

The EU's Eastern Partnership between a rock and a hard place

Introduction

The Eastern Partnership (EaP) is the framework policy for the engagement between the European Union (EU) and six East-European states – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The recent revisions¹ of the EaP bring to the fore a growing discrepancy between expectations of pro-European actors in the neighbourhood states and the actual policy pursued by the EU Commission. As a result, the neighbourhood countries find themselves in a 'strategic dilemma': On the one hand, reform efforts and 'European aspirations' may not be adequately awarded with integration steps, let alone a membership perspective. On the other hand, EU integration further nurtures rivaling regionalisms between the EU and Russia², which make it hard for the neighbourhood states to balance between the two. However, this rivalry is clearly of political nature. From an economic perspective, enhanced free trade between the Eurasian Economic Union (EAEU)³ and the EU would bring benefits for the members of both organizations.⁴

This AIES Fokus analyses the EaP from the perspective of interregional cooperation between the EU and the EAEU. It argues that the strategic dilemma is the result of two shortcomings of the EU's engagement in Eastern Europe: the lack of interregionalism and the reluctance to engage with questions of 'hard security'. The paper suggests that enhanced bloc-to-bloc cooperation between the EU and the Eurasian Economic Union (EAEU) is a way out of the strategic dilemma. Clearly, economic cooperation is the low hanging fruit to address the tense geopolitical environment in Eastern Europe.

A multi-faced support scheme with high symbolic value

Strictly speaking, the EaP is not much more than a set of joint objectives and areas of cooperation agreed between the EU Commission and the governments of the partner states. Currently, 20 deliverables define the cooperation agenda. These 20 deliverables are grouped in four bundles labelled 'stronger economy' (concerned with trade and economic agents' access to financing), 'stronger governance' (aimed at strengthening institutions, public administration, as well as the justice sector), 'stronger connectivity' (concerned with improving transport links, infrastructure, and energy efficiency), 'stronger society' (focusing on mobility, visa liberalization, youth participation, as well as education and training).⁵

How the EU's support unfolds in each of the partner countries varies significantly. The state of cooperation with each of the partners is described by the so-called 'bilateral track' of the EaP. Georgia, Moldova and Ukraine respectively signed an Association Agreement (AA) in 2014, establishing Deep and Comprehensive Free Trade Areas (DCFTA) between the EU and the three partners. The implementation of the jointly agreed association agenda is supported by funding schemes and monitored by the EU Commission. The support for states with less 'European aspirations', such as Belarus and Azerbaijan, is provided on the basis of Action Plans. Armenia occupies a middle ground, having recently signed a Comprehensive and Advanced Partnership Agreement (CEPA).

The bulk of the support is made available through so-called budget support programs, which involve the conditional transfer of funds to national treasuries. A smaller amount of funds circumvents governmental structures and is allocated

for specific projects, targeting a variety of actors such as local administrations, SMEs, Civil Society Organizations, business and agricultural associations, etc. Besides that, EaP countries have access to a variety of internal EU funding schemes such as EURASMUS+, rural development programs (i.e. LEADER), and of course they benefit from macro-financial assistance (MFA)⁶.

From a political viewpoint, the EaP is of extremely high symbolic value. For many, the EaP is seen as a stepping stone away from corruption, underdevelopment, and Russian influence. The recent reforms of the EaP brought to the fore a growing discrepancy of the expectations of some pro-European actors in the neighbourhood countries and the actual policy pursued by the Commission. The logic implied in the wording used in recent strategic documents and in statements of EU officials is to better connect the neighbourhood states, which will remain outside the EU, rather than to integrate them into EU structures. The 2015 ENP review⁷ had focused on an incentives-based 'more-for-more-approach' in combination with local ownership and further differentiation between the countries with apparently different 'European aspirations'. The more recent strategic documents⁸ build the EaP around the concepts of 'resilience', 'connectivity', as well as 'concrete outcomes for people'. This comes along with the downgrading of expectations, the focus on economic development, and the involvement of a variety of domestic actors which can arguably much better control local elites than the EU's conditionality.

