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# PARTNERS FOR LIFE: EUROPE'S UNANSWERED 'EASTERN QUESTION'

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## SUMMARY

- The fifth Eastern Partnership (EaP) summit holds the potential for much greater transformation of the eastern neighbourhood than most EU member states are currently prepared to try to achieve.
- Since its inception in 2008, the EaP has evolved in response to changing circumstances. But it still falls short of a transformative programme that would properly serve both the EU and reform-minded forces in partnership states, as well as bolstering their sovereignty and resilience to Russian pressure.
- The rise of populism inside Europe and a resurgent Russia outside may have quieted talk of long-term EU expansion. But any downgrading of the EaP would only reduce the security of Europe as a whole.
- Ukraine is the largest and most important EaP country. The EU can achieve more consistent progress on reform here by giving greater consideration to the different forces at work inside Ukraine. 'Smarter' reforms can still achieve more, without extra resources or new initiatives.
- The EU should stay the course on the EaP. It should frontload as many beneficial policies as possible, and communicate the merit of these to the peoples of the region more effectively than it has done in the past.

Next month the Eastern Partnership (EaP) summit convenes for the fifth time. This could be a crucial moment for the future of the European Union's neighbourhood policy: the partnership holds within it great, but unexploited, potential. While few expect the gathering to see any dramatic reinvention of the policy just yet, member states and all who are interested in the future of the eastern neighbourhood should seize the opportunity the summit presents. Dramatic changes may not be on the cards. Nevertheless, the EU can and should shift to a 'status quo plus' approach which builds on existing activity and relationships.

The task of the EaP is to bring about reform in its six participating states, but this has proved a Sisyphean task. In Ukraine, for example, only three years after the 'Revolution of Dignity' – whose proponents seek to do many of the things that the EaP has promoted since its inception in 2008 – critics accuse the country's government of a 'sweet counter-revolution' against reform forces (a pun on Petro Poroshenko's flourishing chocolate business).<sup>1</sup> Meanwhile, Russia's 'hybrid conflict' with Ukraine rages on, including the still-to-be-frozen conflict in eastern Ukraine, where the death toll passed 10,000 in 2017. Tensions have even spread to Russian allies like Armenia and Belarus. Fighting between Azerbaijan and Armenia could flare up at any moment; hundreds of people were killed in four days of fighting in April 2016. Moldova, once seen as a success story of the EaP, is now the opposite, a case study of how 'Europeanisation' can go sour. Nominally pro-Western Georgia seems to have the centralising tendencies but not the reformist *élan* of the Saakashvili era.

<sup>1</sup> Yaroslav Hrytsak, "Sladkaya kontrrevolyutsiya", *Novoe Vremya*, 11 June 2017, available at <http://nv.ua/opinion/hrytsak/sladkaja-kontrrevolyutsija-1288921.html>.

Actual membership of the EU is a distant prospect for all six countries, although forces across all of them, but particularly in Ukraine, insist on discussing it. Yet EU public opinion is hostile to further eastward expansion.<sup>2</sup> In the spring 2017 Eurobarometer, only 40 percent of people across the EU supported “further enlargement of the EU to include other countries in future years”; 49 percent were against.<sup>3</sup> Forty percent is arguably higher than might be expected, but the power of populism to constrain European governments’ room for manoeuvre on the issue, and the related matter of migration, remains significant.

This brief examines the state of the EaP as it enters a new and important phase in its evolution. The paper focuses on Ukraine, the largest of the six EaP states and symbolic in its significance for the EU’s power to influence its neighbourhood.

The paper identifies three interlocking processes, none of which is yet complete. The first is the EU’s incomplete policy adjustment since the revolution in Ukraine and annexation of Crimea in 2014. The EU has reviewed and revamped the EaP but not fundamentally rewritten it. The second constitutes pressures, internal and external to the EU, to undermine or downgrade the EaP – effectively, for Europe to opt for isolation over transformation. The third is Ukraine’s own story of incomplete reforms. Ukraine has made more progress than many credit it with, but Europe can refine its assistance to the country by understanding Ukraine’s particular nuances and needs. The paper concludes that the benefits of the EU remaining engaged with the EaP states far outweigh the costs, but that ‘smarter’ forms of engagement can achieve more without committing too many extra resources.

### To isolate or to transform?

From its very beginning in 2008, the EaP asked target states to transform themselves according to the EU’s Copenhagen criteria – but only so far. After the expansions of 2004 and 2007 there was no agreement as to whether expansion should go further. Some EU member states thought that the six states which became partnership countries should be encouraged to catch up. Others thought that absorbing the 12 new members that joined in 2004 and 2007 would be difficult enough. And so the EaP always had multiple readings written into its DNA. For some EU countries, it was a route to an ever-closer relationship with eastern Europe, with eventual EU membership not ruled out; to others, it was an alternative to expansion. For most member states it was a waiting room until such a time as a choice could be made. And although a policy of the EU-28, the EaP asked little of sceptical member states, which were able to leave both policy details and high politics to the European Commission and activist countries like Sweden, Poland, and the Baltic states.

<sup>2</sup> “What Do the Europeans Think about Ukraine? Full Opinion Poll Results”, Institute of World Policy, 14 July 2015, available at <http://iwip.org.ua/eng/public/1570.html>.

<sup>3</sup> “Standard Eurobarometer 87 Spring 2017: Public opinion in the European Union”, European Commission, available at <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD>.

The EaP was calibrated so as to create small incentives for many of the particular reforms that accession states had been required to make. But the question remained open as to what would happen if any partnership state managed to complete an entire programme of reform and become EU-compatible.

The partnership was designed with many of the same tools, and by many of the same people, from the big accession years of 2004 and 2007. Over time the EaP has evolved to offer Association Agreements, Deep and Comprehensive Free Trade Agreements (DCFTAs), and Visa Liberalisation Action Plans (VLAPs). These involve much bigger chunks of the *acquis*, but the rewards for adoption are not fixed and are up to Brussels. The partnership states have complained that the crucial target of visa-free travel was delayed even after they had met all the targets in their VLAPs.

In short, the question went unanswered of whether a policy of consolidating and protecting the interests of a (now) 28-state EU would be best served by moderate change in the east or by hard barriers against it; by transformation (to a greater or lesser extent) or isolation. On the whole, the EaP was still an end-of-history policy: it assumed that the ‘Brussels model’ was attractive, and would spread. The will to transform was muted from the start, leaving the EU uncertain as to the right trajectory of the policy and final destination of participating countries.

### The Eastern Partnership adjusts, a little

The EU has conducted several reviews of the EaP since 2008. But during the most important phase for rethinking the policy – after the beginning of the Ukraine crisis in 2014 – there were compelling strategic reasons for accelerating the adoption of the Association Agreements with Ukraine, Georgia, and Moldova that were under Russian threat. Moldova’s and Georgia’s agreements were operational by 2016, Ukraine’s by September 2017.

