**Of Wealth and Weakness: The EU and its Eastern Neighbourhood**

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**Introduction**

In early March 2014, Russian forces intervened in neighbouring Ukraine, leading to the absorption, on 18 March, of Crimea by the Russian Federation. Subsequently, Russia has remained deeply involved as Ukraine has descended into civil war, and the government in Kyiv has fought to reassert its control over the country. The European Union was deeply involved in events in Ukraine. It was, according to some accounts, the attempt to entice Kiev to sign a Deep and Comprehensive Free Trade Agreement (DCFTA) that provoked the Russian response in the first place. The EU has responded to Russian interventions with sanctions, while a lively and at times ill tempered debate has rumbled between member states as to the most appropriate reposnse to Russian actions. Assessing European policies, the EU Select Committee of the British House of Lords in February 2014 criticised what it characterised as a ‘catastrophic misreading’ of Russian policy in the region, suggesting that European states had been “slow to reappraise the relationship and to adapt to the realities of the Russia we have today” and had “sleepwalked” into the crisis. (Parliament 2014).

In the following, we argue that, the theoretical and conceptual claims made by much of the literature on the EU’s dealings with its neighbourhood have been undermined by events in Ukraine and the rest of the Eastern Partnership states. Rather than the Union managing to ‘domesticate’ international politics by extending its governance system to its neighbours, the EU’s approach to Ukraine was significantly flawed, because it failed to take proper account of the realities of power politics and of the Russian quest for influence over what Moscow perceives to be its neighbourhood. EU policy makers overlooked the possibility that EU actions in the region might provoke a Russian response, deploying the tools that had proven so effective with the enlargements of 2003 and 2007 in a contested geographic territory with scant regard for the potential for consequent geopolitical rivalry.

In making these claims, we deploy a neoclassical realist framework that, we argue, is most suitable to a rigorous assessment and explanation of EU foreign policy. Unlike many extant theoretical explanations of EU external relations, neoclassical realism provides tools not only for assessing their appropriateness given the nature of the international system and, particularly, of relative power relations within Europe (assessments all but absent from much of the extant literature on EU policies towards its eastern neighbourhood) but also for explaining their emergence.[[1]](#footnote-1) Realist approaches to international relations emphasise the way in which states respond to external stimuli. When states do not respond effectively to these stimuli, some analyses suggest that ‘we should find evidence of domestic politics…distorting the decision-making process’ (Rathbun, 2008 296). Neoclassical Realism emerged as a way of plugging this gap between neorealist expectations of foreign policy behaviour and the actual policies pursued by states. It is interested, in other words, in the responses of particular states to specific constraints and opportunities rather than in explaining systemic outcomes.

In keeping with the logic of neoclassical realism, we attribute this disjuncture between systemic incentives and actual foreign policy behaviour to intervening variables within the EU itself. Specifically, the institutional structure of the Union, which provides for consensus decision-making and provides each member state with a veto over foreign policy actions and any decision to impose sanctions while leaving individual member states free to pursues their own foreign policies in parallel to those of the Union, led to the adoption of ineffective policies that failed to take due account of existing power realities. In contrast to Fareed Zakaria’s (1999) seminal account, which underlines how the gradual reinforcement of the authority of the American state provided the key to the US ascent to great power status, the continued divisions that continue to hamstring EU foreign policy have undermined attempts to render its international influence proportionate to its undoubted its economic weight.

In addition to suggesting neoclassical realist approach to explaining EU foreign policy, we also aspire to contribute to the development of neoclassical realist theories. Most extant versions of the approach (**sources?**) treat states as centralised entities.[[2]](#footnote-2) They focus on leadership perceptions of their external environment, on the impact of societal actors on central authorities, or on divisions within the ‘national security executive.’ They do not address the possibility of that decision-making powers in foreign and security policy may be spread across multiple competing layers of governmental authority. Constituent entities in a quasi-federal system may have quite different understandings of the challenges they face in the international arena and how these challenges should be addressed. Their interests engaged in particular foreign policy challenges may differ. In the EU, they share competences in foreign and security policy with central EU institutions. The plausible result is the “domestic distortion” referred to by Rathbun (see above), but at the level of regional organization, rather than of the sovereign state.[[3]](#footnote-3) Our analysis highlights the way in which the institutional structures of foreign policy systems – and particularly those of systems less unitary than traditional nation states - can play a decisive role in shaping foreign policy actions.

**Mainstream approaches to EU foreign policy**

There is a voluminous literature – both scholarly and more policy-oriented – dealing with the foreign policies of the European Union. Particularly since the Iraq War of 2003, a large proportion of this work has emphasised the different approaches adopted towards international affairs by the European Union and more traditional powers like the United States. In some instances, such as the scathing critique penned by Robert Kagan (2003), analysis focussed on European ineffectiveness in the face of traditional military challenges.

For the most part, however, analyses have tended to analyse the strengths of what many see as the European Union’s unique approach to international politics. In the immediate aftermath of the war, a number of works appeared, vying in their attempts to highlight the benefits of this approach (Haseler, 2004 ; Leonard, 2005 ; McCormick, 2007 ; Reid, 2004). Parag Khanna baldly asserted that ‘by cleverly deploying both its hard power and its sensitive side, the European Union…has become more effective – and more attractive – than the United States on the catwalk of diplomatic clout’ (Khanna, 2004 66).

