
The European Union's Eastern Partnership

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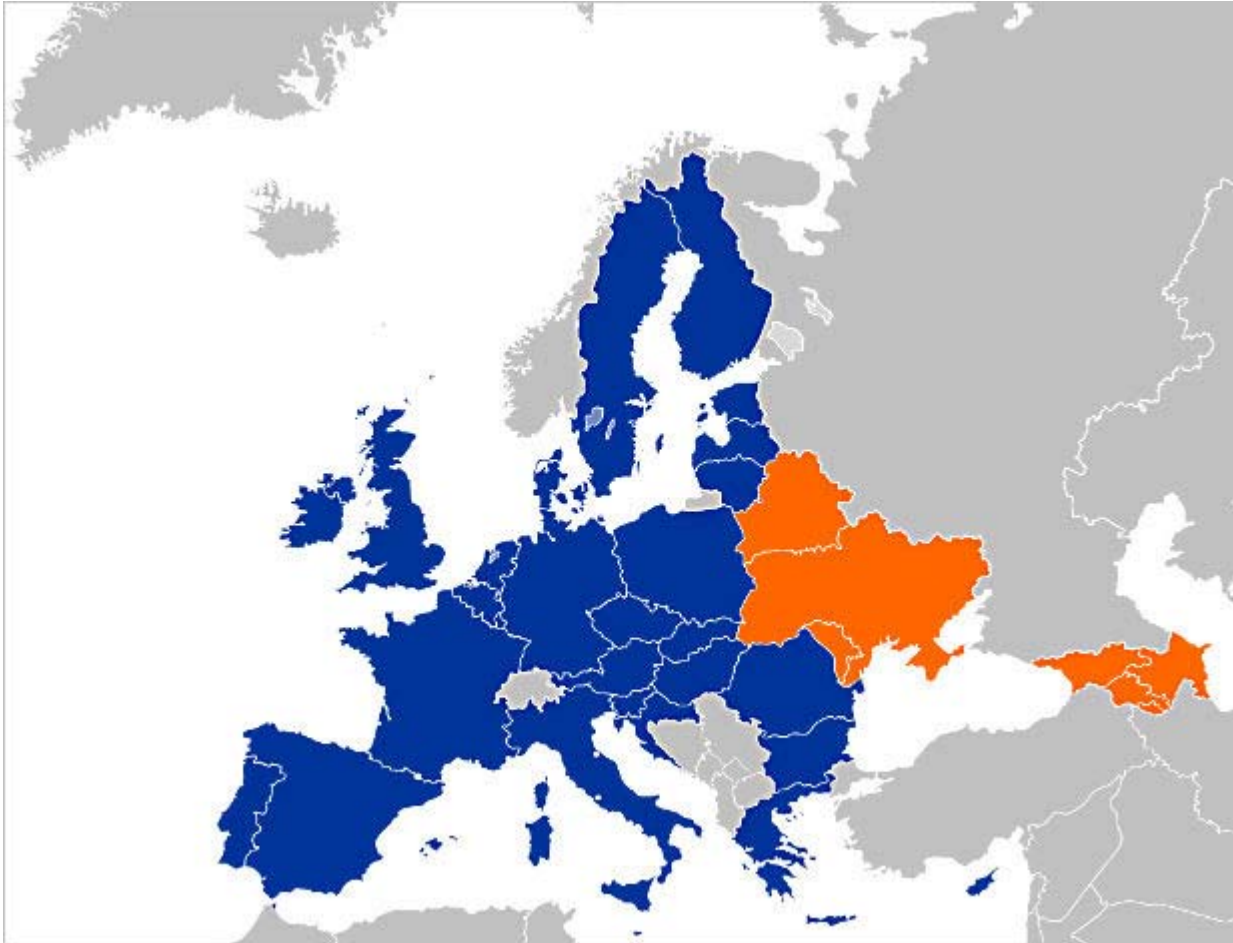
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Introduction

