

WHAT'S LEFT?

TRENDS AND DYNAMICS
IN EUROPE'S EAST



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INTRODUCTION: REVISITING EASTERN EUROPE

Over the course of 2011 and 2012 we visited a number of countries in Eastern Europe and Central Asia with the aim of assessing the development of democracy and social democracy in the region. At the time, relations between Russia and Ukraine were stable, and at the government level apparently friendly. The EU Association Agreements, which in just two years would solidify Moldova's and Georgia's pro-European choice and trigger Ukraine's violent conflict with Russia, were still being negotiated. Across the Atlantic, Donald Trump was just a TV celebrity, while President Obama was drawing his line in the sand on the use of chemical weapons in Syria.

Needless to say, much has changed since then.

We now seem to be dealing with a different – or at least changing – world order. 2014 especially can be seen as a watershed moment for Europe. That year saw Russia's annexation of Crimea, the start of the war in Eastern Ukraine and the shooting down of flight MH17. Some observers have referred to the escalation of tension between Russia and the West that followed these developments as the end of the post-Cold War European security order. Since then, we have seen Russia manifest itself outside its borders more strongly, not only in its immediate neighbourhood, but also in Western Europe and the United States, through public opinion manipulation campaigns, cyber-attacks and attempted assassinations, and in the Middle-East, through a military intervention in the war in Syria.

In Eastern Europe, meanwhile, the situation has also changed significantly. Ukraine, Moldova and Georgia have developed closer ties with the EU, but interestingly, this hasn't boosted their democratisation process quite to the extent that we may have hoped or expected. While there is an increased grass-

roots push for more transparency and checks and balances – exemplified by the victories of anti-corruption and anti-establishment leaders in Moldova (Maia Sandu) and Ukraine (Volodymyr Zelensky) in 2019 – oligarchs and their influence remain a major stumbling block for these countries. In addition, their explicit pro-European choice has made relations with Russia more complicated, to say the least.

At the same time the position of Belarus and Armenia, which had been firmly embedded in the ‘pro-Russian’ camp, seems to be changing as well. Since the de facto Russian takeover of parts of Ukraine, Belarus President Alyaksandr Lukashenko has grown warier of his Eastern neighbour. While his dictatorship remains firmly in place, he is sending signals of rapprochement to the EU. Armenia, meanwhile, saw a completely unexpected peaceful revolution in 2018 that ousted its hybrid, oligarchic regime in as little as three weeks, bringing to power reformist activists under the leadership of opposition MP Nikol Pashinyan. While doing its best to not alienate Russia, the new Armenian government seems eager to strengthen ties with the West.

Despite such upheavals, the picture of social democracy in the region remains unchanged. Social democratic presence in most countries further diminished or remained non-existent. However, also according to local observers that we have spoken to, there is potential for social democracy in the region. Especially the demands voiced by the support bases of the anti-corruption candidates that have come to power in the past one or two years, as mentioned above, are broadly in line with social democratic ideals.

Considering these developments, we decided it was time to revisit the region and assess what this may mean for the countries’ development trajectories when it comes to democracy, social democracy and their relations with the European Union.

In 2012, we recommended a more diversified approach towards the countries in question, and proposed a categorisation based on their democratic (and social democratic) development. To European Social Democratic organisations (PES, S&D Group), we had suggested cementing

relations with the Democratic Party of Moldova (DPM), the social democratic party in the only country that we believed fell into the category of being ‘on a democratic path’. The category that we defined as relatively free, but also showing authoritarian tendencies, included Ukraine, Armenia and Georgia. As we found these countries mostly lacking in social-democratic presence, the recommendation was to look for new platforms and initiatives on the progressive side of the political spectrum. Finally, in the countries we defined as ‘authoritarian’ – Belarus, Azerbaijan – we recommended focusing mainly on general democratic development.

For anyone familiar with more recent developments in the above-mentioned countries, it is apparent that this categorisation – and the related recommendations – are no longer adequate and a renewed look at the region is needed.

So we revisited Moldova, Belarus, Ukraine, Armenia and Georgia with a delegation of European social democrats. The delegations consisted of a core research group whose findings and analyses are presented below, and were complemented by colleagues from the network of the European Forum for Democracy and Solidarity.

The present publication is divided into two parts. Part one will focus on the internal dynamics in the countries themselves when it comes to their general democratic development as well as the developments surrounding left-wing/social-democratic forces and issues. In addition to the broader analyses, we have included a piece that demonstrates the more practical side of the processes we discuss, by putting the spotlight on the situation in the Eastern Partnership region relating to some key issues for social democrats: labour rights and social justice. Part two will focus on the external dimension, on the role and influence of major geopolitical players in the region. This publication has a limited purpose. It is a policy paper. We are particularly interested in how ‘Europe’, and especially the social democratic movement in the European Union, can or should respond to the recent domestic and international developments in the countries of the Eastern Partnership. Hence, we will conclude with a reflection on the analyses presented in the articles through a social democratic perspective, offering a

set of recommendations for not only the EU as a whole, but also European social democratic organisations. Hopefully, these will form a basis for a more defined strategy for social democrats towards the region in general and the individual countries in particular.

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PART I

INTERNAL DYNAMICS

THE COUNTRIES TO THE EAST OF THE EUROPEAN UNION – A TRANSITION IN-BETWEEN

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From the same point of departure to growing differentiation

The end of the Soviet Union marked a common point of departure for today's Eastern Partnership (EaP) countries. But the differentiation among them continues to grow, and their development paths are diverging. At the same time, their political systems, their economies and their societies still share certain structural similarities. The shared history that once united the countries is being contextualized in an own narrative of statehood and nationality. Pre-Soviet history is rediscovered and the particular Soviet take on history is reinterpreted from differing national perspectives.

The adult generation that consciously participated in the transition to post-Soviet times experienced enormous contradictions between expectations and reality. Aspiring to political freedom, the predominant assumption was that democracy and economic prosperity would come in a package – including western welfare state elements and consumption patterns. What the countries got instead were fragile democracies, partly neo-liberal capitalism with deregulated economic sectors and parallel to that the continuation of a strong state sector, peoples divided into winners and losers in the transition, leaving behind weak states and deeply unsettled and insecure societies. The countries started their journey to the 'in-between': between democracy and authoritarianism, formality and informality; market, state and oligarchs, constitutional and popular/ revolutionary power and legitimacy, Russia and the EU/the West, etc.

This has had a lasting impact on the generation born after independence. Russian is still a common language, but among the young generations it is often no longer the most common one. A ‘nationalisation’ of politics and society is taking place, and apart from the dichotomy between Russia and the EU/WEST new players are entering the frame offering tempting alternatives (Turkey, China and Iran). Private TV, social networks and the internet have already changed the way people communicate and how societies are organised. Digital communication, be it real, fake or manipulated is turning into a new political and economic instrument that plays an important role in economics and politics. One could observe this recently with the ‘Velvet Revolution’ in Armenia in 2018 or the election campaign in Ukraine in 2019 that brought actor and comedian Volodymyr Zelensky to power, along with a large number of people formerly not involved in politics.

