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Between a rock and a hard place: the EU and the Eastern Partnership after the 2017 Brussels Summit

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Executive Summary

> The November 2017 Eastern Partnership (EaP) summit in Brussels underscored the EU's recent shift towards focusing mainly on politically non-sensitive sector-specific cooperation in its Eastern neighbourhood. This new approach results from the absence of political and economic reforms and unfavourable geopolitical conditions in the region.

> Sobering and unambitious as it may seem, the EU's new EaP policy might offer unsuspected potentialities, achieve stronger sectoral links and have an actual impact on people's daily lives while maintaining a geopolitical balance.

> At the same time, the focus on sector-specific cooperation might slow down the EU-inspired transformation process and diminish the EU's role as a key player in EaP countries.

> Taking into consideration the limitations of functional cooperation and its inability to confront the considerably disruptive challenges on the ground, this new approach cannot be but temporary in nature.

> Currently stuck between a rock and a hard place, the EU will eventually have to take a clearer stance regarding the future of the EaP. Only relying on horizontal technical 'network governance' as a tool for rule transfer will not substantially advance the situation in the Eastern neighbourhood. In the long run, the challenges EaP countries are faced with require a well-structured and politically sustainable strategy.

The 5th Eastern Partnership (EaP) Summit that took place in Brussels on 24 November 2017 will be remembered first and foremost for its reduced ambitions and its cautious declarations. The EU missed yet another opportunity to come up with a new narrative that would accommodate the European aspirations of some of its Eastern neighbours. EU member states abstained from taking a stance on the future strategic perspectives of the EaP, thus underlining once more the latter's unpredictability as well as the divide between EU countries when it comes to the EaP's medium- to long-term aims. Yet, greater clarity is precisely what the EU has to provide to its more reform-minded Eastern neighbours if it wants to be serious and credible regarding its alleged objective of being a transformative power in the region.

This policy brief offers an overview of the main outcomes of the EaP Summit and discusses some of the events that led to the summit's modest results. It then goes on to critically discuss the recent shift in the EaP, which sees the EU prioritizing sector-specific cooperation at the expense of norms and values promotion. It is argued that the EU's seemingly unambitious and sobering approach in favour of sector-specific regulatory convergence might offer unsuspected potentialities. At the same time, it draws attention to the multiple limitations of such a narrow and technocratic approach and points out that the EaP's shift towards greater transactionalism can only provide temporary solutions due to the currently unfavourable geopolitical scope conditions in the EU's Eastern neighbourhood.

The shifting Eastern Partnership narrative: from 'easy game' and 'play with fire' to 'take it or leave it'

Soon after the launch of the EaP in 2009, the EU portrayed its new bi-multilateral framework as a won game. Unprecedented high popular support for EU-

induced Europeanization in Moldova, Ukraine, Georgia and Armenia made the EU constantly extend its offers, from time to time even irresponsibly playing with hints at accession perspectives. The prospect of unlocking cooperation with Belarus and the positivism towards Azerbaijan made everyone believe that EU normative power and the corresponding existence of democratic governance promotion tools would positively and durably influence the domestic situation in EaP countries. Simultaneously, Russia's growing scepticism towards the EU's increased presence in the shared neighbourhood was most often either disregarded or ignored entirely by EU policy-makers until the outbreak of the Ukraine crisis in 2013.

Over time, however, the EU's Eastern neighbours proved to be a source of constant disappointment for Brussels, as its prescribed reforms failed to generate tangible results. The defeat of Saakashvili's party in the 2012 Georgian parliamentary elections called into question the future of Georgia's political trajectory, while Belarussian President Lukashenko's and Azeri President Aliyev's civil liberties' and human rights' record kept worsening. In 2013, Moldova struggled with political and corruption scandals within its governing pro-European coalition even before the banking fraud scandal emerged in late 2014. This marked the beginning of the end of the country's perception as an EaP frontrunner. The domestic political situation worsened ever since, in spite of the EU's efforts to keep Moldova on the track of reforms. The EU's illusions regarding the success of the methods used to advance its EaP agenda were completely shattered at the Vilnius Summit in 2013 when Ukraine and Armenia refused to sign the Association Agreement. Clearly, these events triggered an unprecedented crisis, leading to a 'play with fire' of sorts in a neighbourhood that was initially destined to become a stable and prosperous "ring of friends" (Prodi 2002).

From that point onwards, the EU began to reconsider its approach towards its Eastern neighbours, a process that culminated in the 2015 revision of the European Neighbourhood Policy and the adoption of a much more pragmatic and less ambitious discourse. As it became apparent that EU-induced processes of reform in EaP countries would not bring about the same positive results that the Central and Eastern European countries joining the EU in 2004 and 2007 experienced (Frapi & Pashaeva 2012), Brussels opted for a more tailored and

adaptive approach. This is rooted in the realization that political elites in EaP countries are more interested in reaping the benefits of financial assistance than in engaging in deep and swift political transformation. Moreover, the EU had to learn the hard way that security is not exclusively about transformative power and capacity-building, but almost entirely about geopolitics and Russia's uncompromising assertiveness.

