

The Provision of Politico-Economic Security to Eastern Europe

by

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Abstract:

This paper discusses the new *Ostpolitik* of the enlarged EU vis-à-vis Russia, Ukraine, Belarus, and Moldova, four countries which currently do not enjoy an accession perspective. Rather, they are covered by the EU's „European Neighbourhood Policy“ (ENP), and, vis-à-vis Russia, its “Strategic Partnership”. By focusing on Eastern Europe we should like to call this policy an East ENP or EENP.

The objective of ENP is to share enlargement benefits with neighbouring countries by „strengthening stability, security and well-being for all“. The EU attempts to create a ‘ring of friends’ and prevent the emergence of new causes for division in Europe through greater cooperation on political, security and economic issues as well as culture and education. Through this deepening engagement, the EU seeks to promote partners’ commitment to common values such as the rule of law and the promotion of good neighbourly relations.

In concentrating on the key EENP countries Russia and Ukraine the paper deals with the potentials and instruments that are to shape their relationship with the EU. This relates to the EU-Russia Strategic Partnership, which is based on four common “spaces”: economic issues; issues of freedom, security and justice; external security; and research and education, and are to be dealt with, from the EU perspective, in the extended EENP context that includes a special relationship between the EU and Kaliningrad.

This also relates to the February 2005 EU/Ukraine Action Plan that, i.a., calls for moving beyond cooperation towards integration, including the EU’s Internal Market, and attempts to strengthen Ukrainian institutions.

The issues discussed here are primarily economic ones: How can intensified economic relations contribute decisively to the success of ENP and promote partnership and security in Europe? How can the EENP countries’ economic security, defined as the provision of commonly accepted global and regional institutions, rules, norms, and agreements, best be achieved?

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Theses

1. The "European Neighbourhood Policy" (ENP) framework targets countries too diverse to be covered by just one policy

The European Union's "European Neighbourhood Policy" (ENP) is designed to offer cooperation and a privileged relationship with the new neighbouring countries located in Eastern Europe as well as those south of the Mediterranean Sea¹, by creating a system of gradual cooperation and/or association contracts. The Russian Federation is not explicitly mentioned as an ENP country, but virtually all the goals, in connection with the bilateral "strategic partnership" laid down in 1997 "Partnership and Cooperation Agreement (PCA)"² and the 2004 "PCA Protocol"³, apply to Russia analogously⁴. The intended relations with these countries are aimed at „strengthening stability, security and well-being for all"⁵. In effect, this offer aims at an improved relationship without membership.

The question arises, however, whether this goal, the implicit exclusion of these countries from EU membership for the foreseeable future, can succeed. This question is particularly justified for Ukraine which is not only a European country but has, as a consequence of the 2004 "Orange Revolution" democratisation processes, put pressure on the EU to consider membership in the longer run. It seems incoherent to provide Balkan countries and even Turkey prospects for membership -in which case the ENP does not apply - and not to grant this prospect to Ukraine. On the other hand, as a result of its oppressive political regime, Belarus has not yet been able to benefit from the EU's ENP policy. This is likely to change once Belarus demonstrates its commitment to democratic values as defined by the EU, the Council of Europe and the Organization for Security and Co-operation in Europe (OSCE).⁶

¹ These countries include, from the former Soviet Union, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, and on the southern rim of the Mediterranean Sea, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia as well as the Palestinian Authority. For more information on the "European Neighbourhood Policy", cf. http://europa.eu.int/comm/world/enp/index_en.htm.

² Cf. http://europa.eu.int/comm/external_relations/russia/intro/index.htm.

³ Cf. http://europa.eu.int/comm/external_relations/russia/russia_docs/protocol_0404.htm.

⁴ For more information of the EU's policy vis-à-vis the Russian Federation cf. http://europa.eu.int/comm/external_relations/russia/intro/index.htm.

⁵ Cf. <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/04/632&format=HTML&aged=0&language=EN&guiLanguage=en>.

⁶ More information on the EU's policies towards Belarus you get at http://www.europa.eu.int/comm/external_relations/belarus/intro/index.htm#overview.

Furthermore, the ENP countries appear as an amalgamation of states that are, by ENP principles, not dealt with sufficiently on the basis of their economic, political, cultural and historic particularities and peculiarities. This condition relates especially to former republics of the Soviet Union that are wholly or partly European: Belarus, Moldova, Ukraine, and Russia – countries that have still to overcome their transitional post-communist structures. They have a joint history of “real socialism” and of central planning, and, in many ways, remain intricately interwoven, mentally, politically and economically.

Still other countries, especially those in Northern Africa, exhibit distinctly different traditions and structural patterns. Thus, assistance and support for further transformation in the European ENP countries must be individually designed which, in all likelihood, will be different from efforts that may help such ENP states as the Maghreb countries or, say, Israel.

