

The Eastern Partnership's Troubles:

The End of Imitative Europeanization?

Andrey Karbovskiy, Ph.D.

The Eastern Partnership's Troubles: The End of Imitative Europeanization?

Andrey Karbovskiy, Ph.D.

© The Bruges Group 2012

Published in February 2012 by

The Bruges Group, 214 Linen Hall, 162-168 Regent Street, London W1B 5TB

www.brugesgroup.com

Bruges Group publications are not intended to represent a corporate view of European and international developments. Contributions are chosen on the basis of their intellectual rigour and their ability to open up new avenues for debate.

The Author

Andrey Karbovskiy, Ph.D. (born 1978) lives in Moscow. He has spent 10 years working in Warsaw. After earning his Ph.D. in History at the Diplomatic Academy (Moscow) he has published several articles about the history of Central Europe. These include *Along the Oder-Neisse Line: The Russians, Poles and Germans in Szczecin (Stettin) in 1945-1956*, published in Moscow in 2007.

Table of Contents

Introduction.....	5
The Two Partnerships' Dilemma	7
Origins of Failure.....	10
Options and Alternatives	11
A Bridge? Cordon Sanitaire? Condominium	13
Conclusion.....	16
References	18

Introduction

Successful transformations in the Central European countries and their access to the EU in early 2000s, signing of the Association Agreements and creation of flexible dialogue formats gave a new momentum to the EU. It was a peak of success for the European Union, which for decades has been building its avant-garde, post-national, post-sovereign or post-modern entity – praised as ‘more advanced than any actor on the international scene ever’.

This ‘cooperative’, or, according to José Manuel Barroso, ‘the first non-imperial’ empire, has constructed a system of concentric circles expanding across the entire globe. There are the European Economic Agreements with the Africa Caribbean and Pacific states, bilateral FTAs concluded with South Africa, Mexico and Chile. In recent years, the EU agreed to negotiate FTAs with Mercosur, ASEAN, India and South Korea (Woolcock 2007, p.2). One of these circles has drawn across the Eastern Europe and Southern Caucasus – today’s Commonwealth of Independent States (CIS), which remains a highly priced asset as a geo-political, infrastructural and cultural link between Russia and the rest of Europe.

According to IMF data, the CIS countries economic growth prospects are very favourable and count for 4.3 per cent in 2010 and 4.6 per cent in 2011 (for Russia without CIS: 5.3 per cent in 2010 and 5.2 per cent in 2011) – much higher than the Eurozone growth rate (1.6 per cent in 2010 and 1.4 per cent in 2011). Participating in TRACECA (Transportation Corridor Europe-Caucasus-Asia) and the INOGATE (Interstate Oil and Gas Transport to Europe) projects, the EaP countries are especially valuable as energy suppliers and transporters. Against a background of the Arab revolts, (in)stability of energy supplies, and Germany’s decision to stop producing nuclear power by 2022 adopted in May after the Fukushima accident their importance is increasing.

But there is a risk of future marginalization of the region, especially with the lack of clear perspectives of the swift implementation of the Nabucco¹ gas pipeline project

1 Nabucco project envisages gas supplies from the Caspian region and the Middle East to the EU countries, bypassing Russia. It will run through Azerbaijan, Georgia, Turkey, Bulgaria, Hungary, Romania and Austria. It is expected to transport about 31 bn cubic meters of gas annually, covering at least 5 per cent of EU demand for gas in 2020.

Participants of the project are Austrian OMV, Hungarian MOL, Bulgarian Bulgargaz, Romanian Transgaz, Turkish Botas and German RWE companies, with a 16.67 per cent share each. The main suppliers of gas for the project are considered Azerbaijan, Iraq and Turkmenistan. The EU-backed Nabucco project competes with other pipeline projects such as South Stream to deliver gas from Azerbaijan to Europe. Azerbaijan expects to begin production of the BP PLC (BP)-led Shah Deniz-2 field in 2017.

as well as the AGRI² LNG transportation project, both challenged by its severe rival, Russia-backed South Stream pipeline. So, the goal here was to maintain the outcomes of the Cold War, while transforming the *Intermarium* (or the area between Baltic and Black/Caspian seas) with the help of the EU's *acquis communautaire*.

Nevertheless, the recent EU enlargement waves of 2004 and 2007, the failed referenda in France and the Netherlands in 2005, emerging financial crises in the European periphery have led to a discussion of 'enlargement fatigue' in the European Union. The EU enlargement has hit the brakes, with possible negative consequences for the entire process of the European integration and the membership chances of the Balkan countries, Turkey and the Eastern Europe. It seems that the EU is brutally exposed to the limits of its own capacity to project its 'transformative power' into its neighbourhood, with a new focus on stabilization than value promotion policies.

The global context has also changed in recent years. A general 'reset' of the US-Russia agenda has also relaxed the relations between Russia and Europe – a relationship that lurches from crisis to crisis. The latter has become less competitive and more cooperative. The new situation implicates the need to make a critical overview of the EU's policy toward Eastern Europe. To what extent was it successful? What are the implications of a reset in Russia's relations with the West for the relations between the stakeholders in the region? What is the future agenda for the EU's Eastern policy?