Despite this, the EU has neither pushed the policy decisively forward, nor retrenched. It is true that there have been some adjustments. There is now more ‘consequentialist’ thinking – the EU gives greater consideration to how Russia might react, and to the difficulties that partnership states might face in implementing certain policies. It has become more proactive about selling the long-term benefit of EaP policies, rather than taking the virtues of the ‘Brussels model’ as a given. And in the “Twenty Deliverables for 2020”, a document first published in December 2016, there is a clear shift of emphasis towards “resilience” as much as “reform”.<sup>4</sup> There is a whole section on “security cooperation”, albeit without the EU being able to provide hard security guarantees for states under severe threat. The EaP has added elements of *realpolitik*, but of a particularly EU kind – a *realpolitik* that

<sup>4</sup> “EU revises the 20 key deliverables for 2020 for the Eastern Partnership”, European External Action Service, 13 June 2017, available at [https://eeas.europa.eu/headquarters/headquarters-homepage/28117/eu-revises-20-key-deliverables-2020-eastern-partnership\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/28117/eu-revises-20-key-deliverables-2020-eastern-partnership_en).

## Moldova: A cautionary tale

The European Union has at times made big bets in the Eastern Partnership that did not come off. In Moldova, the 'Alliance for European Integration' ruling coalition assumed power just when the EU was looking for a success story, in 2009. The new government achieved many things. But it always contained design flaws, particularly the fact that it involved power-sharing between the country's two most powerful oligarchic clans. Its 'European Integration' label was a brilliant PR move, but too often was a cover for corruption. The government's collapse in 2013 was the first warning sign, followed by \$1 billion, 15 percent of GDP, being sucked out of the country's three biggest banks in 2014. EU flags flew at subsequent popular demonstrations, but the government was reconstituted in the wrong direction in 2015, with its leading oligarch Vladimir Plahotniuc assuming total power. Popular disillusion with the EU allowed the pro-Russian Ihor Dodon to be elected president in 2016, but he was in fact secretly supported by oligarchs. EU funding was frozen in 2015, but the International Monetary Fund came back with \$179m in 2016 and the EU with an offer of up to €100m in 2017. Even worse, when Plahotniuc toured the West, some bought into the obvious canard that only he could prevent a full-blown Russian revanche.

does not abandon values-based policy, but recognises that not everyone may share those values.<sup>5</sup> In November 2015 a formal review of the broader European Neighbourhood Policy devoted a whole section to the "Security Dimension", which mentioned "the need to empower and enable partners to prevent and manage crises".<sup>6</sup> But the EaP is neither a crisis management policy nor a hard security policy. It is still built around a conflict between wanting to bring EaP states closer to Europe, but not being able to shelter them from the consequences if they do.

There is now more 'differentiation' between the six states, although not enough to reflect the actual differences between them. Differentiation has sometimes actually made it harder to push for reform by paying too much attention to the possibility of pro-Russian revanche (Moldova), or wanting to lock in allies around Ukraine (Belarus, Georgia), or just make any headway at all (Armenia).

Despite the adjustments, problems remain. From the very start, partnership countries have varied wildly in their commitment to bringing about reform. Encouraging the reform process in Georgia and Ukraine is a wholly different kettle of fish to pulling along reform laggards like Azerbaijan.

<sup>5</sup> Stefan Lehne, "Toward a European Neighborhood Realpolitik?", Judy Dempsey's Strategic Europe, 19 November 2015, available at <http://carnegieeurope.eu/strategieurope/?fa=62029>.

<sup>6</sup> "Joint Communication of the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Review of the European Neighbourhood Policy", European External Action Service, 18 November 2015, available at [http://eeas.europa.eu/archives/docs/enp/documents/2015/151118\\_joint-communication\\_review-of-the-enp\\_en.pdf](http://eeas.europa.eu/archives/docs/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf).

Moreover, the see-saw of reformist strength in countries like Georgia, Ukraine, and Moldova has left the EaP struggling to respond. And when security pressures in the form of Russian threats to Belarus's sovereignty have driven Minsk to diversify its options through the EU, it has made tentative steps towards economic and political reform. But the EaP lacks the instruments to incentivise deeper reforms. The form it takes may have altered since the EaP was established, but the underlying tension remains.

These challenges converge in the case of Ukraine; and the run-up to the fifth EaP summit does not look wholly promising for it. The country seems increasingly beholden to EU member states' veto powers. The row with the Netherlands was already a high-profile manifestation of this. But now Hungary has pushed to the front of the ranks of the sceptics, threatening to unpick the Association Agreement after Ukraine passed a new education law in September 2017 that curtailed minority language teaching (west Ukraine is home 150,000 Hungarians). Ukraine, on the other hand, with an eye on upcoming presidential and parliamentary elections, is seeking to lock in stronger language about its European future at the EaP summit (the EU-Ukraine summit in July 2017 actually watered down previous language).

Some commentators are calling for radical choices to be made: "Today, facing the partnership's patent shortcomings, the EU must choose between either scaling down its objectives or ramping up its means".<sup>7</sup> But only a minority of EU states (the United Kingdom, Sweden, the Baltic states) actively support a more ambitious policy. The Law and Justice (PiS) government in Poland, which was one of the original sponsors of the EaP, is critical of anything that its predecessor attempted. Another minority would prefer to scale the policy back, or pay more attention to relations with Russia; these include countries like Italy and Greece.

Most EU member states find themselves in the middle ground and without enthusiasm for any considerable upgrade of the EaP. But maintaining the partnership simply in a holding pattern would be a mistake. The next section demonstrates how the combination of recent, fraught internal European politics with a new Russian adventurism, has indeed constrained Europeans' confidence and ability to push forward a more ambitiously transformative agenda. But it points too to the need for a thorough examination of the state of the EaP in its next phase and the need to consider more decisive steps forward than seen in recent years.

### Where next?

The EaP has many critics who see it as doing too much rather than too little. Some are populists, who identify but exaggerate genuine bogeys of corruption and economic mismanagement. They also transfer proxy complaints about migration to a region where many fewer are currently on the move than in the Levant or Maghreb. Other critics

<sup>7</sup> Martin Sieg, "Reviewing the Eastern partnership", DGAPanalyse, 1 December 2016, available at <https://dgap.org/en/think-tank/publications/dgapanalysis/reviewing-eastern-partnership>.

are realists, who see the region as a diversion or see little positive to be gained from engagement in economic or security terms.

