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Re-energising the Eastern Partnership

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This is an analytical summary of the High-Level workshop of the Jacques Delors Institut – Berlin in cooperation with the German Federal Chancellery and the European Commission, which was held in Warsaw on 13th June 2016.

1 Introduction

The Eastern Partnership (EaP), an initiative aimed at closer ties between the European Union (EU) and six countries in Eastern Europe and the Southern Caucasus, has by now arrived in EU politics. The ongoing armed conflict between Russia and Ukraine, the Dutch referendum on Ukraine's Association Agreement of April 2016, and current debates on visa liberalization for Georgia have lifted the Partnership to the top of the EU's political agenda.

The November 2015 review of the European Neighbourhood Policy (ENP) underlined the need to strengthen the EaP in line with the commitments at the Riga Summit in 2015. The review promoted a more pragmatic vision of 'variable geometry' in the EU's neighbourhood, called for greater differentiation and underlined the need for a more pronounced security dimension. Despite these aims and ongoing political dialogue, many questions on the rationale, goals and tools of the EaP remain open¹. To re-energise the EaP with a view to next year's Summit in Brussels, these questions should be addressed.

In this context, the Jacques Delors Institut – Berlin organized a High-Level Workshop in cooperation with the German Federal Chancellery and the European Commission. On June 13th 2016 decision-makers, academics and experts from the EU and EaP countries met at the European Commission Representation in Warsaw to discuss the future orientation of the EaP as well as perspectives on cooperation with Russia and the Eurasian Economic Union (EEU)².

This report summarizes the discussion in three parts. First, it outlines internal challenges for the EaP. What are the problems and controversies both inside the EU and in its relation with EaP countries? Second, it moves to external challenges. What role should Russia and the EEU play in the context of the Partnership? A summary of forward-looking takeaways closes the report.

2 Internal challenges

Challenge 1: Increase political will

The discussion started with the question how successful Eastern Partnership has been so far. A two-fold picture emerged.

On the one hand, the EaP was created with the ambitious goal to promote a 'circle of friends' in EU's Eastern neighbourhood and this goal has not been fully achieved. The manifold current crises make the neighbourhood look more like a 'ring of fire': war in Ukraine, unrest in Moldova, and important tensions surrounding the Nagorno-Karabakh conflict.

On the other hand, the extent to which EU policies including the EaP can be blamed for this situation is limited for at least two reasons. First, "it takes two to tango". The internal

¹ <http://www.delorsinstitut.de/2015/wp-content/uploads/2016/03/ENPStrategicOrientation-Koenig-JDIB-Mar16.pdf>

² The workshop was held under Chatham House Rule.

unwillingness or inability of EaP countries to make use of the EU's instruments and reform their institutions in line with commitments represents an important obstacle for the EaP. Secondly, until the conflict in Ukraine erupted, EU member states had put insufficient commitment behind the EaP.

The policy lacked financial and administrative resources, but most importantly political will. Most discussants agreed that political will – in the past and even now – is the Achilles heel of the EaP and the key lever which should be increased to make it more successful. This includes putting EaP higher on member states' and EU's agendas and resisting the temptation of sidelining it within the overall European Neighbourhood Policy – e.g. due to other pressing concerns in the Southern neighbourhood

Despite these limitations most discussants agreed that the current, post-ENP-revision Eastern Partnership policy includes largely well-defined goals and tools. There is no need to reinvent the wheel and make revolutionary changes. Instead the focus should be on delivering results in prioritized fields (see Challenge 2) by making full use of the available tools. Moreover, most discussants agreed that delivering concrete results is currently of higher priority than increasing EaP's visibility.

Challenge 2: Deliver results in the right areas

The discussants defined the current priority of the EaP as tangibly improving the partners' *resilience*: the ability to reach EaP commitments despite adverse internal and external pressures. Delivery should focus on three areas.