Central to this shift was the observation that a lack of progress in terms of reforms is rooted in domestic politics and poor economic performance, rather than in weak institutions. Even if many countries demonstrated willingness to reform – specifically the 'front runners' Moldova, Geor-

gia and Ukraine – oligarchs and informal networks kept pulling the strings behind the political scene.⁹ Informal politics and clientelistic networks undermine the very same institutions that an EU-inspired reform process was supposed to transform.¹⁰

Responses of the civil society sector in the Structured Consultation Process¹¹ confirm this: Strengthening the role of civil society and other domestic stakeholders, dedicating funding to specific projects, and individual sanctions were assessed as much more useful than a 'one-size-fits-all' sticks and carrots scheme.¹² The Consultation also showed that among the top needs are tailor-made economic support schemes and financing, and industrial strategies, specifically in sectors that are competitive for EU markets (i.e. digital industry).¹³

The EaP under the shadow of geopolitics

While the EaP is well adjusted to the neighbourhood states' needs, it does not reflect some pro-European actors' aspirations. Already since the 1990s geopolitical fault lines reflect the major political cleavages in some neighbourhood states' domestic politics. Pro-EU reformers stand against a camp of EU sceptics who draw upon political support from Moscow. The unintended consequence is growing societal polarization¹⁴ and political instability that proved to be an obstacle for domestic reforms.¹⁵ It is not least the 'symbolic power' of EU integration as well as the EU's and Russia's intersecting conditionalities which created loopholes for local oligarchs to act in their own interest.¹⁶

Each of the neighbourhood states has adopted individual foreign policy strategies, based on their domestic discourses to handle the two rivaling influences from the EU and Russia. The domestic discourse in Georgia has been strongly in favour of Euro-Atlantic integration. Unsurprisingly, after Russia's aggression in eastern Ukraine in 2014, Ukraine's geopolitical pendulum shifted firmly towards the EU and NATO. Both countries favour a 'principled approach'¹⁷ towards Russia and see engagement with Russia and the EU as an either-or-question. As such, they keep lobbying

for further integration and a membership perspective¹⁸. On the other hand, the domestic discourses in Belarus, Azerbaijan and Armenia, to some degree also those in Moldova, are open for a balanced approach, aiming at maximizing benefits from engagement with both sides.

Against this background, the neighbourhood countries find themselves in a 'strategic dilemma': On the one hand, reform efforts and 'European aspirations' may not be adequately awarded with integration steps, let alone a membership perspective. On the other hand, the EU and Russia pursue two rivaling and seemingly exclusive regionalisms, which make it hard for neighbourhood states to balance.

The lack of interregionalism in Eastern Europe

The export of (inter)regionalism is a fundamental principle of EU external action, but it is inexistent in Eastern Europe and Eurasia. In this regard, there have been a few remarkable developments: First, already at the time when the European Neighbourhood Policy (ENP) was launched in 2003, there were widely shared concerns within the EU Commission that Russia could increase its influence in Eastern Europe through existing regional (economic) organizations, such as the Commonwealth of Independent States (CIS).¹⁹ Hence, the CIS and later the EAEU were viewed as rivaling projects and the EU has been reluctant to strengthen interregional cooperation. Second, the ENP and later the EaP have pronounced multilateral dimensions, but in fact, the EU favoured bilateral cooperation and differentiation over multilateralism.²⁰ To be sure, the EaP includes a 'multilateral track'²¹ and the Commission developed a variety of sub-regionalisms, including the so-called 'Northern Dimension', the Black Sea and Baltic Sea Cooperation, and plenty of cross-border cooperation projects. However, all those multilateral initiatives were subordinated to the concept of differentiation, and bilateral engagement with the partner states – or what can be called the 'regatta-principle' – which left the multilateral dimension extremely unattractive for the neighbourhood states.

In other words, the EU preferred to engage with each of the partner states separately, for example, by signed three separate free-trade agreements (the DCFTAs), instead of engaging with the free-trade area that had already been established between the neighbourhood states through the CIS. Third, the most recent EaP revision remains without much momentum towards regional cooperation. While the "right balance between inclusiveness and differentiation"²² has been a key issue in the Structured Consultation, the official revision seems to be satisfied with the fact that "[b]ilateral cooperation remains the main way to ensure a tailor-made approach"²³, implying that again bilateralism will ensure that tailor-made approach. Finally, the often proclaimed incompatibility between EU integration (i.e. the Association Agreement and the DCFTA) and Eurasian integration (i.e. the CIS FTA or the EAEU) is of political and not of legalistic nature. The incompatibility would be manageable through specific customs procedures orchestrated in a multilateral dialog.²⁴

As a result, the current framework of interregional cooperation is not sufficient for those countries who seek to balance between the EU and Russia, specifically in terms of trade and economic cooperation. Given the absence of a membership perspective, enhanced interregionalism may be a way out of the strategic dilemma, potentially including cooperation with the EAEU. Instead of reinforcing antagonism in Eastern Europe it would help EaP countries to better balance their 'in-betweenness'.

