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Member State Policy Preferences on the Integration of Ukraine and the Other Eastern Neighbours

Key points:

- There are two key areas of difference between the Member States. The first is the *finalité politique* of the ENP; i.e. should it lead to membership of the Union for the eastern neighbours, such as Ukraine, or something else;
- The second major area of difference is policy towards Russia (even though Russia is not part of the ENP). Policy towards the other eastern neighbours is viewed in many Member States through the lens of relations with Russia, which has positive (i.e. Poland) and negative (i.e. Italy or to a lesser extent, Finland) impacts on a given Member State's stance on the EU integration of Ukraine, Moldova and Georgia.
- A pragmatic 'wait and see' approach is fine for the EU in its current state – but clearly less advantageous for the neighbours, although with an appropriate incentive structure they could (and do) benefit from the policy;
- A multi-speed ENP tailored to the needs of each individual country is what the Union has settled on for the moment (in any case this increasingly reflects the way the Union itself is run).

Introduction

With negotiations of the new Enhanced Agreement between the EU and Ukraine now underway, it is worthwhile examining the question of the Member States' attitudes towards Ukraine's integration with the European Union and summarizing their policy preferences on the kind of relationship Ukraine should have with the Union. There is an additional logic to this endeavour at the time of writing, the later summer of 2008, since it is possible that the events in Georgia of August 2008 will shift the policy preferences on the European Neighbourhood Policy of key Member States – notably Germany – towards a more pro-Euro Atlantic integration stance for countries such as Ukraine, Moldova and Georgia. This paper focuses attention on the attitude of Member States towards the integration of these three eastern ENP countries, with particular attention being paid to Ukraine.

The paper does not seek to belittle the role of the Commission in the elaboration of ENP, since its existence and form are primarily the result of

policy entrepreneurship within the Commission. It was the Commission that suggested the idea of using the (very successful) enlargement policy as a template for relations with the Union's new eastern neighbours. Nonetheless, in the absence of a *finalité politique* for the ENP, the role of the Member States is vital both in setting the agenda and – perhaps more importantly – in keeping issues off the agenda and seeking to exercise influence, persuasion and coercion to secure a particular outcome. Following the examination of Member State preferences, the paper turns briefly to the preferences of the Commission and Parliament.

It should also be noted that the focus of the paper is further justified in that the Union has been going through a more intergovernmental phase in recent years. This can be explained by several factors, although the following two are of particular importance. First, the enlargement of the Union to 27 Member States from the previous 15 has made the nature of debate within the EU less friendly and collegiate and more formally intergovernmental. Interestingly, the efficiency of the EU in making decisions has not been reduced, despite the greater number of national policy preferences to be reconciled (Hagemann and De Clerk Sachsee, 2007). Others may dispute this point which indicates that further research is needed in this area. Additionally, the 2004 round of enlargement marginally increased the size of the eurosceptic minority within the European Union, with the accession of the Czech Republic, which is distinctly lukewarm towards a deeper Union (although not necessarily a 'wider' one, as this paper will argue).¹ Second, the rejection of the Constitutional Treaty by French and Dutch voters in referendums held in May 2005. The reasons for the voters' rejection of the Treaty in these two countries were diverse (although as is often the case with referendums, the answer the voters gave was not necessarily connected to the question they were being asked), but the fact that two founding, euro-enthusiast Member States should reject a proposed plan for a modest new phase of European integration sent shockwaves across the EU, and to a certain extent, put debate on all the aspects of the Union's future on hold. In the absence of a clear mandate for the Union to extend its supranational powers into new policy fields it appears that intergovernmentalism, for the short-term at least, is in the ascent.

It is unnecessary to provide an overview of the aims of the ENP or its development to date, since these will already be familiar to the readership of this paper. Nonetheless, the pithy observation of Barbara Lippert is worth bearing in mind that: 'ENP benefits above all those that are already making progress, but that is not powerful enough to break through obstacles put up by those unwilling to reform and to overcome resistance' (Lippert, 2008). This paper now turns to the policy preferences of the Member States.

The Member States and the ENP: Interests and Influence

¹ Some elements of the Polish political class, notably the Law and Justice party, which governed that country from 2005–07, and from which the current president comes, are also eurosceptic. Nonetheless, Polish euroscepticism (for all the media hype) remains the preserve of a particular segment of the socially conservative centre-right.

