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**External governance effectiveness conditions
in European Neighbourhood Policy implementation**

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Abstract

This paper systematises problems in European Neighbourhood Policy (ENP) implementation in three fields of research and analyses them within the external governance framework, in order to find reasons for ENP's little effectiveness. Based on two research questions and by comparing internal structural problems in the EU, domestic factors in partner countries and international influence to effectiveness conditions from external governance theory, the thesis narrows down key aspects that the external policy's effectiveness depends on. The author's own contribution is the most evidently expressed in the third part where findings are compared to theory and analysed via empirical evidence. The most decisive aspects were found to be domestic factors in partner countries, such as political regime, the interests of governments, lack of democracy, national challenges and possible conflicts in partner countries. However, internal contradictions of the ENP structure – such as EU inconsistency in conditionality application, lack of consensus and focus, conflicting goals, inappropriate one-size fits-all structure and not offering a motivating enough outcome for conducting reforms – and international variables, such as the projection of EU as a soft power, regional competition, possible alternatives to EU integration and Russian foreign policy in its near abroad, have also had its influence on ENP's performance in some cases. The analysis in this paper proves the hypothesis that external policy's effectiveness depends more on external factors than on the policy's internal structure.

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Abbreviations

AA	Association Agreement
CEE(C)	Central and Eastern European countries
CFSP	Common Foreign and Security Policy
CSDP	Common Security and Defence Policy
DCFTA	Deep and Comprehensive Free Trade Agreement
EaP	Eastern Partnership
EaPIC	Eastern Partnership Integration and Cooperation
EEAS	European External Action Service
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
EuroMed	Euro-Mediterranean Partnership
HR	EU High Representative for Foreign Affairs and Security Policy
MEDA	Measures d'Accompagnement (French for accompanying measures)
MENA	Middle East and North Africa
PCA	Partnership and Cooperation Agreement
PI	Partnership Instrument
UfM	Union for the Mediterranean
TACIS	Technical Aid to the Commonwealth of Independent States

Introduction

There are three general ways for the European Union (EU) to organise relations with its proximate countries: pre-accession, the European Economic Area and association¹. As part of EU external action, European Neighbourhood Policy (ENP) seems to entail aspects from all three, with a hint of development cooperation and democracy promotion. Even though the officially proclaimed objective to achieve the closest possible political association and economic integration with the partner countries falls short of an actual membership, the policy is likely to affect its target countries as well as EU members in future more than they may expect.

The main goal of ENP was to create an associated area of peaceful, prosperous, democratic, politically and economically stable countries around EU external border. Ten years after its inception, it has not been as successful as expected in terms of reaching this goal. The policy has not had “the kind of impact its founders had hoped it would have”². This notion has triggered a significant increase of critique in ENP discourse, some are even on the opinion that ENP is on the verge of a failure³, especially in recent years when ENP has become a politically prominent issue not only on the EU agenda, but in EU-Russia relations as well.

Therefore, the thesis aims to find reasons for why ENP has not succeeded in what it expected to – why ten years later, an associated area of peaceful democratic stable countries in the EU's proximate neighbourhood has not been established. For reaching the aim, the thesis will assort main problems and critical variables that were decisive in determining the course of ENP, within the policy itself, the EU, among domestic factors in partner countries and possible external influence. In order to rationalise ENP's little success, two research questions will be explored: 1) what are the EU internal structural

1 Bechev, Dimitar, Nicolaidis, Kalypso (2010) „From Policy to Polity: Can the EU's Special Relations with its ‘Neighbourhood’ be Decentred?“, JCMS, Abstract

2 Andrew Wilson to Radio Free Europe (2010) „Interview: After just one year, are the wheels coming off the EU's Eastern Partnership?“, Radio Free Europe/Radio Liberty Online, 7 May 2010

3 For example, Wiśniewski, Paweł Dariusz (2013) “The Eastern Partnership – it is high time to start a real “partnership””, Carnegie Moscow Center; Kirchherr, Julian (2012) „The European Neighbourhood Policy has failed because of its own contradictions and small budget“, London School of Economics, 14.07.2012; Babayan, Nelli (2011) „Armenia: why the European Neighbourhood Policy has failed“, FRIDE Policy Brief, No 68, February 2011

problems and external factors that have affected the ENP performance; and 2) to what extent ENP meets the conditions for effective external governance – the main theoretical approach used for explaining EU's role beyond its borders.

ENP has become a popular research theme in international relations and political science and has been approached from various angles, such as geopolitical bordering, security calculations, democracy promotion or conditionality model. With abundant empirical material it might seem a slightly overstudied research field, yet, it lacks proper systematization and integral evaluation. Therefore, the added value of this thesis is systematizing previous research on problems in ENP implementation and placing them under external governance framework. The paper compares the problems with theoretical conditions under which external governance is considered to be more or less effective and evaluates to what extent these conditions are met in practice, in order to narrow down key determinants for ENP's success.

Over time, the EU has re-defined the means and focus of ENP aiming to improve its structure and implementation. In March 2014, the Parliament and Council adopted regulation establishing a new European Neighbourhood Instrument (ENI)⁴ which aims to revise, update and improve parts of the ENP framework to increase its efficiency⁵. But in order to improve a policy, one must first understand problems that were responsible for the deficiencies in the previous one, which can be concluded as the research problem that the research in this paper aims to solve.

The main body of the thesis is divided into four sections that reflect and refer to one another throughout the paper: ENP introduction, theory, practice and analysis. First, the institutional establishment and definitions of ENP are introduced. The second part provides background and claims of external governance theory in European studies (theory). The third part consists in systematising problems in ENP implementation (practice) and the fourth analyses to what extent ENP practice meets the conditions for an effective external governance (analysis). The last part also provides insight to what the new ENI, entering into force in 2014, is about, and offers empirical evidence and case studies to support arguments of ENP critique.

4 European Neighbourhood Instrument (ENI) is an instrument for funding EU external assistance under ENP – it will replace the previous ENPI which ran out at the end of 2013.

5 See chapter 4.4. Renewed approach in European Neighbourhood Policy

Methodology

The paper conducts a conceptual analysis of the EU and ENP, using a quantitative empirical analysis method, relying on secondary sources. Research problem is solved and aim achieved by conducting two research tasks (see Table 1), whereas the first is needed to answer the second and they both provide input for reaching the research aim. By conducting a conceptual analysis, this research tests whether external policy's effectiveness depends more on external factors than on the policy's internal structure, or not. The following Table 1 sums up the general research design of the thesis:

Table 1. Research design

Research problem: a policy cannot be renewed to be more successful, if it is not clear what went wrong the first time
Research aim: to find why the ENP goal has not been achieved
Hypothesis: external policy's effectiveness depends more on external factors than on the policy's internal structure
Research questions:
1. What are the EU internal structural problems and external factors that have affected ENP performance?
2. To what extent ENP meets the conditions for effective external governance?

Before moving to the core of the thesis, an introduction to the institutional establishment and possible definitions of ENP is provided in the first part. Path dependence theory and conditionality model are represented as well, in order to cover necessary background for understanding both, external governance theory and ENP in practice.

The second part establishes the background, main authors, elements and variations of external governance model which, in comparison with other relevant approaches, has greater ability to explain ENP developments in particular. The author gathered claims and rules from the works of Lavenex, Schimmelfennig and Sedelmeier

to establish a list of conditions under which external governance is considered to be more or less effective. These conditions are systematised for empirical research by three categories – internal structural, international and domestic factors in partner countries.

Literature in the third part is structured by the same categories of research where arguments are grouped by problems they address. Empirical part consists of contrasting and combining findings of noted authors such as Emerson, Popescu, Johansson-Nogués, Smith, Comelli, Fischer and Lannon. In order to maintain the comprehensibility and practicality of the paper, research is complemented with relevant examples and case studies on countries in the policy's East and South dimensions throughout the paper.

In short, there are two limits for selecting materials for empirical research: based on when they were published and what their content is about, to assort critical reviews from the past four years that were accessible for the author. Some earlier publications are referred to as well, under ENP definitions for example. While reviewing literature, the attention is on mapping problems that various authors emphasise as the most influential to ENP's course, in the hope of identifying patterns that could be compared to external governance model, as an attempt to test the boundaries of existing research. As a result of literature review in part three, the author establishes a systematized list of ENP problems and answers the first research question.

The added value of this research and the author's own contribution is the most evident in the fourth part where critical analysis evaluates to what extent ENP practice complies with theoretical expectations – how well the policy meets the effectiveness conditions from external governance theory. While answering the second research question, the paper offers possible rationalisation for why ENP goal has not been achieved. This systematisation and analysis would improve the general understanding of the policy's effectiveness by not just highlighting its problems, but narrowing down the decisive aspects that determine the course and success of ENP.

There are several ways to approach this topic and solve the research problem. The author considered possibilities of conducting a case study and viewing primary empirical data on a few countries in particular – either one from both dimensions or one of the more modernised countries and one among the less successful ones – there are various options for selecting individual cases. However, external governance theory

posits expectations rather about an external policy in general – i.e. its implementation measures, consistency of EU offer, interdependence between EU and third countries. Thus, empirical study for testing this theory needs to be on the same degree of generalisation in order to be comparable. Therefore, the author chose to conduct a critical policy analysis and use secondary sources to cover as many aspects of the policy's performance as possible.

Possible problems can occur with this research method, especially regarding the amount of materials the author aims to use in the third part. It can be overwhelming to address three fields of problems: internal, international and domestic factors in partner countries. Previously described limits for selecting materials will help to narrow down the content. Plus, it would be worth considering that this idea of categorising problems came up during the writing process, when key arguments of ENP critique were gathered and needed to be ordered systematically.

There are two points to consider before reading the thesis. First, the topic is subject to political change: by spring 2014, ENP has become a rather problematic case, regarding the crisis in Ukraine, Russian foreign policy and course changes in EU-Russia relations within the past couple of months. Although the author started writing the thesis long before this contingency, the issue of ENP has now become even more important on the EU agenda, whereas some of the arguments have found more ground in the past months and opened up a range of possibilities for further research.

Second, the author acknowledges that any policy assessment depends on how success or effectiveness is measured which is a controversial matter in itself. The starting point may not even be how the policy is conducted in practice or whether it has measurable results or not, instead, it might as well lie in the expectations on the policy, which makes its measurability even more doubtful. Therefore, the thesis does not attempt to solve the issue of evaluating or defining success or effectiveness as such, but considers each author's position on it in the context of their study.

1. Introduction to European Neighbourhood Policy

1.1. Path dependence and conditionality in European studies

One of the prerequisites for ENP to function, is using the strategy of conditionality⁶ that has previously been used as the main element in EU pre-accession process. Derived from using a prior model of incentives in relations to third countries, ENP and the idea of EU external governance are sometimes said to have been shaped by existing EU institutions or previous patterns of foreign policy⁷. On that note, this sub-chapter provides insight to the role and impact of path dependence theory and conditionality model in European neighbourhood studies.

Path dependence, as part of a wider neo-institutionalist theory, is about previous institutional decisions affecting future policies. It claims that political outcomes, rules and routines are emerging from earlier experiences and previous institutional behaviour, where decisions have already been taken that no longer allow changing the course. Institutions in that sense become stuck and dependent on the path that was determined by their past practices. Moreover, it becomes costly or even impossible to reverse the particular courses of action, whereas political arrangements are notably hard to change⁸. “Once a country or region has started down a track, the costs of reversal are very high”⁹, which is why path dependence will induce further movement in the same direction – a tendency that Pierson calls the idea of “increasing returns”¹⁰.

Similar developments can be found in the process of European integration, where steps have been taken that no longer allow turning back or where “path jumping” would

6 Schimmelfennig, Frank, Sedelmeier, Ulrich (2004) “Governance by conditionality: EU rule transfer to the candidate countries of Central and Eastern Europe”, *Journal of European Public Policy*, Vol 11(4):671

7 Lavenex, Sandra, Schimmelfennig, Frank (2009) „EU rules beyond EU borders: theorizing external governance in European politics“, *Journal of European Public Policy*, Vol 16(6):802; Lavenex, Sandra (2004) "EU external governance in 'wider Europe'", *Journal of European Public Policy*, Vol 11(4):686

8 Pierson, Paul (2000) “Increasing returns, Path dependence, and the Study of Politics”, *American Political Science Review*, Vol 94(2):251, 262

9 Levi, Margareth (1997) „A model, a method, and a map: rational choice in comparative and historical analysis“, p 28; in Lichbach, Mark Irving, Zuckerman, Alan S. „Comparative Politics: Rationality, Culture, and Structure“, Cambridge University Press

10 Pierson, 2000:252

imply high costs for institutional adaptation¹¹. It is not only the ENP that subsumed the patchwork of existing EU policy instruments¹², there are developments in other policy fields as well that can be explained by historical institutionalism, sequencing or path dependence, such as agricultural policy in the EU¹³ or the creation of customs union¹⁴.

ENP shows a high level of path dependence particularly deriving from EU's enlargement policy. ENP – as well as EU external governance theory – came about before the Fifth EU enlargement round¹⁵ when the Union's largest single expansion to date put its international role to a whole new perspective. Concerns about the EU's integration capacity, possible exhaustion of the enlargement model and the emerging necessity to engage with the new cross-border countries set the path of no return. Ground was set for establishing alternative approaches to the Unions' relations with its near abroad, leading to ENP and external governance theory.

The conditionality principle, at first mostly used in financial assistance programmes of the World Bank or IMF where forms of cooperation were established on certain conditions, has “gradually found its place and role also in NATO and EU negotiations”¹⁶. At the EU level, conditionality was first used during the pre-accession negotiations of CEE countries when Copenhagen criteria¹⁷ was introduced in 1993. Conditionality is formed around the logic of motivation: if a country wishes to achieve a certain relationship with another, it is expected and required to conduct a set of reforms.

In EU conditionality, the EU sets its rules and goals as conditions that the countries are expected to fulfil in order to receive benefits or a certain relationship with

11 Holzinger, Katharina, Knill, Christoph (2002) “Path dependencies in European integration: a constructive response to German foreign minister Joschka Fischer”, *Public Administration*, Vol 80(1):149

12 Matano, Alessia, Ramos, Raul (2013) „The European Neighbourhood Policy: towards a better integration of migrants in the EU“, *European Policy Brief*, SEARCH Project (ongoing):1

13 See for example Lasan, Nicoleta (2012) „Can Historical Institutionalism Explain the Reforms of the Common Agricultural Policy?“, *Romanian Journal of European Affairs*, Vol 12(1), 05.03.2012

14 Moravcsik, Andrew (2005) “Sequencing and path dependence in European integration”, *Conference on the sequencing of regional economic integration: Issues in the Breadth and Depth of Economic Integration in the Americas*, Mendoza College of Business, Notre Dame, September 2005

15 The 2004 and 2007 enlargements are together referred to as the Fifth EU enlargement round, also known as the Big Bang enlargement, when 12 countries from Eastern and Southern Europe joined the EU: Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Czech Republic, Hungary, Malta, Cyprus in 2004, Bulgaria and Romania in 2007.

