Eastern Partnership vs Eurasian Union? The EU–Russia Competition in the Shared Neighbourhood and the Ukraine Crisis

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Abstract
This article examines the nature and implications of the emerging EU–Russia competition in their common neighbourhood. After analysing the two economic integration platforms that the EU and Russia are respectively promoting in the postsoviet space, the Eastern Partnership (EaP) and the Eurasian Economic Union, the discussion focuses on the case study of Ukraine. It is argued that depicting this emerging regional configuration as a geopolitical contest between two cohesive blocs was not fully corresponding to the reality on the ground but that it largely turned into a self-fulfilling prophecy in the case of Ukraine.

Policy Implications

• The EU should de-emphasize the regional aspect of the European Neighbourhood Policy (ENP) to focus instead on countries individually.
• The EU should seek to develop its assessment capacities of the preferences and calculations of domestic actors on the ground. It should also set up epistemic networks to analyse how the strategic, political and economic structures specific to the countries of the neighbourhood contribute to shape these preferences.
• The EU should attempt to define more clearly its interests towards the region and stick closely to its values. This would contribute to send a signal to local elites and societies as well as to Russia.

On 21 November 2013, the Ukrainian government announced that it would not sign the Association Agreement (AA) that had been negotiated for years with the EU and that was ready to be signed at the Eastern Partnership (EaP) Summit held one week later. This volte-face opened up a chain of events that had dramatic consequences for the Ukrainian state itself and for the region more broadly: the rejection of the AA prompted a protest movement which eventually brought down the government; a new government was formed around some of the main political figures in the protests, including some nationalist elements; denouncing the new government as illegitimate and as threatening to the Russian-speaking population of Ukraine, Russia intervened militarily in Crimea and eventually annexed it. It appears thus crucial to understand the nature, context and determinants of this November 2013 decision.

The AA is a contractual scheme that constitutes the most advanced stage of economic integration with the EU that noncandidate countries can reach. Ukraine was poised to be the first country to do so: the technical requirements had been met and the EU Commission had signalled its readiness to sign the agreement. When backtracking from this process, the Ukrainian government invoked matters of national security and the will to preserve good trade relations with Russia. Not least as it hopes to see Ukraine join its own regional integration format, the Eurasian Economic Union, Russia had been actively attempting to discourage the Ukrainian authorities from engaging in closer association with the EU, paralysing for instance Ukraine–Russia trade relations in the summer of 2013 by imposing increased controls and restrictions at the border. A couple of weeks after rejecting the trade pact with the EU, the Ukrainian president signed instead a deal with Russia comprising a promised $15bn aid package and reduced gas prices. The context of this decision was thus one of a growing geo-economic competition between the EU and Russia over their common neighbourhood.

This article examines the nature and implications of this competition. It analyses in particular the type of power and of strategies deployed by the two actors in the region as well as the conditions that led the situation...
to escalate in the case of Ukraine. It examines how Russia came to feel sufficiently threatened by what appears to be, at first glance, a rather modest and overly bureaucratic EU initiative, the Eastern Partnership; it tries to explain how the rivalry between two economic integration regimes led to an escalation in coercive diplomacy, political revolution, military intervention and territorial seizure. I argue that what was in reality a geo-economic (or a structural power) competition eventually turned into a geopolitical struggle, after being perceived and characterized as such and because of the specificities of the Ukrainian context. This geopolitical narrative of a clash between two blocs or spheres of influence not only failed to account for the essence and actual possibilities of EU power in the region, for the scope of instruments originally mobilized by Moscow and for the complexity of the situation on the ground. It also led Brussels to somehow overlook the preferences and calculations of local actors, it seemingly led Moscow to perceive the AA as a stepping stone to NATO membership and it allowed the Yanukovych government to play the two regional actors against one another in a will to maximize its geopolitical rent, without however implementing much needed domestic reforms.

It is the basic contention of this article that this new configuration of rival regional frameworks can shed light on two core debates in the study of EU external relations, namely on EU actorness and on the nature of EU power. On the one hand, the presence and actions of a regional competitor provides an opportunity to assess the cohesiveness and authority of EU foreign policy. On the other hand, the fact that countries of the neighbourhood are offered an alternative integration scheme will tell about the attractiveness of its model and about its ability to shape the rules of regional politics.

The EU and Russia’s respective policies towards their common neighbourhood will be analysed in this light. The first part will present the modalities and investigate the impact of EU policies through the EaP initiative. The second part will explore why Russia felt threatened by this policy and how it came to develop its own integration scheme in response. The implications of this competition will then be discussed with reference to the case study of Ukraine. The conclusion will formulate some recommendations for EU policies in this evolving context.