While there are still common issues that unite the states within the EaP, a regional approach is becoming less and less adequate. Today, a country like Georgia may have more in common with Ukraine or Moldova than with Armenia and Azerbaijan. At the same time Russia can no longer be taken as the key point of reference when we want to understand the developments in these countries that are creating their own legacy. Georgia, Armenia, Moldova and Ukraine may still be compared in their levels of democratic development. Within a post-Soviet sphere of influence, they stand out for a fair degree of democratic freedoms and relative political pluralism. Nevertheless, all of them are still far from being consolidated democracies.

Most analysts and the relevant indices (Freedom House 2019 or EIU Democracy Index 2018) classify them as uncertain or hybrid political regimes that combine features in-between autocracy and democracy. The *Democracy Index* of the Economist Intelligence Unit qualifies them as ‘authoritarian’, ‘hybrid regimes’ and/or ‘flawed democracies’. Since 2007, when the Democracy Index started to collect data, it has assessed Moldova as a ‘flawed democracy’; Georgia – as a ‘hybrid regime’ (although lately it is considered to be one of the most democratic of the ‘hybrid regimes’); Armenia had been rated ‘authoritarian’ between 2006-2016, but with the

recent ‘Velvet Revolution’ moved to hybrid; while Ukraine has descended from the ‘flawed democracy’ category (2007-10) to that of ‘hybrid regime’ (2011-18); Belarus is stably authoritarian. From a Western perspective it is important to recognise that – against widespread hope in the beginning of the transition process – there is no linear development towards ‘full democracies’.

On the contrary; there is still a number of huge structural deficits limiting the consolidation of democratic institutions. ‘Among these deficits are problems stemming from ethnic, regional and cultural conflicts; strong and weak features in their general constitutional systems; the links between democratic development and government capacity to produce public goods; state capture by powerful oligarchs and endemic corruption; underdevelopment of political parties and party systems; insufficient trust towards institutions of electoral democracy...’ (Ghia Nodia et al. 2018, p. 9-10; in Emerson et al. 2018). All this is embedded in a context of informality in political, social and cultural relations. Informality can yield real or symbolic power and may be instrumentalised as a currency more important than money. Power relations, institutional arrangements, social divisions and new inequalities have sometimes developed more through informal than through formal means/modes of governance which, at other occasions, have been subverted by informal modalities of resistance.¹

The political trajectories of the countries

In all of today’s EaP countries, democracy emerged as an alternative to the discredited Soviet system. Actually, at that point in time democracy and a capitalist market economy looked like the only viable systemic alternative. This was also a widespread conviction in the West, best represented in Francis Fukuyama’s contribution ‘The End of History’ (Fukuyama 1992). Today, we know that the historically unique challenge to transform an authoritarian paternalist state with a full-fledged state-economy into a

¹ Polese, Abel and Rekhviashvili, Lela 2017. Introduction: Informality of power in the South Caucasus, in: *Caucasus Survey*, 2017, Vol. 5, No. 1, p. 1. For the growing research on ‘Informality’, see the same article.

democracy with a functioning market economy was totally underestimated – and didn't produce the anticipated results.

Nevertheless, the early post-Soviet period was widely characterised by enthusiasm for democracy as the explicit finality of the reforms. It soon became clear, however, that the introduction of democratic governance was confronted by many deeply rooted structural and societal deficits: a culture of dependence on the state; weakness of citizens' voluntary association in the public space: no such thing as civil society; the old collective/mass organisations were widely discredited (unions, youth and women organisations); a lack of understanding of how democracy works; and deep divisions among multi-ethnic populations towards the projects of new nation states. On top of this came an economic breakdown caused by the implosion of the former Soviet 'command economy' and the disruption of economic relations with the rest of the former Soviet Union.

On the political level, one could observe the struggle between two elite factions. On the one hand, new political groups emerged from the challenge to the Soviet system claiming democracy and strong nationalist agendas. They confronted the existing Communist nomenklatura that was keen to preserve its power and former privileges. Both these groups demonstrated fundamental shortcomings. The post-Soviet forces tried to appear credible by embracing the new slogans of democracy and nationhood. But it quickly became apparent that they were rather predisposed to resist the necessary democratic and market reforms. They were also the faction that was strategically placed to translate its previous leadership positions and the acquired administrative and managerial skills into control over economic resources, thus preparing the ground for the oligarchic character of the new regimes. The central deficit of the new elite groups was their lack of political, managerial and administrative experience. In addition, they could hardly imagine what forces would be released in an attempt to introduce democratic government and a market-based economy, and they quickly seemed overstrained in the management of the new reality. Against this background the countries passed through turbulent times that could not be stopped with the adoption of the first democratic constitutions (which had been drafted with the support of western foundations or consultants) in the mid-1990s.

The constitutional process was preceded by lengthy debates between the different political forces. The more status quo oriented post-Soviet forces tended to promote strong presidential rule, greater centralism and majoritarian electoral systems, while reformist forces instead called for parliamentary systems, greater decentralisation and proportionate voting systems. Moreover, these first constitutions had to incorporate the ethno-territorial conflicts that threatened the nascent nations.

Whatever the strengths or weaknesses of the formal constitutions in the four countries (Armenia, Georgia, Moldova and Ukraine), they all face challenges of extra-constitutional governance. Formally, the constitutions are allowing for a competitive political process, eventually leading to accountable government. They also include all the necessary provisions for the protection of political liberties and human rights. But the weakness of democratic traditions and institutions leaves the countries vulnerable to powerful informal influences, be it personality-driven parties with sometimes charismatic leaders, powerful oligarchs and their networks or unpredictable mass movements that occasionally proved capable of changing regimes.

By the end of the 1990s, a certain disenchantment concerning the policy output of the new regimes gained prominence among the electorate. Large segments of society realised that they had exchanged a lack of freedom and national sovereignty, but also a life in security, modesty and predictability, for political freedom, national independence and economic opportunities, at the price of profound social and economic insecurity. Under these conditions in the late nineties the pendulum swung towards the nomenklatura-forces which seemed more promising as factors for stability, whilst the new forces stood for instability, change and reform.

However, the desired stability came with a high price tag. High levels of corruption, state capture by oligarchic groups, government inefficiency in terms of its capacity to provide public goods, slow economic development and a growing informal sector in the economy continued to characterise the situation. All countries faced a contradiction between formally declared principles of constitutional democracy, transparency and meritocracy, which were also more or less reflected in the constitutions and legislation, and the

reality of neo-patriarchal, informal, clan-based governance (Nodia et al., 2018, p. 15-16). This undermined the legitimacy of the elites in power perceived as illegally enriched in the times of relative lawlessness and chaos during the nineties. And it set the pretext for the 'colour revolutions' in Georgia and Ukraine in 2003 and 2004 respectively. In Moldova, the resistance to communist rule was led by a chaotic coalition of pro-European political forces, but the movement took less dramatic forms. In 2009 they also succeeded in rising to power after the April youth riots and subsequent political turmoil in the same year. And in Armenia, which had not accompanied the other three on their rapprochement towards the EU, the popular uprising came only in 2018. The leaders actively denied that their movement had anything to do with Europe or the West. In fact, the formal link that does exist between Armenia and the EU, the Comprehensive and Advanced Partnership Agreement of 2017, is a novel type of weaker integration with the EU that reflects the reality of Armenia's close relations with Russia, including its participation in CSTO (the Collective Security Treaty Organisation founded by Russia) and the Eurasian Economic Union (EAEU). The focus here is on a less detailed agenda for fostering institutional capacity, economic development, energy efficiency and participation in society.

