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# The “Sovereign Neighbourhood”: Weak Statehood Strategies in Eastern Europe

Nicu Popescu and Andrew Wilson

The EU is dissatisfied with its eastern strategy. Almost every year since the European Neighbourhood Policy (ENP<sup>1</sup>) was first launched in 2004, it has tried to patch it up through various initiatives such as the New Ostpolitik, the ENP Plus, enhanced ENP, and, most recently, the Eastern Partnership.<sup>2</sup> The usual argument is that the EU's offer to its neighbours is not attractive enough and the EU should step up its engagement by repackaging as many elements as possible from its enlargement policy. But there are two stark differences between the new eastern neighbourhood and Central Europe in the 1990s or the Balkans today. The first is that Russia also offers a model to the EU's eastern neighbours; the EU is therefore not the only option. The second is that the neighbours constantly manoeuvre between Russia and the EU to strengthen their sovereignty rather than Europeanise.<sup>3</sup> An ENP designed as an enlargement policy “light” (that is, without an accession perspective) fails to take into consideration two fundamental questions. What if the neighbours do not want what the EU has to offer? And what if there are more attractive alternatives for the neighbours than cooperation with the EU?

## The Russian Neighbourhood Policy

The core of Russian foreign policy is the idea of “multipolarity”. But without a sphere of influence, Russia feels itself to be just a big nation-state, not a pole

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<sup>1</sup>Involving Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Ukraine.

<sup>2</sup>Proposed on 26 May 2008, the initiative is meant to complement the Northern Dimension and the Union for the Mediterranean by providing an institutionalised forum for discussing visa agreements, free trade deals and strategic partnership agreements with the EU's eastern neighbours (Armenia, Azerbaijan, Georgia, Moldova and Ukraine). Belarus will only participate at a technical level, while Russia will be invited to participate in some local initiatives.

<sup>3</sup>The authors thank Elena Gnedina for suggesting this idea. For more details see Gnedina, “Ukraine's Pipeline Politics”.

in a multipolar world. Hence the Russian claim of a zone “of privileged interest” in the post-Soviet space, which has been openly articulated in Russian President’s Dmitry Medvedev’s speeches and other foreign policy documents.<sup>4</sup> Russia is increasingly an actor with a neighbourhood policy of its own. ENP is no longer the only game in town.

Russia uses a wide array of hard and soft power instruments to promote its goals in the neighbourhood. It uses economic embargoes, gas supply interruptions, infrastructure takeovers and managed instability in the conflict zones; and maintains some kind of military presence in every single country in the eastern neighbourhood to further its aim of reconsolidating a sphere of influence. Perhaps more surprising is the use of Russian soft power. The Russian model of “sovereign democracy”, illiberal capitalism and faked elections is often attractive for post-Soviet elites. The famous definition of soft power as making others want what you want applies to many of these non-transparent post-Soviet practices.<sup>5</sup> The political discourse and practices in Azerbaijan, Belarus and Armenia are very reminiscent of those in Russia. Ukraine, Moldova and Georgia seem to pursue a model different from that of Russia’s “sovereign democracy” and are much more open to the West, but they too have learned how to use “political technology” and other techniques to harass political adversaries, mass media and even non-governmental organisations.

Russia has an attractive face for post-Soviet publics as well as post-Soviet elites. It often offers them what the EU does not: a relatively open labour market, visa-free travel, even citizenship and pension rights.

Since the Orange Revolution in 2004, the “Russian Neighbourhood Policy” has been in quiet competition with the European Neighbourhood Policy, reducing the potential attractiveness of any EU offer. Where the EU offers deep free trade, Russia offers cheap gas; where the EU offers visa-facilitation for a small per cent of the population, Russia offers visa-free travel; where the EU criticises electoral processes and send monitors, Russia sends political spin-doctors and finances political parties. But more fundamentally, the most important constraint on the effectiveness of ENP is the nature of the EU’s neighbours.

## The rise of sovereign neighbours

The model of EU enlargement to Central Europe was straightforward: the countries had to adopt the *acquis communautaire*. The model left little room for negotiations or ambiguities. The process was deeply asymmetric. The only thing

<sup>4</sup>See, *inter alia*, the interview with Dmitri Medvedev on the TV channels “Russia”, “Pervyi” and NTV, 31 August 2008, [http://kremlin.ru/appears/2008/08/31/1917\\_type63374type63379\\_205991.shtml](http://kremlin.ru/appears/2008/08/31/1917_type63374type63379_205991.shtml); and the Foreign Policy Concept of the Russian Federation, 12 July 2008.

<sup>5</sup>Nye, *Soft Power: The Means to Success in World Politics*.