The EU’s EaP initiative

The EaP initiative directed at the six postsoviet countries of Eastern Europe and the Caucasus is one of the two regional legs of the European Neighbourhood Policy (ENP). Launched in 2004, the ENP seeks to encourage the ‘economic integration and political association’ of the neighbouring counties with the EU (European Commission, 2004). More concretely, the ENP aims at fostering domestic reforms in the political, economic and administrative realms by offering in exchange privileged access to the internal market, financial aid and visa facilitations. At its origins, the creation of the ENP was mainly motivated by geopolitical considerations: stabilizing the European peripheries and laying the foundations of an EU foreign policy beyond enlargement. The EU was looking to capitalize on the successful experience of spurring and shaping central Europe’s transformation through the enlargement process, and this even though, in the context of ‘enlargement fatigue’ that prevailed after the mid-2000s, accession was less and less available for neighbouring countries (Rupnik, 2007). By relying on conditionality incentives in interacting with its new Eastern periphery, the EU has been attempting to reproduce the logic at heart in enlargement – fostering peace and stability in its immediate environment by exporting its internal model – without its main prize, membership.

The EaP was born out of a will to regionalize ENP programs and instruments. The EU member states that pushed for this initiative – Poland first and foremost, with the support of other central European countries such as the Czech Republic but also of Sweden – were hoping to single out Eastern Europe as a region on the EU foreign policy radar. Several reasons explain this Polish and central European activism, some deriving from the geographical, historical and socioeconomic ties these countries have with the Eastern neighbourhood and some linked to their own intra-European objectives as carving for themselves a niche of specialization within EU structures was a way to increase their agenda setting capacities in Brussels (Cadier and Parmentier, 2011). To be sure, central European countries stand among the EU member states that are the most critical of Russia (although to varying degrees) and some of their policy makers might have perceived the EaP as an occasion to develop a rollback policy against Russia’s influence or at least came to present it as such in domestic debates and private conversations (Cadier, 2012). The actual policy output does not correspond to such a scheme however as to be adopted and uploaded at the EU level, the EaP had to be re-designed in administrative rather than political terms and infused with a good deal of constructive ambiguity (Copsey and Pomorska, 2010). The coming into being of the EaP was not totally disjointed from developments linked to Russia as it is in the official resolution adopted in reaction to the Russo-Georgian conflict of August 2008 that the European Council asked the Commission to accelerate the set up of this policy (European Council, 2008). Yet, this should be less read as a retaliatory move or strategic response to the conflict than as the outcome of intra-European bargaining: the member states advocating the imposition of sanctions against Russia after the conflict (Poland, Sweden, the UK, the Baltic states) accepted that they would not to see
such sanctions imposed in exchange for a faster establishment of the EaP.

While geopolitical considerations were not totally absent in the context and sources at the origins of the EaP, the actual policy outcome can hardly be described as a ‘geopolitical instrument’ in the sense of the traditional tool of power politics. The spectrum of possibilities of the EaP is limited by its meagre budget endowment (€600 million) but also by the nature of its instruments (Whitman and Wolff, 2010). To foster domestic reforms towards the approximation of EU norms and standards, the ENP relies on a combination of conditionality incentives and socialization mechanisms. The incentives offered through bilateral contracts to the partners can be summed up by the so-called ‘three Ms’: Money (financial aid and loans), Markets (sectorial access to the EU internal market) and Mobility (visa facilitation). The third aspect constitutes the greatest ‘soft power’ asset for the EU with regard to the populations of the countries concerned while the second aspect, which is meant to culminate in the signing of a Deep and Comprehensive Free Trade Agreement (DCFTA), represents the greatest perspective in terms of economic development. Both however require enormous effort in terms of technical and legislative harmonization with the EU *acquis communautaire*, which governments of the region are often reluctant to bear if they judge the potential benefits insufficient.

In sum, it is important to stress that the EaP is a slow and long-term process: it consists of a progressive and monitored approximation of EU benchmarks and rests a great deal on the will of local governments and elites to attain that goal. In other words, it hardly constitutes a robotic arm that the EU can use for immediate and directed leverage, a fortiori in a crisis situation. What kind of impact then has the EU had in the Eastern neighbourhood? How successful has it been in fostering change in the region? These questions, central to the study of EU external relations, have served as respective guides for research to two strands of academic literature on the ENP.  

