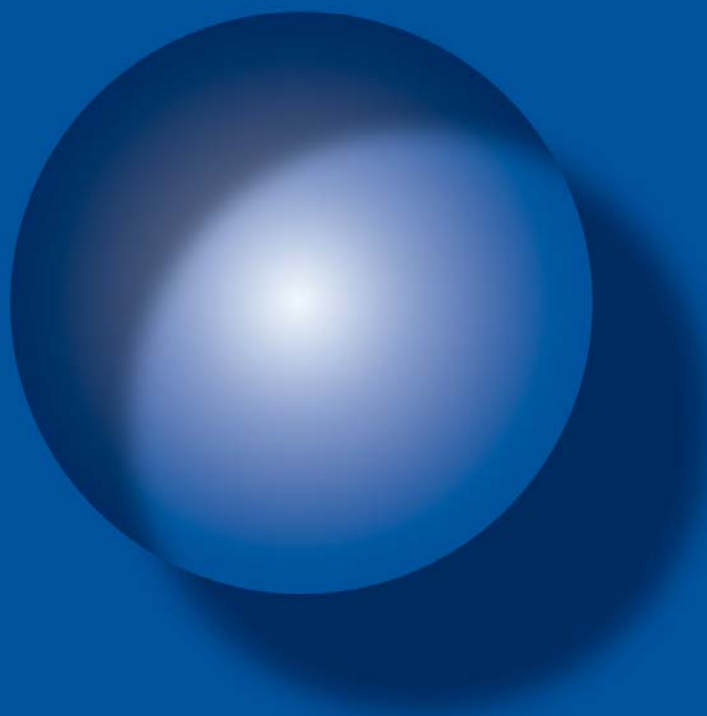


# **Towards a Union of Dimensions**

## The effects of eastern enlargement on the Northern Dimension

Hiski Haukkala



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## Summary

*The Finnish initiative to create a “Northern Dimension” can be perceived as a response to the “threat” of eastward enlargement. The aim was to ensure that questions of importance to Finland were on the EU agenda before eastward enlargement, which would radically reshape the Union, took place. This aim was accomplished.*

*At the same time, it is obvious that eastward enlargement will reshape the EU’s external relations, and the Northern Dimension along with them, even more radically than the EU machinery has been able to in the past five years. This report examines the anticipated changes on two levels. First, what will be the nature of enlargement’s effects on the Northern Dimension? Second, how will enlargement be reflected more broadly in relations between the EU and Russia?*

Enlargement will give the EU a common border with new and problematic neighbours. Indeed, an “eastern dimension” of a new kind is coming into being. The central challenge of the new dimension relates to managing the region’s political and economic heterogeneity. A “one-size-fits-all” policy will no longer work, because each and every new neighbour poses its distinct challenge to the EU: crumbling social structures in Moldova, while in Ukraine and Belarus the challenge relates to presidents, in the former country one who has failed in his efforts to join the EU integration process, and in the latter an autocratic one.

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The eastern dimension poses numerous challenges to the Northern Dimension. First of all, Finland will lose her monopoly position as the only EU member sharing a frontier with Russia. As a result, EU–Russian relations will drift southwards. In addition, the EU’s new member states and neighbours will be very poor. This means that they will be almost entirely dependent on EU funding to develop their own infrastructure and pay for cross-border cooperation. Competition between the dimensions for EU funding will intensify and implementing the Northern Dimension with its broad range of contents will become a more difficult task.

It makes no sense at all to examine the eastern dimension in isolation from the EU’s eastern relations more broadly. How relations between the northern and eastern dimensions develop will depend on the development of relations between Europe’s “two empires”, the EU and Russia. Indeed, it will be essential to offer Russia an active role in post-enlargement Europe. The EU must likewise be able to avoid unnecessary competition with Russia for spheres and regions of interest. Instead, Russia’s undeniable influence in the cases of Moldova, Ukraine and Belarus should be used constructively. Projects like the Common European Economic Space (CEES) could serve as a foundation for a broader EU policy on relations with neighbours, also.

The northern and eastern are not the EU’s only dimensions. It can be said that the consecutive enlargements act as a driving force behind an on-going “dimensionalization” of the European Union. This poses a particular challenge to small and peripheral member states like Finland. Their own political and economic clout is not enough for them to be able to look after their interests on their own. The Northern Dimension initiative is a good example of this, because it is obvious that the activity of Finland and Sweden (as well as Denmark) will no longer be enough on its own to ensure the initiative’s viability, especially after enlargement.

The challenge facing the Northern Dimension from now on will be to avoid becoming marginalised on the agenda of an increasingly “dimensionalized” Union. This requires that regional interests be genuinely linked to broader EU interests. Getting the new member states involved in further development of the initiative will be of prime importance. However,

this also means, paradoxically, that the future of the Northern Dimension will depend on the South in the post-enlargement EU. It is only by more clearly linking the initiative to the development of the Baltic Sea region and the resolution of issues relating to the Russian enclave of Kaliningrad that more northern questions of importance from the perspective of Finland can best be kept on the EU agenda.



## New eastern neighbours

Prime Minister Paavo Lipponen presented an initiative calling for the formulation of a Northern Dimension policy in September 1997. The threat of future eastward enlargement was a contributory background factor: there was a desire to ensure that questions of importance to Finland would be on the EU agenda before an eastward enlargement that would radically reshape the Union took place. This aim has also been achieved, because the Northern Dimension has established itself as a part of the EU's network of external relations, and the initiative regularly generates a variety of statements, programmes and plans, although the meagreness of the projects and tangible steps of progress often prompts criticism.

Among the EU's numerous external relations policies, the Northern Dimension has some exceptional properties. These are mainly attributable to the fact that the initiative was constructed with the aim of multilateralising policy transcending the EU's (northern) external borders. At the same time, although the Northern Dimension officially involves several so-called partner countries<sup>1</sup>, the initiative has in practice concentrated almost exclusively on the problems of north-west Russia. It is not at all an exaggeration to assert that the Northern Dimension is one instrument of the EU's policy on Russia, one in which the role of the other countries has been marginal. This trend will strengthen with enlargement, because matters concerning the Baltic States and Poland will become part of the EU's internal politics. Then there will be only two other Northern Dimension partners in addition to Russia, i.e. Iceland and Norway, both of which have other and better forums for developing their relations with the EU.

In spite of the initiative having established itself, the shadow of enlargement still looms over the Northern Dimension. Eastward enlargement will reshape the EU's internal structures and bring with it a new, broadening external relations agenda. Sharing borders with the EU will be new neighbours, which will pose their own challenges. The new neighbours' importance to the EU does not derive solely from new external challenges, because the new member states will also express their wishes

## New eastern neighbours



### New eastern neighbours

Countries:

- |                    |                    |
|--------------------|--------------------|
| 1. The Netherlands | 16. Portugal       |
| 2. Belgium         | 17. Poland         |
| 3. Bulgaria        | 18. France         |
| 4. Spain           | 19. Romania        |
| 5. Ireland         | 20. Sweden         |
| 6. Great Britain   | 21. Germany        |
| 7. Italy           | 22. Slovakia       |
| 8. Austria         | 23. Slovenia       |
| 9. Greece          | 24. Finland        |
| 10. Cyprus         | 25. Denmark        |
| 11. Latvia         | 26. Czech Republic |
| 12. Lithuania      | 27. Turkey         |
| 13. Luxembourg     | <b>28. Ukraine</b> |
| 14. Malta          | 29. Hungary        |
| <b>15. Moldova</b> | <b>30. Belarus</b> |
|                    | 31. Russia         |
|                    | 32. Estonia        |

and outright demands that a new EU policy towards the East – an “eastern dimension” – be formulated. Poland especially, but also the Baltic States, Slovakia, the Czech Republic and Hungary – not forgetting Bulgaria and Romania – will advocate a new eastern relations policy for the EU once they become members. Indeed, Poland has expressed views to the effect that, its grandiose statements notwithstanding, the EU does not have a comprehensive policy vis-à-vis the East. Its grip is too diffuse and concentrates excessively on controlling the external frontier, especially on *closing* it to new next-door neighbours.

Three of the EU’s new neighbours on its post-enlargement border – Moldova, Ukraine and Belarus – are veritably problematic partners. They are poor and politically unbalanced countries where economic and social reforms have largely made little or no headway. The soubriquets applied to them have included “Europe’s black hole”, and in summer 2001 the British newspaper *The Economist* warned that these countries were in danger of being trapped behind a “*misery curtain*”.