16 Mocanu, Oana (2010) “Brief overview on the Conditionality in the European Neighbourhood Policy”, *Romanian Journal of European Affairs*, Vol 10(4):43

17 EU accession criteria – a set of political, economic and administrative criteria that any country that wishes to join the EU must meet, agreed upon by the Copenhagen European Council in 1993

the EU in return. Under a strategy of “reinforcement by reward”, the EU agrees to deliver a reward only if the target government complies with pre-defined conditions, and withholds a reward, if it fails to do so¹⁸. Although conditionality was sometimes perceived by the candidate states as an element of constraint¹⁹ or an attempt to alter countries' behaviour or policies²⁰, it soon became a popular instrument for reinforcing reforms and a key element in EU enlargement policy.

In case a reward is accompanied by a potential withdrawal, reduction or suspension of the advantages, threat of negative consequences, or even possible sanctions as a last resort in the absence of reforms, the model becomes by definition a negative conditionality²¹. Using a negative incentives model is somewhat controversial, as it can cause countries to adopt and comply with EU rules mainly because ignoring or violating them would be less beneficial or could create opportunity costs²². Although in practice, the EU has tended to prefer using positive conditionality over negative one²³, they are both intended to reinforce certain developments.

EU conditionality is best explained by an external incentives model of governance. In comparison to other alternatives such as lesson-drawing or social learning, the dominant logic underpinning the external incentives model is a rationalist bargaining strategy²⁴. Given the highly asymmetrical relationship between EU actors and outsiders and the difference between an EU rule and *status quo* in a target country, introducing external incentives for compliance with EU rules opens a bargaining process where the target government seeks to balance international, EU and domestic pressures, and maximize its own political benefits at the same time²⁵.

In principle, by introducing external rules to third countries, conditionality has sometimes been criticised for illegitimate interference to the domestic affairs of another

18 Schimmelfennig, Sedelmeier, 2004:671

19 Mocanu, 2010:43

20 Jeffrey T., Checkel, (2000) „Compliance and Conditionality“, ARENA Working Papers, WP 00/18, University of Oslo, 15.09.2000;

21 Mocanu, 2010:46-47

22 Lavenex, Schimmelfennig, 2009:799

23 Smith, Karen E. (2005b) „Engagement and conditionality: incompatible or mutually reinforcing?“, p 23-29; in Youngs, Richard, Emerson, Michael, Smith, Karen E., Whitman, Richard, „Report 2: New Terms of Engagement“, Global Europe, Foreign Policy Centre, London

24 Schimmelfennig, Sedelmeier, 2004:670, 671

25 *Ibid.*, p 672, 683

country as a challenge to state sovereignty²⁶. Moreover, political requirements for democratisation coming from the EU can be criticised for being duplicitous or hypocritical, given the fact that the EU itself suffers from a democratic deficit within its institutions²⁷. Then again, these concerns about the lack of democracy are argued to have been misplaced²⁸ which supports the legitimacy of EU democratic conditionality.

In any case, the logic of ENP gravitates around the conditionality principle: the more the ENP partners develop their societies, the more the EU deepens economic integration and political association. In enlargement policy, the conditionality model and incentives had brought significant positive outcomes and the model was expected to achieve similar accomplishments in ENP. However, there is one major difference between EU conditionality in ENP and the one used in pre-accession. Within the ENP framework, EU conditionality is missing the most important motivation for modernisation and reform – EU membership perspective – the absence of which has become a key argument for ENP critique, as will be seen in the next part of the thesis.

1.2. Institutional establishment of the policy

There are numerous countries that do not fulfil the Copenhagen criteria for becoming an EU candidate and might not even wish to do so, but whose association in some political processes is beneficial for the EU and vice versa, i.e. Switzerland, Norway or in ENP's case the proximate cross-border countries. In 2003 when the issue of associating with neighbours came up on EU agenda, “interdependence – political and economic – with the Union's neighbourhood was already a reality”²⁹. ENP provides a workable solution for this interdependence and enables cooperation with strategically important countries.

26 See Smith, Karen E. (1998) „The Use of Political Conditionality in the EU's Relations with Third Countries: How Effective?“, *European Foreign Affairs Review*, Vol 3(2):256

27 See for example, Jensen, Thomas (2009) „The Democratic Deficit of the European Union“, *Living Reviews in Democracy*, Vol 1

28 See for example, Crombez, Christophe (2003) „The Democratic Deficit in the European Union: Much Ado about Nothing?“, *European Union Politics*, Vol 4(1):101-120; Moravcsik, Andrew (2002) „In defence of the 'Democratic Deficit': Reassessing Legitimacy in the European Union“, *Journal of Common Market Studies*, Vol 40(4):603-624

29 Commission of the European Communities (2003) „Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours“, *Communication from the Commission, COM(2003) 104 final*, Brussels, 11.03.2003

Initiated by possible partnership ideas proposed in 2002 and 2003³⁰, ENP as a strategic policy was launched in 2004³¹ – the year of EU's largest single expansion to date. Each new enlargement does not only add member states – by shifting the external border, the EU also gains new cross-border countries in their proximate neighbourhood. 2004 is when „a range of poorer, economically and politically less stable and less democratic countries bordered the EU and in response to these changing circumstances the need was felt to create a unified policy towards these countries“³².

The main concern in 2004 was to avoid creating new dividing lines in Europe³³, so, integration with third countries in the form of ENP was seen as a potential solution. It is valuable for the EU to maintain some sort of control in its neighbouring countries and foster democratic developments for preventing possible spill-over of problems. With a vision of creating an associated area of peaceful, democratic and prosperous countries, ENP is about sharing “the benefits of the EU with neighbouring countries, thus helping to strengthen stability, security and well-being for all concerned“³⁴. By so doing, the EU aims to foster commercial relations and alleviate economic disparities.

ENP is therefore said to be a mutually beneficial policy: on one hand, it is about supporting and assisting countries in need of development and modernisation in their economy, promoting democracy and sharing European values, on the other hand, it is about the EU trying to achieve security, stability and control around their external border. This dual purpose is later contested by claims of EU self-interest and criticised for being based on EU values rather than partner countries' needs.

The policy applies to 16 countries in EU's immediate neighbourhood by land or sea: Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine in the East, and Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria and Tunisia in the Mediterranean³⁵. Geographically and cooperatively, they are

30 Prodi, Romano (2002) "A Wider Europe – A Proximity Policy as the key to stability", speech given at the Sixth ECSA-World Conference „Peace, Security And Stability International Dialogue and the Role of the EU", Jean Monnet Project, Brussels, 5-6 December 2002; COM(2003) 104 final

31 Commission of the European Communities (2004) „European Neighbourhood Policy – Strategy Paper“, Communication from the Commission, COM(2004) 373 final, Brussels, 12.05.2004

32 Borell et al. (2012) „Report on ENP Policy Concerning its Objectives and Policy Measures over Time, SEARCH Project, Deliverable 1.2:1

33 Comelli, Michele (2004) „The challenges of the European Neighbourhood Policy“, The International Spectator: Italian Journal of International Affairs, Vol 39(3):98,104

34 European Commission's website: ec.europa.eu/economy_finance/international/neighbourhood_policy

35 Although Russia and Turkey lie in the EU's immediate neighbourhood, Russia is considered to be one

divided into Eastern Partnership (EaP), Euro-Mediterranean Partnership (EuroMed/UfM, formerly known as the Barcelona Process) and Black Sea Synergy³⁶. At large, these can be looked upon as the policy's East and South dimensions, respectively.

Cooperation with these countries bases on bilateral agreements and Action Plans (APs) – the core of ENP conditionality, containing democratic reforms on one end and (financial) incentives on the other. APs lay out the strategic objectives of the cooperation in three main fields of activity: democratic reforms, economic development and border control. The plans are notably detailed on Justice and Home Affairs, where the EU aims to prevent and combat illegal immigration, smuggling and human trafficking, but to encourage legal migration and controlled cross-border movement via liberalisation of Schengen visa regime at the same time³⁷. It would be worth to note that not all 16 countries have agreed on ENP APs: Algeria is currently negotiating a one, but Belarus, Libya and Syria remain outside most of the ENP structures³⁸.

In addition to general priorities and goals, APs comprise a specific list of actions and measures for each partner country to implement. For example, to establish economic growth and stability, advance trade liberalisation and entrepreneurship, avoid corruption and black economy, each partner is expected to develop a prudent monetary and fiscal policy, improve access to financial services, address administrative, legislative and regulatory obstacles to the creation and development of firms, remove restrictions on capital flows, undertake institutional and judiciary reforms and support research and development³⁹. As a reward in return for conducting reforms – according to the previously introduced conditionality model –, a country would receive certain benefits, such as EU market access, visa-liberalisation or financial support.

The main difference between the East and South dimensions lies in the fields in which they cooperate with the EU. UfM aims to address soft security areas such as economy, environment, energy, health, migration and culture, whereas EaP is more

of the strategic partners of the EU, therefore, relations with Russia are defined by a bilateral strategic partnership agreement, and Turkey is an EU candidate country, undergoing a pre-accession process.

36 European Commission's website: ec.europa.eu/economy_finance/international/neighbourhood_policy

37 Barbé, Esther, Johansson-Nogués, Elisabeth (2008), „The EU as a modest 'force for good': the European Neighbourhood Policy“, *International Affairs*, Vol 84(1):86

38 EEAS website: eeas.europa.eu/enp

39 European Commission's website: ec.europa.eu/economy_finance/international/neighbourhood_policy/

intended to promote political and economic development⁴⁰. Since 2009, EaP involves negotiating a new generation of Association Agreements (AA) with six countries in Eastern Europe and South Caucasus⁴¹ to achieve even greater economic, political, social and cultural integration. It offers post-communist countries the opportunity to enhance cooperation with the EU in areas that the ENP of 16 countries does not.

As a result, a unique policy initiative was formed that is neither pre-accession, EU foreign policy, EEA, nor development cooperation, although it has been said to have implications to all of the above. During the evolution of the policy from the Wider Europe initiative in 2003 to EuroMed and UfM in 2008 and Eastern Partnership in 2009, researchers have been aiming to define the concept of ENP, highlighting in turns aspects that they see being the most dominant.

1.3. Possible definitions in previous studies

There is no common understanding or definition of ENP. Some say it is a substitute for enlargement⁴², an imposed partnership⁴³, a counter-offer⁴⁴, a desire for homogenisation and standardisation⁴⁵, a mutual agreement or a pact shaped by EU self-interest⁴⁶. While ENP conditionality is about promising access to EU internal market in return for reforms, a large part of literature is devoted to analysing international trade, aid and the effects of trade liberalization⁴⁷. Partner countries could be defined as a ring of friends⁴⁸, a source of threat⁴⁹ outsiders⁵⁰ or a buffer zone⁵¹ between the EU's inside and outside (or

40 EEAS website: www.eeas.europa.eu/euromed; www.eeas.europa.eu/eastern

41 Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine

42 Cadier, David (2013) „Is the European Neighbourhood Policy a substitute for enlargement?“, IDEAS report SR018, London School of Economics and Political Science, 17.12.2013; Smith, 2005a:Abstract

43 Johansson-Nogués, 2008:81-96

44 Mocanu, 2010:42

45 Browning, Christopher S., Joenniemi, Pertti (2008) „Geostrategies of the European Neighbourhood Policy“, *European Journal of International Relations*, Vol. 14(3):521

46 Borell et al., 2012:4

47 Wesselink, Edzard, Boschma, Ron (2012) „Taking Stock of Research Projects on the European Neighbourhood Policy“, WP01/01 SEARCH Working paper, Utrecht University, January 2012:4

48 Johansson-Nogués, Elisabeth (2006) „Profiles: A ‘Ring of Friends’? The Implications of the European Neighbourhood Policy for the Mediterranean“, *Mediterranean Politics*, Vol 9(2):240-247

49 Balfour, Rosa, Missiroli, Antonio (2007) „Reassessing the European Neighbourhood Policy“, EPC Issue Paper No.54, June 2007:25-30

50 Smith, 2005a:757-773

51 Walters, William (2004) ‘The Frontiers of the European Union: A Geostrategic Perspective’, *Geopolitics*, Vol 9(3):674–698; Del Sarto, Raffaella A. and Tobias Schumacher (2005) „From EMP to

the EU and Russia)⁵². The intersection of these explanations is the desire to understand what the ENP is about and how it aims to organise the broader European space.

The policy was intended to overcome the logic of inclusion *versus* exclusion⁵³. Enlargement – often praised for being the most successful EU foreign policy – might in some sense become a victim of its own success: “with each enlargement, the number of 'European' non-member countries that qualify as potential member states decreases and the debate on where 'Europe' ought to end becomes more divisive”⁵⁴. ENP seems to embody the EU's attempt to cope with the accession-rejection dilemma, by offering some form of association and interdisciplinary connection with the EU that falls short of an actual membership threshold, but is not merely foreign policy either.

With regard to how the neighbourhood was projected among the EU member states after the Fifth EU enlargement, it can be said that the ENP was founded upon the assumption that certain countries will presumably act in a certain way. A paradigm became popular in the EU that the new cross-border countries are economically unstable, non-democratic, politically corrupt, socially divided, and struggling to provide civil freedoms and respect for human rights to an extent considered necessary in Europe. If it were not for these presumptions about the proximate neighbouring countries, there would not have been the need to create a joint partnership system.

The EU has been said to be rather vulnerable towards developments across its borders and from a psychological perspective, the standardisation and democratisation of what some might call Europeanisation, helps the EU to overcome the fear of the unknown. This perception may derive from democratic peace theory which posits that democratic countries are unlikely or hesitant to engage in an armed conflict with one another⁵⁵. Accordingly, the EU is promoting democratic values and reforms in countries around its external border. Even if ENP countries would not receive the prospect of EU membership, they play a crucial role in maintaining security and stability in Europe.

