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# The Future of the EU's Eastern Partnership: Russia as an Informal Veto Player

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## *Abstract*

'Reordering the order' of European security architecture best describes Russian intentions in the post-Soviet space, which have been highlighted during the crisis in Ukraine. The Eastern partners stand in the crossfire of this geopolitical rivalry, between two rival integration areas: the European Union and the newly formed Eurasian Union. However, it is worth asking whether both of these integration areas are playing in this geopolitical game. Five years of the Eastern Partnership (EaP) have produced only limited progress in EaP countries and the main incentive for transformation – the possibility of membership – is still not evident. Furthermore, some EU countries still search for a form of 'engagement' with Russia, while others are bargaining for a stricter policy of 'containment'. Hence, Russia is moving towards becoming an informal 'veto' player in EU-EaP relations, in that it may be able to control the geopolitical path of the countries in the 'shared neighbourhood'.

## **Introduction: Five years of the Eastern Partnership**

The Eastern Partnership (EaP), which was initiated by Sweden and Poland in 2009, is a joint initiative between the EU, member states and the Eastern European partner countries – namely Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Being a part of the European Neighbourhood Policy (ENP), it 'enables partner countries interested in moving towards the EU and increasing political, economic and cultural links to do so. It is underpinned by a shared commitment to international law and fundamental values – democracy, the rule of law and respect for human rights and fundamental freedoms – and to the market economy,

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sustainable development and good governance.<sup>1</sup> In other words, it aims to promote EU norms, values and regulations.

The policy sought to replicate its ‘greatest foreign policy success – the successful transition of Central and Eastern European (CEE) countries in the early 2000s.’<sup>2</sup> Yet the tools are rather different: while the CEE countries were offered the possibility of membership, or a membership perspective, in the early stages of integration, this so-called ‘golden carrot’ was not initially promised to EaP states. As Romano Prodi, the former president of the European Commission, put it, the ENP is based on ‘sharing everything with the Union but institutions’.<sup>3</sup>

But after five years of the EaP, it can be concluded that without proper incentives the EaP countries have made limited progress. Although some of these countries, such as Moldova and Georgia, signed an Association Agreement in June 2014, others have lagged far behind and Ukraine’s future is still unclear. Even the rise of an alternative integration measure for EaP countries – the Eurasian Customs Union, which came into effect in 2010 – does not seem to have stimulated a review of the EU’s policies and intentions.

It is therefore important to look at how EU members and the region as a whole react in the changed geopolitical environment and evaluate the possible development of events by taking into account different attitudes – containment and engagement – of EU countries towards relations with Russia. The analysis shows that the lack of development of EaP policy and differences in perceptions of Russia in various EU countries may have made the nation an informal veto power in the EaP.

## **1. Incentives for EaP countries**

Incentives on offer from the EU instead of the membership perspective are summed up by David Cadier as the ‘three Ms’: money, markets and mobility. They are offered as part of Association Agreements, which draw up frameworks for

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<sup>1</sup> European External Action Service, “Eastern Partnership”, *European External Action Service*, <[http://eeas.europa.eu/eastern/index\\_en.htm](http://eeas.europa.eu/eastern/index_en.htm)> , 15 05 2014.

<sup>2</sup> Cadier D., “Is the European Neighbourhood Policy a substitute for enlargement?” in London School of Economics IDEAS Report, *The Crisis of EU Enlargement*, 2013, p. 52, <[http://www.lse.ac.uk/IDEAS/publications/reports/pdf/SR018/Cadier\\_D.pdf](http://www.lse.ac.uk/IDEAS/publications/reports/pdf/SR018/Cadier_D.pdf)>, 10 05 2014.

<sup>3</sup> Prodi R., “A Wider Europe - A Proximity Policy as the key to stability”, *European Commission press release*, 5-6 December 2002, <[http://europa.eu/rapid/press-release\\_SPEECH-02-619\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-02-619_en.htm)>.

legislative and economic reforms, in exchange for moving towards EU regulations and standards:

- Money is financial aid that is allocated for the implementation of reforms (for example, the total amount available for grants in 2011–2013 was €6.5 billion);
- EU markets might be opened up for partner countries through the signing of Deep and Comprehensive Free Trade Agreements (DCFTAs), which remove tariff and customs barriers; this requires legislative and technical harmonisation, which is considered costly and difficult for partner countries because it necessitates adoption of up to 80% of the EU's trade *acquis*;<sup>4</sup>
- Mobility refers to incremental steps towards visa liberalisation.<sup>5</sup>

During the implementation of the Eastern Partnership Policy, it became clear that the six partner countries had different wishes and/or capacities for adopting European rules and choosing the EU as their main geopolitical focus. It is therefore possible to distinguish at least two blocks of EaP countries with regard to their differing progress in implementing the programme provisions, with more and less advanced partners (Table 1). **Advanced partners** (Moldova, Georgia and Ukraine) signed Association Agreements in the summer of 2014; furthermore, Moldova is part of a liberalised visa regime and Georgia expects to join this in the coming years. **Less advanced** partners consist of Armenia, which decided to join the Eurasian Union, and Azerbaijan, which does not seem to have economic aspirations for integration with the EU and has rejected the signing of an Association Agreement; the transformational progress of Belarus, which is part of the Eurasian Customs Union, is considerably slower.