2 AGRI (The Azerbaijan-Georgia-Romania-Interconnector) is a proposed project to transport Azerbaijani natural gas to Romania. Natural gas would be transported by the pipeline from Sangachal Terminal in Azerbaijan to the at the Kulevi Terminal at the Georgia's Black Sea coast. In Kulevi, the LNG export terminal would be built. Liquefied natural gas will be transported by tankers to the Constanta in Romania. After regasificaton natural gas will be delivered through the existing gas grid to Romania and other European countries.

Capacity of the AGRI is expected to be 7 bn cubic metres of natural gas per year, of which 2 bn will be consumed in Romania. The project is expected to cost €4-6bn.

On 13 April 2010, three countries signed a memorandum on implementation of the project and establishment of the project company headquartered in Bucharest.

The Two Partnerships' Dilemma

The six post-Soviet nations, Ukraine, Belarus, Moldova, Georgia, Armenia and Azerbaijan, became target countries of the European Neighbourhood Policy (ENP) in 2004-2005. In the wake of the 2008 war in Georgia, the ENP was effectively 'split' into the French-backed Union for the Mediterranean and the Polish-Swedish-backed Eastern Partnership (EaP)³. In 2008-2009 the EU's Eastern neighbours were invited to participate in the EaP initiative. However, EU further eastward expansion has been hampered by two long-standing dilemmas. How to transform the Eastern neighbourhood without causing damage to relations with Russia? Another problem was connected with the EU's willingness to promote through the EaP the multilateral dimension of cooperation (something that lacked the ENP). But how to differentiate '*European neighbours*' (Ukraine, Belarus and Moldova) from the '*neighbours of Europe*' (Georgia, Armenia and Azerbaijan) – two groups of countries so dramatically different in their needs, aims, and outlook from one another⁴?

The inauguration summit of the EaP in Prague on May 7, 2009, was held with German Chancellor Angela Merkel the only political heavyweight to attend the event. That clearly demonstrated that not all EU states were enthusiastic about the joint Polish-Swedish Eastern Partnership initiative, launched by ruling center-right coalitions in Poland and Sweden. While France and Spain have been more focused on the Mediterranean region, other 'old' Europeans (Germany and Italy) suspected the Central European members of establishing an implicit policy of counterbalancing Russia and sought to minimize any action that could be perceived as anti-Russian. In their turn, key target countries in the Eastern Europe also received gave the EaP that cold shoulder. Ukraine found it insulting to be lumped along with small countries. Georgia, ardently pro-Western, disliked being on the same list with five countries that were hesitant about or even hostile to the values of the Euro-Atlantic alliance.

In the words of Catherine Ashton, "the Eastern Partnership is about promoting a positive reform agenda leading to closer relations between us. It is deeply practical

3 The EaP concept comprises four policy platforms (on democracy, good governance and stability; economic integration and convergence with EU policies; energy security; people-to-people contacts).

4 The then Russian deputy Foreign Minister Vladimir Chizhov characterized that situation as 'an attempt to reduce to the least common denominator groups of countries and individual states that are entirely different in their level of development and that, in addition to this, have different objectives with respect to the EU itself – objectives that are oftentimes incompatible with one another'.

and concrete'. What have the EaP countries (not) gained from the participation in the program?

Money. The project is financed mainly through the EU contribution already available to the Eastern ENP partners via the European Neighbourhood Policy Instrument (ENPI) for 2007-2013. But the 2007-2013 budget will soon expire in the EU, and this year Brussels is starting to work on the next seven-year EU budget for 2014-2020. So far, the EaP has been financed from the European Neighborhood and Partnership Instrument Fund. The EaP's budget for 2009-13 is €600m, but it is considered a mere drop in the ocean by many.

Financially, 2011 was crucial for the EaP. The EaP leadership was trying to obtain more adequate resources for the initiative, especially for participants that are negotiating an expanded free-trade zone with the EU (meaning Ukraine). However, the European Union has to this point weakened by the GFC and the debt crisis in its periphery. In this situation, Hungary and Poland, the Central European advocates of the EaP (and rotating presidents of the European Council in 2011) had more urgent priorities. They have been clashing over the EU's Cohesion Policy and long-term budget with such countries as France and the UK, which has insisted that the EU budget should be less high. Signs of inefficient use of European money by the Eastern Europeans may be another cause for cutting EaP budget and further marginalizing the entire initiative.

Gaining access to the European *market* might be an attractive goal for the EaP target countries. However, Eastern Europe has surprisingly weak economic ties with the EU. Ukraine, the European Community's largest partner in this region, sends as much as three quarters of its exports to countries other than EU member states. Only in the case of Moldova has the EU has become the biggest trading partner (after 2007 EU accession of Bulgaria and Romania). Furthermore, the slow reorientation of Belarusian, Ukrainian and Moldovan foreign trade from East to West (the greatest success in the past decade has been one in which Western policymakers have played no role) is reversing. By contrast, in the case of Ukraine, exports to the post-Soviet CIS countries grew in 2002-2009 from 25 to 35 per cent (Segura 2010, p.1). The post-Soviet countries remain the principle market for exports of machinery and transportation equipment, which are insufficiently competitive on the European markets but are well-sold in Russia.

