

GRZEGORZ GROMADZKI:**An Urgent Challenge for Today's Europe: The Eastern Partnership**

The Eastern Partnership (EaP) is the EU's newest program for building relations with six countries from Eastern Europe: Belarus, Moldova, Ukraine, with Armenia, Azerbaijan, and Georgia. The EaP, a Polish–Sweden initiative, was officially launched in May 2009. It is often criticized as being underfinanced, with a budget of 600 million euros to 2013. However, it seems that no greater outlays could have been expected for the EaP's initial years.

The EaP's most significant proposals are: the possibility for each partner country of signing an Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA); membership of the Energy Community created in 2006 for the western Balkans; and the suspension of visa requirements as a long-term goal. Moreover, bringing the six partners closer to EU standards is to be served by the Comprehensive Institution Building program (CIB). Also of great importance is the standing the EaP bestows on civil society, as seen in the creation of the Civil Society Forum (CSF).

With the exception of Moldova, the other partner countries seem ill prepared for genuine cooperation with the EU in the realm of democratization and deepening the rule of law. However, all six are interested in economic cooperation, but this is typically understood as technological modernization and EU financial assistance – for example, infrastructural investments – and not democratic reforms.

Thus, the EaP faces at least seven fundamental challenges. The *first* is that of promoting democracy, for without laying the foundations for democracy (Azerbaijan, Belarus, and Armenia) or strengthening them (Ukraine, Moldova, and Georgia) even partial integration with the EU will be impossible. The *second* is that of buttressing civil society, as closer cooperation between the partner countries and the EU may come about only through the involvement of those countries' societies. The *third* involves setting conditions. The EU realizes that democratization is crucial, and at the same time that inordinate pressure for democratization can prove counterproductive to close cooperation with the EU. The *fourth* challenge concerns maintaining credibility. There is a real danger that the EaP will devolve into a program of smoke and mirrors that will not change realities in the partner countries. The *fifth* challenge is that of ensuring follow-

through on commitments. Indeed, the partner countries continue to dither on implementing their obligations. Signing a document is treated as a crowning success and the end of matters. The *sixth* challenge is to prevent the EaP from shrinking into something like the Partnership for Modernization (PfM) addressed to Russia. The *seventh* challenge concerns settling regional conflicts. Here the EU must determine how to work through the EaP, which of course calls for an increase in the EU's involvement in Eastern Europe.

Concrete measures must be taken with each of the six partner countries. What is needed is the success of at least one EaP country – and quickly, in a year or two. That kind of success would be a good example for the others.

ROSA BALFOUR:

Debating the Eastern Partnership: Perspectives from the European Union

Attitudes are changing within the EU towards Eastern Europe and the Southern Caucasus. This is reflected in and influences EU policies. Developments in the region which continue to reveal its fragility, coupled with strong demands from countries such as Ukraine, Moldova, and Georgia for a stronger European commitment, have put pressure on the EU to step up its policies. Internally, the accession of the member states from Central Europe strengthened a constituency in favor of deeper ties with the East, at the very least as a counterbalance to the EU's Mediterranean vocation.

The EaP does not reflect a new strategic vision. It falls short in addressing the key political and security dilemmas that play out in the lands between the EU and Russia by using soft policy and external governance tools. Notwithstanding assurances that the EaP is not intended to foster competition with Russia, it introduces a novel »European« multilateral and multilevel framework for cooperation between all countries and between sub-state and civil society organizations, and clarifies avenues for the closer association of these countries with the EU by refining tools developed through the existing ENP.

The literature hitherto has focused on policy analyses of the added value of the EaP vis-à-vis the ENP and these countries' expectation of being offered the prospect of accession. While critical analyses of the benefits or defects of the incentives on offer, of the uncertain ultimate *finalité* of the EaP, and of the limits of EU engagement remain valid, the degree of convergence between the member states on the need to develop more substantive relations with Eastern Europe and the Southern Caucasus is overlooked. Taking a 20-year historical perspective, the EU has gradually increased its level of engagement and the process has led to a greater convergence of views and perceptions of the regions.

