

# NEIGHBOURHOOD policy paper



**B | S | T** The Black Sea Trust  
for Regional Cooperation  
A PROJECT OF THE GERMAN MARSHALL FUND

July 2015

15

## THE EUROPEAN NEIGHBORHOOD POLICY'S EASTERN DIMENSION: THE IMPACT OF THE UKRAINIAN CRISIS

*The European Neighborhood Policy (ENP) is going through hard times. Growing turbulence on the EU borders implies huge security risks. These are not only soft transnational threats; they also include quite hard military and political challenges. The effectiveness of the European response is under question. Following the events in Ukraine and the spillover to Eastern Europe, the environment has become more hostile and difficult for the further implementation of the ENP. With the new geopolitical challenges produced by the annexation of Crimea by Russia, Europe faces the necessity to bring the policy towards the neighborhood, specifically in Eastern Europe, in line with the new realities. To that end, the Union should reassess the environment; formulate a strategy towards Russia; divide responsibilities between itself and its member states; and improve the ENP to make it more targeted, effective, and credible.*

**Key words:** European Neighborhood Policy (ENP); Eastern Partnership (EaP); European Union; Russia; Ukraine; Black Sea

**Mykola Kapitonenko**

### Introduction

The ENP was launched to avoid new division lines, including those which would leave Eastern European non-member states to their own fate after the Union's enlargement in 2004. (Wider Europe – Neighborhood, 2003) Betting on soft power, the EU tailored the ENP in such a way as to engage states from its immediate environment into conducting intensive political dialogue and economic interaction. This seemed to be a good way to extend an area of security through prosperity and, thus, minimize the risk of restoring bipolar rivalry in Europe.

However, from the very beginning the ENP was lacking a key component: a policy towards Russia. A clash of interests over Eastern Europe and deep differences in perception, have never disappeared from

the EU-Russia dialogue. What was seen in Europe as a deepening zone of common economic interests and security has been perceived in the Kremlin as a direct threat to Russia's 'privileged interests'. While the EU's perspective of Europe's politics was largely along neoliberal lines, Russia has maintained a robust realistic approach. In particular, this has meant the inevitability of the conflict that Europe wanted so much to avoid.

Another major shortcoming of the ENP has been a lack of ability to translate the EU's obvious influence over political and economic developments in the neighborhood into a transformation capacity. The EU's 'gravity' has been tremendous and remains as such, however it is usually hard to measure the direct impact of the ENP on reforms. At the same

time, such an influence was put at the heart of the ENP, which is conceptually built upon the principle of conditionality. In the quite extreme case of Ukraine, the EU's long-lasting normative influence, including via the ENP, resulted not only in a lack of substantial reforms, but, in fact, has seen Ukraine slide back in terms of democratic development since 2010.

The combination of the two aforementioned key weaknesses of the ENP has contributed to the ongoing security crisis in Europe and would certainly require responses. As times goes by, it becomes clear that Russia's response to the threat of losing control over the former Soviet republics in Eastern Europe has been fundamentally based on realism and predicated upon the use of hard power. While the EU was, first and foremost, about avoiding division lines; Russia is about defending them. Geography is simple and is perceived by the Kremlin as a zero-sum game. While the dividing lines are already present, the question is where exactly they will be drawn. Whether the EU's long-term bet on normative power will pay off remains to be seen. But new realities on the ground make the adaptation of the ENP (and most probably, of the whole EU security strategy as well) absolutely necessary.

## A New Context

Things have changed, not only since the ENP was introduced in 2004, but also since the Vilnius Summit in 2013, which put an end to the former Ukrainian President Victor Yanukovich's European aspirations (or, where Yanukovich tried to put an end to Ukraine's European integration) and gave way to the revolutionary events in Kiev. What happened afterwards was a complete reshaping of the European security system. Thus, the ENP in its original design is bound to become obsolete. Significant amendments are required due to considerable changes in the target environment.

To a certain extent, things have never been as good in the Eastern European ENP target states as the EU would like it to be. The region has been suffering from state weakness, poor economic performance, and lowering standards of democracy. Already in 2010, the Economist Intelligence Unit's Index of Democracy was titled 'Democracy in Retreat' (Economist Intelligence Unit, 2010), and that was largely due to the impact of political developments in the former Soviet Union. Things have hardly been better since. Economic

development in the Eastern European states has been heavily affected by the global crisis in 2008-2009. Inefficient industries ran into deeper dependence on energy supplies, primarily from Russia; thereby, opening the way for more explicit attempts by the Kremlin to control the foreign and security options of the neighboring countries, especially after its war with Georgia in 2008. Gradually a belt of weak, corrupt, and dependent states has been formed around Russia, hence making it easier for the Kremlin to stay in control of developments in the region.