The referendum in the Netherlands in April 2016 on the EU-Ukraine Association Agreement was a sharp reminder of the power of the populist impulse to affect the future of eastern expansion. Proxy arguments about migration dominated what might otherwise have been a fairly technocratic topic. Dutch voters worried about immigration in general focused on the prospect of new arrivals from Ukraine. Sixty-one percent of Dutch voters cast their ballot against the deal, on a turnout of 32 percent. Ahead of the vote, the prime minister, Mark Rutte, went so far as to say that Ukraine should never join the EU.<sup>8</sup> Dutch pressure was later behind the tough language in the compromise declaration reached between the Netherlands and the other member states at the European Council meeting in December 2016. The statement made clear that the Association Agreement “does not confer on Ukraine the status of a candidate country for membership of the Union, nor does it constitute a commitment to confer such status to Ukraine in the future”, nor any right for Ukrainians to “reside and work freely” in the EU, plus promises that member states were not required to offer security guarantees or additional financial support, and Ukraine should do more to combat corruption. The statement was made in the creative format of member states meeting in parallel, to avoid making a formal institutional decision. But the Dutch also objected to the reiteration of previous language acknowledging Ukraine’s “European aspirations” at the EU-Ukraine summit in July 2017.

If populists are stirring up resentment from below, their arguments often overlap with realist arguments from ‘above’.<sup>9</sup> Realist commentators argue that the transformation agenda is now effectively dead. Ukraine, or at least Ukrainian elites, are not capable of real reform – so the argument runs.<sup>10</sup> Nor can the EU act as a security provider for the region. The EU should therefore treat Ukraine, Georgia, and Moldova “as independent buffer states rather than as member-states-in-waiting. It will be particularly important not to set red lines that the EU is not willing to defend”.<sup>11</sup> The EU should then concentrate on its own problems, and “distinguish between core and peripheral priorities” behind relatively hard borders.<sup>12</sup> It should either isolate itself from the ‘buffer states’ or insulate itself from the spillover of their problems into the EU. This overlaps with the view that may be dubbed the ‘sphere of influence’ argument – that the EU has no business being in Ukraine at all since it belongs in Russia’s sphere of influence. Or even that the EaP was *casus*

*belli* for Russia in 2014, as British foreign secretary Boris Johnson has suggested.<sup>13</sup> Alternatively, some maintain that eastern Europe is a security vacuum, a zone of small states that sucks Europe into unnecessary conflict with Russia. Europeans need to save their time, energy, and resources for more pressing issues, like Donald Trump and the putative Franco-German reform drive. There are advocates enough for leaving Ukraine to one side. As one has argued, Turkey is “vital for the EU to decrease the flow of refugees into an increasingly unwelcoming and strained EU. Ukraine, on the other hand, is in a deep political and economic crisis. European leaders now have an all too transparent interest in curbing Ukrainian hopes for EU membership and soothing Russia’s strategic paranoia”.<sup>14</sup> The seeds of an isolationism vis-à-vis the former Soviet space are real.

For the time being the EaP remains in place as a programme that seeks to bring about transformation in its neighbours, whether to a greater or lesser extent. But the combined pressures of populism and realism may push the EU to scale back its commitment to eastern Europe, or ringfence the EaP with Dutch-style language to prevent it developing into a neo-enlargement policy.

### A de facto Russia policy

Besides the rise of populism, a second big development goes to the heart of what the partnership is for: Russia’s aggression in Europe beyond its own borders. The EaP is now de facto a Russia policy. Not just because some originally wanted Russia to participate when the EaP was launched in 2009. But because many of the problems experienced by EaP countries stem from Russia’s failure to respect state sovereignty – which is also the starting point for its aggressive policies elsewhere. Yet as a Russia policy it is stunted, limited by the combined power of populism and realism. And indeed the draw of Russia has never diminished at the state-to-state level. Some parts of Europe yearn for a mythical bilateral world, where the EU-Russia relationship would be the only one that counted. Italy and others are always advocating a restoration of dialogue, without preconditions.<sup>15</sup> But acceptance on the part of some member states that Russia deserves its sought-after ‘sphere of influence’ is risky.

Pulling back from transformation of the neighbourhood in favour of an isolationism that gives Russia a free run there is to misunderstand the way that sovereignty works in the region. The countries that are closest to being in a Russian sphere of influence are Belarus and Armenia – but Russian stewardship here does not bring stability. Countries that Russia tries to keep under its aegis will always try to diversify their foreign policy options to maintain that sovereignty:

8 Dan Alexe, “Rutte: Ukraine Should Never Join the EU”, *New Europe*, 31 March 2016, available at <http://www.neweurope.eu/article/rutte-ukraine-never-join-eu/>.

9 Michael Meyer-Resende, “Ukraine Fatigue is Spreading in Europe”, *EURACTIV*, 24 May 2016, available at <http://www.euractiv.com/section/enlargement/opinion/ukraine-fatigue-is-spreading-in-europe/>.

10 Molly K McKew, “Russia’ Latest Victim in Ukraine – Reform”, *Politico*, 11 April 2017, available at <http://www.politico.eu/article/russias-latest-victim-in-ukraine-reform-sberbank-bank-vladimir-putin-sanctions/>.

11 Mark Leonard, “Playing Defense in Europe”, European Council on Foreign Relations, 2 September 2016, available at [http://www.ecfr.eu/article/commentary\\_playing\\_defense\\_in\\_europe\\_7104](http://www.ecfr.eu/article/commentary_playing_defense_in_europe_7104). (Hereafter: “Playing Defense in Europe”).

12 “Playing Defense in Europe”.

13 Charles Grant, “Is the EU Responsible for the Crisis in Ukraine?”, *Prospect*, 26 May 2016, available at <http://www.prospectmagazine.co.uk/world/eu-crisis-in-ukraine-moscow-putin-brexite-european-union>.

14 Jonas R Driedger, “EU realpolitik on Ukraine - too Little, too Late”, *EU Observer*, 5 April 2016, available at <https://euobserver.com/opinion/132899>.

15 “Italia-Russia, Alfano: ‘Nonostante le difficoltà Mosca rimane partner affidabile’”, *RAI News*, 27 March 2017, available at <http://www.rainews.it/dl/rainews/articoli/italia-russia-alfano-nonostante-difficolta-mosca-rimane-partner-affidabile-68926233-32fd-4997-98c1-8c067d1a9b8f.html>.



Russia is always trying to keep them on a tighter leash. And indeed, Ukraine, Moldova, and Georgia do not accept that they fall under a Russian sphere of influence. They are subject to partial Russian influence; and, if they were left to their own devices, would be subject to aggressive attempts by Russia to expand that influence. This would be deeply destabilising, not least because many Ukrainians would fight back. Russia's attitude is that it does not have enough influence in the region, so is constantly pushing for more. Azerbaijan's own strategic orientation is such that it attempts to be free of any formal sphere of influence, while keeping a free hand for potential confrontation with Armenia.