For this reason we call for a distinct “East European Neighbourhood Policy” (EENP) with special emphasis on ex-Soviet republics in Europe.

2. An “East European Neighbourhood Policy” (EENP) should ask for a comprehensive political change and concentrate on economic security first

Even though the prospect of EU membership short or mid-term is not involved for these countries, EENP participation requires the mutual commitment to a comprehensive set of values “principally within the fields of the rule of law, good governance, the respect for human rights, including minority rights, the promotion of good neighbourly relations, and the principles of market economy and sustainable development. Commitments will also be sought to certain essential aspects of the EU’s external action, including, in particular, the fight against terrorism and the proliferation of weapons of mass destruction, as well as abidance by international law and efforts to achieve conflict resolution.”⁷

Action Plans

On the basis of these principles the ENP calls for the adoption of “Action Plans” between the EU and the partner countries. These Action Plans define a set of priorities, whose fulfilment is aimed at bringing the partner countries closer to the European Union. These priorities cover a number of key areas for specific action: political dialogue and reform; trade and measures to prepare partners gradually to obtain a stake in the EU’s Internal Market;

⁷ European Neighbourhood Policy – Strategy Paper, COM (2004) 373 final, Brussels, 12 May 2004, at http://europa.eu.int/comm/world/enp/pdf/strategy/Strategy_Paper_EN.pdf, p. 3.

justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts. So far, only with Ukraine has an Action Plan been agreed upon.⁸

Russia

With regard to the Russian Federation, already on 31 May 2003 the EU and Russia decided to create in the long term:

- a Common Economic Space,
- a Common Space of Freedom, Security and Justice,
- a Space of Co-operation in the field of External Security,
- a Space of Research and Education, including Cultural Aspects.

At the EU-Russia summit meeting on 10 May 2005 a single package of road maps for the realization of the four Common Spaces was decided upon.⁹ They mirror the principles of the ENP. However, it has to be kept in mind that Kaliningrad remains a key issue of the EU-Russia relationship. This problem has not yet been dealt with sufficiently, even after Kaliningrad/Königsberg's 750th anniversary festivities earlier this year.

Ukraine

On 21 February 2005 a joint Action Plan between the EU and Ukraine, a priority Partner country, was endorsed. It was the first one of its kind with a country of Eastern Europe and can be viewed as a model.

Not surprisingly, the plans for closer cooperation focus on economic issues that are essential for further steps towards EENP and even potential accession:

- macro-economic reforms in Ukraine
- movement of goods and services: further removal of export and import restrictions; Ukraine's accession to the WTO, and a free trade agreement between the EU and Ukraine and partial participation in the EU internal market
- movement of capital: liberalisation of capital movements (direct investment, current payments); protection of foreign investment
- movement of people: equal treatment of migrant workers; coordination of social security systems

Other key areas include Ukraine's recognition as a market economy, tax reform, a competition policy that is compatible with the EU regime, the protection of intellectual and industrial property rights, open public procurement, statistical methods compatible with European standards, financial control re-

⁸ EU-Ukraine Action Plan, DGE VI, UE-UA 1051/05, at http://www.ieac.org.ua/pics/content/15/1109931048_ans.doc.

⁹ Cf. http://europa.eu.int/comm/external_relations/russia/summit_05_05/index.htm.

garding public finances, and allowing for an enterprise policy that promotes SME's.

Emphasis on the economic relationship between the EU and its Eastern neighbours will foster a gradual inclusion not just of economic policy but of other policy areas mentioned above, such as political dialogue and reform, cooperation in justice and home affairs, transport, energy, information society and environment, as well as people-to-people contacts.

3. A successful EENP depends on the mastering of the EU's internal challenges

Despite the recent approval in Luxembourg of the EU's constitutional treaty the rejections by France and the Netherlands and the subsequent postponement of further referenda, as well as the failure of the June 2005 summit to cut deals on the EU's future finance, taken together, indicate a considerable uneasiness and insecurity about the "finalité politique" of the Union.

The reason for this is likely to have a growing perception within the public of an enlargement too quick in implementation and too comprehensive in scope, resulting in uncontrollable European integration that might even include Turkey's accession. In effect, the EU, and its population, have not yet, and will not for a number of years, come to terms with its enlargement challenge.

It remains unclear how the public's perception problem will play out or be resolved. In any case, the EU's EENP approaches would have to meet the EENP countries' expectations to come closer to the Union by, e.g., acquiring accession status while at the same time acknowledging the EU's reservation regarding the incalculable risks that may result from further enlargements and/or an increased opening towards the East. The EU's reaction to Ukraine's quest for accession, and her coming to terms with diverging political priorities between member countries such as Poland and Germany, will undoubtedly be essential for the future of EU enlargement.