Thus, the EaP is not safe from criticism. The equilibrium between engaging the countries least interested in developing relations with the EU and those which

ultimately aim at membership is tilted in favor of the latter, although the recent crackdown on the opposition in Belarus has led the EU to return to stronger negative measures. This can allow the Eastern European countries to take an «à la carte» approach to engagement with the EU. Moreover, the policies that focus on external governance have so far had a limited impact. The recently established democracies remain fragile, political reform is stalled in most cases, and opening up avenues for greater contacts with the EU so far has not produced sufficient results with the more authoritarian regimes.

The absence of clear links between the EaP and security and foreign policy issues is a fundamental obstacle – especially in the Southern Caucasus – to the EU developing a transformative strategy that could address the underlying political tensions which hamper the development of the region.

Nonetheless, the role that the EaP has played in raising the profile of the region and in stepping up EU responsibility there has increased the EU's credibility. The EU presidencies of Hungary and Poland in 2011 will ensure that the EaP remains on the agenda.

ANDREI ZAGORSKI:

Eastern Partnership from the Russian Perspective

The EaP has raised a number of critical questions in Moscow. Its objectives, if successful, are expected to cause significant disadvantages for Russia. The complication of integration between the Russian Federation and the EaP countries is the most important of them. This is because the EaP is perceived as being a hindrance to the closer cooperation of those countries with the Russian Federation: indeed, some in Moscow see the EaP as designed to undermine such cooperation altogether.

Thus, Moscow has developed not only a skeptical, but also a rather suspicious approach to the EaP in general and to its multilateral dimension in particular. This suspicion is moderated only by the expectation that the EU's multilateral approach will fail.

The following promises of the EaP are particularly problematic from the Russian perspective: (a) the upgraded ambition of the EaP to offer Eastern neighbors association with the EU is seen as aiming at a progressive disassociation of those countries from the Russian Federation; (b) the objective of developing free trade between the EaP countries and the EU is seen as capable of conflicting with the Russian policy of establishing free trade or, even further, attaining economic community with the countries of the region; (c) the proposition to include regulation of energy cooperation in the association agreements with the Eastern partners is seen as potentially not only altering, but fundamentally undermining the existing political and legal frameworks of Russian cooperation in the region's

energy sector. This most concerns Ukraine, Moldova, and Belarus; (d) the alignment of the technical standards of the Eastern partners with those of the EU, if not matched by a similar harmonization of technical standards between the Russian Federation and the EU, is expected to further complicate closer integration between Russia and the relevant EaP states.

Against this background, the Russian critique of the EaP should be understood as an early warning that full implementation of the EaP may result in a conflict of interest with the Russian Federation, and that the EU is expected to observe and respect Russia's relevant interests and claims vis-à-vis the countries to the west and to the south of Russian borders, as repeatedly communicated to the EU: (a) the implementation of the EaP shall not undermine the Russia-sponsored economic integration with the countries of the common neighborhood; (b) it shall not question the existing formats of protracted conflict resolution, including the peace-keeping arrangements and negotiating formats; (c) it shall not confront the EaP countries with the dilemma of choosing between Russia and the EU.

The most immediate consequences of following these principles would imply that the EU should not seek a more active role in protracted conflict management in the EaP countries, should not challenge Russia's central role in dealing with them, and should remain predominantly a status-quo oriented actor in the region.

BORIS NAVASARDIAN:

Armenia: Imagining the Integration of the Southern Caucasus with the EU

A combination of country-specific, regional, and global strategic objectives shape the EU's approach to cooperation with Armenia. Early on, the EU and Armenia committed themselves to friendship in the Partnership and Cooperation Agreement, which came into force in 1999.

