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REVIEWING THE EUROPEAN NEIGHBOURHOOD POLICY: EASTERN PERSPECTIVES

EDITED BY ALINA INAYEH AND JOERG FORBRIG

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On the cover: EU and ENP flags

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JULY 2015

Edited by Alina Inayeh¹ and Joerg Forbrig²

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1 THE ISSUE AND RECOMMENDATIONS

ALINA INAYEH AND JOERG FORBRIG

The Issue

The European Neighbourhood Policy (ENP) is in tatters. When launching this regional framework for its neighbors in 2004, the EU stated that its ambition was to surround itself with a “ring of friends,” a zone of well-governed, stable, and prosperous states, with whom the EU has close and cooperative ties. Little over a decade later, instead, realities in the European neighborhood resemble a veritable ring of fire, with regional challenges and pressures on Europe greater than ever before. In Europe’s East, the EU has done precious little to support the fledgling democracies of Georgia, Moldova, and Ukraine; it failed to prevent backsliding into fully fledged autocracies in Azerbaijan and Belarus; and it has been helpless in the face of a resurgent and revisionist Russia. South of Europe, an entire swath of countries across the Mediterranean has become disfigured by war and violence, exposed state failure, and unleashed massive migration flows. In clear acknowledgment of the serious challenges presented by the European neighborhood, and the inadequacy of its own policy, the EU recently launched a review process. Conducted jointly by the European Commission and the EU high representative for foreign and security policy, this process includes a consultation with a broad range of stakeholders both in the neighborhood and the EU itself.

Recommendations

None of the EU’s Eastern neighbors wishes to see the ENP discarded. Instead, all of them clearly favor its significant overhaul in a number of areas. A revised policy for Europe’s East has to have European values at its core, with an unambiguous and adamant projection of the EU’s normative model, which has brought peace, development, and democracy to large parts of Europe. The security needs of individual countries and the region as such need stronger emphasis. Serious

and direct EU engagement is needed to solve existing frozen conflicts, and to address political, economic and societal vulnerabilities of individual countries. Further differentiation is needed, with added instruments that are tailored to individual neighbors instead of hitherto generalized formats.

Moreover, a stronger focus is needed in four key respects. Firstly, the EU needs address societies rather than governments, as the latter typically elevate power preservation over the interests of their societies. Secondly, the new neighborhood policy needs to allow for and encourage exchanges in a regional format, or among countries that share an interest in a given issue. Thirdly, a revised neighborhood policy should support political, economic, and legal processes that are open, fair, and rule-based. Rather than focusing on incumbent individuals and institutions, the EU should help create alternative processes, inclusive of all relevant stakeholders and guided by transparent rules. Finally, the EU must clearly focus on democracy in its neighborhood, rather than succumbing to the temptation to pursue stability only.

A key deficit of the ENP to date has been its neglect of its neighbors’ neighbors, some of whom are sources of trouble, while others offer possible remedies. Benevolent neighbors, such as new EU members, display a particular sensitivity for developments to their east and have an own transition experience. By contrast, Russia is an aggressive neighbor and disrupts positive developments in the region. A revised ENP must shield Eastern neighbors from Russian interference, and facilitate much-needed confidence-building with Russia. Finally, Turkey represents an important neighbor that should be increasingly involved in regional and cross-border programs under a new ENP.

2 INTRODUCTION

Realities in the European neighborhood resemble a veritable ring of fire, with regional challenges and pressures on Europe greater than ever before.

The European Neighbourhood Policy is in tatters. Or so it may seem from a cursory glance at the countries to the east and south of the European Union. When launching this regional framework for its neighbors in 2004, the EU's stated ambition was to surround itself with a "ring of friends," a zone of well-governed, stable, and prosperous states, with whom the EU has close and cooperative ties.¹ Little over a decade later, instead, realities in the European neighborhood resemble a veritable ring of fire, with regional challenges and pressures on Europe greater than ever before.

In Europe's East, the EU approach to its neighborhood has proven ineffective despite various reconfigurations of the policy, most importantly the establishment of the Eastern Partnership in 2009. It has neither been able to help consolidate and advance the democratic gains and reform progress made by some countries over the years, as in Georgia, Moldova, and Ukraine, nor has it been able to prevent the steady backsliding into fully fledged autocracies in Azerbaijan and Belarus. Insufficiently equipped to address the internal problems and external vulnerabilities of Eastern neighbors, EU policy has also been helpless in the face of a resurgent and revisionist Russia. In claiming Eastern Europe as its exclusive sphere of influence, Russia has shown itself willing to employ any means of interference with its neighbors, including annexation and war as in Ukraine, and it has fully shifted to open confrontation with the EU (and the West broadly).

South of Europe, regional developments have been no less dramatic. An entire swath of countries across the Mediterranean has become disfigured by war and violence, exposed state failure, and

¹ Commission of the European Communities, Wider Europe — Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours, COM(2003) 104 final, March 11, 2003.

unleashed massive migration flows. These external challenges in Europe's Eastern and Southern neighborhoods are compounded by several internal crises, from the Greek eurozone negotiations to sluggish economic recovery and a possible exit of the United Kingdom. From within no less than from without, the EU is in dire need of cohesion, vision, and political power to withstand the ever greater pressures facing Europe.

In clear acknowledgment of the serious challenges presented by the European neighborhood, and the inadequacy of its own policy, the EU recently launched a review process. Conducted jointly by the European Commission and the EU high representative for foreign and security policy, this process includes a consultation with a broad range of stakeholders both in the neighborhood and the EU itself.²

In order to contribute to this review process and to the expertise informing EU policy adjustments, The German Marshall Fund of the United States (GMF) invited six experts to comment on the current European Neighbourhood Policy (ENP). The focus of their contributions, which are presented in this paper, is on the Eastern dimension of the ENP, or the Eastern Partnership, and on the changes to the policy deemed necessary to better suit and benefit their countries and the Eastern neighborhood broadly. In addition, and through its programs in the region, GMF has also conducted numerous conversations with its grantees and partners, all of them deeply interested and involved in their countries' cooperation with the European Union.³

² European Commission and High Representative of the European Union for Foreign Affairs and Security Policy, Towards a new European Neighbourhood Policy, Joint Consultation Paper, JOIN(2015) 6 final, March 4, 2015.

³ The German Marshall Fund of the United States manages the Black Sea Trust for Regional Cooperation and the Fund for Belarus Democracy. These two grantmaking programs support civil society across the six countries of the EU eastern neighborhood.

As the papers authored by the six experts detail, and as further conversations revealed, there are critical differences between how each country views a new European policy, based on the respective country's needs and opportunities, while there are also many common aspirations and fears. Putting it all together, one can identify four central goals that an adjusted policy should pursue:

- support societies more than governments;
- identify an approach that is tailored to an individual country but utilizes stronger regional cooperation formats;
- create — if need be, from scratch — fairer and more transparent bureaucracies; and
- promote democracy, not just stability.

In addition, the EU needs to more closely consider the neighbors' neighbors, both those that can help promote progress and stability, and those who seek to block it.

Pillars of a Revised Policy: Values, Security, Differentiation

As all six authors highlight, a revised policy for Europe's East has to have European values at its core. Respecting and advancing human rights and democracy, transparency and the rule of law, a free market, and international law needs to be the foundation for any EU actions and assistance in the region. These values are under direct threat both from within neighboring countries — by institutional dysfunctions and political and economic weakness as much as powerful elite networks — and from Russia, which promotes its own authoritarian model among former Soviet satellites. In response, the EU should be unambiguous and adamant in projecting its own normative model, demonstrated as it has to bring peace, development, and democracy to large parts

of the European continent. This requires that the EU consciously rebuild its damaged self-confidence and credibility, strictly condition its relations with eastern states on their adherence with European norms, and directly promote these values among societies in Europe's East. However, as the authors of the papers on Azerbaijan and Belarus both argue, conditionality must be used more flexibly than in the past, as authoritarian regimes do not respond to either sticks or carrots, as long as they are perceived to threaten the regime's survival. Both authors suggest a "trial-and error" approach that pushes for some degree of openness from the regimes in return for progress on issues of mutual interest. In so doing, the European Union will assume the geopolitical approach and strength that many desire in the eastern neighborhood, and become the more powerful actor that can successfully counter the alternative designs proposed by Russia and its local allies.

A key deficit of the existing European Neighbourhood Policy has long been its omission of the security needs of individual countries and the region as such. All six authors agree on this. In a revised approach to Eastern Europe, the EU needs to address security needs and threats, both hard and soft. In the short to medium term, serious and direct EU engagement is needed to solve existing frozen conflicts, which are described in the papers as one of the main vulnerabilities of the eastern region. Weaknesses that undermine the security of individual countries, such as lax border control, economic and energy dependency on Russia, organized crime, and dysfunctional police forces, can and should be on the agenda for EU cooperation and assistance. In the long term, a new security architecture will be necessary, one that considers and addresses regional needs and threats, especially in light of Russian revisionism and multifaceted pressures against its neighbors.

A revised policy for Europe's East has to have European values at its core.

EU policy should be based on the aspirations of societies, and bring them into its programs and activities.

The neighborhood policy has long suffered from grouping a set of countries that differ vastly in their realities, orientations, and ambitions. A first attempt at differentiation was made between the South and East, with the establishment of the Union for the Mediterranean and the Eastern Partnership, respectively. Even the latter, however, has been unable to address intra-regional diversity. The standardized approach of pursuing deep and comprehensive free-trade agreements (DCFTA) and association agreements (AA) with eastern neighbors has borne fruit with Georgia, Moldova, and Ukraine but it has failed with Azerbaijan, Armenia, and Belarus. Consequently, as all authors agree, additional and country-specific instruments are needed that are tailored to the individual reality of each neighbor, as the contributions to this paper detail for each country. Such differentiation does not relinquish a regional policy but it would shift the balance from generalized formats toward more individualized relationships with each partner country.

A more differentiated approach to each of the six countries, as the authors describe, would include tailored goals, approaches, and mechanisms. As it is argued by the authors from Georgia, Ukraine, and Moldova, the ultimate goal of European policy for these three countries should be European integration — meaning, ideally, membership. For Azerbaijan, Armenia, and Belarus, on the other hand, the goal should be a partnership of mutual benefit to the EU and the countries. Different goals would lead to differences in objectives and approaches: approximation with the EU legislation and norms should remain the objective for the three “front-runners” — yet pursued in a manner better tailored to each country — while for the other three, the objective should be to support mechanisms and processes that would allow them to become reliable and strong partners, without pursuing legislative and normative approximation.

While the authors from Ukraine, Moldova, and Georgia suggest an approach that pushes their governments to reform, and helps societies keep them accountable, the other three argue for a more nuanced approach that somehow combines the interests of these societies and the (limited) willingness and tolerance of their governments, yet remains firm on respect for human rights.

The Four-Fold Focus of a Revised Policy

As the six authors indicate, the new EU neighborhood policy needs to shift and strengthen its focus in four key respects. Firstly, the EU needs to focus on societies rather than governments. As has been proven time and again, the governments of most eastern neighbors are considerably disconnected from their societies, and their conduct is typically aimed at preserving power rather than advancing the interests of their country and society. EU policy should be based on the aspirations of societies, and bring them into its programs and activities — as actors, beneficiaries, monitors, or at the very least as recipients of information. This approach provides for an important role for civil society broadly, from NGOs to the business community to clerics, that should be involved in the design, implementation, and monitoring of programs under the EU neighborhood policy. In so doing, the process of EU cooperation with eastern neighbors would move closer to societies as the ultimate beneficiary, whatever the exact contents, shape, and goal of cooperation. Engagement of societies should not be done, though, in order to threaten or change the governments, as some of the authors rightly argue, but with the long-term aim of assisting societies in creating and embracing real, solid, and sustainable political, economic, and social processes based on European values.

Secondly, the new neighborhood policy needs to focus both on individual countries and on the

region and its issues. Although customary in EU external relations, the largely bilateral format of the Eastern Partnership has not been successful. What is needed instead is a format that allows for and encourages exchanges in a regional format, or in a combination of countries that share an interest in a given issue. Such interest-based and issue-oriented groupings can emerge around any policy problem, from security to institutional reform to economic and infrastructure development. What is more, such exchanges and cooperation do not have to be limited to eastern neighbors; instead, they would be similarly beneficial with and among the southern neighborhood. Furthermore, these formats would allow for exchange of experience and transfer of expertise from countries in Central and Eastern Europe, which are successful examples of transition, to their neighbors.

Thirdly, a key objective of a revised neighborhood policy should be to support political, economic, and legal processes that are open and transparent, fair, and rule-based. The overhaul of decision-making processes is typically hindered by individual office-holders, existing institutions, and ossified bureaucracies. Rather than focusing on such individuals and institutions, EU cooperation and assistance should be geared toward creating alternative processes, through encouraging and supporting the participation of all relevant stakeholders and through creating clear, inclusive, and transparent rules and procedures. On this broader basis, and as a result of open and participatory processes, new institutions will eventually emerge that replace inherited structures, their inertia, patronage, and closed nature.

Finally, the EU must clearly focus on democracy in its neighborhood, rather than succumbing to the temptation to pursue stability only. As the countries of both the eastern and southern neighborhood demonstrate, democracy is at the core of and the prerequisite for long-term stability. While an

autocratic government may seem to be a good partner in ensuring stability in the short run, its violation of democratic norms and human rights breeds instability, at home and abroad, in the long term. The long-range costs cannot be ignored, therefore, and respect for fundamental values, adherence to basic international laws, and gradual advancement of good governance has to be the central condition for a given neighbor's cooperation with the EU.

The Neighbors of the Neighbors

One of the most-often criticized aspects of the European Neighborhood Policy to date has been its neglect of its neighbors' neighbors. In so doing, EU policy overlooked both some of the sources of the challenges facing the European neighborhood, and some possible remedies. In the case of Europe's East, neighbors of the neighbors broadly fall into three categories, all of which should be considered in their qualities and potential by a revised EU policy.

Firstly, EU member states such as the Baltic States, Poland, Slovakia, and Romania display a particular sensitivity for developments to their east, and they have shown to engage more than most of their EU peers in support of a democratic, developed, and stable eastern neighborhood. What is more, and what should be utilized more effectively under a new EU policy, is their vast transition experience. The six authors suggest various types of exchanges and cooperation with institutions, governments, and societies in these countries that could help the eastern neighborhood successfully navigate the difficulties of political, economic, and social reforms.

By contrast, Russia has shown to be an aggressive neighbor in Europe's east, and its huge potential to disrupt positive development of the eastern neighborhood needs to be integrated into a revised

EU cooperation and assistance should be geared toward creating alternative processes.