The Eastern Partnership (EaP) is the European Union's leading policy initiative to forge closer ties with six countries in Eastern Europe and the South Caucasus. Established in 2009, the partnership seeks to promote regional stability through trade agreements and democratic institution-building. Since its inception, partner countries like Moldova and Georgia have taken modest steps toward reform, but the EaP's ability to liberalize political and economic institutions in the region has fallen short of expectations. The most recent [crisis in Ukraine](#) has called the initiative into question after the EaP's failed efforts to reach an association agreement with Ukraine last fall precipitated protests, a change in government, and a Russian military intervention. The EU has also been faulted for its approach to EaP trade negotiations, which, critics say, offered Ukraine limited incentives while polarizing its relations with Moscow. Many Western policymakers have called for EU officials to work more closely with Russia on future deals to avoid exacerbating the bitter divisions caused by its expanding political and economic ties.

What is the EaP's purpose?

Ten Central and Eastern European states (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, and Romania) joined the EU between 2004 and 2007. Following this historic fifth round of enlargement, the EU started to rethink its external relations with regional borderlands and subsequently launched the European Neighborhood Policy (ENP).



The

Eastern Partnership comprises six countries in Eastern Europe and the South Caucasus. (Courtesy: Creative Commons)

The ENP spans sixteen neighboring countries to the south (Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Syria, Israel, the Palestinian territories, and Lebanon) and east (Azerbaijan, Armenia, Georgia, Moldova, Belarus and Ukraine). The newly enlarged EU found itself sharing common borders with former Soviet bloc countries after the incorporation of Central European states and subsequently sought to assert its influence in this region by offering its neighbors economic incentives to foster political reform.

EU policymakers, recognizing the limitations of imposing a single regulatory framework across two continents, launched the Eastern Partnership as an offshoot of the ENP in May 2009 with Polish and Swedish backing. The EaP offered partner countries tariff-free access to the EU single market in exchange for their adoption of trade-related EU legislation. The partnership was also

meant to reaffirm the EU's commitment to the countries of Eastern Europe and the South Caucasus following the August 2008 [Russia-Georgia war](#) and the January 2008 [Russia-Ukraine gas dispute](#).

The stated objectives of the EaP were to advance the "the political association and economic integration" of the EU with Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. It sought to advance human rights and good-governance norms in this region of seventy-five million people through the creation of a free-trade zone that would give partner countries access to the EU's five hundred million consumers. However, the initiative stopped short of offering EU membership to partner countries. While many experts attribute this decision to "enlargement fatigue" felt by EU member states, the move was widely seen as limiting the incentives for partner countries to do enact serious economic and political reforms.

What happened to Ukraine's partnership process?

Ukraine has long been viewed as the linchpin of the EaP. It dwarves the other five member countries in size and population and occupies a strategic swath of land between Russia and the EU's eastern borders. The country's history is closely intertwined with Russia's, which has complicated its halting steps toward tethering itself to Europe.

In 2013, then president Viktor Yanukovich signaled that Ukraine would [satisfy the EU's requirements](#) for signing a trade association agreement prior to the November 2013 EaP summit in Vilnius. Moscow subsequently persuaded Yanukovich to change course using carrot-and-stick tactics: its [threats](#) of enacting unilateral trade sanctions and interrupting critical energy supplies were [leavened](#) by offers of a \$15 billion loan and a 33 percent discount on gas imports. Yanukovich's reversal triggered weeks of escalating protests in Kiev, a change of government, and Russia's ongoing military occupation of Crimea.

Some analysts fault the EU for not appreciating the depth of Russian anxieties about the economic and geopolitical impact of Ukraine's accession to the EaP in the run-up to the Vilnius summit. Having failed to preempt Moscow's provocations with conciliatory policies, the EU now faces an uncertain future in which a bifurcated Ukraine looms as a real possibility. "The EU cast the partnership as a bureaucratic and economic project, without sufficiently mapping out the politics to prepare for certain contingencies," says [Thomas de Waal](#), a senior associate at the Carnegie Endowment for International Peace.