This section looks at a selection of Member States and their interest in, and influence on, the European Neighbourhood Policy. The examples of France, Germany, the UK and Poland are employed; the former two long represented the driving force behind the Union; the UK claims to have instigated the idea of a neighbourhood policy in 2002; and Poland has much-vaunted ambitions for ENP and, as a new Member State, brings a relatively novel perspective. The points of view of other Member States are subsequently overviewed in less detail, before turning to the positions of the Commission and the Parliament.

Germany

In many respects, Germany is the most important Member State for ENP, following on Germany's long tradition (both before and since 1989) of engagement in eastern Europe. The Southern dimension of the neighbourhood policy is also of importance to Germany (particularly the relationship with Israel), however, on balance Germany's interest in Eastern Europe is undoubtedly much greater. Over the past 15 years, Central and Eastern Europe has hugely increased in importance for Germany, not only as a result of that country's eastward shift from the Bonn republic to the Berlin republic, but also as a result of – amongst other things – the rising proportion of trade between Germany and its eastern neighbours. In 1980, central European countries accounted for about 4.9 per cent of West German exports (Kempe, 2006). In 2005, that figure had risen to 12.1 per cent (Kempe, 2006). Germany is also greatly dependent on the EU's eastern neighbours for the provision and transport of oil and gas. Germany imports around 43% (2004 figure) of its natural gas from Russia and around 35% (2005 figure) of its oil.² The Nord Stream gas pipeline which would run directly from Russia to Germany remains years away, in consequence, the importance of the eastern neighbours for energy transport will remain high for the foreseeable future. Trade is, as one would expect, one key element to Germany in determining its level of interest in ENP. German interest in the EU's eastern neighbours also stems from concerns over justice and home affairs issues, such as migration and organised crime. Interestingly, German FDI in Russia (and the former Soviet Union generally) is not particularly high – at least according to official estimates. In 2008, Germany officially had around \$5 billion worth of investments in Russia – a trifling sum given the size of the German economy.

Between 2003 and 2007, Germany pursued a 'Russia first' policy as regards the Union's eastern neighbours. This policy, for which former Chancellor Gerhard Schröder was roundly criticised by some central European countries (such as Poland) was supposed to be rooted in a hard-headed view of Germany's economic priorities since Russia, it was argued, is not only a huge market for German manufactures, but also its key energy supplier. The most obvious expression of the Russia-first policy was the decision in 2005 to build a new Baltic Sea gas pipeline, bypassing the present land transit countries.

² See the United States' Department of Energy statistics at: [«http://www.eia.doe.gov/»](http://www.eia.doe.gov/).

Poland and the Baltic countries' fierce opposition to this project stemmed not so much from pique at no longer being able to levy transit fees for gas, but rather from a fear that Russia would acquire increased political leverage by being able to switch off supplies of gas to those states without, in consequence, breaking supply commitments to consumers in western Europe. Moreover, given that building extra pipeline capacity over land would have been cheaper for Germany and Russia, there was a sense that Germany was also acting to increase its energy security independent of its eastern partners in the European Union. What is interesting about this policy is that whilst economic interests had some importance, Russia in the wider scheme of things is not that important to the German economy, with the exception of its role as an energy supplier, and surely the role is a reciprocal one, since Russia is as dependent on the sale of oil and gas to Germany, as Germany is on its purchase from Russia.

The Russia-first policy appears to have shifted under Chancellor Angela Merkel as reflected in giving support to Poland and Estonia in their disputes with Russia at the 2007 EU-Russia summit in Samara. This was all the more remarkable considering German disappointment with Poland's veto of the talks on the next EU-Russia Agreement, as a result of the Russia embargo on Polish meat imports. However, it remains unlikely that the importance of Russia to Germany will diminish in comparison to the Union's other eastern neighbours, and therefore it is unlikely that Moldova and Ukraine will move far up the agenda. The only circumstances under which this could be envisaged is if what Iris Kempe (2006) calls Germany's 'Russia first plus Poland' approach to its relations with eastern Europe acquires a new dynamism – which is rather unlikely given that Germany believes that Poland is too focused on the East and Ukraine in particular.