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<sup>4</sup> Baltang D., Bosse G., “The ENP as an instrument for building a security community? The case of Moldova”, *Norwegian Institute of International Affairs*, 2014, p. 8, <<http://www.nupi.no/content/download/494796/1644873/version/2/file/NUPI+WP-833-Baltag+and+Bosse.pdf>>.

<sup>5</sup> Cadier, (note 2) p. 55-56.

**Table 1.** Approximation rates of EaP countries to the EU<sup>6</sup>

Sector cooperation	Approximation indices (1=best performer; 0=worst performer)*					
	Moldova	Georgia	Ukraine	Armenia	Azerbaijan	Belarus
<b>Democracy</b>	0.72	0.54	0.64	0.47	0.31	0.20
<b>Rule of law</b>	0.61	0.63	0.60	0.51	0.42	0.23
<b>Justice, freedom and security</b>	0.94	0.67	0.76	0.47	0.76	0.43
<b>Trade and economic cooperation</b>	0.71	0.54	0.72	0.54	0.57	0.38

\* The European Integration Index for Eastern Partnership Countries (EaP Index) serves as a speedometer of European integration for EaP countries. The Index interprets ‘progress in European integration’ as the combination of two separate yet interdependent processes: increased linkages between each of the EaP countries and the European Union and greater approximation between those countries’ institutions, legislation and practices and those of the EU (see “What is the EaP Index?”, <<http://www.eap-index.eu/about>>, 10 05 2014).

In spite of incentives and advances, it is broadly agreed that the EaP has failed to replicate a transformative power of the kind witnessed in the CEE region.<sup>7</sup> According to Freedom House, the democracy index in partner states stagnated, while in some countries such as Ukraine it even decreased. Furthermore, stability in the region had not been improving even before the recent events in Ukraine, with four separatist regions still remaining (South Ossetia and Abkhazia in Georgia, Transnistria within Moldova, and Nagorno-Karabakh, which is controlled by Armenia). Moreover, negotiations with less advanced countries are stagnating and institutions such as Euronest seem to have many flaws.<sup>8</sup>

<sup>6</sup> Eastern Partnership Index 2013, <<http://www.eap-index.eu>>, (table taken from Baltang D. and Bosse G., p. 10).

<sup>7</sup> Simm A., “Extending European Union Membership to the Eastern Neighbourhood”, 2 May 2014, <<http://www.e-ir.info/2014/05/02/extending-european-union-membership-to-the-eastern-neighbourhood>>.

<sup>8</sup> Wiśniewski P., “The Eastern Partnership - it is High Time to Start a Real “Partnership””, *Carnegie Moscow Center*, November 2013, p. 8-9, <[http://carnegieendowment.org/files/CP\\_Wisniewski\\_Eng\\_web.pdf](http://carnegieendowment.org/files/CP_Wisniewski_Eng_web.pdf)>.

## **2. In search of ‘new politics’ in the Eastern Partnership: could a membership perspective work?**

Even before the Vilnius summit, it was discussed that the EU would need to recalibrate its EaP. This was mainly because of the changed internal and external situation in EaP countries, the different stages reached in the transformation process and the particular needs of specific integration initiatives, on the basis of the most sensitive sectors that may stop European integration in these countries. But the biggest shake-up was the aftermath of the decision by former Ukrainian president Viktor Yanukovych not to sign an Association Agreement with the EU. This later led not only to internal turbulence but also to disastrous international events, with Russia's aggression, the occupation of Crimea and deepening instability in the region. The slow and poor reaction of EU authorities to the Ukraine crisis is thus an indicator that the Eastern Partnership policy should be updated in consideration of the changed geopolitical context.

### **2.1. Different needs require different tools**

It has become clear that the common Eastern Partnership model does not satisfy the interests of all six countries and although *de facto* the programme's implementation continued at a different rate in each country, adaptation of the programme to multi-speed integration into the EU area is necessary.<sup>9</sup> It is important to provide conditions for the Eastern Partnership's three guiding principles – individual progress, catching up and differentiation – to further serve as driving motives. In this case, the dilemma is what the EU can offer to the ‘advanced’ partnership countries (Ukraine, Moldova and Georgia) so that they continue seeking to adopt European rules of the game and move closer to the EU. Another factor that is no less important is the type of relationship model that the EU should apply to the other EaP countries. Obviously, different trends in modelling the future of the Eastern Partnership makes us think of applying more flexible and thus dissimilar instruments to countries that have made progress. In other words, sectoral integration that addresses the most complicated issues in a specific country could be the answer for moving to the next stage of the EaP process.