That was not what the EU had in mind. Europeans need a stable, democratic, and economically effective neighborhood in order to enhance their own security. Authoritarian, poor, and dependent states on its borders would be a considerable risk to the European Union. While the ENP was designed to meet these challenges, it started becoming ineffectual well before a fateful Vilnius Summit of November 2013.

What happened next, in the aftermath of the Ukrainian crisis, proved to be a dramatic shift. Russia's intervention and annexation of Crimea put an end to the notion of a Wider Europe; partly reinstated bipolarity on the continent; and brought *realpolitik* back to the regional and international agenda. As a result, the architecture of regional security has been considerably damaged. Although the institutional set up has not changed with the same institutions in place, they no longer provide the requisite security. Russia's decision to annex a part of the territory of a neighboring state – something Europe has not witnessed since the end of the World War II – has, from the very start, been, in words of Henry Kissinger, 'incompatible with the rules of the existing world order'. (Kissinger, 2014) In Europe, in particular, it put an end to the luxury of having the external boundaries of states unchanged and secured. Key principles of international security, specifically those having to do with territorial integrity and the non-use of force, have been violated. Ukraine, which voluntarily gave up its nuclear weapons in 1994 in exchange for security guarantees from the United States, Great Britain, and Russia, has now lost part of its territory to one of its security guarantors.

As a result, a new security environment, which is quite unfriendly to the exercise of the normative power, has made its appearance. Hard security issues are once again gaining utmost importance. European states are likely to increase their military budgets and enhance the capacities for rapid military response. Consequently,

suspicion and mistrust will replace interdependence and mutual gain, leading to a growing number of zero-sum situations (or, at best, perceived zero-sum situations). Competitive approaches will displace cooperative ones, and, subsequently, bipolarity will, to a certain extent, be reinstalled.

## **The ENP and the Eastern Partnership as Foreign and Security Policy Instruments**

The ENP in its current form is certainly underachieving. The neighboring states are gradually becoming more important markets as well as part of an important environment for the EU, but the Union's involvement in the development of its neighbors can hardly be labeled as a strategy. The Union is often doing little or nothing, with the hope that financial assistance alone would bring about political transformation and increased economic effectiveness. With the EU's approach underperforming, the experience of the EU's new neighbors is quite different from that of the Central European states, which have already joined the Union.

Several arguments could be put forward to explain why. First of all, the EU is certainly less involved, than it had been in the case of the states that joined its ranks in 2004 and 2007. (Wilson and Popescu, 2009) Be it for internal or external reasons, currently, the EU seems to be more concerned with resolving its internal problems. While the neighborhood is identified as an important priority in the European Security Strategy, the resources allocated to it are limited and insufficient. Also, the lack of a clear membership perspective for its European neighbors damages the EU's normative capabilities. Membership has always been a specific, measurable, and, most often, time-bound criterion; hence its effectiveness. (Reinhard, 2010) In contrast, 'association' often lacks precision and, thus, can hardly be a good stimulus for reform. In the Eastern European countries, for instance, reforms are often resisted by significant parts of the elites and the population, unlike in the states of Central Europe, where there was a broad internal consensus on the need to reform. As a result, something more potent than a possible deepening of economic cooperation and/or financial assistance is needed to contribute to the development of effective political and economic systems. The clear perspective of EU membership could be a radical enhancer for implementing reforms in the target countries, even if under duress.

The ENP has been largely built on the success of the European Union's enlargement. It has been implied, that a normative impact together with financial support would bring about considerable changes in weak, corrupt, and relatively poor neighboring states. However, the policy has been lacking clear-cut implementation stages. Although the general principle of conditionality is present, how it is supposed to function is unclear. In some cases, like the EU's demands to free Ukraine's former prime minister Yulia Tymoshenko, the EU's position had been too flexible and inconsistent: in the end, the Union was ready to sign the Association Agreement with President Yanukovich even though Tymoshenko was still in jail, and, more generally, with Ukraine being a non-democratic state. In effect, the EU has had to rely more on a short-term approach with each country, rather than on a consistent strategy. (Kratochvíl, 2009)

Since its inception, the ENP has been more a framework document, a kind of policy in the making. While the EU has been struggling with the challenges of building internal consensus, as well as addressing the consequences of big bang enlargement, the financial crisis, and the growing Russian threat, the emergence of new security challenges in the neighborhood demanded a different methodology to address its relationship with the states on its eastern borders – hence, the birth of the Eastern Partnership (EaP).