Academic observers began to conceptualise this potential in more theoretical terms. Perhaps foremost among them, Ian Manners coined the notion of ‘normative power,’ which differs from both civilian and military power because of its focus on the empirical rather than the ideational aspects of European power (Manners, 2002 238)**.** For proponents of normative power, ‘the most important factor shaping the international role of the EU is not what it does or what it says, but what it is’ (Manners, 2002 252). Similarly, others have argued that EU influence stems not merely from its actions but from its nature, which enables it to act as a model for others (Bertherton and Volger, 1999).

Such analyses have been most frequently applied to the EU’s attempts to influence developments in its own neighbourhood. For many years, academic observers have emphasised the unique ability of the European Community to ‘domesticate’ international politics. The purpose of civilian power, according to the original formulation of the concept, is:

to domesticate relations between states, including those of its own members and those with states outside its frontiers. This means trying to bring to international problems the sense of common responsibility and structures of contractual politics which have been in the past associated exclusively with ‘home’ and not foreign, that is alien, affairs.

(Duchêne, 1973 19)

Observers have drawn on such insights, favourably comparing the EU’s ‘soft’ power with traditional American military force. Thus, according to one recent analysis, spreading peace across Eurasia is best done ‘by donning Armani pinstripes rather than U.S. Army fatigues’ (Khanna, 2004 66). Europe’s ‘magnetic allure’ is deemed to be a more effective alternative to military power. Consequently, the EU ‘exerts greater leverage than the United States.’ over Russia (Khanna, 2004 67).

Such narratives drew inspiration not only from the contrast between EU and US forms of international influence, but also from the apparent vindication of the former provided by the experience of the enlargement of the European Union to the states of Central and Eastern Europe in 2003 and 2007, which involved the ‘most massive international rule transfer in recent history (Schimmelfennig and Sedelmeier, 2005 6). Despite the real potential for conflict in Eastern Europe following the end of the Cold War, realist predictions of instability (Mearsheimer, 1990, 6-7) proved to be false, not least as a result of the EU’s success in incorporating its former Warsaw Pact foes.

Students of the EU’s relationship with its neighbours have similarly emphasised the ability of the EU to domesticate international politics. Whilst, during the Cold War, the EC was based largely on the ‘politics of exclusion’, the 1980s, witnessed a move towards greater ‘inclusion’. The politics of inclusion demanded greater diversity of method and numerous paths of development in contrast to the rigid hierarchies of the previous decade. A complex set of external linkages were added to internal linkages with access being the key rather than control (Smith, 1996). Consistent with such trends, the EU in recent years has engaged in a process of progressively blurring its functional boundaries (Lavenex, 2011) and modifying its boundaries of governance as a way of influencing neighbouring countries (Gänzle, 2009 1719).

Attempts by the EU to extend its *acquis* beyond members and into the neighbourhood are viewed as a form of ‘external governance’ closely linked to the EU’s identity as a “security community” (Lavenex, 2004 681). Governance itself implies something beyond traditional notions of international ‘cooperation’ to a system of recurrent coordinated action leading to collectively binding agreements (Lavenex, 2011 374). Increasingly, therefore, scholars have come to look at the interaction of the EU with its neighbours through a lens designed to examine politics and policy *within* states.

**Need section on expectations engendered by these approaches**

**Power, State Structure and Foreign Policy**

Governance based approaches to EU foreign policies describe a world in which the Union attempts to ‘domesticate’ the international, rendering its borders more porous as a means of extending its influence via negotiation and conditionality. Yet, whilst the idea of external governance has gained significant traction amongst students of the EU’s interaction with the countries in its neighbourhood, there are several reasons to doubt its effectiveness as a conceptual framework to explain the EU’s relations with and influence over, its Eastern neighbours.

For one thing, and like much of the academic work on the EU’s foreign relations in general, the literature on the neighbourhood betrays a rather parochial obsession with the EU’s internal processes and institutions at the expense of any analysis of its substantive impact on the outside world. Thus, one edited collection argues that external governance is characterised by a number of factors – of which only one deals directly with the impact the EU exerts on non-member states (Schimmelfennig and Wagner, 2004). Similarly, in assessing the regulatory and organizational set-up of association relations in relation to different forms of external governance, one scholar freely accept that her assessment ‘says nothing on actual rule adoption on the part of the third countries’ (Lavenex, 2011 375).

Second, and crucially, such work frequently fails to take sufficient account of the international context in which the project was proceeding. With the gift of hindsight, it is all too easy to see that the international context today is vastly different. In the period immediately following the end of the Cold War, the EU enjoyed a monopoly on transformative power in the region, with no serious rival on the horizon (Grabbe, 2014 40). Certainly, proponents of the governance approach do not simply see this aspect of EU external policy as a case of ‘benevolent idealism’ but also acknowledge that it can be rooted in security concerns about the near abroad (Lavenex, 2004 685).[[4]](#footnote-4) However, power and competing sources of influence are largely missing from their analysis.

