

Judith Dellheim/Frieder Otto Wolf

On the Eastern Partnership as an strategic area of neoliberal EU policy and development

This year the EuroMemorandum should include a paragraph on the European Neighbourhood Policy (ENP) and especially on its Eastern regional dimension, i.e. the Eastern Partnership (EP). The reason for this is not only that the respective consultation process has taken place in spring 2015 and that the EU authorities (and some political leaders) have arrived at dramatic conclusions about the failure of the ENP, but that there is a mounting urgency to it which puts increasingly high pressure on the EU to act in this regard. As the EU has so far strongly underestimated the role of the own interests of EU neighbours, conceiving of the ENP rather as an instrument of unilaterally imposing the interests of leading EU members. This re-orientation will be difficult – and it may well lead to the emergence of chances for alternative political forces. At the same time, however, new challenges and dangers for the populations in all concerned global regions have been and are still emerging, while old problems are further unfolding. This should especially constitute a motive of alternative political forces (and therefore also for alternative economists) to understand these developments, and to grasp the possibilities for action they offer.

In this process, the question of first priority should be the following: Are the alternative political forces capable of developing conceptions adequate for solving problems in a sustainable way and to win over people, social and political actors for implementing first steps in the direction of an alternative economic, social and political development? What can be the role of alternative economists in such a process of a change of direction?

Dealing with these questions and focusing on the EP the authors will start with some facts and figures on the EP, then they will show how the EP has become more and more neo-liberal or an area integrated into and by an ongoing neo-liberal strategy. Accordingly, the EU is currently experiencing what could be called a new period of imperial shaping. This process is interlinked with political developments within leading EU member states, especially in Germany, France and Great Britain – which in their foreign policy have all reinforced the imperial tendencies. In Germany, the global crisis and the growing problems of the EU have been attempted to answer by taking and reinforcing a dominant role.

In the end, the authors will propose some conclusions to the discussion within the EuroMemoGroup on the EuroMemorandum 2015.

1. Facts about the Eastern Partners of the European Union

	Total area (thousand ² km)	Population (million inhabitants)	Median age of population years)	GDP per capita (in €)	Poverty rate (share of total population, in per cent)*
EU	4.463,5	508,8	42,2	27.300	16,7
Eastern Partners	1.031,0	75,2		3.700	ca. a quarter
Armenia	29,7	3,0		2.600	35,8
Azerbaijan	86,6	9,5	29,7	6.000	11
Belarus	207,6	9,4	39,2	5.800	17,8
Georgia	69,7	4,5	36,9	2.700	9,7
Moldova	33,8	3,6	34,8	1.700	29
Ukraine	603,5	45,2	39,7	3.100	26,5

(Source: eurostat 89/2015: 1, own calculations) *on the basis of national figures

The figures show a) the very important quantitative role of Ukraine within the EP, b) the high chances for the EU to gain access to a young or younger and cheap labour force and c) the high „danger“ of migration as an ‚effect‘ of poverty.

EU Trade in goods with the Eastern Partners (in € million)

Year	2004	2014
Eastern partners countries		
Export	16,4	33,1
Import	13,6	32,4
Balance	2,8	0,6
Total Extra EU		
Export	945,2	1.702,9
Import	1027,4	1.680,5
Balance	- 82,2	22,3
Eastern partners countries/total		
Export	1,7%	1,9%
Import	1,3%	1,9%

(Source: eurostat 89/2015, own calculations)

It means formally, that the EP is not yet important for EU trade and economic policy, but there is a significant potential for further trade expansion, especially with the Ukraine, for gaining access to cheap labour, to energy from Azerbaijan, as well as for ‚strengthening‘ the geographical position of the EU– especially in relation to Russia – and, accordingly, for gaining geo-political advantages in the global dimension and for improving the „security“ of the EU.

