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THE VILNIUS SUMMIT AND UKRAINE'S REVOLUTION AS A BENCHMARK FOR EU EASTERN PARTNERSHIP POLICY

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The Vilnius Summit in November 2013 was a critical turning point for the EU to assess its EaP policy's effectiveness, potential and regional challenges. Although the EaP comprises six very different partner countries, ongoing dramatic events in Ukraine should be analysed not as a single case but rather as a symptom of the EaP's shortcomings and an indication of EU ambitions and approach to the common neighbourhood with Russia. In order to evaluate the EaP's present and future one should take into account three elements. First, the 'surprise effect' and disappointment in Brussels provoked by the unexpected decision of the former Ukrainian president not to sign the Association Agreement followed by the EU's emotionally charged statements and narrative blaming Russia for all EU difficulties in the region. Second is the wake-up call that the EaP needs some re-adjustment. Third, the EU's reaction to Ukrainian events revealed its poor leverage and that Russia had become a decisive factor in EaP. This analysis will look in detail at all three elements while presenting an exclusively EU perspective built on interviews with EU officials in early 2014.

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The Vilnius Summit in November 2013 was a critical turning point for the European Union (EU) to assess its Eastern Partnership (EaP) policy's effectiveness, potential and regional challenges. Although the EaP comprises six very different partner countries (Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova and Ukraine), ongoing dramatic events in Ukraine can and should be analysed not as a single case but rather as a symptom of the EaP's shortcomings and an indication of EU ambitions and approach to the common neighbourhood with Russia. In order to evaluate the EaP's present and future one should take into account three elements. First, the 'surprise effect' and disappointment in Brussels provoked by the unexpected decision of former Ukrainian President V. Yanukovich not to sign the Association Agreement (AA) followed by the EU's emotionally charged statements and narrative blaming Russia for all EU difficulties in the region. Second is the wake-up call that the EaP needs some re-adjustment or what EU officials call the 'lessons learned' from the Vilnius Summit. Third, the EU reaction to Ukrainian events revealed its poor leverage and that Russia had become a decisive factor in EaP. This analysis will look in detail at all three elements while presenting an exclusively EU perspective built on interviews with EU officials in early 2014.

The Vilnius 'surprise effect'

The EaP summit in Vilnius was expected to be the EU success story in its eastern neighborhood. However, already in September 2013, the EU faced a first negative signal: Armenia announced its decision to join the Customs Union (CU) with Russia, Belarus and Kazakhstan instead of continuing along the EU integration path. Bearing in mind the nearly frozen relations with Belarus and the selective partnership with Azerbaijan, Armenia's U-turn meant that three out of the six partners were displaying a negative or lukewarm attitude towards the EU's regional offer. The biggest surprise was yet to come. A few days ahead of the summit, the former Ukrainian president decided that his country would not sign the AA in order to preserve its relations with Moscow. Some weeks later, Ukraine's move was rewarded by Russia through a \$15 billion (€10.9 billion) bailout and a drastic reduction of the price of Russian gas (Gazprom slashed the gas price from \$400 per 1,000 cubic metres to \$268.5).

These two events poured cold water on Brussels' regional expectations. On the one hand, the EU was fully confident of its undisputable attractiveness in the region compared to Russia's integration projects, seen as inefficient and threatening to local countries' sovereignty and independence. This self-confidence derived mostly from the EU's insufficient awareness of the region's intricate history, political mentality,

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country peculiarities and intra-state dynamics. On the other hand, Ukraine has always been considered by the EU as the frontrunner of its regional policies and a model of reform advancement to be followed by the other EaP countries. In other words, despite the lengthy and difficult process of negotiating the AA, Brussels viewed Ukraine as a symbol of the EU's successful transformative power. The EU's implicit strategy of ensuring its influence in this region was made operational through a country-model that had chosen and begun implementing EU values. That country-model should have later spread EU standards, should have been emulated by the rest of the EaP states and therefore should have contributed to making the eastern EU rim stable, predictable and similar to other EU members.