The next stage was the 2004 inclusion of Armenia in the ENP which was designed to prevent the emergence of new dividing lines in Europe by offering neighboring countries closer political, security, economic, and cultural cooperation. However, Armenia's implementation of the ENP Action Plan revealed certain problems. The main one concerned the focus on formal, institutional changes, which did not necessarily result in real improvements in people's daily lives. During this stage the EU received criticism from Armenia's opposition groups as well as civil society for being insufficiently consistent in promoting reforms in the country. The level of accountability for both the European Commission and the Armenian government regarding the formation of an agenda and implementation of the program have remained very low during the six years since the commencement of the ENP.

The 2009 launch of the EaP not only contributed to the overall strengthening of EU-Armenian relations through the prospect of an Association Agreement

and a DCFTA, but it also envisaged correction of the shortcomings of the ENP. Inclusion of parliamentary and civil society forums in the EaP promises better public awareness concerning the details of the program – and thus, improved regard for the public interest.

Nonetheless, there is still uncertainty as to the priorities of the EaP, as well as controversy in perceptions of the initiative, both in the partner countries and in the EU itself. This fact raises the concerns of those who expected the EaP would significantly foster the processes of democratization in the EU's Eastern neighborhood, at the same time as it stifles interest in the new initiative within the societies of the six countries.

Despite the existing problems, one of the obvious achievements of the EaP is the Civil Society Forum (CSF), which was established as an institutional component of the initiative and is now spreading to the national levels of the partner countries. The CSF promises to become a motor for effectively advancing the EaP's democratization agenda, surmounting public distrust, and cultivating hope for an optimistic scenario of the EaP's development.

RASHARD SHIRINOV:

A Pragmatic Area for Cooperation: Azerbaijan and the EU

For almost a decade after Azerbaijan's independence European integration was a declared as well as an intended priority for Azerbaijan. This started to change in 2003 when Ilham Aliyev replaced his father as president. The new tendency corresponds to the period up to the mid 2000s when oil revenues were expected shortly to inundate the country. This new period is symbolized by more centralized and consolidated authoritarianism exhibiting a strongly developed personality cult of the late president Haydar Aliyev. During this period European institutions have been criticized by Azerbaijani political parties and civil society for condoning illegalities and tolerating repression of the opposition in Azerbaijan.

Today, we can speak of a fresh deterioration in relations between Azerbaijan and Euro-Atlantic structures and a rejection of European values by the Azerbaijani ruling elite. This seems partly connected to the relative loss of European and US power vis-à-vis Russia in the former Soviet sphere.

However, this decline in relations between the EU and Azerbaijan is observed mostly in the realm of human rights and democratization, whereas in the areas of economic development, social policy, the environment, and other »soft« issues the Azerbaijani government is largely open to cooperation.

It seems that today's Azerbaijani authorities in the present phase of building a modern state do in fact understand the ability of modernization to empower various groups. Therefore they have opted for harsher regulations in restricting democracy in order to guarantee the stability of their regime.

When it comes to Azerbaijani experience, some of the opponents of the current regime concede that restrictions on freedoms are acceptable, but only when they are justified by development needs, and when the authorities are sincere about this »liberty trade-off.« In fact, the biggest source of dissatisfaction among Azerbaijanis seems to be the overwhelming corruption, nepotism, lack of the rule of law, interference of the authorities in businesses, almost non-existent social benefits, and low salaries.

VLADIMIR ULAKHOVICH:

Belarus and the Eastern Partnership: Still a Long Way to Go

Belarus and the EU came into being almost simultaneously as subjects of international relations: in December 1991 the Belovezh agreements were signed, and two months later in February, 1992 the Maastricht Treaty heralded the creation of the EU. Although 18 years is too short a period for historical generalizations, it can hardly be denied that during this time both the EU and Belarus have gone far in their development. The EU, of course, has become one of the key global players. Belarus, in turn, having unexpectedly splintered off from the USSR (within which it had been the Byelorussian Soviet Socialist Republic) and gained independence, has made huge strides in taking advantage of its statehood. 18 years ago such swift development was hardly imagined in even the boldest forecasts.

The EaP is a new idea and it offers a real opportunity to establish strategic and mutually beneficial cooperation. Taking into account the unique situation in Belarus, it needs to be recognized how important it is to offer effective approaches to the development of this program. Perceptions of the EaP in Belarus and Europe remain quite different, and this creates barriers to cooperation.