EU trade in goods with the Eastern Partners by product (in € million)

Year	EXPORTS (per cent)		IMPORTS (per cent)	
	2004	2014	2004	2014
Primary goods	10,6	20,9	48,5	69,2
Manufactured goods	87,9	76,6	49,8	28,8

(Source: eurostat 89/2015, own calculations)¹

The high increase in EU imports of primary goods is especially a result of energy imports from Azerbaijan. The overall structure of trade is analogous to that with developing countries.

EU trade in goods with the Eastern Partner countries, by product, 2014

Country	Goods	Exports (in € million)	Imports (in € million)
Armenia		714	276
	Primary	14,6%	18,8%
Azerbaijan	Manufactured	75,6%	64,1%
		3.482	13.159
Belarus	Primary	9,7%	99,1%
	Manufactured	80,4%	0,8%
Georgia		7.464	3.428
	Primary	14,0%	48,9%
Moldova	Manufactured	84,6%	50,5%
		1.911	657
Ukraine	Primary	38,1%	75,9%
	Manufactured	61,1%	22,7%
		2.355	1.159
	Primary	30,7%	35,2%
	Manufactured	68,6%	64,7%
		17.143	13.764
	Primary	23,2%	49,2%
	Manufactured	75,2%	48,8%

(Source: eurostat 89/2015, own calculations)

Germany, Italy and Poland are the biggest EU trade partners within the framework of EP.

Germany's share of EU exports to the six Eastern countries has come to 21 per cent in the end of end of 2014, Poland's to 16, Italy's to 8, Lithuania's to 7 and Hungary's to 6 per cent. This is a

¹

Other goods excluded

significant change in relation to 2004, when Germany's share has been 27, Poland's nearly 14, Italy's 10 per cent. On the whole, Germany is the first winner of EP.

EU resources spent on ENP and EP

EU budget period	Resources spent on ENP in € billion	Share of EP in resources ENP means
2000-2006	8	A third, cooperation with Russia included
2007-2013	12	A third
2013-2020	15,4	A third

Regardless the important role of ENP for EU interests, the amounts spent on EP resources are extremely low.

2. ENP and especially EP in EU policy

The ENP has been decided in 2003 in connection with the significant EU enlargement in 2004 (Europäische Kommission 2003). It has started in 2004. One of the most active actors in this process was the Polish politician and thinker Bronislav Geremek. This should, however, rather be forgotten, because his central idea has not been borne out and should, therefore, be redefined: Geremek wanted avoid new dividing lines and problems in Europe resulting from EU enlargement. He was highly interested in partnership especially with the Ukraine and Russia and dreamed about a future EU membership of both countries or a very close partnership with Russia, in case Russia as a large country would want to remain a global player in its own right (Geremek 2012: 30-38). In June 2015 Commissioner Hahn has explained: „The European Neighbourhood Policy (ENP) was developed in 2004, with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours and instead strengthening the prosperity, stability and security of all. It is based on the values of democracy, rule of law and respect of human rights.“ (Hahn, 15.6.2015. But earlier, when preparing his work as the responsible commissioner and the already planned launch of consultation process, Johannes Hahn had already explained the criterion for the success or defeat of the ENP: „Since the European Neighbourhood Policy (ENP) was launched ten years ago, there have been profound changes in our neighbourhood. Although the ENP was revised in 2011 in response to the Arab Spring, the instability throughout the neighbourhood but in particular in Ukraine, Syria, Libya underlines the need for further change.“ (Hahn 2014). Accordingly, the crucial and most important ENP success criterion is defined in terms of stability,

but also in terms of those interests within the EU which continue and even increase their destructive activities in order to improve its global competitiveness and its capability to act globally. This is underlined openly by the following declaration: „The Eastern Partnership (EaP) is a joint initiative of the EU and six eastern European partner countries (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova (hereinafter referred to as ‘Moldova’) and Ukraine) that aims to bring these countries closer to the EU. The Eastern Partnership builds on existing bilateral relations between the EU and its partner countries and covers the eastern dimension of the European Neighbourhood Policy (ENP). It follows two parallel and mutually reinforcing tracks: bilateral and multilateral. The bilateral dimension aims to foster closer bilateral relations between the EU and each eastern partner country, while the multilateral dimension provides a forum for dialogue and exchange, through thematic platforms and flagship initiatives.“ (EC 2015: 2)