To some extent, the EU never doubted either of these two elements. Locked in its EU-centric vision and value-fortress and detached from processes on the ground, the EU lacked a focused understanding of regional affairs compared to Russia's pragmatic and informed approach. The EU's surprise and profound disappointment for Kiev's decision was considerably challenging the EU's image and credibility in the neighbourhood. Later on, EU officials would explain this surprise as having being caused by the 'underestimation'¹ of two factors: Ukraine's clannish political and economic governance and its strength, domestically speaking, and the conviction that Russia would not oppose the EaP policy. Both these factors are evidence of the scarce EU understanding of its eastern neighbours.

Ukraine's sudden decision to abandon its role as model left the EU with no regional source of influence. This explains the rapid transformation of Georgia and Moldova – the other two countries that displayed eagerness to get closer to the EU – into 'ad interim country-models'. In fact, Brussels initialed Georgia's and Moldova's AAs together with the Deep and Comprehensive Free Trade Agreements (DCFTAs) during the summit and decided to put the two countries on a fast track to sign their AAs, including the DCFTAs, no later than June 2014. The signing ceremonies in Vilnius partly compensated for the Ukrainian president's negative declaration.

Both these countries demand protection from the EU vis-à-vis Russia and hence their relations with Brussels acquire a symbolic dimension. Like Ukraine, Moldova was threatened by Russia with dire consequences if it opted for the EU track. In September 2013, Russia banned wine imports from Moldova citing food safety concerns. In late 2013 the European Parliament voted to lift import duties on Moldovan wine in an effort to

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The EU underestimated Ukraine's clannish political and economic governance and the fact that Russia would strongly oppose the EaP policy

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¹ Author's interview with an EU External Action Service (EEAS) official, February 2014.

make up for lost exports to Russia. Moscow also threatened to ban Moldovan fruit or vegetables imports as well as to impose restrictions on Moldovan nationals working in Russia (in 2013 seasonal workers abroad contributed €2 billion to the Moldovan economy and 60% of that amount came from migrants working in Russia). “Nonetheless, Moldova remains very vulnerable, as Transnistria is a *de facto* breakaway state and Moldova’s energy dependence on Russia is a reason for concern as well. Furthermore, the EU’s rather technocratic approach lacks sensitivity to the particular political and security dynamics confronting Moldova”². As for Georgia, a firm opponent of Russia, with which it has had no diplomatic relations since the August war in 2008, the new government’s development is likely to calm down internal political in-fighting while confirming EU foreign policy orientation. Like Moldova, “Georgia is still looking for more security guarantees, especially in the economic and military sectors. The Georgian economy has already withstood Russian pressure in the past, which ultimately has strengthened the economy and Georgia as a whole. Yet, the country’s road to greater European integration remains long and bumpy. Various politicians remain outspokenly critical of the adherence to a wide range of regulations demanded by the European Union”³.

While Georgia and Moldova were formally ‘preserving’ the EU image of a regional power in its eastern neighbourhood, the tragic events and loss of lives “in the name of European ideals” (as Ukrainians put it⁴) in the Maidan uprising (now also known as the Euro Maidan Revolution) somehow restored Ukraine to its previous role of a model reinforcing EU influence in the region. At the signing ceremony of the political provision of Ukraine’s AA on March 21, 2014, the President of the European Council Herman Van Rompuy stated that the EU “recognises the aspirations of the people of Ukraine to live in a country governed by values, by democracy and the rule of law”.

Lessons learned

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² <http://www.isdp.eu/news/1-isdp-news/1240-summary-of-the-silk-road-forum-qgeorgia-ukraine-and-moldova-what-will-happen-to-the-eastern-partnership-after-the-summit-in-vilniusq.html>, Summary of the Silk Road Forum "Georgia, Ukraine, and Moldova: What will happen to the Eastern Partnership after the Summit in Vilnius?", January 07, 2014.

³ Ibid.