For Eastern Europeans, European integration and EU membership is seen as one and the same thing, and the Association Agreement (AA) is seen as the only path that will undoubtedly bring them to it. For the EU, by contrast, 'membership' and 'association' are clearly two separate things. While the AA was becoming more and more of a sacred cow for negotiators in Ukraine and other Eastern European

countries, it had been only one instrument for approaching the EU that Brussels has been developing with a range of both close and distant countries – such as Mexico, South Africa and Israel⁵ (ICPS 2010, p.10). It is important to remember that signing an Association Agreement does not guarantee its ratification by *all* member states.

Although Association Agreements are being drafted (with all countries except Belarus), and negotiations regarding the Deep and Comprehensive Free Trade Area (DCFTA) with Ukraine are on track, problems have emerged right from the very beginning. In negotiations with Ukraine, an acute confrontation has come to sugar, chicken, pork and dairy products. The Prime Minister Mykola Azarov emphasized that quotas on agricultural products offered by the EU to Ukraine are too small. For example, the quota for wheat is to be set at 20,000 tons. This is despite the fact that Ukraine exports about 10-15 million tons annually. The quota for meat and poultry is to be set at 1,000 tons, sugar – up to 15,000 tons, so that the share of these products on the EU market would account for an insignificant part of a percent.

Negotiations with Kiev have been in place for three years now, and no date of their finalization has yet been given. Under the pretext of the sentencing of ex-prime minister (and the main rival of the present president Yanukovych) Yulia Tymoshenko to seven years in prison, the signing of the Association Agreement was postponed on 19 December 2011. That demonstrated one important thing: the official view from Brussels is that they are not willing to make concessions to their Eastern neighbours. In fact, joining a free trade area with the EU does not carry any such discernible, virtually quantifiable benefits, only the vague feeling of moving one step closer to joining the magic circle of modernity, the inner sanctum of progressive humanity.

The third EU's carrot – *mobility*, or visa liberalization, has also unclear perspective with anti-immigrant parties gaining ground in Europe. At the same time, the Russian labour market remains the most attractive for Ukrainian and other Eastern European workers (i.e., nearly 48 per cent of the money transfers of the Ukrainian workers came from Russia).

This short outlook reflects the ambivalent approach, visible at the start of the EaP and gaining in strength over recent years: while seeking to draw Eastern European countries closer to it, the EU was at the same time taking a defensive approach in an attempt to prevent opening itself up to neighbour countries. The EU was resisting precisely those areas where a move towards the EU was viewed as especially beneficial by most partner states (i.e., the introduction of a visa-free regime, access to the agricultural market, etc.).

5 The EU currently has the AAs or their equivalents with 25 countries. Another 14 AA are at various phases of the negotiation process (including the one with Ukraine).

Origins of Failure

1. The EaP's troubles are caused by the post-modern nature of the initiative. Promoting the EaP as a policy of soft power, the EU has once again forgotten that soft power can never be separated from the 'harder' policies that would meet the expectations of those wishing to align with it. With a prospect of integration short of full membership, the program is neither enlargement nor foreign policy proper. It is only an instrument for the 'external integration', *approaching* the EU, not *obtaining EU membership*. The EU has been unable to determine clearly the goal which an integration without a membership should seek. Most of the goals set as a part of the Partnership and Co-operation Agreements currently in force – and the Action Plans developed on the basis of those agreements – remain unfulfilled.
2. Due to insidious policies of Brussels, the institutional incapacity of the Eastern European elites to adopt the European standards and weak opposition (which is still a ragtag mix of idealists, has-beens, never-weres), the euro-integration has become 'an endless effort to reach a disappearing horizon' (ICPS 2010, p.9).
3. The fact that the EaP-ENP concept from the very beginning was formulated behind the closed doors promoted an enormous perception gap of the EaP between the EaP countries themselves and the EU.
4. The Europeans need a clear-eyed look at the Eastern partners as the countries that they are, not what the West would like them to be. The EaP, as just an attempt to replicate the experience in Central Europe in toppling Communism and reformism has been a very simplified concept.

The need of a clear-eyed look does not mean that the West should pursue its interests in a mindset of *Realpolitik*, without adherence to human rights and democratic standards. The times have changed. The Eastern Europeans are different from their Central European neighbours of the early 1990s – there is much more grey than there is black and white.

Options and Alternatives

Poor economic perspectives of the EaP countries contrast with increasing trade interdependence between the EU and Russia – a country pursuing an active energy and modernization policy. The EU as a whole is Russia's main trading partner, accounting for more than 51 per cent of its overall trade turnover. Half of Russian exports are directed to the EU, the most important investor in Russia with up to 75 per cent of FDI coming from EU member states. For the EU, Russia is its third largest trading partner, accounting for around 9 per cent of overall trade.

In the Russian strategy of cooperation with the EU, the latter is primarily a source of capital, technology and skills, rather than a political or economic model to be imitated. The Partnership for Modernization (PfM), launched at an EU-Russia summit in Rostov-on-Don in June 2010, envisages even more substantial investment by European companies in hi-tech sectors and increased access to Western technology. In December 2010 Moscow and Brussels had drawn up a 'rolling work programme' to identify possible projects for cooperation. By March 2011, Moscow had concluded eight bilateral modernization partnerships with individual EU countries, with another eleven in the pipeline. The EU also sees a 'deep' FTA as a logical continuation of Russia's entry to the WTO.

