

CONFLICT AND COOPERATION IN EUROPE'S EASTERN NEIGHBORHOOD

The EU's Eastern Partnership hits many of the right notes towards enhanced economic cooperation and democratic reform in the post-Soviet space. The war in Georgia, other unresolved territorial disputes, and vested energy concerns underline why there is an urgent need for the EU to engage in the region. Yet, multiple challenges remain. Foremost of which are the lack of a common policy towards Russia, discrepancies between EU and US strategies, and a lack of credible policy incentives to entice the six states in question to embark on a process of democratic reform.



Ukraine's President Yushchenko and European Commission President Barroso at the Prague Summit, 7 May 2009

On 7 May 2009 at its summit in Prague, the EU launched its Eastern Partnership project. This initiative is aimed at the six post-Soviet states of Ukraine, Georgia, Armenia, Azerbaijan, Moldova, and Belarus. The Eastern Partnership is designed to foster democratization and market reforms and thus contribute to a sustainable stabilization of the post-Soviet space. The necessity of stronger EU engagement in this region is apparent. The Southern Caucasus in particular is geostrategically relevant, sitting between Europe, Central Asia, and the Greater Middle East. The stability of the Eastern neighborhood is crucial for the EU in terms of energy security as well as combating illegal arms trade, human trafficking, drug smuggling, and other forms of organized crime. It is questionable, however, whether the Eastern Partnership is a sufficiently credible expression of Europe's commitment to the region

and whether it will be enough to sustain the willingness of the six countries to continue on the path of democratic reform.

The EU's Eastern policy on trial

The important question for the EU is how to preserve its "soft power" in the Eastern neighborhood. The EU's Eastern policy was long considered one of its great success stories. The prospect of EU membership has inspired almost a dozen post-Communist states in Central and Eastern Europe to pursue extensive economic and political reforms. By 2004, eight countries had met the accession criteria and were accepted as full EU members. Although this expansion of the common market and the added stability on its external borders were beneficial to the EU, the Eastern enlargement was considered by many critics to be too rapid. In particular, they be-

lieved that the enlargement process had overreached when Romania and Bulgaria joined in 2007. The current economic crisis is reinforcing "enlargement fatigue" in the EU and giving rise to fears about a wave of cheap migrant labor and outsourcing. Furthermore, the EU has set itself the goal of implementing urgent institutional reforms that would preserve its internal ability to act ahead of potential future rounds of accession. This reform process has so far failed to materialize due to the failure of the constitutional treaty and the still outstanding ratification of the Lisbon Treaty.

Thus, the EU is faced with the major dilemma of how to maintain its "power of attraction" and continue its successful policy of political and economic transformation under current conditions. It should be borne in mind that the states of the Eastern neighborhood today differ significantly from the Central and Eastern European states in previous enlargement rounds. The latter were never in any doubt as to their European identity, while the post-Soviet space is rent apart by pro-Russian and pro-Western forces.

This situation is further complicated by the fact that the path to democratic consolidation in Central and Eastern Europe in the 1990s was paved by NATO membership which preceded accession to the EU. This model will not be available to the post-Soviet states for the foreseeable future as long as Russian resistance prevents them from accession to NATO. With the EU currently unable to offer a credible membership perspective, it may soon experi-

ence a swift loss of influence in the region. The EU should thus certainly not take the further democratization and Europeanization of these states for granted.

Provisions of the Eastern Partnership

The Eastern Partnership is designed to reinforce the Eastern dimension of the European Neighborhood Policy (ENP), which was launched in 2004. The ENP is aimed at all of the EU's neighboring states with the exception of Russia, with whom a "strategic partnership" exists. After the EU decided, under the aegis of the French presidency, to upgrade its cooperation with the Southern neighbors to form the "Union for the Mediterranean", it was only logical for Sweden and Poland to demand that the neighborhood policy towards the East should also be intensified.

At its core, the Eastern Partnership envisages a strengthening of the bilateral relations with the post-Soviet states. In return for political and market reforms, harmonization of their national legislation with EU laws, effective measures against illegal migration, and cooperation in the field of energy security, the latter are to be given greater access to the European market. In particular, the EU is offering the prospect of free trade and, in the long run, the abolishment of visa requirements. The latter, however, is conditional on the effective suppression of illegal migration. On the other hand, the partnership also incorporates a multilateral framework. The focus of multilateral cooperation between the EU and the Eastern partner states will be on issues such as democracy, good governance, economic integration, and energy security. It is anticipated that biennial summits will be held between the heads of state and government of the EU and the Six, as well as annual meetings at the level of foreign ministers.