ENP: What's at Stake with the European Neighbourhood Policy towards the Southern Mediterranean?“, *European Foreign Affairs Review* Vol 10(1):17–38

52 Browning, Joenniemi, 2008:520;

53 Comelli, Michele, Greco, Ettore, Tocci, Nathalie (2006) „From Boundary to Borderland: Transforming the Meaning of Borders in Europe through the European Neighbourhood Policy“, Project No 513416, EU-CONSENT, working paper:2

54 Lavenex, Schimmelfennig, 2009:793

55 The idea dates back to the 18th century, main theorists being Immanuel Kant and Thomas Paine.

2. External governance theory in European Union studies

2.1. Establishing the idea of external governance

The EU has had multiple enlargement rounds and signed a number of economic and political agreements with third countries to enhance transnational cooperation. Several integration theories aim to explain these developments: neofunctionalist ideas clarify the regional integration across multiple sectors and the emergence of intergovernmentalism in Europe, supranationalists justify the creation of independent international institutions that gave floor to institutionalism. Over time, there have been occasionally prevailing approaches to European integration, but which set of ideas is capable of explaining subsequent developments, including the construction and implementation of ENP?

Due to ENP's evolving nature – and EU's evolving nature –, there is no single complete way to explain its developments. Certain theories offer reasoning to limited aspects of ENP: path dependence as a way to explain policy-making in international relations, institutionalism as an explanation to developing a supranational policy initiative, intergovernmentalism where success on an EU level does not necessarily mean success on a national level, external governance as an explanation to evolving relations patterns with the third countries since the beginning of 1990s, or conditionality as a core functioning principle of various EU policies.

Comparing these theories and their ability to explain ENP performance, external governance model, especially the assessable conditions it entails, has the capability needed to explain EU role in external affairs targeted at third countries and ENP framework in particular. Inspired by debates in international relations and comparative politics, external governance is a fairly recent development in European studies, emerging as a new form of theorising EU external affairs in the early 2000s. This makes it also the most recent theory, compared to other approaches.

Given its novelty and focus on EU relations with third countries in particular, the author expects its relevancy in evaluating the current neighbourhood policy to be high. However, it is important to keep in mind that in social sciences one cannot expect a theory to offer a certain knowledge, unquestionable facts or an absolute truth, and

external governance is no exception. The model can provide generalisations on possible tendencies and presumable contingencies, yet, they remain arguable. Furthermore, similar to all theoretical approaches, external governance model may be developed and changed over time – its authors have already modified their assertions over the years and will probably continue so doing as the modes of governance evolve in practice.

By late 1990s, Europeanisation and EU governance studies had already expanded their focus from member states to accession process, potential candidates or quasi-members like Norway or Switzerland⁵⁶. First academic debates on the boundaries of EU governance in 1999 by Friis and Murphy⁵⁷ or in 2002 by Filtenborg, Gänzle and Johansson⁵⁸ applied the notion of external governance to either CEE countries, eastern enlargement, Baltic Sea region or Northern Europe. But in 2004, a global governance professor Sandra Lavenex argued that external governance reaches well beyond these limited geographical regions and addresses all EU neighbourhood countries in one way or another⁵⁹. Defined as a form of interdependence where internal rules are extended beyond formal membership group, external governance soon became one of the main explanations for integrating third countries into the European system of rules⁶⁰.

At first, Lavenex suggested that external governance takes place at the bilateral level through association agreements but five years later, she elaborated the view to external governance and concluded that it can be applied to various forms of cooperation from EEA and ENP to negotiated bilateral agreements⁶¹. In collaboration with Schimmelfennig, they added that it can even “emerge spontaneously when mutual interdependence is high and adaptation to EU templates meets the interest of third countries”⁶². Although the actual mode, type and effectiveness of external governance may vary, there are some core characteristics and elements that describe EU external governance in general.

56 Schimmelfennig, Frank (2007) “Europeanization beyond Europe”, *Living Reviews in European Governance*, Vol 2(1):1-22; Lavenex, Schimmelfennig, 2009:793

57 Friis, Lykke, Murphy, Anna (1999) „The European Union and Central and Eastern Europe: governance and boundaries“, *JCMS*, Vol 37(2):211–232

58 Filtenborg, Mette Sicard, Gänzle, Stefan, Johansson, Elisabeth (2002) „An alternative theoretical approach to EU foreign policy. „Network governance“ and the case of the Northern Dimension Initiative“, *Cooperation and Conflict*, Vol 37(4):387–407

59 Lavenex, 2004:682-683

60 Lavenex, Schimmelfennig, 2009

61 *Ibid.*, p 792, 807; Lavenex, 2004:690

62 Lavenex, Schimmelfennig, 2009:792

2.2. Elements and variations of external governance model

By definition, a crucial criterion for external governance is its legal and institutional boundaries, i.e. the limit of what will be shared beyond EU borders. External governance consists in selective extension of certain EU norms, rules and policies – the legal boundary – while precluding possible membership – the institutional boundary⁶³. This means sharing parts of the *acquis communautaire*⁶⁴ beyond the circle of member states towards their immediate neighbours, but at the same time, cautiously preventing the institutional inclusion of what an actual EU accession would mean.

Less than a government, more than a cooperation, external governance can be characterised from an institutional perspective by its horizontal nature, focus on process rather than output, its inclusive character and emphasis on voluntary instruments instead of legal obligations⁶⁵. The idea of external governance is mainly about the projection of soft power and the extension of rules in so-called soft security areas, such as justice and home affairs, environmental and energy policy⁶⁶. Since this inclusion of external players in some traditionally domestic political processes is based on voluntarism, the extent to which third countries are willing to adapt to predetermined EU norms and rules is dependant in how the EU is perceived internationally.

Most of the time, the EU has been seen more as a civilian power or an economic community with relatively weak defence capacity, but since the CFSP was introduced, hints of a common defence dimension started to emerge⁶⁷. The ENP vision of creating an area of freedom, security and justice and the perception of interdependence in this context, blurs the traditional distinction between internal and external security⁶⁸ which leads to combining internal issues with foreign policy for two simultaneous objectives.

External governance is said to fulfil a dual purpose, meaning, it does not only

63 Lavenex, 2004:680, 681, 683, 694

64 Official term for EU legislation – the entire body of law, policies and practices evolved in the EU

65 Lavenex, Sandra (2008) "A governance perspective on the European neighbourhood policy: integration beyond conditionality?", *Journal of European Public Policy*, Vol 15(6):940

66 Lavenex, 2004:680-700

67 See Rehn, Olli (2008) „The EU – from civilian power to premier league security policy player?“, Speech at the Forum of Heads of Mission, Helsinki, 27.08.2008; Smith, Karen E. (2000) „The End of Civilian Power EU: A Welcome Demise or Cause for Concern?“, *The International Spectator*, Vol 35(2):11-28

68 Lavenex, 2004:689

serve as a foreign policy model, but it “may follow functional needs when it is seen to increase the efficiency and problem-solving capacity of internal policies”⁶⁹. Combining a foreign policy strategy of stabilisation and security with third countries' pursuit of internal policy goals may be interpreted as a cognizant way for the EU to benefit from third countries' political and material problem-solving resources⁷⁰. For example, by managing trade relations and migration, the EU could potentially address shortages in some internal fields, while aiming to establish regional security and stability in collaboration with third countries.

These characteristics make external governance remarkably context-dependent⁷¹ and varying across countries, regions and policy fields. Structurally, Lavenex, Schimmelfennig and Sedelmeier distinguish three modes of external governance: hierarchy, network and market. Hierarchical governance is a formalised vertical relationship of domination and subordination, based on non-negotiable enforceable rules, binding prescriptions and supranational authoritative law, which, in the EU context, is often associated with the traditional “Community method” of policy-making. Formal procedures, precise rules, monitoring and possible sanctioning are not only associated with hierarchical mode, but also necessary prerequisites for an effective exercise of external incentives conditionality.⁷²

Given its prescriptive quality, hierarchical mode of external governance is sometimes associated with EU international normative power which is another field of research⁷³. External incentives model of conditionality could cause EU rules to be interpreted as normative, prescriptive or imposed towards third countries and/or their citizens⁷⁴ from the outside/above – much like attitudes evolving in CEE countries when pre-accession conditionality was first introduced. Certain types of external governance, especially the hierarchical mode, “undermine important sections of third countries' autonomy over their legislation”⁷⁵, similar to sovereignty concerns in nationalist

69 *Ibid.*, p 681

70 *Ibid.*, p 694

71 Schimmelfennig, Sedelmeier, 2004:676

72 Lavenex, Schimmelfennig, 2009:796-797

73 See for example Whitman, George (2013) „The neo-normative turn in theorising the EU's international presence“, *Cooperation and Conflict*, Vol. 48(2):171-193; Hyde-Price, Adrian (2006) „‘Normative’ power Europe: a realist critique“, *Journal of European Public Policy*, Vol 13(2):217-234

74 Lavenex, Schimmelfennig, 2009:794

75 *Ibid.*, p 797

governments triggered by increasing EU integration.

The main element that differentiates a network mode of external governance from a hierarchical one, is the formal equality of actors, in spite the practical possibility of power asymmetries. Networks are formed around a mutual voluntary agreement, and instead of producing restrictive instruments, they stipulate procedural modes of interaction as a result of negotiations, where rules are rather coordinated than top-down implemented. Emphasising interaction and deliberation, network governance leaves its parties more room for manoeuvre than the hierarchical mode does. EEA, ENP and EU-Swiss relations are great examples of how network mode of EU external governance takes place in practice.⁷⁶

As opposed to the previously described network coordination and hierarchical implementation, the market mode is based on competition between formally autonomous actors. In political science, competition is sometimes seen as an institutionalised form of political market interaction and Lavenex and Schimmelfennig see this as a third basic mode of external governance. The principle of mutual recognition in the EU Single Market application and its extension to the EEA is one of the examples of the market mode of external governance in the EU's case. Even in the absence of mutual recognition, EU presence in third countries can lead to indirect rule adaptation in case their mutual interdependence is high, namely between markets.⁷⁷

Lavenex also points out a possible negative scenario that external governance can pertain, especially in a network mode, predicting that in the long run, partnerships negotiated with each country in selected policy fields may result in patterns of differentiated integration. Then again, if the model would be effective, it would “result in a wider Europe not so much in terms of common institutions but more in terms of a 'security community'”⁷⁸.

Empirical studies on EU external governance have focused testing the effectiveness of EU rule transfer in the case of CEE countries' pre-accession or single

⁷⁶ Lavenex, Schimmelfennig, 2009:797-799

⁷⁷ *Ibid.*

⁷⁸ Lavenex, 2004:694

ENP countries⁷⁹ and good governance promotion in individual countries⁸⁰. Later works have explored the limits of EU external governance⁸¹ and analysed its presence in different policy fields, such as migration, visa policy⁸², global environmental policy or climate change⁸³. Lavenex and Schimmelfennig continued to develop their approach to EU external governance⁸⁴ and in 2011, they published a collection of previous articles in a book issued by Journal of European Public Policy Series⁸⁵ which unfortunately was not publicly accessible for the author of this thesis. Based on previous CEE pre-accession cases, they also studied different governance modes that might lead to an effective EU rule transfer to outside states.

2.3. Theoretical expectations: conditions for an effective external governance

The EU's ability to influence democratic change in third countries depends on a number of aspects where Lavenex, Schimmelfennig and Sedelmeier discuss a few of them that might circumscribe the effectiveness of EU external governance. The author gathered claims from literature and concluded a list of rules that condition the effectiveness of external policy in the following Table 2.

79 For example, Bosse, Giselle, Korosteleva-Polglase, Elena (2009) „Changing Belarus?: The Limits of EU Governance in Eastern Europe and the Promise of Partnership“, *Cooperation and Conflict*, Vol. 44(2):143–165; Dimitrova, Antoaneta, Dragneva, Rilka (2009) „Constraining external governance: interdependence with Russia and the CIS as limits to the EU's rule transfer in the Ukraine“, *Journal of European Public Policy*, Vol 16(6):853-872

80 For example, Baltag, Doriana, Romanyshyn, Julian (2011) „EU external governance: successful good governance promotion on Moldova and Ukraine?“, Working Paper FG2, 2011/2, April, SWP Berlin;

81 For example, Wunderlich, Daniel (2012) „The limits of external governance: implementing EU external migration policy“, *Journal of European Public Policy*, Vol 19(9):1414-1433

82 For example, Kadlubovich, Aliona (2013) „Visa Policy as an Instrument of EU External Governance? The Case of Belarus“, Europa-Kolleg Hamburg, Institute for European Integration, Study Paper No 1/14

83 For example, Pavese, Carolina B., Torney, Diarmuid (2012) „The contribution of the European Union to global climate change governance: explaining the conditions for EU actorness“, *Revista Brasileira de Política Internacional*, Vol 55, no.spe, Brasília

84 For example, Freyburg, Tina, et al. (2009) „EU promotion of democratic governance in the neighbourhood“, *Journal of European Public Policy*, Vol 16(6):916-934

85 See Lavenex, Sandra, Schimmelfennig, Frank (2011) „EU External Governance: Projecting EU Rules beyond Membership“, *Journal of European Public Policy Series*

Table 2. Conditions for an effective external governance⁸⁶

Conditions	Rules (examples from the literature)	Category of research
Implementation measures	Rules that are transferred through social learning or lesson-drawing are much less contested domestically. External incentives and bargaining is more likely to cause domestic resistance and poor implementation.	Internal structural factors in the EU
Consistency of EU offer	Cost-benefit calculations of target governments depend on the consistency of conditionality.	
Compliance within the EU and with international rules	The more an EU rule is supported and complied with within the EU and the more it is in line with international rules beyond the EU, the more likely third countries will accept it.	
International structure of power	Effectiveness of EU external governance varies with international structures of power (power-based explanation)	International influence
Possibility of alternatives	External governance and conditionality can only be effective when there is no credible alternative to EU integration	
Interdependence between EU and third countries	Effectiveness of EU external governance varies with interdependence between the EU and third countries. If mutual interdependence is high, external governance can be more effective. (power-based explanation)	
Domestic structures and political regime of third countries	Domestic structures of third countries may condition the mode and effectiveness of external governance. Democracy promotion, through political conditionality, is likely to be effective only in at least partly democratised countries with lower domestic adjustment costs.	Domestic factors in partner countries
Perceived legitimacy of EU rules	Perceived legitimacy of EU rules is a prerequisite for selecting them as the basis of cooperation in EU third-country relations. If EU rules are seen as legitimate, they are more likely accepted.	
Compatibility with domestic institutions	Effectiveness is driven by its compatibility with domestic institutions. Domestically compatible EU rule is more likely accepted. (domestic structure explanation)	

⁸⁶ Author's own compilation, based on Lavenex, Schimmelfennig, 2009; Schimmelfennig, Sedelmeier, 2004 and Lavenex, 2004

According to theory, transferring rules through social learning or lesson-drawing is much less domestically contested in third countries than it would via external incentives and bargaining model⁸⁷. Implementation measures in EU conditionality therefore make up the first important criteria for rule transfer, where the rules themselves are important as well. “the more an EU rule is supported and complied with within the EU and the more it is in line with international rules beyond the EU, the more likely third countries will accept it as a basis of negotiation, adopt it and apply it”⁸⁸ which is concluded as the third effectiveness condition (see Table 2, pp 23).