EU policy should be designed to reduce the vulnerability of eastern neighbors to Russian pressures and disruptions.

policy. The chapters here strongly argue that a new neighborhood policy should by no means be designed around Russian interests or geopolitical demands, or be limited by its subversive activities. Instead, EU policy should be designed to reduce the vulnerability of eastern neighbors to Russian pressures and disruptions. It should seek to involve Russian civil society, whether at the regional or bilateral level. Russian state institutions should be encouraged to participate in programs on regional or cross-border issues. In so doing, the EU could help to both shield eastern neighbors from Russian interference and facilitate much-needed confidence-building with Russian partners.

Finally, and all too often overlooked, Turkey represents a very important neighbor to the EU's Eastern neighborhood. It is a critical security provider in the region, hosts a key energy infrastructure that links Europe's East with the EU, represents a considerable portion of investment and trade in Eastern Europe, and has considerable experience with political reforms and development.

For these reasons, Turkish institutions and actors should be involved more proactively than they have been to date in regional and cross-border programs under a new EU neighborhood policy. In so doing, Turkish involvement would also open important connections between the EU neighborhoods to the east and to the south.

As this overview indicates, and as the chapters in this paper elaborate in further detail, the European Neighbourhood Policy is indeed in need of serious and substantial revisions. A decade after its launch, the record of EU policy is simply too mixed, improvements in the region are too scarce, and challenges too manifest to avoid anything less than a major overhaul. In reviewing and revamping its policy, however, the EU should derive confidence from the fact that across the eastern neighborhood, hardly anyone wishes to see this policy discarded and EU engagement diminished. On the contrary, what is expected from the EU is stronger and more effective engagement. The ongoing review is an opportunity that must not be wasted.

3 THE EUROPEAN NEIGHBOURHOOD POLICY: AN ARMENIAN PERSPECTIVE

RICHARD GIRAGOSIAN

The case of Armenia stands out as an example of the onset of a sudden new challenge to policy objectives regarding a comprehensive assessment of the European Neighbourhood Policy (ENP) and the related Eastern Partnership (EaP) program. The surprise September 2013 decision by Armenia to abandon its planned Association Agreement with the European Union marked the beginning of an abrupt Russian move to push back and push out EU engagement in the former Soviet space. Similarly, the Armenian move to join the then-Customs Union and later the Eurasian Economic Union also signaled the start of a more serious Russian-led bid to counter the EU by confronting the increasing Western orientation among EaP states and deepening the Russian orbit.

Yet in the aftermath of that strategic setback, Armenia now has a rare second chance. Since the Vilnius and Riga Summits, both Yerevan and Brussels are committed to salvaging some sort of relationship. In the face of a resurgence of Russian power more broadly, and judging by the new reality of Russian aggression and a Moscow-directed war in Ukraine, the EU needs to recognize Armenia's inherent limitations as a partner and devise innovative ways to engage the country. Armenian President Serzh Sarkisian's reaffirmation of his commitment to a relationship with the European Union may trigger renewed Russian pressure on Armenia in the near term, which the EU needs to be aware of. It should stand ready to help Armenia alleviate the hardships that such pressures will generate.

Armenia's Second Chance

Armenia offers an interesting opportunity for redefining and revamping the ENP at an essential time to bolster the Eastern Partnership for both Armenia and the EU. It is imperative to offset Armenian over-dependence on Russia, which is becoming dangerously and deeply entrenched

and only further isolates Armenia. The country's "strategic partnership" with Russia has been largely one-sided, as Armenia has most often received insufficient dividends from this asymmetrical "partnership."

The EU needs to explore alternative means to engage Armenia, based on a more realistic awareness of the limits and liabilities of the country. There is a new sense of political will for such an opportunity, especially as the Armenian government has sought to put a brave face on its surprising decision to sacrifice its Association Agreement with the European Union in favor of joining the Russian-led Eurasian Union. This optimism has also been recently confirmed through a decision by the European Commission on May 19 to propose a new "mandate" to begin negotiations with Armenia over a new, legally binding framework agreement.⁴ This is especially significant given the delicacy of balancing Armenia's membership in the Eurasian Economic Union (EEU).

There is an important "lesson learned" from the EU's last engagement of Armenia, which abruptly ended in a "strategic U-turn" when the Armenian president surrendered to Russia. The Armenia model revealed the absence of any effective EU communications strategy. The practical benefits of the Association Agreement and the Deep and Comprehensive Free Trade Area (DCFTA) were never articulated, let alone defined or defended. For example, the fact that since the launch of the EaP, the EU has made €3.2 billion available to the EaP states was never clearly promoted, nor were the specific projects or the improvements they brought to the daily life of ordinary citizens.⁵

⁴ For more, see the European Commission Fact Sheet, "The Eastern Partnership — a policy that delivers," Brussels, May 21, 2015.

⁵ Ibid.

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More needs to be done to focus on the tangible economic benefits and trade opportunities of an EU Association Agreement.

Only a marginal constituency was in favor of the Association Agreement itself; the deeply pro-Russian Armenian public was little swayed and less seduced by the EU. In Armenian public opinion, security and the Nagorno-Karabakh conflict tend to be the overriding factors. Although there was never any actual resentment against a pro-European move, public support was not considered by the Armenian government. Therefore, once the security argument was raised, first in a series of early implicit threats by Moscow and then by the Armenian government in defense of its policy U-turn, Armenian public opinion meekly followed. Even the Armenian business class, including many small- and medium-sized enterprises, expressed reservations over the potential cost of conforming to higher EU standards and investing in what would be required to utilize a free trade agreement with the EU. For many businessmen, dealing with Russian and other post-Soviet markets was more comfortable and familiar.

More needs to be done to focus on the tangible economic benefits and trade opportunities of an EU Association Agreement and the two clear advantages it has over the Russian model of coercion and isolation. For Armenia, the Russian-dominated Eurasian Economic Union has always been defined more by obstacles than opportunities. Beyond the structural impediments of both the absence of a land connection or a functioning railway link to Russia or other members of the Eurasian Union, the most serious impact has been the requirement to increase its tariff rates and artificially redirect its natural trade orientation away from Western markets toward a more insular, Russian-centric stance. For the traditionally open and more liberalized Armenian economy, this adoption of the more protectionist policies of the Eurasian Union will not only spark a likely price rise, but may also mandate renegotiations over Armenia's membership in the World Trade

Organization (WTO). Several years of European-oriented trade will have to be readjusted to allow for the new preference of markets in Russia, Belarus, and Kazakhstan. Perhaps most revealing, the paucity of economic benefits for Armenia is demonstrated in the allocation of customs duties and tariff revenues among the member states. For Armenia, as well as for Belarus and even Kazakhstan, the asymmetry is obvious, having been granted a meager and minimal share of the Eurasian Union's total customs revenue.

In the broader context, however, Armenia may be able to survive the pressure of being ever more firmly trapped in the Russian orbit. Armenia may limit its mounting over-dependence on Russia and manage the economic fallout of membership in the Eurasian Union. Yet such a survival strategy rests less on any decisive move by Armenia and on the appeal of forging or salvaging relations with the EU, but more on the inherent weakness of the Eurasian Union.

Despite the ceremonial fanfare, the launch of the Eurasian Economic Union marks the start of a very different, significantly more unattractive, and even less viable project than originally envisioned. It is rooted in the serious impact of Western sanctions on the Russian economy. In the wake of the fall in the value of the Russian ruble and the decline in world oil prices, Russia is no longer the economic powerhouse it once was, and so the supposed Russian role as the locomotive for the Eurasian Union has been greatly diminished. The inherent motivation for integration rests largely on coercion and pressure, and there is already an impressive backlash demonstrated by both Belarus and Kazakhstan. For tiny Armenia, this may offer an opportunity to hide behind these much larger deficiencies and find a way out without unnecessarily challenging Russia.

Reflecting a degree of sincerity in both Brussels and Yerevan, the Armenian government has been able to rebuild much of its lost credibility and has embarked on new talks over a draft “legal framework” as a foundation for Armenian-European Union relations. At the same time, Armenia has also been cautious about presenting its reengagement with the EU, seeking to preempt any Russian pressure by highlighting (and exaggerating) its role as a “bridge” between the Eurasian Economic Union and the European Union. Given the combination of rising costs and meager benefits of the Eurasian Union, Armenia’s only real hope at this point rests on containing the fallout from the economic contagion and seeking a prudent but quiet “exit strategy” from the Eurasian Union.

Reassessing the ENP

A reassessment of the ENP can only conclude that it is not a doomed concept, as long as it is a determined commitment based on a greater situational awareness of the demands and determinants of an altered threat environment. For European security, these recent threats are certainly not novel. In the East, a resurgent Russia is pushing back and pushing out European engagement in the “near abroad” or the post-Soviet space, which Moscow has always seen as its own natural sphere of influence. It also reveals a crude contrast between the models competing in and for the region —the powerful attraction of the European model, and the authoritarian and coercive Russian model.

A second threat, emanating from the South, poses a different challenge of similar severity and immediacy. Mobility and migration, illustrated by a mounting maritime security challenge, is merely a symptom of a deeper undercurrent of political instability and economic fragility throughout the southern region of the ENP. Combined with an added element of religious, ethnic, and even racial

differences, the new wave of maritime migrants adds new fervor to Europe’s already heated divisions over migration.

For the ENP, each of these threats are primary obstacles to the strategic goal of stability along the European periphery. For the East, the response has been the formulation of the EaP, focusing on bringing six former Soviet states of the “near abroad” closer, or “nearly aboard” the European offer of “association.” For the South, the policy has been a less defined and even less consistent focus on ten Mediterranean partner countries. In an attempt to forge a degree of linkage and leverage, the European Neighbourhood Instrument (ENI) was crafted to provide increased support to all 16 partner countries to the East and South of the EU’s borders. Given the natural degree of disparities and divisions among these 16 countries, it has always been questionable if such linkages could effectively achieve any lasting outcome.

Lessons Learned and the Future of the ENP

Looking back over the implementation and impact of the ENP, there are several policy prescriptions and lessons learned, and also a few lessons ignored. Overall, the ENP offered an important foundation for broader EU engagement and, through the formulation of specific country-focused Action Plans, represented an important process in which the EU was compelled to identify and prioritize its own unique interests. This process was actually more important than the product, especially given the general absence of any comparable exercise for the EU to craft its own external strategic interests.

Country-Specific Differentiation

In terms of the lessons learned, the ENP was clearly too broad and not deep enough, and in the case of the EaP, was limited in terms of not offering a country-specific approach. The result was a failure to appreciate or accommodate the different

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Another element would be an emphasis on greater networking within and between EaP states.

trajectories and the varying objectives of each of the Eastern Partnership countries. This was perhaps most evident in the subsequent division within the EaP, as the six states split into three distinct tiers.

The first tier of the EaP was comprised of those countries that signed the Association Agreements, although even in this case, Georgia, Moldova, and Ukraine each reflected a different degree of commitment and were marked by a pronounced variance in their starting points of reform and implementation.

The second group, composed of Armenia and Belarus, represented EaP states unable or unwilling to conclude an Association Agreement, yet still receptive to forging a new relationship. In the case of Armenia, this is evident in the second chance for both Brussels and Yerevan to salvage a relationship despite the collapse of a planned Association Agreement. In the case of Belarus, there is a greater degree of strategic interest on behalf of the EU, especially in the wake of the post-Ukraine reality with the important mediation by Belarus and a new, more assertive policy by Minsk toward Moscow. The danger here, of course, is a repeat of earlier experiences with Belarus, whereby Brussels offers too much to Minsk in return for little more than vague promises of reform and improved behavior.

Azerbaijan is the sole member of the third tier of the EaP, marked by marginal interest and even less commitment to the Eastern Partnership. Driven by a combination of energy-related over-confidence and a sense of strategic neglect by the EU, the Azerbaijani leadership has not been hesitant to display its differences with the other EaP states. This aloof stance, bolstered by the country's energy wealth, has only been matched by limited Western leverage and the fact that Brussels has little to attract Baku.

Looking Forward

There also needs to be a new emphasis on two seemingly contradictory approaches. First, as with the lessons from the EaP, the ENP should adopt a more nuanced policy of differentiation rooted in the differences among the EU partners in the South and the East. Such policy modification is most evident in the adoption of a new "Neighbors of Neighbors" approach, which is not only focused on addressing Russia, but also on leveraging the ongoing Western engagement of Iran and considering Turkey a core component of EU policy toward the South Caucasus, including supporting the "normalization" effort between Armenia and Turkey. In this regard, the ENP must be maintained, although with some modifications, such as incorporating a country-specific approach.

At the same time, there also needs to be a more consistent and clear formulation of a second element of strategy and vision within the ENP. This would include forging ties and crafting a more economic-centered engagement with the Eurasian Economic Union, which now includes both Belarus and Armenia. This would offer an alternative venue to at least try to accommodate Russian interests and could provide an avenue for anchoring reform in Belarus and Armenia while bolstering their options to develop deeper ties within the EaP. Another element would be an emphasis on greater networking within and between EaP states, forging links and cooperation between civil society organizations in a more nuanced cross-border EaP outreach policy. This is most effective as an overarching strategy based on three elements: 1) threat perception and containment, 2) threat reduction and resolution, and 3) greater engagement in both the individual ENP states and with the broader ENP region as a whole, with a supplemental application of the "neighbors of neighbors" policy.

Building Bridges

Despite the problematic launch of the Eurasian Union, there may be an advantage in a new policy of engagement by the EU. Such engagement should be careful to not endow or extend too much legitimacy to the Eurasian Union, but it would provide a secondary avenue for engaging Belarus and Armenia. Such a policy would also offer at least a potential for re-engaging Russia, while also deepening ties beyond the ENP into Central Asia.

Conclusion

Clearly, Moscow's success in forcing Yerevan to sacrifice deeper ties with the EU has imposed several significant challenges on Armenia.⁶ In the short term, once Armenia reneged on its planned "initialing" of an Association Agreement and the DCFTA, it has been hard pressed to recover confidence and credibility in the eyes of the West. Such a move not only imperiled several years of difficult negotiations and reform, but also tested European patience and threatened to diminish

⁶ For more on this, see Peter, Laurence, "Armenia rift over trade deal fuels EU-Russia tension," BBC News, September 5, 2013.

European interest in Armenia. The danger for Armenia now stems from greater isolation and from a newly enhanced degree of insignificance. Armenia faces the very real threat of becoming little more than a "small, subservient Russian garrison state." It now has a second chance to improve its relations with Brussels. Armenia needs to recommit to reform; the EU needs to recognize the limitations of Armenia as a partner while creatively re-engaging the country.