No answers to major regional challenges

The question is, however, to what extent the Eastern Partnership will generate the desired added value to the Neighborhood Policy. Ultimately, the EU's initiative fails to provide solutions to some of the most pressing regional challenges. The war in Georgia in August 2008 showed how quickly the region's so-called "frozen conflicts" can turn into hotspots of crisis. In addition to the separatist Georgian provinces of Abkhazia and South Ossetia, this could also



come true for Nagorno-Karabakh. While legally a part of Azerbaijan, the area is predominantly inhabited by Armenians. Here, too, military escalation is among the possible scenarios, especially since both Armenia and Azerbaijan, like Georgia, have engaged in considerable arms procurement programs in recent years (CSS Analysis no. 39 ☐). Transnistria, a region in the east of the Republic of Moldova, is another disputed territory. It seceded from Moldova in the early 1990s but has so far failed to gain international recognition. These unresolved disputes in the post-Soviet space would require an EU conflict prevention and resolution strategy for the region. Yet, no such strategy has so far been devised either within the framework of the Eastern Partnership or elsewhere.

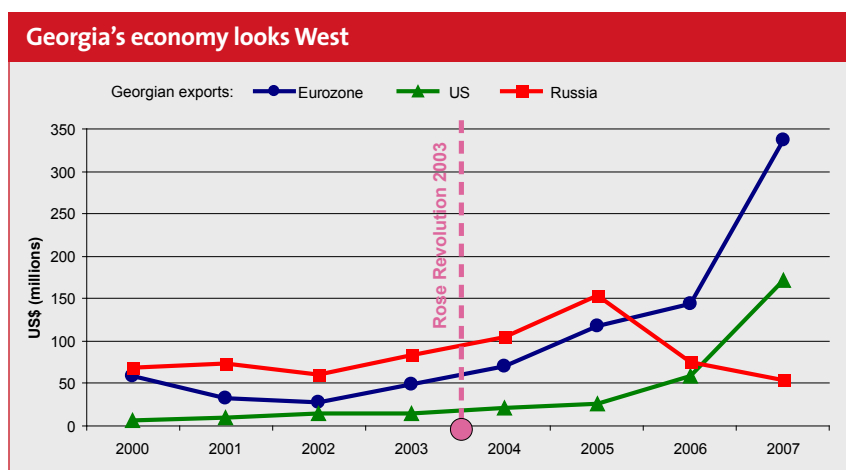
Energy security is another critical issue in relations with the neighboring countries in the East. The gas conflict between Moscow and Kiev in January 2009 led to supply shortages in several European countries and highlighted Europe's dependence on Russian gas deliveries and stable energy transit routes through Ukraine and Belarus in particular. There can be no doubt that the reduction of Europe's dependence on Russian gas supplies is a difficult challenge. The attempt to diversify sources by including suppliers from Central Asia by way of the planned Nabucco pipeline has so far failed to make any real progress. While the Eastern Partnership stresses the importance of energy security, it proposes few concrete measures to achieve it. This is a reflection of the fact that the EU has not been able so far to develop an external energy policy and to create a common European energy market.

Furthermore, the global economic crisis has noticeably aggravated the volatile situation in the Eastern neighboring states in the past year. Unemployment has increased

rapidly, accompanied by public protests and even violence, as seen most recently in Moldova in April 2009. The survival of several governments, and thus political stability in the region, is in jeopardy. Four states – Ukraine, Belarus, Georgia, and Armenia – have received emergency aid from the IMF. Russia, too, has supplied some important injections of financial aid to the region. There is, however, no coordination between these aid packages, resulting in harmful competitive thinking among the donors. The Eastern Partnership prescribes economic support for the region. Yet, the Eastern European EU members, who would normally be the main advocates of stronger economic ties, have been particularly hard hit by the financial crisis. Also among many other EU members, the economic crisis has brought about a new wave of protectionism and led to skepticism of the idea of intensifying economic relations with the neighborhood. This lack of political will to engage more closely with the East was clearly reflected at the launch summit of the Eastern Partnership in Prague, which was shunned by many heads of state and government. This attitude sends the wrong signal. Now more than ever, the EU should commit itself to a credible engagement in its neighborhood. The Eastern Partnership should be seen as one element on the way towards a comprehensive strategy for the future of the region.

Has the Russian bear reawakened?