In contrast, ‘Realist’ theories, view politics as an unending competition for power and security in a world of scare resources and uncertainty, in which anarchy represents the permissive cause of international conflict.

**Need summary of realist claims on power and IR - section to cover:**

Neorealism and fact states that demur from this quest for power and security will be punished. Distribution of resources as critical factor that accounts for international outcomes.

When state policies fail to respond to the demands imposed by the international system, however, Neorealism cannot supply an explanation, as the international environment can ‘tell us what pressures are exerted and what possibilities are posed by systems of different structure, but it cannot tell us just how, and how effectively, the units of the system will respond to those pressures and possibilities’ (Waltz 1970: 71). The structure of the international system ‘constrains’ but does not determine (Waltz 1979: 69, 72). As Waltz continues (p. 22) ‘[C]lear perception of constraints provides many clues to the expected reaction of states, but by itself the theory cannot explain those reactions. They depend not only on the international constraints but also on the characteristics of states.’

There is thus a crucial distinction between a theory of international politics, which seeks to explain international events such as alliance formation and colonisation, and a theory of foreign policy, which explains the behaviour of particular states (Zakaria, 1999 14). According to the latter, systemic factors set the parameters for individual state actions, while a host of other, unit-level variables, determine the precise nature of those actions (Taliaferro, et al., 2009 3).[[5]](#footnote-5) The crucial intervening variable for much of the neoclassical Realist literature is the state, which is conceived of as sitting at the heart of the imperfect ‘transmission belt’ between systemic incentives and constraints and actual foreign policy behaviour (Taliaferro, et al., 2009 4)

In keeping with other varieties of Realism, Neoclassical Realism sees politics as a perpetual struggle among states (Taliaferro, et al., 2009 4). Yet whereas neorealists such as Waltz assume states are able to efficiently extract and mobilize domestic resources, neoclassical realists, whilst assuming that the primary driver of foreign policy remains relative power, assert that the impact of power considerations is mediated via unit level factors. For Zakaria, for example, state power represents the ‘portion of national power the government can extract for its purposes and reflects the ease with which central decision makers can achieve their ends’ (p. 9). Anarchy, in other words, gives states considerable latitude in defining their security interests and relative power considerations merely set the parameters for grand strategy (Taliaferro, et al., 2009 7).

Neoclassical realism helps to flesh out the central Realist concept of ‘power.’ It focuses on two variables crucial to the effective mobilisation of power by the state: extractive ability and inspirational capacity (we focus on first rather than the ideational element which is central to much neoclassical realist thought).[[6]](#footnote-6) Extractive ability is closely tied to the institutional structures in place within a state (Taliaferro, 2006). Fareed Zakaria, in his account of the rise of the United States as a major player in international affairs, makes the point that the ‘structure, scope and capacity of the state are crucial in determining how effective it is on the world stage.’ Scope refers to the breadth of the state’s responsibilities; capacity can be conceptualised as the ability of the state to extract wealth, whereas structure refers to its degree of centralisation (Zakaria, 1999 38-9).

Zakaria’s work represents one of the few attempts to explain the way in which the existence of multiple layers of governing authority serves to shape foreign policy outcomes, and he emphasises that a crucial issue in the rise of the United States to great power status was the process of transferring power from the individual states to the central government. In a more recent attempt to apply Realist insights to the development of the European Union, Selden argues (p. 410) that what he calls ‘state centric’ realism predicts that EU will develop institutional and power projection capabilities to have greater influence in the international arena following the consolidation of power over internal affairs in the central authority. Seldon’s argument, however, is based on a particular reading of the empirical evidence concerning the EU’s defence policies. Neoclassical Realism itself does not predict any particular outcome when it comes to the evolution of multilevel political systems.

Whilst contemporary Realist international relations theory understandably focuses on states, there is no need to limit its explanatory potential solely to the modern state. As one recent collection has pointed out, polities as varied as Greek city states, the Roman, Byzantine and Chinese empires, the principalities of mediaeval Europe, and city state leagues all can fall under the generic label of ‘states’ (Taliaferro, et al., 2009 26). Kenneth Waltz himself acknowledged that anarchy affects, and shapes the behaviour of a variety of units, whether they be ‘tribes, petty principalities, empires, nations, or street gangs’ (1979: 67) There is no reason, in other words, as to why realist approaches should apply only to sovereign states as the major actors in international politics (Vennesson, 2011). As we argue below, the need to effectively aggregate internal power resources in order to be able to deploy them in the international arena applies as much – if not more – to international organisations like the EU as to the traditional nation state.

**Again need section on (contrasting) expectations generated in terms of international outcomes and domestic determinants**

**The EU and Its Eastern Neighbourhood**

Since the fall of the Berlin Wall, the EU has devoted considerable time and energy to devising ways of dealing with its Eastern neighbourhood. The 1993 Copenhagen Council Conclusions included a set of criteria on accession to the Union, which focused on democracy, rule of law, human rights standards, state capacity and a functioning liberal economy.[[7]](#footnote-7) But, in practice, it turned out that there were two neighbourhoods. In the first, accession was clearly on the table. In the second one, farther to the east, it was not. By the middle of the 2000s, the eastward enlargement envisaged at Copenhagen had been substantially completed and the Union had to devise new ways of dealing with a neighbourhood whose prospects for membership were, at best, mixed.