For the ENP as a whole, the Armenian second chance and its new relations with the EU are great case studies for a new approach, and consequently could be a new EU strategy toward its Eastern neighborhood. As the long-overdue process of a strategic reassessment of the ENP is now underway, the new imperative is to manage an altered threat environment while meeting the demands of new opportunities.

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Despite the problematic launch of the Eurasian Union, there may be an advantage in a new policy of engagement by the EU.

4 THE EUROPEAN NEIGHBOURHOOD POLICY AND AZERBAIJAN: WHEN SOFT POWER AND SECURITY ARE TIGHTLY RELATED

LEILA ALIEVA

The obstacles to democracy in the case of Azerbaijan are mainly structural rather than cultural or societal.

Azerbaijan has implemented few of its Action Plan's reforms since signing it in 2006 and shows little enthusiasm for further reform and integration. This is due to domestic developments, but also reflects the fact that the EU's policies are often mismatched to Azerbaijan's political and economic structure and the country's priorities. From the beginning, Azerbaijan's Action Plan prioritized the Nagorno-Karabakh issue and would not have included any European aspirations without pressure from a civil society campaign in 2006. Azerbaijan has since dropped any membership aspirations.

The EU's only security contribution to Azerbaijan was to appoint a special representative on the South Caucasus, confirming the EU's support to the OSCE's Minsk process. Meanwhile, since 2006, Azerbaijan's oil revenues have increased from a little over €1 billion to 19 billion, which weakened the potency of the EU's "More for More" mechanism as a means of encouraging reforms. It also decreased the country's integrationist trend, instead feeding the rise of "resource nationalism." Azerbaijan's importance within the Southern Corridor also rose, as it plays a leading role in supplying EU markets with gas, particularly in the context of Russia's actions in Ukraine. As the EU's policy agenda has become increasingly driven by its energy needs, its influence on Azerbaijan's reform process has diminished. Europe offered little opposition to a massive crackdown on civil society in 2014, which closed many NGOs focused on human rights, research, and journalism and blocked civil society organizations' access to Western grant money.

An appropriate EU response must support Azerbaijani society's reformist ambitions while negotiating with the country's oppressive regime. The EU must reiterate that membership is open to any EaP state, regardless of the religious or ethnic identity of its population.

Individual Approach is to Address Individual Obstacles to Reform

A strategic approach to managing the situation in Azerbaijan should consider that the obstacles to democracy in the case of Azerbaijan are mainly structural rather than cultural or societal. The oil-rich economy affects the policy choices of the current elite and enables certain regimes — well described in the literature on the political economy of oil, which uses terms such as "resource curse" and "resource nationalism."⁷ The EU should strengthen cooperation with non-state actors as a means of working around these obstacles rather than settling for watered-down reforms.

The indifference and unbalanced approach to the Nagorno-Karabakh problem is another deficiency in the EU's relations with Baku. Europe's level of support for the territorial integrity of Azerbaijan has never reached that for Georgia or Ukraine.

What is more, the EU should acknowledge that its energy policies have weakened its ability to promote and assess democratization in oil-rich countries like Azerbaijan. Because of its energy interests, the EU did not apply the conditionality principle in its relations with Azerbaijan and instead agreed to negotiate a new Strategic Modernization Cooperation agreement to conduct Eurovision and the European Games. The EU should become more transparent in negotiations and more consistently apply other reform provisions, such as raising the

⁷ On the political economy of oil and "resource curse," see for instance Terry Lynn Karl (1997), *The Paradox of Plenty: Oil Booms and Petro-States*, University of California Press. On effects of oil economy on politics in Azerbaijan, see Leila Alieva, "Azerbaijan Parliamentary Elections 2005," *Journal of Democracy*, 2006; Leila Alieva, "The Power in the Oil Rich State," *Democracy's Plight in the European Neighborhood. Struggling Transitions and Proliferating Dynasties* (eds. Michael Emerson and Richard Youngs), CEPS/FRIDE, 2009; Farid Guliyev, "Oil and Regime Stability in Azerbaijan," *Demokratizatsiya: The Journal of Post-Soviet Democratization*, Vol. 21, No. 1, 2013. On "resource nationalism" in application to Azerbaijan, see Vugar Gojayev, "Resource Nationalism Trends in Azerbaijan (2004-09)," Working Paper, RUSGASP, Norway, March 2010.

legal status of civil society and sanctioning the bureaucrats responsible for the crackdown on civil society, demanding that the government release political prisoners and provide for basic freedoms.

South and East, Neighbors of Neighbors

The European Neighbourhood Policy (ENP) South partners and ENP East partners have their distinct characteristics, which necessitate different frameworks, as was done in the case of the Eastern Partnership. These frameworks should address regional and individual obstacles to reforms. For instance, unlike many countries of the ENP South, former Soviet states all have totalitarian legacies, are geographically close, have been part of European history, and have attempted to create modern nation states. However, the single framework can be maintained for partners to benefit from cross-regional programs. There are certain strengths that one region could share and transfer to the other region. Unlike in the East, the Southern Neighborhood states have never experienced such a prolonged historical period of totalitarianism and the elimination of private property, which made Easterners more decisive, bold, and organized in defending their interests. At the same time, the East has experience in promoting education and health systems, as well as a history of secularism. The three front-runners — Georgia, Moldova, and Ukraine — can transfer their experience with successful reforms to the other three states — Azerbaijan, Armenia, and Belarus.

Supporting the neighbors of neighbors should be done through cooperation with civil society, where non-state actors in partner countries should guide their neighbors in adopting “European values and principles.” For this reason, the EU should support democracy, civil societies, and liberal political parties in its Eastern neighborhood. The weakness of the EU’s Russia policy is the very essence of the ENP. Russia saw the ENP as merely a geopolitical

strategy disguised with values-based rhetoric. Thus the ENP principle of cooperation and support should be also extended to Russia and take into account that country’s growing fear of foreign agents. This extension could be conducted by the actors of the neighboring former Soviet states.

Promotion of Prosperity and Stability

Sustainable social and economic development is necessary for partner countries to be open to ENP reforms. Growth strategies differ country to country. Azerbaijan’s economy is highly dependent on the oil sector and so is extremely vulnerable to external shocks such as falling world oil prices. The lack of institutional checks and balances in the country and the public’s lack of influence over resource distribution are key obstacles to development. Brain drain is also a serious problem, as young people who cannot find jobs in the energy, services, communication, or construction sectors seek temporary employment in Russia or Turkey. Azerbaijan’s development strategy must therefore focus on developing the non-oil sectors of the economy, creating more educational opportunities, and providing more job training for young people.

Though progress reports are good tools for monitoring the implementation of Action Plans, these reports, however, do not involve civil society, and do not allow for joint discussions, consultations, or participation in “trialogues” (EU-civil society-government). Progress reports should be disseminated to the public to highlight their importance and increase the role of civil society in the monitoring process.

In some partner states, mobility and visa facilitation is driven by the interests of elites who are already socially “integrated” into the EU and so benefit most from better communication between their home countries and Europe. These elites’ ambitions can stimulate positive changes in country-partners,

The ENP principle of cooperation and support should be also extended to Russia and take into account that country’s growing fear of foreign agents.

In close cooperation with NATO, the EU must make the reform of security strategies in partner countries a priority.

but granting greater mobility to the elite remains the EU's only leverage over neighbors who did not sign the Association Agreements.

Prosperity also rests on security. The EU took minimal action in addressing security issues on its borders, favoring stability given by status-quo over active conflict resolution. However, “frozen” conflicts (such as Nagorno-Karabakh, Abkhazia and Ossetia, and Transnistria) are time bombs. They set precedents for the violation of international borders, as well as the instigation of and intervention in conflicts by third-party states. The EU's lack of response in cases where there was clear violation of international norms has weakened its influence. The EU should use its Common Security and Defence Policy (CSDP) as well as its Common Foreign and Security Policy (CFSP) more actively in managing conflicts on its borders, through their better integration in the ENP, and should publicize CSDP and CFSP and their activities to the populations of partner states. It should apply a non-partisan, values-based strategy to all violations of international borders in the neighborhood. At the same time, the EU should take a more proactive role in bringing together societies and non-state actors as a means of resolving conflicts. It must account for authoritarian leaders in partner states who often use anti-terrorist policies as a means of suppressing freedoms and silencing opponents. In close cooperation with NATO, the EU must make the reform of security strategies in partner countries a priority.

Engagement with Civil Society

The economic and political systems of most ENP partners, especially those who did not sign Association Agreements, are characterized by an overly-bureaucratic state driven by self-interested elites, leaving no room for a middle class or civil society. The creation of decentralized market

economies is essential to strengthening these societies.

The EU can facilitate the process of decentralization in several ways. First, it should legally upgrade the status of civil society, independent experts, and non-state actors by demanding their participation in negotiations, programming, monitoring, assessing, and reporting on the reform process. Second, it should not tolerate oligarchic behavior that manipulates trade unions, suppresses non-governmental organizations, or establishes government-organized non-governmental organizations to serve elite interests.

The participation of local society in EU-partner state relations should become a routine, rather than an exception. Greater access to microcredit, especially for female entrepreneurs, is necessary. Local elections should be conducted without state intervention. The EU can help by offering courses on democratic and liberal values for young professionals. As even elections at the local level are usually controlled, the exchanges between private actors should be arranged directly, without bureaucratic mediation.

The EU should support grassroots, multilateral initiatives like GUAM (Georgia, Ukraine, Azerbaijan, Moldova) or the Baku-Tbilisi-Erzrum railway transportation projects. Until now, it has ignored these initiatives in favor of frameworks that corresponded to its vision and interests, even if they ignored the situation on the ground. The failure of many grassroots multilaterals in the neighborhood, like Black Sea Economic Cooperation, is largely due to EU negligence. These were missed opportunities to help partner countries harmonize their security interests with those of the rest of the region, a first step in developing a common ENP policy toward Russia.

Partner states like Azerbaijan have strong traditions of multiculturalism and religious tolerance deeply rooted in their histories and cultures. In rhetoric, authoritarian governments still speak of this tradition of “cultural and religious tolerance” and host high-level international events to celebrate it. In practice, they are highly intolerant of religious diversity and dissent in general. The EU can use its influence to push governments to pass laws protecting religious freedoms.

However, promoting ethnic and religious openness is not enough. The huge discrepancy between regimes’ secular discourses and their very illiberal tendencies has disillusioned the peoples of ENP partner countries. In response, many have turned to religious fundamentalism. The EU must present active citizenship, social inclusion, and multiculturalism as solutions.

Differentiation and Focus

Ideally, differentiation would mean that all states receive the same general proposal but with reform strategies tailored to their individual “needs.” The new approach, however, suggests cooperation of equal partners based on mutual interests rather than an asymmetrical and values-based one as it was in the enlargement process. This deprives the EU of its conditionality based leverage and requires it to develop other instruments with which to stop human rights violations in the neighborhood. The EU must consider several points when devising a new policy.

In many countries that claim to have “no EU aspirations,” civil society has European aspirations equal to that in front-runner countries pursuing

full EU integration.⁸ In these countries, the ruling elites are not motivated to get involved in any relations that would undermine their firm grip on power. An EU agenda that demands too little cooperation from the political elite may inadvertently strengthen the autocrat’s monopoly on power, if not carefully designed.

In such countries, special mechanisms should be developed to pay close attention to the treatment of human rights, freedoms, and democracy. This is especially true of “lagger” states, such as Belarus, Azerbaijan, and Armenia.

Under this new format, civil society should have a significantly larger role, especially in legal matters. Laws related to new programs and policies should oblige governments and the EU to allow civil society and non-state actors to participate at all stages of the reform programs. The current lack of civic participation prevents an atmosphere of political transparency from developing in the region and weakens the EU’s influence.

The EU should find forms other than formal relations and policies to support democracy in these states, as well as urgently address issues related to the EU values and principles — such as the release of political prisoners.

Relations with the countries who did not sign Association Agreements should include large scale people-to people contacts, such as media cooperation and professional and scholarly contacts. Otherwise, these countries will become the subject of unfettered propaganda from other regional powers. In the case of Azerbaijan, its entrance to WTO should be accelerated, with

⁸ In 2006 both Armenia and Azerbaijan’s ENP Action Plans had clauses on EU aspirations. Also, various polls show significant support in Azerbaijan for European integration as opposed to other options (such as Russia). See Leila Alieva, “EU and Azerbaijan: Driven by Strategic Importance, Lacking Value Based Impact,” Heinrich Boell Foundation, January 16, 2014.

The huge discrepancy between regimes’ secular discourses and their very illiberal tendencies has disillusioned the peoples of ENP partner countries.

The EU has leverage over a partner that on the surface seems to be immune from influence and insensitive to conditionality.

the encouragement of the EU. The structural peculiarities of oil-dependent economics should be taken into account. For instance, the divide between the government and the public due to the “rentier” nature of the economy is deeper in these states and has different origins than in the other states, such as the dependency of such governments not on public taxes, but on the oil rents.

The replacement of the Association Agreement with the provisions related to human rights and democracy by the Strategic Modernization Partnership Agreement would have a chilling effect on the society, democracy promoters, and political prisoners in Azerbaijan. The EU should include these clauses in the new agreement, and provide for non-state actors’ participation in negotiation process.

Although there is strong resistance from the EU to a new wave of enlargement, the current geopolitical situation demands that the EU propose membership to the states who signed Association Agreements. The EU competes with Russia, Iran, and other Middle Eastern powers for soft power influence in these states. Not offering states deeper integration or membership leaves them in a political and security limbo in which their societies cannot hope to reform and on which the EU can have little influence.

Flexibility

The flexibility principle is justified by looking at the variety of individual characteristics of the countries and the dynamic of security, economic, and political developments in the region. However, flexibility should be strictly defined, so that a partner would not get the impression that it makes the EU vulnerable to compromises in values and principles.

The Action Plans should be divided by benchmarks, and the consequences of not meeting

these benchmarks on time should also be defined and implemented.

The principle of “More for More” should be adjusted for the states (such as oil-rich Azerbaijan) that do not have aspirations or incentives, so that weaker performance by a government would result in shifting the aid and application of the principle to non-state actors instead. The EU should develop a new instrument for value promotion with partners who have oil-dependent economies, which means addressing various implications — whether a state that is weakened and unstable, or one that is stagnating and repressive but stable — resulting from the political economy of oil.

Many states in the region conducted risky pro-Western policies, counting on the West’s support. Bearing this in mind, the EU should give all possible support to countries that are conducting pro-European policies and surviving in the difficult conditions of active or frozen conflict.