Whereas the European offer to the post-Soviet nations remains entirely nebulous, Russia proposes real benefits. Participation in the Russia-led Customs Union (CU)⁶ presumes a reduction of energy prices to the increase of exports to other members (estimated at \$4bn to \$9bn per annum), the cancellation of export duties for oil, and the lowering of gas prices, which would collectively save the country another \$5bn to \$6bn annually, as well as an unimpeded access to a market of some 200 m people that has been growing economically by an average of 7 per cent per annum since 2001 (compared to just 1.5 per cent in the EU through the same period).

Since 2012, the Russia-led integration project has expanded from a customs union into a 165 m-strong common economic space, with talk of an eventual single currency. On 18th November 2011 the Presidents of Belarus, Kazakhstan and Russia signed a declaration on Eurasian economic integration, with the final goal of creating by 2015 a Eurasian economic union. The countries have also signed an

6 The Customs Union (CU), as a 5th intergovernmental association after NAFTA, EU, ASEAN and MERCOSUR, with total GDP \$1.35 trillion and population 160 m, began in January 2010 with the integration of a common tariff scheme with Russia, Belarus and Kazakhstan. This was followed in July 2010 by the entry into force of the Customs Code, which applies to all three member states. The CU members were planning on creating a Single Economic Space by January 2012 to stretch cooperation between the parties beyond trade.

agreement on the creation of a Eurasian economic commission, which is to oversee the integration processes. The Russian Government stresses that the integration on the post-Soviet space does not contradict our embedding in the global economy. But the EU views Russia's trade policies with suspicion. Not only European, but also some Russian politicians doubt whether Russia's integration into the CU can easily be combined with the EU-Russia FTA and, consequently, harmonization of many trade rules and product standards between Russia and the EU. Is it possible for Russia to harmonize rules and standards also with its CU partners (Barysch 2011, p.3)? That still remains a question.

A Bridge? Cordon sanitaire? Condominium?

By launching the EaP, Brussels intended to determine the final Eastern borders of the European Community in a 'soft' way (Pełczyńska-Nałęcz 2011). However, the Eastern partners have not been willing to participate in a scenario resembling the policy of the Roman Empire 'to get barbarians to guard its own borders' (ICPS 2010, p.7). At the same time, attempts to install the Eastern European countries as a buffer zone or a series of satellite-states protecting against a threat located beyond (Russia) have become a bone of contention in the EU's relations with Moscow.

Against the background of a deadlock in the Eastern Europe and enlargement fatigue, the EU has staked upon new EU-Russia initiatives, such as security cooperation, a joint energy road map and a modernization partnership has also gained a rapid momentum. In November 2010, Russian Prime Minister Vladimir Putin envisioned establishment of a Russian-EU FTA 'from Lisbon to Vladivostok', as 'a unified continental market with a capacity worth trillions of euros'. Russia is again recognized as a 'privileged partner' of the Union⁷. The EU-Russia work program adopted in December 2010 contains dozens of potential areas at cooperation from student exchanges to space technology. Some analysts point out to attempts of cooperation between the EU and Russia over Nagorno-Karabakh and Transnistria, as well as 'the willingness of President Medvedev to extend basic European normative approaches to Libya that could perhaps serve as a promising step in the right direction' (Makarychev and Sergunin 2011, p.4)⁸.

While the big players decide on the format of their cooperation, the recent events demonstrate that the poorer and more dismanaged a country is, the easier it can be targeted by a predator. A deteriorating economic situation, deficient democracy, nostalgia for "law and order" and serious mutual political disagreements can be used as a pretext for intervention from outside. In **Ukraine**, one of the poorest

7 In words by Günther Verheugen, the EU and Russia are "major international players working together on numerous international issues, including on regional ones in areas which are close to both of us".

8 In the aftermath of the US-Russian talks on March 9, 2011, the Kremlin decided to refrain during the voting on UN Security Council resolution 1973 on a no-fly zone over Libya, receiving the U.S. support of Russia's accession to the WTO and modernization policy.

countries in Europe⁹ (often marked as an ‘immobile state’), political stasis leads to rising influence of extremist Party Svoboda in the western districts, with a possible split between pro-Russian Eastern and nationalist Western part of the country. In **Moldova** in May 2011 tens of thousands of Communist supporters protested demanding the resignation of the incumbent government formed by the “EU integration alliance”, as ‘totally incapable of managing the country’. In effect of the currency crisis in **Belarus**, the Belarussian Ruble was devalued by 36%. As most of the deals and wages in Belarus depend on the currency exchange rate, the devaluation meant bankruptcy of hundreds of businesses, triggering shortages of some important goods.