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<sup>9</sup> Lebduska M., Lidl V., “Eastern Partnership: The Next Five Years between Brussels and Moscow”, *Association for International Affairs Policy Paper*, 2/2014, p. 3, <[http://www.amo.cz/editor/image/produkty1\\_soubory/amocz\\_pp\\_2014\\_02\\_web.pdf](http://www.amo.cz/editor/image/produkty1_soubory/amocz_pp_2014_02_web.pdf)>, 20 5 2014.

In Ukraine's case, the Association Agreement and DCFTA offer a broad choice for sectoral cooperation perspectives in many areas such as consumer-protection policy, environmental policy and migration policy, each of which could be treated using different and specific procedures, incentives and costs.<sup>10</sup> However, incentives offered to the partner countries should also be reviewed.

## **2.2. Association leading to integration: why a membership perspective could be effective**

The EU's external relations with Eastern partners are best described by the 'external incentives' model, which was discussed by various authors and comprehensively explained by Frank Schimmelfennig and Ulrich Sedelmeier. The model states that the main condition for success is the level of rewards gained by the influenced country, and therefore 'a state adopts EU rules if the benefits of EU rewards exceed the domestic adoption costs'.<sup>11</sup> This rational bargaining model depends on theoretical conditions, the size and speed of rewards, the credibility of threats and promises and the adoption costs.<sup>12</sup> Governing by conditionality must also meet one criterion without which it lacks a strong basis for effectiveness: the EU's bargaining power that comes from the asymmetry between itself and the partner country. Two factors are important in making bargaining power effective: firstly, the EU must be much less dependent on or interested in the agreement than the partner country;<sup>13</sup> secondly, the credibility of political and economic conditionality is only high when there is no alternative integration space that provides competition. Scholars argue that an alternative integration space lowers the credibility of EU external governance, especially if it offers more 'carrots' and fewer 'sticks'.

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<sup>10</sup> Reinhard J., "EU Democracy Promotion Through Conditionality in its Neighbourhood: The Temptation of Membership Perspective or Flexible Integration?", *Caucasian Review of International Affairs* 4(3), Summer 2010, p. 211-212, <[http://www.cria-online.org/12\\_1.html](http://www.cria-online.org/12_1.html)>, 20 05 2014.

<sup>11</sup> Schimmelfennig F., Sedelmeier U., "Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe", *Journal of European Public Policy*, 11(4), 2004, p. 672, <[http://www.mzes.uni-mannheim.de/projekte/typo3/site/fileadmin/research%20groups/1/teamB-reader/Schimmelfennig%20%26%20Sedelmeier\\_Governance%20by%20conditionality.pdf](http://www.mzes.uni-mannheim.de/projekte/typo3/site/fileadmin/research%20groups/1/teamB-reader/Schimmelfennig%20%26%20Sedelmeier_Governance%20by%20conditionality.pdf)>, 25 05 2014.

<sup>12</sup> *Ibid.*

<sup>13</sup> Schimmelfennig F., "Europeanization beyond the member states", *Zeitschrift für Staats- und Europawissenschaften*, 8(3), 2010, p. 319-339, <[http://www.eup.ethz.ch/people/schimmelfennig/publications/10\\_ZSE\\_Europeanization\\_\\_manuscript\\_.pdf](http://www.eup.ethz.ch/people/schimmelfennig/publications/10_ZSE_Europeanization__manuscript_.pdf)>, 15 05 2014.

This is exactly the case in the post-Soviet space. The rules of the game in a 'shared neighbourhood' changed after the Eurasian Union's integration processes started. Since then, Russia has influenced countries in the post-Soviet region not only with 'soft' power, energy conditionality and military strength but also with an 'institutional, rule-based regime'.<sup>14</sup> The idea of a Eurasian Union was initially projected as being complementary to the EU. However, with the events that took place in Armenia and Ukraine, it is now seen as a rival rather than a friend in the 'shared neighbourhood'.<sup>15</sup> The Eurasian Union, which competes for influence with the EU, does not rely on the principle of formal conditionality and can offer EU partner countries a stimulus package, the adoption of which may further reduce the EU's ability to 'tie' neighbouring states to European rules and therefore make them apply the principle of rule of law. This means that strategic planning for the Eastern Partnership policy must consider the geopolitical situation in more depth.