However, the conditionality principle should be applied to a country in cases of blatant violations of human rights, even when the leadership has not expressed EU aspirations or did not sign the Association Agreement. The elites care about being accepted to the European Club and enjoying all the benefits of EU integration. This is where the EU has leverage over a partner that on the surface seems to be immune from influence and insensitive to conditionality.

While choosing the instruments for financial aid, two issues should be taken into account: How strong is the financial incentive for the partner? And does the degree of corruption prevent the aid from being spent properly? When the degree of corruption is high, monitoring and auditing of projects should be particularly thorough and as transparent and inclusive of civil society as possible. The positive effect of aid is the transfer of “good

governance” procedures and budget templates to the partner state.

Ownership and Visibility

In countries with entrenched leadership, like Azerbaijan, Belarus, and Armenia, the needs of the country result from two contradictory sets of needs — those of ruling elites and those of society. Society, which feels itself European and aspires to integration in the EU, needs the process of integration as an important channel of support for democratic changes in the country. The ruling elite, on the other hand, does not have an incentive to change the political status quo. This means that the EU and their delegations should actively seek partnerships with non-state actors, as well as involve them in negotiations on any agreements and monitoring and reporting on the progress of the implementation of the agreements. At the same time, there is a unified national agenda and needs that sometimes are not addressed in bilateral relations (like the primary security issue for the Azerbaijan-Nagorno-Karabakh conflict).

The Azerbaijani public is suffocating under economic monopolies and a lack of opportunities. In spite of frequent inconsistency, it still expects the EU, as a union of established democracies, to promote human rights, freedoms, and democracy. Besides contributions on these issues, and in order to raise their visibility in the short term, the EU should share its human-centered services and technologies, such as disabled-friendly

transportation, environmentally clean and safe construction methods, etc.

The EU should make statements regarding Azerbaijan’s national priority issues in the area of security and democracy, which would strengthen its benchmarks based on common values in relations with Azerbaijan. The Nagorno-Karabakh issue must be approached as a security priority; the EU should adopt a more active, non-partisan stance since four UN resolutions have urged Armenia to withdraw troops from the occupied territories. A greater consistency within EU institutions should be achieved — so that EP resolutions are not only on paper. The EU should not shy away from any leverage it has, including sanctions, if a country in the neighborhood violates human rights and basic freedoms. This will give important moral support to the societies and democratic pro-European constituencies who are struggling for shared values in semi-authoritarian and authoritarian partner states.

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The Azerbaijani public... expects the EU, as a union of established democracies, to promote human rights, freedoms, and democracy.

5 BELARUS AND THE EUROPEAN NEIGHBOURHOOD POLICY: A SPECIAL CASE FOR “A SPECIAL CASE”

YAUHENI PREIHERMAN

The Eastern Partnership (EaP)...remains, in the absence of a bilateral agreement, the only legitimate platform Minsk has for engaging with the EU.

Belarus has long and widely been dubbed as “a special case” in the EU’s foreign policy at large and within the European Neighbourhood Policy’s framework in particular, and not without reason. The political developments in the mid-1990s quickly placed the newly sovereign country on an authoritarian track. Signaling concern and condemnation, the EU started isolating Belarus’s leadership, and inevitably also the whole country, from the ongoing processes with new neighbors in the East. As a result, the Partnership and Cooperation Agreement that the EU and Belarus negotiated in 1995 did not make it through ratifications in national parliaments in EU member states.

Belarus still does not have a bilateral agreement with the EU. Technically, relations are still regulated by the agreement between the European Economic Community and the European Atomic Energy Community and the USSR on Trade and Commercial and Economic Cooperation signed in 1989.⁹ This significantly limits the country’s participation in the ENP.

The European Neighbourhood Policy (ENP) is also a special case for Belarus. The Eastern Partnership (EaP) — the ENP’s regional component — remains, in the absence of a bilateral agreement, the only legitimate platform Minsk has for engaging with the EU. Through the EaP, there is at least a little technical-level inter-governmental contact and civil society cooperation. In this respect, the ongoing crisis in Ukraine and growing geopolitical tensions in Eastern Europe further emphasize the significance of the ENP review for the Belarusian government and civil society. The particular questions from the ENP review that are most

relevant for Belarus are those around neighbors of neighbors and differentiation.

Should the ENP Framework be Maintained?

It has long been clear that the countries of the EU’s eastern and southern neighborhood are simply too different to be included within a single framework.¹⁰ Indeed, the inception of the Union for the Mediterranean in 2008 and the Eastern Partnership in 2009 were based on a recognition of that. Recent events such as the Ukraine crisis in the East and the illegal migration crisis in the South only further emphasize inter-regional discrepancies and make clear the need for a more elaborate regional agenda. However, reform of the ENP needs to go further than just splitting the overall neighborhood framework into the Eastern and Southern dimensions.

In an increasingly turbulent and unpredictable international environment, the EU and partner countries need a policy framework that can provide a better balance between bilateralism and regionalism. The former will in any way remain the basis for most of the EU’s undertakings and cooperation programs in the neighborhood, especially given the growing demand for country-specific policies. A regional framework should facilitate the EU’s more active involvement in regional dynamics beyond its borders, for example, through engaging with regional and sub-regional organizations, such as the Commonwealth of Independent States, Collective Security Treaty Organization, and the Eurasian Economic Union.

The clout, potential, or openness of these organizations notwithstanding, such regional engagement will foster better understanding of regional trends among diplomats and policymakers

⁹ Agreement between the European Economic Community and the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation, March 15, 1989.

¹⁰ See, for example, Lehne Stefan, Time to Reset the European Neighbourhood Policy, Carnegie Europe, February 2014; Cadier, David, Is the European Neighbourhood Policy a Substitute for Enlargement?, London School of Economics, 2013.

in the European Union. The events in Ukraine took diplomats and experts in EU institutions and member states largely by surprise, as they were not on top of the developments in the “shared neighborhood.” Given the EU’s political and economic weight in European affairs, better-informed policymaking within the European Union would benefit neighborhood countries as much as the EU itself.

It is also important that the ENP framework become less bureaucratic and more flexible. Whereas surveys across the Eastern Partnership countries, including Belarus, register some long-term accomplishments of the EU’s soft power tools,¹¹ in its day-to-day politics, the ENP remains slow and often inefficient. This is a corollary of the EU’s structure and decision-making system, which is difficult to reform. But as it often results in regional disadvantages and lost opportunities, for example, when confronted by Russia’s assertive power politics or humanitarian challenges in the South, the issue needs to be addressed.

The ENP’s mainly strategic and Eurocentric approach lacks operational region-focused arms — teams of qualified area study experts based in Brussels and partner countries — with access to enough administrative and financial resources to make the ENP more responsive to changing situations on the ground. The European Commission, European External Action Service, and EU member states could all make use of effective synergies by establishing and strengthening such operational arms.

It may make sense to keep the ENP as a brand and an over-arching concept; dropping it from the established European political vocabulary would probably be difficult. But the EU should fine-tune

the balance between regionalism and bilateralism within the ENP framework and ensure more operational flexibility.

How Can the EU Support its Neighbors in their Interactions with their own Neighbors?

For Belarus, a country sandwiched between the EU and Russia, the “neighbors of the neighbors” are crucial. This issue touches the most fundamental nerve: the national sovereignty of small states in the “shared neighborhood.”

The inception of the ENP in 2004 did not cause immediate hostile reactions from Russia. At that time, the Kremlin signaled its ambition to have a special strategic relationship with Brussels rather than become part of the ENP together with smaller states in the post-Soviet space. In contrast to that, the Eastern Partnership, launched in 2009, was seen by the Russian government as a direct threat to the country’s interests in what it calls its “near abroad.”¹²

Russian leadership saw the tools of the Eastern Partnership — Association Agreements and Deep and Comprehensive Free Trade Areas — as deliberate attempts to cut the East European and Caucasian republics from Moscow’s “zone of privileged interests.” The further association talks between the EU and Georgia, Ukraine, Moldova, and Armenia progressed, the more convinced Moscow became. And after the Kremlin intensified Eurasian integration by launching the Customs Union of Belarus, Kazakhstan, and Russia in 2010-11 as an alternative region-building project, a geopolitical clash in the shared neighborhood became inevitable.

This logic turned out to be a major factor behind the Ukraine crisis, which is likely to last — whether

For Belarus, a country sandwiched between the EU and Russia, the “neighbors of the neighbors” are crucial.

¹¹ Korosteleva, Elena, Belarus and Eastern Partnership: A national values survey, GEC Survey Brief, University of Kent, Global Europe Centre, October 2013.

¹² Minsk Dialogue Non-Paper: Another Yalta is Impossible, *Belarus Digest*, May 19, 2015.

The bigger the geopolitical divide between Russia and the West grows, ...the more at risk its national sovereignty is projected to be.

in a hot or frozen form — for many years to come until the fundamental contradictions between Russia’s and the West’s worldviews are settled within an adjusted regional system of international relations. This will obviously have serious lasting implications for the neighborhood countries.

Tensions between the EU and Russia have placed Belarus in a particularly precarious situation. The bigger the geopolitical divide between Russia and the West grows, the more difficult it is for Minsk to pursue any form of balancing between them and, consequently, the more at risk its national sovereignty is projected to be. The country is hugely dependent on Russia economically and also has military agreements with Moscow, which, inter alia, stipulate the principle “an attack on one is an attack on all.”¹³ Therefore, the country’s maneuvering space could shrink considerably if the Russian authorities decide to demand full allegiance from Minsk against the backdrop of their worsening conflict with the West.

That is why Belarusian diplomats keep reiterating that the top priority of any cooperation programs in Eastern Europe must be to avoid new dividing lines. And that is why Minsk’s efforts to become a neutral territory for peace negotiations are about more than just diplomatic posturing. It is essentially a pragmatic attempt to secure a hedge against the risk of being directly dragged into Russia’s confrontation with the West. So far, the government of Belarus has been successful. However, Moscow’s aggressive propaganda and growing revanchist moods in Russian society are discomfiting: the “Russian world” ideology demands that Belarus behave as a devoted ally or even an obedient brotherly nation.

¹³ Belarus’s martial law legislation, for instance, stipulates that an act of aggression against one of the members of the Collective Security Treaty Organization (including Russia) is regarded an act of aggression against Belarus.

Thus, an ENP (and the Eastern Partnership) that reinforces Russia’s impulses to create and cement dividing lines in Eastern Europe is fundamentally detrimental to Belarus. Against the backdrop of the Ukraine crisis, the EU should pay close attention to this argument.

And quite ironically, the best service the ENP can offer to Belarusian society is available by becoming more geopolitical. A more geopolitical ENP would be more insightful and appreciative of the partners’ fundamental needs, concerns, and geopolitical limitations, without being confrontational. It would also be less arrogant and EU-centric.

In more practical terms, the EU would help its neighborhood if the ENP, among other things, sought out communication platforms and formats that could constructively engage all interested sides: the EU, Russia, and the in-between countries. Numerous previous attempts to develop dialogues and structured processes between Russia and the West have proven futile. Not surprisingly, new ideas along these lines are widely met with profound skepticism. However, for the national interests of a country like Belarus, such a process matters even more than its expected outcomes.

For example, the ideas of a “Greater Europe from Lisbon to Vladivostok” and of enhanced cooperation between the EU and the Eurasian Economic Union (EEU) sound naïve or even strange at this stage. But for Belarus, such initiatives are more about securing some space to muddle through existing geopolitical tensions with minimum harm to national sovereignty and regional stability than anything else. And for the EU, it could be a format to take the diplomatic agenda in Europe away from the notion of zones of influence and to demonstrate to Russia that the ENP does not promote a zero-sum approach to the “shared neighborhood.”

In other words, a hypothetical dialogue between the EU and EEU should not be looked upon only in the context of EU-Russia relations. It should rather become part of the revamped ENP. At the same time, given present-day circumstances, the agenda of such a dialogue cannot be ambitious. It should primarily serve the purpose of extinguishing the regional blaze and laying the groundwork for confidence-building processes.

As it develops, it could focus on non-politicized issues in the realms of trade, technical cooperation, or even security, which all the parties (the EU, Eastern Partnership countries, Russia and the other EEU member states) will find of practical interest. Mutual recognition regimes, which the EU has rich experience in applying within its own borders and with third countries, could be examples of an issue that all parties would be interested in.

Should More Tailor-Made Alternatives be Developed?

Differentiation is one of the headline principles behind the current ENP review. The discussion is ongoing, but a general consensus seems to have emerged that one size does not fit all and, therefore, the ENP's tools and approaches need to become more tailored. The case of Belarus, perhaps, is the best illustration why the policy has to evolve in this direction.

Neighborhood countries' specifics that necessitate differentiation and tailor-made instruments within the ENP are shaped on two levels: their external environment and internal situation. Belarus' external circumstances are in principle discussed above. It is worth reiterating that, as a founding member of the EEU, Minsk technically cannot even discuss Association Agreements and Deep and Comprehensive Free Trade Areas with the EU. And a simple cost-benefit analysis of Belarus-Russia and Belarus-EU relations shows that, objectively, the

status quo will not change in the foreseeable future. As a result, Association Agreements and DCFTAs are not a proper and realistic objective for Belarus. Rather, other objectives are needed.

The internal situation in Belarus also necessitates tailor-made approaches if the EU wants to achieve the most it can.

First of all, the ambitions of Minsk's EU policy are modest: it has not even declared a long-term aim of joining the EU. However, European policy toward Belarus is fundamentally built on the same conditionality-based "enlargement-lite" logic as toward countries that seek membership of the union.¹⁴ According to this logic, Belarus gets carrots if it meets the EU's expectations and sticks if it does not. But the problem is that the EU has no carrots that are attractive enough or sticks that are worrisome to the Belarusian authorities. The government in Minsk remains authoritarian and it makes no sense to expect that the ENP's sticks and carrots will force it to give away what it values most, unchecked power, even against the current regional threats. More importantly, the Belarusian political stage lacks a strong actor who sees European values and/or European integration as its political priorities. The existing democratic opposition is divided and highly unpopular. As a result, there is no one who could transform the ENP's external pressures (both carrots and sticks) into internal political action and push the government to comply with the EU's conditionality.

Moreover, Belarusian society also cannot be relied on to help reinforce conditionality. Opinion polls reveal that pro-European sentiment, even

¹⁴ Popescu, Nicu, and Andrew Wilson, *The Limits of Enlargement-Lite: European and Russian Power in the Troubled Neighbourhood*, Policy Report, European Council on Foreign Relations, June 2009.

Association Agreements and DCFTAs are not a proper and realistic objective for Belarus. Rather, other objectives are needed.

The EU needs to define the core terms, limits, and principles of its policy in the neighborhood.

though unstable, has increased in the last decade.¹⁵ However, the trend has not been robust. This holds true for both the society in general and for separate interest groups. Pro-European stakeholders are either too weak or are yet to be formed.