The current developments will inevitably lead to compromises between the ‘big players’. **Moldova** may be chosen to play the role of a ‘success story’ within the EaP countries¹⁰, while Belarus keeps balancing on the verge of takeover¹¹. The most difficult case is **Ukraine**, which can become a real battleground between the EU and Russia. This moment, Ukraine’s leadership, being promised huge trade benefits if the country joined one of the competitive projects (Russia-led Customs Union vs. free-trade zone with the EU), sends confusing messages to Moscow and Brussels. With an understanding that any trade war with Russia would ruin the Ukrainian economy and lead to the degradation of Ukraine’s industrial base, Ukraine is ready to sign a unified agreement on a FTZ with the CIS. At the same time, having already secured significant benefits from Russia, Kiev is attempting to extract further concessions from Moscow, while hoping to increase its leverage over Brussels. To date, Ukrainians have refused Moscow’s offer of a full-fledged membership in the Customs Union. Instead, Kiev has proposed to cooperate with the union on the basis of the privileged ‘3+1’ arrangement.

9 According to the IMF, Ukraine’s per capita GDP (at the market exchange rate) in 2010 stood at a mere \$3,000, compared with \$12,300 in neighboring Poland, \$10,437 in Russia and \$5,800 in Belarus; even Albania was richer according to this measure, with \$3,677.

10 The Romanian mass-media reported that the US and Russia have already agreed to disengage from Transnistria the Russian armies, to compel unrecognized republic to be a part of Moldova and to create conditions for occurrence of Moldova in EU – possibly, as a part of Romania. The Russians owning in the Transnistrian Moldovan Republic large business, are ready to merge republic with Moldova in exchange for economic preferences of the European Union.

11 As a price for a \$3bn bailout for Belarus, Russia seeks to impose a devaluation of the Belorussian Ruble (probably by 40 per cent) and a harsh privatization program (which could bring \$7.5bn to \$9bn by 2014). Moscow will have its eye on valuable assets – including oil refineries, the gas pipeline system network operator Beltransgaz (which transships Russian gas to Europe), its main mobile phone provider and its potash production complex. Nevertheless, Lukashenko has warned Russia that Belarus will not sell off state assets cheaply.

Understanding a need of a deal over their common neighbourhood, Brussels and Moscow have established new dialogue formats, such as the Meseberg initiative. However, the EU-Russian cooperation in the Eastern Europe and Southern Caucasus has limits, when we talk about countries with more stable political regimes. In February 2011, **Azerbaijan** has been even shown by the *Wall Street Journal* as a country with a high revolt probability. Despite that, the Baku authorities have managed to retain control over the situation and disperse the Islamist rallies on 12th March. Also **Belarusian** president Lukashenka continues his policy despite the increasing pressure from both the West and Russia and a perspective of the country's financial collapse¹².

12 Interestingly, that in some cases Minsk regards China as a potential counter-balance to save the current political regime. The China-Russia competition on control over Belarusian companies (Belaruskali) comes as Belarus seeks aid from the IMF, after having faced a severe currency crisis earlier this year.

Conclusions

Back in 2009, Polish Foreign Minister Radoslaw Sikorski said that the EaP's efficiency would become evident only in 2015-2016 when the EU's policy would start yielding its first results. But it has become evident now, that the EaP ends up weakening, rather than strengthening the transformative potential of Europe.

The wave of criticism toward the EaP is dramatic. "Recent events and the results of the review have shown that EU support to political reforms in neighbouring countries has met with limited results", said an EU policy review issued in May 2011. In words of the spokesman of the Foreign Ministry of Belarus, "The Eastern Partnership is emasculating and losing its appeal today. Earlier, the Ambassador of Ukraine to the EU Konstantin Eliseev said that "Unfortunately, 7 years of the European Neighbourhood Policy proved insufficient involvement the EU. We talked and met a lot, but as a result, we have the economic downturn, Belarus, Tunisia and Egypt. We are stuck in the Middle East and South Caucasus".

Even Central European proponents of the EaP changed their attitude towards their flagship project. The Hungarians, preoccupied by the budget debate and future cohesion policy rescheduled the EaP summit off their EU's rotating presidency. Poland, in its turn, instead of accusing Russia of revisionism and "pursuing a 19th-century agenda with 21st-century tactics and methods", seeks the Kremlin's participation in the Group of Friends of the EaP.

The EU is losing its own sense of direction. When it focuses on the modernization partnership with Russia and does not see integration with its Eastern neighbours as an issue important enough to warrant investing significant resources in this process, there can be only one result – a policy of evasion. Both the EU and its Eastern partners are merely imitating an integration process, playing this game without focusing on achieving the goal and without any hope of implementing it – Brussels in order to avoid an evident failure and cover up its weakness, and Eastern European countries in order to exploit this process for domestic political reasons and in relations with Russia. Such 'cooperation' in many aspects merely replicates the Russian-Belarusian Union – With a nice budget, no accountability and the right to grant useful tariff and customs exemptions, it was first and foremost a boondoggle for corrupt officials (Lucas 2011).

All that sends a bad message for the Eastern European nations, which will pay a high price for such a policy. Being exporters with a low added value, little noticed high-tech markets, they will become nearly unpromising partners for regional

integration both in the West and East alike, if no modernization (both in political governance and economy) is undertaken.