A key element of EU external governance is democratic transformation and the partner country's adoption of the region's standards and norms. Indeed, the most successful cases of achieving this goal are the Central and Eastern European countries that joined the EU in 2004 and 2007. However, it is worth mentioning that outside the context of enlargement (as many scholars suggest that it was only in the final steps of negotiations that CEE countries made the greatest progress), 'the EU has no stronger track record in changing the domestic political calculus of authoritarian regimes than other international organizations or any state'.<sup>16</sup> The Eurasian Union does not require any democratic conditions and offers highly tangible 'carrots'. Even though EaP countries, particularly Ukraine, would gain more in the long term from European integration, short-term economic, energy and political issues that might arise from cutting ties with Russia make this decision much more complicated. The 'Russia factor' therefore becomes a major issue because Ukraine has to assume 'many costs arising from the accession process itself and additionally from the costs arising from the "Russian factor"',<sup>17</sup> especially with its economy in crisis.

It is therefore argued that larger demands must come with bigger offers. Until there is a well-communicated membership perspective on the table, the bar of

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<sup>14</sup> Dragneva R., Wolczuk K., "Russia, the Eurasian Customs Union and the EU: Cooperation, Stagnation or Rivalry?", *Chatham House Briefing Paper*, August 2012, p. 9, <<http://www.chathamhouse.org/publications/papers/view/185165>>, 25 05 2014.

<sup>15</sup> Lebduska and Lidl, (note 10) p. 5-6.

<sup>16</sup> Dragneva and Wolczuk, (note 15) p. 12.

<sup>17</sup> Reinhard, (note 11) p. 209-210.

political expectations should be lowered. The EU must reduce its expectations, seeing as partner countries must essentially pass through the same adaptive barrier as in the case of membership, but do not receive the prospect of membership in return. Moreover, they have to use their internal resources to cover the cost of adopting EU regulations. In its model for integration without membership, the EU should focus on strengthening interdependence through the integration of infrastructure and integration of the economies of partner countries into the EU domestic market. The EU's experience shows that the most important pillar for integration in Europe is economic 'convergence', and only after this can the conditions emerge for 'spilling over' into the political arena. This is particularly important because the EU's Eastern Partnership initiative is not the only model on the table, so the incentives and conditions that the EU offers to partner countries should be seen in a geopolitical context. The formula 'deeper integration – greater conditionality', with further intermediate steps, should be used in this case.

In line with the arguments above, the most important and politically discussed statement is as follows: the association process must be treated as a step forward in the integration process. The prospect of membership was the key motivating factor for integration among CEE countries that became fully fledged EU members in 2004 and 2007. It is asserted that the biggest incentive for Ukraine and other participants in the Eastern Partnership for continuing along the path of European integration is the prospect of EU membership.<sup>18</sup> The EU should therefore not only state that the door to membership of the Eastern Partnership remains open, but should also clearly articulate that depending on domestic reforms and the direction of development of partner countries, the EU is willing to start a membership negotiation process. The association process as a significant step towards integration would ensure the EaP's long-term effectiveness.

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<sup>18</sup> Read more: Solonenko I., "External democracy promotion in Ukraine: the role of the European Union", *Democratization*, 16(4), 2009, p. 709–731; Dimitrova A., Dragneva R., "Constraining external governance: interdependence with Russia and the CIS as limits to the EU's rule transfer in the Ukraine", *Journal of European Public Policy*, 16(6), 2009, p. 853–872; Wolczuk K., "Implementation without Coordination: The Impact of EU Conditionality on Ukraine Under the European Neighbourhood Policy", *Europe-Asia Studies*, 61(2), 2009, p. 187–211.



### **2.3. Limits of the membership perspective in the transformation process**

While the membership perspective is essential during the integration of CEE countries, it might not be that effective in the case of EaP states. According to Börzel and van Hüllen, ‘prospects of EU membership stabilise rather than drive the move towards effective and legitimate governance in candidate countries’. For example, in the case of CEE countries it has been argued that the EU supported the transition process but has not driven it. This is because the ‘shadow of accession’ has hardly been relevant in countries with strong democratic constituencies, which were dominant in the CEE region.<sup>19</sup> It is therefore unclear whether ‘the membership perspective provides the crucial incentive for countries to initiate the domestic changes setting the trend towards effective and democratic governance or whether these countries only receive a membership perspective once they have aligned with the trend and made substantial progress’.<sup>20</sup> Furthermore, it is uncertain whether the membership perspective could be effective in a non-democratic political environment. It is highly debatable whether, for instance, ousted Ukrainian president Victor Yanukovich would have chosen to reduce his own non-transparent influence by implementing structural reforms with regard to the judiciary, electoral laws and corruption.<sup>21</sup> And this is even more unlikely in the face of significant adaptation costs, which are substantially higher for non-democratic polities.<sup>22</sup>

Cadier argues that a membership perspective would have a limited impact because only three EaP countries have declared European integration as a foreign-policy objective.<sup>23</sup> Moreover, the time taken to gain membership could be far too long because the EU is currently facing ‘enlargement fatigue’, while EaP countries

<sup>19</sup> Börzel T., van Hüllen V., “Good Governance and Bad Neighbors? The Limits of the Transformative Power of Europe”, *Freie University Working Paper 35*, December 2011, p. 8-9, <[http://userpage.fu-berlin.de/kfgeu/kfgwp/wpseries/WorkingPaperKFG\\_35.pdf](http://userpage.fu-berlin.de/kfgeu/kfgwp/wpseries/WorkingPaperKFG_35.pdf)>.