In order to achieve this compliance, the EU has to be consistent in what they offer. The “credibility [of conditionality] depends on the consistency of an organisation's allocation of rewards”⁸⁹, which is an important factor influencing the cost-benefit calculations of target governments (see Table 2, pp 23). The reforms that are required to be undertaken to comply with EU rules will imply a series of costs for target countries, especially for authoritarian governments in ENP countries. In order for third countries to take on the costly reform process, the advantages of credible preferential trade relations will have to exceed these costs⁹⁰. Now, if there were a conflict about the offer, doubts in an EU reward or issues with EU internal consensus, target countries would receive inconsistent signals and might be confused or tempted to manipulate the situation in their advantage⁹¹. Either way, it would result in poor implementation.

Since external governance is rather context-dependent, an important precondition for its effectiveness lies in international context. Effectiveness varies with international structure of power and interdependence between the EU and third countries. Moreover, the possibility or absence of competition – conditionality can only be effective in case there is no credible alternative to EU integration⁹² (see Table 2, pp 23).

Domestic cost of rule adoption in third countries is decisive in determining the success of EU external governance, whereas the cost is seen being related to domestic

87 Schimmelfennig, Sedelmeier, 2004:682

88 Lavenex, Schimmelfennig, 2009:802

89 Schimmelfennig, Sedelmeier, 2004:674

90 Mocanu, 2010:45

91 Schimmelfennig, Sedelmeier, 2004:674

92 *Ibid.*

political regime of third countries (see Table 2, pp 23). For example, in authoritarian regimes and countries with a lower level of economic and social development, transition to democracy and adoption of EU rules can be costly⁹³. Conforming to path dependence theory, once a country has started down an authoritarian track, the costs of reversal for democratic developments are high. While analysing CEE countries' EU pre-accession conditionality, Schimmelfennig and Sedelmeier found that authoritarian governments sometimes “turned down the offer of membership rather than accept the political power costs of adopting liberal democratic rules”⁹⁴. Reform-minded governments in at least partly democratised countries with lower domestic adjustment costs are therefore more likely to adopt the rules⁹⁵. In addition to political regime and domestic adjustment costs, effectiveness is also driven by the perceived legitimacy of EU rules in these countries and the compatibility of EU rules with their institutions (see Table 2, pp 23).

For structuring theoretical expectations and empirical research, the author divided these nine theoretical conditions between three observable categories of research. Implementation measures, the consistency of EU offer and the compliance of rules within the EU would be viewed as internal structural problems of the EU and the policy itself; international structures of power, possibility of alternatives and mutual interdependence would be considered as international influence; and domestic structures and political regime, the perceived legitimacy of EU rules and their compatibility with domestic institutions would be summed up as domestic factors in partner countries (see Table 2, pp 23). In terms of compliance, literature review in the next part of the thesis will be sorted according to the same categories of research.

93 Emerson, Michael, Noutcheva, Gergana, Popescu, Nicu (2007) „European Neighbourhood Policy two years on: Time indeed for an 'ENP plus'“, Centre for European Policy Studies, Policy brief No 126, March 2007:6

94 Schimmelfennig, Sedelmeier, 2004:671

95 *Ibid.*, p 678; Lavenex, Schimmelfennig, 2009:807

3. Problems in European Neighbourhood Policy implementation

3.1. Accomplishments and state of play⁹⁶

According to European Commission's annual ENP report from March 2014, crucial political and economic reforms were implemented in several countries while democratic reforms and economic recovery achieved in previous years were threatened by national and regional security challenges, political instability and difficult socio-economic conditions in others⁹⁷. The following state of play review brings up accomplishments of the policy and highlights the current topical issues across the neighbourhood.

From the EU's self-reflection, ENP has been viewed as „part of a wider effort to make the EU's foreign policy – criticised for being inconsistent and mainly reactive – more coherent“⁹⁸. In fact, uniting member states under a common policy is said to be the main positive outcome of the ENP, which sadly is true. Compared to other EU external policies like relations to Russia, US or Common Security and Defence Policy (CSDP), ENP is where EU countries tend to have the least differences of opinion.

Similar aspiration to coherence, equality and a harmonised EU offer is sometimes seen as a positive quality of ENP structure as well⁹⁹. EU as a non-discriminating entity respecting equality among democratic values, aims to maintain the same approach in the ENP framework by treating all 16 partners under the same conditions and offering similar benefits in return for similar reforms. “Although this aspiration to equality is anchored in the Treaty on European Union, an aspiration it remains”¹⁰⁰ and the next chapter about ENP's internal problems will reveal how offering equal benefits for different partners has, on the contrary, obstructed the effectiveness of the policy.

In the past few years, Eastern neighbourhood, with the exception of Moldova and

96 This chapter includes some references to media as examples about recent developments, however, none of them are quoted or used as a source of arguments for answering the research questions.

97 European Commission (2014a) „Neighbourhood at the crossroads – taking stock of a year of challenges“, Annual country reports, Press release, 27.03.2014:1

98 Comelli, 2004:98

99 Fischer, Sabine, Lannon, Erwan (2011) „The ENP Strategic Review: The EU and its Neighbourhood at a Crossroads“, European Union Institute for Security Studies:2

100Biscop, Sven (2013) „Europe and the world or snow white and the seven fallacies“, Egmont paper 61:17

Georgia, has become even more authoritarian¹⁰¹. A Partnership and Cooperation Agreement (PCA) with Belarus remains frozen since 1997 with still no AP in place for over ten years. In fact, Belarus might even be the most problematic EaP partner: the country has on several occasions been described as being the last dictatorship in Europe¹⁰². Political situation in the country faces some serious issues regarding electoral standards in presidential elections (2010), crackdowns on civil society, independent media, political prisoners and opposition, respect for human rights, rule of law and democratic principles¹⁰³. This poses if not a threat then at least a serious challenge to ENP performance as well, not to mention the EU's foreign policy in general.

In the Southern neighbourhood, the main interest of ruling elites tend to be more interested in staying in power which generally undermines democratic political progress¹⁰⁴, with the exception of Morocco where historically the King has been the driving force towards respecting women's rights or multi-party system¹⁰⁵. In most cases, three overlapping policies for the Mediterranean¹⁰⁶ have caused its focus to be indistinct, whereas the UfM has “created even greater political expectations than the ENP”¹⁰⁷. In addition to (or as a result of) non-democratic, repressive or authoritarian political regimes, Mediterranean countries have experienced comprehensive domestic struggles within the past five years, especially in 2011 and 2012 with Arab Spring, Tunisian revolution, instability, protests or uprisings in Syria, Egypt or Libya.

The year 2013 was a turning point for ENP. As Popescu predicted in September – before the Vilnius summit –, “even though the Union's most important projects of the last decade in the Eastern neighbourhood are nearing completion, things might still get side-tracked”¹⁰⁸ and they did. Threats over the longest running conflict in the South

101Fischer, Lannon, 2011:2

102For example, Bosse, Giselle (2012) „A partnership with Dictatorship: Explaining the Paradigm Shift in European Union Policy towards Belarus“, *Journal of Common Market Studies*, Vol 50(3):367-384

103European Commission (2014b) „ENP Package – Belarus“, Memo 14/222, Brussels, 27.03.2014; EEAS website: eeas.europa.eu/belarus

104Fischer, Lannon, 2011

105Storm, Lise (2007) „Democratization in Morocco: The political elite and struggles for power in the post-independence state“, Routledge

106Cardwell, Paul James (2010) „EuroMed, European Neighbourhood Policy and the Union for the Mediterranean: Overlapping Policy Frames in the EU's Governance of the Mediterranean“, *Journal of Common Market Studies*, Vol 49(2):219-241

107Fischer, Lannon, 2011:2

108Popescu, Nicu (2013) “Keeping the Eastern Partnership on track”, *European Union Institute for Security Studies, Alerts No 29:2*

Caucasus in Nagorno-Karabakh led to Armenia announcing a wish to join the Russian-led Customs Union in September – two months after finalising three-year DCFTA negotiations which will not be signed now. The Vilnius summit in November turned into what some might say a fiasco¹⁰⁹ when signing AA with Ukraine was called off last minute and followed by a sequence civil protests (“Euromaidan”) and a momentous change in Crimea. By now, the media has started drawing parallels to breakaway territories in other post-soviet EaP countries, such as South Ossetia and Abkhazia in Georgia and Transnistria in Moldova¹¹⁰.

Whether it was the influence of economic crisis in Europe, aftermath of regional conflicts or national issues, some might even say they are disappointed in ENP and that EaP is on the verge of a failure¹¹¹. To find reasons for why the policy has not been as successful as hoped, the following three sub-chapters explore problems that have affected ENP implementation in three fields of research: internal structural problems in the EU, international influence and Russian foreign policy in the common neighbourhood, and domestic factors in partner countries. Table 3 at the end of part three sums up the main problems under the same categorisation (see Table 3, pp 38).

3.2. Internal structural problems in the European Union

The largest problem in ENP structure lies in the conditionality model (see Table 3, pp 38). Either due to the absence of membership prospect or the fact that containing accession aspirations would be largely impractical¹¹², incentives have turned out to be less productive than expected. Although unintended, it has had negative consequences and resulted in unwillingness to conduct reforms, especially in the East where the „lack of a membership perspective curbed the enthusiasm of EU-oriented governments“¹¹³. Between the realms of EU pre-accession and external relations, the commitment of

109See Rettman, Andrew (2013) „EU and Ukraine: What went wrong?“, EUObserver, 25.11.13

110For example, Toal, Gerard, O’Loughlin, John (2014) „How people in South Ossetia, Abkhazia and Transnistria feel about annexation by Russia“, Washington Post, 20.03.2014; Connelly, Andrew (2014) „Transnistria: Europe’s other Crimea“, Al Jazeera, 14.03.2014

111For example, Wiśniewski, 2013; Kirchherr, 2012; Babayan, 2011

112Borell et al., 2012:4

113Fischer, Lannon, 2011:2

partner countries on the “difficult and demanding path of transition towards democracy”¹¹⁴ is debatable. The existence of a real commitment as well as the sincerity of EU in affirming conditionality has been put to question by many authors¹¹⁵.

In ENP conditionality, the EU has been reluctant to deliver¹¹⁶, meaning, the “reinforcement by reward” model concedes the possibility of being left without a reward, albeit meeting the requirements (see Table 3, pp 38). Increasing market integration is what partner countries would benefit the most of, but the EU has been hesitant to take further steps on economic integration, especially during the Eurocrisis. It could be that the so-called enlargement fatigue has weakened the already limited commitment of EU member states to support their neighbours¹¹⁷. Regardless, in order to be resultant, conditionality model has to be supported by the consistency of EU offer and delivering benefits, either financial assistance or market access in order to keep the partners motivated. At the end of the day, “the victory or breakdown of conditionality depends on both, the commitment of ENP partners, but most of all, on the EU's capacity to replace traditional incentive of accession with a proper alternative”¹¹⁸.

If the carrot of enlargement is not available, ENP partner countries need an equally alluring endgame, which brings up the second largest problem – the issue of motivation (see Table 3, pp 38). Instead of creating some sort of intermediate forms of partial membership, a valid motivation package with a clear result is what these countries probably need the most., but so far, it has been unclear what is the outcome, endgame, the *finalité* of ENP. In ENP framework, the reward seems to be the “possibility to benefit from 'privileged relations' with the Union, by an increased access to the EU internal market”¹¹⁹. The negotiated agreements (AAs or DCFTAs) might as well be the final stage of the policy, resulting in an association area or advanced status.

On a side note, a precedent might be taking place with Ukraine. There have been occasionally prevailing opinions within some EU member states (Poland, Slovakia, Hungary, and the Baltic states) that the EU should offer Ukraine the possibility of

114European Commission, 2014a:1

115For example, Zaiotti, Ruben (2007) „Of Friends and Fences: Europe’s Neighbourhood Policy and the ‘Gated Community Syndrome’“, Journal of European Integration, Vol 29(2):143-162

116Fischer, Lannon, 2011:2

117Zaiotti, 2007:158

118Mocanu, 2010:42

119*Ibid.*, p 44

eventual EU membership¹²⁰. In February 2014, the Council of the EU publicly expressed that the association and free trade agreement is not the final goal in EU-Ukraine cooperation¹²¹. Although a formal statement on Ukraine's accession would have to be made where each member state has a right to veto, this was the first time EU leaders have indicated that Ukraine might one day join the EU. Even if it is not barely a diplomatic signal, offering membership to selected ENP partners – either just Ukraine or potentially all six EaP countries – could create motivation issues in the Mediterranean.

Third and a rather fundamental error in the policy's structure is its one-size fits-all structure with a group of heterogeneous countries in a large geopolitical area (see Table 3, pp 38). It is a rather awkward combination, and not just because of economic and social diversity of these countries, but the fact that countries in Eastern Europe are to a some extent seen as potential EU members, while for Mediterranean partners, a membership perspective is very unlikely already on geographical stipulations¹²². It has been proposed that the Mediterranean was included in the ENP framework barely to counterbalance EU's focus between the East and South¹²³, however, possible hidden agenda or political motives for this combination are subject to debate.

While Southern neighbours were optimistic in view of consolidating their relations with the EU and Balkan countries were satisfied being left out, as a sign of possible EU accession prospect¹²⁴, the „Eastern neighbours did not appreciate being lumped together with the Union's southern partners“¹²⁵ and hoped for deeper integration via EaP¹²⁶. Harmonised approach and aspiration for equality may be seen as an accomplishment from the EU's self-reflection perspective, but each country has their own starting position, development level, economic situation, political regime, ethnic composition, traditions, national issues, aspirations, relations to Russia and their own vision upon relations to EU.

120Ünal Eriş, Özgür, Öner, Selcen (2013) „An Evaluation of the Transformative Power of EU Enlargement and Neighbourhood Policies: The Cases of Turkey and Ukraine“, *Spectrum: Journal of Global Studies*, Vol 5(1):68

121Council of the European Union (2014) „Council conclusions on Ukraine“, Foreign Affairs Council meeting, Brussels, 10.02.2014, page 2, point 5

122TEU Articles 2, 49

123Smith, Karen E. (2005a), „The outsiders: the European neighbourhood policy“, *International Affairs*, Vol 81(4):758

124Mocanu, 2010:46

125Fischer, Lannon, 2011:2

126Solonenko, Iryna, Ursu, Viorel (2013) „Neighbourhood watch“, 1 November 2013, openDemocracy

For example, “Armenia saw its inclusion in the EaP as (...) a way of resolving ongoing problems with its neighbours”¹²⁷ Turkey and Azerbaijan, whereas Morocco hoped for gradual integration of its energy market into the EU market¹²⁸ and Azerbaijan had high expectations on establishing a dialogue on Nagorno-Karabakh and create conditions for freer travel of its citizens to the EU¹²⁹. Even geographical distinction between South and East seems inappropriate, owing to differences in reform aptitude and interest in European integration in these countries¹³⁰ with varying domestic challenges. All in all, the generalization of the ENP has created a one-size fits-all policy inappropriate to dealing with the specificities of all 16 countries¹³¹.