Since the beginning of the 2000s, the domestic dynamics in all four countries were superseded by a new phenomenon that might be termed the 'geopoliticisation' of the competition for power.² A more assertive Russia emerged under Putin, clearly alarmed by the colour revolutions, interpreting them as Western conspiracies to squeeze Russia out of its position of influence in its neighbourhood. In this context, the inclusion of the countries in the European Neighbourhood Policy (2003 for Moldova and Ukraine, 2004 for Georgia), and especially the Eastern Partnership (EaP) initiative turned the EU into a more influential actor in the region. And the Union came to be considered as the key partner and ally of pro-reform political groups within these countries. Hence, the division between pro-democratic reforms and pro-status quo agendas began to be perceived as a clash between pro-Europe and pro-Russia forces.

² See Ghia Nodia, 'The Revenge of Geopolitics', *Journal of Democracy*, Vol. 25, No. 4, October 2014, pp. 139-150.

The strongest expression of this polarisation were the 2013-14 'Euromaidan' events in Ukraine. They were triggered by the outrage at President Yanukovich's last-minute refusal to sign the Association Agreement with the EU. But the agenda of Euromaidan did not stop there, it developed into a general protest against the regime and corrupt oligarchic rule. The EU – at this point in time – thus became the projection screen for a clean, effective and participatory democracy for which the Ukrainian people yearned.

In-between popular and rules-based power

Over the course of almost three decades each country had its moments and periods where such democracy was in high demand. The countries have - each in its own way - developed a twofold legitimacy of political power. On the one hand a formal one through elections based on the basic law laid down in the respective constitutions. This way of getting to power increasingly suffered from mistrust of the political class and in terms of the validity of the formal democratic process and its representative institutions, which have been frequently hijacked by oligarchic interests. The second source of political power is informal and based on different forms of popular political intervention, including uprisings. In these cases, citizens demonstrated their readiness to rely on mass rallies, acts of civil resistance and other forms of direct democracy to challenge or oust governments. The relatively high legitimacy of such methods of political struggle is partly justified by popular mistrust of the integrity of procedures of electoral democracy and political parties, as well as the practices of incumbent governments that often question the very legitimacy of opposition groups and use selective judicial procedures to prevent their most dangerous opponents from taking part in the political process. This gives additional support to claims that a mobilised public may serve as a more authentic representative of the will of the people than the latter's duly elected representatives – which frequently were not so 'duly' elected anyway. In practice, this expresses itself in unconstitutional changes of power, or in attempts at such changes.

This aspect of the developments is more prominent in Georgia, Ukraine and Armenia than in Moldova. In the former countries power changed through unconstitutional means, in Georgia and Ukraine even twice. In Georgia, it started with Zviad Gamsakhurdia (originally democratically elected), who was ousted in a violent uprising in 1992. The second similar – but non-violent - episode was the ‘Rose Revolution’ in November 2003, which meant the end for President Shevardnadze. This popular movement took the form of peaceful civil resistance.

Ukraine shared the Georgian experience during the ‘Orange Revolution’ 2004, another example of successful peaceful resistance in support of democracy. The second case, the Euromaidan revolution of 2013-14 was much more dramatic: it was prompted by President Yanukovich’s refusal to sign the association agreement with the EU, led to armed clashes between the police and the protesters, and ended up with Yanukovich fleeing Ukraine. This change of power gave Russia a pretext to annex Crimea and instigate a separatist rebellion in south-eastern Ukraine (Nodia et al., 2018, p. 39). The most recent transition in Ukraine from Poroshenko to Zelensky was constitutional and peaceful, but it carried elements of a hybrid between constitutional and popular power. Zelensky entered the presidential race only three months before the election. He turned the polls around and won with an absolute majority. A month later, his newly founded party the ‘Servant of the People Party’ won the parliamentary election with an absolute majority, bringing a large group of representatives into parliament who had no political experience at all. This was commonly perceived as a radical rejection of the entrenched political and party system that had never catered to the needs and aspirations of the people. With an absolute majority as president and a similar majority in parliament, power is concentrated in Ukraine in a way never seen before. It remains to be seen what Zelensky can do with it. Equipped with such a popular mandate, will he be able and willing to turn the page to democratic governance that delivers?

Armenia was a latecomer to demonstrating popular power. After years of political inertia under the hybrid oligarchic/autocratic regime of President Serzh Sargsyan the ‘Velvet Revolution’ of 2018 came unexpectedly, but it was

not unplanned. A small group around former journalist and opposition parliamentarian Nikol Pashinyan took leadership of a broad protest movement. The reason for people to take to the streets was President Sargsyan’s announcement that he wanted to switch to the office of Prime Minister, which had recently been upgraded through a change in the constitution. With this move Sargsyan broke his own promise made in 2014, and turned into certitude the suspicion that he was not inclined to relinquish power, triggering the movement. The protest movement opted for peaceful and creative means, and it did not make the foreign policy orientation of the country, the closeness to Russia, an issue of the campaign. Moreover, it benefitted from the restraint of the security forces. After the parliamentary elections in December of the same year, Pashinyan solidified his position as Prime Minister (he had been acting PM since the Velvet Revolution), winning a comfortable majority. Also, in Armenia it remains to be seen if the new forces will be able to bring about fundamental change in the political and administrative system. At present there is almost no organised opposition (Gherasimov 2019b).

The cases of Pashinyan in Armenia, of Yanukovich winning in Ukraine in 2010, and of the GD (Georgian Dream Party) defeating the UNM (United National Movement) in Georgia in 2012 show that peaceful and legal transitions of power from government to the opposition are possible. From a wider perspective, however, these countries continue to oscillate between constitutional and popular power legitimacy.

Poor government performance, low-output legitimacy

Wherever power derives its from, over time a deep popular frustration with political elites has built up. And this does not only refer to the more authoritarian elite factions closely related to oligarchic networks, who tend to benefit from relative stagnation and the continuation of the status quo. It also goes for the proponents of democratic reform and the forces fighting corruption, the favourites of western democracy promotion. In all four countries political parties still are among the least trusted institutions. Although there have been several changes of power, either through

revolutionary or constitutional means, they usually ended in disillusionment on the part of the citizenry concerning the performance of government and administration. Legitimacy is not only an issue when coming to power. It is not only a normative question of compliance with the rules, accountability, transparency and respect for citizens' rights. It has as much to do with the output of policies and politics. Government legitimacy has to be earned by demonstrating the ability of effectively serving citizens' interests, producing public goods and the legal framework for equal opportunities in politics and the economy that make people's lives better. This was the original promise of democracy.

But given the trajectories of the four countries analysed here, this was only poorly delivered. Among large segments of the population democracy has suffered from a widespread perception that liberalism and pluralism bring inefficiency and sometimes chaos, and allow for corruption and plenty of informal influence on politics. Many well-educated people opt to emigrate, be it for political or economic reasons, to sustain their families through remittances. This takes the pressure off the labour market and contributes to keeping an already big informal economy alive, thus supporting the status quo. It looks like democracy has lost a good portion of the credit it had in the early 90s among the populations of the region.