A first body of literature approaches the ENP as a case study to contribute to the ongoing inquiry on the nature of EU power (civilian, normative, soft, ethical...). In light of the type of instruments described above and of the kind of influence they generate, the concept of normative power seems particularly fit to capture the ENP (Laidi, 2008; Manners, 2010). If indeed norms are defined as implicit or explicit principles, rules and expectations of behaviour, then the EU is acting as a normative power in the neighbourhood in the sense that it promotes there a system of norms to discipline and induce predictability in the behaviours of regional actors. However, this notion has too often come to be associated with the issue of legitimacy and with the idea of ‘doing good’ (Sjursen, 2013), which not only subjectivises the analytical focus but also fails to account for the fact that the ENP is not always ‘soft’ or ‘normative’ in its impact or implementation (Tocci, 2008). In fact, to capture this aspect, some authors have talked of regional normative hegemony (Haukkala, 2010) or of empire by example (Zielonka, 2008). Thus, in light of these limitations, the concept of ‘structural power’ as developed by Susan Strange will be preferred here. Structural power refers to the power to shape and determine the structures of the [regional] political economy within which other states, their political institutions and their economic enterprises ‘have to operate (Strange, 1994, pp. 24–25). In addition, the notion of ‘unintended power’, briefly sketched by Zaki Laidi (2007), will be useful to capture the idea (mentioned above) that the kind of power generated by the EaP cannot hardly be meticulously harnessed and specifically directed.

Another strand of literature approaches the ENP from an implementation perspective, notably analysing its reception by partner countries and assessing the ability of the EU to foster change in the Eastern neighbourhood (Delcourt and Tulmets, 2008). To be sure, the ENP cannot be said to have successfully fostered large-scale political change across the region nor to have durably installed EU values at its core: on the contrary, according to freedom house indicators, political rights and civil liberties have backslid in all the EaP countries but Moldova between 2006 and 2011 (Longhurst and Wojna, 2011). Nevertheless, empirical studies on the reception and impact of the ENP find some degree of compliance with EU demands and convergence towards EU standards has happened in several partner countries (Lavenex and Schimmelfennig, 2009; Wolczuk, 2009).

The recent special volume edited by Tanja Börzel and Julia Langbein is useful in particular for our focus here as it identifies the specific circumstances under which the ENP has been successful in fostering change in the Eastern neighbourhood. They find that compliance with EU demands and convergence with EU standards is above all policy specific and that it happens regardless of membership prospects or of the degree of asymmetric interdependence with the EU (Langbein and Börzel, 2013). In other words, in the same country, the EU might be able to foster policy change in one sector but not in another and, across countries, convergence is not guaranteed in states with membership aspirations (e.g. Moldova or Georgia) nor is it precluded in states with low interdependence with the EU (e.g. Armenia). European transformative power is not only composite in terms of its impact but also in terms of its sources: the same study finds that other actors beyond the EU influence policy change in the neighborhood (e.g. multinational corporations, national governments, donor organizations) and that the Russian involvement itself is not unitary (Langbein and Börzel, 2013). Most interestingly, other studies from the
same collection find that Russia’s impact does not necessarily defuse the EU’s transformative power in the Eastern neighborhood but that it can both weaken or strengthen convergence with EU standards (Ademmer and Börzel, 2013). In some cases, it even happened according to Langbein (2013) that some Russian businesses empowered domestic reform-minded actors in an effort to circumvent rent-seeking elites, while in other cases strong trade ties with Russian markets have reduced the incentive to approximate EU internal market norms and standards.

In summary, the EaP constitutes neither a robotic arm of EU structural power nor a cohesive sphere of influence. The EU’s transformative power is potent but incremental, composite, largely unspecific and, thereby, difficult to direct and use instrumentally.

**Russia’s Eurasian EU project**

Examining Russia’s new regionalization schemes and analysing their implications for the EU requires first to put them in the broader context of Moscow’s policies towards the postsoviet space. The region has traditionally been a zone of strategic importance for Russia – yet it has featured unequally in its foreign policy strategy. At the beginning of the 1990s, when Russia was absorbed with its own transition, the region was ranking rather low among Moscow’s priorities. Rather than a successful integration framework, the Commonwealth of Independent States ended up being a mechanism facilitating the transition of postsoviet states away from Russia, which could not handle them anymore.

Following two sets of events and as of the mid-2000s, Moscow will however seek to reinforce its strategic position in the region. First, NATO’s enlargement and military intervention in Kosovo in 1999, undertaken regardless of Russia’s strong opposition, came as a reality check for Russian policy makers with regard to their actual clout on European affairs – ‘Russia, for the first time in 250 years, had ceased to be a power in Europe’ (Trenin, 2009, p. 9). Second and most importantly, the 2004 Orange Revolution in Ukraine, which was largely interpreted in Moscow as a western coup threatening Russia’s interests in the region, had the effect of an electroshock on Russia’s foreign policy and led it to consolidate its presence in its ‘near abroad’. The revenues generated by the inflation of hydrocarbons’ prices and the politicization of the energy instrument both allowed, and were used, for this new policy. Many saw Russia’s military intervention in Georgia in August 2008 as the paragon of this much-commented ‘new assertiveness’. It should be noted however that in fact this conflict had in itself little repercussions on EU–Russia relations (no dramatic disruption) or on the rest of the region (no escalation around the other frozen conflicts). Stated differently, this conflict did not solve the question of how the EU should approach Russia, as it remained, at the same time, a ‘fierce competitor and an indispensable partner’ (Hassner, 2008, p. 251; Light, 2008).