The EU as a reluctant security actor

The security architecture is part of this puzzle. Since its launch in 2003 the European Neighbourhood Policy (ENP) – and since 2009 the EaP – adheres to a notion of 'holistic security': This means that rule of law, the fight against organized crime and corruption, and resilient institutions are seen as the main components of security and stability. Other important dimensions of security that figure prominently in the EaP are hybrid threats and cyber resilience.²⁵ However, the political reality on the ground is dominated by geopolitics,

geo-economics and protracted conflicts in the neighbourhood states. Accordingly, the Structured Consultation showed an increasing demand on parts of the EaP countries for more security engagement of the EU, specifically with regards to the protracted conflicts in which five out of six EaP states are involved.²⁶

It is more than obvious that Russia, the sponsor of the protracted conflicts in Ukraine, Georgia and Moldova, is the elephant in the room in terms of security. After the drop-out of Russia from the ENP in 2003, the regional security architecture deteriorated, reaching its temporary low during the war in Eastern Ukraine. Furthermore, the crisis of multilateralism has reached the global level through the cancellation of decade old disarmament treaties (i.e. the INF Treaty) and a temporary high of global military expenditure.²⁷

Several attempts to launch a security dialog in Europe failed for various reasons: The Corfu Process on European Security in 2008 under the umbrella of the Organization for Security and Cooperation in Europe (OSCE) already brought to the fore the major fault lines: Moscow's disregard of a post-Cold War security architecture on the basis of NATO (enlargement), as well the EU members states' and the US' insistence on a holistic approach to security, including the human dimension.²⁸ Other initiatives, such as the 'Steinmeier Initiative', in which the former German Foreign Minister called for launching negotiation on a European Security Treaty, lacked support from the EU and its member states. Also, the diplomatic efforts which were supposed to unlock the Minsk process were driven by France and Germany and lacked coordination among the EU members.

Both the EU and Russia have done little to engage in security multilateralism. The Commission's silence on the efforts of the OSCE towards arms control and trust building²⁹, NATO's eastern enlargement, or the Steinmeier Initiative stand in stark contrast to the proclaimed aim of improving actorness on the global stage.³⁰ With view on Moscow, the reluctance to withdraw troops from Transnistria despite the OSCE

agreements³¹ and the interventions in Georgia and Ukraine are the most prominent examples in an array of actions that show disrespect towards security multilateralism. This indicates that a security dialog could at best complement – but surely not replace – power politics and deterrence. At the heart of Moscow's disregard of multilateralism arguably lies the fear of 'colour revolutions', which also leave the EaP being interpreted in a security-logic by Moscow. Yet, without insisting on a holistic approach, security multilateralism may become a serious option for Moscow, as it does not pose a threat to the regime.

Conclusion and Recommendations

The analysis has shown that the lack of multilateralism in the areas economy and security is one of the key problems in Eastern Europe. In its current form, the EaP is caught between a rock and a hard place due to the lack of institutional cooperation between the EU and the wider Eurasian space. The EU should therefore step up bloc-to-bloc cooperation with the EAEU on a supranational level. An interregional working group is already in place to discuss standards and regulations, customs procedures, and other technical barriers to trade. This cooperation should be enhanced and brought on a more political level, by which the EU could function as a model to make the EAEU more efficient and democratic. The analysis has highlighted a few arguments in favour of enhanced cooperation with the EAEU:

- ★ There is a growing discrepancy between some neighbourhood states' expectation and the EU's level of engagement. If EU membership is not at stake, interregionalism would at least help the neighbourhood states to better balance between the EU and Russia.
- ★ As economic development remains a key objective of the EaP, neighbourhood states should be encouraged to better exploit the full potential of (economic) integration with both regionalisms.

- ★ Favouring bilateralism over multilateralism in Eastern Europe has proven counterproductive for political stability: It nurtures geopolitical discourses in the neighbourhood states and strengthens the rivalry between European and Eurasian integration.

- ★ While undoubtedly dominated by Russia, the EAEU has developed supranational structures which are capable of handling an interregional cooperation. A dialog between the EU and the EAEU not only recognizes Eurasian regionalism, but also provides incentives to strengthen it.

- ★ An interregional dialog would allow the EU to adhere to the 'principled approach' towards Russia, and also keep up bilateral sanctions. Russia may remain a 'strategic rival' but the EAEU may become a strategic partner.³²

- ★ Finally, the dialog should address at least two issues: First, it should be concerned with mutually beneficial economic cooperation, such as harmonization of standards and procedures, and the reduction of technical barriers to trade. This would reduce incompatibility and make the engagement of the states 'in-between' with both regionalisms easier. Second, the EU should try to export its successful model of democratic regional cooperation, and work together with the EAEU to make Eurasian regionalism more effective and more democratic.