At the same time alternative models of governance have emerged in close proximity, above all Russia, where Putin rehabilitated state power and established an autocratic regime that doesn't tolerate opposition but delivers on order and basic needs, thus gaining output-legitimacy in contrast to the democratic but chaotic and unfair 1990s. However, democracy does not only face regime competition from Russia, but lately also from other autocratic systems of governance, most prominently China and Turkey. In contrast to the beginning of the transition in the early 90s, when these alternatives did not exist, it is therefore becoming more and more important for democracies to prove that they can perform better than autocracies.

Output-legitimacy as a key part of government performance has been a problem for all EaP countries, although in different ways. Especially for Georgia, Armenia, Ukraine and Moldova who maintain their ambition of

establishing democratic and eventually delivering regimes 'increasing government effectiveness, its responsiveness to citizens' needs, and substantively reducing the rate of corruption is an extremely high priority task. This, however, can only be achieved through confronting the key political problem of state institution 'capture' by powerful oligarchic groups or super-rich individuals in all four countries' (Nodia et al. 2018, p. 30; in: Emerson et al. 2018).

Oligarchic networks limiting development and democracy

Oligarchy is generally perceived as a power structure that allows a few very wealthy businesses, families, or individuals to informally control the economy or key sectors of it and to strongly influence state policy. They tend to possess sufficient power to turn a country to benefit them to the detriment of other economic or political agents.

It has already been mentioned how the 1990s provided fertile ground for oligarchs to prosper. In the absence of effective governance after the collapse of the Soviet Union they enriched themselves in the countries' various privatisation schemes. On top of that they were historically lucky: the introduction of market economies in the post-Soviet sphere came at the peak of the neo-liberal doctrine in the West. A radical withdrawal of the state from the economy, rapid deregulation and privatisation were promoted. This strongly contributed to personal enrichment, mostly by illegal or semi-legal means. In this context individuals or small groups could acquire vast assets in key sectors of the economy, including the energy sector, manufacturing, banking, telecommunications, transport, food and beverages, retail trade and real estate (Babajan 2018, p. 17; Treisman, 2016). To unleash their full potential and to protect their wealth and businesses, oligarchs had to rely on their formal and informal political connections (Åslund et al., 2007). They turned into a decisive force in the political class and became indispensable for other factions. To understand the scope of the phenomenon one should be aware that in Moldova, for example, the joint fortune of the two leading oligarchs, Vlad Plahotniuc and Vlad Filat, amounts to around half of the country's GDP (Kononczuk et al. 2018, p. 63; in: Emerson et al. 2018); in

Georgia the corresponding figure of the dominant oligarch, Bidzina Ivanishvili, is one third of GDP (ibid., p 66).

Even though the political impact of oligarchic structures differs per country, they share some common characteristics: they tend to restrict political pluralism, capture state institutions, encourage corruption, promote monopolisation, and more broadly block reform processes (Kononczuk et al. 2018, p. 56; in: Emerson et al. 2018). Oligarchy is an informal institution, which in Georgia, Armenia, Moldova and Ukraine often seems more powerful than formal and legal institutions and norms are. But it is difficult to draw firm conclusions on the activities of oligarchic networks and on the damage they may cause. They operate in the shadows of informality. Still, it is crucial to develop a better understanding of the mechanisms, the logic and the consequences of oligarchic politics in these countries. They appear as key obstacles to successful structural reform, including democratisation.

The disadvantages of oligarchy³

Still, oligarchic networks are a symptom of the crisis of the state, the absence of statehood, rather than its cause.⁴ Major impacts can be registered in the following fields:

- *Limiting political pluralism*

In a weak state with an inefficient administration and poorly paid officials, oligarchs can apply their manifold resources (money, media, political connections, etc.) to shape policies in their interest. This includes the establishment of 'private' political parties, the election and control of parliamentarians (if they are not candidates themselves) and the financing of other political parties, which creates dependencies.

- *Capturing state institutions*

Public administration is not serving public interests because it is either corrupted or brought under the control of oligarchic interests by other means. Moldova is perhaps the most 'advanced' example of state capture

among the EaP countries. Many of its key state institutions, specifically in law enforcement, were under the control of Oligarch Vlad Plahotniuc.⁵

- *Corruption, patronage and clientelism*

According to the Transparency International Corruption Perception Index 2016 Ukraine and Moldova were among the most corrupt countries in the world, ranked 134th and 123rd respectively. Georgia (44th) is an example of the great progress that can be made in reducing corruption, which was one of the achievements of Mikheil Saakashvili's presidency (2004-12) (Kononczuk et al. 2018, p. 74, in: Emerson et al. 2018). Over time the systems of governance in most of the EaP countries turned into a rent-seeking device. Often privatisations or public tenders are rigged so that political authorities share the profits with oligarchs – with negative consequences for the state budget.

- *Monopolising the economy*

After gaining control of key sectors of the economy, oligarchs tend to impede normal market competition. Foreign investors are discouraged from joining the game because of informal preferences for oligarchic capital, the weak rule of law, and fear of corporate raiding. As a result, Foreign Direct Investment (FDI) as a necessary catalyst for economic development stays low. In Moldova and Ukraine, it is among the lowest per capita in Europe.

- *Blocking reforms*

Oligarchs are not interested in functioning markets. Any programme for the systemic modernisation of the state, the economy and for establishing a rule-of-law based system is perceived as a threat to their interests. Hence,

³ The following two sections rely basically on the study of Kononczuk W., Cenusu D., Kakachia K. 2018, in Emerson et al. 2018, p. 56-87. Their list of items limiting development and democratic governance and the possible answers thereto is taken over with some amendments.

⁴ See: Heiko Pleines, 'Oligarchs. More a symptom than a cause of Ukraine's crisis', VoxUkraine, 19 January 2017

⁵ Joint Statement EPP-ALDE: Moldova – the uninominal system is a desperate attempt to keep the Democratic Party in power, <https://www.epp.eu/press-releases/joint-statement-epp-alde-moldova-the-uninominal-system-is-a-desperate-attempt-to-keep-the-democratic-party-in-power/>

they have tried to use the instruments at their disposal to influence the reform process, to ensure that it does not strike at their business interests (in Ukraine) or, thanks to their control over the state's institutions, to block changes less favourable to their interests (Moldova and Georgia).

The listed disadvantages show that oligarchs are usually not interested in changing the status quo. They often become forces of inertia, with the tendency to support the existing regimes and elites – on the condition that these continue to serve their interests. Oligarchic networks have a systemic interest in the weakness of states, and in many cases they try to weaken them even further. Oligarchs are against modernisation – or at best in favour of controlled modernisation - if it implies a change to conditions that had previously been favourable for them.

How to respond to the challenges posed by oligarchs

Given the wide range of impacts oligarchy causes, the remedies need a correspondingly broad approach. Kononczuk et al. propose the following measures (Kononczuk et al. 2018, p. 81-84):

- Institutional capacity building
- Effective anti-corruption bodies/politics
- Public funding for political parties
- An ambitious competition policy
- Independent judiciary
- Independent media

The above-mentioned list of tasks shows how complex a successful handling of the oligarchic problem is. Only the implementation of far-reaching reforms will enable countries to fundamentally revise the relationship between political power and the oligarchs.

