established in the Russian market. Greek investments in the Russian economy occupy an insignificant place among the countries of the European Union, moreover after 2008 due to the deterioration of the overall financial and economic situation in Greece, they have actually stopped. As of January 2014, according to the CBR⁸, direct Greek investments in Russia amounted to USD 12 million which is 0.0021% of the total volume of foreign direct investment in Russia this year.

Greek companies operating in the Russian market narrowly specialized sub-divided into three main groups:

- Greek producers and exporters of food and beverages, as well as clothes, shoes and accessories (especially fur products);
- Greek companies related to energy, transport, tourism and construction;
- Greek investors interested to invest in projects carried out in the territory of Russia⁹.

According to the Department of Economic and Commercial Affairs of the Embassy of the Hellenic Republic in Moscow¹⁰, about 70 Greek companies, the largest of them (excluding the energy sector) such as Coca-Cola Hellenic Bottling With Eurasia, the Greek subsidiary of the world famous manufacturer of soft drinks which is 23.3% controlled by the Greek businessmen, operate in Russia. Also in the

⁸ Direct investments in Russian Federation from abroad according to the instruments and the investing countries in 2010–2014s. URL: http://www.cbr.ru/statistics/print.aspx?file=credit_statistics/dir-inv_in_country.htm (accessed: 02.09.2016).

⁹ Vlasova, V. Economic relations between Russia and Greece. World and Politics.16.10.2012.URL: <http://mir-politika.rul610-ekonomicheskie-otnoshemya-mezlidu-greciey-ossiey.html> (accessed: 02.08.2016).

¹⁰ Trade –economic Department Of Greek Embassy in Moscow .URL: <http://www.agora.mfa.gr/frontoffice/portal.asp?cpage=NODE&cnode=7&xcc=ru&mid=105> (accessed: 20.08.2016).

Russian market Greek companies such as production companies «Multon» (juices), «Frigoglass» (professional refrigerators), «Chipita» (bakery and confectionery), «Prometheus» (cement), a trading company «TOGAS» (textiles Housing) and others are well established in Russia for quite a long time.

Promotion of Greek companies in Russia entered a grocery hamper the embargo, the fall in consumer demand in the Russian market, bureaucratic difficulties, lack of information about Russian companies, contractors, weak brand awareness “Made in Greece” in addition to other misconception issues have played a crucial role in the deterioration of Greek investments in Russia.

Russian business in recent years, have not made investments in the Greek economy compared to the funds invested in other States of the European Union. In 2014 according to the Central Bank of the Russian Federation¹¹, Russian Direct Investment in Greece amounted to USD 185 million which makes 0.32% of the total annual investments abroad. In 2015 over USD 12 million total were invested showing a 15 times decrease during the year. Russian companies in Greece invested mainly in the sphere of power engineering, armament, tourism, telecommunications, construction, banking, food and beverage production. In the Greek market they have faced many difficulties related to the different legal system, some bureaucratic obstacles, obstacles from lobbying interests of foreign companies, in particular from the European Union and the United States.

3. Results

It seems important to get rid of the old illusions that have become an obstacle to the development of bilateral cooperation, to develop and implement in the Russian-Greek relations, work out new guidelines that would meet today's global realities of global development.

The first illusion is the pro-Russian character of the Orthodox Church in Greece. If in the recent past the pro-Russian element really occupied an important place in the Greek Orthodox Church, it has been steadily declining in recent decades and not only in Greece. Since the influence of the church on society is being reduced around the world, especially among the youth, the religious community can hardly be regarded as a reliable basis for the development of Russian-Greek relations, but this, of course, should not mean a refusal from increasing cultural and religious contacts.

Despite the positive attitude of the majority of Greeks to Russia, the overwhelming part of them identifies themselves more with Europe than with the Orthodox

¹¹DirectForeignInvestmentsofRussianFederationResidentsaccordingtotheinstrumentsandpartnercountry sin. 2007 - 2015 s., 1 quarter 2016 . URL: <http://www.cbr.ru/statistics/?PrId=svs> (accessed: 22.08.2016).

civilization and Russia in particular, accordingly, the European component of the Greek socio-political discourse should not be underestimated.

The second illusion is that the centuries-old history of Russian-Greek relations is able to guarantee their progressive development in the future. The last few years have shown that inaction in the political, economic and cultural areas will lead to the fact that the currently observed stagnation in relations between Russia and Greece will stretched for an indefinitely long period.

The undoubted stimulus to revitalize the work of Russian companies in Greece must be that the Greek market is a market that consists not of 11 million Greek consumers but of 65 million consumers, as through Greece, they can reach many Balkan countries using the network established by the Greeks in these countries¹².

Russia and Eurasian union can be the alternative to economic and civilization development in Greece. It is noted at the highest level: "We aren't afraid of modern challenges and new alliances. Greece should go its way... Greece should rely on regional integration in Asia, Africa and Latin America, on BRICS countries and Eurasian Economic Union- a new source of production of the wealth, benefits and economic power" (Prime Minister A. Tsipras, Economic Forum St. Petersburg, May 2016).

Constructive cooperation and partnership will stimulate the further development of bilateral relations between our two countries. Currently we can highlight the following points of the cooperation's growth between Russia and Greece.

