



ECFR Riga Series

Eastern Partnership after Riga: rethink, reforms, resilience

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- The mixed enthusiasm with which its target countries greeted the EU's Eastern Partnership offer has prompted a mirror response from the EU: for much of the past six years, Europe's resources and political attention have shifted and zigzagged in the region, depending on which country was at the time seen as being the most pro-reform or pro-European. While this approach has still managed to bring some tangible benefits, it has also ensured that the EU's overall picture of the region remained hazy. Its fragmented focus has undermined its ability to act pro-actively and strategically, and the broader context, including Russia's changing role in it, has often escaped attention.
- The region's vulnerabilities – political corruption and authoritarianism, dependence on Russian energy deliveries and market access – will not disappear overnight. Nor will Russia's rejection of what it perceives as an unwanted Western hegemony over the norms and values that should guide the pan-European order. But the crisis in the neighbourhood should make the EU more, not less, resolved to address the challenge. In doing so it should also stay true to its own values, if it wants to preserve (or, in many cases, rebuild) its credibility with the region's population. The EU should stop rewarding its eastern neighbours' promises and anchor its aid on reforms delivery. To the front-runners it should provide more assistance where it is due and insistence where it is necessary, while the three less ambitious countries should be offered qualified support.

More than a decade of investment of political, economic, and financial resources in the Eastern Partnership (EaP) region has brought some significant benefits both to the European Union and to its eastern neighbours. These include visa-free travel (or the real prospect of it) for eastern neighbours, as well as easier trade. But the crisis in Ukraine, the EU's increasingly frosty relations with Russia, and Europe's questionable ability to defend what it perceives as its core interests in the eastern neighbourhood are prompting a rethink of EU policy towards the region. The EaP has not delivered on the primary ambition of the EU's neighbourhood policy: to help create a "democratic, secure, and prosperous" neighbourhood. If anything, the region is now more unstable and more susceptible to further destabilisation than it was ten years ago. The goal was always meant to be a decades-long marathon rather than a quick win. However, the region's underdeveloped state institutions, the EU's often delayed and misguided reactions to events, and Russia's aggressive stance, symbolised by but not limited to Moscow's annexation of Crimea and support for separatists in eastern Ukraine, all come together to make this goal even more difficult to attain.

The EU: zigzagging in the neighbourhood

At the heart of the EU's neighbourhood policy for Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine lies the offer for these countries to use limited financial and technical assistance from the EU to overhaul their post-Soviet economies and democratise political systems. In return, they would get visa-free travel, customs-free trade, and greater political cooperation with the EU. The trouble with this approach is that the prospects for success largely depend on the willingness of the region's political elites to push for this kind of change. In practice, some countries have been more positive about the offer than

others. Moldovan political elites (after 2009) as well as Georgian elites fully embraced the EU's offer, seeing it as an interim step towards the ultimate goal of the EU membership. Others, such as Azerbaijan and Belarus, have shown little or no interest. At times, Armenia and Ukraine (under Viktor Yanukovich) pursued greater cooperation with the EU, but then sabotaged many measures that could have endangered their grip on power.

The EU has tried to make the best out of the mixed enthusiasm with which its offer has been met. In doing so, either by design or by default, Europe's resources and political attention have shifted and zigzagged in the region, depending on which country was at the time seen as being the most pro-reform or pro-European. At different times, this was Moldova, Georgia, or even Ukraine (before 2012). The process was driven mainly by the European Commission and the EEAS. Many would argue that this approach represented technocratic and short-sighted tactics, but in fact, it has brought some success: the EU has become the top trade partner for all five eastern European EaP countries apart from Belarus, and Georgia, Moldova, and Ukraine have signed deep and comprehensive free trade agreements (DCFTAs) that will eventually allow for barrier-free trade in goods and easier trade in services with the EU. The DCFTAs have also set off a slow overhaul of the countries' economies. Mobility has increased as travel between the EU and most EaP countries has become easier (and for Moldovans, visa-free), which has had positive spill-over effects in areas such as education, joint investment projects, and tourism. Moreover, the EU's offer of visa-free travel has prompted some of the region's countries to completely revamp their border control systems. By default, such benefits are disproportional: Moldovans can travel to the EU without visas and receive preferential access to the EU market, whereas Belarus and Armenia have opted for closer integration with the Russian market, making much of what the EU has to offer irrelevant. However, all in all, although it has delivered some substantive benefits both for the EU and for its partners, the EU's behaviour and fragmented focus has undermined its ability to act pro-actively and strategically. By focusing on individual countries and hunting for success stories of "Europeanisation", the EU ensured that the overall picture of where the region was going remained hazy and that the broader context, and Russia's changing role in it, often escaped its attention.