The EU should extend the EaP, as it has shown its value as an innovative forum for deepening relations. In particular, the EaP should focus on reinforcing the role of civil society actors and support the broadest possible channels for discussion.

EU policy toward Eastern Europe should advocate a change in the paradigm of Europe's energy supply. This goal should also be reflected in the programs for technical assistance that the EU offers.

The issue of free travel to the EU for Belarusians has enormous significance for the shaping of social attitudes favorable to the EU in Belarus. It is therefore necessary to meaningfully facilitate the travel of citizens of Belarus to the EU within the Schengen framework.

Lastly, in order to prevent the isolation of Belarus, investment in the growth of Belarus' pro-European elite is highly advisable.

TAMAR KHIDASHELI:

Georgia's European Way

The five-day war of August 2008 altered Georgian reality. That tragedy changed not only the thrust of Georgia's official foreign policy and the lives of tens of thousands of internally displaced persons: it also changed Georgian society's perception of the outside world.

Bilateral relations significantly intensified following the 2003 »Rose Revolution,« when the old regime under Shevardnadze was replaced by young leaders sharing liberal, Western values. From the first days of his inauguration, President Saakashvili sent a clear message to the outside world that Georgia was going to pursue Euro-Atlantic and European integration – even at the expense of worsening relations with Russia.

In the post-conflict era, the Georgian authorities have perceived the European Union as the only alternative for ensuring the security and territorial integrity of the country. The Russian invasion also made it clear to the EU that its security begins outside its borders.

There is a general consensus that Georgia has more work to do in strengthening its democracy. In 2008, President Saakashvili promised a »new wave of democracy,« which envisaged, among other things, increased powers for parliament, more opposition oversight, a freer media, and reform of the country's judiciary.

Today, the reality is disappointing. Indeed, according to assessments by Reporters without Borders and Freedom House, Georgia's media is less free and pluralistic than it was before the Rose Revolution in 2003.

A public opinion survey conducted in June 2010 showed that Georgia's pro-Western orientation was seen as contributing to a potentially violent environment. A majority of those questioned thought that an over-emphasis in government policy on relations with the US/West at the expense of worsening relations with Russia increased regional tensions.

Nonetheless, the EaP is an added value for Georgia. After all, Tbilisi considers the EaP a higher level of relations with the EU, in which Georgia is treated as a »Partner« and not simply as a »Neighbor.« In addition, the EaP is perceived as an important step towards European integration, the primary elements of which include an Association Agreement, visa-free travel, and introducing a free trade area.

Thus, relations between Georgia and the EU could be promising. This optimistic attitude is based on two interrelated arguments: (i) the mid-term prospects of the EaP, such as an Association Agreement and free trade, are clearer; thus, there are better reasons to hope that Georgia will continue democratic reforms; and (ii) Georgia's political leadership sees no alternative to integration with the EU. All the more so as NATO membership has been postponed for the foreseeable future.

VICTOR CHIRILA:

New Opportunities for Moldova

Since the elections of 2009, Moldova has been governed by the Alliance for European Integration (AEI), a coalition of liberal-democratic parties – namely, the Liberal Democratic Party, the Liberal Party, and the Democratic Party. All parties are supporters of Moldova's gradual integration with the EU in the foreseeable future. Consequently, European integration is the bedrock of the current government's program.

There is a remarkable openness towards Moldova in all EU capitals, and this offers new opportunities, ones that have to be translated into concrete achievements. Thus, the EaP has become a key priority for the current Moldovan government. As a result, the EU has started negotiations on the future Association Agreement with Moldova, which will offer political association and economic integration. Since May 2010 Moldova has been a member of the European Energy Community, which entails the integration of its electrical energy system into the EU's electrical energy network and market. Moreover, the European Commission has approved a comprehensive Democracy Support Package in the amount of 4 million euros, aimed at supporting projects in the field of human rights and the rule of law. The European Commission has also sent a high level advisory group composed of nine advisors who are assisting the Moldovan authorities in developing and implementing sectoral policies compliant with EU standards and practices. The European Commission and the Moldovan government have also signed a Memorandum on Comprehensive Institution-Building funded in the amount of 41 million euros, which will help Moldova to prepare its national institutions for implementation of the future Association Agreement. Dialogue with civil society has notably improved, and measures have been taken to increase access to information and the transparency of public decision-making.