In its 2003 European Security Strategy (ESS), the EU recognised that the integration of the belt of new members in Central Europe, the Baltics, and, in time, the western littoral of the Black Sea brought “the EU closer to troubled areas.” The ESS went on to highlight its interest in building a ring of well-governed countries to the East (and in the Mediterranean area) “with whom we can enjoy close and cooperative relations.” (European Council, 2003) Implicit in this formulation was a degree of doubt about the accession prospects of these states. The fundamental question was what to do about the states beyond the line, wherever the line was.

This was well expressed by Commission President Romano Prodi at the time:

Each enlargement brings us new neighbours. In the past, many of these neighbours ended up becoming candidates for accession themselves … But we cannot go on enlarging forever. We cannot water down the European political project and turn the European Union into just a free trade area on a continental scale … The goal of accession is certainly the most powerful stimulus for reform. But why should a less ambitious goal not have some effect? A substantive and workable concept of proximity *would* have a positive effect.

The Union was reasonably clear that the countries on the southern Mediterranean littoral would not qualify for membership, since they were not in Europe. The question was more difficult to the East. Where did Europe end? The Commission view was that, although membership was not excluded, there needed to be a debate about the line. In the meantime, the EU needed to offer more than partnership but less than membership. In Prodi’s view, this meant everything but institutional membership (Prodi, 2002).

These ideas took form in the neighbourhood policy (ENP). The 2003 Commission Communication to the Copenhagen Council reiterated the Union’s determination to avoid new dividing lines in Europe, to promote stability and prosperity within and beyond the borders of the Union by means of enhanced cooperation with new neighbours (notably Ukraine, Belarus and Moldova, all of which would be contiguous to Europe following the 2004-7 enlargement, as well as Russia) as well as to Mediterranean countries, based on a long term approach promoting “reform, sustainable development and trade.”[[8]](#footnote-8) A year later the three states of the Southern Caucasus were added, in part as a result of Georgia’s Rose Revolution. Russia, meanwhile, declined to cooperate within the neighbourhood frame. Apparently they did not consider themselves to be part of Europe’s “backyard” (Prodi’s word) and sought a more equal framework for cooperation. Efforts to develop an alternative bilateral strategy stalled.

One consequence of the 2008 Georgian war was the addition of the Eastern Partnership to the ENP in September 2008 – it was formally launched at the Prague summit in May 2009. The Partnership was intended to accelerate the trajectory of Europe’s eastern neighbours towards integration with Europe, although without any change on prospects for membership in the Union. The partnership specified the general impetus for cooperation through association agreements, DCFTAs within those agreements, and the possibility of visa liberalization. The intention was to make the policy more attractive to the Union’s eastern neighbours, offering greater differentiation, ownership and focus that were felt to be lacking from the ENP. The fundamental difference between the EaP and its predecessor are the addition of multilateral cooperation in the region to traditional bilateral relations with the EU, and an emphasis on four thematic areas – political, economic, energy security and civic reforms (Korosteleva, 2011b).

The ENP from the beginning displayed a clear internal tension. There was an underlying security rationale for policies towards the Eastern neighbours. However, the tools deployed towards the region were not those commonly associated with security policy. The EU, in other words, has attempted to foster peace and stability in its immediate neighbourhood by exporting its internal model without offering the prize that had made this offer attractive to candidate countries – membership (Cadier 2014 77). Rather, the focus was on defining an acceptable alternative to membership whilst countering any negative impact on the neighbours of previous enlargements. Thus, the Presidency Conclusions of the Copenhagen European Council of December 2002 stated that the Union ‘remains determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.’[[9]](#footnote-9)

The EaP marked a further stage in the EU’s struggle with the conundrum of how to build a privileged relationship with its eastern neighbours, but one without clear commitments or rewards (Sasse, 2008 296). The policy was meant to provide something explicitly short of membership. As implied in the literature on external governance, the purpose of the neighbourhood policy was to blur differences between insiders and outsiders without going as far as offering membership (Korosteleva, 2011a 5).

Three years of negotiation on the basis of “action plans” followed the launch of the EAP. By 2013, four of the partners were within striking distance; a fifth (Belarus) was excluded and one (Azerbaijan) was not interested. In the meantime, Russia had clarified the ambiguity mentioned above. In 2009, Russian Foreign Minister Sergei Lavrov attacked the Eastern Partnership in strong terms.[[10]](#footnote-10) In 2011, Putin proposed the Eurasian Customs Union (Putin, 2011). This initiative supplemented previous efforts at sub-regional cooperation (the CIS, the CSTO, and a number of rudimentary customs unions). The proposal included a full customs union. It also envisaged a deepening of political integration. In terms of relations with the EU, Putin made clear that he anticipated a future where two regional agglomerations (the EU and the Eurasian Union) would negotiate a common economic space bilaterally as equals. That automatically implied opposition to EU salami tactics on Russia’s western borders.