A noteworthy development in this regard was Russia’s vehement reaction to the launch of the EaP in 2009. Moscow condemned this new EU initiative in terms that had until then been reserved for NATO. Although it was confined to the level of rhetoric, such animadversion appears quite puzzling since, as was emphasized, the EaP is a rather modest bureaucratic initiative that mainly regionalizes instruments that already existed in the ENP framework.

Analysing this reaction, and later on Russia’s development of its own integration schemes, requires first to clearly identify Russia’s interests in the region; regional influence is not an end in itself but serves a purpose. As argued by Dmitri Trenin, this space should be approached as Russia’s sphere of ‘interests’ rather than of ‘influence’. He distinguishes three sets of interests: political-military (e.g. military bases, generating diplomatic support from the region), economic (e.g. trade, energy, labour migration) and societal (language, minorities) (Trenin, 2009, pp. 12–13).

The first set of interests is of crucial strategic importance to Moscow. Russia’s readiness to intervene militarily in – and eventually annex – Crimea to secure its naval base in Sebastopol illustrates that it will not hesitate to use every means to defend them. The concern for ‘strategic depth’ at the heart of Russia’s security culture (Tsypkin, 2009, p. 791) leads Moscow to seek to maintain by all means some kind of buffer zone at its borders – NATO troops and bases in Ukraine is the absolute redline for Russian strategists. The participation of Ukraine in NATO’s Common Security and Defence Policy (CSDP) missions in Moldova and Georgia. Rather, it is with regard to Moscow’s economic and societal interests in the region that the EaP has been perceived as a potential threat. Russia’s reaction to this underdeveloped initiative testifies to its growing awareness of the long-term transformative potential of EU structural power. This realization not only led Russia to try to defuse the EaP as a platform for and conveyer of this structural power but also to develop a new set of policies.

The strong opposition to the EaP has indeed to be read in the context of a structural trend in Russia’s foreign policy thinking: as of the late 2000s, Moscow has increasingly been viewing ‘international relations as an arena
for competition between value systems’ (Thorun, 2009, p. 79). One of the conclusions drawn from the Orange revolution was the pressing need for Russia to ‘master the western tools of legitimizing the political processes in the post Soviet space’ (Frollov, 2005, p. 176). Russia has thus attempted to ‘rebrand itself’ and engaged in a strategy of contesting, reformulating and promoting international norms (Makarychev, 2008), while continuing to rely in parallel on classical levers of hard power (e.g. military build-up in Abkhazia). What was previously above all a rhetorical strategy will become a fully fledged attempt to increasingly shape the rules of regional politics and to develop its own structural power in reaction to that of the EU.

This clearly transpires from the Eurasian Customs Union (ECU) initiative launched in 2010 and from the Eurasian Economic Union (EEU) project announced for 2015. These consecrate a multipolar vision underpinned by the conviction that, to be successful, major powers increasingly need to be able to rely on regional pedestals built around their own norms and standards. In the article where he announced the EEU, Vladimir Putin (2011) argued that 21st century global politics calls for closer economic integration and sets the EEU on course to become a ‘powerful supranational association capable of becoming one of the poles in the modern world’. Although largely underpinned by a geopolitical vision, the emphasis had been, until the Ukraine crisis, placed not on historical considerations or political values but on the potential modernization and economic benefits to be achieved through the progressive harmonization of standards, regulations and practices. The fact is that the shock of the economic crisis of 2008–2009 not only led Russia to seek to reinvigorate its economy by securing new markets in the post-soviet space but also actually led some countries of the region to consider seriously these new integration schemes.

The EEU is first to be built around the current members of the ECU (Russia, Belarus and Kazakhstan) and then hopes to enlarge to other countries. Armenia and Kirghizstan have opened membership talks while Tajikistan has expressed interest. Ukraine’s membership was obviously a key objective for Moscow and the recent developments in the country ought to be read in this background. Notwithstanding the legitimate scepticism as regards its viability and chances of success (see below), experts describe the ECU as an ambitious attempt on the part of Moscow to build a ‘modern, rule-based institutional framework in bringing economic benefits’ (Dragneva and Wolczuk, 2013, p. 2). Thus the actual scope, content and objectives of this initiative – which remains understudied – deserve closer scrutiny to be able to assess its implications for the region, for Russia and for the EU.