Central Europe could negotiate the pace of the adoption of the *acquis*. The new eastern neighbours, however, have a much bigger potential for eschewing EU conditionality and reform promotion. They also have deeply corrupt and often authoritarian elites whose primary goal is to stay in power as long as possible. Navigating between Russia and the EU drastically enlarges their room for manoeuvre. For them, the EU is often an instrument of survival that allows them to manoeuvre between the power blocs to the east and to the west, rather than a fundamental civilisational choice.

### Why sovereignty?

The unspoken priority in the eastern neighbourhood is building new nation-states, not potential EU member states. If the founding myth of the accession states of the 1990s was the trauma of their half century as the “kidnapped West” in the socialist camp, the new neighbourhood states were moulded by the twin traumas of the 1990s: economic turmoil but also, for most, a difficult birth as nation-state. Both led to a greater emphasis on sovereignty.

An additional reason is that, since 1991, their sovereignty has never been truly acknowledged: the EU treats the neighbourhood as societies in dire need of root-and-branch reform; Russia defines sovereignty as effective capacity, which is sorely lacking throughout most of the region.

The EU’s sovereign neighbours combine three key characteristics. First, they see their relations with the EU not as a resource for modernisation, but as an instrument to widen their own freedom of action. Their primary aim is to strengthen their sovereignty against Russia, rather than Europeanise and delegate sovereignty to Brussels. States like Belarus and Georgia only engage with ENP “to promote their national interests (conflict resolution in the case of Georgia, and offsetting the Russian influence in the case of Belarus)”.<sup>6</sup> Thus, they are wary of the straight-jacket of Europeanisation, but mostly (except for Georgia) prefer “multivectoral” foreign policies (even though Georgia also played the game in Saakashvili’s early years). Second, rather than seeking reward from the EU for their success in undertaking reforms, they play Russia against the EU for geopolitical reward. They all use various degrees of implicit blackmail against Russia and the EU to extract concessions under the threat of a sudden *volte-face* to the west or east. Third, they want an ENP *à la carte*, and are much more selective in what they take from the EU than accession countries ever were. Most of them are not interested in importing the whole *acquis*. Why should they impose huge social or environmental costs on their economies if they are not going to join the EU? Azerbaijan is

<sup>6</sup>A. Vysotskaya Guedes Vieira, and L. Simão, “The European Neighbourhood Policy viewed from Belarus and Georgia”. *CFSP Forum* 6, no. 6, November 2008, 1–6. <http://www.fornet.info/documents/CFSP%20Forum%20vol%206%20no%206.pdf>

interested in energy cooperation, Georgia wants greater EU support against Russia, but neither really wants deep free trade, which presupposes regulatory alignment with the EU. Mikheil Saakashvili once exclaimed that Georgia does not need “a European model, but a Dubai or Singapore model” that does not impose red-tape on business and stifle economic growth.

### The “collective Tito”

The sovereign neighbourhood has been described as a type of “collective Tito”.<sup>7</sup> Arguably, this tendency has only been strengthened by the “five-day war” in Georgia. Russia may have exploited the demonstration effect of Russian power to encourage the neighbours to huddle closer, but it also served to remind them to keep their options open. The stakes also seem higher after the Georgia war, encouraging local politicians to play the leverage game in a constant competition to be best friends and/or most dangerous turncoats. According to Gleb Pavlovsky, as political competition in Ukraine has intensified, “Yushchenko and Tymoshenko phone Moscow all the time”.<sup>8</sup> And Ukraine has deliberately upped its lobbying in the EU too: as a “result of the PiS [Law and Justice Party] government’s anti-EU rhetoric, the Ukrainian political elite came to the conclusion that Poland was no longer the best promoter of Kyiv’s European integration ambitions and launched its own campaign directly addressed to Brussels, Berlin and Paris”.<sup>9</sup>

### Sovereignty strategies

The “sovereign neighbourhood” is not uniform. One obvious difference is distance: some hover closer to one pole, some to another. Some play on different dimensions: most are balancing between Russia and “the West”, and some play with third parties, like Azerbaijan with Iran. Finally, some have more resources than others. Armenia, for example, with its meagre resources has relatively narrow foreign policy options and an economy already under substantial Russian influence.

Moldova and Ukraine are the closest to framing their domestic and foreign policies as a desire to join the EU. NATO may be controversial, but there is reasonably broad support for EU membership amongst both elites and masses (especially at a declaratory level). Though they also play “ENP *à la carte*”, they aspire to being offered more. But Moldova and Ukraine also reproduce some of the traits of “sovereign neighbours”. Moldova is a bit too authoritarian, while Ukraine is a bit too assertive in its quest for special treatment in virtue of its size and

<sup>7</sup>Playing off east and west to reap the benefits of being “non-aligned”, like post-war Yugoslavia. European Council on Foreign Relations (ECFR) interview with Modest Kolerov, 20 October 2008, Moscow.