Since the rules of DCFTA were incompatible with those of the Customs Union, these alternatives were mutually exclusive. In short, although Russian unhappiness with the enlargement of European and Euro-Atlantic institutions had previously been focused on NATO, the reaction to the EaP suggested that, now, EU penetration of the region was also a matter of strategic concern. A competitive integration project was on the table. The carrots and sticks offered, or applied, by Russia in the leadup to Vilnius suggested that the full weight of the Russian state backed it up.

The Vilnius Eastern Partnership meeting at the end of November 2013 was to be a delivery summit. Armenia, Georgia, Moldova, and Ukraine were forecast to sign Association Agreements (AA), including Deep and Comprehensive Free Trade Agreements (DCFTA). Armenia and Ukraine were in the front of the queue with Georgia and Moldova close behind. However, in September 2013, Armenian President Serzh Sargsiyan announced at a meeting with Russia’s President Vladimir Putin that Armenia was withdrawing from its three year successful negotiation of association with the EU. Instead, Armenia would seek membership in in Eurasian Customs Union.

Two months later, in the lead-up to Vilnius, Ukrainian President Viktor Yanukovich announced that Ukraine also was abandoning its successful negotiation of an Association Agreement in favour of closer association with Russia’s regional projects. Yanukovich and Putin sealed the deal with a large infusion of Russian cash and a reduction in the price of gas supplied by Russia to Ukraine. Although some Ukrainians took to the streets to protest Ukraine’s abandonment of the country’s “European vocation,” the Ukrainian government did not appear to be in danger.

At Vilnius, the EU initialled agreements with Georgia and Moldova, the two least likely candidates. Six turned into two. On the face of it, this outcome was a major defeat for Europe’s foreign policy in general, and the neighbourhood policy in particular. The beneficiary appeared to have been Russia, which seeks to maintain preponderance in this part of the former Soviet space. In the case of Ukraine, this outcome unleashed the chain of events (the Maidan protests, the suddent collapse of the Yanukovich government, Russian annexation of Crimea, the detsabilisation of Eastern Ukraine, Russian intervention in favour of rebel forces in the Donetsk and Luhansk provinces, and the various efforts at conflict resolution).

The outcome was also puzzling. During the period in question, the Commission stated an aspiration to establish itself as a global power. One area of focus was the ring of neighbouring states. The EU has a substantial advantage over Russia by most measures of power potential. Its population is roughly four times that of Russia. Its GDP was approximately nine times that of Russia. In 2012, Russia’s GDP approximated that of Italy at $2.15 trillion. Three EU members (France, Germany, and the UK) have economies larger than Russia’s.[[11]](#footnote-11) In addition, as already discussed, it was widely considered that the EU has a substantial soft power advantage in general, and, by implication, over Russia. [[12]](#footnote-12) Finally, the United States supported the partnership strongly, since it embodied American hopes that the EU would take the lead in stabilising the former Soviet space.

**Power and The Eastern Neighbourhood**

EU policies towards the Eastern neighbours were, as we have seen, modelled on the institutional and procedural experience of the eastern enlargement (Sasse, 2008). In Ukraine, and elsewhere in the Eastern Partnership, the structure and monitoring processes of the ENP and the EAP represented ‘mechanical borrowing from the enlargement strategies’ (Kelley, 2006 32). However, unlike the situation of the accession candidates, membership was not formally on the table for EaP countries. The ENP thus offered far lower quality incentives than enlargement, whilst the responsibility for bringing about change fell solely on the shoulders of partner states. Moreover, as compared to an enlargement situation, the main elements of conditionality – incentive structures, consistency and credibility of conditions imposed, underlying power asymmetry are all weaker in ENP while partner adoption costs are higher. (Sasse, 2008 303).

Member states themselves, off the record, were clear prior to the Russian intervention in Ukraine, that a long term membership perspective would be necessary to achieve ambitious reforms in the partner countries (Korosteleva, 2011a 9). A survey of the literature on the EU’s impact on accession states clearly revealed that it was the perception of high benefits for joining that made states willing to accede to the high demands the EU made of them (Jacoby, 2006). Not least, the prospect of accession through enlargement had a fundamental political meaning for partners in terms of their protection from external geopolitical threats (Smith, 2005, 786).

Consequently, the ability of EU ‘soft power’ to shape attitudes amongst the Eastern partners was limited, as the reaction of the east European neighbours to the Eastern Partnership was less than effusive. Ukrainian officials were quick to underline that they might have allowed the European Union to dictate terms to them if membership were a prospect, but, in its absence, the lack of equality in the relationship was unacceptable (Korosteleva, 2011b 254). Belarusian officials expressed resentment at the hectoring tone of EU officials, and the lack of acknowledgement of the fact that the Eastern neighbourhood was contested, with Russia a major player (Korosteleva, 2011b 252-3). Belarus insisted on a relationship of equals, and resisted the imposition of EU values. Ukrainian officials were also highly critical about the ENP and EaP at the time of their launch, not least because of the lack of equality inherent in them, and the equal lack of a ‘sense of direction.’ (Korosteleva, 2011a 12). For Belarus, the perceived advantages of partnership are far less clear, in that ‘Belarus is not interested in the ENP offer, because the price to be paid by the political elite . . . is too high . . . The economic benefits of the increased cooperation with the EU are dwarfed by the subsidies and economic cooperation with Russia, even in the post-‘oil and gas crisis’ setting (Dura, 2008 6)