The nature of these EU trade pacts has since been called into question. As they are currently structured, association agreements with the EU preclude EaP members from participating in economic integration projects with Russia. Many experts believe this either-or dynamic puts partner countries in the untenable position of having to choose allegiances and reinforces Moscow's perceptions that the EaP is hostile to its interests.

In March 2014, Ukraine's new prime minister, Arseniy Yatsenyuk, [announced](#) that he was prepared to sign the EU association agreement.

How has Russia responded to the EaP?

After the fall of the Soviet Union, many new democracies in Central and Eastern Europe were eager to align with the EU and the North Atlantic Treaty Organization (NATO), and sought membership in both institutions. NATO's security assurances made it especially attractive to former Eastern bloc states, and in 1999, the Czech Republic, Hungary, and Poland became the first former Warsaw Pact countries to become members. Bulgaria, Estonia, Latvia, Lithuania, Slovakia, and Slovenia followed in 2004, and Albania and Croatia in 2009.

Russian president Vladimir Putin signaled his alarm at NATO expansion at the organization's 2008 Bucharest summit, telling the assembled leaders that "the emergence of a powerful military bloc at our borders will be seen as a direct threat to Russian security." Russia's subsequent military incursion into Georgia's separatist territories Abkhazia and South Ossetia in August of that year was seen as a response to the bids by Georgia and Ukraine for NATO membership, both of which NATO declined.

The EaP initiative did little to assuage Russia's concerns about the EU's eastward creep even though it lacked NATO's military dimension. Putin called the EaP "an alternative to NATO's expansion to the east," and Russian foreign minister Sergei Lavrov accused the EU of attempting to carve out a new "[sphere of influence](#)" in Russia's backyard. Since one of the EaP's main goals was to build [gas pipelines](#) bypassing Russia to ensure greater energy security for its partner countries, some experts say that it is not surprising that Moscow perceived this project as a direct threat to its economic interests.

Russia sought to counter the EU's deepening ties to the region by announcing plans to form a rival [Eurasian Union](#). A loosely organized customs union with Kazakhstan and Belarus was elevated in 2011 when then prime minister Putin announced plans to promote deeper economic and

political integration among Russia and the other former Soviet republics. This economic union is slated to launch in 2015.

How successful has the EaP been?

The EaP been criticized for its one-size-fits-all approach to partner countries of disparate size and demographics. Ukraine, with a population of 45 million people, is larger than the other five partner countries combined. Additionally, experts say that partner countries cover too broad a geographical terrain to be united by common European aspirations.

The twenty-eight-member EU registered a **€3.3 billion trade surplus** for the first six months of 2013 with EaP countries. Its exports to the EaP increased from €11.9 billion in 2002 to a peak of €39.5 billion in 2012. According to **Eurostat**, the biggest EU exporters to the region are Germany, Poland, and Italy, with Ukraine receiving almost half of all EU imports to EaP states.

While a primary goal of the EaP was to encourage democratic governance in partner countries, its record of affecting political reforms has been mixed. Moldova, Georgia, and Armenia have all shown varying degrees of progress, with **OSCE**-approved elections in recent years. However, the 2011 sentencing of former Ukrainian prime minister Yulia Tymoshenko and the authoritarian turn of former president Yanukovich highlighted the backsliding of a critical partner state. Azerbaijan and Belarus remain authoritarian, and they have shown scant interest in pursuing political reform.

The EU has faced significant setbacks to signing association agreements since Russia began using its trade- and energy-related leverage to pressure partner countries to join its nascent Eurasian Union last year. In September 2013, Armenia announced that it would forego signing an EU trade deal in order to join the Eurasian Customs Union. Ukraine followed suit in November. Russian pressures on Georgia and Moldova also intensified following the Vilnius summit. (Belarus, already a member of the Eurasian Union, is disqualified from pursuing a trade association agreement with the EU, and oil-rich Azerbaijan has little to gain in pursuing one, say experts.)