It is obvious that the EaP has offered Moldova new opportunities for developing its relations with the EU. Nevertheless, the EaP has not overcome the main structural deficiency of the ENP, which is its weak motivation and conditionality package designed to propel reform in the partner countries. This structural deficiency of the ENP and the EaP is somewhat concealed, inasmuch as Moldova enjoys a pro-European government, one that is determined to implement all necessary reforms for deepening the partnership with the EU in all areas without waiting to be given a clear-cut prospect for European integration. Indeed, regardless of who is going to govern in Chisinau, the EU must have meaningful leverage to be able to guide and encourage Moldova on the path of reform.

For Ukraine, the EaP has spelled both bad and good news. It has been bad news since it does not respond to Ukraine's EU membership aspirations and lacks funding. Moreover, the EaP is perceived in Ukraine as having little added value, since the initiative really only extends the offer already on the EU–Ukraine table to the other EaP partners. The EaP has also been good news, however, since Ukraine is no longer labeled merely a »neighbor,« but a »partner.«

When the EaP was launched the EU–Ukraine bilateral agenda was already very intensive. The EU and Ukraine have been negotiating an Association Agreement (AA) with the DCFTA as its key component. The EU and Ukraine have also been implementing the visa facilitation agreement with the prospect of moving towards visa-free travel. Within the ENP the EU offered greater involvement with domestic reforms in Ukraine. The number of institutions conducting dialogue at various levels, along with opportunities for civil servants and people-to-people contacts, has increased since the ENP was launched. The EaP adds little that is new to this agenda, although it does mean to strengthen some of these aspects.

The offer expressed in the European Commission's Communication on the EaP in December 2009 contains interesting ideas, including regional development programs similar to the EU's convergence policy, direct cooperation between regions of the EU and partner countries, cross-border cooperation among the EaP partner countries, and in the longer run the possibility of a targeted opening of the EU labor market and the prospect of full access to the single market. All of these offers are new in the EU's policy towards Ukraine (the other offers of the EaP are new mostly for other partners, not Ukraine) and even go beyond what is currently being negotiated in the EU–Ukraine Association Agreement. However, these offers will remain at the ideas level until they are deliberately turned into projects or become included in the AA. For the time being, the only specific or practical tool close to the implementation stage is the Comprehensive Institution-Building program (CIB), which is aimed at reforming state institutions in selected areas where reforms are needed. This is supposedly a more efficient approach than that of capacity building for civil servants alone, which has been the thrust so far.

The multilateral dimension of the EaP is a different story. This is a good idea for the region as a whole, which since the collapse of the USSR has experienced only disintegration. The multilateral dimension can help the countries of the region share their experiences of pursuing reforms and integration with the EU. It can also help in tackling common challenges such as illegal migration, protection of the environment, and the development of transportation routes.

ALEXANDRA DOBRA:

Microfinance: Champion in Poverty Alleviation and Failure in Female Empowerment

In the past few years the provision of financial services to low-income clients via microfinance programs has drastically increased due to its positive effects on development. There are plenty of policy concerns surrounding the triad of microfinance, poverty reduction, and female empowerment. Microfinance programs provide an effective and operational policy tool which is successful in reducing poverty »holistically,« in the sense that women tend to share their income with others more than men. However, the rigidity of microfinance programs does little to enhance female political empowerment. Thus, it is important to go beyond the mainly economics-centred literature and to draw on examples from less developed countries and to propose ways of overcoming the programs' weaknesses. As a result, a positive correlation between targeting women with microfinance programs has to be found that consistently decreases overall poverty.