Moreover, for all the Union’s attempts to impose control on its neighbours, numerous obstacles stood in the way of its ability to shape developments in eastern partners. The Eastern neighbours have weaker regulatory capacities than the accession states, and are not as developed democratically; moreover there is a high degree of incompatibility between national policy practices and institutional arrangements and those applied in the EU. The impact of the EU has therefore been limited partly as a result of significant misfit and limited resources. According to Freedom House indicators, there was backsliding on political rights and civil liberties in all EaP countries except Moldova between 2006 and 2011 (Longhurst and Wojna, 2011). Even in the relatively easy case of Ukraine, a state with a high interest in becoming an EU member, a semblance of consolidating democracy, and a country in a position of asymmetric interdependence with the EU, where one would expect to see a high degree of what observers have termed ‘Neighbourhood Europeanization’, there are limits and clear variation between policy sectors (Gawrich, et al., 2010). While there was much declaratory commitment to European integration even prior to the crisis of 2013, little in the way of real reform was undertaken, not least because of a lack of effective coordination between different branches of the executive (Stegniy, 2011). Some change occurred, but it was policy-specific rather than systemic (langbein and Börzel, 2013 572).

Thus, the EU has not exerted enough external push to trigger domestic change (Börzel, 2010 15). EU policies threaten the hold on power of Eastern European elites. Crucially too, there was no offer of membership. As one recent retrospective on the enlargement process in Central and Eastern Europe puts it, the ‘incentive of joining the EU overwhelmed other domestic interests because there was such a strong sense among political elites and the public that Europe was their destiny in terms of identity, as well as their preferred destination in terms of prosperity, stability and security (Grabbe, 2014 44). Because membership is not on the table, EU member states appear more reluctant than in the case of CEE to authorize sanctions and withhold rewards, not least because this might conflict with their economic and geostrategic interests, including relations with Russia. To put it succinctly, in Ukraine, there was no clear membership perspective, compliance costs were prohibitive, and domestic proponents of liberal reform were weak. (Börzel, 2010).

Indeed, the deployment of a mechanism derived from the experience of enlargement to deal with states who themselves had little if any prospect of eventual accession threatened to have negative consequences in terms of the Union’s own geopolitical objectives. Thus, ‘the EU treats the neighbours not as sovereign subjects, who may have their own boundaries to re-draw, but as EU “objects of governance”, in a contradictory attempt to manufacture a circle of ‘well-governed countries,’ thereby running the risk of losing them as “friends”’ (Korosteleva, 2011a 7).

Perhaps most crucially, the European Union failed to take the prospect of competition for influence in the Eastern Neighbourhood seriously. All eastern partners expressed a sense of being ‘caught’ between EU and Russia. Moldovan and Ukrainian officials, even before the tumultuous events of 2013, noted that the relationship with Russia would only be surrendered in the event of the real prospect of EU membership. Divisions over geopolitical priorities were particularly marked in Belarus (Korosteleva, 2011a 14).

Over time, Russian concern over the expansion of European and transatlantic institutions into what it considered parts of its “backyard” or “near abroad” had hardened. Smith presciently noted that “the pursuit of closer relations with [ENP] states also risks upsetting the EU’s relations with Russia” (**source**)? Russia’s initial focus was on the enlargement of NATO. Putin delivered perhaps the most succinct critique in 2007:

I think it is obvious that NATO expansion does not have any relation with the modernisation of the Alliance itself or with ensuring security in Europe. On the contrary, it represents a serious provocation that reduces the level of mutual trust. And we have the right to ask: against whom is this expansion intended? [[13]](#footnote-13)

Early ENP documents do not even mention the potential for a clash with Russian interests in the Eastern Neighbourhood (Sasse, 2008 299). Partly, this was no doubt because the eastward enlargements of the EU in 2003 and 2007 had taken place smoothly with no real Russian intervention. However, the lessons from 1990s may be inappropriate, in that, in the late 1990s, Russia was absorbed with its own transition and so not focused on its external interests. Yet NATO enlargement and intervention in Kosovo in 1999, along with the Orange Revolution in Ukraine, seen as a western coup threatening Russian interests, led to a drive to consolidate the Russian position in its near abroad (Cadier, 2014 79).

The Vehrkunde statement was followed by serious Russian objections to the idea of enlargement to Georgia and Ukraine at the 2008 Bucharest NATO Summit. After NATO accepted in principle the idea of Georgian and Ukrainian membership, Russia went to war with Georgia in August 2008. That ended serious discussion of NATO enlargement into the former Soviet space. But it left the question of the deepening of the EU role in the eastern neighbourhood unresolved.[[14]](#footnote-14)

It was in the resolution it adopted in response to the Russo-Georgian conflict of August 2008 that the European Council asked the Commission to accelerate the creation of the EaP (European Council, 2008). However, fro all its geopolitical origins, the EaP represented a ‘slow and long-term process’ relying on conditionality incentives and socialization mechanisms, and backed by a relatively meagre budget (Cadier, 2014 78). As if to underline this fact, when the conflict between Ukraine and Russia over gas supply erupted in 2009, EU support was limited (Gawrich, et al., 2010 1223).

