

EU Neighbourhood Policy as it affects Ukraine and Belarus

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Origins and Development of the EU Neighbourhood Policy

Relations between the European Community and the Soviet Union were insignificant; there was little trade between the EC and COMECON. After 1989/91 'Reuniting Europe' concentrated overwhelmingly on the Central European states (such as Poland, the Czech Republic and Hungary). The mid-1990s saw the signing of Partnership and Cooperation Agreements (PCAs) with these countries and the implementation of Technical Assistance (TACIS) programmes.

The current Neighbourhood Policy of the EU (ENP) towards the East started evolving after the EU gained common borders with Ukraine, Belarus and Moldova from 2004. (Russia had had a common border with the EU since 1995, and the southern neighbours since the founding of the EEC.) From 2004 the EU, comprising the older 15 countries and the new member states, felt the need to evolve a Neighbourhood Policy which would anticipate the arrival of even more eastern states in 2007. The new member states had their own agendas and policy preferences in this area: the Baltic States had in fact been part of the USSR rather than just satellites.

The Neighbourhood Policy covers every country from North Africa to Ukraine and Belarus. The southern neighbours have been more the concern of the Mediterranean states of the EU; the eastern neighbours more the concern of Eastern Europe, the UK and Scandinavia.

Reasons for the ENP

Officially...

The official reason for a Neighbourhood Policy, as enunciated by the European Commission in 2007, is 'greater economic development, stability and better governance in [its] neighbourhood'.

Academic Interpretations

Ian Manners has written about 'Normative Power Europe'. The idea is that the European Union is first and foremost about norms and values: peace, democracy, human rights and the rule of law; and that it is obliged to spread these norms and values. A potential criticism of this idea is that 'Europe' began as a single market and a common agricultural policy as a means of preventing war between its member states, and in 2009 it is still mostly about the single market (and to a lesser extent the CAP).

Normative Power is a powerful tool. The use of power to determine what is 'normal' is the most potent form of influence of all: to make people do what you want them to do without them realising you're doing it (as advertising does).

Another academic view (Jan Zielonka and others) sees Europe as Empire: as a civilising regional power that seeks stability and influences its satellites, rather like Rome. The aim is to make our neighbours 'more like us' and spread the *Pax Europæana* to the east and south.

Both observations lack full explanatory value, but it is certain that the motivations behind Europe's politicians and civil servants reflect elements of both of these explanations. Speeches of European leaders will reflect these sentiments, which are used to justify European foreign policy, in the areas for example of climate change policy and environmental standards.

Institutional

The Partnership and Cooperation Agreements of the 1990s lacked political clout and hard conditionality (the obligation on acceding states to meet certain conditions). Enlargement worked using conditionality to stabilise the region, but the feeling arose that enlargement had gone too far. So the question arose: how to have conditionality without enlargement? This has been the basic problem with the ENP: how to get the countries in question to improve in the desired ways without holding out the prospect of EU membership at the end of the day.

Political

There is a need to balance the 'eastern' and 'southern' dimension of the EU's foreign relations with its neighbours. As noted above, some EU member states are more interested in the east than the south and vice versa. Member states are keen that 'their' preferred country/region should get the lion's share of resources and political attention (for instance the proposal that the south get two cents for every cent provided to the east). The ENP aimed to balance these competing regional interests, and this reflects the way that the EU operates through *consensus* and through package deals. The ENP was an administrative solution to a political problem

Security

As far as the eastern neighbour countries are concerned the main motive for the ENP is security.

Since the Schengen border moved eastwards there has been an increase in migration from non-EU countries and in organised crime. Around 500,000 illegal immigrants are believed to enter the EU each year, and current estimates are that there are at least 8 million illegal immigrants in the EU. 200,000 were arrested in 2007 and around 90,000 expelled. Although the EU needs net migration, illegal immigrants create huge problems for social policy (both in terms of crime and in terms of social protection). The EU believes that if the countries that surround the EU were wealthier and better governed there would be fewer attempts to try to move illegally to the EU.

There is also the issue of energy security. The EU imports gas from or via ENP countries (Ukraine/Belarus and Algeria): Western European countries import a significant proportion of their gas from Russia; Poland 50 per cent; the Baltic States and Bulgaria up to 100 per

cent. Security of this supply is a big issue: there have been constant disputes over gas between Russia and Ukraine.

Why is security so problematic? Most ENP countries are poorer than the EU average. Many are politically unstable at the domestic level. Many are non-democratic (Belarus, Egypt). The rule of law does not run in most ENP countries as it does in the EU, or the law is enforced unevenly. Many ENP countries are suffering from 'frozen' conflicts (Moldova, Azerbaijan/Armenia) or even hot conflicts (Israel/Palestine, Georgia).