More assertive Russia, more vulnerable neighbours

Developments in the past two years, especially the war in Ukraine, have made the picture even more complicated. The EU has woken up to a neighbourhood which is much more contested and weaker

than Europe had believed. Russia's ability to destabilise Ukraine and its similar efforts in other EaP countries have exposed Moscow's aggressive behaviour as well as the vulnerability of the eastern European states to Russia's pressure and their fragile capacity to protect their foreign policy choices. This is true not just for those countries already more closely linked to the EU, such as Georgia, Moldova, and Ukraine, but also for Azerbaijan, Belarus, and Armenia, which have up until now mostly preferred to stay aloof or to position themselves equidistant from both Moscow and Brussels.

Ukraine has been at the forefront of these changes: after annexing Crimea, Russia is now providing support to separatists in Ukraine's eastern regions. The war has already led to more than 7,000 casualties and more than one million internally displaced people; it has also exacerbated the already bad economic crisis. The West is trying to provide Ukraine with political and economic assistance, but for all intents and purposes, the country is at war and out of money. However, if domestic political elites do not accelerate the pace of reforms, no amount of Western assistance will suffice to pull the country out of the crisis.¹ In Moldova, closer cooperation with the EU resulted in an overhaul of the country's border control system and some improvements in energy efficiency and anti-corruption measures – but both Brussels and Chisinau are struggling to resist Russia's information war and to offset the impact of the embargoes imposed by Moscow on Moldovan agricultural produce. Russia has other levers to use: more than 9 percent of Moldova's GDP depends on remittances from Moldovans living abroad, especially in Russia, and the country's losses from Moscow's embargoes cannot easily be offset by trade liberalisation with the EU.² Political infighting and corruption opens more doors for pressure and manipulation, while Moscow is actively using separatist forces in Gagauzia and Transnistria to put further pressure on Chisinau.³

Georgia under Mikheil Saakashvili did more than other Eastern European countries to rebuild its state institutions and enhance its security. However, it remains vulnerable to Russian pressure through the separatist regions of Abkhazia and South Ossetia. Moreover, public disappointment with the previous government – and, increasingly, the current one – has created more avenues for Moscow-sponsored actors to enter Georgia's political and media space. Russia-affiliated (and often directly Russia-funded) outlets promoting Eurasian integration and demonising the EU

1 - Non-paper from the third Ukraine Reality Check (16 April 2015 in Riga), published by Eastern European Study Centre and Central European Policy Institute, forthcoming.

2- Pascualle De Micco, "When choosing means losing", Directorate-General for External Policies, European Parliament, March 2015, available at http://www.europarl.europa.eu/RegData/etudes/STUD/2015/549026/EXPO_STUD%282015%29549026_EN.pdf.

3- Vitalie Calugareanu and Robert Schwarz, "Moldova: Europe's next powder keg?", Deutsche Welle, 2 March 2015, available at <http://www.dw.de/moldova-europes-next-powder-keg/a-18289985>.

as doing little else than imposing gay marriages have become increasingly numerous and vocal.

Russia's actions in Ukraine have scared not just Chisinau and Tbilisi, which wanted to loosen their ties with Moscow anyway, but also the capitals whose relations with Russia have been much closer. Belarusian President Alyaksandr Lukashenka's fear of a Western-supported "fifth column" organising a colour revolution on the streets of Minsk has been overshadowed by his fear that Russia could try to stir up trouble in Belarus to weaken his own grip on power or to dispose of him completely. The fear is shared by the majority of the Belarusian elite, which is now trying to bolster the country's relatively weak sense of identity distinct from that of Russia. In Yerevan, the Armenian government has realised that rather than strengthening its security, its rejection of the DCFTA and Association Agreement with the EU and its decision to join the Russia-led Customs Union has made Armenia even more open to Russian pressure and has curtailed its ability to make sovereign choices. Even Azerbaijan, uninterested in much of what the EU had to offer because of its own energy riches, is concerned about Moscow's ability to pressure Baku through the unresolved conflict in Nagorno-Karabakh.