Fourth, regarding the combination of countries, ENP is struggling to meet two sometimes conflicting objectives (see Table 3, pp 38): on one hand, it seeks to establish a common security policy with its neighbours, but on the other, it aims to manage these countries' accession aspirations – be them real, perceived or potential¹³². Browning and Joenniemi, who analyse ENP via collected geostrategies, see this dual purpose being a contradiction in itself: horizontal integration does not guarantee a greater protection from, or resistance to, external harm. Thus, they argue that the policy is unable to solve the EU's cross-border security concerns, saying “it will fail to extricate the EU from a logic that links external security with the need for further integration of outsiders”¹³³. In addition, a mutually beneficial ENP aims to serve two interests at once.

The fifth internal structural problem regards EU inconsistency and self-interest when applying conditionality in ENP partner countries (see Table 3, pp 38). The fact that the EU has started negotiating AAs – supposed to be signed with functioning electoral democracies – with Armenia or other South Caucasus countries that do not meet this political condition, shows EU inconsistency in conditionality application,

127Babayan, 2011:1

128Carafa, Luigi, Korhonen, Kaisa (2008) „European Neighbourhood Policy: A Case Study of MoroccoEuropean Neighbourhood Policy: A Case Study of Morocco“, Social Science Research Network, SSRN Electronic Working Paper Series, 27.04.2008:7

129Poptchev, Peter (2013) „The Security Policy-Energy Nexus“, p 72; in Lyutskanov, Emil, Alieva, Leila, Serafimova, Mila (2013) „Energy Security in the Wider Black Sea Area – National and Allied Approaches“, NATO Science for Peace and Security Series – E: Human and Societal Dynamics, Vol 110

130Emerson, Noutcheva, Popescu, 2007:7

131Browning, Joenniemi, 2005:521

132Borell et al., 2012:4

133Browning, Joenniemi, 2008:521

which ultimately reduces its credibility and future bargaining power¹³⁴. The EU has even been accused of having double standards when pursuing relations with authoritarian regimes under ENP normative framework¹³⁵. Moreover, the partnership means and goals were largely shaped by donor countries' vision, as opposed to partner countries' needs.

In some cases, the EU prioritises its economic and energy interests over democratic conditionality. For example, in Armenia, Azerbaijan, or Morocco, developing energy sector is of high importance, since the EU is interested in advancing the country's role in EU energy security, therefore, political issues are in comparison a low priority¹³⁶. In Lebanon's case, ENP reflects European understanding of what has to be changed in their migration policy, without taking into account the country's political instability or the migration challenges that Lebanon is facing¹³⁷. The EU's security-centred approach to migration is more aimed to serve the EU's interests with regard to fight against irregular migration, instead of supporting partner countries in developing a coherent migration policy, adequate enough to address their own migration problems, such as emigration or brain drain in Georgia¹³⁸.

On that note, in EU discourse, ENP is often praised as a good governance project that enables countries to become democratic, modern and economically competitive. Maintaining stability in cross-border countries and avoiding large social cleavages with the EU can certainly be helpful for target countries, while being aimed at controlling cross-border movements, restraining illegal migration, combating organised crime and human trafficking, ENP's intention to prevent any kind of danger, violence, crisis or instabilities from spilling over into the EU member states¹³⁹ is rather driven by EU self-interest than partner countries' needs.

With regard to the idea of Europeanisation, it has been argued that with the excuse of ENP, the EU is imposing European or Western values and standards on third

134Babayan, 2011:2

135Nasieniak, Magdalena, Depo, Bogdana (2013) „Conditionality and election performance within the framework of the European Neighbourhood Policy. The Case of the 2012 and 2013 Elections in Armenia, Georgia und Ukraine“, IEP Policy Papers on Eastern Europe and Central Asia, No 3, p 6

136Carafa, Korhonen, 2008:1,7

137Sensenig-Dabbous, El-Hindy, Hourani 2013:56; in Benedek, et al., 2013

138Gabrichidz, Gaga, Kobakhidze, Irakli (2013) Case study: Georgia, p 46; in Benedek, Wolfgang, et al. (2013) „Effect of migration policies on human rights in the European neighbourhood“, Study, Policy Department DG External Policies, Brussels

139Barbé, Johansson-Nogués, 2008:81

countries. The EU's patronising approach and focus on EU values can be concluded as the sixth internal structural problem (see Table 3, pp 38). The idea of ENP is to endorse values that are respected in the EU, such as peace, liberty, democracy, equality, the rule of law, good governance, respect for human rights and human dignity, tolerance, justice, civil freedoms, non-discrimination and market economy. In spite of declaring ENP as being based on shared values, they are actually rather unilateral. Some countries do not even share the history of observing this kind of principles, most troublesome of them being human rights and democracy¹⁴⁰ in authoritarian traditionally Islamic countries.

The seventh internal problem lies in the logic of EU budget which determines how the EU can distribute financial support from the ENPI¹⁴¹ (see Table 3, pp 38). ENP stands on an individual budget line that in itself is divided into East and South measures. Not only do these measures have to compete for one amount of budget, moreover, member states have various preferences when it comes to improving their neighbourhood, in terms of where the vast majority of financing should be channelled. Some would prefer to develop infrastructure in Jordan, promote economic development in Tunisia or support judiciary independence in Lebanon, others would invest in Israel's industry, accelerate constitutional reforms in Morocco or assist civil society in Algeria. Some researchers are even on the opinion that the small budget was the main concern that caused ENP to be ineffective¹⁴².

Since these priorities in assistance distribution are largely assembled by EU member states' historical preferences, national interests and interdependence between certain countries, the eighth EU internal problem of member states' national priorities comes up (see Table 3, pp 38). Historically, France, United Kingdom and Italy have been interested in resuming mutually favourable developments in North Africa – in their former colonies –, whereas the former Eastern block is looking forward to greater integration with Ukraine, Moldova and South Caucasus. In a way, ENP allows member states to “promote their own national priorities at the expense of regional dialogue”¹⁴³

140*Ibid.*, p 86

141European Neighborhood and Partnership Instrument – the financial instrument for ENP (former TACIS and MEDA programmes) covering 16 ENP partner countries and Russia, to be replaced by European Neighbourhood Instrument (ENI) for 2014-2020

142Kirchherr, 2012

143Fischer, Lannon, 2011:2

which caused the EU's attention to sway between its Eastern and Southern neighbours.

Therefore, ENP's overall focus has been disturbed. When conflicts emerged in the Arab world in 2011, EU's attention was on the South; in 2013 before the Vilnius summit and during Lithuanian EU presidency, the focus was on the East; by spring 2014, international community's grave concern is about Ukraine and Russia. On top of that, each Council presidency adds periods of volatility, such as Lithuanian EU presidency in 2013 with an increased focus on EaP¹⁴⁴. Subsequently, ENP no longer has a much needed clearly defined focus which adds to the list of internal structural problems. Instead, it has changed whenever the context does, making EU's attention not only to be dependant on its internal developments but on international influence as well.

3.3. International influence and Russian foreign policy

As no external policy is immune to international or regional developments, neither is ENP. Although Russia's role may be marginal in the Mediterranean, EaP includes six post-communist countries where Russia has an undeniably heavy presence¹⁴⁵ (see Table 3, pp 38). They would prefer these countries to join or at least strengthen cooperation with the Customs Union of Russia, Belarus and Kazakhstan rather than engage with the West. Yerevan already is a close military ally of Moscow, moreover, Armenia's recent defence agreement extended Russia's military base lease until 2044, which further increases Russian influence and military pre-eminence in the region¹⁴⁶. With a vision to expand the Customs Union to a more large-scale Eurasian Union, Russia has created a counter-offer to EU association – an alternative for ENP target countries.

However, Russian foreign politics, diplomacy and means for achieving that have been widely criticised. With “a long track record of using pseudo technical barriers to trade as instruments of political pressure”¹⁴⁷, every now and then, Russia tends to use

144Lithuanian EU Presidency website: www.eu2013.lt/en/news/pressreleases/focus-of-lithuanian-presidency-in-researchstrengthening-ties-with-eastern-partnership-countries

145Huff, Ariella (2011) „The role of EU defence policy in the Eastern neighbourhood“, European Union Institute for Security Studies, Occasional Paper, 91, May 2011:15

146Babayan, 2011:4

147Emerson, Michael, Kostanyan, Hrant (2013) „Putin's grand design to destroy the EU's Eastern Partnership and replace it with a disastrous neighbourhood policy of his own“, The Centre for European Policy Studies Commentary, 17.09.2013:2

hard power, threats, energy supplies and trade restrictions as means of coercion to protect its interests in the region¹⁴⁸. For example, they banned Moldovan wine and Ukrainian chocolate imports in 2013¹⁴⁹ when the two countries were about to finalise EU AAs¹⁵⁰. In case of breakaway territories in its near abroad, Russia's tactic has been to use separatist tensions in order to justify political interference which has led to critical conclusions on Russia “playing 19th century zero-sum games of geopolitical competition”¹⁵¹.

EU soft power might not be enough to counterbalance Russian economic and military pre-eminence and hard power in their shared neighbourhood. Although the EU model of liberal democracy and open market economy might be more attractive for the ENP countries, Russian trade barriers and gas disputes have a greater immediate impact on their economic situation. Plus, “a one-year limbo between initialling and signing the [association] agreements puts the countries in a rather vulnerable position since, until the signature is in place, external opponents of this process have ample incentives and time to try a last-minute attempt to derail the process just before finishing line”¹⁵² as seen in case of Ukraine. At this point of regional competition, the EU can not achieve ENP goals through EU soft power.

When aspiring for greater ENP effectiveness in the East, one has to consider how Russia perceives the EU and EaP specifically. Russian foreign minister Sergei Lavrov points out that from their point of view, EaP is designed to bind the “focus states tightly to itself [the EU], shutting down the possibility of cooperation with Russia”¹⁵³. A diplomatic solution in this situation would be holding multilateral talks with all three groups of stakeholders – the EU, EaP countries and Russia¹⁵⁴ – about the effect and consequences of AAs on all parties.

When it comes to EU-Russia relations, there is no consensus among EU member

148See Russia Today (2014) „Putin: Deploying military force is last resort, but we reserve right“, 04.03.2014; BBC News (2013) „Analysis: Russia's carrot-and-stick battle for Ukraine“, 17.12.2013

149See Tanas, Alexander, Balmforth, Richard, Liffey, Kevin (2013) „Russia, unhappy with Moldova's EU drive, bans its wine and spirits“, Reuters, 10.09.2013; Weir, Fred (2013) „Russia sends a bitter trade message to Ukraine – with chocolate“, The Christian Science Monitor, 20.08.2013

150Emerson, Michael (2014) „Countdown to the Vilnius Summit: The EU's trade relations with Moldova and the South Caucasus“, Workshop report, Policy Department DG External Policies, Brussels:11

151Emerson, Kostanyan, 2013:4

152Popescu, 2013:2

153Lavrov, Sergei (2014) „It's not Russia that is destabilising Ukraine“, The Guardian, 07.04.2014

154Wiśniewski, 2013:3

states on how to engage with Russia or whether they should cooperate in stabilising shared neighbourhood. Although the current Ukrainian case has led to freezing EU-Russia visa-liberalisation talks and preparing for economic sanctions, most West Europeans do not seem to share the concerns of the Baltic states or Poland¹⁵⁵. Historically, they have been more reluctant to enhancing this partnership, whereas Germany, Italy and France have traditionally favoured closer links with Russia. There is a divide between „whether to preserve relations with Moscow by minimising the EU's role in the Eastern region, or to deepen relations with the Eastern neighbourhood countries even at the risk of antagonising Russia“¹⁵⁶. The focus of EU therefore remains uncoordinated and distracted, leaving Russia a rather favourable position for strategic manoeuvres in politically unsettled countries which makes them an easy target for international influence.

3.4. Domestic factors in partner countries

Since “willingness to reform cannot be imposed from outside”¹⁵⁷, ENP success relies on attitudes in partner countries, namely in their governments, political situation and national interests (see Table 3, pp 38). So far, governments in both regions have been politically unsettled: in the East, “domestic political volatility is accompanied by geopolitical volatility, with the countries' strategic future – not just economic governability – being at stake”¹⁵⁸, in the South, the process of modernisation and transition has in some cases, such as Egypt, created political polarisation. In an unstable situation like this, it has been challenging to establish a steady path towards democratisation and further integration with the EU.

Regarding fields in which they cooperate, some partners might not share the same interests as the EU does and might not even be that fond of establishing a political partnership. For instance, Belarus is rather disintegrated in EaP and has been reluctant to sign up to what the EU has to offer and “Azerbaijan has a strong energy partnership

155See Economist (2014) „Echoes of the Sudetenland. The Baltics look to NATO for protection“, The Economist, Print edition, 29.03.2014

156Huff, 2011:15

157European Commission, 2014a:1

158Popescu, 2013:1

with the EU, but is rather uninterested in political reforms”¹⁵⁹, harmonisation with EU values or democratisation as such. Armenia has been aspiring for economic partnership with Europe, but military partnership with Russia. In fact, the president of Armenia sees the partnership with Russia natural, given Armenia's large diaspora in Russia and its dependence on Russia to guarantee security, while “Russian capital dominates Armenian telecommunications, electricity networks, banking and gas distribution”¹⁶⁰.

Besides, none of the 16 countries are even considered to be democratic nor free, except Israel¹⁶¹ (see Table 3, pp 38). Despite the somewhat positive aftermath of Orange revolution in Ukraine, Rose revolution in Georgia or Arab spring ten years later, that looked promising in terms of democratic developments in their societies, existing regimes proved to be entrenched. In supporting democratic developments in these countries, the Union has been reluctant to offer financial support to political opponents of authoritarian regimes¹⁶².

Relationships with ENP partners are “vulnerable to the vicissitudes of political events on the ground”¹⁶³. At the same time, EU efforts in conflict resolution have been marginal, mainly diplomatic and not leading to visible positive results. For example, the EU, while deepening its civil cooperation with Armenia, has done little to ease the country's vulnerable geopolitical situation¹⁶⁴. In fact, both, Armenia and Azerbaijan were hoping for a great EU contribution to resolving the Nagorno-Karabakh conflict, since it poses a security threat to EU borders as well, yet, since the EU has no perceptible influence over Azerbaijan, their strategy towards conflict resolution has turned out to be rather reactive than than proactive¹⁶⁵. These issues limit the effectiveness of ENP and affect the perception of EU in these countries which appears to be related to the EU's role in addressing regional and national problems.