The EU should focus on pragmatism and small steps, if a more strategic and deep-rooted relationship looks unlikely for the time being. Taking into account the current weakness and fragmentation of Europe, there is an urgent need for active engagement of other regional formats such as the Visegrad group, EFTA and the Central European Initiative. Otherwise, the Eastern Europe and the Southern Caucasus nations, disappointed with an idea of democracy and tempted by enlightened authoritarianism, will remain a collection of countries being in the middle of a trend towards authoritarian consolidation with centralized, non-competitive and corrupt politics, dysfunctional institutions and polarized societies.

References

- Alieva, L., 2011a. Azerbaijan and Eastern Partnership: partnership through empowerment. 31 January [online]. Available at: <http://eurodialogue.org/Azerbaijan-and-Eastern-Partnership-partnership-through-empowerment> [Accessed 25 May 2011].
- Alieva, L., 2011b. The impact of Arab revolts on Azerbaijan's political scene. 27 April [online]. Available at: <http://www.easternpartnership.org/publication/politics/2011-04-27/impact-arab-revolts-azerbaijan-s-political-scene> [Accessed 25 May 2011].
- Ashton, Catherine, 2011. Remarks by Catherine Ashton EU High Representative for Foreign Affairs and Security Policy and Vice President of the European Commission after the Extended Ministerial meeting on Eastern Partnership. Bratislava, 3 March 2011. A 085-11 [online]. Available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119588.pdf [Accessed 24 April 2011].
- Áslund, A., 2011. Lukashenko Digs Belarus' Grave. The Moscow Times. 26 May.
- BBC, 2009. Independent International Fact-Finding Mission on the Conflict in Georgia. Report [online]. Available at: http://news.bbc.co.uk/2/shared/bsp/hi/pdfs/30_09_09_iiffmgc_report.pdf [Accessed 17 May 2011].
- Bindi, F., 2010. European Union Foreign Policy: a Historical Overview. In: F.Bindi, ed. *The Foreign Policy of the European Union. Assessing Europe's Role in the World*. Washington, D.C.: Brookings Institution Press, pp.13-40.
- Bindi, F. and Angelescu I., 2010. Introduction. In: F.Bindi, ed. *The Foreign Policy of the European Union. Assessing Europe's Role in the World*. Washington, D.C.: Brookings Institution Press, pp.1-9.
- Bindi, F and Shapiro, J., 2010. EU Foreign Policy: Myth or Reality? In: F.Bindi, ed. *The Foreign Policy of the European Union. Assessing Europe's Role in the World*. Washington, D.C.: Brookings Institution Press, pp.339-348.
- Christiansen, T., 2005. Constitutionalising the European Union, Constructing EU Borders. In: Browning, C.S., ed., 2005. *Remaking Europe in the margins: Northern Europe after the enlargements*. Hampshire: Ashgate Publishing Limited, pp.69-84.
- Ciensi, J., 2011. Putin offers Belarus \$3bn rescue to aid reform. Financial Times, 20 May. P.4.

Chizhov, V., 2004. European Union: A Partnership Strategy, International Affairs, Vol.50, No 6, p.85.

Cianciara, Agnieszka, 2009. The Union for the Mediterranean and the Eastern Partnership: Perspectives from Poland, Czech Republic and Hungary. Report of the Institute of Public Affairs. [online]. Available at: http://www.euromesco.net/media/UfM-EaP_Cianciara.pdf [Accessed 5 May 2011].

Cooper, R., 2003. The Breaking of Nations, Atlantics Books: London.

Eastern Europe and Central Asia. Meeting doc. 335/10. REV 2. *Implementation of the Eastern Partnership: Report to the meeting of Foreign Affairs Ministers, December 13, 2010* [online]. Available at: http://www.eeas.europa.eu/eastern/docs/eap_meeting_foreign_affairs_131210_en.pdf [Accessed 28 February 2011].

Emerson, M., 2005. EU-Russia. Four Common Spaces and the Proliferation of the Fuzzy. CEPS Policy Brief. No.71, 1 May. [online]. Available at: <http://www.ceps.eu/system/files/book/1224.pdf> [Accessed 12 March 2011].

Emerson, M., 2006. Introduction. In: M.Emerson, ed. *The Elephant and the Bear Try Again. Options for a New Agreement between the EU and Russia*. Brussels: Centre for European Policy Studies [online]. Available at: <http://www.ceps.eu/system/files/book/1402.pdf> [Accessed 12 March 2011].

Europa 2010. EU launches negotiations on Association Agreements with Armenia, Azerbaijan and Georgia. Press release IP/10/955. Brussels, 15 July [online]. Available at: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/955> [Accessed 25 May 2011].

Gorshenin Institute, 2011. "Setting up Free Trade Zone with Europe or Joining Customs Union with Russia: what Brings Ukraine more Benefit?" – Round Table. 18 April [online]. Available at: http://gpf-europe.com/upload/iblock/549/round_table_%2013_eng.pdf [Accessed 27 May 2011].

Hubenko, D., 2011. Blind Alley in the East. "Ukrainian Week", 27 April. [online]. Available at: <http://ukrainianweek.com/World/21537> [Accessed 14 May 2011].

Ifversen, J., Kølvråa, Ch., 2007. European Neighbourhood Policy as Identity Politics. Paper to be presented at the EUSA Tenth Biennial International Conference. Montreal, Canada, May 17-19, 2007 [online]. Available at: <http://aei.pitt.edu/7915/1/ifversen-j-12b.pdf> [Accessed 22 May 2011].