How to deal with the phenomenon of oligarchy has become a matter of controversy at home and abroad. According to a recent study: ‘... for an overwhelming majority of citizens in post-Soviet pseudo-democracies, oligarchs’ actual, negative influence on the political system as well as popular

perceptions of unfair wealth concentration are conducive to beliefs that a non-democratic regime is what is needed in order to put things right in their country’ (Babajan 2018, p. 5). Obviously, the EU for its part is opting for a democratic approach through focused conditionality concerning many features of the Association Agreements or the DCFTAs. However, one of the greatest weaknesses of the EU approach to reform in these countries might be the fact that the EU is a ‘formal’ power par excellence, whereas the nature of the systems in the EaP countries is highly informal. This results in a mismatch: while the EU is usually working with treaties and legal agreements predominantly on the inter-state level, the countries concerned function informally and this informality often overrides formal statutory provisions. In this respect Russia, which also does politics on a largely informal basis, may be better acculturated and a more effective external power than the EU.

The oligarchs themselves have been flexible in the face of changing domestic and international conditions. While they usually abstained from ideological politics at home, they did opt for political families in the EU to broaden their outreach and networks abroad (Ukraine: Poroshenko’s party EPP/Moldova: Plahotniuc’s party S&D/Georgia: Ivanishvili’s party S&D). In the geopolitical polarisation between Russia and the European Union some of them opted for one side (Yanukovich in Ukraine lost power due to his pro-Russia choice), while others showed an ability to profit from both sides. This is an increasingly common feature of the power brokers who dominate these divided societies, it keeps them in the game (Orenstein 2019).

In any case, oligarchy is one of the crucial competition sites where the future of the type of governance and the economic development perspectives in the countries in-between will be decided. From a western point of view the challenge is to transform the oligarchs into normal economic players. The process is not alien to Western experience itself. At certain times in history, like the introduction anti-trust legislation in the US at the turn of the 19th to the 20th century, it had worked. Tycoons like the Morgans, Mellons and Rockefellers were enclosed in a rigid legal framework and got the chance to become honourable businessmen – but this could only be realised under conditions of effective state power. In the countries of the EaP ‘de-oligarchisation’ may only be achieved through deep economic and political

reform, including de-politicisation of key state institutions, an effective strategy against corruption, and the de-monopolisation of key sectors of the economy and the media. It remains to be seen if this still is a realistic option now the international environment is developing towards multi-polarity and a more prominent role for autocratic regimes.

Civil society and political parties

Even though Georgia, Armenia, Ukraine and Moldova are characterised by strong asymmetries of political and economic power, they maintained a relatively dynamic political life, open space for controversy in public debates and considerable levels of social activism. This does not only apply to the moments of political upheaval when revolutionary legitimacy flourished, but it generally distinguishes them from the other more autocratic EaP countries. But all four states have so far failed to create a political level playing field, which is essential for a functioning democracy. Under conditions of difficult regime transitions, vague regulations, ineffective oversight of party and campaign finances and lacking law enforcement, parties still struggle to become representative and to gain legitimacy. The notoriously unstable and often unpredictable environment has rather driven parties to seek questionable alternative sources of finance. Moreover, it has discouraged internal party democracy, and the current party and campaign financing rules have led to a consolidation of oligarchic and corrupt elites. Instead of promoting new leadership, this type of party serves vested interests and produces civil servants loyal to their patrons, jettisoning independence and neutrality and turning into proxies for their benefactors (Gherasimov 2019 a, p. 25). Despite the many new faces that appear as candidates at each election, the weakly institutionalised parties neither play their role as recruitment pools for new political elites, nor do they train these elites in how to turn citizens' demands and concerns into politics. All this has contributed to delegitimising political parties as effective intermediaries between citizens and political institutions.

Against this background the level of development of political parties and party systems may well be considered as one of the major structural

weaknesses of democratic politics in the four EaP countries. People just do not trust parties and consider them as tools for private (oligarchic) interests. A striking example of this mistrust of the political class was the insistence of Euromaidan protagonists during the 2014 protests on distancing themselves from all political parties and their leaders, because they were by definition suspected of being corrupt.

The negative attitude of the Euromaidan activists towards political parties in Ukraine might be taken as representative for the relationship between civil societies organisations (CSOs) and parties in the countries concerned. Since the overwhelming majority of political CSOs is supposedly pro-democratic, the relationship has been twofold: when pro-European pro-reform parties come to power, CSOs frequently serve as a pool for political and civil service appointments, and they manage to co-shape policies. When status quo oriented forces are in power, CSOs find themselves in opposition with limited space to act. But in general, CSOs were fairly free to organise and express their opinion in Georgia, Moldova and Ukraine – less so in Armenia until more recently. Legislation did not hamper the functioning of movements or groups. At present, there are interesting new youth movements in Ukraine, Georgia and Armenia. They also usually try to stay away from parties since they want to be neither co-opted nor instrumentalised. At certain times in the recent history of these countries, civil society was even in the driving seat in the political reform process.

The best known examples and high points of civil society influence were the 'Orange Revolution' (2004) and the 'Revolution of Dignity' (Maidan 2013-14) in Ukraine, the 'Rose Revolution' (2003) in Georgia, and the 'Velvet Revolution' (2018) in Armenia. Similar examples, albeit on a smaller scale, could be observed in Moldova.

This contrasts sharply with the situation of civil society in the other EaP countries Belarus and Azerbaijan, and in the rest of the post-Soviet sphere. Since the early 2000s, and in particular since the colour revolutions in Georgia and Ukraine, civil society in Belarus and Azerbaijan have seen the space for their actions and promotion of democracy⁶ in general shrink. With its 'foreign agents' law, Russia itself has set the example. It requires

organisations that engage in ‘political activity’ – a term that has been excessively broadly defined – and receive foreign funding to register as ‘foreign agents’ and use this label in their activities. Another recent law gives the Russian authorities the right to declare foreign organisations ‘undesirable’. Several NGOs, donor organisations and local branches of international news outlets have been targeted, and some have already been forced to roll back their programmes in the country. The tightening of Russian legislation on CSOs/NGOs can directly be attributed to the successes of the Revolutions in Georgia and Ukraine, which were interpreted as Western inspired and financed attempts at ‘regime change’ to squeeze Russia out of its ‘near abroad’. This Russian position should not simply be dismissed as a conspiracy theory. In contrast to the position of most European countries in this respect, the US’ take on the situation in the concerned countries (Georgia and Ukraine) clearly comprised aspects of ‘regime change’, taking the Serbian experience of the 90s as a reference, where the student movement ‘Otpor’ contributed decisively to ousting Slobodan Milosevic.

Civil society in the EaP countries has always been the favoured and privileged partner of the Western donor community – in spite of a number of considerable structural weaknesses the sector demonstrated over time. Civil society organisations are often overly dependent on external players and communicate little with their local constituencies to organise collective pressure from citizens. Levels of participation and membership in CSOs in the region are low. Accountability is mostly upward to donors. Downward accountability to constituencies is practically non-existent. Even in Ukraine, an⁷ and charities shows that only around 50% prepare annual reports, much less report to the state, and public dissemination of annual reports is negligible. All this not only puts the legitimacy of the CSOs themselves in question, but the approach also means that citizens are beneficiaries rather than drivers of change.