As the designations used in attempts to describe the problematic character of the region reveal, these countries are often seen as a single zone, as part of the former Soviet Union. The EU, too, has endeavoured to build its relations with the region on a uniform basis by concluding bilateral *Partnership and Cooperation Agreements* (PCAs), which are often almost identical in content, with the countries there. Nevertheless, the idea that the countries were genuinely similar was already being disputed in the early 1990s, and the course that developments have followed in the past decade has further increased the differences between them.

The central challenge of the future eastern dimension will be that of managing the political and economic diversity of the region. A “one-size-fits-all” policy will no longer work, because each and every new neighbour poses its distinct challenge to the EU: crumbling social structures in Moldova, while in Ukraine and Belarus the challenge relates to presidents, in the former country one who has failed in his efforts to join the EU integration process, and in the latter an autocratic ruler.

## New eastern neighbours

### Basic information on our eastern neighbours

	<b>Moldova</b>	<b>Ukraine</b>	<b>Belarus</b>
Capital	Chisinau	Kyiv (Kiev)	Minsk
Area	33 843 square metres	603 700 square metres	207 600 square metres
Population	4,4 millions	48,8 millions	10,3 millions
GDP/person 2000, purchasing power parity	2,500 US\$	3,850 US\$	7,500 US\$
Percentage of population below official poverty line *	75 %	50 %	22 %
Partnership and Cooperation Agreement with the EU	Entered into force 1.7.1999	Entered into force 1.3.1998	Signed 1995, still not ratified
Central challenge facing EU policy	Putting a divided country with crumbling social structures back together again	Activating a country that has failed in its reform efforts and feels excluded	Breaking down the isolation that an autocratic ruler has created

Source: CIA World Factbook 2001.

\* Moldova and Ukraine figures 1999, Belarus 1995.

## Moldova: The challenge of a country rent in two

The challenge that the case of Moldova poses is that of a divided society and crumbling state structures. Formerly known as the Moldavian Soviet Socialist Republic, the country quickly slid into civil war when it gained independence. As a result of the fighting in March–July 1992, only 88 per cent of the country's total area remained under the control of the government in the capital, Chisinau, while the eastern part seceded to become the state of Transdnestria, run from Tiraspol. Transdnestria has failed however to win international recognition. The division follows ethnic lines: nearly 65 per cent of the national population are Moldovans, 14 per cent Ukrainians and 13 per cent Russians. Most of the people on the Moldova side are Romanian-speaking, whereas over 60 per cent of Transdnestria's 700,000 inhabitants are Russians or Ukrainian.

A decade later, the conflict still awaits resolution. The Chisinau government plans to restore the unity of the country, and the possibility of a war for territory can not be ruled out. At the same time, it is not certain that Chisinau would be capable of effecting a military solution, because Transdnestria is militarily relatively strong. President Smirnov's administration has an estimated 7,500 soldiers under its command, in addition to which about 2,500 Russians are stationed there.<sup>2</sup> In other words, the military forces in the area are more or less evenly balanced, because the strength of the Moldovan armed forces is estimated at over 10,000.

Moldova's division has sounded the death knell for the country's hope of modernising, prospering and joining in European integration. Its most advanced industry is located in Transdnestria, as is the only power station. This makes economic growth an impossibility in practice. A reflection of Moldova's poverty has been massive emigration; according to various estimates, the final years of the 1990s saw as many as 800,000 Moldovans leave in search of a better livelihood somewhere else.<sup>3</sup>

Moldova's domestic political situation is likewise problematic. The communists achieved a landslide victory in the parliamentary elections in

February 2001 and took 71 of the 101 seats in the national parliament. This majority enabled the communists to make their leader Vladimir Voronin president. Now both legislative and executive power is in the communists' hands.

Citizens voted for the communists mainly to demonstrate their disgruntlement with the previous government's wretched policies. Thus a largely Romanian-speaking and westward-oriented country has acquired leaders who emphasise the status of the Russian language and urge closer relations with Russia. Soon after his election as president, Voronin announced that Moldova was interested in obtaining observer status in the union formed by Russia and Belarus. At the same time, however, he kept the EU door open as well, albeit with the proviso that the question of membership would arise only when also Russia and the other European CIS countries were ready to join.

The country's strengthening orientation towards Russia has led to internal unrest. In February–March 2002, for example, as many as 50,000 people led by the opposition Christian Democratic People's Party demonstrated against the communist-led government's "russification measures", strengthening the status of the Russian language as well as decisions concerning a controversial history course. The government had to back down in the face of the protests.

The country's internal power struggle has been acquiring increasingly ruthless forms. The repercussions of the February demonstrations have included disappearances of prominent opposition politicians, for which the finger of accusation has been pointed at the communists. The OSCE and the EU have also drawn attention to the disappearances and demanded a speedy explanation. It seems probable, nevertheless, that the internal political situation in Moldova will remain tense until the next parliamentary elections in 2005.

The plethora of problems besetting Moldova also threaten the European Union. In particular, the Transdnestria region has become a smuggling stronghold, from which small arms, drugs, cigarettes and other contraband flow into the rest of Europe. In addition, human trafficking is widespread:

some estimates put the number of women who have ended up as sex slaves in the Balkans or western Europe as high as 100,000.

The threat of an armed conflict is likewise obvious. Here, there are grounds to fear that a possible conflict would not remain within the country, because Romania, Ukraine and Russia all have their own interests to guard.

The EU has been displaying a surprising indifference to Moldova. Although it was included in the Balkans Stability Pact in 2001, Moldova has been the focus of little EU attention. One illustration of this is that the Partnership and Cooperation Agreement signed in October 1994 did not take effect until July 1999. Meetings of the EU–Moldova Cooperation Council set up under the agreement have provided precious little new impetus to develop relations. For example, the press bulletin issued after the most recent meeting in April 2002 gives a good picture of how sticky relations between the EU and Moldova remain.

It is noted in the beginning of the document that the meeting provided the Moldovan government with an opportunity to *give assurances* to the EU that economic reforms and the country's orientation towards Europe would continue. The remainder of the document concentrates on listing the expectations that the EU harbours with respect to Moldova. The bulletin concludes by pointing out that the development of democracy and internal stability in the country, determined economic reforms, a resolution of the Transdnestria conflict, and, in general, good relations with neighbouring countries would help Moldova's chances of benefiting from better relations with an enlarging EU. Thus, from the EU's perspective, the ball is clearly in Moldova's court.

However, this is not necessarily a wise policy, because the region is a powder keg that could blow up in the EU's face as the former Yugoslavia did. Moreover, eastward enlargement and especially the possible accession of Romania will clearly increase Moldova's importance to the EU. The EU will acquire a common border with Moldova and therefore become more exposed to that country's problems. In addition, Romania will bring expectations with respect to the EU's policy on Moldova. Romania has not even tried to conceal its hopes that the Romanian-speaking parts of the population will be united under its rule. Moldova opposes a development

of this kind and has made it clear that it intends to remain independent. Nevertheless, the thinking in Romania is that both countries being EU members might make *de facto* unification a future possibility.



## Ukraine: The challenge of country that feels it is not gaining from integration

Having played a central role in the disintegration of the Soviet Union, Ukraine has spent the past ten years seeking a place for itself between East and West. It has been trying to forge close institutional ties with the West, while at the same time keeping an eye on the rear-view mirror to see what the former motherland, Russia, is doing.

However, Ukraine has been disappointed where its hopes towards the West are concerned. Failed social and economic reforms as well as an erratic foreign policy in general have left Ukraine stuck in a “no man’s land” between the EU and Russia. Nevertheless, Russia and the West (the EU and NATO) are still the players who dominate the country’s thinking and actions in the field of foreign policy. An interesting difference between those two players has been observable in that, although there has been a desire to present the EU, *rhetorically*, as the primary alternative in foreign policy, Ukraine’s relations with Russia have been becoming ever closer *in practice*. This has been especially noticeable since Vladimir Putin became the president of Russia, with bilateral meetings taking place at frequent intervals.

A watershed of a kind in Ukraine’s foreign policy orientation was the so-called Kuchmagate case, which came to light in early 2001 and prompted suspicions of President Kuchma’s involvement in the brutal murder of the journalist Georgi Gongadze. Faced with numerous demands for his resignation and growing western criticism, Kuchma began a rapprochement with Russia. President Putin proved willing to support his beleaguered colleague. Kuchmagate has drawn international attention to Ukraine’s problematic media environment: although in principle the news media are free, in practice the authorities enforce strict discipline and subject too-critical media to bureaucratic harassment, such as continual tax audits. Furthermore, most news media are owned by oligarchs who are close to

the government, with the result that self-censorship affecting programming policies is also widespread.