<sup>20</sup> *Ibid.*, p. 10.

<sup>21</sup> Börzel T., “Europe’s Eastern Partnership – a successful failure?”, *Verfassungsblog*, 20 March 2014, <<http://www.verfassungsblog.de/de/europes-eastern-partnership-a-successful-failure/>>.

<sup>22</sup> Magen A., “The Shadow of Enlargement: Can the European Neighbourhood Policy Achieve Compliance?”, *The Columbia Journal of European Law*, 12(2), 2006, p. 418-419, <[http://iis-db.stanford.edu/pubs/22031/CJEL-final-Magen\\_Offprint\\_12.2.pdf](http://iis-db.stanford.edu/pubs/22031/CJEL-final-Magen_Offprint_12.2.pdf)>.

<sup>23</sup> Cadier, (note 2) p. 54.

would be behind the likes of Macedonia, Bosnia and Herzegovina, and Albania in the line of further integration into the EU.<sup>24</sup>

In spite of these arguments, the membership perspective could still be considered as an effective tool; even though it is limited in some respects, it has no negative influence and could encourage integration. However, uncertainty in the EU about the EaP's future seems to be determined by geopolitical rather than economic issues: the EU seeks 'to stabilise the periphery rather than running the risk of seeing the periphery destabilise the EU'.<sup>25</sup> Because Russia considers the territory of the Eastern Partnership countries its 'sphere of influence' or 'the near abroad',<sup>26</sup> determined steps to expand the EU in that direction would offset Russian countermeasures. An example of such destabilising countermeasures is that of Russia's current activities in Ukraine, which started as Kiev moved closer to signing an Association Agreement with the EU.

Russia therefore seems to have an informal and indirect veto power in the future development of EaP policy.

### **3. EU's Eastern policy after Ukraine: towards business as usual and Russia as an informal veto holder?**

The motives behind Russia's military intervention in Ukraine and the process for political settlement of the conflict reveal the former's perception that Ukraine is too independent and sufficiently strong to be absorbed by Russia, yet it is not sufficiently independent to freely choose its geopolitical orientation. Russia may therefore agree to Ukraine's formal independence and statehood, but the latter could always be undermined if the region's traditional power balance starts to change to Russia's detriment. This is how Russia viewed the Maidan revolution and the possible strategic consequences of the Ukraine-EU Association Agreement and the signing and implementation of an enhanced free-trade agreement. This would make Ukraine part of a customs union with the EU and Russia would lose

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<sup>24</sup> Simm A., "Extending European Union Membership to the Eastern Neighbourhood", 2 May 2014, <<http://www.e-ir.info/2014/05/02/extending-european-union-membership-to-the-eastern-neighbourhood/>>.

<sup>25</sup> Cadier, (note 2) p. 53.

<sup>26</sup> Adomeit H., "Russia and its Near Neighbourhood: Competition and Conflict with the EU", *Natolin Research Papers*, College of Europe, Bruges, 2011, p. 1, <<https://www.coleurope.eu/content/studyprogrammes/eais/research/adomeit.pdf>>.

leverage over its relations with Kiev, which it seeks to gain by including Ukraine in the Customs Union with Russia, Belarus and Kazakhstan. Russia perceives this move as a disturbance of the region's geopolitical balance.

According to Russia's logic, Ukraine and other EaP countries should accept the status of a buffer zone. At the same time, Russia is seeking to acquire an informal veto right over further EU and NATO enlargement to the East. It should be noted that the neutrality status imposed on Ukraine at an international level would firstly mean that Russia's ability to use domestic-policy tools to affect the current status quo in Ukraine in ways that are favourable to Russia is much more powerful than the abilities of the EU to do so, let alone the USA (even assuming that the EU has an interest in acting in Ukraine and changing the country's formal and informal rules). To keep Ukraine in the post-Soviet area, Russia only needs to maintain the existing rules of the political and economic game, whereas the EU must challenge these rules fundamentally to expand its European regulation into Ukraine. The status of buffer state would certainly be a factor that would cause stalemate in the current situation. It can already be stated that Russian military intervention in Ukraine 'suspended' the latter's oligarchic political and economic structure (limited possible reforms to a minimum) and thus kept Ukraine in a zone governed by post-Soviet economic and political rules. At the presidential elections of 25 May 2014, Ukraine had to choose between an independent oligarch who could stabilise the country's situation and political turmoil.