The EU overestimated the significance of its attractive power in the eastern neighbourhood. It ignored the fact that its political and economic prescriptions cut across established interests of key members of the political elite in Ukraine and Armenia. It also denied itself its major leverage – the firm prospect of accession. To judge from the record, EU policymakers underestimated the capacity and the will of the Russians to contest the space between the Russian Federation and Europe.

In the lead up to the 2013 Vilnius summit, EU policymakers were focused on domestic Ukrainian issues, notably the detention of former Prime Minister Yulia Tymosheko. They were not focused on evolving Russian regional policy. They appear to have assumed that they held all the cards. If Ukraine failed to comply with EU expectations, then the EU could wait, since Ukraine, in their view, had no sensible alternatives to association with the Union. Until the last days before the conference, EU policymakers showed little concern over competition from Russia.

Meanwhile, Ukrainian President Yanukovich was happy to play the EU and Russia off against each other and pursued a policy of cultivated ambiguity when it came to the ultimate orientation of his policies. Thus, whilst he chose Brussels as the destination of his first state visit following his re-election in 2010, a few weeks later he extended the lease of Russia’s naval base in Crimea (Cadier, 2014 81).

Even while eventually rejecting the Association Agreement with the EU, he did not promise to join the ECU, despite pressure from Moscow to do so. Given his priorities of securing re-election and ensuring the continued viability of the Ukrainian economy, his choice of taking money from Russia made sense. The conditionality accompanying the offer of IMF loans would have involved the rationalisation of the domestic gas market, as well as allowing the bankruptcy of a large number of enterprises, particularly in Eastern Ukraine. Structural reform would have alienated beneficiaries of the previous system, increased the cost of living, and resulted in widespread employment, largely in areas that traditionally supported the president’s party.

**Divided Union**

Realist approaches would have no problem explaining the fact that, when an actor behaves in contradiction to the systemic pressures acting upon it, it will face punishment. The disregard shown for geopolitical realities in Eastern Europe engendered a conflict for influence with Russia with disastrous consequences for Ukraine.

What traditional varieties of Realism cannot do, however, is explain the Union’s geostrategic myopia. In order to do so, we must turn to an examination of its internal structures. The non-unitary structure of the European Union is of great significance in structuring the approach adopted towards the Eastern neighbourhood. Some have pointed to the decentralised nature of EU policy making as resulting in a lack of ability to coordinate its approach towards Eastern partners (Smith and Webber, 2008). The Commission leads weakly by default, and shows bias towards a governance approach, whereby the EU projects its model into the partners, whilst member states (and their representatives on the ground in the region) are more sensitive to differences between the EU and partner states and of the potential role of Russia in the region (Korosteleva, 2011b 248-9)

One facet of explanation is the constitutional structure of the EU. The EU may aspire to be a global power. But it has yet to develop the state attributes of global power. The EU is a complex structure made up of sovereign states that have pooled some elements of sovereignty while reserving other elements to themselves. One key element of this reservation, despite CFSP and CSDP, is the control of foreign and security policy by member states acting alone or together. This limits the Union’s capacity to extract resources and to act in a unitary fashion on foreign and security policy issues, unless the members’ perceived interests and priorities coincide.

However, in respect of policy towards the Eastern Partnership, they do not. Some members wish to see limited EU resources focused on domestic issues within the Union rather than being dispersed in various external projects. The foreign and security policy priorities of many states are focused on the Mediterranean, and not the eastern fringe. Of those interested in the East, some (e.g. Poland and the Baltic states) have adversarial relationships with Russia. Others (*e.g.* Germany, France, and Italy)have substantial and mutually beneficial economic ties with Russia. In the prevailing economic circumstances, they are loath to jeopardise those ties through confrontation with Russia.

In other words, the priority that members have attached to the eastern neighbourhood vary widely. Among those who consider it to be important, interests are not aligned. The result is a lack of general membership commitment, reflected in the paucity of resources allocated to the pursuit of partnership. The eastern partnership was organised in 2008-2009 at the behest of those states with the greatest interest in creating a buffer between Russia and themselves. Those that had no such interests did not want major resources to be diverted to it in the middle of Europe’s economic crisis. The result was an ambitious policy with an inadequate resource base. In the face of a decision to **have** a partnership policy, but in the absence of clear guidance on **what** that was to be from the principals, the Commission did what bureaucracies usually do. They applied a template that had been applied successfully in the past in circumstances where the template was inappropriate.

The need to achieve consensus amongst member states impeded attempts to devise a clear, coherent and consistent strategy towards Eastern neighbours. It also, moreover, militated against the Union’s ability to pursue clear or effective interest-based objectives. The EU is unable to react decisively – its policies are slow and incremental in nature. Its power:

can hardly…be instrumentally levered and constituted as a quick-fire and proactive foreign policy tool. This transformative process remains not only a slow, incremental and long-term one but also, and most importantly, the EU’s structural power remains largely undirected…. This benchmark approach to international relations derives from the very nature of EU decision-making structures: it is much easier for member states to find convergence around norms, standards and values rather than around interests. Thus, by design, the ENP is not fit as an instrument to advance EU interests – which are not clearly defined anyway – and can hardly be used to coerce a country into accepting the EU’s offer’. (Cadier, 2014 83)

The EU is, by design an ill-adapted institution for the pursuit of interests in the face of geopolitical competition.