<sup>8</sup>ECFR interview with Gleb Pavlovsky, 20 October 2008, Moscow.

<sup>9</sup>Picklo, *Donald Tusk’s Government Policy Towards Ukraine*.

geopolitical importance. Both tend to use the implicit threat of rapprochement with Russia to push for greater integration with the EU, but also to win EU acquiescence in doubtful internal practices such as harassment of political opponents.

Georgia uses a more extreme version of geopolitical brinkmanship. Its foreign policy is largely based on perpetual conflict with Russia, to win international attention and support. Georgian officials only want from the EU what they think is good for their country, not what the EU wants to offer them. They call this model “selective convergence”.<sup>10</sup> Moldova, Georgia and Ukraine may all be fundamentally pro-European at an abstract level, but they are not fully committed to Europeanisation as a process of domestic reform, and all too often use the threat of Russia to get closer to the EU.

Armenia, Belarus and even Abkhazia (not a state, but still a separate political entity) play the opposite game. Russia is the cornerstone of their security and economic well-being and they seem firmly embedded in a consolidating Russian sphere of influence. They widely replicate the Russian “sovereign democracy” model (although Abkhazia is the most pluralist of the three). But they use the threat of rapprochement with the EU or US as a bargaining chip in their dealings with Russia, especially when the going gets tough and Moscow’s demands get excessive. But, although they flirt with the EU, Russia will remain their main partner.

Azerbaijan is perhaps the only neighbour who plays the sovereignty game with true equidistance. It has a strong local discourse that advocates a “sovereign and evolutionary” model of democracy without Western indoctrination and intervention in internal affairs, as Ramiz Mekhtiev, head of the presidential administration puts it.<sup>11</sup> But Azerbaijan’s capacity to be sovereign rests on vast oil reserves, its geographic position (the EU is too far away for EU membership to be a real aspiration), and a balancing policy that includes Iran.

The EU is entering a new game in the neighbourhood (even in countries like Turkey and Serbia). A reworked model of ENP, that is effectively enlargement “light”, might work for Moldova and Ukraine, but is unlikely to have much effect elsewhere. Instead, the EU’s ability to shape the future development – and choices – of its other eastern neighbours will depend on its capacity to differentiate and play the different “sovereignty games” of those neighbours, which implies being much more responsive to their needs. Failure to do so will mean continued frustration with the ENP. As a senior official from an eastern neighbourhood country puts it: “When the EU offers us something, our first questions is what’s in it for us?”

The sovereign neighbourhood is neither a new, nor a regionally restricted phenomenon. The Central Asian states try to play a similar balancing act but with a

<sup>10</sup>See <http://www.fornet.info/documents/CFSP%20Forum%20vol%206%20no%206.pdf>

<sup>11</sup>Mekhtiev, *Na puti k demokratii: razmyslyayaya o nasledii*, 741.

different set of actors: Russia, China and occasionally the US. During the Georgia crisis, the Shanghai Cooperation Organisation and China proved to be a useful framework for resisting Russian attempts to make them recognise Abkhazia and South Ossetia, and push them into irrevocably taking sides in a serious regional conflict. Incidentally, the EU's southern neighbours have played a sovereign neighbourhood strategy for over a decade, hence the widespread dissatisfaction in the EU with the Barcelona process.

### Implications for the Eastern Partnership

Without a stronger EU role in the neighbourhood, everyone will be worse off. As happened in Georgia. The EU tried not to get involved and not to irritate Russia, but ended up paying at the donor's conference for the consequences of a conflict that it tried to ignore until it exploded. Russia emerged from the war isolated and mistrusted, while Georgia emerged with even fewer chances of reintegrating Abkhazia and South Ossetia. EU-Russia relations were also badly hit. Worse, EU-Russia relations will continue to be under permanent danger of disruption by instability in the eastern neighbourhood if the EU does not seek to engage further in order to contribute to stability in the region in cooperation with Russia.

The existence of the Russian Neighbourhood Policy, however informal it may be, and the rise of sovereign neighbours pose serious dilemmas for the Eastern Partnership. Without addressing these, the EU will have to do some futile patchwork on its policies again in a year or two. To be effective, the EU has to acknowledge that there is a certain competitive relationship with Russia. It is not a competition for geopolitical control of the region, but for the political and economic models on offer to the neighbours.

If it wishes to be effective, the Eastern Partnership will have to respond to these twin challenges. It will have to be competitive, in the sense of being attractive, not anti-Russian. The offers the EU makes to its neighbours will have to be more responsive to the neighbours' individual needs, but will also have to match Russia's offers to these neighbours. In the eastern neighbourhood, the EU is in an open marketplace where it has to invest to achieve its objectives in the region.

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