159*Ibid.*, p 2

160Babayan, 2011:2; Emerson, Kostanyan, 2013:1

161According to Freedom House's Freedom in the World 2013 index, Israel is the only one of the 16 ENP countries that is evaluated as being „free“, the rest are either „partly free“ or „not free“

162Balfour, Missiroli, 2007:11

163Whitman, Richard G., Juncos, Ana E. (2013) „Stasis in Status: Relations with the Wider Europe“, *Journal of Common Market Studies*, Vol 51, Special issue: The JCMS Annual Review of the European Union in 2012:165

164Emerson, Kostanyan, 2013:2

165*Ibid.*; Babayan, 2011:1

Table 3. Problems in ENP implementation¹⁶⁶

Internal structural problems in the EU	International influence	Domestic factors in partner countries
Conditionality, external incentives, EU reluctant to deliver	Regional competition and possible alternatives (i.e. Customs Union)	Political unsettlement and volatility
Motivation issues, <i>finalité</i>		Political will and interests of target governments
Inappropriate one-size fits-all structure to cover 16 countries		Lack of democracy, mainly authoritarian regimes
Two sometimes conflicting objectives (common security and integration vs. managing accession aspirations)		Events and conflicts on the ground, individual national problems
Inconsistency in conditionality application, EU self-interest	Russian foreign policy and presence in the common neighbourhood (East dimension)	Perception of EU/ENP (often related to how national problems are addressed)
Donor countries' vision, Western values		EU values not always shared by target countries*
Logic of EU budget		
No consensus, MS historical preferences (interdependence)		
No focus, attention sways between East and South		Countries' own vision upon relations to the EU*

* Although these issues came up while discussing internal structural problems in the European Union under chapter 3.1., they account for domestic factors in partner countries.

In sum, the largest problem in the ENP structure lies in the conditionality model that raises the issue of motivation: in the absence of membership perspective, the EU has not been able to provide a sufficiently attractive model of cooperation to stimulate democratic reforms. Focusing on EU's borders as a whole has created a one-size fits-all policy, inappropriate to dealing with each country's individual problems. So far, none of the bilateral dialogues between the EU and its Eastern partners are immune to Russian foreign politics, as seen in cases of military cooperation with Armenia, Crimea and gas disputes in Ukraine, or banning Moldavian wine imports in 2012. Political regime and the will of governments in target countries has become the most widespread hindrance to modernisation and reform, according to almost all authors (see Table 3).

¹⁶⁶Author's own compilation, based on arguments gathered from literature reviewed throughout chapter 3. Problems in European Neighbourhood Policy implementation

4. Problems in comparison with external governance model

4.1. Analysis of European Neighbourhood Policy's effectiveness

When assessing ENP implementation, it is important to consider that the policy was created as one of the latest components of the EU external relations, into a rather narrow niche between the global ambitions of foreign and security policy and regional aspirations of enlargement policy. The following analysis helps to solve the research problem by narrowing down key aspects that the policy's effectiveness depends on and where improvement is needed. The analysis in this part of the thesis does not only bring out the similarities and differences between theory and practice, but also tests whether the effectiveness conditions and ENP problems can be rationalised with empirical evidence and facts or not.

The following Table 4 illustrates how well are theoretical conditions and rules met in ENP practice. There are problems in each category of research that have had negative effect on ENP performance: the conditions where this is the most evident, are highlighted in bold and each condition's effect on ENP's performance in the last column is indicated in brackets (see Table 4). For a comprehensive examination and recalling what the theoretical expectations had claimed, the author suggests simultaneously viewing Table 4 and Table 2 in the second part of the thesis (see Table 2, pp 23).

According to theory, the use of external incentives in a policy is more likely to cause resistance and poor implementation in target countries, as opposed to social learning or lesson-drawing measures that would be less domestically contested (see Table 4). Sadly, the external incentives model of conditionality has been the core implementation measure in ENP framework, however, the author does not see external incentives and bargaining as such being the core problem of ENP implementation. Instead, there are two internal structural issues with EU conditionality in ENP in general.

Table 4. Theoretical conditions in the light of empirical findings¹⁶⁷

Category of research	Conditions and rules: effectiveness depends on/varies with...	ENP implementation <i>(effect on ENP's performance)</i>
Internal structural factors in the EU	Implementation measures (external incentives and bargaining is more likely to cause domestic resistance and poor implementation)	External incentives conditionality, motivation issues in partner countries, EaP in particular <i>(negative in most cases)</i>
	The consistency of EU offer (cost-benefit calculations of target governments depend on the consistency of conditionality)	EU inconsistency in conditionality application (Armenia, financing), reluctance to deliver, EU self-interest, no consensus, no focus <i>(negative in some cases)</i>
	EU rules' compliance within the EU and with international rules (the more an EU rule is supported within the EU, the more likely third countries will accept)	Promoting European values, respected among member states, but not shared by third countries <i>(positive in most cases)</i>
International influence	Possibility of alternatives (external governance can only be effective when there is no credible alternative to EU integration)	Customs Union as an alternative for EaP countries, religious fundamentalism in the South <i>(negative in most cases)</i>
	International structures of power	EU role as a soft power, Russian foreign politics and influence <i>(negative in some cases)</i>
	Interdependence between the EU and third countries (if mutual interdependence is high, external governance is more effective)	Historical interdependence between certain countries <i>(positive in some cases)</i>
Domestic factors in partner countries	Domestic structures and political regime of third countries (democracy promotion, through political conditionality, is more effective in at least partly democratised countries)	Authoritarian regimes, lack of democracy, national conflicts, ENP more successful in reformist countries (Moldova, Georgia) <i>(negative in most cases)</i>
	Perceived legitimacy of EU rules (if EU rules are seen as legitimate, they are more likely accepted)	Issues with democratic deficit and Muslim minorities within the EU <i>(negative in some cases)</i>
	EU rules' compatibility with domestic institutions (compatible EU rule is more likely accepted)	EU rule accepted in countries that are similar to EU <i>(positive in some cases)</i>

¹⁶⁷Author's own compilation, based on theory development in chapter 2. External governance theory in European Union studies, and literature review in chapter 3. Problems in European Neighbourhood Policy implementation

First, despite the EU favouring positive conditionality over a negative one, the absence of a membership perspective or any other attractive model of cooperation has caused motivation issues in partner countries, especially in the Eastern dimension (see Table 4, pp 40). The deputy prime minister of Moldova has recently urged the EU to offer a membership perspective to EaP countries that are willing, eligible and capable of performing¹⁶⁸. With the argument of the Western Balkan countries' fast development during their pre-accession, she sees the accession prospect creating a sense of direction and having a mobilising effect which is what these countries need to continue on the course of pro-European reforms. This has come up in Ukraine's case as well where the „absence of membership prospect was (...) a major factor governing relations with the EU, as regularly expressed by government leaders and officials“¹⁶⁹. The author agrees with this critique: if governments in ENP target countries would have a clearly defined attractive outcome of what are they conducting reforms for, they would probably be more devoted to modernisation, and if the EU wishes to enforce democratic developments in its neighbourhood, it would not have much choice but to offer target countries a motivation that they need.

Second, the EU should be more consistent when applying conditionality, which it so far has had issues with (see Table 4, pp 40). On one hand, the EU has deviated from their political requirements by launching AA negotiations with a country that faces pervasive corruption, bribery, nepotism, biased media environment, problems with unjust vote count, for instance, Armenia¹⁷⁰. The EU pre-condition of negotiating AAs with functioning electoral democracies has led Armenians to “struggle to understand how the EU can classify their country as democratic”¹⁷¹. On the other hand, the EU has acted on the opposite by being reluctant to open borders and markets to enable preferential trade relations (see Table 4, pp 40). Expectations on the policy in ENP partner countries “mostly relate to liberalising trade (in agricultural products) and facilitating migration – topics that the member states often find difficult to agree

168EurActiv (2014) „Moldova Deputy PM: EU membership perspective is 'a matter of urgent necessity' for Eastern countries“, 18.03.2014

169Ünal Eriş, Öner, 2013:69

170Freedom House website: www.freedomhouse.org/country/armenia

171Babayan, 2011:3

upon”¹⁷². In that sense, the EU's hesitance to deliver might rather derive from the variety of its member states' national interests and sovereignty concerns, than from target countries' performance. Regardless, owing to these two examples of inconsistency, the sincerity of EU in affirming ENP conditionality has become questionable.

The pattern of how financial assistance is distributed across ENP partner countries adds to internal structural problems. For example, in 2012, Palestine – a territory that has not been internationally recognised as a country, let alone a stable one – was entitled to a financial support of €156 million under the ENPI bilateral envelop, plus additional funds via thematic programmes, such as €42 million for interventions, €16.75 million for humanitarian assistance and €11 million for food safety, to name a few. All funding combined, this adds up to a total of €243.25 million in 2012. At the same time, the total budget of 2011-2013 for Georgia – that in 2012 struggled with corruption and internal security but was moving towards consolidating a democracy – was €180.7 million. Even with the extra funding of €22 million via EaPIC programme, Georgia's share of €67.566 million a year was more than three times smaller compared to the total of what was allocated to Palestine.¹⁷³

This illustrates a controversy that can occur with the use of conditionality model: it can develop an opposite impression that more financial support is needed where democratic reforms are more costly. According to this logic, assistance to authoritarian countries where progress is slower and development levels are lower, would be larger than the incentives offered to more modernised countries. This could inevitably send a message that less progress ensures more funds¹⁷⁴ and in some cases thereby reverse the initial aim of conditionality to foster economic and political development.

Given the variety of national interests not only in the neighbouring countries but within the EU as well, it has been challenging to establish consensus and a clear focus in ENP (see Table 4, pp 40). Although ENP is probably one of the few instances in the

172Maurer, Heidi, Simão, Licinia, „From Regional Power to Global Power? The European Neighbourhood Policy after the Lisbon Treaty“, p 103; in Boening, Astrid, Kremer, Jan-Frederik, van Loon, Aukje (2013) „Global Power Europe – Vol. 1. Theoretical and Institutional Approaches to the EU's External Relations“, Springer

173European Commission's website: ec.europa.eu/europeaid/where/neighbourhood/country-cooperation

174Veebel, Viljar (2012) „The role and impact of positive conditionality in the EU pre-accession policy“, Dissertationes Rerum Politicarum Universitatis Tartuensis n5, supervisor: Eiki Berg, Tartu University Press:19

Union's external action where the EU member states tend to have the least differences of opinion, it still lacks unanimity. The Baltic states support integration with the Union's Eastern neighbours, while UK's protectionist stance on immigration is likely to oppose further EU enlargement. Southern EU member states, such as Italy or Spain lobby for greater mobility and economic relations with Mediterranean neighbourhood, while in some cases, like UK, terrorist incidents are associated with Islamic extremists, which develops reluctance to facilitating migration with the Union's Southern neighbours.

However, they seem to agree at least on one thing. ENP is about promoting European values in its near abroad and there are no evident issues with their compliance within the EU member states (see Table 4, pp 40). Rule of law, democracy, free and fair elections, sustainable economic development, human rights and civil freedoms are respected across the EU. Then again, an issue does come up regarding Europeanisation outside the Union, especially in countries whose governments do not share the same values as the EU does. In the Mediterranean, Islam does not necessarily exclude the possibility of democratisation, as seen in Morocco's case, but it has been difficult to establish respect for fundamental political rights and civil liberties in the Middle East and North Africa (MENA) – historically the least free region in the world¹⁷⁵. Even in the East dimension, respect for human rights and gender equality is not easily established in Azerbaijan where traditionally women have not enjoyed the same rights as men.

The adoption of EU values as well as ENP's effectiveness seems to be related to the countries' political regime which is what reform process and the EU's capacity to foster democratic development depends the most of (see Table 4, pp 40). For example, countries that do not have an AP in place – Libya, Syria and Belarus, as established in the first part of the thesis –, tend to have the lowest level of civil freedom and democracy: Syria and Belarus are considered to be the least free in the world¹⁷⁶. This correlation might as well be interpreted the other way around: countries that cooperate with the EU on the basis of APs are also more oriented towards becoming democratic. In that case, the argument could work in favour of the EU's effectiveness in democratising its neighbourhood.

External governance is said to be more effective in at least partly democratised

¹⁷⁵Freedom House website: www.freedomhouse.org/regions/middle-east-and-north-africa

¹⁷⁶Freedom in the World 2013 indexes for Syria and Belarus: 7.0 and 6.5, respectively (the least free: 10)

countries, and indeed, ENP has been more advantageous and profitable in countries that were already in a reformist mood, determined to develop or partly democratised to begin with (see Table 4, pp 40). For example, Moldova, with the highest freedom rating among EaP countries¹⁷⁷, has been on a steady transition towards democracy. Conducting continuous political and judicial reforms in their society that has resulted in gradual EU integration: from visa facilitation agreements in 2008 and a Mobility Partnership in 2010 to the outlook of signing association pact by autumn 2014¹⁷⁸. At the same time, in countries that lack democracy, ENP's effectiveness in good governance promotion has been limited (see Table 4, pp 40). For example, Belarus and Azerbaijan, both with the lowest freedom ratings among EaP countries¹⁷⁹, have not achieved much progress on democratic governance or human rights reform¹⁸⁰, while Armenia's authoritarian style of governance has been reinforced in the aftermath of contested presidential elections¹⁸¹.

As established in the second part of the thesis, once a country has started down an authoritarian track, the cost of reversal for democracy is high. Reforms required in ENP conditionality imply a series of costs for target countries in any case, but in authoritarian regimes, more large-scale changes are needed to establish a deep and comprehensive electoral democracy, which is where the cost of meeting EU norms and values in the ENP framework is higher than in party democratised countries. This idea of path dependence could explain why the conditionality model has sometimes given the impression that less progress leads to more financial aid, as explained previously. It also raises the issue of EU offer and motivation – the reward for development needs to exceed the cost of it, for authoritarian countries to take on the costly reform process.

The perception of EU as well as the perceived legitimacy of EU rules in third countries varies across the neighbourhood. In some cases, it is related to the EU's role in addressing regional and national problems, in others, the perception is affected by how their nation is perceived and treated within the Union. Armenia is a good example of how an ENP partner country can see the EU's role as a potential solution to regional

177Freedom in the World 2013 index for Moldova and Georgia: 3.0

178Council of the European Union (2013) „14th EU-Georgia Cooperation Council“, Press release, Brussels, 12.12.2013

179Freedom in the World 2013 indexes for Belarus and Azerbaijan: 6.5 and 6.0, respectively

180European Commission, 2014b; European Commission (2014c) “ENP Country Progress Report 2013 – Azerbaijan”, Memo 14/221, Brussels, 27.03.2014

181Nasieniak, Depo, 2013:8

security issues. However, in practice, “given its economic and security interests, it would be problematic for the EU explicitly to take sides in the [Nagorno-Karabakh] conflict”¹⁸², which could be the reason why the EU's contribution to conflict resolution in South Caucasus has been rather marginal and mainly diplomatic.