At this stage, a good deal of uncertainty remains as regards the final institutional architecture of the EEU and this even though the Treaty establishing this new body has been signed on the 29 of May 2014. The EEU is to build on the integrative steps developed through the ECU, which saw the progressive set up of a common customs framework (tariff, territory and code) and the formal establishment of a single economic space. As regards the latter, the creation of a unified market for goods is well advanced (except for energy) but little or no progress has been made with regard to the free movement of services, capitals and labour. Thus, at the time of writing, this regionalization dynamic is better described as advanced coordination and progressive harmonization rather than fully fledged economic integration. Coordination and harmonization is ensured through two institutions: the Supreme Eurasian Economic Council, which reunites the heads of states and set the long-term goals of the ECU, and the Eurasian Economic Commission, a regulatory body overseeing implementation of the regulations on tariffs and which is composed of the deputy prime ministers of the three member states.

In their economic rationales and institutional design, the ECU and the EEU seem to have been partly modelled on the EU – this in fact has been made explicit by Putin (2011). In other words, these integration projects have developed both in reaction to and drawing inspiration from EU policies. Putin claims however that EEU integration ‘proceed at a much faster pace’ and will be in a ‘position not to repeat [EU] mistakes’ (Putin, 2011). However, many analysts do not share President Putin’s optimism. World Bank economist David Tarr (Tarr, 2012) found that the ECU, as it stood, has had a negative rather than positive effect on Kazakhstan’s economy while Stefan Meister (Meister, 2013, p. 12) has argued that the ‘EEU makes little economic sense’ even for Russia but that Moscow is pursuing this path out of a will to comfort its self-image as a great power, which remains crucial to the domestic legitimization of ruling elites.5

Historical grievances, the asymmetry in power and ambition between Russia and the other members, and the nature of Russia’s political regime are regularly raised as potential major impediments. Some analysts argue these considerations are greatly exaggerated (Bordachev et al., 2013) while Julian Cooper (2013) has found, in his historical analysis of these projects’ institutional developments, that Russia is not the only member pushing for economic integration and that Kazakhstan in particular was able to influence the process. The way the accession negotiations have been conducted with Armenia however, i.e. mainly in a secretive formats between the Russian and Armenian presidents and on the basis of trade-offs between Moscow’s desire to see Armenia join the EEU and Yerevan’s demand for security guarantees from Moscow (Delcour, 2014), have been putting strain on the economic and multilateral nature of the project, as might also the recent attempt by Russia, following the
Yanukovych had aimed to raise the stakes and maximize means. By playing the two regional actors off one another, a few weeks later the lease of Russia’s naval base in Crimea, potentially alienating the country’s Rule of Law record and practices, member states will fully abide by the rules they set for themselves (Dragneva and Wolczuk, 2013, p. 5). The interests, preferences and reform capacity of domestic actors will be determinants in this regard.

In summary, Moscow came to see the EaP as a threat to its economic interests in the common neighbourhood but also, to some extent, to its political interests as it remains concerned with preserving the region as a strategic buffer zone. In response to that of the EU, Russia has attempted to develop its own structural power through the ECU and EEU initiatives, which in spite of several structural flaws represent genuine attempts at establishing an economic integration regime. The developments in Ukraine, where Moscow has resorted to coercive diplomacy to prevent Kiev from signing the AA with the EU, illustrate the limit of these initiatives.

Analysing Ukraine’s decision

The fact that the EaP and the EEU are directed at the same countries raises questions regarding the implications of this collision for the region and for EU–Russia relations. Several commentators had predicted that these competing offers of regional economic integration would lead the EU and Russia to clash over their common neighbourhood without specifying however how they negatively affect each other or how they could lead to conflict. The recent events in Ukraine have shed light on these questions and it is crucial to examine whether their causes are structural or specific to the country. The November 2013 decision to reject the AA in particular ought to be put in context and closely analysed.

In spite of the prevalent narrative, just as the rivalry between the EaP and EEU formats was not corresponding to a geopolitical clash between two cohesive blocs, Ukraine had not necessarily been faced with a binary choice between East and West. In fact, the Ukrainian leadership had for years made its strategy precisely to consistently avoid making such a choice (Gnedina and Sleptsova, 2012). From his re-election in 2010 onwards, President Yanukovych had purportedly cultivated ambiguity on the geopolitical orientation of his country, choosing Brussels for his first state visit but extending a few weeks later the lease of Russia’s naval base in Crimea. By playing the two regional actors off one another, Yanukovych had aimed to raise the stakes and maximize its potential advantages and benefits, neither by originally indicating his readiness to sign the AA nor by eventually rejecting it did the former President make a definite choice. Rather than as an agenda for reform or an embrace of the European model, he seemed solely interested in the AA for financial reasons and ‘as a means of continuing its balancing act between the EU and Russia’ (Stewart, 2014, p. 5). Similarly, while he eventually rejected it and signed instead a financial deal with Moscow, Yanukovych was careful not to pledge to join the ECU (in spite of Moscow’s pressure).