Was it a good attempt? Not really. The project has turned out to be limited. As in the case of the ENP, the EaP lacks strategic depth, specific measures and mechanisms, and well-defined criteria for further engagement. At the same time, several factors make its neighbors in the East especially important for the EU. Some of these countries should apply for EU membership and clearly belong to Europe. They are crucial to the EU, not only economically, but also in terms of security. Security, in turn, implies not only hard politics issues, like 'frozen conflicts', but, even more importantly, the security of Europe's energy supplies. All in all, the EaP acquired additional significance, and thus the Association Agreements, designed as key instruments of the Eastern Partnership, became landmarks and cornerstones of the policy, both for the EU and the target countries. Regardless of the size and complexity of these documents, it is still difficult to measure their effectiveness, particularly in light of a totally new political environment. In the case of Ukraine, getting the Association Agreement signed became a matter of principle and a symbol; but, at the

same time, policy areas such as trade, energy, migration, and political transformation, where the EU intended to make an impact, are currently influenced by other factors such as the ongoing conflict with Russia.

Yet, in circumstances of duress such as the one Ukraine and the European Union find themselves, normative priorities could fall by the wayside in order to address the short-term challenges of ensuring safe and reliable energy supplies, for example. In this case, the ENP framework becomes irrelevant as it is sacrificed to other exigencies.

As a result, both the ENP and the EaP suffer from a recurrent strategic dilemma, which is generally typical of the EU's concerted foreign policy. On the one hand, there are normative considerations, which require long-term approaches and support to those countries, which are successfully undergoing political and economic reforms, even if such support means a loss of trade advantages for EU member states. On the other hand, there are always more practical and short-term interests for both member states and sectoral lobbies inside the EU to take into consideration. As long as a solution to the aforementioned dilemma remains elusive, the EU's external actions will be defined by continued ambiguity.

## Policy Recommendations

There are two general and fundamental preconditions for the ENP to become an effective political instrument for enhancing the EU's security in today's quite unstable Europe. First, a clear distinction needs to be drawn between the policies of the Union and those of its member states. This would bring about a clearer division of responsibility and resources. However, the policies should be complimentary and aimed at achieving roughly the same goals. The capability to formulate and prioritize such goals is the second precondition. Under current circumstances, this fundamentally implies the formulation of a strategy towards Russia.

A framework, within which such a policy should be formulated, is provided by the EU's own agenda, which is still normative to a great extent, and the 'new reality' imposed by Russia. The latter is generally in line with *realpolitik*, and is built upon power distribution, privileged zones of influence, rivalry, and zero-sum situations.

It should be noted, that the Russian factor has

become too important for the EU's security policy to ignore. It is no longer reasonable to rely on situational responses and mixed reaction from member states to counter the numerous challenges Russia is generating for the EU. Although these challenges greatly vary in scale, both in terms of geographic proximity to the zones of instability in Eastern Europe and the levels of dependence on Russian energy supplies, a consolidated response at the level of the Union is necessary.

The EU's strategy towards Russia may have come about as a result of a quite difficult compromise, with specific measures to be taken still unknown, but several guiding principles could be taken into account. First, a more realistic strategy would imply focusing on or enhancing geopolitical considerations. Although geopolitics has never been completely absent from the EU's security policy, it has not been a priority item on the agenda. Built on neofunctional integration, post-Westphalian Europe has considered state sovereignty, spheres of influence, hard power assets, and other markers of geopolitical thinking, as outdated and ineffective. Although such an attitude was, and still remains, valid and correct, the EU will have to follow the principle of reciprocity: if your opponent suddenly stops playing bridge and starts playing poker, you better do the same.