In terms of policy initiatives, the German Presidency of the European Union made a number of proposals, grouped together as 'ENP plus' (Barysch, 2007). Essentially, the policy reiterates the importance of the eastern ENP countries for the security of the Union and proposed two innovations. First, that ENP distinguish between European neighbours (that is European countries that are neighbours of the EU) and Europe's neighbours (non-European neighbours). This proposal was rejected by the Club Med countries. There appears, however, to have been some acknowledgement of the potential the eastern neighbours have for far deeper integration with the EU. Second, ENP plus recognised that without the golden carrot of eventual accession, the incentives for closer co-operation with the Union for the neighbourhood countries needed to be significantly increased. However, this does not mean that Germany is pro-enlargement, rather that it does not exclude the possibility – a subtle but important distinction. For the moment, the Germans favour gentle, steady progress on EU integration and the implementation of the necessary parts of the *acquis* that this requires. This requires no grand gestures on the part of the Union; nor should ENP countries seek such gestures. Membership or discussion of possible membership should remain off the agenda for the foreseeable future.

Germany's 21st century *Ostpolitik* is therefore shifting slightly away from over-concentration on Russia towards the rest of the eastern neighbourhood, and also towards closer co-operation with the new Member States of the EU in this field. Merkel's reaction to recent events in Georgia which focused on maintaining the NATO-membership track for Georgia underscored this. More generally, however, *at the moment* other matters are more pressing on the German EU agenda, such as the resolution of the difficulties with the passage of the Lisbon treaty and the question of Turkish membership of the Union. Until these two questions are resolved, unless there were further military action between Russia and a former Soviet republic, Ukraine and the other eastern neighbours are unlikely to rise up Germany's EU agenda.

France

France is one of the few Member States with interests in both the southern and eastern dimensions of ENP. It should be noted that – for the moment at least – France is very cool towards further enlargement of the Union, with the exception of Croatia, and possibly some parts of the former Yugoslavia. This is perhaps linked to recent debates in France about the kind of EU it wants to be a member of, in terms of its social and economic model, which in turn has spilled over into concerns about Europe's identity and boundaries. Moreover, France has legitimate worries about the Union's absorption capacity.

In many ways, French policy is similar to German policy, although perhaps significantly more sceptical about the benefits of future enlargement. Under President Sarkozy, France has taken far more interest in the eastern neighbours (partly because France now takes more interest in the concerns of the new Member States) than was previously the case, although part of the explanation for this could be that it was a necessary corollary to Sarkozy's pet project of a Mediterranean Union. One point that is perhaps worthy of note is that since France's stance on the eastern neighbours is fairly close to that of Germany, it is just *possible* that were Germany to shift its preferences towards a more beneficial interim package for Ukraine, Georgia and Moldova, it is quite conceivable that it could carry France along too. However, given France's present reluctance to sign up to anything that appears to put the eastern neighbours on a membership track, it might take a significant shift in the region with regard to the relations between Russia and the other former Soviet republics for this to come about.

Generally, France is a supporter of ENP, provided that it does not become path dependent towards accession; and provided that the southern dimension receives equal attention and funding in comparison with the eastern dimension.

United Kingdom

The UK claims to be one of the godfathers of ENP as the country that first put forward a suggestion for the elaboration of a cohesive policy towards the Union's eastern neighbours in a letter to the Spanish presidency of the Union

in 2002, expressing concern about the situation in Ukraine, Moldova and Belarus.

As a large, rich Member State with an important role in the Union's foreign policy, the UK is an ENP player, although not really on the same scale as Germany, or even Poland and France. Together with Poland, Sweden and Lithuania, the UK is pro-enlargement, even signalling a membership perspective for Ukraine (interestingly, no other eastern neighbour is included) (FCO, 2007, p. 32). However, the credibility of the UK's position is in doubt given that, firstly, the UK is always pro-enlargement as a reflection of its 'wider [shallower] Europe' stance on the European project; and, secondly, this position would need to be supplemented by some advocacy of this position to bring Germany, and more crucially, France, around to this way of thinking. The UK will not push for Ukrainian membership, even if it is broadly in favour, because the eastern neighbours of the EU are simply not a UK priority in the Union, in comparison to, for example, reform of the Common Agricultural Policy, completing the single market in the field of services, or most importantly of all, the British Budgetary Question.

Poland

Poland both before and since its accession to the Union has had a particular interest in European Neighbourhood Policy, albeit limited to relations with the eastern members. The present government of Poland did seek to build an ENP partnership with Spain based on the division of labour between eastern countries (Poland's speciality) and southern countries (Spain's speciality), however, this plan amounted to little more than a rhetorical device.³ Nonetheless, some Polish government initiatives have borne fruit, such as the 2003 non-paper on the post-accession relationship between the EU and its eastern neighbours, many of which were integrated into the ENP. More recently, the joint Polish-Swedish paper on 'Eastern Partnership' is indicative of a Polish desire to accelerate Ukraine's pace of European integration, as a test case for the other ENP countries.