In formulating such a comprehensive strategy the EU faces the additional challenge of a potential clash of interests and rivalry with Russia and the US, the other two key actors in the region. Since the rise to power of Vladimir Putin, Russia – whose recovery has been fueled by high energy prices – has reasserted its claim to "privileged interests" and a regional leadership role in the post-Soviet space. President Dmitry Medvedev



Source: IMF Direction of Trade Statistics (March 2009)

has continued Putin's policy towards the neighboring countries and is suspicious of any expansion of Western influence spheres in the region. By waging war in Georgia, Russia has shown that it is prepared to use military force to demarcate its sphere of influence. The uncoordinated reactions of the EU and the US have exposed their unpreparedness and internal strategic divisions.

While Moscow has long been more preoccupied with NATO than EU influence in the region, it has now also spoken out sharply against the Eastern Partnership. The Kremlin is increasingly troubled by the recent setbacks that have affected its own policy towards the region. Trade relations with the EU are on the rise in all post-Soviet states which, moreover, have refused to recognize South Ossetia and Abkhazia as independent states. While Russian plans for a union state with Belarus have reached an impasse, there have now been first signs of a rapprochement between Belarus and the EU in the framework of the Eastern Partnership program. Moscow is thus increasingly concerned about the diminishment of its influence in the region.

However, the lack of European unity on a common policy vis-à-vis Russia is a significant impediment to the Eastern neighborhood policy. It seems clear that leaving the field to Russia is not the way to bring about more democracy and stability in the region. At the same time, the advocates of stronger engagement with Russia have so far failed to formulate a concept for constructive cooperation with Russia without abandoning democratic principles.

The transatlantic gap

EU and US strategies for engaging with the post-soviet space have also diverged. The US interest in the region has changed since

the dissolution of the Soviet Union. Initially, US foreign policy focused on recognizing the independence and promoting the democratization of the post-Soviet states. From the mid-1990s onwards, US attention shifted to energy security. Since the terrorist attacks in the US on 11 September 2001, finally, security policy issues have taken center stage. The region became especially important in the context of the so-called "War on Terror". Georgia and Azerbaijan were among the first countries to express their support for this US-led campaign against terrorism. Their airspace was particularly important for facilitating US air strikes against Afghanistan. The US provided assistance for the modernization of the Georgian armed forces and supported Tbilisi's aspirations to join NATO. The same applies to Ukraine, whose NATO membership bid is backed by the US.

The question of NATO membership has met with vehement opposition from Moscow. The Ukrainian city of Sevastopol is home to the naval base of the Russian Black Sea Fleet. Should Ukraine join NATO, it is feared that Russia could leverage its military presence on Crimea and the pro-Russian leaning of the local population – about three-quarters of whom are ethnic Russians – to bring about a secession of the Crimean peninsula from Ukraine. The aggravation of these tensions is also reflected in the latest Russian security strategy of May 2009, which identifies the US and NATO as potential threats. It remains to be seen whether the first major summit meeting of US President Barack Obama and President Medvedev in July 2009 will bring about the desired "new beginning" in US-Russian relations.

The US efforts to expand NATO further eastwards, however, have not only created tensions in the relationship with Russia.

Within the Alliance itself, member states have conflicting views on this matter. This was clearly visible at the Bucharest NATO summit in 2008, where there was strong discord between Germany and France on the one hand and the US and several Eastern European member states such as Poland on the other. Their failure to reach a common position on the potential NATO membership of Ukraine and Georgia made it impossible to pursue a determined policy towards Russia and exposed a major weakness of the Alliance. This shows the importance of improved coordination between Europe and the US of their strategies for the Eastern neighborhood.

Outlook: Rivalry or cooperation?

The EU is still hard pressed to find suitable means of advancing the political and economic reform process in the region. Too often, it is reduced to reacting to events without a strategic vision or clear political determination. Most significantly, the controversial issue of any potential EU accession remains unresolved. However, the EU is also plagued by internal divisions over its policy towards Russia as well as a lack of coordination with the US. The divergent interests of these three key international actors bear the risk of increasing competition for spheres of influence in the post-Soviet space. Such rivalry between Russia, the US, and the EU is not conducive to the stability of the region. Closer consultations as well as better coordination between the main actors may be difficult to accomplish. Still, the EU should try to identify areas where more cooperation may be feasible, for instance on economic aid. During the upcoming Swedish EU presidency, the Eastern neighborhood will remain an important item on the political agenda. The task for the EU will be to prove itself capable of creating synergies with other actors. But crucially, it will also have to show strength internally and advance the development of a common energy market as well as a concerted stance in its policy towards Russia.

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