Today, almost ten years after the EaP was launched, it has become apparent that the initial 'one size fits all' approach has not delivered the desired outcome and therefore been abandoned. The EU is no longer willing to praise corrupt Eastern political leaders just because they have a pro-European discourse, and it has started to demand from the neighbours to truly honour their commitments before asking for more.

The 5th EaP Summit – charting a pragmatic way forward

The 5th EaP Summit itself is an embodiment of the pragmatic and sobering approach that the EU has recently embarked upon and demonstrates its blatant lack of a broader vision that could revitalize and render more effective its efforts to promote democracy, human rights and the rule of law. The EU missed yet another opportunity to come up with a new narrative for the Eastern neighbours' European aspirations and offer them more tangible incentives. Already before the summit, the idea to upgrade the EaP into an EaP+ and to 'recognise' the countries' membership aspirations, as requested by Georgia, Moldova and Ukraine, was dismissed. Tensions among EU member states existed even with regard to simply 'acknowledging' the European perspective of Georgia, Moldova and Ukraine, as formulated in the Riga Declaration (Konstanyan 2017). The Brussels Joint Declaration merely reconfirms elements and principles embodied in past declarations and stipulates only the firm intention to carry forward the commitments taken at previous summits and in bilateral agreements (Pigni 2017).

Instead of developing new and innovative forms of interstate cooperation, the summit's outcomes demonstrate the EU's decision to focus on politically non-sensitive, sector-specific cooperation. As a matter of fact, this shift is also reflected in the wording of the different summit declarations ever since 2009. Whereas in the early declarations "reform", "security",

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"sustainable development" and "economic integration" featured most saliently, the Brussels Summit Joint Declaration emphasizes "aviation", "education", "youth" and "energy" (Kachka & Yermolenko 2018). The sector-specific "gains", summed up as the "20 deliverables for 2020", revolve around financial instruments for SMEs, the extension of the EU's Trans-European Transport (TEN-T) network to Eastern partners by 2030, investments in energy efficiency, increased advantages of trade with the EU, reduced roaming tariffs, support for job creation in digital industries, the creation of a Think Tank Forum and the adoption of a youth package. Furthermore, a Comprehensive and Enhanced Partnership Agreement (CEPA) and a Common Aviation Area Agreement were signed with Armenia. The CEPA presents a fresh start in deepening EU-Armenia relations, given the geopolitical constraints Armenia is faced with (Kostanyan & Giragosian 2017). Thus, its commitments undertaken in the areas of justice, freedom and security are rather extensive. Yet, the agreement is less ambitious than the Association Agreement that was supposed to be signed in 2013, as it does not contain a Deep and Comprehensive Free Trade Area and entails relatively weak conditionality mechanisms. Moreover, a visa liberalization dialogue with Armenia was not initiated either. Generally, the EU's new, more pragmatic approach is not only reflected in the sectors it prioritizes but also in the actors it targets. The EU's involvement of civil society, media, businesses, parliaments and other stakeholders prior to the summit demonstrates its intention to transcend mere intergovernmental relations and reach out to broader segments of society.

As a consequence, the new post-Brussels EaP represents a shift from an 'either-or' to a transactional 'pick and choose' approach that neither closes the door for the pro-European aspirations of EaP partner countries nor aims at harming their relations with Russia. The EU's new approach also underlines that the discourse in Brussels and its attitude towards the neighbours has changed as the initially strong commitment and enthusiasm, discernible in 2009, gave way to a feeling of fatigue and frustration. This is accompanied by a change in mind-set among EU decision-makers towards assuming that the neighbours should implement the existing agreements first before asking for new offers (Shagina 2017). This development can be explained by the slow and unsteady progress

regarding political and economic reforms in the neighbourhood.

The currently unfavourable geopolitical scope conditions in Eastern Europe add to this sense of fatigue and frustration. The Ukraine crisis has proved that the EaP finds itself in a contested normative space and that the civilizational choice between the EU and Russia that EaP countries seem to be faced with represents a serious dilemma. Russia has demonstrated its willingness to use even military means to prevent EaP countries' integration into the EU. These realities leave the EU with few options and position it almost literally between a rock and a hard place. In order to soften the effects of this development, Brussels tries to square the circle by maintaining a sort of presence in the EaP countries while not stepping on Russia's toes. This goes hand in hand with the EU's departure from its initial idea to differentiate between Armenia, Azerbaijan and Belarus on the one hand, and Georgia, Moldova and Ukraine on the other. Instead, EaP partner countries are now given the opportunity to deepen their relations with the EU according to their ability and desire regardless of their civilizational and foreign policy orientations, or the nature of their political systems (Konstanyan 2017).