Endnotes

- 1) See "Joint Declaration of the Eastern Partnership Summit", 24 November 2017, Brussels, online: <https://www.consilium.europa.eu/en/press/press-releases/2017/11/24/eastern-partnership-summit-joint-declaration/>; and JOIN(2020) 7 final, "Eastern Partnership policy beyond 2020. Reinforcing Resilience - an Eastern Partnership that delivers for all", online: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/joint_communication_on_the_eap_policy_beyond_2020.pdf
- 2) Tchakarova, Velina, "Competing geopolitical approaches towards Eastern Europe", AIES Fokus 4/2017, online: <https://www.aies.at/publikationen/2017/fokus-17-04.php>
- 3) The EAEU was found in 2014. It establishes a single market between Russia, Armenia, Belarus, Kazakhstan and Kirgizstan.
- 4) Vinokurov, Evgeny, Peter Balas, Michael Emerson, Peter Havlik, Vladimir Perebojev, Elena Rovenskaya, Anastasia Stepanova, Jurij Kofner, and Pavel Kabat, 2016, "Challenges and Opportunities of Economic Integration within a Wider European and Eurasian Space", Synthesis Report, Laxenburg: International Institute for Applied Systems Analysis, online: <http://pure.iiasa.ac.at/id/eprint/13982/1/18-01-17%20Final%20Eurasian%20project%20report.pdf>; Felbermayer, Gabriel, Rahel Aichele, and Jasmin Gröschl, 2016, "Freihandel von Lissabon bis Wladiwostok: Wem nutzt, wem schadet ein eurasisches Freihandelsabkommen", Studie des Ifo Instituts im Auftrag der Bertelsmann Stiftung, online: https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/NW_Eurasien.pdf
- 5) See EAP Fact Sheet, "20 Deliverables for 2020: Bringing Tangible Results for citizens", 2017, online: <https://www.consilium.europa.eu/media/31690/eap-generic-factsheet-digital.pdf>
- 6) As a response of the COVID 19 Pandemic, the EU has set up MFA worth 3 billion Euro for neighbourhood and candidate countries: out of this amount 1.2 billion Euro are allocated for Ukraine, 150 million Euro to Georgia and 100 million Euro for Moldova. See <https://www.consilium.europa.eu/en/press/press-releases/2020/05/20/covid-19-council-adopts-3-billion-assistance-package-to-support-neighbouring-partners/>
- 7) See SWD(2015) 500 final, "Review of the European Neighbourhood Policy", online: http://eeas.europa.eu/archives/docs/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf
- 8) See endnote 1
- 9) The periods of 'state capture' by the Oligarchs Vladimír Plahotniuc (in Moldova between 2013 and 2019) and Bidzina Ivanishvili (in Georgia in 2017 and 2018) are striking in this regard.
- 10) For a critical examination of the EU's assistance see for example Leitch, Duncan, 2017, "Leaving like an Englishman: Assisting institutional reform in post-communist Ukraine" Development Policy Review 37 (1): 111-128; Wolczuk, Kataryna; Zerulo, Darius, 2019, "Fit for Purpose? Evaluating the EU's Assistance to Ukraine", EU-STRAT Policy Brief Series 5, online: <http://eu-strat.eu/wp-content/uploads/2019/04/EU-STRAT-Policy-Brief-No.-5.pdf>
- 11) As part of the EAP review carried out in 2019 and 2020 the Commission launched a Structured Consultation Process, involving representatives of the EAP states as well as a variety of civil society organizations and think tanks: https://ec.europa.eu/neighbourhood-enlargement/tenders/consultation_eap_en
- 12) See the country reports of the EAP CSF Structured Consultation 2019, online: <https://eap-csf.eu/policy-dialogue/eap-csf-structured-consultation-2019/>
- 13) See the country reports of the EAP CSF Structured Consultation 2019, op. cit. endnote 11
- 14) See for example Groza, Iulian, Mathias Jopp, Vladislav Kulminski, Vadim Pistrinciu, Andrei Popov, Adrian Popescu, and Julian Rusu, 2018, "Strengthening Social Cohesion and Common Identity in the Republic of Moldova", online: <http://iep-berlin.de/wp-content/uploads/2018/02/Social-Cohesion-and-Common-Identity-EN.pdf>
- 15) Casier, Tom, 2019, "The Unintended Consequences of a European Neighbourhood Policy without Russia", The International Spectator 54 (1): 76-88
- 16) Delcour, Laure, 2018, "You can lead a horse to water, but you can't make it drink": the EU's and Russia's intersecting conditionalities and domestic responses in Georgia and Moldova." European Politics and Society, 19 (4): 490-505