Russia is also committed to confrontation strategies to cover potential domestic discontent. It needs conflict with the West for domestic purposes, regardless of whether such a conflict is really happening or not. As a result, if Europe waters down its engagement in the east, 'stability' will not ensue.

Instead, stability comes through transformation. Ukraine has proved this point many times – the upheavals of the Orange Revolution in 2004 and Revolution of Dignity in 2014 were both preceded by periods when the West was questioning the value of working with Ukraine. But corruption and state dysfunctionality during that period only got worse, and Russian intervention only more aggressive and destabilising. Lack of engagement led only to a lack of stability, leading both times to bigger eventual upheavals and belated EU interventions that were less effective than earlier activity would have been.

## Reform in Ukraine: Where the Eastern Partnership matters most

Ukraine is the largest, most important, and most contested EaP state. The EU's power to exert influence in Ukraine has always been significant, even after its post-2008 internal troubles. When Viktor Yanukovich fled Ukraine in 2014, support for the EU went up noticeably, but even more dramatic was the collapse in support for the Russian-led Eurasian Economic Union, from 43 percent to 14 percent. The EU was the only game in town left. In July 2017 the National Academy of Sciences measured support for the EU at a steady 54 percent.<sup>16</sup>

Success in reforming Ukraine and bringing it closer to European norms will signal strength on the part of the EU and a willingness to maintain transformative engagement in its eastern neighbourhood. But what can supporters of continued engagement learn from the experience so far in Ukraine? What nuances of the situation on the ground do the EU and its member states need to grasp? And does Ukraine have any options other than a choice between the EaP and a drift back into the embrace of Russia?

## Four trends in Ukraine

For the EaP to succeed, it will be just as important to recognise differences within Ukraine as it is to recognise them between, say, Ukraine and Azerbaijan. To do this, future stewards of the EaP will need to understand that there are four different 'types' of Ukrainian which matter when it comes to bringing about reform. To make things more complicated, these can be the same people.

The four groups exist in all the other EaP states but the balance between them differs. If the EU can differentiate more 'smartly' between these groups, then the EaP will be more effective as a whole.

### Reformers

Real 'reformers' in Ukraine are mainly to be found in civil society, and these have grown in number since 2014. As Olena Halushka of the leading Ukrainian NGO, the Anti-Corruption Centre (ANTAC), has explained, "a lot of change-makers were ... created in the last three years", helped by a freer media and an upsurge in civic activism.<sup>17</sup> And EU engagement has helped fuel this growth, with direct channels like the European Instrument for Democracy and Human Rights (EIDHR) proving more effective than the Civil Society Forum, which remains largely a talking-shop.

Civil society groups pushed for reforms they believed were worthy. Sometimes they had allies in government; some have crossed into government itself. Many of Ukraine's reforms succeeded because of reasons other than the efforts of reformists: *force majeure*, collapse of trade and state finances in 2014-15, and the desire by 'security-seekers' and 'nationalists' (see below) to 'cleanse' the state of Russian sympathisers. For these reasons there has been significant progress in: stabilising the budget; reforming some types of state procurement; reforming an energy sector that was traditionally Russia's main pressure point; and building an army virtually from scratch. Where such pressure has not been so strong, progress has been minimal. Many state-owned enterprises remain unreformed cash-cows for their bosses; privatisation has been minimal; the Holy Grail of land reform – a free market in land to unlock Ukraine's massive agricultural potential – remains as elusive as ever.

There are committed reformers in government and some state-owned enterprises; but their number is fast diminishing, as frustrations and resignations mount. If reform momentum is to be maintained over the next two years, it will have to rely on forces outside government, and on external pressure on an increasingly reluctant government. The latest saga is the resignation of Wojciech Balczum, the Polish outsider appointed to shake up the Ukrainian railways and the remaining independent members of the public board of Naftohaz Ukraïny in September, hot on the heels of earlier resignations at the National Bank. But new blood also arrives, indicating that reform forces remain important. The finance, infrastructure and acting health ministers

<sup>16</sup> "Do 26-richnitsi Nezalezhnosti Ukraïny: tendentsii zmin hromads'koi dumky", Democratic Initiatives, 22 August 2017, available at <http://dif.org.ua/article/do-26-richnitsi-nezalezhnosti-ukraini-tendentsii-zmin-gromads'koi-dumki>.

<sup>17</sup> ECFR interview with Olena Halushka of ANTAC, 31 August 2017.

are all pushing for unfinished reforms. The struggle over the new head of the National Bank, in which reformers resisted conservative pushback, left the position vacant all through the summer of 2017. In the face of possible growing counter-revolution, the EU should press hard to support the few remaining reformist ministries or ministers, and prevent the old system reverting to the worst of the old ways.

Some critics, even in Ukraine, warn of the danger of EU funding “growing a new generation of grant-eaters” among favoured NGOs in Kyiv.<sup>18</sup> And EU diplomats themselves have commented, “Civil society is not as effective as it could be. Too many organisations are wasting time defending themselves”.<sup>19</sup> Indeed, not all civil society actors are virtuous. There are many fake or grant-seeking NGOs. There are pro-Russian NGOs and increasingly GONGOS masquerading as independents or used as attack dogs.

However, the EU should continue to defend Ukrainian civil society. But where it sees authorities pushing back against local reformist NGOs, this is a sign of these organisations’ effectiveness in pushing for reform. Ukrainian civil society is the new front line for the EaP.

#### Counter-revolutionaries

‘Counter-revolutionaries’ resist the aims of the revolution, rather than seek to promote a pro-Russian line per se. Many Ukrainian officials are corrupt. But elite corruption is a systemic problem. Ukrainians talk not just of the corrupt, but of the *koruptsiனர்*, someone for whom corruption is not just a temptation, but a way of life. A *skhemshchik* is always looking for new schemes. *Sistema* is the collective apparatus of corruption. This versatility makes anti-reformers extremely adept at protecting their own interests. As one of the founders of the civil movement Chesno, Oleh Rybachuk, has said, “Ukrainians learnt how to sabotage the one piece in the mechanism that undermines everything”.<sup>20</sup>

A good example is the recent developments in Ukraine’s judicial reform process. The last piece in this process was to be the introduction of specialised anti-corruption courts. Without them, investigation and prosecution would go nowhere; the existing courts are too compromised. But in the summer of 2017 Poroshenko switched abruptly to talking about special ‘chambers’ in existing courts under the new Supreme Court, whose election process has been carefully rigged. Jean-Claude Juncker seemed to endorse this sleight-of-hand at the EU-Ukraine summit in July. Continued pressure nevertheless had some effect. Poroshenko announced an apparent return to the original idea of separate anti-corruption courts in October, but covertly undermined it with a new law on legal reform that would force investigators to assemble a case in only 12 months – thereby effectively amnestying all the crimes of

the old regime.<sup>21</sup> But if reform of the judicial process fails to take place, this will threaten all sorts of other achievements.