Arguably, Russia has indeed become much more assertive in defending what it sees as its core interests in the region. But as developments in all six EaP countries show, Moscow's actions in the EU's eastern neighbourhood would have achieved little if the elites in the region had done more over the past two decades to address their countries' vulnerabilities to external pressure and improve their resilience. Instead, too often, they chose to concentrate their own power and resources. Thus, the region has two key vulnerabilities with regard to Moscow. First, the weakness of the EaP economies makes the Russian market indispensable in the short term and has allowed Moscow to control several strategic sectors in all EaP states but Azerbaijan. Secondly, political corruption and authoritarianism has often sapped the resources needed for state-building and opened a back door for Russia to influence politics in the EaP countries.

Helping neighbours help themselves

The picture in the EaP has become clearer, and also scarier. Russia's opposition to what it sees as the EU's attempt to carve out its own sphere of influence in what Moscow sees as its own backyard will not disappear tomorrow. This opposition is part and parcel of Russia's rejection of what it perceives as an unwanted Western hegemony over the norms and values that should guide

the pan-European order, built on the model and standards of the EU itself.⁴ The annexation of Crimea was the most profound manifestation of Russia's challenge, but it was hardly the only one.

Finding a new *modus vivendi* for powers on the European continent will take years, if not decades. But the crisis in its eastern neighbourhood should make the EU more, not less, resolved to address the challenge. The EU's security depends not just on measures undertaken internally by the EU or NATO – it is also directly affected by what is happening in its nearest neighbourhood. A good security strategy, therefore, must not end at the EU's doorstep; the EU will not be secure as long as its immediate neighbourhood (both east and south) is in turmoil.

Of course, the responsibility for addressing the eastern partners' vulnerabilities lies primarily with the countries themselves. However, the EU, together with other international institutions such as NATO, the International Monetary Fund, and the Organisation for Security and Cooperation in Europe, is well placed to help them. The EU's primary interest remains the same – to be surrounded by a stable, and ideally, a democratic and prosperous neighbourhood. It is in the EU's interest to keep its eastern neighbours from succumbing to the sort of instability that has befallen Ukraine and to help them preserve their capacity to make free choices about their foreign policy affiliations. In doing so, the EU should also stay true to its own values, if it wants to preserve (or, in many cases, rebuild) its credibility with the region's population.

The EU should – and in practice, already does – take a different approach to Georgia, Moldova, and Ukraine than it does to Armenia, Azerbaijan, and Belarus. The first three, the “integration trio”, are interested in closer integration with the EU and have accepted the full package of EU demands spelled out in the Association Agreements and DCFTAs, in spite of the costs involved. On the other hand, Azerbaijan and Belarus see the EU mainly as a means of offsetting pressure from Russia and of diversifying their economic relations (and in case of Baku, also improving its international image). Meanwhile, Armenia is interested in deepening sector-specific cooperation and in adopting some EU standards, but its membership in the Eurasian Economic Union for now precludes greater overall integration. In other words, rather than wanting to integrate with the EU, these three countries – the “balancers trio” – see greater collaboration with the EU mostly as part of their varied foreign policy strategies, not as blueprints for domestic reform and democratic transformation. By adopting a nuanced approach built on strengthening these countries' sovereignty

4- Hiski Haukala, “From Cooperative to Contested Europe? The Conflict in Ukraine as a Culmination of a Long-Term Crisis in EU-Russia relations”, *Journal of Contemporary European Studies*, 2015.

and resilience, rewarding reforms rather than frontloading its resources, and expanding communication, the EU can better serve its own interests in the region and help its neighbours to become stronger.

Integrationists: assistance and insistence

The EU has greater scope for action and ability to help deliver positive changes in the “integration trio” than in the “balancers trio”, since its engagement and presence there has been much greater and since the countries are much more open to EU influence. The EU, therefore, should prioritise programmes and tools that assist with institution-building as well as strictly conditioned macro-financial and technical assistance, thereby helping the local economies and offsetting some of the pressure from Russia. Support could be extended to cover security sector reform (in which the EU is already engaged in Ukraine) and to enhance transparency in the countries’ economic and financial sectors: as the case of Ukraine shows, corruption not only consumes countries’ resources but also fundamentally weakens their ability to defend themselves. Anti-corruption bureaus in these countries would benefit from greater exchange of know-how with European experts as well as from funds to bolster their independence from political pressure. The EU has already shown that it can be flexible in reacting to Russian pressure in the region by moving forward the timeline for signing Association Agreements and by instituting preferential treatment of products from its eastern neighbours at times when Russia imposed food embargoes or started trade wars. The EU should build this ad hoc flexibility into its toolkit for the region, rather than merely using the option in exceptional cases.