Internal politics have proved problematic in other respects as well. Reforms have made little headway, the result being nine consecutive years of negative economic growth in the 1990s, leaving the country destitute. In 1999 Ukraine's GDP per capita was only around 60 per cent of what it had been in the final years of the Soviet Union. The economic crisis has reached numerous peaks: in 1993 inflation soared to over 10,000 per cent. The August 1998 economic collapse in Russia had a severe impact on Ukraine as well. In 1997 the World Bank estimated that as many as one in four Ukrainians was living below the poverty line.

Ukraine's industry is obsolete and its markets are mainly in the East. Except in very recent years, the country has hardly managed to attract any foreign investors. Up to 1999 for example, Ukraine had secured less than \$3.5 billion in foreign investments, while its smaller neighbour Poland had achieved a total over ten times greater.

However, the situation has changed somewhat in recent years. In 2001 Ukraine achieved 8 per cent growth and inflation remained at a moderate 6 per cent. Foreign, especially Russian, investors have begun taking an interest in the country. Russian companies have been buying up Ukrainian ones wholesale, while Ukraine's dependence on Russian energy and its transit flows has remained very high. This, in turn, has narrowed the country's room for manoeuvre in foreign policy, because the Ukrainian oligarchs in particular have a strong interest in the development of the Russian market, which is where they see their own opportunities as lying. They do not want to put their markets at risk and therefore have no wish to annoy Russia deliberately.

Internal tensions form part of the explanation for Ukraine's struggling between East and West. In the western part of the country lies Galicia, which is the home of a substantial Catholic Polish minority and Ukraine's most westward-looking region. One reflection of this is that support for possible Ukrainian membership of the EU and NATO is considerably higher in Galicia than in the rest of the country. However, the region is especially poor, because the part of the country with the highest level of industrial

prosperity is in the east, where the large population mainly comprises Ukrainians and Russians. The Galician economy is highly dependent on suitcase trading with Poland, which also involves an element of smuggling. Although the volume of the individual transactions is small, it yields a significant total, perhaps as much as several million euros a year. According to some estimates, as many as 95 per cent of border crossings between Ukraine and Poland involve suitcase trading.

Among our new neighbours, Ukraine is probably the one where the negative effects of EU enlargement will be felt most clearly. The question of the Schengen area's extension to the borders of Ukraine is particularly awkward. It has been estimated that the present total of over 10 million border crossings each year will decline by as much as 40 per cent when visas are introduced. Besides that, much more is involved than just tourism. It is especially feared that cross-border trade between Poland and Ukraine will shrink drastically. That would mean a considerable economic loss for both Poland's eastern parts and especially Galicia. Furthermore, the appearance of a "hard" Schengen border will have its own significant symbolic effect, because the Ukrainians feel deserted by the EU. This in turn is now leading the Ukrainians – who looked to the West in the 1990s – to begin supporting the "Slavic alternative" again.

Ukraine has tried to be an active producer of initiatives in its relations with the EU. In 1998 President Kuchma approved a decree introducing Ukraine's own EU integration strategy. Covering the period up to 2007, the strategy is intended to prepare Ukraine administratively and politically for EU membership. In spite of this, 1999 was a disappointment for the country, because the Common Strategy on Ukraine adopted at the Helsinki European Council in December of that year felt like meagre consolation for the associate membership status that Ukraine had hoped would soon be achieved. What caused the most rancour in Kyiv was the strategy's indeterminate wording with regard to Ukraine's wishes for membership, which it did not agree to confirm. Instead, the document's authors were content to acknowledge Ukraine's European aspirations and welcome its pro-European choice.

These disappointments have not restrained Ukraine from stepping up pressure in the EU's direction. In February 2002 Kuchma took a new step when he said in a speech in the Ukrainian parliament, the *Verhovna Rada*, that he was confirming his country's aspiration for EU membership, and also outlined an ambitious timetable with clear way stations for achieving it. As Kuchma presented it, Ukraine's road to the heart of EU integration will have the following milestones: WTO membership 2003, EU–Ukraine free-trade zone 2004, associate EU membership 2007, and full membership 2011!

Ukraine's unrealistic eagerness to present initiatives of this kind is also reflected in the broader distortions that have made relations with the EU awkward. First of all, Ukraine has not been able to understand that its geopolitical location and importance are not sufficient in themselves as criteria for EU membership. Second – and partly following from this – Ukraine has not grasped that positive rhetoric about the EU is not enough; deeds are needed, too. On the other hand, this is a problem of post-Soviet societies more broadly as well: proclamations and big intentions are often considered more important than difficult decisions and real actions.

Despite its lack of realism, Ukraine's activity in producing initiatives and its rhetorical readiness for integration present the EU with a challenge to which it has to respond. So far, the EU has stuck resolutely to its position, which is that the existing PCA already contains plenty of unused potential to improve relations, and that only after the agreement has been implemented without problems will it be appropriate to ponder a deepening of the relationship.<sup>4</sup>

Although the EU's position is logical, politically it is untenable. The EU does not have any actual grounds on which to forbid Ukraine's European vocation. Of the various EU institutions, the one that has stated this most clearly is the European Parliament, in the report on the Common Strategy on Ukraine that it adopted in 2001.<sup>5</sup> In addition, offering a European perspective could encourage Ukraine to continue its reforms, the progress of which has been erratic. Likewise, and perhaps most importantly, the EU could ensure that the ball is firmly in Ukraine's hands and thus have a good reason to wait for determined actions on Kyiv's part.

## Belarus: The challenge of authoritarian isolation

Unlike Moldova and Ukraine, Belarus does not aspire to a role in European integration.<sup>6</sup> Instead, its hopes for integration are focused on Russia. Thus, where Ukraine has striven to develop its national identity and cherish its independence, developments in Belarus have moved in the opposite direction. Nevertheless, the internal tensions in the country are similar to those with which Ukraine must contend: the western part contains a substantial western-minded Roman Catholic Polish population, whereas most of the population in the eastern part are Russian Orthodox. The status of the Belarusian language is weak and, especially since Lukashenka became president, the country has been trying to keep the Belarusian identity in check and achieve a close union with Russia.

However, the progress of the union project has not followed the course that Lukashenka had hoped for. Especially since Putin took the helm, Russia has displayed a growing lack of enthusiasm for creating closer institutional ties. Indeed, it even seems that Putin is trying to disengage from the project. This was reflected for example in his proposal in June 2002 that Belarus could simply join the Russian Federation as one of its subject entities. However, this did not suit Lukashenka's design, in accordance with which he would play a greater role in the union than any *oblast* governor could in a Russian Federation context.<sup>7</sup>

Rather than a political confederation, Russia has been trying to develop the economic dimensions of a confederation. The most important of these is the creation of a common currency. It seems to be making headway, because a programme aimed at the introduction of a common currency in 2005 was adopted at a meeting of the countries' prime ministers in May 2002. The aims of the programme to promote the project are to align economic, budgetary and tax policies as well as to draft a common prices policy. At the same time, however, it ought to be remembered that

declarations of intent to deepen cooperation have often been heard in the past, but have subsequently proved to have no substance behind them.

Of the EU's three new neighbouring countries, Belarus is economically the most prosperous. However, that is due largely to the support provided by Russia. From Russia Belarus receives loans on advantageous terms and supplies of energy, especially natural gas. Thanks to Russian support, it has been possible to pay wages and pensions on time, unlike in Ukraine and Moldova. This also helps explain the great popularity that Lukashenka enjoys in his own country. On the other hand, however, he has neglected structural reforms of the economy. This is reflected in the failure of Belarus to share in the economic growth that Russia and Ukraine have been able to enjoy.

In recent years, following Putin's example, Lukashenka has begun cautious economic reforms. Indeed, in other ways as well, the connection between Russia and Belarus looks strong in this respect: Lukashenka seems to enjoy copying Putin's actions and mirroring his positions. This provides a kind of possibility to influence internal developments in Belarus, assuming that Russia's own development follows a favourable course, and that Russia is prepared to press Minsk for similar changes.

The internal political situation in Belarus is tense. The opposition is weak and arrests on political grounds as well as persecution of dissidents are common. This applies also to business leaders and critical researchers. The media are largely under Lukashenka's control. However, one feature of the media sector in Belarus is interesting, in that the major Russian TV channels, likewise subject to a high degree of state control, have by far the biggest viewing audiences in Belarus. Thus Lukashenka's public image is largely in the hands of the Russian media – another factor that offers a channel to undermine his power if Russia wished to do so.