⁴ Author’s interview with representatives of Ukrainian NGOs and Ukrainian scholars, March 2014.

rather than to its underlying rationale which continues to be bringing these neighbours closer to the EU. These re-adjustments aim to re-build lost or destabilised trust in the EU. Here are the six lessons learned⁵.

First, *differentiation* among EaP partners (namely a tailor-made approach which takes into consideration each EaP partner's readiness to adopt EU values and to sign the AA with Brussels) will be strengthened further and put into practice. This is a confirmation that the 'more-for-more' approach is now entering the phase of its implementation. In fact this meant that EU-committed Georgia and Moldova were placed on a preferential track to sign their AAs. In the case of Azerbaijan, the EU opted for launching a Strategic Modernisation Partnership excluding a DCFTA as Azerbaijan is not a WTO member. EU-Armenian relations were frozen due to the incompatibility of Armenia's possible CU membership with the EU DCFTA. As for the difficult relations with Minsk, the parties agreed to proceed further with the visa facilitation process, given the impossibility of a breakthrough on all other issues.

Second, the EU shall *maintain a high level of political engagement* with EaP partners (this was quite visible during and in the aftermath of the Euro Mайдan Revolution). Third, besides working with national governments, the EU shall *increase the support and the level of engagement with civil society, the business community and local authorities* and promote a role for them in their countries' governance. Fourth, the EU shall engage in *public diplomacy* and explain better to partner countries the substance of EU values, AAs and DCFTAs. In the months following the Vilnius Summit and in light of the unrest in Ukraine, the EU has been pursuing these three goals with unprecedented determination. These objectives try to create stronger links with EaP countries' societies in order to further and more deeply reinforce EU leverage (on the contrary, Russia had inherited social and economic links from Soviet times and the 1990s, which gave it powerful regional leverages).

Fifth, the EU shall *protect partner countries from the pressure (meaning Russia) in the region* they are subjected to so as to make them less vulnerable to Russia's demands. In the case of Ukraine, and considering the content of the December 2013 Putin-Yanukovich agreement (see above), such protection entailed granting EU financial assistance, drafting a black list of people targeted with a EU visa ban and freezing assets as well as cancelling the next EU-Russia Summit. Moreover, the European Parliament's International Trade Committee has backed the European Commission's proposal for temporarily removing customs duties on Ukrainian exports to the EU with the aim of helping to stabilise

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⁵ Author's interview with an official from the EEAS, February 2014.

Ukraine's economy amid the current crisis. It is estimated that this unilateral measure would boost Ukraine's struggling economy by saving its manufacturers and exporters €487 million a year. This unilateral trade preference measure (expected to become effective in May 2014) would not require Ukraine to reciprocate by removing its own customs duties on imports from the EU, but would require it not to raise them. EU imports from Ukraine would still have to comply with EU rules on origin labeling and the Ukrainian authorities would have to ensure that third-country goods do not enter the EU via Ukraine, disguised as Ukrainian products. The proposal also includes a safeguard clause, which entitles the EU to re-impose tariffs if imports from Ukraine flood the EU market in volumes that cause serious difficulties to EU producers of the same goods. The measure would give Ukraine the same terms of access to the EU market as it would have under the full trade deal⁶. This point is of utmost importance as it recognizes what has never been explicitly admitted before by the EU, namely that the EaP should serve as a protection against Russia's policies in the region. In other words, Russia becomes an object of the EaP and a recognized rival of the EU in their common neighbourhood. What is striking is the fact that in the case of Ukraine, Brussels is replicating Russia's own approach of implementing integration measures to show the concrete economic benefits of choosing its integration project.