Addressing regional conflicts is one of the areas where EU member states have had trouble with reaching a consensus and have therefore remained cautious. In some cases, the EU has been even avoiding discussion on sensitive areas. In its relations with Morocco, while Western Sahara has been mentioned among the unresolved conflicts in the world, has not even been mentioned in EU-Morocco bilateral AP, instead, it remains outside of the focus of Morocco-specific policy papers¹⁸³. Then again, the EU as a primarily economic union, in principle, does not serve the purpose of solving conflicts in third countries *per se*, nor has the competences or means needed to conduct a successful intervention. International community as well as ENP partners seem to expect more from the EU as a “security community” than they can actually offer.

The perceived legitimacy of EU rules is affected by how the EU member states themselves respect values they promote. In some ENP countries, the perception of EU is related to how their nationals are treated within the EU (see Table 4, pp 40). Egyptians, for instance, see some EU member states being discriminative or harmful towards Muslim minorities in their societies which has contributed to Egypt's unwillingness to engage with the EU. They also see the EU as essentially divided and largely following the US' lead in most of its policies in MENA countries. Then again, the majority of Muslims are not aware of the EU's policies and initiatives in the Mediterranean which makes their perception of the EU rather precarious.¹⁸⁴

The EU has been criticised for democratic deficit within its various bodies because of their seeming inaccessibility to ordinary citizens, which makes requesting democratic reforms in ENP partner countries seem contradicting (see Table 4, pp 40). Restrictive policies, such as banning religious clothing and head-wear in France and Belgium, requiring a statement to be signed by immigrants upon arrival to respect

182Babayan, 2011:3

183Carafa, Korhonen, 2008:9

184Shahin, Emad El-Din (2007) „Political Islam in Egypt“, CEPS Working Document, No 266, May 2007:5-9

individual freedoms and gender equality in Denmark¹⁸⁵, or anti-Muslim demonstrations and attacks against Muslim women in France¹⁸⁶ may leave the impression of Islamophobia and discrimination within the EU. The fact that ENP conditionality requires democratic reforms and non-discriminative society to be established in its partner countries, may be interpreted as EU double standards and puts the legitimacy of EU rules, at least in the Mediterranean, into question.

In order to assess how well are EU rules compatible with domestic institutions in third countries, one would need to study this in each country's case individually (see Table 4, pp 41). At this point, the author would take the idea of compatibility further by saying that similarities between a target country and the EU increase ENP's effectiveness which actually combines the arguments of sharing EU values and their level of democracy. ENP has been more successful in countries that are culturally more similar to EU member states and that lie geographically closer to the EU which also favours migration. For instance, Romanian, one of the official languages of the EU, is also a native language in Moldova – a country that lies in the geographical proximity of EU, is motivated for EU integration and has become the most modernised ENP partner.

However, given the Soviet past and a large Russian-speaking minority in all EaP countries, including Moldova, Russian foreign policy has influenced the countries' democratic transition and relations to the EU (see Table 4, pp 40). Extensive cultural, economic and security linkages, asymmetries in size and power that favour Russia, its support for NGOs, political parties, cultural foundations, or even local governments in places like Crimea¹⁸⁷, may “legitimize and reinforce authoritarian elements in their policies”¹⁸⁸. Visa-free regime and the knowledge of Russian language and traditions has favoured Azerbaijani migration to Russia rather than to the EU¹⁸⁹. In addition to inevitable historical linkages, Russia has been using trade restrictions to undermine EaP

185Benton, Meghan, Nielsen, Anne (2013) „Integrating Europe's Muslim Minorities: Public Anxieties, Policy Responses“, Migration Policy Institute, 10.05.2013

186Muhammad, Marwan, Ray, Elsa, Privot, Michaël (2013) „Anti-Muslim violence: A wakeup call for European governments“, EUObserver, 30.07.2013

187Wilson, Andrew, Popescu, Nicu (2010) „Russian and European neighbourhood policies compared“, p 97; in Triantaphyllou, Dimitrios (2010) „The Security Context in the Black Sea Region“, Routledge

188Cameron, David R., Orenstein, Mitchell (2012) „Post-Soviet Authoritarianism: The Influence of Russia in its ‘Near Abroad’“, Post-Soviet Affairs, Vol 28(1):2

189Allahveranov, Azer, Huseynov, Emin (2013) „Costs and Benefits of Labour Mobility Between the EU and the Eastern Partnership Countries. Country report: Azerbaijan“, CASE Network Studies & Analyses, No 460:36

success¹⁹⁰, such as the previously mentioned bans on Moldovan wine and Georgian chocolate in 2013 before the Vilnius summit.

In Armenia's case, Russian capital, subsidy and low-price gas distribution is an offer that the economic cooperation in the ENP framework can not match¹⁹¹, which is probably why the country announced a wish to join the Russian-led Customs Union in September 2013. Given the external policy's context-dependence, its effectiveness varies with possible regional competition and can only be successful if there is no credible alternative to EU integration – in that sense, the Customs Union might become a challenge (see Table 4, pp 40). Russia “has developed a neighbourhood policy of its own that combines soft and hard power and is backed by more time and resources than the EU is currently willing to commit”¹⁹². Compared to Russia, Europe is not a military superpower – and does not even wish to become one¹⁹³ –, therefore, the EU is not treated as a strategic actor, as one of the great powers or a pole in the multi-polar world¹⁹⁴. Instead, it is perceived as a soft power player (see Table 4, pp 40) which may make the EU integration seem less attractive for countries that were hoping for greater EU contribution to regional security (i.e. Armenia, Azerbaijan).

In the Mediterranean, however, Russia's influence remains limited to occasional contribution to conflict resolution. There are some regional organisations that include a number of EuroMed countries, such as the African Union, however, these are not considered as regional competition that would undermine ENP's effectiveness. The main obstruction to modernisation and reform in the Southern dimension tends to be the religious fundamentalism. Islamic values are deeply established in the countries' societies and are therefore difficult to be uprooted or changes. Therefore, EU policies in the Mediterranean have been more focused on economy, environment, energy, health, migration and culture, i.e. the soft security areas.

Political and economic interdependence between the Union and its neighbourhood is one of the few conditions that has worked in favour of ENP's

190Emerson, 2014:11

191Babayan, 2011:2

192Wilson, Popescu, 2010:96; in Triantaphyllou, 2010

193Tuimioja, Erkki (2009) „The Role of Soft Power in EU Common Foreign Policy“, International Symposium on Cultural Diplomacy, Berlin 30.07.2009

194Biscop, 2013:3

effectiveness in some cases (see Table 4, pp 40) like Moldova, Georgia and Morocco. Morocco is a former French colony and is therefore the only ENP partner country where French is spoken as a second language by many Moroccans. Since the country has been considered to be the only state in North Africa that has launched crucial reforms towards democratisation, it could owe some of its success to language and cultural relations with France. Moldova and Georgia have both pursued Europe-oriented trade relations since they gained independence in 1991 which has contributed to economic interdependence.

Then again, historical interdependence with Libya, a former Italian colony, or Egypt, Jordan and Palestinian territories that were once a part of the British empire, has not added much to these countries' success in stabilisation or development. And Belarus, on the contrary, due to violations of electoral standards and human rights, has become rather isolated in European continent, where bilateral political relations are limited to statements, resolutions, nominations of mutual claims and complaints¹⁹⁵. Then again, mutual interdependence is inevitably lower with countries that have not signed an AP and therefore remain outside most of the ENP structures: Libya, Syria and Belarus.

Interdependence, connectedness and migration between the partner countries themselves has also affected their ability to meet ENP conditionality. For example, in the South, it has caused „Lebanon and Jordan [to] struggle with the impact of the Syrian civil war on their political, economic and social systems, seriously compromising their ability to carry out political and structural reforms“¹⁹⁶. In the East, Nagorno-Karabakh conflict has produced the largest number of refugees and internally displaced persons (IDPs) in South Caucasus region, while “language, cultural similarities and geographic proximity between Azerbaijan and Turkey [has] underpinned the decision of many to migrate to Turkey”¹⁹⁷. Same applies to historical interdependence between Azerbaijan and Russia. The fact that domestic political unrest or conflicts in a country inevitably affect democratic processes in its cross-border neighbourhood, supports the EU's idea behind ENP to avoid the spill-over of instability and problems from its neighbourhood into the Union.

195Yahorau, Andrei (2011) „Who has benefited from the implementation of the neighbourhood policy in Belarus?“, Belarusian Political Science Review, No 1:215

196European Commission, 2014a:2

197Allahveranov, Huseynov, 2013:30,36

External governance theory to some extent differs from ENP performance: there are issues found in ENP research that were not addressed by the theory and vice versa. The issue of ENP containing two conflicting objectives – security and integration vs managing accession aspirations – was seen as an essential deficiency in ENP literature along with the inappropriateness of the one-size fits-all structure and ENP's budget constraints, yet, external governance theorists did not expect these to play a crucial role in determining the policy's overall effectiveness. However, given the diverse backgrounds of target countries, ENP has resulted in patterns of differentiated EU integration and a multi-speed ENP, as Lavenex had predicted for external governance¹⁹⁸.

Then again, there are theoretical assumptions that were not seen as problematic in ENP research. According to theory, the more an EU rule is supported within the EU and in line with international rules, the more likely third countries will accept. The values promoted via ENP are based on democracy and development that are supported across Europe and the West: rule of law, free and fair elections, human rights, civil freedoms, fight against corruption, market economy, sustainable economic development, political and economic stability – none of which is contested within the EU. There are no evident internal compliance issues that could affect ENP performance.

A major difference is the core of what is shared beyond EU borders: elements of external governance rely on rule transfer, whereas ENP is based on values. As opposed to pre-accession, ENP does not extend the Union's legal boundaries or thrive for EU rule transfer as such, but is more based on promoting good governance, economic development and democracy. Then again, it has been put into question whether using a value-based narrative is even fit for external action purposes or not¹⁹⁹. It could be that ENP's ineffectiveness derives from these dissimilarities. If ENP were to meet each of the external governance effectiveness conditions, would it then be more successful?

In fact, hypothetically, if the EU were to use social learning in ENP implementation, be consistent in what they offer, would not face regional competition or credible alternatives to EU integration, would be considered as a powerful international player and have an equally high interdependence with all ENP partner countries, would the policy then be successful in establishing an associated area of peaceful, prosperous,

¹⁹⁸See chapter 2.2. Elements and variations of external governance model

¹⁹⁹Biscop, 2013:3

democratic, secure, politically and economically stable countries around EU external border? Regional competition was limited in Lebanon, but promoting democracy has not succeeded due to insufficient ENP incentives, Lebanon's political instability and human rights issues²⁰⁰. In Ukraine, ENP conditionality with no membership perspective has not transformed state structures and policies nor helped stabilise Ukrainian domestic politics²⁰¹, owing to the country's political polarisation and Russian presence. On the examples of Lebanon, Ukraine, as well as Belarus, Armenia, Azerbaijan, Libya or Syria, the author feels that a strong policy structure might not be enough to succeed, if the will for EU integration is not shared by stable governments in its target countries.

If the EU were to update the policy at its best to meet these effectiveness conditions, there are still aspects that the EU can not change. This goes for any kind of external influence – regardless of how structurally competitive and legitimate an external policy might be, it remains vulnerable towards international power structures, regional alternatives and domestic factors in its target countries. Moreover, there are countries where ENP has succeeded, in spite the policy's internal contradictions or international influence of Russian foreign policy, such as Moldova and Georgia. Since in ENP's case, external policy's effectiveness depends more on external factors than on the policy's own structure, the hypothesis stated in the beginning of the thesis, is proved.

4.2. Generalisations and conclusions

It is somewhat demanding to assess ENP performance and pinpoint the reasons for its little effectiveness, even on the basis of external governance theory. Given the strategic importance of the near abroad and current problematic situations in several partner countries, such as Ukraine, Armenia, Belarus, Egypt, Libya or Syria – especially due to a momentous change in Crimea and the vast unpredictability of Russian foreign policy in the common neighbourhood –, ENP's effectiveness in establishing stability and security in the region is undoubtedly of great importance for the EU. These countries can not be regarded as neutral, but neither can they be ignored.

200Sensenig-Dabbous, Eugene, El-Hindy, Elie, Hourani, Guita (2013) Case study: Lebanon, p 56; in Benedek, et al., 2013

201Ünal Eriş, Öner, 2013:72

Even though the list of domestic problems in third countries that affect democratic reform progress, is shorter than the policy's internal contradictions, the key factor lies in the partner countries. Authoritarian political regimes, politically unsettled governments, countries' own vision on their relations with the EU, lack of democracy, and domestic cost of reforms that hinder modernisation and reform. It is also something that the EU can not change or improve on their end which is why the author sees domestic factors in partner countries as the main determinants for ENP's effectiveness.

However, recent setbacks, conflicts and events do not necessarily mean that the policy in general has failed, as some of the authors have stated. One could argue that the situation would be much worse if ENP was never introduced to begin with. After all, the DCFTAs were finalised with Moldova and Georgia in November 2013 which indicate economic development in these countries and is an important step in further enhancing their cooperation with the EU. Progress has also been achieved in visa facilitation and mobility partnership between the EU and some of its Eastern neighbours, such as Azerbaijan. These step-by-step accomplishments should not be underestimated.

In order partner countries to take on the costly reform process, the advantage of preferential trade relations has to exceed the cost of it. While the EU has been hesitant to deliver benefits, but expecting large-scale democratic reforms and economic developments from ENP partners, it “requires much of the neighbours and offers vague incentives in return, making it unlikely that ENP can meet its core objectives”²⁰². The external incentives model of conditionality has not been resultant when there is no clear result or a guaranteed benefit, which goes for all ENP partner countries.

As stated in introduction, ENP is likely to affect its target countries as well as EU members more than they can expect. Advancing economic integration, trade relations and migration would make EU Single Market accessible to third countries. Greater EU integration and signing of AAs with Eastern partners could cause dissatisfaction or even antagonisation in Russia. And if the EU – already including patterns from pre-accession in ENP – would offer membership to ENP target countries, the policy would have been preparing new members for the EU all along. To all intents and purposes, the ENP's importance for the partner countries, as well as for the EU, can not be disregarded.

