

Is the EU's Eastern Partnership promoting Europeanisation?

Iryna Solonenko and Natalia Shapovalova

»» The Eastern Partnership (EaP) was launched in May 2009 with the aim of establishing a political association and economic integration between the European Union (EU) and Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine.

After more than two years of implementation, the EaP has proved an effective tool for political dialogue and cooperation in a number of areas, including trade, migration and border management, energy and the environment. It has set up a number of bilateral projects to improve relations and has opened negotiations on an Association Agreement with all the EaP countries except for Belarus.

However, now that the EaP multilateral institutions are fully in operation it is pertinent to ask what has been achieved. Do these new institutions and intensified processes entail successful rapprochement with the EU? Is the EU responsible for progress in some cases but regression in others? Is there something that the EU could do to better encourage Europeanisation processes in partner countries?

This policy brief aims to address these questions by drawing on the preliminary results of the European Integration Index for the EaP countries – a project undertaken by a team of researchers from the six partner countries and the EU. The Index examines the state and dynamics of European integration in these countries.

The final results of the Index will be published in November, and the Index overview can be found at irf.ua

HIGHLIGHTS

- Linkages between the EU and EaP countries are increasing but this does not necessarily translate into reform in the region.
- The EaP ruling elites prefer maintaining the political status quo rather than undertaking costly reforms, and civil society is too weak to pressure them.
- The EU should not neglect its accession carrot, better link incentives with progress on the ground and place an emphasis on supporting civil society.

»»»» **MORE INTENSE DIALOGUE AND
INTEGRATION**

The EaP has created a comprehensive institutional structure for multilateral cooperation that includes EU institutions, member states and EaP governments. It has also involved non-governmental actors through the establishment of numerous platforms including EURONEST, a forum for parliamentary cooperation, a Civil Society Forum and a Conference of the Regional and Local Authorities and Business Forum. The partnership's biennial summits and annual ministerial meetings are supported by the work of four thematic platforms that meet twice a year, as well as expert panels and flagship initiatives which support sectoral cooperation and approximation with EU standards.

The EaP has facilitated cooperation and integration in a number of policy areas such as trade, energy, transport and the environment. The prospect of visa free travel, though conditioned upon partner countries' application of Freedom, Justice and Security (FJS) reform and cooperation, is a particularly strong incentive.

The EU and Ukraine are close to finalising negotiations on a Deep and Comprehensive Free Trade Area (DCFTA). Armenia, Georgia and Moldova are working to meet EU requirements to start DCFTA talks. These talks are particularly attractive because the EU is the main trade partner for all the EaP countries apart from Belarus. The EU's share ranges from one third to a half of the EaP countries' trade, with the largest in Moldova and Azerbaijan. Thanks to EU trade preferences and continuous liberalisation efforts, over 80 per cent of the EaP countries' products enter the EU market without import tariffs. The regulatory convergence envisaged by the DCFTA and the removal of tariff barriers is vital to growing trade links.

The partner countries with EU membership aspirations (Georgia, Moldova and Ukraine) have a better record of cooperation with the EU and are more eager to make new commitments

in the hope that it will facilitate their integration. Measured by the frequency of high level visits between these countries and the EU, they have more intense political dialogue. In addition, Georgia, Moldova and Ukraine have developed more advanced government structures to manage European integration and have sought affiliation with European party families.

Ukraine and Moldova were the first EaP countries to receive Visa Liberalisation Action Plans, in November 2010 and January 2011 respectively. Georgia is one step behind, implementing a visa facilitation agreement with the EU since March 2011, while negotiations with Armenia and Azerbaijan are expected in the near future. The number of visas issued by EU member states between 2009 and 2010 has grown for all EaP countries, and there was a slight increase in the number of EU citizens visiting the region as well.

Moldova and Ukraine were also the first Eastern partners to join the European Energy Community (EEC), an initiative established between the EU and the Western Balkan countries to integrate non-EU countries into the EU energy market through the extension of the EU energy *acquis*. Georgia is an observer in the EEC and Armenia has applied for the same status.

Georgia was the first among the EaP countries to conclude a Common Aviation Area agreement with the EU, which envisages its gradual integration into a pan-European aviation market. Moldova and Ukraine are negotiating a similar agreement.

**...HAVE NOT TRANSLATED INTO
REFORM**

Despite growing political dialogue and institutional cooperation between the EU and the EaP countries, reform on the ground has been limited. When it comes to political reform, democratic trends have in fact worsened in the region. Most dramatically, Ukraine and Belarus witnessed a rise

in political repression in 2010-2011, including prosecution of opposition members and civil society activists. This has reversed Ukraine's modest democratic achievements and halted any prospect of transition in Belarus. There has been no meaningful improvement in the South Caucasus countries either. In Georgia, despite the successful implementation of a number of governance reforms political rights and competition are still limited. Moldova is the only EaP country to show positive signs of democratic reform, although it is marked by political instability as the parliament has been unable to elect the country's president and tensions in the ruling coalition are growing.