Commissioner Hahn and the High Representative/Vice-President Mogherini have then also declared (in the spring of this year): „ ... we need to consider how to work with the neighbours of our neighbours“ and „we should develop a real partnership of equals“ (Hahn 5.5.2015). Both have professed their will to make the ENP policy „stronger and more focused to give Europe a bigger impact; more differentiated and flexible to respond to the needs of our partners ... The ENP must be a true partnership, not an exercise in Eurocentric preaching.“ (Hahn 1.4.2015)

The following brief historical digression will explain another conclusion reached by EU

Commissioner Hahn: „Every effort made to strengthen stability in our Neighbourhood will pay off in more stability for Europe. Every cent spent in developing the economies of our neighbours, on fighting corruption and strengthening the rule of law, will produce a tangible 'return on investment' in form of new markets and less migration.“ (Hahn 1.4.2015). He makes clear: regardless all rhetoric refusal of „Eurocentric preaching“, the own „EU acquis“ still remains the starting basis for all official thinking and all policy development. „New markets and less migration“ remains the EU centric success criteria, but stability and „security“ are regarded as by definition connected to the creation of new markets and new employment, leading to a reduction of migration – the rulers of the EU resp. the ruling forces within the EU still have to deal with their own contradictions of interests and perspectives, as well as with objective problems, as they emerge.

To understand the conclusion on the necessity to change their own behaviour on the side of the EU authorities and officials, which may be made use of by alternative political forces, a short look at the history of the ENP and especially of the EP will be useful. Before the ENP and the EP were started in 2004 and 2009 the EU had already become an ongoing neo-liberal project – starting with the European Single Act on the Single Market in 1986 and the directive on free capital in 1988. This process has been completed by the Maastricht treaty that came in force with the beginning of 1992.

It is defined by a strong orientation towards global competition and therefore also by the development of EMU. And it has a strong underlying orientation towards building a military capability to act and towards fighting of unwelcome migration. The Kosovo problem has been used for expanding the „security“ strategy and the European Council in 1999 has laid down the European Security and Defence Policy, as it has then been integrated into the Nice Treaty in 2001. This strategy has been further developed by „Berlin Plus“, in strengthening the cooperation between EU and NATO, and by the adoption of the European Security Strategy in 2003. Before the EU enlargement has been implemented in 2004, the EMU had been completed and the Lisbon strategy had already been decided in 2000 (Europäischer Rat 2000). This strategy strengthened the orientation towards global competitiveness which has had and has a strong influence on the enlargement process: With the process of the EU enlargement, as it has been handled in effect, EU members of a second class have emerged: the CEE countries are granted less rights and possibilities to get EU funding, in spite of their huge social and economic problems, and – as it were, in compensation – they have attempted to become leaders in deregulation and in developing their partnership status with NATO. But in this time period the EU strategy still has remained oriented towards developing friendly relations with Russia.

But a new challenge to the EU has then derived from the roses' revolution in Georgia 2003 and the orange revolution in Ukraine in 2004. In both countries strong forces have wanted and still want to join the EU and the NATO – and strong forces within the EU share in this tendency, while other strong EU forces see the danger for a new instability in the EU development and in the development of the global region. Therefore, the different EU forces had to find a compromise – and the EP has offered a chance for reaching it. But this was a kind of EP radically different from the original idea, as formulated by Bronislaw Geremek.