6 Dandashly, Assem and Noutcheva, Gergana (2019), *Unintended Consequences of EU Democracy Support in the European Neighbourhood*.

7 See the website of CCC Creative Center (Kiev) which offers different surveys on various aspects of Ukrainian CSOs, <http://ccc-tck.org.ua/eng/library/drukovani-vidannya/>

Therefore, many citizens perceive civil society organisations as elite groups with links to foreign donors, which makes it easier for governments to ignore their demands for reform. Moreover, the image of civil society as a force promoting foreign, namely European agendas is used by conservative, often Church-related and pro-Russian groups, to discredit them and resist their liberal calls for anti-discrimination legislation, for example (Nodia et al. 2018, p. 43)

The more recent experience of shrinking space for activism has consequences for European and, more generally, Western democracy support (Poppe et al. 2019). The two major players – the EU and the US – are less and less willing and able to pressure the countries into democratic reforms. With the return of geopolitics, the EU’s soft power approach finds itself increasingly confronted with hard power realities, which leads to a securitisation of cooperation. The EU faces a loss of appeal and leverage due to internal crises, populism, disrespect of the rule of law or media freedom and autocratic tendencies in existing member states. This is weakening the EU’s normative coherence as a pro-democracy force. It is openly challenged by alternative development models promoted by Russia or other powers like China, Turkey and Iran – all proponents of autocratic governance.

Conclusions

Considering almost thirty years of national independence of the countries in the EaP area and the rest of the post-Soviet sphere, some general observations are pertinent: of the six EaP countries all but Belarus are involved in unresolved secession conflicts. This is overshadowing domestic politics; it limits the governments’ room to manoeuvre by tying up economic and human resources needed elsewhere; and it implies a permanent involvement of Russia in domestic affairs.

The countries are also differentiating though. Ukraine, Georgia, Moldova and Armenia, the core of the EaP, are still struggling to build open systems of governance based on democratic principles, and they maintain close though varying relations with the EU and other Western countries. Other

countries, including EaP partners Belarus and Azerbaijan, and the Central Asian republics are authoritarian, and closely tied to and differently dependent on Russia.

Among the former four countries the differentiation is still growing, and their development paths vary increasingly. Each country is building its own legacy in which democratic moments as the different revolutions become prominent milestones in the growing puzzle of national identity.

However, after three decades of transition the four countries are still far from being established democracies. Many of the central reform challenges have not been mastered, many reforms not been finished or not even started. No matter who has governed, whether more or less reform-oriented forces, all governments have struggled to deliver sustainable change and live up to the aspirations of their citizens. In the four states people have become disenchanted with slow reforms and poor-quality governance. Societies continue to be polarised; major political controversies have not been settled.

Politicians in these countries mostly consider themselves as pragmatic and un-ideological – a belated response to the over-ideologisation of Soviet times. But also, without ideological controversy, different political forces have not managed to develop a sustainable network of intermediate institutions, such as political parties or independent trade unions and employers' associations that could credibly articulate, represent and promote the interests of different segments of society. Even though the public is still supportive of the normative attraction of democracy, there is no public consensus and little debate on basic values, be it on individualism vs communalism, on diversity, pluralism, equality or tolerance of minority cultures or the lifestyle one aspires to. And in the meantime, powerful social forces such as Orthodox Churches promote openly illiberal agendas. Perhaps a little more ideology (value orientation) would do the debate good.

In its future policies directed towards the EaP countries, the EU as an external player should take into consideration a structural deficit in the relationship: one of the greatest weaknesses of the EU approach to reform

in the countries concerned is due to the fact that the EU is a 'formal' power par excellence, whereas the nature of the systems in the EaP countries is highly informal. This results in a mismatch: while the EU is usually working predominantly on an inter-state level with treaties and legal agreements, the countries function informally and this informality often overrides formal statutory provisions. In this respect Russia, which also does politics on a largely informal basis, may be better acculturated and a more effective external power than the EU.

The EU's approach to the reform processes in the EaP countries tends to be strongly formalised, legalised and institutionalised. This strategy falls short of success in the face of the largely informal nature of politics in these countries, heavily dominated by either autocrats or oligarchs. And, as far as bottom-up instruments of civil society support are concerned, they often are too technical or may even put NGOs at risk. The programmes of the Union have to be politicised and they should include support for political parties. This may sound contradictory to the findings in this book which have shown mistrust or very low legitimacy and popularity of political parties. But parties are, nevertheless, the vehicles to power. Therefore ignoring them cannot be an option, since democratic consolidation cannot be imagined without transparent and responsible parties. It will be difficult for the EU itself, a state-oriented organisation, to promote democratic party development. But the Union can rely on a solid network of think-tanks and political foundations that are able to take on this challenge in a less formalised and less institutionalised way. Such an approach would be complementary to the established practice of cooperation with CSOs for which the EU has already created a special agency, the EED (European Endowment for Democracy).

Democratic cooperation partners of the four EaP countries need to learn how to confront illiberal politics and shrinking spaces for democracy promotion in the context of rising competition with autocratic governance systems (Russia, China, Turkey, Iran). These countries offer economic advantages that do not come – at least at first sight – with complex conditionalities that are inconvenient to deal with for many elite groups. Thus, governments following a democratic reform path still need more incentives. Today, the EU together with its member states is the only global player disposing of a

variety of rewarding instruments that can be offered to countries making democratic progress.

Given this state of affairs, one might have to admit that these countries will remain 'in-between' until some of the basic questions mentioned above will be firmly addressed. Whether this will occur democratically, on the basis of consensus, is doubtful. The same logic applies to the economy: If the countries continue the way they have so far, they will at best get stuck as middle-income countries or rent economies – as one can see in Russia or Azerbaijan. Catch-up development will only come about through modernisation that boosts productivity and innovation. Whether the oligarchic system has that capacity and flexibility, and whether this happens under more democratic or more autocratic conditions is still unclear. The EU should discourage any international engagement with oligarchs and other elite groups that are suspected of misappropriation or corruption, infringement of the rule of law or the manipulation of law enforcement agencies. Increasing geopolitical competition in the Eastern Partnership space may give rise to autocratic solutions as well as other as yet unknown development paths – in any case, options most probably different from the democratic one the EU promotes currently. Russia is particularly interested in retaining this state of affairs of semi-frozen conflicts, keeping the countries 'in between', and it is proactively affirming its ambitions through hybrid threats.

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WHAT IS LEFT OF PROGRESSIVES IN THE EASTERN PARTNERSHIP?

MARINA OHANJANYAN, SENIOR PROJECT MANAGER FOUNDATION MAX VAN DER STOEL AND EUROPEAN FORUM FOR DEMOCRACY AND SOLIDARITY

The countries of the Eastern Partnership have seen some turbulent years politically. A comedian coming to power in Ukraine (2019), an unexpected peaceful revolution in Armenia (2018), a shift in power relations in Moldova (2019), heightened civic activity in Georgia (2018 and 2019), not to mention the ‘summer of protests’ in Russia (2019) – not part of the Eastern Partnership, but the most influential country in the region by far. All are notable and/or influential occurrences in the past two years alone, and all took place without any role for social democrats, or, in the case of Moldova and Georgia, were aimed explicitly against the political party considered to be the main ally of European social democracy. So what happened to the social democrats in post-Soviet Eastern Europe? This article will look into some causes for the diminished – or non-existent – role of social democratic parties in driving societal change in the region, and propose new approaches in rectifying this.