The silent power of sector-specific cooperation

Despite the downscaled ambition that functional cooperation embodies, the EaP's seemingly unambitious focus on functional cooperation and the prioritization of sector-specific regulatory convergence might also hold some potential. The envisaged, supposedly more integrated, participatory, cross-sectoral and results-oriented cooperation rationale may be able to provide politically non-sensitive incentives that could translate into quick wins, have an actual impact on people's daily lives and contribute to an overall more secure and stable neighbourhood. This has already been debated for quite some time as an alternative to membership-related incentives in a context where political accession conditionality is missing (Lavenex 2014). This so-called 'governance model' of democracy promotion builds upon an understanding of the ENP less as a foreign policy but rather as a regional structure of functional integration between the EU and its neighbours in different policy sectors. Through functional cooperation in 'multiple channels of interaction between external actors and

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domestic state and non-state actors' (Langbein 2014) at the level of, for example, public administration, spill-over effects could emerge that lead to legal approximation and the transfer of the EU acquis.

The model is seen as a separate tool of democracy promotion, which is different from traditional instruments of top-down political conditionality, as it also addresses public officials working in the administration of the targeted countries. If successful, it goes beyond legal approximation via formal rule adoption: through the participation in cooperation frameworks, state officials in partner countries can become acquainted with democratic governance and apply the transferred norms in everyday administrative practice (Freyburg & Lavenex 2018), eventually leading to socialization and a change of behaviour, at the end of which implementation is more likely to emerge. Moreover, the application of conditionality in the various networks of functional cooperation between the EU and its neighbours could complement traditional mechanisms of conditionality.

Yet, the possible benefits of sector-specific cooperation should not obscure the undisputed need for a more encompassing narrative that could lead the way once partner countries have fulfilled their contractual obligations. This is of crucial importance if the EU desires to be a true transformative power, prevent disappointment and preclude EaP partner countries from orientating themselves further towards Russia. For example, considering the current debate in Ukraine regarding the establishment of a customs union, the EU will inevitably have to take a clear stance at some point. Also, it will have to discuss EaP partners' further integration into the emerging European digital market and the EU's gas (ENPSOG) and electricity markets (ENTSO) to help the countries achieve energy independence and promote mutually beneficial energy cooperation (Wilson 2017).

Moreover, one must not ignore existing obstacles to the success of functional cooperation and thus the many realpolitik considerations that haunt the EaP. First, as functional cooperation is based on EU norms related to transparency, participation and accountability, adaptation costs for ruling elites in the EaP countries are very high. A genuine and profound democratic transformation in sectors which are essential for their power base, such as the electoral, judicial and public

administration sector, would undermine their primary goal of regime survival. Therefore, the regimes in partner countries are likely to continue operating in a half-hearted way as far as reform implementation is concerned, and are bound to further dilute the commitments imposed on them by the EU.

A second factor that can limit the efficiency of functional cooperation is resistance against 'linkage' (Lavenex & Schimmelfennig 2009). Functional cooperation jeopardizes wide-spread corruption at public sector level, regularly used to advance business and other individual interests to the detriment of the public good in most EaP countries (European Committee of the Regions 2017). This increases the probability of tendencies to limit, delay or undermine strong interdependence of relevant sectors between the EU and EaP countries. Such cases of resistance to EU-induced reforms can already be observed in all EaP countries, regardless of their level of EU integration or contractual obligations. This is specifically visible with regard to the public integrity reform in Moldova and the decentralization reform in Ukraine. However, to date, the EU has been able to minimize at least to some extent such clientelist practices, especially in Georgia, but less so in Moldova and Ukraine.

Conclusion and future perspectives

The EaP's new focus on politically non-sensitive sector-specific cooperation is the result of the absence of political and economic reforms and current geopolitical scope conditions in the neighbourhood. Sobering and unambitious as it may seem at first sight, the EU's approach should not necessarily be perceived only as a step back in its commitments towards the Eastern neighbourhood. As constant dripping wears away the stone, the EU's envisaged policy of taking seemingly small steps might produce stronger sectoral links and have an actual impact on people's daily lives while maintaining a geopolitical balance.

At the same time, this new approach might slow down EU-inspired transformation processes and diminish the EU's role as a transformative power and key player in the EaP countries, thus generating unknown consequences for the development of democracy, the rule of law and human rights. Taking into consideration these limitations of functional cooperation as well as the considerably disruptive challenges EaP countries

are faced with, this new approach cannot be but temporary in nature.

As a result, following the EaP Summit in Brussels, the EU finds itself between a rock and a hard place: 'muddling through' and focusing on transactionalism is bound to be a decent, and probably the only viable way forward for the time being. At the same time, the EU cannot indefinitely beat around the bush, believing that it can get away without positioning itself and without

becoming more assertive and also politically mature as a foreign policy actor in the neighbourhood. In the long run, the EU must switch off the survival mode, define what it wants and what it is ready to offer to its Eastern partners in a well-structured and politically sustained strategy, stand up for its values and conditionalities and find internal cohesion to follow the adopted line in spite of the many challenges that the countries face. Only relying on horizontal technical 'network governance' as a tool for rule transfer will ultimately not suffice.

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