International Centre for Policy Studies (ICPS), 2010. Inside Ukraine, #11. Eurointegration: Reset [online]. Available at: http://www.icps.com.ua/files/articles/60/42/Inside_Ukraine_ENG_11.pdf [Accessed 19 May 2011].

Kozachenko, Alex, 2011. European Union vs. Ukraine: who and how does plan to dispossess of land of Ukrainian villager [online]. Available at: <http://ukrainianopinon.com/european-union-vs-ukraine-who-and-how-does-plan-to-dispossess-of-land-of-ukrainian-villager/> [Accessed 10 May 2011].

Kramar, O., 2011. Economic Takeover [online]. Available at: <http://ukrainianweek.com/Politics/21536> [Accessed 28 May 2011].

Kyiv Post 2011. Azarov: Kyiv hopes to sign CIS free trade agreement in May. 17 February [online]. Available at: <http://www.kyivpost.com/news/nation/detail/97419/> [Accessed 9 March 2011].

Leonard, M., 2005. Why Europe will run the 21st century, Fourth Estate: London.

Lucas, E., 2011. What the West Gets Wrong About Belarus [online]. Available at: http://www.rferl.org/content/belarus_commentary_edward_lucas_what_the_west_gets_wrong/24097810.html [Accessed 29 May 2011].

Lussac, S., 2010. The EU-Azerbaijan Association Agreement: a New Framework for Updated Cooperation? [online]. Available at: <http://www.cacianalyst.org/?q=node/5376> [Accessed 28 May 2011].

MediaStar, 2011. Ukraine refused to join the Customs Union. [online]. Available at: <http://www.mediastar.net.ua/en/12930-ukraine-refused-to-join-the-customs-union.html> [Accessed 10 May 2011].

Medvedev S., 2008. Limits of Integration: Identities and Institutions in EU-Russia Relations [online]. Available at: <http://www.hse.ru/data/617/436/1233/Limits%20of%20Integration%20Medvedev.pdf> [Accessed 22 May 2011].

Missiroli, Antonio, 2008. The ENP in Future Perspective. Global Europe Papers, 2008/12 [online]. Available at: <http://www.bath.ac.uk/esml/research/security/pdf/missiroli.pdf> [Accessed 4 May 2011].

Nielsen, K.L., 2011. The Eastern Partnership: Soft Power or Policy Failure?

Pełczyńska-Nałęcz K., 2011. Integration or imitation? EU policy towards its Eastern neighbours. [online]. Available at: <http://www.easternpartnership.org/publication/>

politics/2011-04-14/integration-or-imitation-eu-policy-towards-its-eastern-neighbours [Accessed 16 May 2011].

Pomorska, K., 2011. Are we there yet? From adaptation to Europeanization of Polish foreign Policy. [online]. Available at: http://euce.org/eusa/2011/papers/7j_pomorska.pdf [Accessed 9 June 2011].

Popescu, N., 2009. The EU's conflict prevention failure in Georgia [online]. Available at: <http://www.cacianalyst.org/?q=node/5198> [Accessed 17 May 2011].

Prodi, R., 2000. 2000 - 2005 : Shaping the New Europe [online]. Speech 00/41. European Parliament, Strasbourg, 15 February. Available at: <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/00/41&format=HTML&aged=1&language=EN&guiLanguage=en> [Accessed 22 May 2011].

Russia Profile, 2011. Russia Profile Weekly Experts Panel: Moscow Fails to Bring Ukraine into the Customs Union [online]. Available at: http://russiaprofile.org/experts_panel/36097.html [Accessed 26 June 2011].

Rutland, P., Shynkaruk, K., 2011. There Goes the Eastern Neighborhood. The Moscow Times. 3 June.

Salvia, A.T., 2011. Customs Union with Moscow or Free Trade Area with Brussels: Which Way is Kiev Going? [online]. Available at: <http://moderntokyoimes.com/2011/05/13/customs-union-with-moscow-or-free-trade-area-with-brussels-which-way-is-kiev-going/> [Accessed 26 June 2011].

Sbagria, A., 1992. Euro-politics: Institutions and Policy-making in the "New" European Community. Washington, D.C.: Brookings Institution Press, p.257.

Segura, E., 2010. Trade and Economic Relations between the EU and Ukraine.

Sergunin, A, 2010. EU and Russia: on Eastern Partnership Muddling on? [online]. Available at: <http://www.opendemocracy.net/od-russia/alexander-sergunin/eu-and-russia-eastern-partnership-muddling-on> [Accessed 4 May 2011].

Taras, R., 2010. Russophobia in Poland? National Fears and the Effects on EU Relations with the Russian Federation. [online]. Available at: <http://www.evadoc.com/doc/108624/russophobia-in-pol-cts-on-eu-relations-with-the-russian-federation-> [Accessed 7 June 2011].

The Economist, 2011. Choosing new friends. 9 April.

Thibaud, P., 2005. Qui sont et où sont les bons européens ? *Le Monde* [online] 11 May. Available at: <http://multitudes.samizdat.net/Qui-sont-et-ou-sont-les-bons> [Accessed 12 March 2011].