If the “one-size-fits-all ENP” cannot deliver in Belarus, what kind of tailor-made approaches can work in Belarus?

The answer can only be found through a permanent trial and error process. There are examples of the Belarusian authorities’ willingness to open up to a certain degree and make progress on issues of mutual interest. This does not imply that even the best-designed tailor-made policies can lead to some quick and radical changes that the EU would like to see in Belarus — wishful thinking is out of place here. But consistent and gradual work that equally engages the Belarusian government and civil society is a more promising approach than the one primarily based on conditionality.

Given the Belarusian external and internal environment and the already discussed absence of a political agreement between Minsk and Brussels, the immediate priority could be to draft an agreement that could substitute for the not appropriate Association Agreement as a tailor-made objective for EU-Belarus relations. Inclusive negotiations with the authorities and consultations with civil society, including the business community, could provide a broad sense of co-ownership of the process.

The Bigger Issues in the “Neighborhood”

While the consultation paper “Towards a New European Neighborhood Policy” discusses nuanced principles and asks multiple detailed questions,

¹⁵ Answer to the question “If you were to choose between a unification with Russia and membership of the EU, what would you choose?,” Independent Institute of Socio-Economic and Political Studies, 2015.

it leaves a number of bigger, more fundamental issues almost untouched. Perhaps, the intention is to reach more over-arching conclusions by putting together smaller ones. But it still seems reasonable and timely to underline a few basic or even banal points.

Firstly, the ENP should be based on a more realistic understanding of the complexities and uncertainties it faces in its neighborhood, especially now that the system of international relations in Eastern Europe has entered into a highly dynamic state. In political science terms, a critical disjuncture has occurred, but it will take quite some time for a critical juncture to materialize.

The EU should not even try “squeezing” everything into one policy framework and find answers to all pertinent questions at once. The reality on the ground simply is not like that. Almost nothing can be set in stone in the name of future consistency because the future looks more uncertain than ever.

Secondly, without any doubt the EU needs to define the core terms, limits, and principles of its policy in the neighborhood. And clearly framing the few key parameters is an even more difficult task than answering many detailed questions. For example: What exactly does the EU mean by a “ring of well-governed countries” in today’s realities? Where should the exact place of the ENP be on the “enlargement-lite foreign policy” continuum and what degree of flexibility is the EU ready to accept?

To answer these core questions, the EU needs to readdress the current internal roots of its foreign policy and its external possibilities through longer-term perspectives. Smaller questions (and answers) should be left open-ended: a permanent trial and error process is the only way to reduce bureaucratic burden and enhance the ENP’s responsiveness to the fast-changing realities in the neighborhood.

Finally, EU diplomats and functionaries need to understand that, at least in the Eastern neighborhood, discussions with interested actors and stakeholders are not only about finding concrete answers to a variety of practical questions. They are also about ongoing elite-formation processes in countries that gained independence only two decades ago. Thus the ENP needs to be able to recognize elite-formation peculiarities in

each neighborhood country and skillfully use all forms of communication to raise the salience of European values and principles among emerging elite circles.

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6 EUROPEAN NEIGHBOURHOOD POLICY REVIEW: COMPREHENSIVE RESET OR REBRANDING INITIATIVE?

EKA TKESHELASHVILI

In the context of the Eastern Neighborhood, the ENP concept proved to be largely misguided.

The review of the European Union's European Neighborhood Policy (ENP) takes place against the backdrop of geopolitical turbulence as well as a deteriorated security environment in both the South and East of Europe. Launched in 2004, the ENP contributed to the significant intensification of the EU's relations with partner countries. However, the policy failed to deliver on the promise of a democratic and prosperous transformation of the neighborhood. Part of the blame can be attributed to the conceptual deficiency of the ENP, which was designed as a technocratic process founded on an overrated understanding of the EU's normative power as well as the presumption of a geopolitically sterile environment. The conceptual deficiency of the ENP has been exacerbated by the lack of a coherent Common Foreign and Security Policy (CFSP) on the part of the EU. It is clear, therefore, that either a simple rebranding exercise or revitalization of ENP implementation mechanisms will not be sufficient. For the review process to have real added value, it needs to deal with questions related to the strategic vision for the neighborhood, as well as issues related to the operational framework for short-term as well as long-term action.

This chapter highlights issues that might be of key importance for the review process from the perspective of a partner country, such as Georgia, that is committed to deeper integration with the European Union while confronting the difficult geopolitical realities of the neighborhood.

Should the ENP Maintain its Technocratic Approach or be Transformed into a Comprehensive Foreign and Security Policy for Europe's Neighborhood?

The ENP was devised as a technocratic process equipped with tools designed for long-term engagement with partners who wanted, and were

capable of establishing, closer ties with the EU. Its two main pillars — the normative power of the EU as well as the desirability of access to its internal market — were deemed to be sufficient motivation for the gradual but sustainable transformation of the neighborhood. Expectations that the technocratic process was sufficient to deal with issues that, for the partner countries, were profoundly political was shortsighted at best. The successful implementation of ENP action plans as well as association agreements requires bold and complex internal political decision-making on the part of partner countries as well as their respective capacity and commitment to fulfill them.

In the context of the Eastern Neighborhood, the ENP concept proved to be largely misguided. In addition to partner countries lacking the internal capacity to implement ENP action plans, the policy was further challenged by the complexity of internal political decision-making processes, which were heavily affected by foreign policy considerations and external factors.

Expectations that the ENP would not be challenged by other regional actors were unrealistic in practice. In the case of the Eastern Neighborhood, the EU assumed that Russia would also view a shared neighborhood as a win-win paradigm. To be fair, the full extent of Russia's revisionism could not have been predicted when the ENP was devised; however, the EU nonetheless overlooked early signs proving that Russia still held to zero-sum geopolitics. While the EU was trying to build a belt of shared stability with Russia, the Kremlin was making steps to reclaim its former "empire." This meant that Russia's interests were in conflict with those of the EU, even at the level of the ENP's technocratic framework. Instead of working toward a stable and prosperous neighborhood, the Kremlin was more interested in exploiting the political and economic weaknesses of its neighbors in order to create the necessary room for maneuver to

advance its geopolitical agenda. Moscow viewed any meaningful success by neighboring countries to advance normal state building processes, including independent decision-making on domestic as well as foreign policy-related issues, as an act of defiance worthy of punishment. The Kremlin tried to deter other post-Soviet countries from emulating such behavior. Georgia is a good example of the full spectrum of punitive measures that Russia deployed in an attempt to prevent its successful internal transformation and the forging of closer ties with the transatlantic community.

The EU proved unprepared to act in the face of Russia's aggressive defense of its sphere of influence. Even Russia's war against Georgia in 2008 was not sufficient to make the EU realize the full extent of the difficulties of changing the region's (increasingly evident) geopolitical paradigm. The EaP still heavily relied on the transformative power of gradual approximation with Europe while ignoring the geopolitical reality of the region. Brussels viewed Russia's parallel project of regional integration, the Eurasian Economic Union, as a political stunt that was unlikely to succeed, rather than as a signal of the Kremlin's resolve to force Europe out of its "privileged sphere of influence." Ultimately, the EU's lack of strategic foresight backfired in Ukraine, where the Union failed to foresee the extent to which Russia would defend its strategic interest.

Now the question is more pressing. Can the EU afford to retreat from Eastern Europe by letting Russia fill the strategic void? It will be practically impossible for Europe to realize its potential as a global actor if it is unable to act as an effective regional player capable of defending its values and strengthening its security architecture in its own neighborhood. Continuation of a "business as usual" approach will leave the EU ill-equipped in the contested neighborhood, where any of its successes are perceived as a direct threat by Russia.

The EU's partner countries are well aware they will need to bear the lion's share of hurdles in pursuing their European choice. However, their efforts will be futile if the EU does not start to beef up its actions by adopting a comprehensive approach to its neighborhood, transforming the ENP into a coherent Common Foreign and Security Policy (CFSP) for the neighborhood.

Such a transformation of the ENP would deepen the EU's strategic foresight and comprehensiveness. While the goals of its regional policy might well remain the same, the new approach should stimulate the EU's willingness to advance its interests not only through using its normative power, but also by backing it with its political and economic capital.

In practical terms, this revised policy would require revising some of the key aspects of the ENP, such as its "one size fits all" approach to the neighborhood, as well including components that were originally deemed to be outside the scope of the ENP, such as issues related to security and conflict prevention and resolution.

A Multilayered vs. a "One Size Fits All" Framework

The ENP's "one size fits all" past approach, which enabled compromises among the various interests of different EU member states, limited the EU's ability to be a transformational actor in the Eastern Neighborhood. It prevented the EU from capitalizing on its gravitational force for the post-Soviet countries in Eastern Europe, and it also overlooked the asymmetry of expectations and interests between the EU and its partners in the South as well as in the East.

As an extension of the EU's foreign and security policy, the revised ENP might be more effective as a multilayered web of cooperation frameworks, allowing more flexibility as well as differentiation

This revised policy would require revising some of the key aspects of the ENP, such as its "one size fits all" approach to the neighborhood.

One easier way of differentiation could be to distinguish partners who aspire to closer integration with the EU from those who prefer functional, interest-based partnerships.

among partners. The key would be to bridge the gap between expectations and interests, and to form a solid foundation for sustainable progress in relationships with partner countries. For that to work, it will be essential to define criteria for differentiation among partners, as well as to support the new policy with political capital from both Brussels and member states.

Some might argue that differentiation of the ENP would have a negative effect, since its current form at least imposes collaboration on neighborhood-related issues between member states with vested interests either in the southern or eastern peripheries of Europe. However, the history of the ENP demonstrates that the policy did not lead to a dramatic change in the actual patterns of national interest-based commitments of member states. The current approach only served to weaken the potential of the ENP, and contributed to the inconsistencies in its implementation.

Functional- and Integration-Oriented Partnerships

The EU's new neighborhood policy should be based on the realization that its neighbors have divergent interests toward the EU, as well as varying degrees of internal and external vulnerabilities. One easier way of differentiation could be to distinguish partners who aspire to closer integration with the EU from those who prefer functional, interest-based partnerships. Devising different sets of cooperation frameworks for such partners could be critical in reducing the current asymmetry between requirements and expectations, which is seen by partner countries as the EU demanding too much for too little in return.

Making such a distinction between integration-focused and interest-based partnerships would not create a rigid dichotomy between possible courses of action on the eastern and southern flanks,

since the Eastern Neighborhood itself is strikingly incongruous when it comes to the EU-related aspirations of partner countries.

Integration-Oriented Partnerships

It is reasonable to expect three EaP countries — Georgia, Moldova, and Ukraine — to stay committed to further integration with the EU. For the process of establishing closer association with the EU to successfully withstand internal as well as external challenges, it will be essential for the EU to acknowledge their perspective of eventual membership. For EaP countries, the possibility of their EU integration would serve as a consolidating factor for strengthening the commitment of their respective political elites and societies to proceed with necessary reforms, in the face of being targeted by Russia. Further, it would enable the EU highlight the full extent of the strength of its normative power, signaling that the EU remains proactive in shaping the future of a Europe “whole and free.” The EU's unwillingness to grant even the possibility of eventual membership for aspiring countries demonstrates that Brussels is overestimating the attractiveness of what it can offer to partner countries, and further underestimates the level of frustration and fear of societies in the post-Soviet space, who feel stuck in limbo.

In this case, the current ENP toolkit, which draws extensively on the methodology and experience of earlier enlargements of the EU, could remain of relevant, albeit not wholly sufficient, use. What is also needed are flexible tools that could assist partner countries in overcoming short-term challenges. As partner states need assistance to attain the benefits of the integration process as early as possible, greater focus should be placed on co-ownership of the implementation process of association agreements (AAs) and deep and comprehensive free trade agreements (DCFTAs).

Georgia, Moldova, and Ukraine will need political, technical, and financial support, as well as an increased EU footprint in the security area. This could be reflected in the following set of actions from the side of the EU:

- Robust assistance to the state-building processes, including in the security sector, which needs to be closely linked with democracy and human rights-related aspects of internal transformations;
- Strengthened capacity of state institutions necessary for the successful implementation of AAs and especially DCFTAs;
- Support for structural reforms of selected sectors of the economy, including through state budget support mechanisms;
- Greater engagement of civil society in policymaking as well as monitoring processes related to EU integration;
- Creation of platforms for the inclusion of the business community in policymaking as well as monitoring processes related to EU integration; and
- Development of effective strategic communication policies together with partner countries, raising visibility of the progress made, as well as building a deeper understanding by local societies of the EU's values-based underpinnings and its neighborhood policy.

Functional Partnerships

Broader modifications will be warranted for the conceptual as well as instrumental approaches related to the frameworks that could be designed for functional partnerships. Having a clear understanding of the broad spectrum of interests and vulnerabilities of partner countries, as well

as identifying common interests that could serve as the foundation for partnerships, are critically important. It is obvious that the scale and pace of relationships will vary greatly. EaP countries such as Armenia, Azerbaijan, and Belarus are good examples of this phenomenon. It will be crucial to develop custom-made approaches for each individual country with well-thought out action priorities, as well as the sequencing of their implementation. In addition, it will be important to explore the possibilities of these countries' inclusion in possible multilateral cooperation frameworks in the neighborhood.

Local needs as well as opportunities should form the basis for such an approach, which may encourage development of the sense of co-ownership for partners as well as for the EU. In this regard it means that what is known as the ENP blueprint of European transformation might become the "menu list" from which interested countries could choose. These options would not need to be necessary preconditions for the advancement of common interest-based partnerships with the EU. However, it would be a mistake to endow full discretion to partner countries to decide what they wish to accomplish through their partnership with the EU. Instead, definition of common goals and agreement on means of achieving them would need to be the result of joint efforts from the EU and partner countries.

With this approach, it is only realistic to assume that action plans should be less ambitious in terms of their scope, but more specific and outcome-oriented. Monitoring should be focused more on the implementation and sustainability of reform efforts, rather than concentrating on their inception phase. This should culminate in the adoption of relevant reform-oriented legislation.

Definition of common goals and agreement on means of achieving them would need to be the result of joint efforts from the EU and partner countries.

For Georgia, Moldova, and Ukraine, decisions on the possibility of further integration with the EU must not be taken in light of a “Russia-first” approach.

More flexible and better calibrated tools will be needed from the side of the EU to promote greater engagement with civil societies in partner countries. In some cases, civil society might be the only counterpart that the EU can rely on in its engagement with a given partner country. It is in the interests of the EU to invest more in the sustainability and development of pluralistic and vibrant civil societies that are either targeted by the government and/or are unable to ensure their financial sustainability without foreign assistance.