Even the protest movements (known as the Maidan) that followed Yanukovych’s decision and eventually deposed him cannot be read solely as a breaking point caused by an East–West polarization. Although caution is required when analysing these movements, several experts from (or on) the region have been guarding against media simplification of a pro-EU vs pro-Russia standoff and emphasized instead that the protests had less to do with the relationship to these two regional actors than with the domestic situation of corrupt and mismanaged governance.7

In analysing Viktor Yanukovych’s decision to withdraw from the AA process, it appears thus essential to devote instead close attention to the domestic variables. Two short-term imperatives seem to have motivated his decision in particular: securing his re-election in 2015 and addressing Ukraine’s dire economic situation. The first was made especially pressing by the very nature of the country’s political system as an electoral defeat would not simply mean losing power but also the wealth he had accumulated and also potentially his freedom (as the case of Yulia Tymoshenko testifies).

The second imperative related to the country’s economy, which was facing risk of recession, budget and current account deficits and a plunge of foreign reserves. A financial aid package injecting money into Ukraine’s economy was not just needed to counteract the effects of Russia’s trade restrictions (which were making the situation worse) but also, more profoundly, to address these structural problems. Its own resources being limited following the eurozone crisis, the EU was committed to facilitating the granting of such financial support through the International Monetary Fund (IMF) for an amount which was said to be in the region of $15bn (i.e. equivalent to what Yanukovych will obtain from Moscow). This loan however was conditioned on a set of reforms – such as the rationalization of the domestic gas market (increasing domestic prices and rectifying management structures) and fiscal consolidation (decreasing wages in the public sector)9 – which would have led to an increase in the cost of living and to potentially alienating the country’s oligarchs, in other words jeopardizing Yanukovych’s chances of re-election. Out of economic calculations and short-termism, the former Ukrainian president opted for the Russian offer which not only was not conditioned on structural reforms but which also would lead to a lift of the trade restrictions imposed by Moscow.

Global Policy (2014) 5:Suppl.1
In the context of this decision, the reactions and strategies of Russia and the EU have differed markedly. The EU seems to have been largely caught unprepared by the Ukrainian authorities’ reversal and adopted a mainly passive strategy of maintaining its offer to Ukraine (‘the door is still open’). Russia, for its part, has not hesitated to resort to incremental coercive diplomacy measures to put pressure on Ukraine; this policy was mainly one of negative compellence however, i.e. of keeping the Ukrainian government in check and preventing it from signing the AA rather than forcing it to join the EU or installing a pro-Russian government in Kiev. The deal signed between Vladimir Putin and Viktor Yanukovych in December 2013 illustrates this point: only $3bn out of the promised $15bn was lent to Ukraine and the price cut on gas imports was to be revised every quarter. A series of turning points, however, led to an escalation of the Ukraine crisis and radically altered the configuration on the ground and in the region. These events are both well known and rather recent, thus they will briefly be presented factually and chronologically. A first turning point was the repression, by the Ukrainian police, of the Maidan Square protesters on the night of the 30 November 2013, which multiplied the numbers and resolve of the movement. The shooting of protesters in the third week of February 2014, leaving dozens dead, was a second turning point. This prompted the EU to send a mediation mission represented by the three foreign Ministers of the Weimar Triangle (Germany, France, Poland) to negotiate and strike, on the 21 February, a political settlement with Viktor Yanukovych and representatives of the opposition. According to this Agreement, Yanukovych was to stay in power until the organization of national elections in late 2014. It was not signed by the Russian envoy present at the talks however (even though Moscow will subsequently insist on Yanukovych being the only legitimate head of the Ukrainian executive) and it was also rejected by the Maidan movement who was demanding Yanukovych immediate removal from power. In parallel, representatives of the Maidan in fact conducted informal talks with some representatives of the Ministry of the Interior and obtained an agreement to withdraw its special forces. This paved the way for the demise of the government, and saw the parliament take over and President Yanukovych flee the country. The parliament passed numerous legislative decisions on the weekend of 22 February, including one re-enacting the 2004 constitution and one revoking the possibility of using languages other than Ukrainian as the official language in regions with sizeable minorities. The latter, although eventually vetoed by the acting president, along with the presence of members from the nationalist political factions in the new government and the absence of significant representatives from the East and South Russian-speaking regions, led these populations to grow suspicious of the new power in Kiev and, most importantly, prompted Moscow to seize upon this sentiment to foster unrest in the East and to intervene in Crimea. A third turning point has been the organization of a referendum in Crimea and the annexing of this region into the Russian Federation. This marks a departure from the previous Russian policy of incremental coercive diplomacy (conditioned offer of financial aid, trade restrictions, military exercises at the border and covert military operations) to a geopolitical move of territorial seizure.