It was already apparent within the first two years after the 2014 revolution that vested interests were blocking key reforms.<sup>22</sup> More recently, it has become apparent that Poroshenko has not just tolerated old interests and practices, but taken some of them over. Indeed, he found himself enmeshed in the Panama Papers scandal in April 2016. Some of the dirty tricks and semi-authoritarian practices of the Yanukovich era (2010-14) have been revived.

The EU still had one large carrot up its sleeve which it could use to take on some of the toughest reforms in Ukraine – visa-free travel. But Ukrainian citizens with biometric passports received this in June 2017. Since it was granted, many EU diplomats have expressed their fear of a loss of leverage over Ukraine.<sup>23</sup>

*Sistema* has started an aggressive campaign of self-defence, partly because certain reforms were starting to cut deep. *Koruptsiனர்* and *skhemshchiky* have fought increasingly aggressively to protect their interests. In 2016 a reluctant establishment was forced to comply with the ‘e-declaration’ of assets. Many within it treated this reform as something of a declaration of war. Over the summer of 2017, a sustained campaign was launched against pro-reform journalists and NGOs. It pushed back very precisely against the key initiatives and people responsible for pushing for deeper reforms. For example, the Security Services (SBU) targeted ANTAC after it pressed for the SBU’s separate and closed system for asset declarations to be abolished.<sup>24</sup> The government threatened NGOs with a declaration system designed to cut them off from foreign finance. NGO leaders were regularly attacked in pro-government media, and on attack sites set up especially for the purpose, like the Voice of Truth ([golospravdy.com](http://golospravdy.com)) and National Interests of Ukraine ([nin.org.ua](http://nin.org.ua)). Paid-for demonstrators harassed leading activists and journalists. By August criminal charges were threatened against Vitaliy Shabunin, head of ANTAC.

Civic groups fought back in October 2017. Thousands of activists demonstrated outside parliament, demanding anti-corruption courts, the abolition of the legal immunity of members of parliament, and a new and more open electoral law for 2019 – opening a new phase of struggle all the way through to the next election cycle.

#### Security-seekers and nationalists

As a country at war, there are many in Ukraine for whom national security is the top priority. These include ‘nationalists’ who wish to resist Russia and ‘statists’ who

<sup>18</sup> ECFR interview with Oleh Rybachuk, former head of the Presidential Administration, now head of the reform NGO Chesno (‘Honestly’), 23 August 2017.

<sup>19</sup> ECFR interview with EU diplomats in Kyiv, 23 August 2017.

<sup>20</sup> ECFR interview with Oleh Rybachuk, 23 August 2017.

<sup>21</sup> Serhiy Sydorenko, “Zahrozu z Venetsii: khto perekonav Poroshenka pidtrymaty ideyu antykoruptsiinoho sudu”, *Evropeiska Pravda*, 5 October 2017, available at <http://www.eurointegration.com.ua/articles/2017/10/5/7071872/>.

<sup>22</sup> Andrew Wilson, “Survival of the Richest: How Oligarchs Block Reform in Ukraine”, European Council on Foreign Relations, 14 April 2016, available at [http://www.ecfr.eu/publications/summary/survival\\_of\\_the\\_richest\\_how\\_oligarchs\\_block\\_reform\\_in\\_ukraine6091](http://www.ecfr.eu/publications/summary/survival_of_the_richest_how_oligarchs_block_reform_in_ukraine6091).

<sup>23</sup> ECFR interviews with EU diplomats in Kyiv, 23 August 2017.

<sup>24</sup> ECFR interview with Olena Halushka of ANTAC, 31 August 2017.

seek to retain the integrity of the state. These groups can and do back the changes that the reformers support, in particular removing Russian sympathisers (and potential rivals) from state institutions in the wake of the Yanukovich years. But their efforts are aimed even further back in history, The word ‘decolonisation’ was little heard in the early years of Ukraine’s independence; Ukraine remained neo-Soviet and neo-Russian. But now it is a common term.

Nationalists and statisticians can, of course, be illiberal. Ukraine has seen a rapid growth in online ‘patriots’, so called *Porokhoboty* (‘Poroshenko bots’). These attack reformers for failing to concentrate on Russia, the real enemy, and undermining Ukraine’s reputation abroad. National security arguments can also serve as a useful front for the corrupt. The ‘Economic Department’ of the SBU has used its security powers to shake down various businesses and has led the fightback against NGOs when they have criticised it.<sup>25</sup> In this respect, there is significant overlap with the behaviour of counter-revolutionaries.

### *Russian stooges*

The 2014 revolution did not mean that the strong pro-Russian presence in Ukraine disappeared or changed allegiance. Indeed, openly pro-Russian individuals are prominent in the Minsk process – on the Ukrainian, not the separatist, side. They are also present throughout business and the judiciary. And, while, Ukraine has blocked access to Russian television, some still receive it by satellite, and in border areas Russian propaganda still has an open door into Ukraine through the media holdings of the former Yanukovich ‘Family’, which survive largely untouched. Businessman Serhiy Kurchenko is now in exile in Russia, and was revealed, in the leak of emails of former Kremlin official Vladislav Surkov’s office, to have been used for the spreading of pro-Russian messages.<sup>26</sup> But Kurchenko’s Ukrainian Media Holding (UMH) controls UBR TV, KP in Ukraine and Korrespondent.net, and even the free newspaper *Vesti*. Kurchenko’s network is not alone: ZIK TV, 112 channel, and the strana.ua and ukraina.ru websites all parrot the Kremlin line.<sup>27</sup> The News One group owned by Serhiy Murayev has pushed its former owner the oligarch Vadym Rabinovich high in the opinion polls, even though his populist party ‘For Life’ stands for nothing but peace with Russia at any price. Other mainstream media, even Rinat Akhmetov’s leading ‘Ukraine’ channel, often echo the stories and terminology of pro-Russian media. Content analysis shows just how many Russian media tropes these outlets share.<sup>28</sup>

25 Ivan Verstiuk, “(in)Security Service of Ukraine puts pressure on business for its own benefit - Novoe Vremya”, ANTAC, 12 August, 2017, available at <https://antac.org.ua/en/investigations/in-security-service-of-ukraine-puts-pressure-on-business-for-its-own-benefit-novoe-vremya/>.

26 Oksana Gytsenko and Oleg Sukhov, “Surkov e-mails show Kremlin’s heavy hand in war against Ukraine”, *Kyiv Post*, 2 November 2016, available at <http://www.kyivpost.com/ukraine-politics/surkov-e-mails-no-smoking-gun-whiff-cordite.html>.