Overall, the EU should stop rewarding its eastern neighbours’ promises and anchor its aid on reforms delivery. This will not only help ensure better use of its limited resources, it will also strengthen the EU’s own credibility as an actor that stands up for reforms, not just for its chosen political partners. Previously, the EU has too often mistaken “pro-European” for “pro-reform” and has bet on the most vocally pro-EU section of the ruling elites – who often turned out to be more interested in safeguarding their own political and economic power. This happened in Ukraine under Yanukovich and in Moldova, where the EU ended up being seen as siding with corrupt politicians.

The EU’s ability to help Georgia, Moldova, and Ukraine is underpinned by the fact that societies in the region are slowly changing and are increasingly demanding better governance and

more accountability from their own governments. The greatest reform potential, therefore, often lies outside of the government districts, as witnessed by the Euromaidan protests in Ukraine and the unprecedented activism of people previously disengaged from civic activities in everything from supporting the Ukrainian army, to calling for transparency of local budgets, to drafting their own reform bills and pushing for parliament to adopt them. In Moldova, more than 20,000 people protested recently for transparency and against corruption. The EU's slow reaction to the unfolding crisis in Ukraine, the violence on the streets of Kyiv, and the failure of the pro-European coalition in Moldova have prompted Ukrainian and Moldovan societies to a healthy realisation: rather than relying on the EU or on a coalition under any label to deliver them a better life, people have realised they must start acting like citizens and demand changes themselves. In these countries, the "pro-European" label now risks being seen just as another cover to continue stealing, which has direct consequences for public trust in the EU and for public opinion on integration with the Union. ⁵

Rather than choosing its partners based on their political declarations, the EU should try to work with everyone who shares an interest in instating deeper cooperation and reforms, whatever their political and geopolitical affiliations. The EU should, therefore, extend its communication not only with cabinet ministers but also with parliamentary opposition parties that are willing to cooperate. Beyond political elites, the EU needs to reach out not just to the small circle of pro-European NGOs but also to interest groups such as employers' associations, SMEs, and sector-specific groups that favour reforms. The EU should not shy away from applying strict conditionality and from publicly pointing it out when reforms are stalled or blocked by ruling elites – it now has more allies within these EaP countries than ever before. If this trend and societal maturing continues, the pro-reform population will provide the biggest support for reforms in the region.

Armenia, Azerbaijan, and Belarus: back but check

The EU has more scope for action and impact in Georgia, Moldova, and Ukraine, but it should not ignore Armenia, Azerbaijan, and Belarus just because they have opted for alternative integration

5- Ukraine started negotiations on DCFTA and AA under the Viktor Yushchenko-Yuliya Tymoshenko "pro-European" tandem, but they were concluded under President Viktor Yanukovych, which prompted the EU to call Ukraine an Eastern Partnership "success story". In Moldova, the Alliance for European integration, which ruled the country in 2009-2014, lost much of its popularity because it came to be seen as increasingly corrupt, with the latest corruption scandal associated with the coalition allegedly costing the country the equivalent of 15 percent of its GDP. In both cases, the EU distanced itself from these elites only when it was clear that they had already lost public support, making it look too keen to stick to its chosen partners even when they were corrupt and did little to advance European-style reforms.

schemes or have chosen to balance between all sides. The war in Ukraine has caused many, including leaders in the three capitals themselves, to argue that the EU should back these countries' sovereignty and strengthen their ability to resist Russia. However, the real demand for EU assistance should be checked and measured not by the number of statements made by these countries' officials, but by their concrete actions. For example, Belarus's calls for reopening dialogue with the EU and for greater economic cooperation have intensified in the past 12 months. But it is unlikely that EU engagement would bring speedy democratisation or result in Minsk dropping its ties with Moscow: Belarus's dependence on Russia is such that any sharp rupture in relations would cost the country's economy and security even more than it has already cost Ukraine. Furthermore, neither the president nor the majority of population is decidedly in favour of closer integration with the EU.⁶ Moreover, Lukashenka's paranoia about Western designs to overthrow him has so far prevented him from launching greater liberalisation or at least releasing the country's four remaining political prisoners, the EU's key condition for reopening official dialogue with Minsk and lifting sanctions. At the same time, EU assistance could in the short term help President Lukashenka to offset some of the pressure from Moscow and allow Belarus access to the western credits that the country desperately needs.