In contrast to France, Poland is an enthusiastic proponent of enlargement to the east, particularly to Ukraine, Georgia and Moldova (and also to Turkey and the western Balkans). This stems partly out of a desire not to be the Union's eastern border for ever; partly out of economic interest in the Ukrainian market; and partly out of a sense of historical destiny as a result of Polish[-Lithuanian] engagement in what is now Belarus and Ukraine during the First and Second Polish Republics – this last factor should not be underestimated.

Bilateral relations between Poland and Ukraine are closer than between any other two states lying on either side of the European Union's new eastern border and since the mid-1990s they have forged a dynamic strategic partnership (Wolczuk and Wolczuk, 2002). Poland's special role in Ukraine was highlighted during the Orange Revolution of 2004, when President

³ Author interview with Bolesław Woźniak, DemosEUROPA, Warsaw, 18 May 2007.

Kwaśniewski so successfully used both his knowledge of Ukraine and close relations with Ukrainian politicians to help broker a peaceful settlement (Copsey, 2005). In the first few years of membership at least, Poland has perceived itself as the Member State best equipped to draw Ukraine into a ring of friendship and security around the European Union.

With regard to two of Poland's other eastern neighbours, Russia and Belarus, Poland's eastern policy differs from that of many Member States. First, Poland has sought to maintain dialogue with Minsk, despite the undemocratic and authoritarian practices of its president. However, Poland has been relatively unsuccessful in persuading its partner Member States of the importance of dialogue with the Belarussian government. Second, Poland's stance towards Russia – in common with many of the other post-communist new Member States, but in contrast to other Member States such as Germany – is highly suspicious and, particularly on the part of the Polish president, Lech Kaczyński, downright hostile. Whilst President Kaczyński often has relevant points to make on a number of issues – such as Russian intervention in Georgia in 2008 – he does so in an overly blunt fashion, which undermines the credibility of his initiatives.

Poland has not been particularly successful in uploading its policy agenda for ENP in Brussels for several reasons, most of which centre on Polish difficulties in alliance building. First, the Polish policy did not take sufficient account of French preferences, and focused too much on getting an accession perspective for Ukraine. Second, Poland's strategic partnership with Germany – essential for uploading its policy preferences in the Union – was weakened by the 2005–07 Polish government's somewhat clumsy German policy that irritated the German government and undermined Polish credibility. Finally, Poland's relative lack of success in ENP is also a reflection on the generally unspectacular performance of Poland as a Member State, caused by the 2005–07 government's bungling (such as leaving the post of permanent representative vacant for six months), its overaggressive defence of national interests (such as threatening to invoke the Luxembourg compromise during negotiations on a sugar reform); its general lack of understanding that influence in the Union is dependent on the ability to negotiate, compromise, build alliances/consensus and be a reliable partner; and, its very low level of administrative capacity. Nonetheless, on a more optimistic note, there seems to be some signs of policy learning in Poland on how to be an influential Member State, and the joint Polish-Swedish initiative formulated by the present, more euro-enthusiast government is to be welcomed.

Other Member States

Attitudes towards the appropriate course of European integration for Ukraine, Moldova and Georgia vary between the Member States along a spectrum that runs from 'strongly opposed to further enlargement' (except to the former Yugoslavia), which would be the case for Austria, to 'strong support for further enlargement', which would be the case for Lithuania (and to a slightly lesser extent, the other Baltic states). It is not possible to place Member State

preferences on this issue between traditional groupings of Member States, such between pre-2004 Member States and post-2004 Member States, since even if most new Member States are favourable to closer links between the EU and Ukraine, important differences exist between, for example, the Hungarian and Polish policy position, with Hungary considerably warmer towards Russia than Poland.

Nordic Member States do not share a common position either, although their policy preferences are not particularly far apart. In essence, the distance between the Finnish and Swedish position on what kind of relationship Ukraine, Moldova and Georgia should have with the European Union boils down to the Finnish need for excellent relations with Russia, versus the Swedes, who are unambiguously in favour of a membership perspective for Ukraine.