27 “Russian media lobby in Ukraine: Vesti, UBR, Strana.UA and Ukraina.RU”, Inform Napalm, 20 February 2017, available at <https://informnapalm.org/en/russian-media-lobby-ukraine-vesti-ubr-strana-ua-ukraina-ru/>.

28 Roman Shutov (ed.), “Kremlin Influence Index”, Media Sapens, 16 May 2017, pp. 8 and 43, available at [http://osvita.mediasapiens.ua/detector\\_media\\_en/reports\\_eng/kremlin\\_influence\\_index/](http://osvita.mediasapiens.ua/detector_media_en/reports_eng/kremlin_influence_index/).

Russia may not have got what it wants in 2014. But, according to one Ukrainian security official, “from Russia’s point of view, the alternative campaign of destabilisation works – slowly but cheaply”.<sup>29</sup> Russia has always hoped the pendulum would swing back in its favour in ‘its’ half of Ukraine. More specifically, it has banked on biddable elites, especially, but far from exclusively, those from the east and south of Ukraine. Russia is perfectly happy with corrupt elites remaining in power. “As long as *sistema* exists, Russia can come back some day.”<sup>30</sup>

### **The need for ‘smart reform’**

Kyiv has a mixed record on reform because of the changing balance between these different types of group. Reform therefore comes in fits and starts. And, overall, it is substantive but not coherent. Reform is substantive because there are enough forces driving it – internationally, in Ukrainian civil society, and (least of all, but still important) in Ukrainian politics. 2017 is not like 2007. Three years after the Orange Revolution in 2004, disillusion was much more widespread. Three years after the revolution in 2014 forces are still pushing for change. This time around there has been only “an attempt at counter-revolution” in Ukraine, as Olena Halushka puts it, rather than a full-on turnaround.<sup>31</sup>

But *sistema* is still strong; the state officials, who are the EU’s usual partners, have grown adept at picking and choosing which reforms to adopt, and blocking those that threaten their fundamental interests. Broadly speaking, then, ‘reformers’ occupy one end of the spectrum and ‘counter-revolutionaries’ the other. And nor does everything simply depend on the relative strength of these two groups – other forces can swing the balance. ‘Russian stooges’ are also, naturally, against reform, as a corrupt Ukrainian state is more permeable to Russian influence. Counter-revolutionaries could work with them if they felt that was the only way to save their position. ‘Statists’ and ‘nationalists’ stand in the middle ground. Counter-revolutionaries could also work with nationalists to preserve a state where they can enrich themselves, or even set up artificial conflict with Russian stooges.

The EU must recognise and work ‘smartly’ by understanding the nature and balance of the different groups crucial to bringing about (or blocking) reform. The EU should recognise and condemn counter-revolutionaries in government and should partner with statisticians instead. But it should be wary of the cynical statist calculation made by some Ukrainian leaders in private: there is a view that the EU’s investment in Ukraine has been too significant for Brussels to walk away, not least at a time when Russia is engaged in ‘active measures’ beyond its own borders. Corrupt individuals bank on the EU making the same decision, even if reform stalls.

29 ECFR interview at the National Security and Defence Council of Ukraine, 23 August 2017.

30 ECFR interview with EU diplomats in Kyiv, 23 August 2017.

31 ECFR interview with Olena Halushka of ANTAC, 31 August 2017.

The EU should continue to defend civil society, and do so as demonstrably as possible, as part of the authorities' aim is to discredit NGOs in the eyes of the West. Civil society, if backed up and protected, can help the EU by acting as a watchdog and by identifying the pitfalls in the reform process, and the feints and dead-ends used by counter-revolutionaries to sabotage reform. The EU should also encourage civil society to make alliances with other groups, including the statist and nationalists. Oleh Rybachuk argues that the EU can "encourage civil society to reach down more, to organise civic pressure from below much more. Ukrainian civil society's reach up is stronger than its reach down".<sup>32</sup> This would also help prevent EU funding from creating an isolated new class of elite civic groups.

### Is Europe the only game in town?

Poroshenko embodies a number of the different 'types', as an anti-Russian reformer who has proved susceptible to anti-reformist forces. The dilemma is set to become even sharper for the EU as the president prepares to make 'Europe' the centre of his re-election campaign in 2019. Is he the right man for the EU to endorse, or would this result in the same mistake as in Moldova – backing self-declared 'Europeans' despite their corruption, and discrediting the idea of Europeanisation? The opposite scenario does not look good either – if 'Europe' fails at the polls, groups committed to rapprochement with Russia could take power.

'Europe' took centre-stage in Poroshenko's speech on Independence Day 2017. Standing on the Maidan where protestors were killed by sniper fire, he said: "On the twenty-sixth year of Independence, we have successfully completed the struggle for ratification of the Association Agreement with the European Union", despite "Moscow making more efforts to block the signing". The same theme appeared, more obliquely, in Poroshenko's celebration of the anniversary of another revolution: 1917. Putin's Russia feels more ambivalent about any revolution, and official comments have been ambiguous. Poroshenko, on the other hand, proclaimed lessons for the present day. These were internal unity, strength (i.e. the armed forces), and foreign support – "We have to look for and hold on to allies. A hundred years ago, we stood alone against Russia, only those new states that had proper external support survived".<sup>33</sup> With the EU, in other words, Ukraine can be stable and independent. Without it, Ukraine faces instability and even defeat.

Poroshenko has insisted that "Heading towards the EU and NATO is obvious and irreversible. What we need is to choose the shortest route, means of transport and the best speed".<sup>34</sup> This is not just rhetoric: the alternative options for Ukraine are relatively weak.

<sup>32</sup> ECFR interview with Oleh Rybachuk of Chesno, 23 August 2017.

<sup>33</sup> "Vystup Prezydenta pid chas urochystoho zakhodu 'Parad viisk' z nahodu 26-oi richnytsi Nezalezhnosti Ukraïny", Ukrainian President's website, 24 August 2017, available at <http://www.president.gov.ua/news/vistup-prezydenta-pid-chas-urochystogo-zakhodu-parad-vijsk-z-42878>.

<sup>34</sup> "President: Our common task – Europe must be brought to Ukraine, everything must meet the European standards", Ukrainian President's website, 7 September 2017, available at <http://www.president.gov.ua/en/news/prezident-nashe-spilne-zavdannya-yevropa-maye-but-i-privnesen-43090>.

Besides looking to Brussels, some Ukrainians have sought to revive the idea of an 'Intermarium', and see in it a geopolitical white knight. The original Polish idea of 'between-the-seas' (*Międzymorze*) was developed between the world wars, but has been adopted by many Ukrainians seeking a multi-ethnic and multi-regional future, free from Russian influence.