Belarus poses an indirect threat to international security. The ample supplies of obsolescent Soviet military equipment left behind there sell well on the world market. Belarus is one of the world's biggest arms exporters and has repeatedly demonstrated its indifference to UN sanctions on Iraq by shipping arms there. Other big customers include Libya and Syria.

Relations between Belarus and the EU have been especially problematic since Lukashenka came to power. A clear turning point was the November 1996 referendum on a new constitution, in which Lukashenka in practice seized power: legislative, executive and judicial powers were strongly concentrated in his hands. Lukashenka's actions prompted a storm of international protests, which have produced no results.

In September 1997, fed up with the failure of its protests to lead to results, the EU froze political relations with Belarus: ratification of the Partnership and Cooperation Agreement was put on hold and the so-called Interim Agreement, mainly containing provisions on trade, did not come into force. Furthermore, with the exception of the so-called Troika, the EU does not meet Belarusian representatives on the ministerial level. With the exception of a few projects which directly support democratisation of the country, the Tacis programme has likewise been suspended in Belarus. Implementation of the OSCE's recommendations, which include restoration in its entirety of the legal situation that existed before the 1996 referendum, is a condition for normalising relations.

Since the autumn 2001 presidential election, the situation has remained unchanged. Lukashenka systematically prevented the opposition from campaigning and won with nearly 80 per cent of the votes. The country is gradually going into a deep freeze as Lukashenka's personal fiefdom, where he hires and fires at will. He shows no signs of yielding. In addition to this, there is speculation that he is planning a new referendum to amend the constitution to enable him to remain in power until at least 2015.

No internal change in Belarus is in view for now. This leaves the EU in a bothersome situation, because Latvia's, Lithuania's and Poland's accessions to membership will mean sharing a land border hundreds of kilometres long with Belarus. So far, the EU has taken refuge in its position that the development of relations will depend on whatever initiatives Belarus presents. At the same time, the EU has been cautiously trying to support grassroots-level democratisation in Belarus. However, the results have been very meagre. From now on, bringing about changes in the country must be a goal of a more active EU policy. The EU will not succeed in achieving

this on its own, however. This will require the constructive inputs of third parties, especially Russia.



## The substance of an eastern dimension

The varied challenges posed by our new eastern neighbours bring with them a need for new EU policies. At the same time, the EU will experience internal pressures resulting from enlargement, since the new member states will harbour their own hopes and expectations for the future eastern policy.

The applicant countries brought up the eastern dimension, or rather the need for a new eastern policy, as early as March 1998, when Poland, in its initiating statement for the enlargement negotiations, noted its willingness to participate in the development of the policy.<sup>8</sup> Among the applicant countries, it is Poland that has pushed the most vocally for an EU eastern dimension. It remains clear, however, that in Poland as in the other applicant countries, the bulk of the political energy and administrative capacity has been going into advancing the process of accession to membership. For that reason, ideas about policies and initiatives that will ensue after membership is achieved remain largely unorganised. It is also certain that, in the initial stage of actual membership, the countries' greatest energy will be directed at integration into the EU system and the exploitation of the already-existing opportunities that that system offers. Accordingly, it is unlikely that we could expect clear plans or initiatives immediately after enlargement as to what the eastern dimension will eventually embrace.

The present member states have not however simply waited for the applicant countries to become active in the matter; they have tried to seize the initiative themselves instead. Great Britain in particular has shown initiative in shaping the EU's new eastern policy. In the spring of 2002 Foreign Secretary Jack Straw sent Commission President Romano Prodi a letter which has provided impetus for adumbrating the so-called Wider Europe policy, with which the EU is trying to find a foundation for policy with regard to its new neighbours.

The delineation of this concept has yet to advance beyond the initial stage. Refinement of the idea is to begin in the autumn of 2002. It is clear,

however, that from the EU's standpoint the new concept essentially has a twofold function: it should serve as a policy which helps to facilitate the new neighbours' demands for membership, but without the EU binding itself to that sort of objective in any way.

There is reason to ask why the current members' enthusiasm for developing new instruments of "neighbours policy" has manifested itself right now, on the very threshold of an enlargement. It may be that the approach of the enlargement has simply awakened the EU to the consideration of relations with its future neighbours. It is equally possible, however, that today's member states are trying to take the initiative into their own hands and shape the EU's policies before the future members are in a position to participate in that process. This is a problematic question, however, since the applicant countries do have their own national interests and viewpoints that they want the EU to consider. Therefore, at this stage, the EU should avoid finalising long-range policies – or should at least ensure that possible formulations be crafted in close cooperation with the applicant countries.<sup>9</sup>

As noted, not much information is yet being offered with respect to the applicant countries' positions – with one important exception: in the summer of 2001, Poland's Foreign Ministry published a document that presented the country's objectives with regard to the emerging eastern dimension.<sup>10</sup> The document serves to confirm the notion that Poland in particular will play a central role in the formulation and implementation of an eastern dimension policy. The following discussion of the eastern dimension's possible substance relies extensively on this document.<sup>11</sup>

The report begins with the demand – familiar in EU parlance – for a "coherent" policy with regard to, in particular, those countries in the territory of the former Soviet Union that will acquire borders with the EU as the enlargement proceeds. At the same time, the report makes it clear that EU membership cannot be the objective of that policy. Drawing the line in this fashion may in itself be considered surprising, since Poland has often been seen as a champion of Ukraine's EU hopes especially – a role that Poland renounces, however. The report states – in very vague terms, admittedly – that Poland will make its experience with the EU application process available

for Ukraine's use, but meanwhile disclaims any sort of promises with respect to Ukraine's future institutional status (p. 29). The sentence in question can be interpreted as meaning that Poland is prepared to tell Ukraine what it should do to become a serious candidate for membership, but in the final analysis Ukraine must itself earn its place in the sun: within the EU, Poland is not going to make a plea for Ukraine.

Rather than membership, the report outlines the creation of a free-trade area or new-generation associate memberships as a basis for an eastern policy (p. 15). From Poland's standpoint, however, the essential thing is the demand that, in addition to Partnership and Cooperation Agreements, which have been seen as too rigid, the EU should develop more straightforward, flexible formats for its neighbours policy – formats in which certain clearly limited bilateral problems could be resolved (p. 11). According to the report, this in turn means that funding for the Tacis programme must be increased substantially, especially in the budget period that begins in 2007. This demand can be seen as meaning that the Poles, too, are thinking of the creation of a policy that adapts the Northern Dimension model to the region. The order of march thus appears to be the same as in the EU's present Russia policy: at the political level, interaction will be based on a general agreement along the lines of a PCA, and practical regional cooperation will be developed in the framework of an especially tailored "dimension".

The report does not however make it entirely clear whether the Poles think that an eastern dimension should be established specifically for the new eastern neighbours, or that the Northern Dimension should be expanded to embrace new countries and regions – in which case we could well speak of the EU's "north-east dimension".<sup>12</sup> The interpretation that Poland may favour an extension of the current sort of geographically limited Northern Dimension is supported by the report's presentation of the demand that the Northern Dimension be made into a regional initiative comparable to the Balkan and Mediterranean region initiatives, for example. The Northern Dimension should at the same time receive significantly more financial resources from the EU budget (pp. 23–24). At the same time, it is essential to note that, according to the Poles' interpretation, the

Northern Dimension should in the future be made a more southern dimension, in which the challenges of the Baltic Sea region in particular would play a central role.

The EU's new eastern policy will however include its own regional dimension, too. According to Poland, cooperation at the grassroots level is an essential element of creating mutual trust and implanting "European standards" in the neighbouring countries (p. 26). Generally, the report justifies the need for a new eastern policy with words borrowed from the Northern Dimension: it is a question of levelling out the infrastructural, administrative and economic developmental differences between the enlarging EU and its new neighbours (p. 9). The broader goals of the policy envisioned are also convergent with the Northern Dimension – safeguarding peace and stability, furthering the CIS countries' economic and political reforms, creating a functional state governed by laws, supporting democratisation and a civil society, fighting corruption and organised crime, and attending to environmental threats (p. 10).