'Playing poker' with Russia will imply a concentration on relative gains, planning for worst-case scenarios, and introducing elements of containment. Although, this will certainly affect the whole spectrum of the EU's relations with Russia, it will, ultimately, make them more balanced, predictable, and controlled by Europe. Steps should be taken to improve the EU's strategy towards the neighborhood and to enhance policy towards the most important and pressing challenges of the day.

The ENP is the outcome of a quite complex interaction among member states, EU structures, and target countries, with the influence of third parties, most notably the United States and Russia. Thus, policy recommendations should have several addressees.

### *For the EU:*

1. A more coordinated and strategic policy towards Russia (as described above).
2. A more individual and focused approach toward the target countries. The ENP groups them into several

categories, one of them being as countries of the EaP. The problem is that they are quite different in everything except for the geographical fact of being located to the east of the EU. The Ukrainian crisis has made their differences even more defined. While the logic of a holistic approach by the EU is clear; under current circumstances, policy effectiveness is more important than policy simplification. The strategy towards the neighborhood should quickly react to changes in the target countries and the regional environment in general, as well as provide instruments for assistance. In case of the EaP, it would be reasonable to split target countries into two groups (Ukraine-Moldova-Georgia and Belarus-Armenia-Azerbaijan), although, an individual country approach would still be more efficient and effective.

The membership perspective should more clearly defined. As argued above, it can become a powerful tool for reforms, and – in some case – the only tool. Given the lack of a broad consensus in some Eastern European states over reform, technical and financial instruments currently provided by the EU, prove to be insufficient. A membership perspective, however distant and complicated, could help define the reform agenda.

#### ***For the member states:***

1. Defining the stakes and the responsibilities as clearly as possible. The fundamental problem with the EU's foreign policy and security strategy is the overlapping of national and supranational levels in designing and implementing policy. With the exception of a fundamental normative consensus, member states often vary in their approaches to the neighborhood as they are not similarly affected by developments on the EU borders. To avoid the replacement of the ENP with a set of bilateral initiatives, a division of responsibilities should be devised in order to make EU policy more credible.
2. Easy and instrumental coalition-building. Since the differences in priorities and involvement in the Eastern Neighborhood among member states are not going to go away, it is important for the ENP to be effectively equipped with a more traditional interstate mechanism. Following the criteria of regionalization, member states could form coalitions for dealing with specific regional and sub-regional issues. At the same time, such initiatives should

remain within the general framework of the ENP in order to have access to resources.

#### ***To enhance the effectiveness of the ENP, the Union should encourage a certain perception of the policy in the target countries:***

1. Shared vision and assessment of the policy. Both the EU and a target country should be aware of mutual intentions. While the Union aims at producing a more favorable environment in terms of political and economic standards, a government in the target country could have a different set of priorities. The case of Ukraine is a case in point as the differences between theory and praxis have been large. A close coordination of mutual steps would help make the ENP more consistent and efficient.
2. Target countries should provide as much information as possible on their own assessment of the effectiveness of the ENP in order to ensure a more targeted, country-specific approach by the EU. Overloaded with eurocentrism and, de facto, being quite an asymmetric tool, the ENP often lacks feedback from the target countries, thereby leading to a lack of compatibility.

#### ***Finally, additional attention should be paid to cooperation with the third parties, which have important stakes in the European neighborhood:***

1. The United States should be encouraged to be more deeply involved in the pursuit of the common goals of enhancing the zone of prosperity and democracy in the European neighborhood.
2. Turkey should become an important party to a multilateral dialogue, especially in the Black Sea region and the Middle East, in particular with regard to energy issues given its role as an energy hub.
3. Russia should be discouraged from playing a destabilizing role in Eastern Europe. This is a hard task, since it touches upon fundamental elements of the Russian perception of international security. In the long run, it is about a region Russia considers vital to its interests and, thus, it overreacts to any influence the EU might have there. After all, defending the right of Eastern European states to define their own destiny could enhance the Union's position in a dialogue with Moscow.

## References

---

Economist Intelligence Unit. Democracy Index 2010. 'Democracy in Retreat.' [https://graphics.eiu.com/PDF/Democracy\\_Index\\_2010\\_web.pdf](https://graphics.eiu.com/PDF/Democracy_Index_2010_web.pdf)

Kissinger H. 2014. 'To Settle the Ukrainian Crisis, Start at the End.' *The Washington Post*, March 5, 2014.

Kratochvíl P. 2009. 'Discursive Constructions of the EU's Identity in the Neighbourhood: An Equals or the Power Centre?' *European Political Economy Review*. Autumn 2009: 5-23.