- 17) Since 2016, the EU's engagement with Russia follows a so called 'principled approach' towards Russia outlined in 5 guidelines: full implementation of the Minsk agreements; closer ties with Russia's former Soviet neighbours; strengthening EU resilience to Russian threats; selective engagement with Russia on certain issues such as counter-terrorism; and support for people-to-people contacts
- 18) See for example the Country Report Ukraine as part of the Structured Consultation, online: <https://eap-csf.eu/wp-content/uploads/Ukraine-country-report.pdf> (p. 8). It was argued in an interview with experts that "the top priority for Ukraine is to develop relations with the EU further under the bilateral track, as well as opening the EU membership perspective for Ukraine but also for the other two AA/DCFTA partners".
- 19) COM(2004) 106 final, 2004 "Communication from the Commission to the Council and to the European Parliament. On relations with Russia", online: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2004:0106:FIN:EN:PDF>, p. 3
- 20) Smith, Karen E, 2005, "The EU and Central and Eastern Europe: The Absence of Interregionalism", Journal of European Integration, 27(3): 347-364; Delcour, Laure, 2008, "A Missing Eastern Dimension? The ENP and Region-Building in the Post-Soviet Area" In Pioneering Europe? Testing European Foreign Policy in the Neighbourhood, edited by Laure Delcour and Elsa Tulmets, 161-176. Baden-Baden: Nomos.
- 21) See the "Revised multilateral EAP architecture", online: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_summit_map_a4_digital.pdf
- 22) JOIN(2020) 7 final, "Structured Consultation on the future of the Eastern Partnership. Accompanying the document. Eastern Partnership policy beyond 2020", online: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0056\(01\)&rom=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0056(01)&rom=EN), p. 5
- 23) JOIN(2020) 7 final, "Eastern Partnership policy beyond 2020. Reinforcing Resilience - an Eastern Partnership that delivers for all", op. cit., p. 4
- 24) Delcour, Laure, Hrant Kostanyan, Bruno Vandecasteele, and Peter Van Elsuwe, 2015, "The Implications of Eurasian Integration for the EU's Relations with the Countries of the post-Soviet space" Studia Diplomatica LXVIII-1:5-26, p. 22-23
- 25) JOIN(2020) 7 final, "Eastern Partnership policy beyond 2020. Reinforcing Resilience - an Eastern Partnership that delivers for all", op. cit.
- 26) JOIN(2020) 7 final, "Structured Consultation on the future of the Eastern Partnership. Accompanying the document. Eastern Partnership policy beyond 2020", op. cit., p. 6, see also the country reports of the EAP CSF Structured Consultation 2019, op. cit.
- 27) See SIPRI Fact Sheet, "Trends in World Military Expenditure, 2019", April 2020, online: <https://www.sipri.org/publications/2020/sipri-fact-sheets/trends-world-military-expenditure-2019>
- 28) Cliff, Ian, 2012, "The Corfu Process - What Was it All About?" In OSCE Yearbook 2011, edited by IFSH, 65-76, Nomos: Baden-Baden, online: <https://ifsh.de/file-CORE/documents/yearbook/english/11/Cliff-en.pdf>
- 29) See for example the recent initiatives such as the „Declaration on the Twentieth Anniversary of the OSCE Framework for Arms Control“, OSCE Ministerial Council Hamburg, 2016, online: <https://www.osce.org/de/cio/290636>; and "Back to Diplomacy. Final Report and Recommendations of the Panel of Eminent Persons on European Security as a Common Project", November 2015, online: <https://www.osce.org/networks/205846>
- 30) See "A Global Strategy for the European Union's Foreign And Security Policy", June 2016; and the new 'Geopolitical Commission': <https://www.politico.eu/article/meet-ursula-von-der-leyen-geopolitical-commission/>
- 31) See OSCE Istanbul Summit Declaration, "Charter on European Security", 1999, online: <https://www.osce.org/de/node/125809>
- 32) Vinokurov, Evgeny, 2013, "Pragmatic Integration", Eurasian Development Bank: Eurasian Integration Yearbook: 15-27, online: https://eabr.org/upload/iblock/01d/a_n6_2013_full_version.pdf p. 23-24

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