Sixth, the post-Soviet space is not developing in a political vacuum; the EU cannot ignore Russia's vicinity and integration policies but should rather *promote a dialogue with Moscow* aimed at building mutual trust. However, according to the EU, it is not an easy task to launch such a dialogue, given Russia's regional projects – the Russia-led CU and Eurasian Union (ideally by 2015), which Brussels interprets as purely (geo)political projects rather than economic ones, as Russia claims⁷. In the EU's view, the rationale of the Eurasian Union is to create divisions in the region and to preserve Russia's traditional sphere of influence. Brussels believes that Russia has not accepted the independence of these states

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⁶ European Parliament Committee backs EU plan of temporary tariff cuts for Ukrainian exports, March 20, 2014, http://www.enpi-info.eu/maineast.php?id_type=1&id=36566&lang_id=450&utm_source=Oempro&utm_medium=Email&utm_content=Subscriber%232644&utm_campaign=European%20Parliament%20Committee%20backs%20EU%20plan%20of%20temporary%20tariff%20cuts%20for%20Ukrainian%20exports.

⁷ According to the EU, if this was an economic project, Belarus and Kazakhstan were not the most appropriate partners for Russia in terms of economic convenience and advantages. The EU and China would be better positioned to create such a Eurasian union. Author's interview with official from the EEAS, February 2014.

and threatens them with all possible means. Therefore since Ukraine, for instance, has a specific symbolic value for Russia, the independence of the former hinders the definition of Russia's identity and future⁸.

The dialogue with Russia, however, is not meant in the EU perspective to allow Russia to have a say in the EaP. Therefore the EU safeguards the bilateral basis of its relations with EaP partners and prevents them from becoming trilateral, and so including Russia. In other words, Russia's influence is seen in Brussels as a threat to the latter's neighbourhood policy, as an intervening variable that is able to modify the EU-EaP partners' relations. It is not a coincidence that the EU has called Russia an 'unavoidable', 'forced' and 'difficult' partner that the EU has not chosen but has to co-exist with.

EaP weaknesses

The above-explained corrections to the EaP and the EU's reactions to the Ukraine crisis point out some new and old EaP weaknesses. Their common denominator is the reference to Russia. The EaP countries seem to be a battlefield (a context) of the Brussels-Moscow confrontation and a subtle message that the two conflicting parties convey to each other. From the EU perspective, the stability and political and economic predictability of EaP countries depend on Russia. Therefore, the more similar to EU standards the political regime in Russia is, the less likely will the Kremlin exert pressure on its neighbours to stay away from EU integration. Since this is not the case at present, some in the EU interpret the Ukrainian crisis as an implicit message to Russia and its citizens to promote a more democratic political regime in the country (which will not pose a challenge to EU regional governance). However, such a rationale appears quite naïve as Ukraine is neither the mirror-image of Russia nor of its political leadership, approach to statehood, security and economic governance. As EU officials explain, Russia's political regime is dependent on the country's search for a new post-1991 political identity, meaning by this the long-standing dilemma of whether Russia should be European or have a unique, Euro-Asian identity reflected onto the orientation of its foreign policy. Brussels is convinced that as long as Russia preserves its economic (mainly energy) strength, Putin will stay in power and the country will continue to oppose the EU⁹.

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⁸ Author's interview with an EEAS official, February 2014.

⁹ Ibid.

Bearing in mind these preliminary remarks, the first weakness is the often heard mantra of EaP countries having the ‘free choice’ to select their integration partner – the EU or Russia. Taking into consideration the region’s historical as well as political and security features, one can hardly agree with this EU-centric statement. All EaP countries are in a difficult position and often too vulnerable to the pressure and different approaches carried out by their bigger neighbours. Their multi-vector policy is conceived to help avoid a situation of geopolitical inconvenience when siding with one neighbour is to the detriment of relations with the other and may hinder national interests. Countries located in the post-Soviet space need normal relations with both the EU and Russia. Although the EaP has not been implemented as a joint partnership (but as a unilaterally dictated harmonization with EU standards) and the EU has always been opposed to the notion of ‘sphere of influence’ in its neighbourhood¹⁰, now its rhetoric of the sovereign ‘free choice’ of EaP countries appears to inspire and to draw precisely such lines of divisions in this area. In the EU perception, the ‘free choice’ it gives these countries contrasts with the ‘forced obligation’ or pressure coming from Russia. Adherence to one or the other camp is where that line lays and where confrontations and provocations start. Instead of creating a stable neighbourhood, such a rationale reinforces Russia’s traditional claims over its near abroad and affirms the presence of two contrasting spheres of influence. In such a scenario the ‘free choice’ of the rest of the EaP countries becomes even less ‘free’ and more hesitant about the possible future consequences and losses that opting for one neighbour may provoke to the country.