202Smith, 2005a, Abstract

4.3. Challenges and recommendations

EU internal requirements in foreign policy are often different from what the ENP countries expect to receive via ENP. In that sense, the EU needs to focus more on the actual needs and different situations of the target countries, as opposed to following the member states' interests or prior institutional decisions. The EU should end its tendency to treat countries in its neighbourhood with “simplistic uniformity”²⁰³. Furthermore, the influence of traditional cooperation patterns and interdependence relations that shape the preferences of EU member states, should not affect the focus of the EU as a group when it comes to ENP. Ideally, the policy should always have a clear focus, not a volatile attention that shifts between two dimensions or single countries.

When it comes to visa-liberalisation and delivering conditional rewards on the EU's end, the EU has to overcome migration fears. Current xenophobic protectionist attitudes, especially towards immigrants from Islamic countries, are preventing the EU from developing a constructive win-win approach to migration²⁰⁴. It is not just about the increasing social burden on national governments or rising unemployment – it could actually help solve demographic problems within the Union, since there are skill shortages in many sectors, such as health, science, engineering or agriculture, for example the need for medical nurses in Germany. The Commissioners have stated that the EU even needs more immigration to remain globally competitive²⁰⁵.

There is a theoretical link between ENP and the Union's external action in general, however, it has not translated to practice as well as it could. In order to address regional disputes efficiently, such as Transnistria, Nagorno-Karabakh, South Ossetia, Abkhazia, or Western Sahara, Dr Huff suggests combining political and non-political instruments like CSDP and ENP with EEAS to set concrete and politically realistic policy aims for solving these conflicts²⁰⁶. There have been short-term CSDP missions in some cases in Eastern Europe, but these resolutions need a long-term agenda in order to be sustainable, which is something that the ENP and EaP could potentially project.

203Babayan, 2011:4

204Fischer, Lannon, 2011:4

205Malmström, Cecilia, László, Andor (2010) „EU must remain open to migration“, European Voice, Vol 16(45):9

206Huff, 2011:5

The EU's ability to conduct a more successful ENP in future depends on how does the EU develop internally and globally. There will be periods that are probably going to draw more focus on the Eastern Partnership, such as Latvian and Estonian EU Presidencies in 2015 and 2018, respectively, and there will be periods when certain events in the proximate neighbouring countries attract attention to certain countries. Developments in Russian foreign politics and Customs Union ambitions will probably impinge the ENP performance in the region. External influence is not something that the EU can control or change, but what they can do, is develop a strong and focused policy on their end, which is what the new ENI attempts to establish.

ENP critique has addressed two conflicting points at the same time: the policy's one-size fits-all structure being inappropriate to address partner countries' individual problems and the Union's inconsistency in conditionality application, i.e. prioritisation of selected cooperation areas with certain countries that has led to different patterns of EU integration across the neighbourhood. Would it even be possible for the EU to establish a policy that would be able to address each country's domestic problems and peculiarities, without being accused of unequal approach or self-interest? The author sees these as two mutually exclusive events that pose a challenging dilemma for the already internally incoherent Union.

Although the findings suggest some tentative conclusions on ENP's problems and possible reasons why the policy has not been as successful as hoped, similar to studies in social science, they are still subject to debate and require further research. The thesis offers generalisations about the policy's implementation, however, since its main conclusion is that the policy's effectiveness depends on domestic factors in partner countries, a case study of each country would be highly eloquent for drawing more specific conclusions. An in-depth analysis would enable to narrow down individual problems in each country's case in particular.

Additionally, the author acknowledges that the findings are rather dependent in empirical evidence that is used. On an open research topic like the ENP is, there are numerous different and sometimes conflicting opinions being published. For example, upon using EU official documents as sources for arguments, one would not find problems in the ENP structure or issues with using conditionality, that might, in turn, be

the core critique of some scientific articles. It has been challenging to limit the amount of literature, even when concentrating on recent critical publications. The amount of articles, policy reviews and reports is overwhelming and definitely needs further systematisation of some sort.

Further research on external governance and ENP's effectiveness would need to go beyond a policy analysis as conducted in this paper. It would be resultant to compare the conditions for an effective external governance on the basis of individual countries or a case study by using primary sources. Domestic conditions for effective policy implementation and rule transfer in third countries could use further investigation of some sort which would be a highly beneficial contribution to ENP research.

4.4. Renewed approach in European Neighbourhood Policy

In 2011, the High Representative and the Commission published a Joint Communication where the EU institution noted some points of improvement needed in ENP²⁰⁷. Same year, the Commission put forward a legislative proposal²⁰⁸ for a new ENI that entails updates, revision and improvements in the ENP framework for the upcoming 2014-2020 period, adopted in the Council and the Parliament in March 2014. Next, the thesis provides insight to the main principles and changes that the new ENI entails, in comparison with the current problems found in the previous parts of the thesis.

First, the “more for more” principle along with the differentiation clause is the key aspect of the new ENI²⁰⁹. This gives conditionality and “reinforcement by reward” model, reviewed in the second part of the thesis, a meaningful output by increasing support to those partners who are more successful in a broad and comprehensive democratisation process. When each country would be supported, evaluated and rewarded individually, financial distribution would need to do the same, as opposed to the current division of ENP budget between the East and the South dimensions. Instead,

207Joint Communication by the High Representative of The Union For Foreign Affairs And Security Policy and the European Commission (2011), „A New Response to a Changing Neighbourhood: A review of European Neighbourhood Policy“, COM(2011) 303, Brussels, 25.05.2011

208European Commission (2011) „Proposal for a regulation of the European Parliament and of the Council establishing a European Neighbourhood Instrument“, 2011/0405(COD), Brussels, 07.12.2011

209*Ibid.*, p 2, 9, 17, 35, Article 4

the EU would “allocate a greater proportion of funds where aid can have the highest impact”²¹⁰. These elements of differentiation could potentially solve two of the main points of EU critique found in the third part of the thesis – differentiating between countries would allow the EU to better adjust its assistance to the partner countries own needs and progress²¹¹ and increase partner countries' motivation and make.

Second essential update regards the structural design of the instrument, since ENP programming and evaluating process has so far been too complex and time-consuming. Each country not only agrees on a bilateral AP of priorities and goals, but also receives annual progress reports that may take over a year to conclude and in some cases contain similar suggestions as the AP does. During evaluation and consultations when signing up for ENP partnership, Country Strategy Papers are issued, involving an in-depth situation analysis in each country. This adds up the average of 18 months²¹² for all requirements and reports to be initialled, concluded, translated and signed.

Therefore, the Commission proposes to streamline, shorten and better focus the programming process, simply to deliver support to ENP partner countries faster²¹³. Fields of cooperation and financial support would be more policy-driven and would vary across countries, depending on which critical areas need the most assistance. The focus may be, for example, on human rights, fundamental freedoms, progressive economic growth and integration to the EU internal market, security, confidence building, prevention and settlement of conflicts, support for increased people to people contacts, sectoral cooperation (energy, climate change) or civil society²¹⁴. If cooperation focuses on key policy objectives, particularly set out in the APs, EU support would be more relevant and efficient.

Third, the ENP should be more linked with actual internal policies in both, partner countries and the EU. Establishing closer links with EU internal programmes would enable partner countries and their citizens to participate for example in student mobility, youth programmes or other activities engaging civic society²¹⁵. When

210EU Neighbourhood Info Centre: www.enpi-info.eu

211*Ibid.*

2122011/0405(COD):3

213*Ibid.*, p 3, 35

214EU Neighbourhood Info Centre: www.enpi-info.eu

215*Ibid.*

introducing the ENP package in March 2014, EU Commissioner Štefan Füle noted the importance of these people-to-people contacts: “by engaging directly with people, opening travel and study opportunities for citizens, and promoting networking between communities (business, research, universities, arts, culture, etc.), in addition supporting civil society, EU policy can act as a catalyst in this process [of] transition towards democracy and more inclusive societies”²¹⁶.

Fourth, given Russia's improved fiscal situation in the past years and less need for large volumes of financial assistance, Russia's position is to be revised in terms of receiving funding. Russia is a special case when it comes to ENP – they did not want to be approached by the EU under the same policy as Azerbaijan, Jordan or Egypt for example, and therefore, they are not part of the EaP countries, as such. However, Russia included as a recipient of bilateral, multi-country and cross-border ENPI funding, which made Russia the only beneficiary of ENPI that is not covered by ENP²¹⁷. Bilateral support to Russia has been marginal in the last four years and since Russia aspires more to a relationship of equals, the country has become a donor itself²¹⁸. Although „Russia's eligibility for regional and Cross-Border Cooperation programmes is retained (...), bilateral cooperation will be addressed (...) under the new Partnership Instrument (PI)²¹⁹ – a major innovation of the 2014-2020 external instruments package“²²⁰.

Whether these updates in the policy will bring about a more successful ENP, remains to be seen. The new ENI addresses significant points of improvement in areas that the EU was criticised for, namely regarding the lack of motivation, conditionality, not delivering benefits or the one-size fits-all structure. It shows a degree of docility within the EU, but it would take seven years of implementation and even longer to see actual results in practice. This institutional attempt to increase the policy's effectiveness would need to be supported by changes in member states' attitudes and governments in partner countries as well, and this is where the EU faces a number of challenges.

216European Commission, 2014a

2172011/0405(COD):4

218*Ibid.*, p 4

219PI aims to advance and promote EU interests by supporting the external dimension of internal policies in strategic partner countries such as Russia, e.g. competitiveness, research and innovation, migration, and to address major global challenges, e.g. energy security, climate change and environment.

220EU Neighbourhood Info Centre: www.enpi-info.eu

Conclusion

A policy that covers 16 countries via similar incentives is already an ambitious one, not just because of economic and social diversity of the partners, but the fact that the six countries in Eastern Europe are to some extent seen as potential EU members, while for the ten Mediterranean, accession perspective is very unlikely. There is no common understanding or definition of ENP: some say it is a substitute for enlargement, a pre-accession, a security community, development cooperation, creating a ring of friends or a buffer zone between the EU's inside and outside. However, they all seem to agree on one thing: ten years of the policy's implementation has not been as successful as hoped.

The systematisation of ENP research in this paper contributes to our understanding of ENP effectiveness by highlighting and categorising popular problems in the light of effectiveness conditions from external governance theory. It helps to eventually narrow down not just the problems of the policy, but the key aspects that actually determine the success of ENP. Identifying internal structural issues within the EU is an essential prerequisite for possible improvements in future.

The main internal structural problems that have hindered ENP's effectiveness are the EU's inconsistency when applying external incentives conditionality, following EU member states' historic preferences and economic interests rather than partner countries' needs, the policy's one-size fits-all structure that has not been able to address the countries' individual national problems and challenges, the constraints of EU budget, and the lack of consensus, focus and commitment to delivering ENP benefits within the EU. On one hand, seeking to maintain security and stability around EU external border, but on the other, aiming to promote democratic developments in partner countries, it has been argued that ENP is struggling to meet two sometimes conflicting objectives.

External factors that influence ENP's course include international power structures and possible regional competition or alternatives to EU integration, such as Russian foreign policy and Customs Union in its near abroad. ENP success is determined by domestic factors in partner countries, such as domestic regime, the political will of national governments, the cost of democratic transition and EU rule adoption – especially problematic and costly in authoritarian countries –, the extent to

which they share EU values, national conflicts and the countries' own vision upon their relations to the EU, be them membership aspirations, conflict resolution, visa-liberalisation or advanced trade and mobility partnership.

Internal contradictions of the policy affect the perceived legitimacy of EU in these countries, however, they do not play as crucial role in determining the policy's overall effectiveness as the political will of governments in target countries does. Even if the ENP were to meet all other external governance effectiveness conditions, political regime in partner countries remains the most widespread hindrance to political reform, as seen in cases such as Lebanon, Syria, Libya, Belarus, Armenia, or Azerbaijan. As a result of ENP research and analysis, the hypothesis was confirmed: external policy's effectiveness depends more on external influence than on the policy's own structure.

The analysis points out challenges and recommendations on issues where the EU could improve their stance, such as overcoming migration fears, using the theoretical link between CFSP and EU external action, and focusing more on each partner country's own development levels and needs, rather than EU's understanding of it. Although structural updates to the policy itself might not result in increased effectiveness in all target countries, unless the partners themselves express determination to develop, a clear focus, consistency in conditionality application, consensus among member states and a motivating EU offer would be able to improve the perception of EU in partner countries that might eventually lead to their greater dedication to modernisation. Whether the new ENI will bring about a practical increase of the policy's effectiveness in the next seven years or not, remains to be seen.

Estonian abstract

Magistritöö autori eesmärgiks on leida põhjused Euroopa Liidu naabruspoliitika (ENP) senisele ebaefektiivsusele. Kuna viimastel aastatel on esile kerkinud mitmeid probleeme erinevates ENP sihtriikides ja Euroopa Liidus endas, on suurenenud ka kriitika osakaal naabruspoliitika uuringutes. Käesolev töö püüab süstematiseerida negatiivseid hinnanguid poliitika toimimisele välise valitsemise (*external governance*) teooria raamistikus. Tuginedes kahele uurimisküsimusele ja võrreldes efektiivse välise valitsemise teoreetilisi tingimusi peamiste ENP probleemidega, leiab uurimus ENP ebaedu peamised põhjused ja probleemid, mis määravad välise poliitika efektiivsuse. Autori isiklik panus väljendub kõige selgemalt magistritöö neljandas osas, kus võrreldakse teoreetilisi ootuseid ENP praktikaga, analüüsitakse peamiseid probleeme läbi empiirilisele tõestusmaterjali ja faktide ning seeläbi leitakse vastus teisele uurimisküsimusele. ENP edukuse osas leiti kõige määravamaks olevat siseriiklikud tegurid partnerriikides, eelkõige sealne poliitiline režiim, valitsuse huvid, vähene demokratiseerituse tase, rahvuslikud väljakutsed, võimalikud konfliktid ja suhted naaberriikidega. Sellegipoolest, poliitika toimimisele avaldavad mõju ka EL sisemised vastuolud – nagu näiteks järjepidevuse ja üksmeele puudus tingimuslikkuse rakendamisel, vastandlikud eesmärgid, ebasobiv üldistusaste ja võimetus pakkuda motiveerivat tulemust ENP sihtriikidele – ja rahvusvahelised muutujad, näiteks kujutlus EL-ist kui pehmest võimust (*soft power*), regionaalne konkurents, võimalikud alternatiivid EL integratsioonile (*Customs Union*) ja Venemaa välispoliitika oma lähinaabruses. Analüüsi tulemusena leiab kinnitust hüpotees, et välise poliitika efektiivsus sõltub rohkem välistest teguritest kui poliitika sisemisest struktuurist.

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