Economic resilience should allow EaP countries to stabilize economically and to increase trade, investments and competitiveness. One obstacle in this area includes terms of trade with the EU, particularly in agriculture. As one discussant argued, the EU's tariffs and quotas prevent Ukrainian food producers from increasing production and exports. Lifting those barriers could both boost Ukraine's economy and lower food prices for EU consumers. A second obstacle is restricted access to the EU's Single Market. Here, the EU should strengthen support for firms (especially small and medium-sized enterprises), allowing them to quickly adopt their products to EU standards. Delivery should also focus on investments in critical infrastructure such as energy and transport interconnections to allow for intra or cross-regional trade. A practical current idea in this area focuses on how external investors, e.g. China, could be involved in this process. A common investment platform between the EU, China and EaP countries building on the "Silk Road" concept could leverage more infrastructure investment while giving EaP countries more trade options.

Political resilience allows countries to fulfil reform commitments under the EaP. Priority should be given to systemic reforms: anti-corruption, judiciary and prosecution. Otherwise reform progress in other policy sectors is at risk. This could be seen in Moldova, where corrupt judges were re-instated, halting progress in other areas and triggering public unrest. Another factor influencing the willingness to conduct reforms is a consistent set of incentives. In this context, the discussants underlined the need for credible and swift delivery in the domain of visa liberalization once the relevant conditions are fulfilled. The need for a clearer integration perspective was also emphasized. Here, solutions could involve a more focused use of variable geometry, whereby genuine reform efforts are rewarded with deeper political integration. Some discussants drew parallels to Poland's membership perspective which was an essential ingredient fostering internal support for the reform process.

Security resilience should be prioritized and understood broadly. As some discussants argued: without security – or at least stability – all other EaP goals become irrelevant. EaP countries should thus be enabled to better protect their sovereignty from internal and external threats. This involves the use of civilian missions in the framework of the Common Security and Defence Policy. However, it should also involve countering disinformation through strategic communication and promoting a realistic image of the ‘European way of life’ by ways of public diplomacy.

Challenge 3: Focus on smart implementation

Discussants identified a range of flaws in EaP’s practical implementation process. One of them is the neglect of power elites. The EU should realize that a technocratic approach focused on administrations will fail because power elites can harm positive change, as in the case of Moldova and Ukraine. A crucial question is how to involve power elites in the reform process while simultaneously protecting citizens from them. Moreover, betting on pro-EU elites should be done with caution, since pro-EU forces are not necessarily pro-reformist, as seen in Moldova.

A two-fold strategy can be used to tackle these dilemmas. On the one hand, carefully identified power elites should be engaged in the reform process through a system of sticks-and-carrots. On the other hand, citizens should be supported by reinforcing “islands of autonomy” including the media, judiciary, civil society, students, researchers and other relevant population sub-groups.

Secondly, while civil society is now increasingly targeted by the EaP, there is a risk of focusing on an established ‘NGO bubble’ representing only small parts of the population. There is a need to identify and support grass-roots movements with bigger potentials to produce change.

Third, delivery ultimately depends on how well the working level of administrations can implement reforms. This level should be more strongly prioritized through training initiatives and twinning programs. At the same time, more evaluation of EU support at this level is needed: in many cases EU experts advising administrations are rejected as being too alien.

3 External challenges

A core question for the EaP is how to deal with geopolitics. At least since Russia’s annexation of Crimea and the hybrid destabilization of Eastern Ukraine the EU has been facing a state willing to deploy economic, political, financial and even military power in order to jeopardize the goals of the EaP. In this case, even the most well designed and implemented EU policies are bound to fail. As one expert argued, “without answering how to deal with Russia it is impossible to decide on the EaP”. Hence, the discussion focused on two questions: how to deal with Russia’s approach to EaP countries and how to engage with the EEU.