A complicated history

Social Democracy has a complicated history in Eastern Europe, even when only looking at the period of independence of the post-Soviet states. The perceived – even if unfair – link of social democracy with Soviet-style socialism, the familiar faces from the communist past rebranding themselves as social democrats, combined with the general public’s eagerness to embrace (neo)liberal thought as something new and – crucially

– different from the Soviet past, have contributed to this. The hyper-presidential political systems that have mostly been in place since independence also did not help, being not at all conducive to strong political party development that could have benefited the emergence of genuine social democratic parties.

Social democrats were unable to overcome these obstacles even after the negative effects of neoliberalism – unchecked by weak state institutions and a mostly absent rule of law – became more and more apparent towards the late 1990s and early 2000s. As described more elaborately in the previous article, by that time, the oligarchic structures that resulted from the economic monopolies of the 90s had solidified. In some post-Soviet states – Belarus, Azerbaijan, Russia – power became concentrated in the hands of increasingly authoritarian leaders, leaving even less space for strong social democratic – or, indeed, democratic – movements to emerge. Throughout the 2000s and 2010s it became clear, as described below, that the social democratic parties that had been present and visible on the national political arenas in some countries had not managed to become durable forces of significance, and in fact, collapsed one by one.

As a result, in 2019, European social democrats seem to lack a strong sister party in practically any country of post-Soviet Eastern Europe. However, this does not necessarily mean there is no space for social democracy. In fact, recently in some countries in the region the public has been making itself heard, sometimes after years of political apathy, either through street protests or unpredictable electoral behaviour. It demanded more accountability, transparency, (social) justice and solidarity - political ideals that are close to social democracy. In Ukraine, what can be seen as an electoral rebellion in 2019 brought in a new political elite without any background in or links with the established political circles. Armenia saw a series of mass protests that became known as its ‘Velvet Revolution of love and solidarity’ in 2018, ousting the former oligarchic regime. In Moldova, an unexpected move by the pro-Western anti-corruption ACUM bloc brought in a new government in 2019 which, short-lived as it may have been, had as its main proclaimed aim to fight corruption and to achieve more accountability from the country’s political leadership.

Although very few of the people that form the driving force behind these popular movements call themselves social democrats, they should surely be at the centre of the attention of European social democrats, if we can ever hope to regain our footing in the region. Rebuilding a progressive left-wing alternative in these countries requires not only the local public becoming more active and vocal in its demands; it will also necessitate European social democrats to change the way we have been dealing with the region, and look at these societies and their social democratic potential through a different lens. It is no longer about established political parties with a presence in parliament and unchanging leadership. It is about the potential of progressive left-wing ideas among the public, and especially among the younger generations, which in recent years have been entering the political scene with new outlooks and perspectives. It is about more fluid, emerging movements and activists on the very edge between civil society and politics that could become the vehicles for progressive, social democratic thought and finally propel it to stronger significance in a region that is in dire need of a reasonable left-wing alternative.

But to arrive upon the right course of action, we first need to understand how we got here, why this moment in time is significant, and then look at the best ways to move ahead.

The collapse of social democratic parties in Eastern Europe

The failure of Social Democratic parties in post-Soviet Eastern Europe to carve out a stable and significant niche for themselves cannot be separated from the more general failure in building strong and lasting democratic institutions over the years of independence.

As stressed by Stern (1997, p.35), ‘the momentous events [of the collapse of the Soviet Union] embodied four inter-related and fundamental elements: the arrival of political democracy, the disintegration of an empire, the collapse of an economic bloc, and the launch of the transition.’ This complex process was accompanied by an inevitable temporary power vacuum and lack of rule of law or oversight that the implosion of a highly centralised

system entails, and much has been written – including elsewhere in this book – on the resulting free-for-all of (state) resources for those in the right position to take advantage of the situation. However, as noted by Maltsev (2006, p.426): ‘only a handful of these would-be capitalists [...] succeeded in seizing the billions of dollars’ worth of assets and natural resources that would make them billionaires [...]’. Although this specific observation relates to Russia, with the exception of the Baltic states, all post-Soviet republics developed their own local strongmen and oligarchs throughout the 90s, who would go on to solidify their wealth through either participation in the political process, or support of political actors from the shadows. The 1990s thus mark the beginning of private monopolies getting intertwined with the political systems, and the extreme inequality which this brings in terms of access to resources, opportunities, even careers, which would all come to depend largely on one’s loyalties to one or another major player.

In a political environment not used to civic action and inexperienced in democratic processes, a large proportion of the general public at a certain point mostly accepted the emerging status quo, and learned the new rules of the game in order to survive the turbulent times. The result, at least for the generation that saw the 90s as adults, was apathy: withdrawing from the political process, and largely focusing on one’s own daily life and economic survival. This is supported, for instance, by a 1996 study into the disproportionately high number of ‘don’t know’ answers that Russians gave in various opinion polls, which the study’s authors mostly attribute to apathy (Carnaghan, 1996).

Needless to say, this did not bode well for the development of strong social democratic movements. Coupled with the already mentioned lack of understanding and confusion as to the ideology itself, the apathy more or less precluded any bottom-up processes of social democratic party-building.

There are, however, some top-down examples of former Communists/ Communist parties rebranding themselves as social-democrats. In Ukraine, the 1991 prohibition of the Communist Party led to its fraction in parliament creating the Socialist Party of Ukraine (SPU), under the leadership of Oleksandr Moroz, which became the main left-wing political force in the

country for a number of years. Former Minister of Foreign Affairs of the Soviet Union and later President of independent Georgia, Eduard Shevardnadze, established the centre-left political party Citizens’ Union of Georgia in 1995. In Moldova, the Democratic Party (DPM) had a major electoral boost after a prominent member of the Communist Party, Marian Lupu, decided to join its ranks as the new leader in 2009. Other top-down examples, unrelated to communism, include Russia’s Just Russia party, a self-declared social democratic party established in 2006, which seemed for a while to be a promising initiative. In 2012 in Georgia, a major new political force – Georgian Dream (GD) – under the leadership of philanthropist-tycoon Bidzina Ivanishvili took the political scene by force. Largely based on an aversion to the incumbent government of President Mikheil Saakashvili, GD overwhelmingly won the parliamentary elections and then self-identified as a social democratic party.