When in 2006 the EU rulers have had to realise that the difficulties for realising the Lisbon strategy were increasing, they have laid down „Global Europe“ (Europäische Kommission 2006), as the foreign trade and economic agenda of the Lisbon strategy – which has constituted a still more aggressive strategy to open new markets for enterprises and especially for companies based in the EU member states. This has had a strongly destructive influence on the relations with ACP countries (EPAs – European Partnership Agreements), which then explains the new interest of the EU in the neighbourhood, in the Eastern neighbour countries, especially in Ukraine. This interest is especially huge on the side of the new EU Eastern members and of Germany which had turned out to be the main winner of the EMU, as well as of the CEE EU enlargement. This offers one important explanation for the conflict in approaches in relation to the main orientation of the ENP between Germany, on the one hand, and France, Spain and Portugal, on the other hand. From that time, the EU is consistently linking the negotiations on Association Agreements with the imposition of deep

and comprehensive free trade areas. „The Association Agreements, including Deep and Comprehensive Free Trade Areas (AA/DCFTAs) offer advanced integration with the EU in a wide variety of areas ... from political association and enhanced cooperation in foreign and security policy to close economic integration through a deep and comprehensive free trade area. The DCFTA goes beyond a classical free trade area. It concerns not only the liberalisation of trade in goods (by lifting customs duties and abolishing trade quotas) and services, but also has broad provisions on the approximation of partner countries' legislation with the trade-related EU acquis.“ (EC 2015: 3)

And before the EP was finally launched, the Lisbon Treaty came fully into force with the beginning of 2009. It includes a still rather unclear formulation on ENP, but it provides a very clear orientation towards societies with an open market economy and towards a commitment to military strengthening (EU C 83/20, C 83/96, C 83/38). The EP as well as the ENP have never been conceived as a partnership of equals. When in 2010 the strategy EU2020 was adopted by the ruling forces of the EU, the AA/DCFTA, the EU energy security and the Common Foreign and Security Policy (CFSP) became the core guidelines for the EP, and thereby have contributed to making the EP and EU policy still more clearly neoliberal. The ENP orientation „more for more“ making additional EU funding to neighbours depending on special ‚EU friendly reforms‘ has been agreed in 2011, which reinforces our conclusion on the ENP being constructed as a partnership of unequals. Starting with the EP Summit in Vilnius, the EP has been given a clearly anti-Russian orientation. The causes for that are to be found within the practice of the CFSP (and its component of cooperation with NATO), within the difficulties with the Ukraine arising in the AA/DCFTA negotiations and, also, in the more aggressive response of a more and more undemocratic, imperially oriented Russia to developments (and provocations) by the EU and by NATO. „Bilateral and multilateral EU cooperation with eastern partner countries in the area of common security and defence policy intensified remarkably. The EU and some of the eastern partners started regular bilateral staff-to-staff consultations. Ukraine took part in the European Union Naval Force Somalia (‘Operation Atalanta’) early in 2014, providing a frigate for the operation, and Georgia and Moldova took part for the first time in CSDP operations. Georgia and Moldova both took part in the European Union Training Mission in Mali and Georgia contributed one infantry company to EUFOR RCA (contributing 156 troops, making it the second largest contributor to the operation).“ (EC 2015: 4). In the same time an open paradigm shift in the German foreign policy towards a more aggressive tendency aiming at a leading role in Europe has been completed.

The year 2014 has been celebrated as successful for the EP, and therefore for the EU: „The Eastern Partnership made significant progress in 2014. The new Association Agreements signed with Georgia, Moldova and Ukraine are already being provisionally applied. For Georgia and Moldova, provisional application already includes the Deep and Comprehensive Free Trade

Area (DCFTA), while for Ukraine provisional application of this part of the agreement has been postponed until the end of 2015. The AA/DCFTAs involve ambitious political, economic and social reform agendas, drawing the eastern partner countries concerned closer to the EU.“ (EC 2015: 2). At the same time, the main priority in the East has had to become a EU contribution to the solution of the crisis in Ukraine. More specifically: „In the East, Russian pressure on Ukraine, Moldova and in different ways on Georgia and Armenia has impacted on our neighbours' freedoms to choose their course and on the EU's ability to deliver on its regional objectives. The situation in Ukraine, and the continuing unresolved frozen conflicts throughout the region, makes our relationship with Russia more complex and more challenging than ever.“ (Hahn 10.4.2015)