In current circumstances, where Ukraine has to fight a war without formal allies, such a set-up might help to straddle the current borders of NATO and the EU. However, the concept is currently under renewed Polish ownership, and has been remade by the Law and Justice government into the 'Three Seas' or ABC Initiative (the Adriatic, Baltic, and Black Seas in Slavic). This is a north-south rather than east-west project. It is internal to the EU, so is mainly focused on developing infrastructure and energy ties. And it has no security dimension. In so far as it hints at Polish regional leadership and counterbalancing Germany, the initiative may find it hard to develop. And Ukraine was not even invited to the summit in Warsaw in July 2017.

There may be greater opportunities for reciprocal working between Europe and Ukraine in the vital area of energy. There have already been significant changes here since 2014. Ukraine used to be heavily dependent on Russian oil and gas, but it was also a key transit state; and political rows between the two countries led to frequent supply cut-offs, as in 2006 and 2009, hitting European consumers downstream. But war, renewed Russian cut-offs, and a national security drive for independence have meant that Ukraine has not bought any gas from Russia since November 2015. The diversification of the Ukrainian market has also opened up new opportunities for European companies.

Ukraine bit the bullet and by 2016 had raised domestic gas and electricity prices tenfold. This was hugely risky politically, and has fed deep popular disillusion and discontent. Market gas prices have reduced corruption from arbitrage, and cut domestic wastage. They have also made the Ukrainian market much more attractive for foreign companies. The first European supplier was registered in 2012; now there are 36. Ukraine's state extraction company *Ukrhazvybudovannya* also has more money to invest. Domestic gas extraction was up to 14.5 billion m<sup>3</sup> in 2016. The government's production target for *Ukrhazvybudovannya* is 20 billion m<sup>3</sup> by 2020. A law on stimulating gas production in Ukraine is up for consideration in late 2017. If it is passed, smaller companies could add another 6 billion m<sup>3</sup>.

A long-term future without Russian energy is within Ukraine's reach. Corruption has not been eliminated, however. Ukraine no longer imports pipeline gas from Russia, but corrupt deals still take place, particularly in LPG supplies, allegedly in pro-Russian circles and among the president's protégés.<sup>35</sup> An initial burst of reform at Naftohaz Ukraïny stopped the company being such a colossal drain on the state budget – its new management cut its deficit

<sup>35</sup> ECFR interview with energy expert Mykhailo Honchar of Strategy XXI, 24 August 2017.



from 4-5 percent of GDP before 2014 to an actual surplus. But then old practices returned, as there was still money to be made in distribution, if EU pressure to unbundle these networks could be resisted.

Working in concert with other international actors more generally is vital for the EU to achieve success in Ukraine. A dangerous scenario is currently brewing. Ukraine has just enough of a relationship with the West to have secured an initial International Monetary Fund programme and a return to international money markets in September 2017, which netted \$3 billion. Kyiv now seems to think it can use the money to pump-prime for the 2018 elections while backsliding on reforms that hurt elite interests. This scenario can be avoided, but only if the EU and IMF stick to tough conditionality, so that the international markets are reluctant to give Ukraine a free hand. Some have expressed the fear that the EU might lose leverage over local elites after granting the big prize of visa-free travel.<sup>36</sup> So Ukraine should be constantly reminded that the benefits from trade with the EU will always accumulate and are always fragile.

For the moment, then, the EU is still the only game in town, although of course it cannot be certain what it will look like in five or ten years' time. Assuming the EaP survives till then, Ukraine may then have more options.

## Policy recommendations

It is highly unlikely that the European Union will introduce any major changes to the Eastern Partnership either at this year's summit, or any time soon. Even with the apparent retreat of populism, political realities in Europe and Russia's continued interest in making its presence felt in the neighbourhood, militate strongly against any upgrade in activity there. At the same time, there is little appetite for any EU retreat from the region. As a result, the EU should instead focus on defending current commitments and implementing what has been already agreed. The DCFTAs are in place but will take five years to enact completely.

Over that period, the challenge for the EU and any future neighbourhood policy will be to make sure that enthusiasm for the EU in partnership countries continues, even in places enacting DCFTAs which may bring pose some difficulty in reform. Though the EU should work hard, as it is already doing in many respects, to frontload the policies that make most impact on ordinary people's lives in the region, such as making visa-free travel a reality and showing how EU trading standards benefit ordinary consumers. But, as the 2017 EU-Ukraine summit showed, when the Dutch objected to a phrase dating from the 2015 EaP summit, that the EU "acknowledges Ukraine's European aspirations and welcomes its European choice", too much open discussion of distant scenarios and over-reach can lead to pushback. But if the populist tide is now ebbing, the EU has scope to be bolder. The EaP is not a standalone policy. It is a reflection of the EU itself; it is as ambitious as the EU and member states want it to be.

<sup>36</sup> ECFR interview with EU diplomats, 24 August 2017.

But if the status quo is the most likely scenario, the EU should really be aiming for the 'status quo plus'. The aim should now be for 'smart reform': understanding the nuances within as well as between partnership states, and in Ukraine in particular the EU should make sure that well-intentioned policies are not subverted on the Ukrainian side. The EaP needs to find traction and branding to provide the capital that local reformers need, and to shift dynamics in the EaP states out of their current stalemated or piecemeal approach.

As a result, the EU should consider pursuing the following actions:

### *Implement current agreements and look ahead to a future round of agreements*

A grand new political narrative on the future of the east might create more leverage and help push through EaP reforms, but it is unlikely to emerge. But EU leverage still comes from fear of even greater Russian dominance and from the EU's economic attraction. Realistically, the EU cannot offer security guarantees, but its one big offer is integration into the single market. Some, like former NATO head Anders Fogh Rasmussen, have argued for extra incentives, such as a new customs union.<sup>37</sup> This would be seen as leapfrogging – adding on new policies before existing ones have bedded down. But one useful negative incentive might be a payback clause, to claw back EU funding, if targets are not met, to incentivise implementation.

But leverage will also be a micro affair, over the long haul. Implementation of the Association Agreements will not come about via the signing of documents or high political ceremony. It will be a drawn-out process. The EU will constantly have to make alliances, within and around partnership states, for every small step in the process. This will be a case of finding the right levers and individual pressure points.

### *Get the language right*

What the EU says in public matters, and actively influences the course of debate in Ukraine and other partnership states. For example, the EU questioned the legitimacy of the NGO Public Integrity Council at the EU-Ukraine summit. It also quoted an unhelpful Council of Europe opinion, which the Ukrainian authorities then re-quoted to justify their backsliding on judicial reform.<sup>38</sup>

Interlocutors in EaP states complain that the EU gives them a 'permanent cold shower'; language and atmospherics do matter. The EU should be able to find warmer and more positive language and expressions of solidarity. Local politicians and civil society activists do not expect EU membership overnight; but those who want to campaign

<sup>37</sup> Anders Fogh Rasmussen, "The Case for an EU-Ukraine Customs Union", Project Syndicate, 12 July 2017, available at <http://www.project-syndicate.org/commentary/eu-ukraine-customs-union-by-anders-fogh-rasmussen-2017-07?barrier=accessreg>.