Definition of the Neighborhood

Departure from the “one size fits all” approach could allow for more flexibility in defining the neighborhood itself. “Neighbors of neighbors” can be treated as part of the neighborhood, which could advance the cause of the relevant partnership framework. Traditional interests of the EU — trade and economic development, energy security, connectivity, migration, and counterterrorism — create ample room for vibrant partnerships in the larger concept of the neighborhood.

Central Asia could be a good example. Involvement of Central Asian countries in partnership frameworks aimed at the development of common action on issues identified above could help to increase the sustainability of positive outcomes as well as create regional dynamics for partnerships that go beyond already existing tracks of bilateral cooperation.

However, not all neighbors of the EU’s neighbors could be considered fit or willing for such inclusion. One such example of a regional actor with competing geopolitical interests is clearly Russia. In such cases, the EU needs to strengthen the resilience of its neighbors to withstand external challenges by supporting internal state-building processes. The primary aim for the EU should be to strengthen the confidence of its neighbors in the form of political commitment from Brussels to

safeguard the partners’ common interests as well as their ability to pursue closer cooperation with the EU.

It will be important to ensure that the neighbors of the neighbors do not gain important leverage or even “veto power” over the course of the development of partnerships between the EU and its neighbors. For Georgia, Moldova, and Ukraine, decisions on the possibility of further integration with the EU must not be taken in light of a “Russia-first” approach.

Security Paradigm

The ENP is well known for its lean approach on security-related issues. In fact, it seems to be based on the assumption of the relative stability of the region, which is essential for the successful implementation of its long-term, transformation-oriented engagement with its neighbors. In reality, the neighborhoods to the East and to the South lacked both capable state institutions and secure environments. The ENP was not equipped with adequate tools to effectively contribute to the improved security environment of its neighbors. Ultimately, this significantly lessened the EU’s leverage in its neighborhood, including the strength of its normative power.

The role played by the EU in 2008 during Russia’s invasion of Georgia was more an exception to the general rule. Even back then, EU leadership was the result of the initially weak reaction of the United States to Russian aggression, as well as of the initiative of individual member states, primarily France. Later on, the EU’s role as the custodian of the cease fire agreement, which was mediated by the EU presidency, was crystallized in the European Union Monitoring Mission (EUMM) to Georgia and its role in the negotiating format in Geneva. The EUMM mission was critical for the stabilization of the overall situation, as it limited

Russia's claims of "provocations" from the Georgian side. However, it never managed to gain access to occupied regions, and therefore was unable to fulfill its monitoring mandate in a comprehensive way, as well as to prevent the expansion of Russian occupation to the territories adjacent to the occupation lines. As a CSDP mission, the EUMM was not a part of the neighborhood policy, yet it fell victim to the same technocratic logic. Non-implementation of the cease fire agreement, which is illustrated in the continued occupation of Georgian territories, as well as further deepening of the integration of occupied regions into the political, security, and economic realm of Russia, have never been addressed at the level of foreign and security policy of the EU. In fact, these developments have not in any significant way affected the EU's policy toward Russia. A painful example of the shortsightedness of such an approach is what followed later with Russia's annexation of Crimea and continued aggression against Ukraine.

The new neighborhood policy should bridge the EU's Common Foreign and Security Policy (CFSP) and its Common Security and Defense Policy (CSDP) toolkits as part of the overall policy for the neighborhood.

There are two main areas that need to be covered by the new instruments:

- People-to-people activities such as conflict prevention, crisis management, post conflict actions, and confidence building at every stage of conflict/crisis management related activities.
- State and institution building activities to increase the capacity of neighbors to deal with their security-related weak spots, including common security challenges, such as terrorism and organized crime. In general, security sector reforms should be given a clear priority.

ENP and EU's Relations with Russia

In order to ensure coherence between Russia and neighborhood-related policies, it will be important to review them with the current geopolitical realities in mind. The possibility of sharing a stable and prosperous neighborhood with Russia can no longer be taken for granted. On the contrary, the eastern neighborhood policy should be recrafted with the sober understanding of the rivalry from Russia, its resolve to promote competing integration processes, and the challenge it poses to the security and prosperity of Europe.

The worst case scenario would be for the EU to either review its eastern neighborhood policy through the prism of a Russia-first approach, or to drag out development of a meaningful eastern neighborhood policy while not having any clarity on how relations with Russia might develop. This will put the EU in a position from which it could mostly only react to, rather than actively contribute to, the course of developments in the neighborhood. Instead, the ENP should be developed on the basis of its own strategic merits, rather than through the prism of how the EU can improve its relations with Russia. Such an approach should include actual policy decisions on the prospects for membership of Eastern Partnership countries.

Multilateral/Regional Cooperation

From its inception, the ENP was more focused on bilateral relations with partners than on the development of platforms for regional cooperation. This approach overlooked the great degree of limitations facing the partner countries, which were related to the realities on the ground. This was later partially remedied by the development of two regional platforms: The Union for the Mediterranean (UfM) to the South in 2008, and the Eastern Partnership (EaP) to the East in 2009. The ENP review offers a timely opportunity to diversify

Non-implementation of the cease fire agreement...has never been addressed at the level of foreign and security policy of the EU.

Most of the neighborhood's problems are regional and therefore cannot be effectively addressed on a solely bilateral basis.

and foster regional partnerships in line with new conceptual and operational frameworks.

Based on the nature and scope of frameworks for functional partnerships, the EU can develop platforms for multilateral cooperation that could be more interest-based rather than circumscribed by regional geography. Multilateral cooperation would make positive developments more realistic and sustainable, since most of the neighborhood's problems are regional and therefore cannot be effectively addressed on a solely bilateral basis. A functional approach to partnerships would create more opportunities for the development of platforms for regional cooperation, which would be broader than the current scope of either the UfM or EaP. This would align well with the extended concept of the EU neighborhood and would facilitate the creation of platforms that might stimulate even interregional multilateral partnerships.

In the case of the EaP, from its inception, the policy was too ambiguous about the commonalities between all six partner states based either on geographic or interest-based criteria. The divergence of interests and expectations of partner states, as well as limitations related to their conflict-ridden pasts, prevented the EaP from emerging as a true regional framework. Consequently, the policy has been seen by partner countries as a platform for the advancement of their political agenda vis-à-vis the EU, rather than as a meaningful regional platform. The only regional sector that has performed well thus far is the civil society platform, which creates wider discourse for multilateral relations. However, should the ENP (and for that matter, the EaP) be integrally linked with the EU's CFSP, resulting in the stronger role of the EU on conflict and security-related issues, then the chances for the EaP to gain meaningful multilateral discourse will be higher.

People-to-People Relationship

Visa facilitation and visa liberalization are some of the most effective tools for advancing the cause of the European-modeled transformations of partner countries in the neighborhood. Instruments that could create more opportunities for education, experience sharing, and mobility for the work force would significantly advance the depth of the partnerships, as well as the transformational processes at the national and regional levels. For partners like Georgia wishing to pursue integration partnerships with the EU, visa liberalization serves a strategic purpose, even in the short term. It allows partner countries to consolidate public support, as well as to fight back against disillusionment with the EU approximation process, by delivering tangible outcomes for the local constituencies.

Visibility/Strategic Communication

A comprehensive approach to the ENP will require more emphasis on robust strategic communication. The current eurocentric approach of the ENP resulted in Brussels' passive and technocratic communication strategy. Against the backdrop of a contested neighborhood and competing narratives on values and principles, the EU needs to step up its efforts to communicate more with local societies in order to promote both greater understanding of the EU and its aims and commitments vis-à-vis the neighborhood. Civil society and media could be used as effective mediums for this outreach; however, more direct initiatives from Brussels and member states to increase awareness of policies and positions should be part of the process as well.

Conclusion

The ENP review process offers a unique opportunity for the EU to forge consensus on a proactive foreign and security policy for its neighborhood. This will be necessary for the EU to reclaim its position as a strategic actor in the

neighborhood and to influence developments even in the short term. It will be unfortunate if the final result of the review process turns out to be a simple rebranding of the existing ENP framework. While Europe might have the right approach in working to reduce the Russian challenge in the long term, the ability and extent of the Kremlin's expanding destructive presence in the neighborhood will be determined by short-term realities. To prove a better connection with the realities in the region, EU will need to pay attention to practical and

immediate security threats and needs. To achieve its long-term goal of creating a “ring of friends” around it, the EU will also need to learn how to balance between these immediate “hurdles” and its long-term, value-based, transformative approach.

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7 MOLDOVA: MORE FOCUS, FLEXIBILITY, AND VISIBILITY FOR THE EUROPEAN NEIGHBOURHOOD POLICY

VICTOR CHIRILA

Moldova supports the ENP as a general policy framework for its members.

Moldova has been one of the most active countries regarding its coverage under the European Neighborhood Policy (ENP) and the Eastern Partnership (EaP). In 10 years, it has upgraded its relationship with the EU from one of cooperation and partnership to political association and gradual economic integration. Moldova was among the first EaP states to negotiate and then sign an Association Agreement (AA) on June 27, 2014, including a Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. It successfully concluded the visa liberalization dialogue with the EU, enabling Moldovan citizens who hold biometric passports to travel to EU countries without a visa. Around 360,000 people took advantage of this opportunity in 2014.¹⁶ EU bilateral assistance to Moldova under the European Neighbourhood Instrument (ENI) sharply increased from €40 million in 2007 to €131 million in 2014. Moreover, Moldova has managed to implement the EU Common Aviation Area Agreement, which was signed on June 26, 2012. In August 2014, Moldova took its first step toward improving its energy security with the inauguration of the Iași (Romania)–Ungheni (Moldova) gas interconnector, which was built with EU assistance.

In September 2014, Moldova started implementation of the EU AA and DCFTA. Parliamentary elections in November 2014 were very much expected to provide Moldova with a solid pro-European parliamentary majority and a stable government with a convincing reform mandate to implement the Association Agenda with the EU. Contrary to all expectations, the election results have instead led Moldova to enter a period of political uncertainty that could jeopardize its European integration prospects. For

¹⁶ European Commission and High Representative of the European Union for Foreign Affairs and Security Policy, Implementation of the European Neighbourhood Policy in the Republic of Moldova. Progress in 2014 and recommendations for actions, SWD (2015) 69 final, March 25, 2015, p. 2.

many Moldovans, the key question is: can Moldova implement the AA and DCFTA? The pro-European parties (Democratic, Liberal-Democratic, and Liberal Parties) that won the elections failed to form a majority coalition in the newly elected parliament. The public is increasingly frustrated with the governance record of the pro-European authorities and political parties.¹⁷ In the second half of 2014, the implementation of the Justice Sector Reform Strategy has noticeably slowed down.¹⁸ Corruption has become endemic and systemic in Moldova.¹⁹ The public is less optimistic about Moldova's European integration prospects than at any time before. During the six-year rule of pro-European governments, Moldovans' support for European integration has decreased from 63 percent in 2009 to 32 percent in April 2015. Concurrently, the public support for Moldova joining the Customs Union with Russia, Belarus, and Kazakhstan has reached 50 percent.²⁰

The Challenges of Differentiation

Moldova supports the ENP as a general policy framework for its members. Nevertheless, the country is pushing for a clear distinction between the ENP's South and East dimensions, between the Eastern Partnership and the Mediterranean Union, between the European and non-European neighbors of the EU. Moreover, the past five years have shown that even the Eastern Partnership is not a monolithic group of countries. On the contrary, its members have different levels of ambitions

¹⁷ Institute of Public Policies (IPP), Barometer of Public Opinion, April 2015.

¹⁸ European Commission and High Representative of the European Union for Foreign Affairs and Security Policy, Implementation of the European Neighbourhood Policy in the Republic of Moldova Progress in 2014 and recommendations for actions, SWD (2015) 69 final, March 25, 2015, p. 6.

¹⁹ Briefing Book from Development Partners of Moldova, January 2015.

²⁰ Institute of Public Policies (IPP), Barometer of Public Opinion, April 2015.

when it comes to their relationships with the EU. Moldova, Georgia, and Ukraine have stated repeatedly that they want to become members of the EU. Armenia and Belarus have become part of the Eurasian Union and would prefer an enhanced partnership and cooperation agreement with the EU to an association agreement. Azerbaijan opts for a strategic partnership with the EU focused on energy security, thus trying to play a balancing act between Moscow and Brussels, as well as to keep the EU out of its domestic processes.²¹

Also, the scope and depth of domestic reforms differ from one EaP country to another. Unlike Azerbaijan, Armenia, and Belarus, through the AA, Moldova, Georgia, and Ukraine are engaged in comprehensive legal and institutional harmonization with EU standards. Yet, in the past eight months, it has become obvious that AA and DCFTA implementation is not going to be an easy ride for Moldova. Political elites intertwined with oligarchic interests are more concerned with their political survival than with implementing the far-reaching structural reforms included in the association agenda. Consequently, there is a mounting need to support calls for reform directed at an increasingly conservative political class. In the view of Moldovan pro-European civil society, this could be achieved by offering Moldova a clear-cut EU membership prospect. If this is not possible, there should be at least a deeper differentiation that would encompass persuasive economic, financial, social, and political incentives for those countries that are willing and determined to build closer political and economic relations with the EU.

Focus

It is clear that the ENP, including the Eastern Partnership, needs a more focused approach to developing the member countries' relations

with the EU. In the case of Moldova, it should complement implementing the EU Association Agenda. No doubt, migration, health, environment, gender, and youth, are all areas of paramount interest to Moldova. However, the priority focus should be put, first and foremost, on democratic good governance, inclusive and sustainable economic development, transport and energy connectivity, and security.

Moreover, it is critical to add rural development to this list, since it is a strategic priority of the Republic of Moldova. Around 58 percent of Moldovans live in the rural areas, which are considered the country's less developed territories. The employment rate in the rural areas is the lowest of anywhere in the country, and it has decreased significantly, from 59 percent in 2000 to 36 percent in 2011. This negative trend has been caused by limited employment opportunities, a declining economically active population, low wages in the agricultural sector, insufficiently diversified economic activities, a weak service sector, and underdeveloped social and economic infrastructure. Consequently, the rural active work force is migrating massively outside the country.

In order to efficiently address these priority areas, the EU's policy tools must be based on a convincing positive and negative conditionality, which means that the "More for More" principle has to be strengthened and used hand-in-hand with the "Less for Less" principle. To avoid situations where the new laws and institutions are not functioning as expected, the quantitative reform targets have to be matched by qualitative reform benchmarks; direct budget assistance and trade incentives have to be linked with qualitative reform deliverables. The EU should consider investments in strategic areas of the national economy in exchange for clear cut progress in implementing DCFTA requirements. Also, the EU has to devise mechanisms for rewarding small and medium enterprises with grants and low-cost

The ENP, including the Eastern Partnership, needs a more focused approach to developing the member countries' relations with the EU.