Lessons from the Ukraine crisis and policy recommendations for the EU

The structural power (or geo-economic) rivalry between the EaP and EEU platforms prompted a chain of events that culminated in Russia’s annexing of a part of Ukraine’s territory. The geopolitical narrative, which was in place before the crisis and which this article has exposed as not adequately capturing the reality of the regional configuration, in a way turned into a self-fulfilling prophecy.

Full membership of both EaP and EEU structures would not be possible: there is for instance an incompatibility on the issue of tariffs as the signing of a DCFTA leads to privileged tariffs with the EU while the ECU requires its members to have common tariffs towards external actors (including the EU). Yet, it was emphasized that presenting these structures as two ‘spheres of influence’, in which countries of the region would irremediably and definitively fall, does not capture the complexity of these regionalization schemes or of the situation on the ground. These schemes are not necessarily cohesive and comprehensive in their impact and it was noted that some governing elites, including in Ukraine, had been adamant in precisely avoiding finding themselves tied up too closely with either of them.

Most importantly, this narrative overlooks the factor that will be decisive in mediating the impact of these two regionalization schemes, namely the preferences of domestic actors. In reviewing both the EaP and the EEU policies, it was stressed that even more than on the nature of their offers, their success rested on the strategic, economic and political calculations of domestic elites. Similarly, the analysis of Viktor Yanukovych’s decision to withdraw from the AA process showed that domestic variables (namely the economic situation and the re-election imperative) were determinant, much more than considerations of allegiances to either Russia or the EU.

Nevertheless, policy makers and analysts alike often characterized this competition as a clash between two cohesive integration blocs and Ukraine’s choice was framed as a definitive and binary one. Russian policy makers certainly seem to have perceived this configuration as
a zero-sum geopolitical game, as testified by the arm-twisting measures imposed on Kiev to prevent the signing of the AA or by the intervention in Crimea to secure its strategic assets after the fall of the government. The key issue is whether the dramatic turn of events in Ukraine was a direct result of this regional competition and whether it might trigger similar developments in other countries of the Eastern neighborhood.

Considering how recent these events are, the pace at which they happened and the limited information available, a thorough analysis of their root causes, and thus of the likelihood of their reproduction in other national contexts, appear difficult. Some points can be nevertheless considered in this regard: first, the fall of the Ukrainian government has certainly represented a tipping point for Russia’s strategy, and this can be linked to its broader wariness of regime change. An interesting counter-fact would be to consider whether Moscow would have prompted a similar manufactured crisis in Crimea if the Yanukoych government had signed the AA. Second, it should be stressed that no other countries in the region have a comparable strategic, economic and historical importance for Russia. For Moscow, preserving its interests in Ukraine and securing in particular its military assets in Crimea clearly outweighed the risk of straining its relations with the West. It is unclear what would be the outcome of a comparable cost-benefit analysis with regard to other countries. More generally, it remains to be seen whether Ukraine was an exceptional case and whether Russia will attempt to fall back on the kind of approach it had initially pursued through the ECU and EEU. There are many chances that the recent events might increase other members’ sovereignty sensitivities and put the integration regime under pressure. In many ways, the developments in Ukraine can be read as a failure of Russia’s structural power endeavours, since it resorted instead to classical hard power attributes and coercive measures.

The analysis of the Ukraine case study also shed light on EU actorness in regional politics and on the type of power it deploys in the Eastern neighbourhood. The EU’s transformative or structural power is far from negligible – as testified by Russia’s reaction to it – and can represent a real asset in shaping Eastern Europe. It can hardly, however, be instrumentally levered and constituted as a quick-fire and proactive foreign policy tool. This transformative process remains not only a slow, incremental and long-term one but also, and most importantly, the EU’s structural power remains largely undirected. Through the ENP, the EU is making a conditioned offer but then it is up to the partner countries to chose to meet the set requirements, in other words to accept the offer or not. This benchmark approach to international relations derives from the very nature of EU decision-making structures: it is much easier for member states to find convergence around norms, standards and values rather than around interests. Thus, by design, the ENP is not fit as an instrument to advance EU interests – which are not clearly defined anyway – and can hardly be used to coerce a country into accepting the EU’s offer.