<sup>38</sup> "Support to the Implementation of the Judicial Reform in Ukraine", Council of Europe, 14 June 2017, available at <http://www.coe.int/en/web/kyiv/-/on-12-june-2017-an-opinion-of-the-council-of-europe-on-compliance-of-the-rules-of-procedure-of-the-public-integrity-council-with-the-standards-and-rec>.

for closer relations with Europe need some political capital from the relationship to prevent public opinion turning sour at home. Poroshenko has personally insisted on returning to the issue of membership wording for his 2019 campaign. But this year's EaP summit should avoid having its energies sapped by another dispute about "European aspirations". Article 49 allows any European state that fulfils the Copenhagen criteria to apply for EU membership, and that is that. The summit should seek a form of words that conveys a broader and warmer expression of solidarity than Ukraine has heard in recent years.

#### *Make trade-offs that keep Eastern Partnership states involved*

The EU has now incorporated 'security' and 'resilience' into the EaP. But this means some difficult trade-offs. The EU has a mixed record in judging these well. In Moldova the EU got things wrong twice. Ukraine cannot be given a blank cheque in the name of its own national security. On the other hand, there is a good case for the EU's recent rapprochement with Belarus, supporting its sovereignty and freedom of choice in foreign policy, even though there has been little progress towards political liberalisation.

However, the EU should show some tough love too. Greater flexibility in engagement does not mean that the EU should abandon conditionality. If it does, the impetus to reform, that the EaP has helped to generate, will weaken. Any argument that Ukraine should be allowed to concentrate on the war alone is a dangerous illusion.<sup>39</sup> In current circumstances, it would only strengthen the hand of the counter-revolutionaries, and create more internal conflict in the long run.

#### *Involve Eastern Partnership states in internal EU decision-making*

There should be more provision for involving partnership states in internal EU debates. The EaP should also have a much stronger inward focus, making the case to home EU audiences about why it is still worth engaging with the east. Support for visiting experts from partnership states would be an ideal way of increasing the sense that the EU values the east.

The debate initiated by Juncker on the 'Future of Europe' will be incomplete if it remains solely inside the EU. Ukraine should be invited to take part.

#### *Connect Ukraine to Europe – physically*

In September 2017 Poroshenko claimed that "Ukraine has become the de facto eastern border of united Europe".<sup>40</sup> More could be done to make that claim a reality. Moreover, now that there are DCFTAs, there needs to be better physical

<sup>39</sup> Roman Sohn and Ariana Gic, "West needs to get real on Ukraine", *EU Observer*, 27 September 2017, available at <https://euobserver.com/opinion/139169>.

<sup>40</sup> "Opening speech at the 14th Yalta European Strategy Annual Meeting 'Is This a New World? And What Does It Mean for Ukraine?'" available at <http://www.president.gov.ua/en/news/vistup-prezidenta-ukrayini-na-14-j-shorichnij-zustrichi-yalt-43298>.

links for trade. The EU can help Ukraine with overcoming the legacy of post-colonial infrastructure. Even from Odessa, it is easier to get to Moscow than it is to Romania. An extension of TENs (Trans-European Networks) funding for upgraded and new roads and waterways would be ideal.

People also need to be connected. Only three million Ukrainians have the biometric passports needed to be able to take advantage of visa-free travel. The EU should keep pushing for cheaper travel, even though a putative deal with Ryanair to be based at Kyiv airport fell through in 2017. The main national carrier, Ukraine International Airlines, is also trying to go low-cost.

The EU could move towards abolishing roaming charges in Ukraine. These are the things that matter in people's daily lives.

#### *Help Ukraine achieve energy independence*

The EU could do a lot to help Ukraine achieve energy independence and promote mutually beneficial energy cooperation. Ukraine can be integrated into ENPSOG (gas) and ENTSO (electricity). The EU could take a softer line on unbundling Naftohaz Ukrainy. Ukraine is expected to do this much faster than many central European states: unbundling transmission would help reduce corruption (see above), but Ukraine wants to keep its underground storage capacity within the state monopoly for strategic reasons.

#### *Set up an 'Intermarium-lite'*

Energy cooperation between Ukraine and Poland has a promising future. Additional reverse flow gas could come from the new Polish LNG terminal at Świnoujście, via swap schemes or by adding a short interconnector, of less than 200 kilometres, under the European Commission's Fund for Common Interests. The EU can help Ukraine move forward with the proposed 'Ukraine-EU Energy Bridge', once some power stations in the west of the country are switched over to export to Poland.

Ukraine can quietly step up security cooperation with Poland and other neighbours. On the other hand, Ukraine's vision of the Intermarium focuses on the Black Sea while Poland looks to the Baltic Sea. Cooperation within the EaP is a good way of strengthening ties between Ukraine and Moldova and the south Caucasus states, to which Kyiv is currently only weakly linked via the 'Community of Democratic Choice' and GUAM (the 'Organisation for Democracy and Economic Development').

#### *Strengthen the multilateral dimension*

This paper has focused mainly on Ukraine. But the multilateral dimension of the EaP is crucial. It gives more reluctant states like Belarus the ability to 'hide under an umbrella', without Russia objecting to them talking to the EU. If Belarus says it is too closely tied to Russia, the EU

can point to Armenia which had already joined the Russia-led Eurasian Economic Union (in 2015), but then signed a 'Comprehensive and Enhanced Partnership Agreement' with the EU (in 2017).

#### *Maintain credibility and communication*

EaP actors constantly raise the issue of 'double standards'. The EU must be tougher on democratic erosion inside the EU, particularly in states like Hungary, if its democratisation policies are to have credibility in the east.

The EU has not always communicated the practical benefits of its policies. Where policies work, they should be loudly proclaimed. The EaP states' access to the Erasmus+ scheme for scholarly exchanges, for example, does not get the publicity it deserves.

#### *Get more involved in peacekeeping*

As of autumn 2017, there is suddenly a lot of diplomatic movement around the Donbas conflict. Russia and Ukraine have both put forward rival proposals for the insertion of peace-keeping forces. The EU, however, is not currently actively involved in either the stabilisation efforts on the ground or the diplomatic negotiations. But leaving the Minsk process to France and Germany and more general monitoring efforts to the OSCE only reduces the EU's leverage in Ukraine. Brussels should appoint an EU envoy dedicated to the Ukraine and should take a seat in the Minsk process. The EU could also deploy a Common Security and Defence Policy confidence-building mission to eastern Ukraine. This could be an unarmed, civilian, and non-executive mission, initially operating in the parts of Donbas controlled by Kyiv but then in the entire territory if conditions allow.

## Notes



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