Tovias A., 2010. The EU and the Mediterranean Nonmember States. In: F.Bindi, ed. *The Foreign Policy of the European Union. Assessing Europe's Role in the World*. Washington, D.C.: Brookings Institution Press, pp.169-182.

Ukrainian Journal, 2011. Official: Ukraine may enter Russia, Belarus, Kazakhstan customs union [online]. Available at: <http://www.ukrainianjournal.com/index.php?w=article&id=12268> [Accessed 10 May 2011].

Vikno, 2011a. Epilogue to Vladimir Putin's visit to Ukraine [online]. 15 April. Available at: <http://vikno.eu/eng/politics/politics/epilogue-to-vladimir-putin-s-visit-to-ukraine.html> [Accessed 22 May 2011].

Vikno, 2011b. Romanians: Medvedev promised to Obama to hand over Dnestr region [online]. 3 May. Available at: <http://vikno.eu/eng/politics/politics/romanians-medvedev-promised-to-obama-to-hand-over-dnestr-region.html> [Accessed 29 May 2011].

Wallace, W., ed., 1990. *The Dynamics of European Integration*. London: Pinter.

Washington Post, 2011. A chance to deal Belarus's dictator a blow. 19 May [online]. Available at: http://www.washingtonpost.com/opinions/a-chance-to-deal-belaruss-dictator-a-blow/2011/05/17/AFwfUI6G_story.html [Accessed 26 May 2011].

Wessels, W. and Maurer, A., 2001. The Evolution of the EU System: Offers and Demands for National Actors. In: ECSA (European Community Studies Association) 7th Biennial International Conference, Madison, Wisconsin, 2 June 2001. p.5.

Wojna, Beata and Gniazdowski, Mateusz, ed., 2009. Eastern Partnership: The Opening Report. The Polish Institute of International Affairs [online]. Available at: http://www.pism.pl/zalaczniki/Report_EP_2009_eng.pdf [Accessed 19 April 2011].

Woolcock, S., 2007. European Union Policy Towards Free Trade Agreements. ECIPE Working Paper No.3 [online]. Available at: <http://www.ecipe.org/publications/ecipe-working-papers/european-union-policy-towards-free-trade-agreements> [Accessed 1 August 2011].

Zielonka, J., 1998. Introduction – Constraints, Opportunities and Choices in European Foreign Policy. In: Zielonka, J., ed. *Paradoxes of European Policy*. The Hague: Kluwer Law International, p.11.

THE BRUGES GROUP

The Bruges Group is an independent all-party think tank. Set up in February 1989, its aim was to promote the idea of a less centralised European structure than that emerging in Brussels. Its inspiration was Margaret Thatcher's Bruges speech in September 1988, in which she remarked that "We have not successfully rolled back the frontiers of the state in Britain, only to see them re-imposed at a European level...". The Bruges Group has had a major effect on public opinion and forged links with Members of Parliament as well as with similarly minded groups in other countries. The Bruges Group spearheads the intellectual battle against the notion of "ever-closer Union" in Europe. Through its ground-breaking publications and wide-ranging discussions it will continue its fight against further integration and, above all, against British involvement in a single European state.

WHO WE ARE

Honorary President: The Rt. Hon the Baroness Thatcher of Kesteven, LG OM FRS

Vice-President: The Rt. Hon the Lord Lamont of Lerwick

Chairman: Barry Legg

Director: Robert Oulds MA

Head of Research: Dr Helen Szamuely

Washington D.C. Representative: John O'Sullivan, CBE

Founder Chairman: Lord Harris of High Cross

Former Chairmen: Dr Brian Hindley, Dr Martin Holmes & Professor Kenneth Minogue

Academic Advisory Council:

Professor Tim Congdon
Professor Kenneth Minogue
Professor Christie Davies
Professor Norman Stone
Dr Richard Howarth
Professor Patrick Minford
Ruth Lea
Andrew Roberts
Martin Howe, QC
John O'Sullivan, CBE

Sponsors and Patrons:

E P Gardner
Dryden Gilling-Smith
Lord Kalms
David Caldow
Andrew Cook
Lord Howard
Brian Kingham
Lord Pearson of Rannoch
Eddie Addison
Ian Butler
Thomas Griffin
Lord Young of Graffham
Michael Fisher
Oliver Marriott
Hon. Sir Rocco Forte
Graham Hale
W J Edwards
Michael Freeman
Richard E.L. Smith

BRUGES GROUP MEETINGS

The Bruges Group holds regular high-profile public meetings, seminars, debates and conferences. These enable influential speakers to contribute to the European debate. Speakers are selected purely by the contribution they can make to enhance the debate.

For further information about the Bruges Group, to attend our meetings, or join and receive our publications, please see the membership form at the end of this paper. Alternatively, you can visit our website www.brugesgroup.com or contact us at info@brugesgroup.com.

Contact us

For more information about the Bruges Group please contact:

Robert Oulds, Director

The Bruges Group, 214 Linen Hall, 162-168 Regent Street, London W1B 5TB

Tel: +44 (0)20 7287 4414

Email: info@brugesgroup.com



www.brugesgroup.com