²¹ APA, President Aliyev believes EU will give priority to strategic partnership with Azerbaijan, April 28, 2015.

Moldova needs a strengthened “More for More” principle that would empower society vis-à-vis political decision-makers.

credit in exchange for substantial modernization efforts. Furthermore, local authorities have to be encouraged to play a proactive role in promoting rural development by offering grants for concrete projects that have to be devised in partnership with local civil societies and business communities.

Toward a More Flexible Toolbox

Moldova has chosen to develop political association and economic integration with the EU. It has already started the provisional implementation of the Association Agreement including DCFTA and hopes that the next step in its relationship with the EU would be a clear-cut membership prospect. At this stage, the Moldova–EU partnership is guided by the Association Agenda, which provided well-defined commitments. Unfortunately, after Moldova signed the Association Agreement, its governing political class slowed down their reform drive. These leaders are increasingly reluctant to make reforms that endanger their political survival and challenge their control over local economies and finances.

A “More Flexible Toolbox” in the hands of a political class reluctant to push reforms will jeopardize the implementation of the Association Agenda. Almost certainly, flexibility will be used as a justification by Moldovan politicians to delay key reforms or, even worse, to downgrade the ambition of Moldova’s partnership with the EU. Instead, Moldova needs a strengthened “More for More” principle that would empower society vis-à-vis the political class by exercising a permanent pressure/demand for reform deliverables. This can be achieved only by equipping the “More for More” principle with its ultimate and most persuasive objective: long term EU membership. As long as “More for More” cannot offer the ultimate promise, it will remain an incomplete, unconvincing, and untrusted principle.

On the other hand, Russian military aggression in Ukraine has weakened the security of the entire region. With an unresolved “frozen conflict” in its backyard and an increasingly divided society, Moldova feels more vulnerable than ever and insufficiently prepared to deal with the current external challenges. Insecurity is endangering Moldova’s domestic stability and as well as its ability to implement the Association Agreement and DCFTA with the EU. Security reform has to become a permanent issue on the EU’s cooperation agenda with Moldova. The EU has to help Moldova reshape its security sector in accordance with EU standards, including security policy strategic planning, decision-making, coordination, and interagency communication.

Special attention must be given to strengthening the decision-making and coordination role of the Moldovan National Security Council, which risks falling in oblivion by too often acting reactively. Reforming the Information Security Service (ISS) is another important prerequisite for an efficient national security policy. After 24 years of independence, the ISS still works much like a Soviet-style security institution. In addition, the defense planning and defense capabilities of the Moldovan army have to be enhanced and police reform has to be sped up, putting a stronger emphasis on enhancing operational capabilities of Moldovan police. Last but not least, it is crucial to strengthen Moldova’s cyber security.

At the same time, the EU has to enhance its ability to respond more effectively to the security challenges faced by the EaP countries. In case of Moldova, it can be achieved by organizing regular Common Foreign and Security Policy (CFSP) and Common Defense and Security Policy (CDSP) monitoring missions. The EU and Moldova could also set up a joint security sector reform working group and/or agree to provide Moldova with an EU security sector reform advisory mission. Expanding

the mandate of the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) to issues related to security sector reform should also be considered.

Ownership and Visibility

The political association and economic integration are Moldova's key ENP interests. Moreover, Moldova views the ENP, including the Eastern Partnership (EaP), as a transitional phase in its pursuit of EU membership. Therefore, over the past five years, it has focused its efforts on exploiting the ENP's and EaP's offer to strengthen the political relationship with the EU, to enhance democratic governance, to open the EU common market to Moldovan exports, to build energy interconnectors with EU that would ease energy dependency on Russia gas imports, to modernize national transport infrastructure with the EU assistance, and to increase mobility of Moldovan citizens within Schengen area by liberalizing the visa regime with the EU.

As a result of those endeavors, Moldova has managed to meet the EU's visa liberalization requirements so that in 2014 alone, more than 360,000 Moldovan citizens traveled without visa to the EU member states. A comprehensive Justice Reform Strategy 2011-16 is being implemented. EU imports from Moldova increased by 20 percent in 2014, amounting to €1.16 billion.²² Following the removal of tariff rate quotas for Moldovan wine, the value of exports to the EU grew by 10 percent. Moldova has made progress on production standardization, having integrated 2,060 European standards in the domestic framework and withdrawing 1,090 conflicting standards.²³ In

²² European Commission, DG Trade, European Union, Trade in goods with Moldova, April 10, 2015.

²³ European Commission and High Representative of the European Union for Foreign Affairs and Security Policy, Implementation of the European Neighbourhood Policy in the Republic of Moldova Progress in 2014 and recommendations for actions, SWD(2015) 69 final, March 25, 2015, p. 11f.

August 2014, Moldova made its first important step toward improving its energy security by launching the Iasi (Romania)–Ungheni (Moldova) gas interconnector. Health facility infrastructure has improved significantly, with the new surgical block of the Republican Clinical Hospital in Chisinau being equipped with state of the art medical devices and more than 150 health centers in rural areas being renovated and supplied with medical equipment.

The Association Agreement and DCFTA require that Moldova absorb a greater amount of EU legislation, institutional, policy, and technical standards in order to gradually increase its democratic, institutional, legislation, and economic compatibility with the EU member states. Therefore, the political association and economic integration cannot be a partnership of equals. Instead, for Moldova, it is much more important to build a mutually beneficial and ever growing/deepening partnership with the EU.

As the experience of Central European, Baltic, and Western Balkan countries show the implementation of the Association Agreements and Free Trade Areas are not at all easy. A clear EU membership prospect, even distant, could help Moldova to more easily bear the political, economic, and social costs of the reforms required by the political association and economic integration with the EU. Yet, even if the EU is not ready to grant Moldova prospective membership, it still can better accommodate Moldova's aspirations and interests by treating it as an aspirant country.

This could be done by adapting the enlargement instruments to Moldova's needs and challenges in order to help it to implement the Association Agreement and DCFTA. For instance, the European Commission can be authorized to use screening to carry out a detailed examination, together with the association country, of each policy field (chapter).

For Moldova, it is much more important to build a mutually beneficial and ever growing/deepening partnership with the EU.

The EU should apply the experience of the Instrument for Pre-Accession Assistance in Moldova, as well as in Ukraine and Georgia.

The Commission would present these findings, by chapter, to the Association countries in the form of a screening report. The conclusion of this report would be a recommendation of the Commission to either grant prospective membership or to require that certain conditions — opening benchmarks — should first be met. In this way, the screening mechanism would become a very powerful reform driver in Moldova.

Moreover, the EU should apply the experience of the Instrument for Pre-Accession Assistance in Moldova, as well as in Ukraine and Georgia. Thus, in order to increase its impact, EU financial assistance has to be concentrated on the areas where reforms or investments are most needed to meet membership criteria and should be tailored to take into account the capacities of the country to meet these needs. Also, indicative financial allocations shall allow for an appropriate amount of assistance to remain available as a “reward” on the basis of an assessment of performance and progress over a period of several years.

At the same time, the ENP has to deliver more practical and publicly visible benefits within a shorter timeframe. In the case of Moldova, it can be done by channeling more assistance to supporting sustainable agricultural and rural development. Here again the experience of the Instrument for Pre-Accession Assistance is of great value. The EU should help local authorities increase the standard of living for farmers by promoting sustainable farming methods, supporting efforts to modernize agricultural infrastructure, to increase the quality of their agricultural products, to set up a rural development micro-credit network, and to establish a stable and safe food supply at affordable prices for consumers. Additionally, the EU should encourage an inclusive rural development by supporting Moldovan local authorities to build development partnerships that would engage local entrepreneurship, and local civil society

organizations. The Local Action Groups for rural development created in many EU member states could provide Moldova with a positive experience on this matter.

For its part, Moldova must enhance good governance by increasing the efficiency of its state institutions, including in the judicial sector, by doggedly combating corruption at all levels.

Neighbors of the Neighbors

Russia sees the ENP and EaP as geopolitical instruments designed to challenge Moscow’s so-called “legitimate interests” in the post-soviet area/near neighborhood. Therefore, Russia staunchly opposes Moldova’s political association and economic integration with the EU by applying political pressure, trade blockades, energy threats, and media propaganda. It also openly supports Moldovan anti-European political parties and civil society organizations. Over the past five years, Moldovan authorities tried to promote a permanent dialogue with Russia on different levels, but failed to appease Russia’s concerns over Moldova’s European integration policy. Building a cooperative and coherent agenda with Russia has to be a priority of the ENP and EaP. However, this would be very hard to achieve as long as Russia continues on its path of confrontation with the EU. Certainly, Russia has to be engaged on issues of common interest with the EU and EaP countries, such as energy, economic and trade relations, and regional security. For that reason, the ENP/EaP could propose mid- and high-level regular thematic consultations to Russia. At the same time, the EU has to remain steadfast in helping the EaP states withstand Russian economic, political, propaganda, and even military pressures. Of course, that would require that the EU not only consult regularly with the EaP states on foreign and security policy, but that it also put in place a range of credible economic, trade, and political incentives and

sanctions designed to offset Russia's destabilization actions.

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8

UKRAINE: THE NEED TO SECURITIZE THE EUROPEAN NEIGHBORHOOD POLICY

MYKOLA KAPITONENKO

The ENP must be maintained. It is an important and perhaps the sole way to effectively project the EU's normative and soft power.

The European Neighborhood Policy (ENP) needed adjustments well before the Ukrainian crisis made it an urgent need. Not only had the Arab Spring created a somewhat new environment for the EU security and foreign policy, but developments in Eastern Europe also completely reshaped the set of risks the European Union faces. Russia's clear intentions to reinstate a sphere of influence over the post-Soviet space resulted in a dangerous crisis during the war in Georgia in 2008, the long-term consequences of which have been largely overlooked. The Georgian experience was seen in Moscow as a sign of the West's unpreparedness to get involved in a risky geopolitical confrontation over the post-Soviet space and, thus, was taken as proof that Russia's "sphere of privileged interest" actually exists.²⁴

Meanwhile, the conflict indicated the Kremlin's readiness to supplement the traditional tactics of manipulating "frozen conflicts" with a new military dimension. That, of course, put the whole set of security frameworks in Europe under question. Since the end of World War II, European security rested on the principles of the exclusion of the use of force and the respect of sovereignty, outlined both in the UN Charter and by the Final Act of the Conference on Security and Cooperation in Europe in 1975.²⁵ Both of these were violated by Moscow in 2008.

The Eastern Partnership Project (EaP) was launched under quite unfavorable conditions. Its target countries are heavily dependent on and vulnerable to Russia, while Moscow has been determined to keep them under control. The risks produced by contradictions of this kind are numerous and obvious. The situation on the

²⁴ Clover, Charles. "Russia announces 'spheres of interest'" *Financial Times*, August 31, 2008.

²⁵ Charter of the United Nations, Chapter I: Principles and Purposes; Conference on Security and Cooperation in Europe, Final Act, Helsinki 1975.

ground has changed radically since the ENP was initially launched. The ENP should be adjusted to these changes, otherwise it will become a source of instability rather than an instrument for enhancing Europe's security.

At the same time, the ENP must be maintained. It is an important and perhaps the sole way to effectively project the EU's normative and soft power. The policy should address the needs of target countries, define and secure common interests, and explore fields of possible cooperation. It should also help build up a consolidated EU policy in addition to the foreign policies of the member states.

The shortcomings of the ENP in its current form are mostly structural or organizational and strategic. The former could be addressed by making the policy more targeted and ensuring greater compatibility between state and EU levels. The latter would require a reassessment of the EU's priorities and challenges in the field of security, as well as the ways of projecting normative power.

Normative Logic of the ENP

The logic behind the ENP is that the EU possesses normative capacity to transform its neighborhood in a way that will be most favorable for ensuring the security of the member states.²⁶ This is an ambitious assumption, and so far there is no alternative to it. Thus, the ENP should address both East and South; however a single normative component should be supplemented with differentiated instruments for each specific case.

In some of those cases, the EU will meet the interests of third states. This will not necessarily happen because those states are "neighbors of the neighbors," but because they are regional powers

²⁶ See Manners, Ian, "The EU's Normative Power in Changing World Politics," in Gerrits, Andre (ed.), *Normative Power Europe in a Changing World: A Discussion*, Netherlands Institute of International Relations, December 2009.

pursuing interests in the neighborhood, as is the EU itself. In such cases, this will not be about making these states a part of the ENP, but about defining the principles, guiding both the ENP itself and the dialogue with external powers.

Russia, as the regional power openly maintaining its sphere of influence, is certainly important and requires both specific attention and a well-designed strategy. Such a strategy should give a clear answer to the question of whether or not EaP target countries are free to define their own foreign policies, as well as to the question of how determined the EU itself is in helping them to secure that freedom. With those answers, the strategy would become a cornerstone of the EU's further policies in the East. The Russian factor is a key reason for separating Eastern and Southern dimensions within a general framework of the ENP.

From a Ukrainian perspective, the best way the EU could support ENP target countries in interactions with their neighbors is through helping them reduce dependency and vulnerability. More specifically, Ukraine needs access to European markets, inclusion in European energy systems, and a visa-free regime to build up a more effective economy and help diffuse the syndromes of weakness and ineffectiveness that are so actively exploited by Russia.

Ukraine would welcome continuation and strengthening of a normative component of the ENP. The core values of the European Union should be kept as a foundation of its security policy in general and the ENP in particular. For Ukraine, this is even more important after the events of the Euromaidan, where European values became a driving force. But it is also crucial for the EU itself. Europe's political and security capabilities are determined and limited by the ability to be a center of gravity for the neighborhood or, in other words, to generate and spread norms. This ability

has brought about political success after the Cold War significantly widened the area of stability. Normative capacity is what brings added value to a sum of member-states' foreign policies and thus makes the EU a truly international actor.

Strategy toward Russia

Adding a geopolitical dimension of security policy to normative foundations will be a hard task, but a necessary one. The EU is facing a totally new challenge to its security, a revisionist power on its borders. Even if there is no direct threat, military or political, to EU member states, Russia's aggressive foreign policy may bring about considerable negative consequences. The Kremlin's success in denying Ukraine's right to carry out an independent foreign policy would erode the very foundations of the current security architecture. It will also increase the importance of hard power assets, while decreasing that of soft power. The long-built foundations of European security will be replaced by realist short-term and worst-case scenario thinking. It would, to some extent, resemble a European concert of the 19th century, when international stability was preserved by the coordinated actions of several major powers at the expense of the interests of small nations. That international system has been based on geopolitical calculations and balance of hard power, which is the opposite of the EU's vision of a modern Europe with an emphasis on shared values and norms.