One significant difference between the Northern Dimension and the eastern policy does however exist. Where the Northern Dimension is clearly divorced from military security issues, the eastern dimension brings these questions to the fore (p. 16). It is interesting to note that the report sees a role for the EU's evolving foreign and security policy primarily in the fostering of a constructive dialogue between the EU and, especially, Ukraine and Russia. NATO's role also receives clear emphasis. In fact, NATO's Partnership for Peace programme is viewed as the prime factor in constructing a "new security image" for the region, while the EU is mostly seen as a supporter of these efforts, particularly in the areas of cooperatively based security and the reorganisation of defence forces (pp. 18–19). These allusions serve to strengthen notions according to which the EU, as it enlarges, is acquiring member states for whom preserving the trans-Atlantic connection in security matters is more important than developing the EU's own structures.

An eastern dimension conforming to the Poles' ideas would be largely compatible with the present Northern Dimension. At the same time, it would in certain respects go beyond its model's present horizon. While the

Northern Dimension focuses on questions at a low political level – striving primarily only to resolve the problems of the EU–Russian border region – the eastern dimension is also linked firmly to high-level political relations and questions of “hard” security. The largest part of the report nevertheless concentrates on a particularisation of regional challenges and concrete problem areas. The objectives and problems put forward by the report are largely consistent with the Northern Dimension’s basic points of departure. It is interesting that, to a certain extent, the Northern Dimension can be perceived as a model for the Poles’ ideas, but the report also provides some glimpse of the idea that the eastern policy is also a higher-level concept in whose implementation the Northern Dimension itself may be beneficial.

It is important to note that although the report directs cautious criticism towards the current foundations of the EU’s eastern policy, it does not offer clear alternatives or proposals for improvement. Ideas of new-generation associate memberships and free-trade areas represent essentially cosmetic enhancements, since the EU already uses these mechanisms, at least in principle. This is however better perceived as an indication of the disorganised nature of the ideas, and perhaps as a certain unwillingness to rock the EU boat while Poland’s own accession to membership is still in progress, than as a genuine sign that Poland – and the other applicant countries – harbour no objectives in these matters.

What may be the report’s most interesting contribution does not however well up from the ideas or concrete proposals that it contains: rather, the report offers an interesting glimpse of how effective a socialising influence the EU accession process exerts on applicant countries. The report meets the EU’s standards right down to the millimetre. It is replete with the official slang peculiar to the EU, and with the lofty objectives typical of EU programmes. It assures the reader that Poland has absorbed the EU’s manner of speaking, and, further, that Poland is prepared to play by the EU’s rules. The new eastern policy is outlined in a way that nests with the EU’s own logic. In that sense the Poles appear to have studied the Finns’ Northern Dimension marketing strategy closely, although they evidently do not themselves wish to speak about “dimensions” at this juncture.<sup>13</sup>

# Adapting the Northern Dimension model to the East

Expectations and pressures for the creation of a new EU eastern dimension policy do exist. This brings up the question of the extent to which the Northern Dimension model can generally be adapted to a area larger than has been the case.

The general objective-configurations made known to date with respect to the eastern dimension do not contain any real conflicts with the Northern Dimension. Questions related to control of the EU's shifting external frontier, along with the amelioration of environmental problems and the growth of "positive mutual interdependence" between the EU and its neighbours, constitute a theme common to the dimensions. At the conceptual level there thus are no impediments to the possibility of either expanding the Northern Dimension to embrace new border neighbours, or at least using it as a model for the development of cooperation.

At the practical level, however, problems come up. One of the Northern Dimension's central tasks, and at the same time one of the most difficult barriers to its implementation, has been the coordination of the institutional network that has grown nothing less than explosively in northern Europe. So many various councils and regional organisations have accumulated that the region has an abundance of duplicated functions. A report commissioned by the Norwegian Foreign Ministry finds for example that the activity of the region's organisations is often ineffective, and that resources are squandered when the same things are done several times over in different organisations.<sup>14</sup>

In the case of the eastern dimension, the problem is different. Generally, the region has few international organisations that focus on cross-border cooperation. In the wake of enlargement, the region will have fewer organisations in which both EU countries and new neighbours would be members. The only organ which could be seen as such an organisation is the *Black Sea Economic Cooperation Pact*, which is largely constructed along

the lines of the Council of the Baltic Sea States (CBSS). It however does not include all the states in the region, either: Belarus, for example, is not a member.<sup>15</sup> Moreover, in spite of its ten years of history, the organisation has not yet been able to demonstrate any clout. Its base of funding is shaky: it has depended largely on contributions from Greece and Turkey.

While there are few multilateral organisations, the network of bilateral agreements on regional cooperation is dense. Poland, for example, has concluded agreements with Georgia, Moldova, Ukraine, Belarus and Russia, among others. Other applicant countries have comparable arrangements. This cooperation has often proven very problematic, however: the agreements have often remained dead letters because of the dearth of funding and the weakness of regional administrative structures. A good example of this is provided by the region's several Euroregions,<sup>16</sup> which, in spite of the efforts made, have been unable to replicate the success story of their western European models. The problems, which are especially acute in the very countries that are to become the EU's new neighbours, do not offer an encouraging picture of the countries' possibilities for participating in the implementation of a demanding policy along the lines of the Northern Dimension. Often, the questions of power and responsibility are still largely unclarified within the countries, and time is often consumed by internal bureaucratic arm-wrestling, rather than the development and implementation of programmes. Further, the EU's increasing interest and perhaps also the possibility of the EU's more plentiful funding have hardly served to relieve these problems. The consequence may be an even more strained competitive situation, and an excessively swollen bureaucracy, as all those who can reach the threshold attempt to gain a share of the EU funding.

One factor that explains the eastern dimension's problems of cross-border cooperation, in comparison to the Northern Dimension, is the relative poverty of the partners in the region. The Northern Dimension's territory encompasses wealthy EU member states that have been able to invest their own resources in the development of problematic neighbouring regions. In the case of the Northern Dimension, Sweden and Finland especially have funded the cooperation actively, Finland in the context of its

neighbouring area strategy and Sweden in the framework of its Baltic Billion Fund.<sup>17</sup> Norway and Denmark have also made substantial contributions.

In the eastern dimension's territory, the situation is different. The partners on both sides of the EU's border will be weak economically, so that the need for resources will be great on the EU side, too. For example, the new member states will have real difficulties in simply developing their own basic infrastructure and will hardly be in a position to free up substantial financial resources to help the Union's eastern neighbours.

The scarcity of funds means that the problem of the availability of EU resources in financing an eastern dimension is even more pronounced than it has been in the case of the Northern Dimension. Further, it is likely that the eastern dimension will also include a vigorous regional- and structural-policy element, which was excluded from the Northern Dimension by conscious strategy.

It is obvious that, with the emergence of an eastern dimension, competition for the EU's financial resources will intensify. Although, for example, Poland's demand for increased Tacis appropriations sounds positive on first hearing from the standpoint of Finland and the Northern Dimension, it is certain that, in the eyes of the Poles and the other new member states, the funds should be targeted at regions that, from the perspective of Finland's interests, are much more southerly. Further, programmes operating on the EU's eastern borders will by no means be the only "dimensions" in the Union. Both the northern and eastern dimensions will have to vie with the EU's other neighbouring regions – the Balkans and the Mediterranean region especially – for financial resources. This competition will be tough, and it is by no means certain that an eastern dimension will succeed in this competition any better than the Northern Dimension has to date.

Regardless of these potential problems, demand for a policy on the model of the Northern Dimension exists in the East, too. First, the challenges are largely similar. Second, a small-scale eastern dimension might be able to answer even the need for flexibility expressed by Poland in its report. The grandiose political programmes articulated in the EU's upper echelons



often seek to bring a large group of countries together as a single bloc; in contrast, the eastern dimension might offer a chance to tailor individualised, concrete programmes specific to each country.

The direct application of the Northern Dimension model will however complicate a problem closer to the level of principle. An eastern dimension constructed solely in accordance with the Northern Dimension will not suffice for the new neighbours, since it does not include EU membership. If the EU is unable to take a clear stance on this issue, its new eastern policy will get the same sort of cold shoulder that greeted the Common Strategy on Ukraine in December 1999.

The EU is facing a difficult dilemma. The current enlargement will hardly be the EU's last. Enlargement cannot go on endlessly, however. The question thus arises of whether the new eastern neighbours are suitable for EU membership. As a starting point, there is reason to note that once Turkey is accepted as an applicant country, the EU will have no grounds for refusing Moldova, Ukraine, Belarus and even Russia the right to belong to "EU Europe", if that is what they want.