'Suspending' the country's political and economic structure is Russia's aim with regard to Ukraine's domestic policy. Meanwhile, the Kremlin's geopolitical interests may be described as follows: to normalise its relations with the West after the conflict, so that the benefits of military intervention in Ukraine outweigh its costs. The situation after the 2008 conflict in Georgia allows Russia to assume that after the end of the conflict in Ukraine, it will in any case hold more leverage than before these events started and relations with the West will eventually revert to a 'business-as-usual' situation. Russia hopes to repeat the scenario that occurred in Georgia. It is important to emphasise that the 'business-as-usual' concept includes not only the normalisation of economic relations, the lifting of sanctions and the renewal of political dialogue, but also the recognition of Russia as a veto holder in Europe's security architecture. The practical manifestation of such recognition could be that the expansion of transatlantic institutions further into the post-Soviet area would not be possible without Russia's approval.

Russia's approach to international relations is based on the 'golden' rule of non-interference by other nations in its internal affairs. This rule is also extended to the country's foreign policy: in relations with various transnational and supranational

organisations, Russia prefers to interact with countries individually rather than within international organisations; the country's participation in joint endeavours with transatlantic institutions is based on the principle of getting involved as much as possible in their decision-making, but refusing to assume obligations that may infiltrate Russia's foreign policy and therefore violate the 'golden' rule of non-interference in its internal affairs.

The issue of an informal Russian veto right with respect to NATO enlargement is thus not new. When Russia raised strong objections to membership of the Baltic states in NATO at the end of the twentieth century, US political analyst Ronald Asmus was the first to raise his voice, saying that Russia should not be granted an informal veto right on further NATO enlargement. Meanwhile, the NATO-Russia Council, which was founded in 2002 as compensation to Russia for NATO's expansion into Eastern Europe, has always been treated by Moscow as a tool to influence transatlantic institutions from the inside. Perhaps Russia's most important interest has always been stopping NATO's expansion into the post-Soviet area. Today we speak not only of NATO expansion, but also that of the EU. There has been a breakthrough in Russia's strategy – if previously its approaches towards the EU and NATO were separate, European integration is today seen as a competing integration area with rules and regulations that may act as transforming factors for the 'Russian' rules of the game entrenched in the post-Soviet region.

The first sign that an informal veto right might be possible for Russia came soon after the Maidan revolution, with the EU's refusal to sign the economic part of the Association Agreement with Ukraine (amounting to an enhanced free-trade agreement) and decision to only sign a political declaration. At that time, some Ukrainian politicians wondered why a few months earlier the EU was ready to sign a comprehensive Association Agreement in Vilnius with the 'autocrat' Yanukovych and now could not achieve this with the leadership of the democratic party. From the moment of signing this contract, Ukraine could no longer become a member of the Eurasian Union founded by Russia, even in theory. The opinion was also more often heard that Russia should be included in the debate on the Eastern Partnership policy (for example, in the debate on the implementation of the Association Agreement). Perhaps Putin's idea about a common economic area from Lisbon to Vladivostok, which had largely been kept secret, could after all see daylight. In practice, this would mean EU negotiations over a free-trade agreement with the Russian-controlled Eurasian Customs Union. Under these conditions, the Eastern Partnership policy would be a complete failure.

#### **4. What makes Russia expect a return to the 'business-as-usual' situation?**

We hear the usual claim that relations between the EU and Russia are determined by mutual interdependence. The EU is the largest and most important market for Russian products: 88% of Russia's oil, 70% of its natural gas and 50% of its coal are exported to the EU. These indicators together represent 40% of Russia's budget, with energy exports accounting for 65% of Russian export revenues to the EU. But there is a lack of analysis on why, despite mutual dependence, bilateral relations between the EU and Russia are based on the latter's rules of the game rather than the principle of legal reciprocity. For example, EU-Russia dialogue on energy is not based on the mutual legally fixed liberalisation of energy markets, but the Russian model of bilateral relations. Cameron and Matta<sup>27</sup> argue that the EU has two strong levers in the area of mutual interdependence with respect to Russia: the region's domestic market, in which Russia is interested in participating; and the EU's position as the main customer of energy resources from the country. However, these levers are not working. As a result, Forsberg and Seppo have described the EU's relationship with Russia over the past decade as a situation of power without influence.<sup>28</sup>

One reason for this situation is competing visions for EU relations with Russia. EU member states have differing perceptions of Russia and its interests and geopolitical logic, so they suggest different foreign-policy models with respect to the country. For example, most CEE countries view Russia through the prism of 'realpolitik', under which the country is seen as a revisionist state of the European security system that is seeking to carve out a favourable balance of power. From their point of view, deterrence is the only way to slow its revisionist ambitions, with such an approach supporting the EU's implementation of a 'containment' policy with respect to Russia. The containment concept was coined in the United States during the Cold War, with the aim of stopping the spread of communism. Because the containment strategy was born in the context of a bipolar international system, it has not been examined how this concept works in a multipolar system of international relations, particularly with respect to actors from weaker states that