From these various lessons of the Ukraine crisis, three sets of policy recommendations can be formulated with regard to EU strategy towards the Eastern neighbourhood. First, the EU should attempt to define more clearly its interests towards the region and stick more closely to its values. The ENP’s transformative power is largely undirected, for reasons pertaining to its design, but also because the EU’s goals in this regard are not sufficiently specified. Even if consensus cannot always be reached, the mere process of approaching the region from this angle would already have sent a message to Yanukovych when attempting to play off the EU and Russia against one another to maximize Ukraine’s regional association rents. By not properly defining its interests, the EU is also potentially disserving its values: conveying the impression that, to ‘win over’ Ukraine in a ‘geopolitical contest’ against Russia, the EU is ready to relax its conditionality criteria in terms of political and economic reforms would not only go against the principles on which the ENP is built but also be counterproductive. The protest movements in Ukraine demonstrated that the EU’s norms and values are its greatest asset and thus it ought to stay true to them. Contrary to media reports, these movements were probably not requesting first and foremost the signature of the AA; it remains that what they demanded for their own country – i.e. good governance, respect for human dignity and popular sovereignty – is incarnated in the region by the EU.

Second, the EU should probably de-emphasize the regional aspect pursued through the EaP to focus instead on countries individually. The ENP is a multi-level, incremental, and differentiated process and its impact is policy-specific and above all bilateral. Not only has this regional dimension fed captious discursive characterizations of a contest between two blocs and prompted Russian reactions, it has also failed in its original objective of upgrading the visibility of the postsoviet space on EU foreign policy radar. The priority for the EU should be to reinforce the Ukrainian state so as to reduce its vulnerability to Russia’s pressures.

Last, and most importantly, the EU should focus on better understanding the domestic contexts (actors, preferences and dynamics) of the countries of the Eastern neighbourhood and develop its assessment and seek to develop its policy planning tools in this regard. It was stressed that the preferences and strategic calculations of local actors were determinant in mediating compliance with EU demands and convergence with EU standards. Thus, the endeavour should be placed on gaining greater insights on these preferences and on
identifying the factors, within the political and economic structures of the country that shapes them most (e.g. political regime, state–society relations, configuration of business interests); this would include getting a sense of the opaque systems of allegiances and of the role of informal veto players. A more accurate and more detailed picture of the situation on the ground and notably of these countries’ domestic configuration, internal tensions and structural dependencies would allow the EU to better assist them in reducing their vulnerability to Russia’s pressure. This increase in EU assessment capacities is of course easier said than done. Nevertheless, Brussels could capitalize on different instruments, from a better coordination, through the European External Action Service, of member states’ intelligence with the information from the commission services. It should foster the creation of epistemic networks involving analysts and actors from both the EU and these countries.

Notes

1. The six countries concerned by the EaP are: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.
2. It should be noted that EU involvement in the Eastern neighbourhood is not limited to the EaP – the EU presence is also represented by member states’ foreign policy, CSDP missions or EU Commission’s delegation – but the emphasis is placed on this initiative as it is the one which provoked a strong reaction from Russia.
3. On civilian power see (Smith, 2000).
5. David Tarr argued however that with a strong political commitment on the part of Russia to work toward reduced nontariff barriers and trade facilitation the EEU could in fact eventually bring economic benefits to central Asian countries.
6. President Yanukovych and his government had not hesitated to make this posture quasi-explicit. In 2010, Ukraine’s EU Affairs Minister Konstantin Yeliseyev declared to the European media: ‘People in my leadership are extremely pragmatic. If we don’t have real deliverables from contacts with the EU and we just see more and more pre-conditions, of course we will have closer business relations with countries such as Russia, Kazakhstan and Belarus. In practical terms, our markets will become closer to Russia’. See: ‘EU risks losing Ukraine, minister warns’, euobserver, 28 April 2010.
7. See for instance: Jana Kozbova and Balazs Jarabik, ‘What is going on in Ukraine?’, euobserver, 2 December 2013. Their point seems to be confirmed by the fact that the initial protests against the rejection of the AA were limited in numbers but that they grew considerably after the police repression of 30 November 2013. See: ‘Ukraine PM apologises for police crackdown on protests’, EUBusiness, 3 December 2013.
9. See: Timothy Ash, ‘EU bail out Ukraine? If only it were that simple’, Financial Times beyondbrics blog, 26 November 2013.
10. Interestingly however, it seems that in an immediate reaction to the announcement of Ukraine’s government decision on 21 November, the European External Action Service (EEAS) covertly threatened Kiev that abandoning the AA process was likely to jeopardize its chances of obtaining an IMF loan, before reverting to form by simply pointing out in its statement that signing the AA would have ‘sent a signal to the IMF’ and ‘given momentum’ on the negotiations on a new arrangement (European External Action Service, 2013). On the previous version of the EEAS declaration, see: ‘EU and Ukraine: What went wrong?’, euobserver, 25 November 2013.
13. This legal incompatibility has been often emphasized by the EU Commissioner for the Neighbourhood policy Stefan Fuele (European Commission, 2013).
14. The final draft of this article was been submitted on the 2 April 2014.

References


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