The European Commission

It is somewhat harder to discern the attitude of the European Commission towards the neighbourhood policy and the European aspirations of Ukraine, Moldova and Georgia, since technically, the Commission has to work within the policy boundaries set for it by the Member States – it can hardly begin to talk about membership at the present time, without a clear consensus from the 27 Member States. Besides, EU officials have argued (Author Interview, DG RELEX, 26 May 2007) (typically, yet justifiably) that the reforms the ENP brings are to the benefit of the target countries with or without accession. Nonetheless, the Commission does have opinions on how best to improve the functioning of the policy. First of all, the Commission is strongly in favour of greater differentiation between the ENP countries, focusing on their needs as well their performance to date in fulfilling the commitments they have entered into with the EU. Following a successful progress report in April 2008, Ukraine's relationship with the EU will be substantially upgraded.

The Commission, unlike some Member States, does not appear to see relations with Ukraine, Georgia or Moldova through the prism of relations with Russia. Thus the EU is definitely not in competition with Russia in the region, and does not wish to lecture the Russians on what is best for them through 'megaphone diplomacy' in Ferrero Waldner's words.

The European Parliament

The Parliament has tended to be much more enthusiastic in its support for the European vocations of the eastern neighbours, expressing notably, its wish that the Union provide 'a clear European' perspective for Ukraine in the aftermath of the Orange Revolution in January 2005. Following the parliamentary elections of 2006, the EP passed another resolution asking for the Council to 'respond promptly and concretely to the growing hopes of the Ukrainian people, who are increasingly looking to the EU', which also requested visa facilitation. The attention of the Parliament is a reflection on the skilled advocacy of some of the European parliamentarians from the new Member States, such as Jacek Saryusz Wolski, a skilled, ruthless Polish

centre-right politician who has chaired the Foreign Affairs Committee of the European Parliament over the past few years.

Although the Parliament is free to vote whatever resolutions it pleases on Ukraine, since they are not binding on the Council, these symbolic gestures are useful to the pro-European lobby in Ukraine in persuading Ukrainians that there is a substantial body of influential politicians within the EU that would welcome Ukrainian accession.

Conclusions

It is highly appropriate to ask what all of the above means for Swedish policy and Swedish aid to Ukraine.

It is clear that Sweden's policy preference for a membership perspective first for Ukraine and then, possibly, for the other eastern neighbours is closer to that of Member States like Poland than that of, for example, France or Finland.

Nonetheless, it seems that EU policy towards the eastern neighbours has reached a compromise position that more or less all the Member States can agree upon: that a multi-speed ENP tailored to the specific needs of a particular country with benefits from the EU tied to progress in implementing mutually agreed policy aims. Membership will not be discussed, although it should not be ruled out that Ukraine, and possibly, Moldova, will make a formal application for membership towards the end of the next Ukrainian Presidential term (around 2014). Should Yulia Tymoshenko win the next Ukrainian Presidential elections, this would be a notable achievement that she could point to on the foreign policy scene in seeking a second term.

Provided that the membership question is not touched upon, Germany would be an enthusiastic (and above all, influential) partner for Sweden in its policy towards Ukraine. German policy goals for Ukraine in the short-term do not really differ from those of Sweden, in that both countries seek something like an Association Agreement with Ukraine for the EU, foreseeing the establishment of a deep and comprehensive FTA and including some visa facilitation for Ukrainians travelling to the Schengen area. Moreover, and perhaps crucially, in comparison with Poland or some of the other new Member States, Germany is more nuanced on its position towards Russia, which makes it more of a serious partner for some other Member States. This is not to discount the possibility that, following Russia's intervention in Georgia, the EU will be facing a far more aggressive Russia and needs to respond. Rather, the country that will matter the most in forging a common position towards Russia is likely to be Germany and working closely with Germany is likely to yield results. Poland is more complicated as a partner due to the unpredictability of its President and its somewhat one-sided (albeit often accurate) analysis of contemporary Russian foreign policy.

Swedish bi-lateral aid programmes to Ukraine also complement those of Germany, given that Germany tends to focus on the business environment and Sweden focuses on energy, the environment and governance.

Policy towards the eastern neighbours, including Russia, is evolving rapidly and much will depend on whether Russia continues its policy of defrosting the frozen conflicts in countries like Georgia, Ukraine and Moldova. Crimea is the obvious potential flash point in Ukraine where Russia could seek tension. Should Russia's more aggressive policy continue, the EU will have to respond and markedly increase its offer to countries like Ukraine, Georgia and Moldova.

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