Problems in Ukraine, Belarus and Moldova

Let us now focus on Ukraine, Belarus and Moldova, identifying some shared and specific problems.

Shared problems since 1991 have been greater than those faced by Central European states such as Poland. There have been problems with state-building and nation-building (which had to be tackled simultaneously), and with regional and ethnic conflicts. Severe economic collapse has involved 'shock without therapy' and extreme poverty. There have been problems with democratisation and the resurgence of authoritarianism. And there have been problematic relations with Russia: from the beginning of the twenty-first century Russia has started to recover and to reassert its traditional dominance over the region.

Problems specific to Ukraine include the following. The economic situation is very poor: GDP per capita is \$4,319 while that of the EU is \$29,000 (IMF 2008 figures); and the Ukrainian statistics will be worse after the 2009 crisis lowered GDP by 15 per cent. There was a decade of negative economic growth from 1990 to 1999: a 60-70 per cent contraction in national income (compared with 25 per cent in the USA in the 1930s). Total production and income are still below the 1989 level and Ukrainians are generally worse off than they were in the 1980s. There are issues with Russia, including the status of Crimea and the Black Sea fleet. There is a demographic time-bomb: the population fell from 52 million in 1992 to 46 million in 2007. There is the aftermath of the Chernobyl disaster. There is a basic east-west cultural divide in the country.

Belarus is 'Europe's Last Dictatorship' and democratisation has stalled, which precludes any further integration with the European Union. The question of the union of Russia and Belarus is still on the table. There is the persistence of a planned economy (around 51 per cent of employment is in the state sector). Yet GDP per capita remains higher than in Ukraine, at \$6,058 (IMF 2007 figure). Belarus imports cheap oil from Russia and re-exports it as new oil-based products which it sells on at world market prices. The EU hopes that ENP and Eastern Partnership will encourage an 'opening up' of Belarus – and potential democratisation.

Moldova is the poorest country in Europe, with a GDP per capita of \$1,830 (IMF 2008). Organised crime is a serious issue. It has problems with the breakaway Pridnestrovian Republic, which largely precludes closer relations with the EU. It has awkward relations with Romania.

The View from the East

For European ENP countries (and, to an extent, Israel) the main attraction is the possibility of eventual accession to the EU. Some aspects are attractive for all ENP countries: long-term access to the Single Market (though without free movement of workers in the medium term), short- to medium-term creation of a comprehensive and deep Free Trade Area; visa facilitation. Arguably for most ENP countries are also attractive such features as support for modernisation and democratisation and the aim of transformation along the lines of the new member states since the early 1990s.

However, at the moment the ENP does not envisage eventual EU membership, and for this reason the ENP is not popular, especially in Ukraine. Eastern Europeans dislike being viewed as 'second class' Europeans.

The View from the EU

For the European Union the main purpose of the ENP, as noted above, is security: borders, migration and cooperation in the fight against organised crime (especially drugs and human trafficking).

What the EU wants and what the ENP countries want are not the same. The EU's vision for the region is very different from what it sought to do in Central Europe in the 1990s and early 2000s. There is no wish for further enlargement. Apart from the transit of energy supplies, relations between the EU and the ENP countries are economically insignificant at the present time. What the EU seeks above all is stability – but this is proving elusive with the current (low) level of EU engagement.

How Does the ENP Work?

The ENP is about making neighbours 'more like us' - more like the member states of the EU - without the perspective of eventual accession to the Union. The methodology is one of 'more for more': the more ENP countries achieve in terms of desired reforms, the more they receive from the EU. The EC publishes regular 'progress reports'.

The tools of the ENP are bilateral agreements between the EU and its neighbours. These can be: Partnership and Cooperation Agreements; Action Plans; and Association Agreements.

Partnership and Cooperation Agreements pre-date the ENP and the EU is not very interested in them. They are not strongly binding or conditional and rather vague in content and commitments. They took a long time to be ratified in the target countries (a sign of the low esteem in which they were held).

Action Plans are much more concrete documents, with clear policy objectives. For Ukraine, for example, these include accession to the World Trade Organization, free and fair elections, free media, tax reform and approximation to key legislation in the *acquis communautaire*. It is clear for both sides to see what has been achieved and what has not; there is a short timeframe for completion (three years with automatic rollover of the agreement at the end of the period); they are supposed to be complemented by national

implementation plans; they are monitored by the Commission in an annual progress report. The EU sets the agenda; it is written by Brussels and 'signed off' by ENP states.