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The EaP has had precious little impact on the two most authoritarian countries, both of whom hold no aspirations for EU integration: Belarus and Azerbaijan. Regime survival proved to be a higher priority for President Lukashenka than the political and financial incentives offered by the EU prior to the 2010 election and it remained the greatest concern despite the renewed and reinforced sanctions that followed. It is mainly due to the severe economic crisis and the resultant public discontent threatening the stability of the Lukashenka regime that the authorities agreed to a partial amnesty of political prisoners and invited all parties to roundtable talks on economic reform. With Azerbaijan, cooperation has hardly moved beyond energy, particularly in relation to the country's commitment to supply gas to the EU's Southern Corridor. Baku has shown little interest in any other EaP incentives.

Those EaP countries with European aspirations have performed better in adopting EU norms and regulations across different sectors, though

implementation is still questionable. The direct link between the intensity of cooperation with the EU and reform on the ground is stronger in cases where the EU applies strict conditionality. The talks on setting up visa free regimes with Ukraine and Moldova provides a good example. The EU offered a strong and credible reward, a visa free regime, subject to the implementation of concrete reform steps outlined in the visa liberalisation action plans. As a result, both countries have undertaken legislative changes (though at different speeds). Similarly, in the energy field, Moldova and Ukraine amended their gas market legislation, pressured by the need to meet EEC accession requirements.

In most instances, however, the EU does not introduce strict conditionality, thus removing the link between intensity of dialogue and regulatory convergence. This is illustrated by energy cooperation with Azerbaijan. Notwithstanding a 'successful' energy dialogue that ostensibly includes harmonisation of Azerbaijan's legislation with the EU energy *acquis*, Baku has made no effort to implement regulatory convergence and has shown little interest in joining the EEC. The DCTFA negotiations with Ukraine offer a similar example in the trade sector. Although Ukraine has been negotiating the DCFTA since 2008 – seeking to reduce trade barriers and improve the regulatory environment in Ukraine – it still ranks only 145th in the World Bank's 'Ease of Doing Business Index', behind all post-Soviet countries except Uzbekistan. It remains to be seen if Ukraine will undertake reform once the agreement has been concluded.

DOMESTIC FACTORS

Europeanisation in the EaP countries is primarily driven by internal dynamics. In most cases, the political elites are interested in preserving the status quo rather than undertaking costly reforms, while civil society is too weak either to keep the elites accountable or push for reform. Therefore, the lack of both political interest and domestic pressure largely explains the poor reform results.



»»»»» The frontrunners of European integration offer a good illustration of how domestic will and capacity for reform matters. Ukraine has the longest record of cooperation with the EU in the field of FSJ, dating back to 2002 when the first EU-Ukraine Action Plan was adopted. Ukraine was the first in the region to obtain visa facilitation and a visa liberalisation action plan. However, the implementation progress is seen as insufficient by civil society representatives. They point out that most of the work since November 2010 was all done in the month prior to a visit by the EU Commissioner for Home Affairs to Kiev. They have raised concerns about implementation of the adopted legislation.

Moldova started cooperation on the FSJ sector later, but since the change of government in 2009, it has caught up and even surpassed Ukraine on a number of issues. Ahead of receiving the visa liberalisation action plan, Moldova had already switched to biometric passports and launched reforms in data protection, border management and the Interior Ministry.

While it has not yet started a visa dialogue with the EU, Georgia has demonstrated more capability for combating corruption and organised crime than all other EaP countries; these are important requirements for gaining EU visa liberalisation.

Although they do not have a common land border with the EU and therefore cannot be integrated into the EU's land transport system, the three Caucasus countries have made many efforts to improve transport infrastructure and customs procedures. A notable example is Georgia, which sought better and cheaper air connections and concluded the Common Aviation Area agreement only a year after talks began. Ukraine has been negotiating a similar agreement since 2007 with no prospect of its finalisation in sight. Kiev seems more concerned with protecting the interests of national air companies by resisting the entry of European competitors than with safer and cheaper flights for Ukrainian consumers.

Unlike an accession process in which candidate countries must adopt the bulk of EU *acquis*, the EaP offers sector-based integration *à la carte*. EaP partners choose according to their preferences among specific sectors offered by the EU, whose ability to influence this choice is relatively limited. Sectoral integration has brought results only when the interests of both sides coincide. Reform is particularly impeded in those spheres where the rent-seeking attitudes of the political and economic elites prevail – for example, public procurement or the energy market in Ukraine.