An overview of Germany’s current approach to relations with Russia kicked off the discussion. This approach can be summarized in four points:

1. “Being realistic”: Russia will remain the EU’s neighbour
2. Increasing resilience of the EU’s military, society and media
3. Avoiding alienation of the Russian society through people-to-people contacts

4. Being open for a twofold dialogue with Russia: on common projects (“we need each other”) but also on differences

Several experts argued that the belief that dialogue will change Russia’s behaviour ignores realities of the current international system. During the Cold War, dialogue only worked because it suited a Soviet Union wanting norms which would stabilize its spheres of influence in Eastern Europe. This is different today: today Russia challenges the very norms it co-created and seeks to extend neo-imperial dominance over EaP countries. Based on this perspective, the following catalogue of principles on ‘dialogue’ with Russia emerged from the discussion:

- Agree on clear objectives: A Russia strategy must include both engagement and containment. “Dialogue is a tool, not a policy”. So far, Russia uses engagement to split EU member states and to extract concessions with no willingness to offer something in return. We should know what we want from dialogue and agree on precise red lines.
- Rebuild trust: The word ‘dialogue’ has become ‘toxic’ as mutual trust between EU member states is low when it comes to dealing with Russia. It is unclear whether ‘dialogue’ means ‘exchange of opinions’ or rather ‘concessions without reciprocation’/ ‘business as usual’. In this context, Germany suffers from a credibility problem, also due to its insistence on “Nord Stream 2”.
- Pay attention to the level of dialogue: If Russia does not move, increasing high level dialogue (e.g. through high level visits of EU leaders in Russia) is a sign of concession.
- Practice “strategic patience”: Russia was offered a lot in the past but has not changed its position on key questions yet.
- Go beyond dialogue: Russia wants to increase the costs for EaP countries willing to integrate with EU and will not change this position through dialogue alone. A pivotal country of the EaP is Ukraine: if Ukraine fails, Russia’s policy of destabilization will prove successful and the EaP fails. Therefore the core question of the EaP should be: how to support Ukraine?

Some discussants pointed to the benefits of gradual engagement between the EU and the EEU via more structured political dialogue or bottom-up cooperation through expert dialogues or initiatives that enhance cross-regional business contacts. However, the discussion also pointed out some key differences between the two organisations that have to be taken into account when reflecting on the form and level of engagement:

- Unlike the EU, the EEU is dominated by one country which often attempts to limit the other members’ sovereignty by speaking on their behalf. Despite its economic outlook on paper, the organization is primarily a political tool characterized by the rule of strength and coercion, rather than voluntary association and the rule of law.
- The EU’s Deep and Comprehensive Free Trade Agreements do not rule out other FTAs and have co-existed with FTAs of the Commonwealth of Independent States. The EU clearly states that it seeks to allow the EaP countries to choose their approach to the EU freely. Meanwhile, the EEU has imposed exclusivity forcing EaP countries to choose one trade partner over the other. Lifting this exclusivity would help EaP countries diversify trade.
- Cooperation or dialogue between the EU and the EEU should thus give positions of smaller EEU member states particular weight. If those positions are not taken into account, the EU would indirectly contribute to Russian attempts to limit the sovereignty of its smaller neighbours.

4 Three forward-looking takeaways

Overall, the discussion pointed to three directions in which the Eastern Partnership could be ‘re-energized’ in the future.

First, the goals and tools of the EaP are largely solid and do not require revolutionary changes. Instead, the focus should be on:

- Mobilizing more political support for the EaP and hence more political attention and financial resources
- Delivering in the right areas: economic, political and security resilience
- Delivering in the right way: stronger focus on power elites, civil society and working level of administrations

Secondly, priority support should be given to EaP countries with the strongest commitment to fulfilling EaP goals. Besides Georgia and Moldova, Ukraine is the pivot of a successful EaP. The success of the EaP stands and falls with the country’s ability to stabilize and reform. A core question for the EaP is thus how to support Ukraine.

Thirdly, the EaP must react appropriately to external challenges posed by Russia. A right balance between dialogue and containment should be found and implemented with ‘strategic patience’. At the same time, EU member states should better define what they mean when they speak about ‘dialogue’ with Russia and seek to minimize reasons for mutual mistrust.

Finally, cooperation with the EEU has potential both for the EU and for EaP countries which have historically strong trade ties with Russia and other EEU member states. However, a precondition is to understand how the EU and EEU differ and to derive conclusions for the right form and level of cooperation. Particularly, this cooperation should empower smaller EEU member states and aim at opening up trade options for EaP countries.