Reinhard J. 2010. 'EU Democracy Promotion Through Conditionality in Its Neighborhood: The Temptation of Membership Perspective or Flexible Integration?' *Caucasian Review of International Affairs*. 4 (3): 196-213

European Commission. 2003. 'Wider Europe – Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors.' Communication from the Commission to the Council and the European Parliament. Brussels, 11.03.2003. [http://eeas.europa.eu/enp/pdf/pdf/com03\\_104\\_en.pdf](http://eeas.europa.eu/enp/pdf/pdf/com03_104_en.pdf)

Wilson A. and N. Popescu. 2009. 'Russian and European neighbourhood policies compared.' *Southeast European and Black Sea Studies*. 9 (3): 317-331.

## About the Author

**Mykola Kapitonenko** is the Executive Director of the Center for International Studies, Kyiv and Associate Professor at the Institute of International Relations of Kyiv National University. He is also a member of the Civil Board of the Committee of Foreign Affairs of the Parliament of Ukraine. He was previously a visiting professor at the University of Iowa and associate professor at the Diplomatic Academy of the Ministry of Foreign Affairs of Ukraine. His primary focus is on the foreign policy of Ukraine and conflict studies. He was a recipient of the State Prize of Ukraine in Science and Technology in 2012.

## About the CIES

The Center for International and European Studies (CIES) at Kadir Has University was established in 2004 as the Center for European Union Studies to study Turkey's European Union accession process. Since September 2010, CIES has been undergoing a major transformation by widening its focus in order to pursue applied, policy-oriented research and to promote debate on the most pressing geostrategic issues of the region.

Its areas of research and interaction include EU institutions and policies (such as enlargement, neighbourhood policies and CFSP/CSDP), cross-cutting horizontal issues such as regional cooperation, global governance, and security, inter alia with a geographical focus on the Black Sea Region (including the Caucasus), the Mediterranean, Southeastern Europe, Turkish-Greek relations, and transatlantic relations.

## About the Black Sea Trust for Regional Cooperation

The Black Sea Trust for Regional Cooperation (BST), a project of the German Marshall Fund of the United States promotes regional cooperation and good governance in the Wider Black Sea region; accountable, transparent, and open governments; strong, effective civic sectors; and independent and professional media. To respond to the rapid shifts in the region, BST staff regularly consult with regional experts and aim to sharpen the program's grantmaking strategy in order to more effectively achieve the Trust's goals. Taking into account the complexity and diversity of the region, BST priorities are revised regularly and adjusted to respond to the region's changing needs. Adjustments are made in consultation with the BST Advisory Board, the German Marshall Fund's network of offices and internal expertise, and in coordination with other donors active in the region.

## About the *Neighbourhood Policy Paper* series

The *Neighbourhood Policy Paper* series is meant to provide the policy, research and professional communities with expert input on many of the important issues and challenges facing, in particular, the Eastern neighborhood of the European Union today as they are written by relevant experts. The analysis provided along with the relevant policy recommendations strives to be independent and not representative of any one particular perspective or policy. Most of these papers are also translated into Russian so that they are accessible to the Russian speaking world in an attempt to enlarge the scope of the dialogue and input on neighborhood-related issues. The key priority is to maintain the focus of the policy debate on the Black Sea Region and the wider region including its interaction with the Mediterranean South.

## **Center for International and European Studies (CIES)**

Kadir Has University  
Kadir Has Caddesi  
Cibali / Istanbul 34083  
Turkey

**Tel:** +90 212 533 65 32, ext. 4608

**Fax:** +90 212 631 91 50

**Email:** [cies@khas.edu.tr](mailto:cies@khas.edu.tr)

**Website:** <http://cies.khas.edu.tr>

**Director:** Dimitrios Triantaphyllou

## **The Black Sea Trust for Regional Cooperation**

The German Marshall Fund of the United States  
B-dul Primaverii nr. 50  
Corp 6 “Casa Mica”  
Sector 1  
Bucharest, Romania

**Tel:** +40 21 314 16 28

**Fax:** +40 21 319 32 74

**E-mail:** [BlackSeaTrust@gmfus.org](mailto:BlackSeaTrust@gmfus.org)

**Website:** <http://www.gmfus.org/cs/blacksea>

**Director:** Alina Inayeh