Whether the new neighbours are serious candidates for membership, and according to what time-line, constitutes another question. This does not mean, however, that the EU can wash its hands of the question. In part this stems from the fact that the desire to join the EU is strong: on the basis of surveys conducted in April 2000, for example, joining the EU received 47 per cent support in Moldova, 61 per cent backing in Ukraine, and 55 per cent support in Belarus.<sup>18</sup> While it is obvious that these membership hopes do not reflect a realistic understanding of European integration, the challenge to the EU is clear: the countries have no shortage of hopes and expectations to which the EU must be able to respond one way or the other. Tightening immigration policy and strengthening the external borders cannot be the only response, since the events of 11 September 2001 alone taught us that no state can protect itself from unrest beyond its frontiers.

In the future, the EU will need a new kind of neighbours policy, one that will facilitate taking a position on where the Union's external borders will lie. At the same time, the EU should avoid the temptation to put the new neighbour countries in the same basket under a uniform common policy.

As the country-by-country presentation made clear, each of the new neighbours offers the EU its own sort of challenge. In the future this will call for EU policies that are more differentiated. Fitting countries into the one mould of Partnership and Cooperation Agreements will no longer work. The EU must be capable of a new sort of sensitivity and creativity: changes occurring in the neighbouring countries will have to be monitored continuously, and, by the same token, policies will have to be adapted to meet changing circumstances. In addition, simply reacting will not suffice: the EU must also strive to take the initiative itself. In the case of Moldova, for example, it will not be wise for the EU to sit and wait while the situation comes to a head. The outbreak of armed conflict in the region would probably require a crisis management operation involving armed forces – something for which the EU obviously is not ready yet, if indeed it ever will be. By contrast, the search for solutions that end the artificial division and strengthen social structures should begin now.

## The impact of enlargement on EU–Russian relations

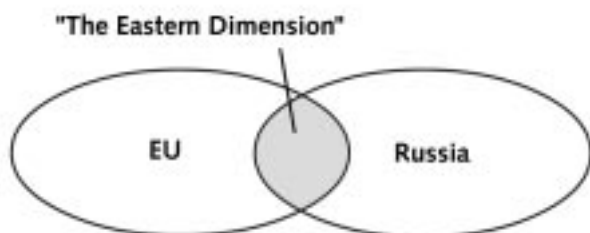
In addition to the new neighbours, enlargement will also have an impact on EU–Russian relations. Among the eastern neighbours, the position of Russia constitutes its own separate question. Russia feels, with good reason, that it is the major power in the region. In addition, Russia has repeatedly expressed its frustration at not being able to affect the evolution of both the Northern Dimension and the broader European political architecture. In this light it is clear that Russia's identity, which has already endured trials, would hardly withstand being thrown into the same basket with its former subject countries. Sensitivity factors of this sort must for their part be taken into account in outlining the EU's new eastern policy.

The “empire analogy” developed by Ole Wæver is useful in delineating future relations between the EU and Russia. According to him, the EU and Russia are Europe's “two empires”, its two supreme power centres.<sup>19</sup> Their power radiates from the hard “nucleus”, be it Brussels or Moscow, from which each empire's desire and ability to influence events weakens incrementally as one moves farther and farther away from the centre.

The EU and Russia will continue to be Europe's important poles. The EU should take this into consideration in its own policies, too. Following the eastward enlargement, the EU will be presented with the opportunity to offer Russia the role of an active player rather than simply a passive object. The central challenge to the EU–Russian relationship, that is, will not necessarily lie in bilateral relations. Regardless of their problems and differences of opinion, relations between the “empires” have attained relatively stable forms that will withstand occasional, even serious crises.<sup>20</sup>

The real challenge to EU–Russian relations will lie in the shared periphery of the “two empires” interests and opportunities for exercising power. This means the countries left between the EU and Russia – Moldova, Ukraine and Belarus. For this reason, the idea of a common policy for all

of the EU's eastern neighbours, including Russia, should be opposed, since she does not belong in the same category with the other eastern neighbours. Because of its position, Russia is to be reckoned with as a factor external to the emerging “grey zone”, and thus is not a part of the same problem (*see* figure).



In this figure, the eastern dimension also finds its place in the resolution of the problematics of the countries residing between the EU and Russia. It is meanwhile clear that the need for an EU eastern dimension will exist as long as the EU has not reached a decision concerning whether or not to accept its new eastern neighbours as members. At the same time, the Northern Dimension will serve its purpose as a separate regional instrument of EU's Russia policy.

As enlargement proceeds, the EU should offer Russia a role in resolving the problems of the countries left between the “two empires”. This is justified first because Russia has its own interests to look after in the new neighbour countries, given, for example, the closeness of Russia's economic relations with them. The countries depend on Russian energy and send most of their exports to Russia.

Second, Russia has at its disposal instruments of political and economic pressure that the EU lacks to an extent. This holds in the case of Belarus especially. By adjusting the amount of its financial aid and Lukashenka's public image, Russia is in a position to affect that country's internal development. The problematic Transdnestria region also depends in part

on Russian aid. During Putin's presidency, Russia has begun to approach Moldova and has begun to emphasise the country's unification and the importance of a political solution. Through its own actions, in other words, Russia can resolve difficult disputes. The EU does not necessarily have tools of this sort at its disposal yet.

The new "grey zone" is not completely devoid of problems, however. It brings with it the classic problem of how the EU will in the future be able to prevent the situation from slipping into an injurious rivalry with Russia for spheres of interest. The concern is no fabrication: Russia continues to look at the world through the prism of spheres of interest and influence, so that the EU's increasing interest in its new neighbours could easily be interpreted as a threat, even, to Russia's influence.

It is possible to resolve the dilemma by localising those common interests on which the "two empires" policy on their shadow areas might be founded. At the same time, however, the impression that Europe's two major powers will determine their spheres of interest without concern for the will of the countries falling between them should be avoided. The EU should not, through its actions, confirm the notion in Russia that the latter may conclude agreements with the EU over the heads of the countries in between. This would undermine the EU's credibility in its neighbours' eyes. For that reason, the EU's new neighbours must also be included in planning what the region's future development will look like. They too must be encouraged to play an active part in resolving their own problems.

One interest that clearly brings the EU and Russia together is regional stability. The interests of neither major power will be served if, for example, Belarus or Moldova sinks into internal chaos. Neither Russia nor the EU has even the resources for demanding crisis management operations on its outer frontiers. Nurturing regional stability is in the common interest of the EU and Russia.

Another interest, which is in part directly traceable to the foregoing, is the economic one. The developing energy partnership, with its oil and natural-gas pipelines, unites the EU and Russia. Russia has valuable natural resources and the EU offers them a dependable and solvent market. In addition, the pipelines used to convey the oil and gas cross the countries

that will be left between Russia and the EU. Such being the case, the pipelines serve as a certain sort of umbilical cord that connects the “empires” and their fringe areas as part of a wider European economic area.

The growth of both the energy cooperation and the mutual economic dependence in EU–Russian relations may also furnish a model for the EU’s entire eastern policy. The process launched by the EU and Russia to create a Common European Economic Space could serve as a model for the integration into Europe of the entire area outside the EU. This need not be perceived as an alternative to EU membership; it could better be seen as a gradually institutionalising mechanism in whose framework an approach to the EU would happen in controlled fashion. Within this policy’s framework it would be possible to construct differentiated intermediate stages separately tailored to each neighbour. Via these stages, relations between the EU and its neighbours could become closer over time, eventually even culminating in full membership.

## Conclusion: Towards a union of dimensions

This report began with the thought that the Northern Dimension is the child of the EU's last enlargement. A dimension that got its start when Finland and Sweden joined the EU has been developed with an eye towards the eastward enlargement, and in part in association with it. The enlargement now approaching its finish line is in turn reshaping the initiative. This may alter the Northern Dimension even more radically than the EU apparatus has been able to over the last five years.

The revising dynamic of the enlargement brings both opportunity and challenges to the Northern Dimension. The enlargement will almost double the land border shared by the EU and Russia, and the EU will acquire a group of new member states that have an interest in Russian relations. At the same time, the mutual economic dependence will grow substantially. Russia's importance to the EU will become even more pronounced in the future. In addition, the EU's growing reliance on imported energy is leading to a situation in which Russia will continue to enjoy a strong position in the Union's future policies, too.

From Finland's standpoint this is a positive thing, since the Russian question, which is central to the country's foreign policy, will acquire additional weight in the enlarged EU. At the same time, however, this increased attention will not in all respects be directed at areas crucial from the perspective of Finland and the Northern Dimension, since EU–Russian relations are in a sense drifting southward.