Association Agreements (previously referred to in some cases as 'new enhanced agreements' to prevent a link being made with the agreements of the 1990s with the Central European countries) are the highest form of bilateral agreement between the EU and a third country. The EU has them with countries which are never going to be EU members, like Chile and South Africa, and is now seeking them with its eastern neighbours. The countries with Association Agreements have to implement some of the *acquis communautaire*, and will then have ongoing access to the free market. In effect the country in question becomes an 'associate member' of the EU. Association Agreements are governed by an Association Council with the powers to make legally binding decisions that apply to both sides: the European Union and the third country. They form the basis for 'deep and comprehensive' integration, particularly through a free trade area (however, the European Union tends to dominate here).

The ENP offers: 'traditional' trade preferences and financial assistance; new forms of technical assistance; gradual participation in EU agencies and programmes in fields such as education, training and youth, research, environment, culture, audio-visual policy; cross-border cooperation along the EU's land and maritime borders; the long-term goal of a neighbourhood economic community; assistance in implementing political, economic and social reform agendas.

The instruments for effecting the ENP include: policy dialogue in Cooperation and Association Committees, working groups and informal meetings; ad hoc technical meetings; selective use of experience from supporting reform in candidate and pre-candidate countries; twinning (member state officials work in counterpart ministries and agencies); seminars on sharing best practices; border assistance missions; technical assistance with contracted consultants; a general approach to participation in EC agencies and programmes; community guidelines and manuals (for example customs blueprints).

The Views of Specific Member States

Ukraine and Belarus want eventual EU membership, but one problem is that the eastern members of the EU are not keen on the idea. This clash of objectives creates a major tension between the Union and the ENP countries.

Amongst 'old member states' geography, trade and history play major roles in determining their attitude to the eastern neighbours. There is no real interest in the east in Spain, Portugal, Ireland, Italy (except the banking sector) Belgium or France. France has been very sceptical about further EU enlargement, including Turkey, fearing the extension of German influence. There is stronger interest in the east in Germany and Austria, for geographical reasons, but Germany's strategic partnership with Russia, and its high dependence on Russian gas and oil, also influence its attitude to Eastern Europe. Germany is also worried about increasing immigration. There is strong interest in the east among the northern European countries, especially Sweden. The UK and the Netherlands are also oriented towards the east. The UK has always been in favour of opening up the EU to the east and is in favour of Ukraine's membership, partly in order to dilute the EU further and to make general policies more difficult to implement. The UK claims to some

extent to be the originator of the ENP and is keenly supportive of its development, particularly as a contributor to liberalising trade. Until recently the UK has also been relatively relaxed on migration issues.

One element influencing EU member states' attitudes to the east is the policy of Russia. Russia refuses to be part of the ENP and wants its own strategic partnership with the EU, as part of reasserting its power in its neighbourhood. Russia also has a crucial energy grip on several old member states (Germany, Austria, Italy) and will use this to influence their policy towards Eastern Europe. Russia did not like EU enlargement and positively hates NATO enlargement. Its new assertive behaviour externally (and authoritarian policy internally) are aimed at setting EU member states against each other.

As far as the 'new member states' are concerned, their voice is not as influential as that of the 'old member states', except for that of Poland. To an extent we can distinguish between 'northern' and 'southern' new member states. Poland and Lithuania are the most vocal proponents of Ukrainian accession to the EU; Estonia and Latvia are also in favour but less visibly so, as are the Czech Republic and Slovakia. Hungary, Slovenia and Bulgaria are more focused on the Western Balkans. For Romania the focus is Moldova, and the key question is citizenship: potentially millions of Moldovans have the right to Romanian and therefore EU citizenship.

Poland is keen to integrate Belarus, and is concerned with the persecution of Catholics in Belarus. Other EU countries have not been sympathetic to this discourse, seeing it as a manifestation of Polish nationalism. The Poles are now tending to speak about violations of *human* rights rather than of religious rights in Belarus, a discourse which is receiving a more sympathetic hearing within the EU.

Conclusions

The ENP is about security for the EU. It is driven by the EU in inevitably one-sided negotiations. Lack of membership perspective makes conditionality much weaker than it was for the 2004 accession countries (but we should note that conditionality does not appear to be working very effectively in the former Yugoslavia). The benefits for the ENP countries are however potentially vast, and the policy has developed considerably over the first few years of its existence.

Nevertheless divisions in viewpoints among member states makes it hard for the EU to speak 'with one voice' on the ENP (or on relations with Russia).

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