<sup>27</sup> Cameron F., Matta A., "Prospects for EU-Russia relations", *Electronic publications of Pan-European Institute*, 6/2008, p. 18, <[http://www.balticseaweb.com/files/files/publications/pan/2008/Cameron%20and%20Matta%2006\\_08.pdf](http://www.balticseaweb.com/files/files/publications/pan/2008/Cameron%20and%20Matta%2006_08.pdf)>

<sup>28</sup> Forsberg T., Seppo A., "Power without Influence? The EU and Trade Disputes with Russia", *Europe-Asia Studies*, 61(10), 2009, p. 1805–1823.

cannot independently assure their safety.<sup>29</sup> The essence of containment strategy is to limit the growing influence of another state. Meanwhile, some Western European countries such as Germany and France are seeking a 'coexistence' policy with Russia. This model of relations could be described as an 'engagement' strategy, representing a relatively new concept in international relations. The aim of this concept is to ensure that the growing power of one state does not jeopardise the security of another nation or an entire region rather than to cut off its influence. This aim is achieved through a process of socialisation, with active cooperation between states providing opportunities to influence the direction of a country's development.<sup>30</sup> Nations that advocate this approach to Russia suggest 'binding' the country institutionally by developing its energy dialogue with the EU, signing and implementing a new EU-Russia partnership agreement, and recognising or taking into account Russia's neutral geopolitical interests in the post-Soviet region. In other words, 'containment' and 'engagement' are two opposite models for foreign policy that are based on different concepts of the 'other' and prescribe two opposing operation strategies.

These two approaches support differing EU policies towards Russia in terms of resolving the post-conflict situation in Ukraine and building further prospects for relations:

- Advocates of the **containment** model argue that relations between the EU and Eurasian Union are not only associated with competition between two trading blocs, but a rivalry between different political and economic systems and values. In the view of those who advocate containment, post-Soviet countries that are located between these two integration areas must be offered the prospect of EU membership, otherwise Russia will see this as a geopolitical vacuum that it will eventually try to fill. In the case of Ukraine, advocates of containment suggest not only signing an enhanced free-trade agreement with Kiev, but also giving the country the perspective of EU membership. It is believed that this is the most relevant tool in EU relations with EaP countries for the creation of conditions for 'deoligarchisation' of these countries and the dissemination of European standards, thus restricting Russia's influence. In other words, proponents of containment suggest that an EaP policy that has so far offered partner countries only the prospect of integration (a visa-free regime and integration into the EU domestic market)

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<sup>29</sup> Acharya A., *Containment, Engagement, or Counter-Dominance? Malaysia's Response to the Rise of Chinese Power*, York University, 1997, p. 14-15, <<http://www.amitavacharya.com/sites/default/files/Containment,%20Engagement,%20or%20Counter-Dominance.pdf>>.

<sup>30</sup> *Ibid.*, p. 15.

and not formal EU membership must not be the final step. The association process should evolve into a process of integration, which means that EaP partner countries that carry out reforms and implement the package of EU requirements and rules must have a clear membership perspective. Another important consideration is the conditions under which Russia will be able to return to 'business as usual' in its relations with the West. According to containment advocates, the EU should draw very clear lines regarding the lifting of sanctions and talks on this should be resumed only after Russia goes back to the pre-conflict position. From this perspective, de-escalation of the situation in Ukraine and pulling out of the Crimean occupation should therefore be the main conditions. According to representatives of this view, only compelling measures for deterrence will prevent future military provocations by Russia in the European security system.

- Advocates of the **engagement** model seek a policy of 'coexistence' with Russia. This measure is inevitably related to the recognition of Russian interests in the post-Soviet area. Proponents of this model therefore treat the EaP policy not as an EU instrument to compete with the Russian-led Eurasian Union, but as an opportunity to achieve a win-win situation in the region. Arguments that the implementation of EU regulatory standards may disrupt commercial and infrastructure-associated relations with third countries could mean the engagement of Russia in practical implementation of a DCFTA. Russia has repeatedly suggested the idea of tripartite negotiations between itself, the EU and Ukraine over Kiev's aspiration to sign association and free-trade agreements. At the EU-Russia summit in January 2014, an agreement was made to hold consultations on the possible economic consequences of EaP free-trade agreements with the EU for Russia. These events took place at the start of 2014 in the context of a supposedly stricter tone because of pressure from the Kremlin and declarations from EU leaders that no third party had any right to decide the fate of agreements between the EU and its partners.