Finland is losing its monopoly position as an EU–Russian border country. Competition for the EU eastern policy's areas of emphasis is meanwhile intensifying; in the future that competition will include countries other than Russia, since the new member states will ensure that Moldova, Ukraine and Belarus also get their place on the EU's agenda.

In the future, the Northern Dimension will find itself facing increasingly tough competition. In addition to southern dimensions, such as the Balkans' and the Mediterranean region's, an eastern dimension is emerging. The new member states will emphasise the importance of their own adjoining regions as the objects of policies that resemble the Northern Dimension. The question remains: will this process unfold within the Northern Dimension, in which case the initiative's geographic territory will simply grow and new partners will be brought in, or will comparable arrangements be created for the region? Paradoxically, it may be that the Northern Dimension will in the last analysis reach its culmination only on the conceptual level, functioning as a model for other EU dimensions. At the same time, the Russian North-West's status, which is important to Finland, may slip far downward on the EU agenda, especially as regards the receipt of EU funding for the implementation of projects.

Signs of the disintegration of the Northern Dimension's status already exist. The first Action Plan will expire at the end of 2003. Discussions on its renewal were launched in the autumn of 2002, during Denmark's presidency. In July 2002, the European Commission published a background paper that outlines the Northern Dimension's future.<sup>21</sup> According to the Commission's preliminary delineation, it appears that the Northern Dimension will retain its separateness from the broader eastern policy, while attempts will be made to apply its operational methods and models to other dimensions.

The background paper confirms beliefs that, within the Commission especially, a desire exists to push responsibility for the Northern Dimension's implementation and funding onto the shoulders of local players. At the same time, sharpness and a clearer focus is being sought for the Northern Dimension: it would concentrate on just a few central subject areas, such as the environment, nuclear safety, cross-border cooperation, and justice and home affairs, while the initiative's other sectors become the responsibility of regional players.

Plans for sharpening the focus of the initiative are welcome, since, when implemented, they may give the Northern Dimension, which has been left very unformed, a clearer profile and the strategic quality it has lacked. On



the other hand, however, the Commission's policy outlines reveal a new sort of challenge for the Northern Dimension. The demand presented in the background paper to the effect that the region's own players should in the future take more responsibility for the implementation and, especially, the financing of projects, in practice means a reduction in EU funding, which is already tight to begin with. If put into effect, this proposal would rob the Northern Dimension of its possibilities for implementation.

The Commission's plans are symptomatic of the increasingly intense competition for the EU's financial resources. This stems from the fact that the EU eastern-policy pot will be shared by more countries, at the same time as southern member states concerned about the shift in political emphasis that the eastward enlargement will bring with it will tighten their grip when funds are being distributed. In the future it may transpire that the strength of the Northern Dimension – the participation of wealthy member states capable of making their own contributions – will become the dimension's weakness: EU money will be channelled elsewhere, to poorer regions. The logic of this sort of development cannot be denied, however, since the needs are even greater on the Union's other external frontiers.

Further, the ongoing creation of dimensions will pose a special challenge to small member states like Finland that are already on the periphery. Their own political and economic clout will not suffice for them to be able to attend to their own interests alone. The Northern Dimension is a good example of this, since it is clear that the activism of Finland and Sweden (and Denmark) alone will no longer suffice to ensure the initiative's post-enlargement viability.

For that reason, and to the extent that the Northern Dimension is viewed as a valuable and beneficial policy in the future, too, the presentation and localisation of common interests will be genuinely needed in the context of the initiative. In the case of the Northern Dimension, it is of the utmost importance to confirm the new member states' faith in the utility of the policy, too. In this sense, the present amorphousness of the eastern dimension offers an opportunity to take the initiative: the Northern Dimension must be coupled to the broader entities that are taking shape.

In this respect, the southward drift in EU's Russia policy and in the Northern Dimension do not necessarily have to be viewed as negative trends. A challenge that unites the member states may be found far south of the geographic locus of Prime Minister Lipponen's original plans. Resolving the problems of the Kaliningrad region may in the future become a natural focus of the Northern Dimension. At the moment, it appears that the Kaliningrad question is assuming the form of a policy of its own within the EU. In the implementation of that policy, the Northern Dimension would primarily play only a helping role. The Northern Dimension's objectives and instruments are however quite well suited to the resolution of the Kaliningrad question. Facilitation of border crossings, development of the health and social services sector, and alleviation of the area's environmental problems, for example, are tasks to which the Northern Dimension is admirably adaptable.

As the enlargement unfolds, the importance of the Baltic Sea, which will almost become an internal EU sea, should not be underestimated, either. Soon eight EU member states, including Poland and Germany, will border the Baltic Sea. As an initiative, the "Baltic Motorway"<sup>22</sup>, which has been marketed by Prime Minister Lipponen, is in this sense aimed at the right direction. What is more, a Russian connection is to be found also in the case of the Baltic Sea, since Russia's burgeoning oil-transport capacity brings up the question of the safety of maritime transport and the management of possible environmental catastrophes in the future.

In the post-enlargement EU, the Northern Dimension's opportunity will thus, and paradoxically, lie to the south. Therefore, only by making the Northern Dimension more southern can the more northern issues important from Finland's standpoint best be kept on the EU's agenda.

## References

<sup>1</sup> Estonia, Iceland, Latvia, Lithuania, Norway, Poland and Russia.

<sup>2</sup> These forces are the remnants of the 14<sup>th</sup> Soviet Army. It was agreed at the OSCE summit in Istanbul in November 1999 that Moscow would withdraw its forces from the area by the end of 2002. In accordance with the agreement, Russia removed heavy weapons in November 2001, but some 2,500 Russian soldiers remained in the area.

<sup>3</sup> Estimates of the number of Moldovans working abroad range from 600,000 to 800,000, depending on source. However, emigration has brought new social problems, because parents who have gone in search of work have left behind thousands of children, who are in practice orphans without protection or the support of society.

<sup>4</sup> External Relations Commissioner Chris Patten made the matter very clear when he spoke in the European Parliament in March 2001: "if Ukraine is serious about closer ties with the rest of Europe and that is still a matter of intense internal political debate then it should be doing more to use the PCA, in particular to bring its laws and regulations into line with EU practice".... "We have been providing assistance and will continue to do so. But we cannot supply the clear, unambiguous political will that is needed. There has been too much insistence in the past on the forms of our partnership, and too little on the groundwork to make that partnership a reality." [http://www.europa.eu.int/comm/external\\_relations/news/patten/speech\\_01\\_121.htm](http://www.europa.eu.int/comm/external_relations/news/patten/speech_01_121.htm). Downloaded 27 November 2002.

<sup>5</sup> Report on the Common Strategy of the European Union on Ukraine. Final A5-0083/2001, 28.2.2001. Rapporteur Paavo Väyrynen. <http://www2.europarl.eu.int/omk/sipade2?PUBREF=-//EP//NONSGML+REPORT+A5-2001-0083+0+DOC+WORD+V0//EN&L=EN&LEVEL=2&NAV=S&LSTDOC=Y>. Downloaded 10 September 2002.

<sup>6</sup> To be exact, establishing close links with the EU is officially one of the central goals of Belarus's foreign policy. Against the background of the foreign policy pursued in practice, however, this declaration cannot be taken seriously.

<sup>7</sup> Putin repeated his proposal in August 2002. Lukashenka again sharply rejected it, saying that Belarus "will never accept an alternative of this kind," Helsingin Sanomat 16 August 2002.

<sup>8</sup> It is worth noting that Poland seems to avoid using the term eastern dimension, referring instead to "the enlarged EU's eastern policy". In this respect the Poles' practice has not yet become fully established, however, since Prime Minister Leszek Miller, for example, has spoken publicly about an eastern dimension (see *The Financial Times*, 19 September 2002, for example). It is interesting to ask whether this is a matter of a conscious marketing strategy on the part of the Poles: does the Northern Dimension in their opinion resonate poorly in the EU? For the sake of commensurableness, however, this report for the most part uses the term eastern dimension to refer to the EU's new eastern policy.

<sup>9</sup> "Wider Europe" is not the only EU policy under discussion at this time. The Common Strategies on Russia and Ukraine will also be up for revision in 2003. The interests and emphases of the new member states should also be taken into the reckoning in the preparation of these documents.

<sup>10</sup> The Eastern policy of the European Union in the run-up to the EU's enlargement to include the countries of Central and Eastern Europe – Poland's viewpoint (Warsaw: Ministry of Foreign Affairs, 2001).