It will be difficult to forestall a return to bipolarity in Europe. From a theoretical point of view, bipolar systems tend to generate large-scale conflicts and preventive wars. And even if preventive wars can be avoided, the general security environment in Europe would significantly degrade. Under these circumstances, national level policymaking will

The EU is facing a totally new challenge to its security, a revisionist power on its borders.

Russia's intention to maintain weak, ineffective, and corrupted states on its borders contradicts the EU's security interests.

prevail over all others,²⁷ which will result in a deep crisis for any common EU security policy.

To minimize possible negative consequences, the EU should concentrate both on introducing geopolitical elements into its security policy and developing its strategy toward Russia. One of the possible ways to balance geopolitical and normative considerations could be through backing a set of core principles to European security, possibly through dialogue with Russia, among which there will be a freedom of choice for the states and no “veto” right for the big powers. The EU could look for ways to negotiate “rules of the game” with Moscow and enhance the abilities and determination to make them work.

The EU should counterbalance Russia's intention to control the neighborhood with a comprehensive stance that addresses not only economic issues, but also security needs. Moscow may be offered a choice of either engaging in common efforts to restore security in Europe or facing an ever-growing price for revisionism. Preserving unity inside the EU and finding a place for the EaP countries within this strategy would be crucial.

Strengthening Neighboring States

There is also another important way Russia is affecting European security that the ENP has not addressed properly. In pursuing its interests in the post-Soviet area, Moscow has been weakening neighboring states by turning them into ineffective, corrupted, and unstable regimes. In this way, they are much easier to control and almost certainly will stay away from both NATO and the EU. In some cases, this went further and resulted in “frozen conflicts,” notably in Moldova and Georgia. These conflicts were used by the Kremlin as additional roadblocks. In its initial incarnation, the ENP

²⁷ For theoretical insight see Levy, Jack. “Preventive War: Concept and Proposition,” *International Interactions*, 37:1, 87-96.

did not take into account Russian policy in its “near abroad” and, as a result, was unprepared for Russia's annexation of Crimea. In any case, Russia's intention to maintain weak, ineffective, and corrupted states on its borders contradicts the EU's security interests. It is important for the Union to have a stable, democratic, and effective environment, which is a cornerstone of the ENP. Here is where the Russian factor should be taken into account, and where the EU's emphasis on reforms should be kept.

In the case of Ukraine, the ad hoc solution has been to split the Association Agreement into political and economic parts, and to postpone the latter in order to address Russian concerns. This decision, which illustrated the uncertainty the EU faced, should not become a precedent. The ENP should use the Association Agreement instrument comprehensively, building up and exploring interconnections among economic and political issues, which would lead to a constantly increasing incentive for adopting European norms. If political and economic parts are separated, there will be no more opportunity for the EU to project its financial and economic attractiveness into the political realm and promote changes in the neighborhood.

In supporting reforms in the target countries, the ENP follows the “More for More” principle: the more reforms national governments in the target countries successfully carry out, the more access they get to the European market. This is also a good way to build up interconnections of issues and thus maximize the EU's influence. This is likely the only effective way the EU can help neighboring countries overcome corruption and ineffectiveness. But the EU should be consistent in following the principle. Sometimes it could be problematic, given the political implications of deepening cooperation. The EU may be tempted to trade economic preferences for something other than reforms. For instance, it was ready to sign the Association

Agreement with Ukraine under the non-democratic rule of Victor Yanukovich. It is crucial to keep using economic and financial instruments to enhance reforms in the target countries while making the interconnection as explicit as possible.

Once again, events in Ukraine have become an illustration: Yanukovich's decision to reject the Association Agreement triggered mass protests. The EU's economic and political attractiveness has motivated societal changes in the country. Even if it does not work that way every time, exercising pressure on national governments in the target countries is possible by maintaining conditionality for further progress in the relations with the EU.

The core values behind the ENP must not only be preserved, but strengthened. At different points — and in case of Ukraine, that was too vivid — the EU was ready to compromise its fundamental principles. For more than a year, the problem of the so-called “selective justice” was on the agenda of EU negotiations with Ukraine over the Association Agreement. The case of the former prime-minister, Yulia Tymoshenko, was a clear indication of problems not only in Ukraine's political but also its judicial system. The EU's consistent pressure to release the disgraced politician brought virtually no results. Nevertheless, in November 2013, the EU was ready to sign the agreement with Yanukovich. By showing such readiness, the EU sent a clear signal to other target states of the ENP: at some point economic or political/geopolitical considerations may prevail over core values. That signal seems wrong and could negatively affect the future perspectives of the ENP, since it discourages any significant and sustainable reforms.

Another important normative issue to consider is the EU's dialogue with non-democratic states, particularly within the ENP format. There are certain limitations on how far political cooperation and adopting European norms can go in these

cases. When the dialogue reaches those limitations, the whole logic of association becomes shaky. That is another important argument for making the ENP more targeted.

Dividing Responsibility

For the ENP to become an effective political instrument, it is necessary to clearly define areas of responsibility of member states and the EU. The tricky thing is that the more realist international politics in Europe becomes as a consequence of Russian revisionism, the more decision-making would be taking place at the level of the member states. On the other hand, if the states are back as key political actors, it challenges the whole foreign policy of the European Union. This is one of the most fundamental and long-term difficulties the EU will face as a result of the current crisis. And this is also one of the weakest links in the European security policy — one that is actively exploited by Moscow. By injecting more hard power into European politics, the Kremlin makes supranational structures, mostly effective on normative and soft power issues, obsolete. At the same time, this leads to an increased demand for hard power and hard security, a demand most effectively met by states.

With that said, it would be difficult to define how much involvement from the member states is needed within the ENP. The policy itself should stay within the frame of the EU's foreign policy, since that would be the best way to provide the normative content. However, more geopolitical thinking and more realist foundations under the policy would require more active participation from member states, especially in crisis situations. That is already clear in Ukraine, where the ENP cannot provide quick reactions and responses, and much more involvement from member states such as Germany and France is necessary. With the general destabilization of the European security

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Sooner or later, a closer association with the EU will raise the question of membership prospects.

system, ad hoc interventions by EU member states may become a way to strengthen the ENP.

At the same time, more involvement from the member states should not create competition between them. Rather, such involvement should be strictly coordinated and in line with the logic of the ENP itself. States could provide more leadership and resources while avoiding situations where there is a high risk of political division. It is important to define the stakes and responsibilities as clearly as possible. The fundamental problem with the whole EU's foreign and security strategy is the overlapping of national and supranational levels in designing and implementing the policy. With the exception of the fundamental normative consensus, member states often see things differently in the neighborhood and are not similarly affected by the developments on the EU borders. To avoid replacing the ENP with a set of bilateral initiatives, a division of responsibilities should be drawn to make a policy more credible.

The reviewed ENP should imply easy and instrumental coalition building for specific purposes. Since differences among member states will remain, it is crucial that the ENP is complemented by a more traditional interstate mechanism. Groups of member states could form coalitions for dealing with specific regional and sub-regional issues — an approach that worked well in the spheres of trade, energy, and transnational cooperation, such as environmental protection or migration. For example, multilateral interstate cooperation, including Ukraine, could help develop the Black Sea region. The same approach could apply to a wider Baltic-Black Sea area, specifically on environmental issues. More attention could also be paid to trans-border cooperation among neighboring states. But such initiatives should remain within the general framework of the ENP to provide access to resources and a conceptual umbrella for cooperation.

Separating the Target Countries

Another way to adjust the ENP would be by introducing a more individualized approach to target countries. They are already grouped, mostly geographically, but this is no longer enough. Specifically, within the framework of the EaP, there are at least two groups of countries with different aspirations and achievements along the path to European integration. However, even that is not enough, given the necessity to quickly react to changes in target countries and regional environments. Addressing countries individually would certainly require more effort and planning, but in the end it would be more effective.

Sooner or later, a closer association with the EU will raise the question of membership prospects, as it already has in some countries. Those seeking more intensive integration implicitly or explicitly have that question in mind, and it is too fundamental to ignore. Within the new ENP, a prospective membership should be more clearly defined. It could become a powerful tool for reforms — in some cases, the only tool. Without broad consensus in some Eastern European states over reform, technical and financial instruments, currently provided by the EU, prove to be insufficient. The prospect of membership, however distant and complicated, could help solve the problem.

To enhance the effectiveness of the ENP, shared vision and assessment of the policy would be a key element. Both the EU and a target country should be aware of mutual intentions. While the EU seeks to produce a more favorable environment in terms of political and economic standards, a government in the target country could have different motivations. The case of Ukraine has demonstrated how the instruments of the ENP can be manipulated and how the vision can be fundamentally different. A close coordination of mutual steps would help make the ENP more

consistent. Target countries should also provide as much information as possible on their own assessment of ENP effectiveness to ensure a more individualized approach from the EU. The ENP is in practice Eurocentric and there is often a lack of feedback from the target countries, which leads to a lack of compatibility.

Conclusion

As an ENP target country, Ukraine demands much more European integration than the EU can currently supply. Ukraine has two needs: greater security and greater effectiveness of its state institutions. The EU seems to be able to help with both, which is why a growing majority of Ukrainians already support a long-term aim of joining the Union, even with a clear understanding of how much needs to be done to meet the criteria.²⁸ The question is, how can the ENP address those aspirations?

Security issues on the agenda are certainly more pressing and short term. Addressing them within the ENP would require time and consensus. At the same time, current challenges to regional security will become a test for the EaP. Without developing a new approach to handle them, the project will likely lose most of its added value. Ukraine is ready to play an active role here.

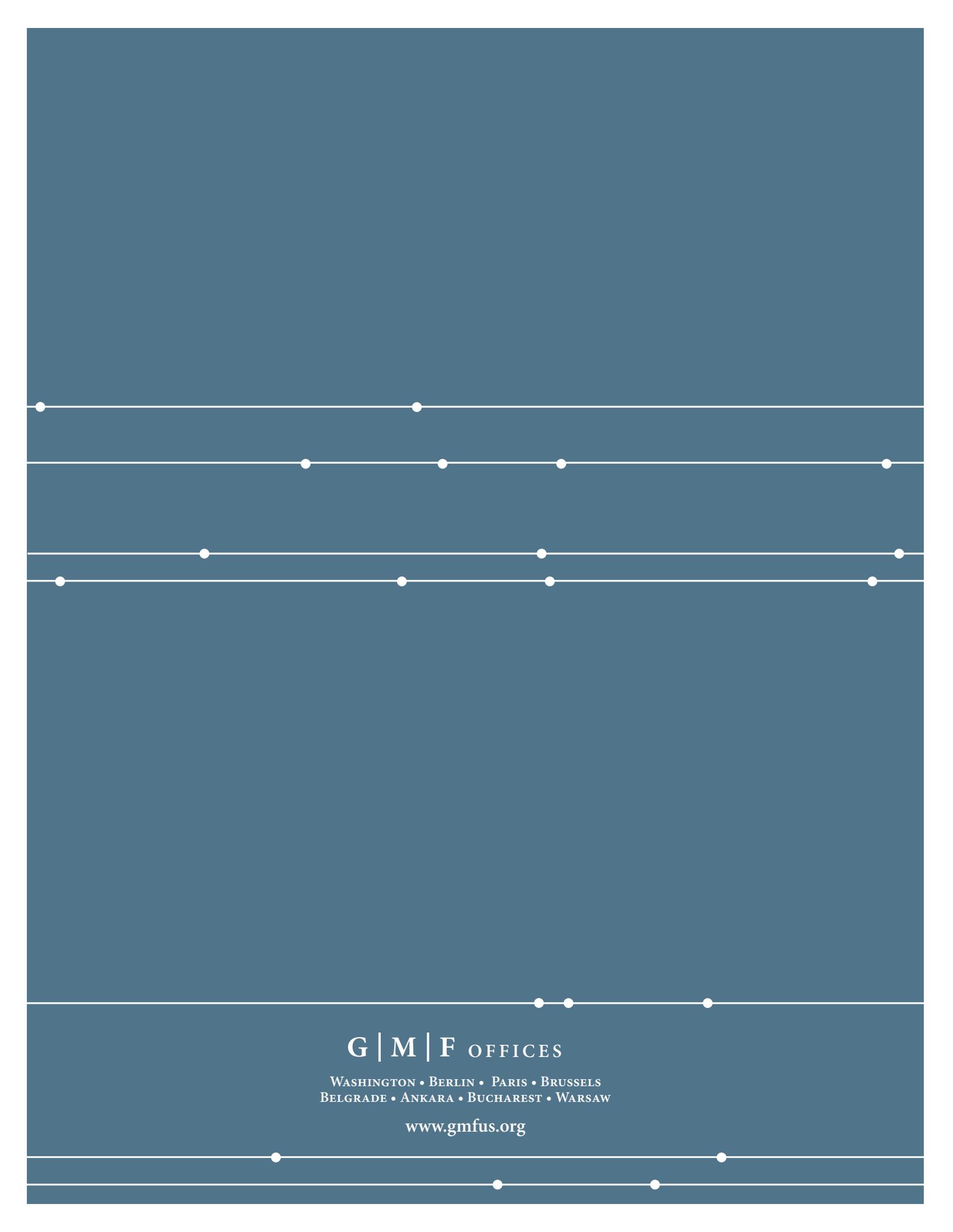
²⁸ "Geopolitical Orientations of Ukrainian Citizens: Constants and Changes of the Last Years (February 2012 – February 2015)," Kyiv International Institute of Sociology, 2015, <http://www.kiis.com.ua/?lang=eng&cat=reports&id=507&page=1>.

Enhancing economic stability and prosperity in the neighborhood will require preserving some distinctive features of the ENP on one hand, and modernizing it on the other. The most powerful way to use the EU's normative power would be through keeping the "More for More" principle and thus securing the sustainability of reforms in the target countries. At the same time, it is already evident that normative influence over the neighborhood demands much more investment, a clear-cut strategy, and division of responsibility.

The elaboration of new instruments, including a strategy toward Russia, is certainly crucial. At the same time, much could be done within already existing frameworks. Implementation of the DCFTA, introducing a visa-free regime, and strengthening cooperation in security sphere should remain on the agenda. In the end, with mutual efforts and progress, Ukraine may become an illustration of how the ENP should work by effectively transforming the environment and generating more security. If it does not succeed, Ukraine could turn into an example of how the ENP could fail.

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Ukraine demands much more European integration than the EU can currently supply.

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