The 2014 EP stocktaking has included the work of EU and Armenia on further developing and strengthening comprehensive co-operation, where ever this is regarded as compatible with its future obligations under the Eurasian Economic Union by Armenia. To this effect, a ‘scoping exercise’ has been launched in November to identify the legal basis for future EU-Armenia relations. Political dialogue between the EU and Azerbaijan was intense up until October, when Azerbaijan decided to postpone a number of meetings under the Partnership and Co-operation Agreement. The EU is looking to continue developing co-operation with Azerbaijan under a Strategic Modernisation Partnership. The EU continues also its policy of critical engagement towards Belarus which includes co-operation through the multilateral track of the Eastern Partnership and technical dialogues on specific topics of mutual interest, as well as assistance for civil society and the population.

Accordingly, in drawing conclusions, Commissioner Hahn has highlighted four key points:

„First: what can we do increase the scope for differentiation in the way we work with our partners? ... we need to consider how to work with the neighbours of our neighbours – without giving them a veto over any partner's engagement with us in the ENP.“

Hahns second key point is „ownership ... We should develop a real partnership of equals.“ His third point is about focus: „I want to get away from the current model where we try to cover a very wide range of sectors with every partner. For those who want, and who are able, we should pursue the Association Agreement and DCFTAs. But for those who can't, or do not want to engage so deeply, let's narrow the focus to where the real interests lie and build on more solid foundations. I'm thinking of essential areas as

- economic development
- energy/connectivity
- migration and mobility

- security
- governance
- and youth.“

„on security: until now the ENP has relied almost exclusively on community instruments. This review offers the possibility to bring ALL our instruments together, to attempt a much more coherent approach to the key challenges in the region.“

Lastly Hahn demands more flexibility: „this means being able to react to changing circumstances, and crises when they arise, including with our financial instruments.“ (Hahn 10.4.2015). He suggests that the new Directorate General for European Neighbourhood Policy and Enlargement Negotiations, as it has been announced, would provide added opportunities and synergies for a more coordinated strategic approach to both EU enlargement and European Neighbourhood countries. This additional GD would increase the technical assistance for the use of EU financial instruments in realising agreements.

3. Conclusions

Speaking about the priority in the East to contribute to a solution of the Ukraine problem, the EU authorities are clearly unable (or rather not willing) to formulate such elementary demands like:

- To enable and to protect humanitarian aid convoys, the deployment of medical personnel and helpers;
- to provide immediate aid to refugees, providing them with board and lodging;
- to end all violent conflicts well as all transport of Russian and Ukrainian weapons and armed fighters into the conflict zone and to ensure the withdrawal of troops;
- to remove all ultra-nationalist, extremist and terrorist elements from the ranks of the army, the police and other security forces, and to disarm and to dissolve all paramilitary groups;
- to disarm all other ultra-nationalist, extremist and terrorist elements; to legally persecute and politically to confront all persons and organisations proven to have committed crimes;
- to rebuild the destroyed areas in Ukraine; to ensure a generous aid to alleviate and heal wounds;
- to raise Ukraine's military neutrality to a principle and to ensure it; to withdraw all “foreign security forces”; to abandon the idea of a NATO membership of Ukraine and to stop the implementation of Article 7 of the EU-Ukraine Association Agreement;
- to lift visa requirements for Ukrainian, Belorussian, Kazakh, Russian, Georgian and Armenian citizens for all EU countries; to widely expand university scholarship programmes - to create a shared infrastructure and to implement economic development projects with all the aforementioned

countries to further the establishment of a single European economic area.

(-> RLF working Group 2015).

The official conclusions in the present strategy papers of the EU do in fact reflect some real problems and own mistakes as deficits, but they avoid to put a clear focus on the causes of these problems – i.e. the neoliberal orientation underlying the EU's strategy and its still on-going strengthening: The ruling forces do want to get more stability, less danger of terrorists and less migration, less dependency on energy and resources imports, but at the same time they want more markets, more „gains of globalisation“, more military capability for global actions, and more external activities for securing energy and other natural resources.