TEPID ON DEMOCRACY

Although the EaP supposedly marked an attempt to increase European involvement in domestic developments in the Eastern neighbourhood, the EU has not been able to provide strong incentives for reform, especially where democracy is concerned. In most EaP countries governments feel that they have more to lose through political liberalisation than they would gain by complying with EU requirements.

There is a temporal mismatch between what the EU offers and what these political elites are interested in. The EU's incentives (mobility, trade and investment) are long term in nature and often involve costs in the short run. In contrast, political elites driven mainly by private economic interests have the short-term priority of holding onto power at any cost.

Moreover, the EU has not developed benchmarks to measure democratisation processes. Unlike with the EU common market and many EU policies, there is no democracy *acquis*. While the EU has relied mainly on the Council of Europe and OSCE assessments and recommendations, it has failed to offer closer guidance to the EaP countries on democratic reform. The European Neighbourhood Policy (ENP) Communication of May 2011 tried to address this problem by outlining a concept of 'deep democracy' that includes core political rights, freedom of

association, expression and assembly, and the right to a fair trial.

The instruments that the EU deploys are mostly bureaucratic in nature. They aim at building institutional capacity and the socialisation of political elites. These may bear fruit, but only in the long run. EU assistance to the region does not prioritise democratic institutions and processes. The aid channelled to civil society and to support media freedom, human rights, parliamentary powers and electoral processes remains a small percentage of European aid to the region.

The EU has failed to recognise civil society in the EaP countries as its real partner, except in Belarus where almost all the funding goes to non-state actors. Comprehensive support to non-state actors with the objective of increasing domestic demand for reform has not been on the EU's agenda. So far, the EU has not reached out to broader segments of civil society, such as trade unions, business associations and informal civic initiatives. It has also paid little or no attention to the civil society regulatory framework and environment in these countries.

There are some signs of change in the EU's thinking. The EU has increased the budget of the European Instrument for Democracy and Human Rights in the region from €3.3 million in 2009 to €5 million in 2011. In reaction to the Arab Spring, the Commission and the European External Action Service have proposed a Civil Society Facility and European Endowment for Democracy to support advocacy and policy monitoring efforts by civil society actors in the neighbourhood. The concept of 'partnership with societies' outlined in the May 2011 ENP Communication is a promising one, yet it remains unclear how the EU is going to put this into practice.

The link between sectoral integration and democratisation is still illusory. The EU's cooperation with its EaP partners allows approximation in different sectors without

necessarily translating this into meaningful political reform. Due to the EU's strong interest in specific areas such as energy supplies, sector-based cooperation is possible even without common values.

CONCLUSION

The accession carrot continues to be a strong motivation for the partner countries to take up new commitments in many areas of integration. Those Eastern neighbours with EU membership aspirations are at the forefront of the EaP integration processes. The enlargement incentive remains the main foundation of the EU's soft power in the Eastern neighbourhood. This has two implications. First, the EU should keep its doors open and demonstrate that the accession policy does not lead to a dead end. Second, the EU should rethink its strategy (at least in the short- and mid-term) towards such countries as Belarus and Azerbaijan, as most of the EaP offers are not relevant to them. If the EU's aim is to bring these countries closer, it must look for more effective means of exerting its soft power.

In the case of countries with EU membership aspirations, the EU should establish a clear link between what it is offering and the conditions partner countries must meet in order to benefit. This will have a positive effect on reform progress and make it easier to evaluate. The visa liberalisation action plan is a rare example of strong conditionality in sector-based reforms. This is not to say that things cannot work the other way around: indeed, more engagement and intensive cooperation can lead to better policy convergence in the long run. Yet, the EU needs to provide stronger reform incentives by better adapting rewards to the preferences and needs of partner countries and offering closer guidance during the reform process.

Finally, support for democracy should be a genuine priority in the EU's policies towards the region both at the political and assistance level. The concept of 'partnership with societies' >>>>>

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»»»»» should be put into practice. This means the empowerment of civil society through engagement with a broad range of non-state actors and an improvement in civil society conditions in partner countries. Moreover, democratic governance based on the principles of transparency, accountability and citizens' participation should become a cross-cutting aspect of all EU policies from energy to foreign aid management.

The EaP was a timely and important initiative to strengthen the EU's interest in its Eastern neighbourhood. However, despite the many achievements the EU has made in setting up new institutions and sectoral integration frameworks, the EaP has failed to produce tangible reform on the ground. While the EU is rethinking its role on the international stage and as new global actors are emerging, it should not forget that its main strategic power lies in its immediate neighbourhood.

*Iryna Solonenko is European
Programme Director at the International
Renaissance Foundation in Kiev.
Natalia Shapovalova is a researcher at FRIDE.*

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