In short, the EU’s underwhelming results in the Eastern Partnership as a whole, and with respect to Ukraine in particular, cannot be explained through a strict structural realist focus on the balance of power or the balance of threat. It is a product of the mediation of the reaction to external structural opportunities and threats through member states and their political process. In this respect, although it is not a state, EU policy towards the partnership illustrates the central propositions of neo-classical realism. This conclusion suggests an interesting line of further research in the neoclassical vein – the extension of its theoretical propositions beyond states and into multilateral institutions.

**Further points / Concluding Comments / Points to add**

Insufficient investment. A large portion of EaP funding was diverted from already existing ENP programmes. And the total package was inconsequential in comparison to the aggregate GDP of partnership states. It did not compensate for the absence of clear accession prospects. Taking local interests and evolving Russian policy together, it appears that the EU assumed that this space was a blank sheet of paper on which it could write its story. However, the space was densely populated and EU preferences did not necessarily coincide with those of local agents or Russia. Russia, as a consolidated state with much deeper ties to most partnership countries, had considerably greater material capacity to influence the policy choices of these states than did the EU.

**Conclusions**

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1. We leave to one side the epistemological debate about whether, by amending neorealism in order to take account of domestic variables, neoclassical realists are promoting a degenerative research paradigm that is incoherent and indistinct Vasquez, J.A. (1997) 'The Reaslit Paradigm and Degenerative Versus Progressive Research Programs: An Appraisal of Neotraditional Research on Waltz's Balancing Proposition'. *The American Political Science Review*, **Vol. 91**, **No. 4**, Legro, J.W. and Moravcsik, A. (1999) 'Is Anybody Still a Realist?'. *International Security*, **Vol. 24**, **No. 2**, p.pp. 5-55. [↑](#footnote-ref-1)
2. We recognise the inchoate nature of neoclassical realism as a “family of theories” rather than a theory. None the less, the family has common attibutes. Olnea (2012, 139-140). [↑](#footnote-ref-2)
3. Zakaria for a notable exception [↑](#footnote-ref-3)
4. This rationale is evident in the discussion of the neighbourhood in the European Security Strategy of 2003 (EU 2003). [↑](#footnote-ref-4)
5. In this context, it is debatable whether neoclassical realism is a theory, or is a family of theories. (Olnea, 2012) [↑](#footnote-ref-5)
6. [Although we focus on extractive capability, we may explore the ideational element further at a later stage. We acknowledge that the supposed universality of EU models of governance and the economy and their uncritical application to the eastern neighbourhood is a potentially important element of the neoclassical story.] [↑](#footnote-ref-6)
7. Section 7.A.iii <http://europa.eu/rapid/press-release_DOC-93-3_en.htm?locale=en>. These criteria focused on the former Warsaw Pact countries that were seeking, or had already obtained “Europe agreements.” [↑](#footnote-ref-7)
8. “Communication from the Commission to the Council and the European Council: Wider Europe – Neighbourhood: A New Framework for Relations with Our Eastern and Southern Neighbours” (11 March, 2003), p.4. <http://eeas.europa.eu/enp/pdf/pdf/com03_104_en.pdf>. For useful background on the neighbourhood policy, see Elisabeth Johansson-Nogues, “The EU and Its Neighbourhood: An Overview,” in Katja Weber, Michael E. Smith, and Michael Baun, eds., *Governing Europe’s Neighbourhood: Partners or Periphery?(Manchester: Manchester University Press, 2007), pp.21-36.* [↑](#footnote-ref-8)
9. See Council of the European Union, 15917/02, p. 6, available at: <http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/73842.pdf>, accessed 16 November 2015. [↑](#footnote-ref-9)
10. Russia’s Lavrov lashes EU over new “EasternPartnership”’, EUbusiness, 22 March 2009. [↑](#footnote-ref-10)
11. From World Bank and Eurostat data. See: <http://data.worldbank.org/country/russian-federation>; <http://databank.worldbank.org/data/download/GDP.pdf>; <http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:GDP_at_current_market_prices,_2001,_2010_and_2011.png&filetimestamp=20121204113534>. [↑](#footnote-ref-11)
12. For example, see Reitman (2013) cites the protests in Kyiv during and after the Vilnius Summit as evidence of the strength of European soft power. [↑](#footnote-ref-12)
13. Vladimir Putin, “Speech at the Munich Conference on Security Policy, Vehrkunde” (14 February 2007). [↑](#footnote-ref-13)
14. As Polish Foreign Minister Radek Sikorski suggested: “In 2008, Vladimir Putin signalled Russia would not allow countries such as Ukraine or Georgia to join NATO, but EU integration was not a problem.” Neil Buckley, “EU Puts Brave Face on ‘Eastern Partnership’,” *Financial Times* (28 November, 2013). [↑](#footnote-ref-14)