Visa liberalization, one of the most tangible benefits to partner countries pursuing reforms, got a boost earlier this year when Moldova became the first EaP country to qualify for visa-free travel in a bloc of twenty-six European countries known as the **Schengen area**. Georgia is expected to qualify later this spring.

What factors have undermined the EaP?

Some analysts trace the shortfalls of the EaP to the EU's overly technocratic approach to its neighborhood policies. Rather than clearly articulating a *raison d'être* for the EaP, the EU emphasized association agreements and regulatory convergence in its dealings with partner countries. As a result, citizens in partner countries did not push their governments to pursue EaP reforms more vigorously since the benefits of doing so remained opaque. Countries like Georgia and Moldova, which explicitly declared an interest in forging deeper ties with Europe, were not given sufficient reason to embark on costly reforms; EU membership was not in the offering.

The partnership's rollout coincided with the onset of the eurozone crisis, which exacerbated feelings of enlargement fatigue among the EU's member states and sidelined neighborhood projects like the EaP. The crisis also lessened the appeal of the European economic model for partner countries.

EaP financing is often cited as a factor that contributed to its lackluster performance in recent years. Funds set aside for partner countries from 2010 to 2013 amounted to approximately €1.9 billion, an insufficient amount to subsidize six states tasked with making ambitious reforms.

What is the EaP's future?

In the wake of Ukraine's decision to forego signing the association agreements at the Vilnius summit last fall (and the weeks of protests in Kiev that followed), European policymakers began to question the current terms and administration of the EaP. A Swedish-led [proposal](#) distributed in February 2014 called for a "European package" offering partner countries incentives beyond trade association deals. This proposal garnered support from twelve other EU member states, including Germany, Poland, and the United Kingdom.

For the Carnegie Endowment's de Waal, any such package should include a EU membership perspective, which, he believes, is an essential component of a retooled EaP. He points out that such an inducement poses little risk for the EU since many partner countries remain years if not decades away from qualifying for accession. But the prospect of membership would inject new purpose into the Eastern neighborhood policy and give people in those countries something more tangible to marshal support than successive rounds of technical agreements, de Waal says.

Many policymakers believe that the EU must redouble its efforts to partner with Russia in the

region rather than offering mutually exclusive trade deals to EaP countries, which foster a sense of competition between Brussels and Moscow. Germany's new chief of relations with Russia and the eastern neighborhood, Gernot Erler, underscored this point in February when he [told reporters](#), "[Europeans] have to ensure there is no tension between the Eastern Partnership and the Russian Customs Union." In the coming weeks and months, German chancellor Angela Merkel is expected to lead this effort to [broker a rapprochement](#) between the West and Russia.

Russia's military occupation of Crimea has inadvertently served as the most effective yet inducement for EaP countries to double down on their European commitments, many analysts say. The interim Ukrainian government is expected to [sign an association agreement](#) in early 2014. And EU commissioner for enlargement Štefan Füle announced on a recent trip to Tbilisi that the association agreement between Georgia and the EU would be ready to be signed by late March. Moldova is [expected to sign](#) one later this year.

Additional Resources

CFR Backgrounders on the [crisis in Ukraine](#) and [NATO](#) provide further context for understanding what has been called the most serious crisis faced by Europe since the Balkan wars.

This [2012 Chatham House Briefing Paper](#) [PDF] asks what the Eurasian Union means for the EaP and EU-Russian relations.

Carnegie Europe's Stefan Lehne [assesses Europe's Neighborhood Policy](#) (ENP), including the EaP, on the tenth anniversary of its launch.

This 2013 [Carnegie Moscow Center report](#) on the Eastern Partnership assesses the successes and failures of the policy initiative prior to the Vilnius summit.