

Winning the Hearts of Eastern Partnership States

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Russia and the EU have been increasingly competing for the loyalty of Eastern Partnership (EaP) states or, as Russia calls them, states of the “common neighborhood.” What is the nature of this competition, in terms of values and political incentives? Do the EaP and Customs Union projects really contradict each other? If not, what can be done to overcome this false rivalry? In this memo, I argue that EaP states misinterpret the nature of both European and Eurasian integration processes, leading them to conclude that these projects are mutually exclusive. In fact, both the EU and Russia want their neighborhood to become more prosperous and stable, and the best way to do this is to not deprive EaP states of choice.

Zero-Sum Game?

After the Ukrainian decision to suspend its Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA) with the EU, the prevailing opinion in the West (as well as in Russia) was that Kyiv changed its plans under pressure from Moscow (“unjustified economic and trade measures” in the words of Stefan Fule, EU Commissioner for Enlargement).¹ Ukrainian officials contributed to this perception by justifying their decision on the basis of a newly-found realization that closer association with the EU would complicate Ukraine’s relations with CIS states and the Customs Union and suggested the creation of a trilateral EU-Russia-Ukraine commission to discuss trade issues. There are other factors that led to a pause in the Ukrainian association process: the state of the Ukrainian economy, which was not quite prepared for a free trade agreement with the EU, and Viktor Yanukovich’s unwillingness to release Yulia Tymoshenko, which was a European precondition for signing the AA. Nonetheless, the political discourse around the AAs has been shaped in terms of a zero-sum game between Russia and the EU, with mutual accusations of blackmail against Ukraine.

¹ <https://twitter.com/StefanFuleEU/status/403606050236268545>

Russia and the EU have pretended not to play a zero-sum game, but the tensions surrounding the Armenian and Ukrainian cases have proven otherwise. First, the EU perceived Armenia's decision to join the Customs Union as a sign of Yerevan's weakening desire to cooperate with Europe. Accordingly, it did not seek to uncouple the political AA from the DCFTA, which might have been a logical response. Along the same lines, Russia consistently stressed that if Ukraine were to sign its AA, it would not be able to join the Customs Union. The Ukrainian government was wise to call for the creation of a trilateral commission to escape this stalemate, but chances for a mutually beneficial settlement were and continue to be low, as long as all sides insist on the incompatibility of the two integration projects.

International relations theory usually analyzes the EU as more of a normative power than a realist one like the United States. But by participating in zero-sum games with Russia in the "common neighborhood," the EU has acted in a more realist fashion. Did Russia draw the EU into this game? Moscow says otherwise, claiming on various occasions that Russia is against dividing lines on the European-Eurasian landmass, either in the sphere of security or economy. Moreover, Russia presents European-Eurasian cooperation (including a visa-free regime with the EU) as the main panacea against the unpredictable development of the Russian regime, which the West fears so much.

An important step in overcoming the zero-sum game may be for the EU and Russia to recognize that they are really playing different games. At the September 2013 Valdai Club discussions with international experts and media, Russian President Vladimir Putin said that there are two main spheres of international competition at present: a) economics and technology and b) ideas and information.² In the "common neighborhood," the EU and Russia have been competing in both spheres but not at the same time: Russia has been competing with the EU in the economic sphere, while the EU has been competing in the ideational sphere. This is why the EU perceived Armenia's shift toward the Customs Union (i.e., an economic project) as a weakening of democratic commitment, without mentioning the economic consequences of the decision. Russia, for its part, expressed greater concern, at least at a rhetorical level, about the economic consequences of Ukraine's AA. To prevent Ukraine from signing, furthermore, Russia used economic leverage, since it was unable to clearly formulate a viable political and ideational alternative.

The fact that Russia and the EU are playing different games (economic vs. ideational) can be explained by their different understanding of "best practices" when fostering the national development of a post-Soviet state. The Russian logic of development starts with economic stability and, in the end, leads to working democratic institutions. The European logic of development starts with working democratic institutions, which lead, finally, to economic stability. Ukraine, after the Orange Revolution, seemed to adopt the European logic of democracy first, but this path did not lead to the expected economic stability. There are two possible ways of interpreting the

² <http://kremlin.ru/news/19243>

situation: either the European scheme is not working, or it was not true democracy in Ukraine. Russia seems to prefer the first interpretation, the Euromaidan, obviously, the second one.