Meanwhile, the regime in Baku has used the fact that the EU has been consumed by the crisis in Ukraine to almost completely silence its critics. The government launched an unprecedented crackdown on its political opponents, on civil society leaders, and on human rights lawyers. The number of political prisoners in the country is close to 100 and most independent civil society leaders are either in jail or have been forced into exile. The EU's response has been completely disproportional in comparison to its actions in Belarus, where the number of political prisoners is much smaller but where more than 200 regime officials remain on the EU's travel ban list. More than that, the EU's approach is misguided. By avoiding putting pressure on President Ilham Aliyev, who cares about his image in Europe, the EU has voluntarily given up one of the few levers it has in Baku (unlike in Belarus, where President Lukashenka likes to boast of being "Europe's last dictator"). It has also given good ground to those who accuse Europe of double standards, in Azerbaijan and in the wider eastern neighbourhood. Last but not least, those inside Azerbaijan who hoped that the EU's pressure on Baku would create some breathing space for those who want to embrace reforms now believe that the EU has failed them.

The EU has every interest in strengthening these states'

6- Yaroslav Kryvoi with Andrew Wilson, "From sanctions to summits: Belarus after the Ukraine crisis", European Council on Foreign Relations, May 2015, available at http://www.ecfr.eu/publications/summary/from_sanctions_to_summits_belarus_after_the_ukraine_crisis3016

sovereignty. However, in its efforts to do so, it should not be naïve about how far its assistance can reach or about the results it can achieve in the short term. Moreover, in helping to increase these countries' resilience to external pressures, it should be careful not to strengthen the unsavoury regimes that rule them. The EU's offer to Azerbaijan should not include funds – the country's GDP per capita is the highest in the EaP region – but, as in Belarus and Armenia, it should focus on technical assistance in areas of mutual interest alongside expanded support for pro-democracy groups. The EU's primary goal should be to strengthen the web of contacts between these countries and the EU by building links with society, not just with governments. This can be done by encouraging more investment and business links, investing in better education by promoting academic exchanges, and supporting energy efficiency. The EU should work with all partners who are interested in strengthening such networks while at the same time continuing its support for civil society groups: dialogue with the governments in these countries should not exclude communication with the rest of the society, and in fact, quite the opposite. These actions can help to decrease these countries' vulnerability to Russia in the longer term while at the same time enhancing the EU's presence – and thus influence – in the region. Tools available already - such as the EU's Instrument for Democracy and Human Rights or the European Endowment for Democracy-- can be of greater help here. Out of the three, Yerevan is probably most acutely aware of its vulnerabilities to Russia, and also most open to deeper cooperation with the EU. The Riga summit should identify more sectors in which the EU and Armenia can collaborate more intensively, including on visa liberalisation. In the longer term, the EU needs to examine how and whether compatibilities can be found with the Eurasian Economic Union.

None of the proposed steps serve as a replacement for a proper EU strategy towards the region and Russia, which is still lacking. The internal obstacles that hinder reform in the EaP countries – weak institutions, political corruption, and economic vulnerabilities – will not suddenly go away. Nor will Russia's opposition to EU involvement in the region and efforts to consolidate its own sphere of influence. Relying on the EU's thus far relatively technocratic approach to deliver political results might have worked in the early days of EU integration, but it cannot address the current political realities in the EU's eastern neighbourhood. If the EU is to deal with the fallout of the current crisis, it needs to tackle the roots of the problem and address the main hindrances to reform in the region. By prioritising state- and institution-building, by insisting on reforms delivery rather than rewarding empty declarations of geopolitical preferences, and by further engaging

societies in the region in its own agenda, the EU can not only protect some of its core interests in the region but also better help the eastern neighbours to help themselves.

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