- The development of investment cooperation, in particular, the acquisition of assets in the pharmaceutical and shipping sectors, railway networks by Russian companies in Greece.
- The cooperation in the agricultural sector (the construction of cattle-breeding farms, the introduction of new technologies in fruits and vegetables' cultivation in the Southern regions of Russia, to create joint ventures for the processing of agricultural products in Russia).
- To continue the cooperation in the power sector, in particular the construction of the gas pipeline "Turkish Stream".
- Joint projects in the hotel industry (Russian companies' participation in their construction in Greece).
- To establish inter-regional relations among different regions of the countries; the delivery of Russian's high technologies, machinery and equipment to Greece (including the products of military-industrial complex).

¹² Vlasova. V. Economic relations between Russia and Greece. World and Politics.16.10.2012.URL: <http://mir-politika.rul610-ekonomicheskie-otnoshemya-mezlidu-greciey-ossiey.html> (accessed: 02.08.2016).

- The introduction of programs for the study of Greek language in Russia and Russian language in Greece, including summer courses, professional and academic.
- The creation of joint educational programs, internships, exchange of students and trainees, dual certification programs.
- The expansion of air transportation's network between the regions of Russia and Greece with touristic and historical interest.
- The development of tourist exchange, including the trips from Greece to Russian regions with Greek diaspora and to increase the focus on the medical and religious tourism in Greece.
- To strengthen the cooperation in security and to counter terrorism.
- To intensify the dialogue in the framework of the Black Sea Economic Cooperation.

It is unlikely that the implementation of the above measures will lead to a rapid rise in Russian-Greek relations in comparison with what we have observed in the middle of 2000. The reason is that many points of contact lost its relevant and it is necessary to work hard on new ones.

It is prospectively for Russian business to conduct the evaluation of Greek assets through the relevant agencies and organizations in terms of their attractiveness for investment. Most of them are devaluated due to the economic crisis and decrease of domestic demand for Greek goods and services. Like the criterion we can take the approximate terms of economic recovery and expected percentage's growth in the value of these assets. It is expediently to pay attention to those assets that will rise after economy's stabilization and is possible to sell it with profit. The acquisition of promising Greek assets and ensuring of their functioning will promote Russian-Greek partnership, increase Russia's presence in Greece and gain additional work experience in this country.

Great opportunities are also associated with the investments in the Greek tourism sector. When the Russian tourist's flow is growing constantly, the direct investments in Greek hotel infrastructure would allow to accumulate funds, spent by Russian consumers and reinvest them in other assets. In turn, Greece would receive its share like the tax deductions. In addition the tourism business, organized by the Russian capital can help to solve the employment problems for unemployed Greeks and to intensify the propagation of Russian language in Greece. This process may contribute to the formation of a significant layer of the Greek population and it will be economically interested in the development of intensive economic relations between two countries.

However it is required a serious organizational structure in order to attract a reputable Russian investors to Greece. The investment projects of Russian capital in foreign tourist industry are rare, moreover in country that is in economic crisis. The

preparation of the agreement about investment's protection can be one of the most possible solutions.

If we talk about long-term strategy, the main efforts should be focused on the formation of a pro Russian lobby in political, economic and social life of Greece. Considering the high level of youth unemployment, it can be productive to invite young Greek specialists with the necessary knowledge and skills to Russian companies on a demanded basis. The expansion of cultural, first of all educational programs in Greece, the programs of Russian language propagation will form a positive image of Russia.

Now the main centers for the promotion of the Russian language in Greece are Russian cultural and educational institutions, whereas, for example, in Turkey, the Russian language is taught at leading universities. It is also necessary to take into account the potential of the Pontic Greeks, many of whom in the 1990s, having obtained the Greek citizenship, live in Greece, keeping at the same time family relations with Russia.

Other important strategic direction of interaction is the deepening and the expansion of scales of cooperation within the international organizations, first of all, in regional - the Council of Europe, the Organization of the Black Sea Economic Cooperation, etc. Development of common positions concerning joint participation in infrastructure, first of all, in the transport and energy projects of the region which are equitable to the Russian interests shall become the main practical result of such interaction. The similar policy will contribute to the consolidation of the existing Russian shares in the regional markets of energy and freight transportation.

It is promising to unite the efforts of the Customs Union, the EurAsEC and the CIS in the whole Greek area. In particular, it would be possible to explore the possibilities and feasibility of joint investments in promising Greek assets or in international projects in Greece. This approach allowed us to diversify the risks of participation of Russian capital, reduce investment costs and at the same time strengthen the cooperation between Russia and these countries.

Summing up the result, we accent that the current crisis of the EU has system character for which overcoming deep reorganization of the bases of the European integration project and the European outlook in general is necessary.

Time of “rapid development and unprecedented progress of the European integration” came to the end; there is a new era in the history of the European Union¹³. A number of experts consider the period of 2011-2015 “time of the missed opportunities of formation of authentic partnership”. It is necessary not to return interaction of Russia and the EU to a former format – “business as usual”, and to remove it on new level.

¹³ Borko Yu.A. The European Union in the XXI century: current issues and fundamental problems // Modern Europe. 2015. No. 3. P. 7.

The prospects of recovery for an effective cooperation between Russia and the EU lie not in the plane of return to pre-crisis period, but in the possibility of interface of integration processes within the EU, the Eurasian Economic Union and the Economic belt of the Silk way.

4. Conclusions and recommendations

We shouldn't expect a break, a kind of an improvement, in the external economic cooperation of Russia and Greece in the next years at least, before an overcoming of the economic depression in the two countries, especially in the Greek economy and the removals of the mutual sanction restrictions between Russia and the European Union.

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