- Advocates of engagement are likely to discuss another proposal by President Vladimir Putin – the idea of an economic area 'from Lisbon to Vladivostok'. When the customs union was initiated between Russia, Belarus and Kazakhstan, Putin stressed that membership of the Eurasian Union would enable its members to integrate into Europe faster and from a much stronger position.<sup>31</sup> This could be

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<sup>31</sup> Adomeit H., "Putin's 'Eurasian Union': Russia's integration project and policies on post-Soviet space", *Neighbourhood Policy Paper*, No. 4, 2012, p. 4, <[http://www.khas.edu.tr/cms/cies/dosyalar/files/black\\_sea\\_04\(1\).pdf](http://www.khas.edu.tr/cms/cies/dosyalar/files/black_sea_04(1).pdf)>.

related to the vision he publicly expressed a decade ago on a 'common economic space from Lisbon to Vladivostok'. According to the Russian president, the Eurasian Economic Union is an opportunity for post-Soviet countries to strengthen their negotiating power by building a common economic zone with the EU.

However, differences in rules and standards between the EU and the emerging Eurasian Economic Union show that European integration and the new project in the post-Soviet area are two parallel processes that are not characterised by the convergence of mutual rules. We can therefore view the two alternatives as 'centres of attraction' rather than systems that are seeking to integrate with each other.<sup>32</sup>

Nevertheless, proponents of engagement may propose the formation of a free-trade area with the Eurasian Economic Union to 'appease' Russia. Such a policy could have negative consequences for EaP policy, one of the pillars of which is the opportunity to participate in the EU domestic market. If such a free-trade agreement took effect, it may lead to a situation in which access to this market would be achieved more easily through Moscow than through direct negotiations with the EU. Such a situation could undermine the functioning of the EaP policy because Moscow would have an opportunity to control relations between post-Soviet countries and the EU.

The following could be seen as factors that determine whether Russia will be presented with the opportunity to block EU and NATO enlargement to the East: firstly, the granting of (or failure to grant) EU membership prospects to Ukraine; and secondly, the granting of (or failure to grant) a NATO Membership Action Plan to Georgia. This will show which of the two approaches – engagement or containment – will have the upper hand.

### **Conclusions: three future scenarios for the Eastern Partnership**

An overview of the first five years of the EU's Eastern Partnership policy leads to the conclusion that although it is the most developed of the EU's external-relations tools, it still lacks incentives to be effective enough in the post-Soviet region where the influence of Russia is still so great and where there is a developing alternative integration area.

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<sup>32</sup> Kasčiūnas L. et al., "Eurasian Union: a Challenge for the European Union and Eastern Partnership Countries", *Eastern Europe Studies Centre*, 2012, p. 26.



In the context of Russia's foreign policy changing to a more aggressive tone, the fate of EaP policy might determine the EU's ability to act as an international power. Varied reactions of EU member states prove the point that a lack of political will and a single voice towards relations with Russia and the 'shared neighbourhood' makes the situation even more complicated.

We might conceive three scenarios that could occur in the 'shared neighbourhood': (1) Retreat of the EU from the region; (2) Continuation of the status quo; or (3) 'New politics' towards EaP countries. If EU officials were to allow Russia to become a veto player in the geopolitical orientation of neighbouring countries in the ways discussed, it would mean a *de facto* retreat of the EU from the region. Russia would gain even more confidence in recreating the power it previously had in the post-Soviet region and the EU would only be a behind-the-scenes actor – this is the most probable scenario if the EU does not find a 'single-voice' approach towards the situation in Ukraine. The status quo might continue if EaP policy is not fundamentally adapted to the changed geopolitical scene. The EU would continue to declare its willingness to help EaP countries to modernise and democratise, as developed in the original European Neighbourhood Policy and EaP policy. As various studies prove that moderate incentives lead only to limited integration and selective integration,<sup>33</sup> the EaP countries might lose track of their main goal of a membership perspective.

The most positive scenario is a search for 'new politics' towards the EaP region. This scenario must contain a new understanding that the geopolitical vision of EaP countries is in a dilemma following the establishment of the Eurasian Union and Russia's latest moves. From a geopolitical perspective, the three most advanced EaP countries see European integration first of all as a safeguard against Russian dominance.<sup>34</sup> The EU should change its stance towards a strengthened political will to provide a membership perspective for the most advanced EaP countries. However, this is only possible if EU members stick to a 'containment' rather than an 'engagement' policy towards Russia. Getting involved in geopolitical rivalry would require a stronger 'common voice' in the EU because this is still not a game that the region is able or willing to play. But a *de facto* retreat from the region that would allow Russia to become an informal 'veto' holder in relations between the EU and EaP would be a big threat to Europe's security architecture.

<sup>33</sup> Schimmelfennig, (note 14) p. 10.

<sup>34</sup> Raik K., Tamminen T., "Inclusive and exclusive differentiated integration: Enlargement and the European Neighbourhood Policy" in Jokela J., ed., *Multi-speed Europe? Differentiated integration in the external relations of the European Union*, FIAA Report 38, January 2014, pp. 46-47, <[http://www.fiaa.fi/en/publication/392/multi-speed\\_europe/](http://www.fiaa.fi/en/publication/392/multi-speed_europe/)>, 15 05 2014.