<sup>11</sup> In the light of one document, one obviously should not offer interpretations that go too far. For that reason the following presentation on the eastern dimension relies on both the Polish document and the personal opinions of the present report's author as to what the policy might involve, given the existing information. In the interest of clarity, the viewpoints that arise on the basis of the Poles' report have been noted by referring to that report and providing the page number where the idea in question is mentioned.

<sup>12</sup> Among others, Peter Stenlund, consulting counsellor at Finland's Ministry for Foreign Affairs, has toyed with this name. See Peter Stenlund, "Suomi ja pohjoisen intressi" [Finland and the northern interest], *Ulkopoliittikka* [Foreign policy], vol. 32(2), 2002.

<sup>13</sup> According to Hanna Ojanen, for example, Finland crafted its Northern Dimension initiative carefully, so that it would nest as easily as possible with the EU apparatus. Finland's strategy has proven a success. At the same time, it is to be feared that the Northern Dimension has also become an ineffective policy, given the "excessive" EU compatibility. Hanna Ojanen, "How to Customize Your Union: Finland and the Northern

Dimension of the EU,” *Northern Dimensions 1999 – Yearbook of Finnish Foreign Policy* (Helsinki: Finnish Institute of International Affairs, 1999).

<sup>14</sup> Åge Mariussen, Hallgeir Aalbu and Mats Brandt, *Regional Organisations in the North* (Oslo: Royal Norwegian Ministry of Foreign Affairs, 2000).

<sup>15</sup> The BSECP’s members are Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Turkey, Ukraine and Russia.

<sup>16</sup> The area has four Euroregions: Baltic (1998; Latvia, Lithuania, Poland, Sweden, Denmark, Russia); Bug (1995; Poland, Ukraine, Belarus); Karpathia (1993; Poland, Romania, Slovakia, Ukraine, Hungary); and Neman (1997; Lithuania, Poland, Belarus, Russia).

<sup>17</sup> Since 1990, Finland has devoted more than EUR 1 billion to its neighbouring regions through its neighbouring area cooperation programme. The Swedish government has among other things carried out two Baltic Billion Fund programmes. The first term covered the years 1996–1998; the second term is presently in progress and will end in 2003. Through these programmes alone, Sweden has channelled almost EUR 250 million into the development of its neighbouring regions.

<sup>18</sup> Stephen White, Ian McAllister and Margot Light, “Enlargement and the New Outsiders”, *Journal of Common Market Studies* 40(1), 2002, p. 143. Another interesting thing about the survey is that those uncertain of their views were many, representing 25–30 per cent of those responding. By contrast, strong opposition to EU membership did not appear – in Moldova 2 per cent of those responding, in Ukraine 5 per cent, and in Belarus 5 per cent.

<sup>19</sup> Ole Wæver, “Imperial Metaphors: Emerging European Analogies to Pre-Nation-State Imperial Systems”, in Ola Tunander, Pavel Baev and Victoria Ingrid Einagel, eds., *Geopolitics in Post-Wall Europe: Security, Territory and Identity* (Oslo and London: PRIO and SAGE Publications, 1997). Wæver in fact counts Turkey as a third empire. Turkey’s role is however omitted from the present context. It remains clear, however, that if Turkey is frustrated in its EU hopes, it will become, for the EU, a regional opposing party comparable to Russia in the South.

<sup>20</sup> For example, in the autumn of 1999, during Finland’s EU presidency, relations between the EU and Russia became strained because of Russia’s military actions in Chechnya. In spite of the tense atmosphere and the tough rhetoric, the dialogue between the EU and Russia did not at any point break down. This helped prevent the crisis from building into a genuine conflict between the EU and Russia.

<sup>21</sup> “The Northern Dimension after Enlargement,” non-paper, 12 July 2002, at <http://www.eu2002.dk/ewebeditpro2/upload/OW.StaticContent/282/Precidency-Commission%20paper%20dated%2012.7.02.pdf>. Downloaded 3 September 2002.

<sup>22</sup> The Baltic Motorway represents a regional application of the “marine motorways” concept launched by the Commission in the autumn of 2001. The attempt to create a comprehensive marine transport system for the Baltic region lies behind the undertaking. With the aid of the project, attempts are also being made to integrate countries outside the EU – Russia especially, but Belarus has also been mentioned as a possible partner – as part of a larger northern European transport system.

## DO YOU WANT TO KNOW MORE?

There is no shortage of article-length analysis of the Northern Dimension initiative. The absence of book-length presentations has been, however, striking. Of all the compilations on the subject, the best is *The Northern Dimension: Fuel for the EU?* edited by Hanna Ojanen (Helsinki and Berlin: Finnish Institute of International Affairs and Institut für Europäische Politik, 2001).

Edited by Ann Lewis, *The EU & Ukraine: Neighbours, Friends, Partners* (London: Federal Trust, 2002) is an interesting and versatile, although somewhat uneven, book that ponders relations between the EU and Ukraine. Roman Solchanyk's *Ukraine and Russia: The Post-Soviet Transition* (Lanham: Rowman & Littlefield, 2001) is worth reading to gain an understanding of Ukraine's problematic relationship with Russia. For comparative purposes it is also worth one's while to read Hans van Zon's grim analysis of Ukraine's domestic situation, "Neo-Patrimonialism as an Impediment to Economic Development: The Case of Ukraine" (Journal of Communist Studies and Transition Politics, vol. 17(3), 2001). Zon's analysis can indeed be expanded to apply to the other new neighbours, as well as Russia.

The relative shortage of literature available on Moldova and Belarus well depicts the status of these two countries in the European discussion. *The EU and Belarus: Between Moscow and Brussels*, edited by Ann Lewis (London: Federal Trust, 2002) gives a broad overview of the topic. In addition, articles about the countries are published every so often. A good overall picture of the countries' development and their relations with the EU and NATO during the 1990s is to be found in John Löwenhardt, Ronald J. Hill and Margot Light's article "A Wider Europe: The View from Minsk and Chisinau" (International Affairs, vol. 77(3), 2001).

General presentations on relations between the EU and Russia are also rare. *The EU Common Strategy on Russia: Learning the Grammar of the CFSP*, edited by Hiski Haukkala and Sergei Medvedev (Helsinki and Berlin: Finnish Institute of International Affairs and Institut für Europäische Politik, 2001) sheds light on the political aspect of the relationship, especially from the EU's perspective. Marius Vahl's *Just Good Friends? The EU–Russian "Strategic Partnership" and the Northern Dimension* (Brussels: CEPS Working Documents, no. 166/2001) is also definitely worth reading.

A tremendous amount has been written recently about the Kaliningrad question. *Kaliningrad: The European Amber Region*, edited by Pertti Joenniemi and Jan Prawitz (Aldershot: Ashgate, 1998) is already a bit older, but remains an excellent book. *The EU & Kaliningrad: Kaliningrad and the Impact of EU Enlargement*, edited by James Baxendale, Stephen Dewar and David Gowan (London: Federal Trust, 2000) presents a newer and genuinely comprehensive picture of the subject. Lyndelle D. Fairlie and Alexander Sergounin's *Are Borders Barriers? EU Enlargement and the Russian Region of Kaliningrad* (Helsinki and Berlin: Finnish Institute of International Affairs and Institut für Europäische Politik, 2001) also deals with the problematics of the border between the EU and Kaliningrad.

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## **Towards a Union of Dimensions**

### The effects of eastern enlargement on the Northern Dimension

Hiski Haukkala

The EU's Northern Dimension, energetically promoted by Finland, can be perceived as a response to the 'threat' of enlargement towards the east. The point of this initiative has been to ensure a place for Finland on the EU's agenda before enlargement – which will radically reshape the Union – becomes reality. Although the Northern Dimension has succeeded in consolidating its position among the EU's policies over the last five years, eastern enlargement still presents the initiative with a number of important challenges.

In this FIIA report, these challenges are examined from several perspectives. Will it actually even be possible for the initiative to maintain its current position within the network of the EU's external relations? How will the EU's future eastern neighbours – Moldova, Ukraine and Belarus – and the 'Eastern Dimension' constituted by Poland and the other new Member States influence the Northern Dimension? And how will relations between Russia – the main point of interest in the Northern Dimension – and the EU develop in the future? The report concludes by sketching a new kind of 'dimensionalising Union' in which the key challenge for Finland and other small Member States will be to find new partners in order to ensure that its important national interests receive adequate attention on the EU's crowded agenda.

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