The net division is particularly visible in the case of the technical components of the EU DCFTA. In fact, the latter is incompatible with the CU so countries have to choose to be either in the CU or in the DCFTA. According to the EU, this is so because within the CU, a country will no longer be able to take autonomous and sovereign decisions regarding its trade tariffs and regulations since being a member of the CU implies ceding the country’s sovereignty to the CU Commission body¹¹. This statement is easily contestable because, first of all, decisions by the CU Commission are taken by consensus and, second, in the case of EU membership – the goal that most of the EaP countries pursue – the concerned state also transfers some sovereignty to EU institutions. In addition, the DCFTA is incompatible with Russia’s CU as in the latter case the country has to apply the CU’s external tariffs, thereby

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¹⁰ See Catherine Ashton’s article-response to the Russian Minister of Foreign Affairs Sergey Lavrov in the Russian newspaper Kommersant, where she firmly rejects this approach: <http://www.kommersant.ru/doc/2410784>, February 18, 2014.

¹¹ Author’s interview with EEAS official, February 2014.

contradicting the EU's lowering of external tariffs which is part of DCFTA obligations.

A second weakness of the EaP is the perpetuated non-recognition of Russia as a key factor in the development of this region (and so attempting to establish normal relations with it) but its depiction as an opponent that has to be counterbalanced. No transformation of the region is feasible if Russia is excluded from (geo)political regional designs and decision-making (Crimea's case illustrates this point quite clearly).

A third weakness, which is directly linked to the previous point, is that with the open EU intervention in Ukraine's political crisis¹², the EU confirmed Russia's claims (voiced during the Coloured Revolutions) of Western meddling in the domestic affairs of sovereign states. To some extent both parties have rendered Ukraine part of their 'internal politics' which inevitably creates a conflict hindering the progress of their relations.

Fourth, the lengthy debate about what kind of sanctions to impose on Russia, when and how, is symptomatic of how the EU is lacking in a united position on the EaP and vis-à-vis Russia. Despite some temporary shifts of balance between 'old' and 'new' EU members in the management of the eastern neighbourhood, Russia's traditional partners in the EU remain relatively loyal and hence cautious about the type of sanctions to inflict on Moscow. In contrast, Central and Eastern European members, first of all Poland, confirm their position as supporters of EaP partners' deeper integration with the EU.

Concluding remarks

At this stage it is difficult to predict future developments in the EU's eastern neighbourhood, and where current EaP policy will lead. The EaP essence has not changed. What has changed is the EU method of implementation and focus of action, which are now represented by Russia and much less by the reform process in EaP countries. The EU's reaction to protests in Ukraine created a dangerous precedent that makes the EU vulnerable both to EaP partners and to Russia. Instead of being a coherent regional policy of neighbourly, gradual and deeper integration, the EaP has been transformed into a shield of independence-defense against Russia.

Furthermore, the EU positioned its EaP policy within the framework of its relations with Russia, which was not the case in the past years. This positioning is risky and doomed to failure because the EU is not united

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¹² For example the numerous visits and speeches by C. Ashton and Commissioner for EU Enlargement S. Fule at Keiv's Maidan Square.

vis-à-vis Russia. It does not have a clear strategy (not simply a policy) either towards the post-Soviet space or towards Russia and it still demonstrates insufficient knowledge of the complex regional dynamics. The fact that the EU's response to Ukraine's case resembles Russia's pragmatic methods and means of exerting influence (namely financial aid and economic integration benefits) is also symptomatic of general EU weakness. Yet what is positive is that Ukraine's Euro Maidan Revolution created the conditions for the EU to respond to the demands of an EaP partner instead of unilaterally imposing its own.