Unfortunately, there is no easy way to reconcile these differences. There is no scholarly consensus on whether economic growth and development foster democracy or vice versa. It is unlikely that Russia and the states of the EU, with their disparate experiences of state- and nation-building, will come to agreement on a single possible path of development.

“Regional Empowerment” as a Solution

Is there any way Russia and the EU can agree on a way forward for the states of the “common neighborhood”? One possibility is a notion we can dub “regional empowerment.” In psychology, empowerment refers to self-actualization. In management, it refers to the practice of sharing information and power with employees so that they take greater initiative while feeling greater responsibility for outcomes. In sociology, empowerment refers to a social process that allows people, mainly marginalized groups, to gain control over their own lives.

By regional empowerment, I mean a process of regional cooperation that allows participating states to take responsibility for their own fates and control of their own political, economic, and social development. In such a scenario, external assistance is limited to experience-sharing. Conceptually, regional empowerment is not so different from regional integration. I introduce a new notion to show that the main practical difference between the two is how project-launchers and potential new members perceive the EaP and the Customs Union.

Those who launched the EaP and Custom Union (and prospective Eurasian Union) projects see them as instruments of modernization aimed, essentially, at regional empowerment. According to the Eastern Partnership Joint Declaration of the 2009 Prague Summit, the Eastern Partnership is “a forum to share information and experience on the partner countries’ steps towards transition, reform, and modernization.” At Valdai in September 2013, President Putin similarly noted that “Eurasian integration is a chance for all the post-Soviet space to become a self-sufficient center of global development and not periphery for Europe or Asia.”³ As argued above, however, the EU and Russia do not recognize each other’s efforts as such due to their different understandings of the stages of national development.

In the meantime, states in the “common neighborhood” tend to perceive EaP and Customs Union/Eurasian Union projects as geopolitical instruments and integration projects where more developed states sponsor the rest of the group. They believe that the EU and Russia pursue and are willing to pay the cost of integration for the sake of geopolitical influence. Being objects of geopolitical games might bring dividends in the short term but hampers national development in the long term.

³ <http://kremlin.ru/news/19243>

Practical Implications

What follows from the clash of these two logics of development? How can either the EU or Russia win the EaP countries' hearts? Not only is there no magic recipe to do that, the question itself is not formulated correctly. No one should be competing for their hearts; EaP states should strive and be ready to invest in their own development themselves, regardless of external incentives.

In practice, Russia and the EU have already begun to convey this message to EaP states. In particular, Russian political and academic elites increasingly believe that Moscow should not seek political integration with neighboring states, which will perceive it as oppression. However, Russian efforts to make its post-Soviet neighbors aware of their responsibility tend to still be perceived as political pressure (i.e., gas wars, the August 2008 war, and the Customs Union/Eurasian Union). The rise of gas prices for Ukraine in the mid-2000s was a consequence of Russia's decision to de-politicize economic relations with post-Soviet states. In the case of Georgia, Russia's recognition of South Ossetian and Abkhazian independence was the only way the Russian government believed it could legally make President Mikheil Saakashvili abstain from the use of force against separatist republics. The Russian actions made the Georgian government look for new legal and economic rather than military ways to make Georgia more attractive to the two separatist territories. In the end, Georgia will likely succeed.

Russian trade restrictions toward Ukraine in the final months before the Vilnius summit had a similar goal of demonstrating the consequences of entering into a free trade area with the EU. Europeans refused to sponsor Ukrainian reforms that Kyiv would have had to carry out in order to fulfill its AA commitments. The EU's refusal is an important step that demonstrates to EaP countries that political commitments need to be fulfilled. The deliberate refusal of both Russia and the EU to compete for EaP countries' loyalty will make these states more sovereign and responsible for their own fate, regardless of their foreign policy orientation and choice of integration vector.

Unfortunately, it is proving difficult for both sides to break out of the regional zero-sum game. In continuation of its economic logic, Russia decided in mid-December to invest \$15 billion into Ukrainian government bonds and to lower gas prices for Ukraine, which reinforced a zero-sum logic and lessened Ukraine's ability to be more responsible and self-reliant. Europeans, in their turn, provided moral support for the direct democracy of the Euromaidan opposition. The game is not over yet.

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