The stop of negotiations on new free trade and investment protection protects (TTIP, TISA ...) would allow to reduce the contradictions of the own policy of the EU and its consequences. The refusal of further pursuing current military projects would open the chance to stop the rapid development of the EU into an ever more imperial direction.

These elementary conclusions would give the ENP and especially the EP a chance to focus on the real common economic problems

- energy and resource intensity
- renewable energy, energy efficiency
- renewable material, resource efficiency
- waste collection and eco-friendly use, sustainable recycling
- sustainable mobility
- conversion, industrial and agricultural policy for socio-ecological transformation.

This would allow to sustainably reduce the energy and resource production and consumption in absolute terms, thereby directly reducing climate destructive emissions and factors causing biodiversity loss. Such a strategic turn would help to open and to strengthen a socially and ecologically sustainable development with a strong regional dynamics. This requires a strategic policy change in economic and regional development strategies. And it can only be implemented by the people in these partnership countries and their political organisations/unions fighting for justice, democracy and peace.

References

Dellheim, Judith/Wolf, Frieder Otto (2015): Die östliche Partnerschaft der EU kritisieren und sich neu aneignen, http://www.rosalux.de/fileadmin/rls_uploads/pdfs/sonst_publicationen/rls-onl-dellheim_oestliche_partnerschaft.pdf

Europäischer Rat (2010): Tagung am 16. September, Schlussfolgerungen, EUCO 21/1/10 REV 1

Europäischer Rat (2009): Gemeinsame Erklärung des Prager Gipfeltreffens zur Östlichen

Partnerschaft,

Prag, 7. Mai 2009, 8435/09 (Presse 78), Brüssel

Europäischer Rat (2000): Schlussfolgerungen des Vorsitzes des Europäischen Rates vom 23. und 24. März

2000, Lissabon, Brussels

http://www.europarl.europa.eu/summits/lis1_de.htm

European Commission (2015): Joint Staff Working Document (2015), Implementation of the European Neighbourhood Policy

Eastern Partnership Implementation Report, SWD(2015) 76 final, Brussels

Europäische Union (2010): Konsolidierte Fassungen des Vertrags über die Europäische Union und des Vertrags über die Arbeitsweise der Europäischen Union, in: Amtsblatt der Europäischen Union, Mitteilungen und Bekanntmachungen, C83, Brüssel

Eurostat (2015): Eastern Partnership Summit. Facts and figures about the Eastern Partners of the European Union, Eurostat-news release 89/2015, Brussels

Geremek, Bronisław (2012): Zjednoczenie Europy i dychotomia Wschod-Zachod w historii europejskiej, in: Nasza Europa, Universitas, Krakow, 30-38

Hahn, Johannes (2014/15): speeches 15.6.2015, 5.5.2015, 10.4.2015, 1.4.2015, answers on questions in the European Parliament 2014 http://ec.europa.eu/commission/2014-2019/hahn_en

Kommission der Europäischen Gemeinschaften (2006): Ein Wettbewerbsfähiges Europa in einer Globalen Welt. Ein Beitrag zur EU-Strategie für Wachstum und Beschäftigung {SEK(2006) 1228} {SEK(2006) 1229} {SEK(2006) 1230} /* KOM/2006/0567 endg. */ Brüssel

Kommission der Europäischen Gemeinschaften (2003): Größeres Europa – Nachbarschaft: Ein neuer Rahmen für die Beziehungen der EU zu ihren östlichen und südlichen Nachbarn, Mitteilung der Kommission an den Rat und das

Europäische Parlament, KOM(2003) 104 endgültig, Brüssel

RLF Working group on Ukraine (2015): Lay down the arms,

https://www.academia.edu/12095976/Together_with_working_group_Ukraine_Lay_Down_the_Arms_

Solana, Javier (2009): A Secure Europe in a Better World, European Council, European Security Strategy, Brussels