However, these parties and/or politicians mostly did not manage to survive to the present day as significant political forces in their countries, or for that matter as credible social democratic alternatives. Ukraine’s SPU went through what can only be described as an exodus of members and supporters after the party’s leadership decided to abandon its Orange Revolution allies to stand with Victor Yanukovich’s Party of Regions in 2006. Its electoral results steadily declined over the years, from a peak of 7.1% in 2002, to 0.5% in 2012 in parliamentary elections, and from 13% in 1994 to 0.3% in the 2019 in presidential elections. Shevardnadze’s Georgian Citizen’s Union was dissolved in 2003, after Shevardnadze was ousted from power by the Rose Revolution. Moldova’s DPM saw a creeping takeover from around 2010 by an oligarch, Vlad Plahotniuc, after which the party’s popular support plummeted. It is currently regaining its footing after Plahotniuc was forced to flee the country and abandon the DPM. Just Russia, after some initial criticism of the authorities, eventually came to embody what it had been called from the start by its critics: a party largely supporting Kremlin policies, including some of its more conservative stances. Georgian Dream, while still self-identifying as a social democratic party, and having some important social democratic initiatives under its belt, is generally not considered as such by local observers. Many believe the choice of ideology was exactly that, a pragmatic choice due to a wish to

acquire powerful European allies in the second largest European political family, especially as the party's main domestic rivals already belonged to the European People's Party. The independent local observers that we spoke to also raised questions concerning the party's internal democratic processes (or lack thereof), pointing to the tycoon Ivanishvili as the main – or, indeed, only – decision-maker in the party.

One exception to the rule has been the socialist Armenian Revolutionary Federation (ARF Dashnaktsutyun), a party with a long history that, until recently, had managed to retain a stable core of supporters, usually making it into parliament, be it in small numbers. However, more recently, its past record of cooperating with consecutive Armenian governments closely intertwined with oligarchic circles have cost it dearly: after the ouster of the former regime by a peaceful revolution in 2018 the party did not manage to pass the parliamentary electoral threshold. Nevertheless, it is expected to survive this rough patch due to a close-knit and loyal core of followers and party members. However, the ARF may not be the best example of a social-democratic party, depending on whether one considers social democracy to be a necessarily progressive ideology: while having unquestionably socialist views on most economic issues, the party is highly conservative on a number of cultural ones.

At present, none of the post-Soviet countries feature a strong social democratic presence. This results from a combination of two main factors: a difficult operating field largely divided between major political/financial players, and a failure on the part of the parties in question to find a way to become the voice of the groups in society that they claim to represent.

Despite the difficulties, this failure is quite extraordinary, considering the fact that these countries face many grave challenges that have traditionally been addressed by socialist/social democratic forces: poverty, inequality, weak (or no) protection of employees' rights,⁸ inequality in the access to proper

⁸ To demonstrate more elaborately these issues specifically and the role social democratic parties and organisations could play in this regard we have included a more practical and focused piece, which follows this article: *Spotlight – Too Little Too Slow: Labour and Social Justice in the EaP*.

services (healthcare, education, infrastructure) not to mention more social-cultural issues, like gender equality and non-discrimination. And there is some indication that the apathy of the 1990s and (in some countries) early 2000s is receding and people are starting to demand these things much more vocally.

One way of discerning this heightened public demand is to look at the (electoral) platforms of candidates and parties that have received significant support from the public in recent years. Ukraine's Volodymyr Zelensky, Armenia's Nikol Pashinyan, Moldova's Maia Sandu all ran on platforms that decried corruption, the oligarchs and their influence, a lack of basic services provided to the citizens, a lack of social justice and equal opportunities. And all three received substantive support that put them in power. In Armenia and Ukraine the scale of the support was even unprecedented. Armenia's new ruling party is now proposing universal healthcare and the chairman of Ukraine's new ruling party has said his party, while previously being described as libertarian, will seek a balance between liberal and socialist ideas (Liga.net, 2019), presumably based on a perceived demand from within society.

Even on the issue of LGBT rights, which has arguably been the most difficult taboo in these countries for many years, and can be considered a litmus test of (cultural) progressivism, we are seeing some movement. In Armenia, the new government in a controversial move co-financed a documentary about a transgender Armenian athlete who was forced to flee the country some years ago. In response to criticism from conservative forces, the new PM has said he is happy with the film, that in fact he would have been ashamed if the Armenian government had not co-financed it, and that the athlete is 'under [his] personal protection' (Radio Free Europe/Radio Liberty, 14 Nov 2019). In Ukraine, a video went viral some months ago of President Zelensky, who in an emotional outburst to a question of whether or not he would 'stop the spread of homosexuality', responded that he will not say anything bad about the LGBT community, adding 'we live in an open and free society' and urged to 'leave those people alone, for God's sake' (Maurice, 2019). Such reactions, unheard of under previous, more mainstream political leaderships, come from politicians elected with unparalleled public support.

To be clear, neither of the above-mentioned political leaders can be seen as social democrats. In fact, it is still questionable if either of them will be able to even keep their promise to set their countries onto a steady democratic course. It is far too early to say anything about their chances or even true intentions. However, they personally are not of interest for the point made here. Rather, it is the people that have driven the mobilisation in their favour, have voted in great numbers for their proclaimed platforms, goals and ideals, and still, as of this writing, give them massive support in opinion polls, that seem to signify a shift in political engagement and public demand in these countries.

The above examples of increased progressive activity are not exceptions. Georgia is seeing a wave of protests these past two years, all on different topics, but all related to a general functioning of the government and state institutions and a growing resentment of the all-powerful ruling party Georgian Dream. But another important underlying friction line is that between conservative and progressive values; the latter being more associated with the movements and parties driving the protests.

Russia, Belarus and Azerbaijan remain difficult cases as dictatorships or near-dictatorships, which do not allow for sufficient space for independent political movement development. However, even there the faultline between supporters of the government and supporters of the (democratic) opposition in practice has a conservatism vs. progressivism cleavage. The most visible opposition movements in Belarus and Russia pursue political change that is partly inspired by a Western-style democracy, in contrast to the mostly conservative value system presented by the ruling elites. And although most of these opposition movements espouse more liberal values, with more liberal/right-wing economic models, they are for the most part progressive at least on social and cultural issues.

So where is this heightened level of (progressive) activism coming from, and why now?

The independence generation

Looking at the massive mobilisation in countries like Ukraine and Armenia, but also to a lesser extent in Moldova, Georgia and occasionally even Russia, the faultlines seem to run along a generational divide as well as a divide of values. The generation now most present in civic-political activism is sometimes referred to as the independence generation: those born well after the collapse of the Soviet Union and having no links to it, but also having gone through their formative years in the 2000s and even 2010s, which were marked by a relative stability and increasing wealth coupled with more opportunities of exchanging information with the rest of the world through increased physical travel and the Internet. The focus on the own (economic) survival that marked the generation of adults in the 90s is less present here: simply surviving is no longer enough and a need for (social) justice and being treated with dignity and respect by one's government is felt more acutely.

The protests and electoral votes in the different countries do not always have much in common in terms of specific issues, but all share a resentment of the oligarchic structures, the weak rule of law, and a lack of fair opportunities. The driving forces behind these movements are mostly young activists, and what unites them is also a more progressive outlook, be it economically, culturally, or both.

On average the members of President Zelensky's new government are the youngest in Ukraine's history, and they have been described as mainly progressive reformers (Skorkin, 2019). Core subgroups in Armenia's Velvet Revolution were young activists who had previously fought for issues like preserving the environment and opposing an electricity price hike, or a public transport price hike that disproportionately affected the poor. Georgia's current protest cycle began in 2018, with a young, urban, even bohemian crowd that protested violent police drug raids at famous Tbilisi clubs, which had become social hubs for the progressive youth (Lomsadze, 2018). Many saw those protests as a highlighting of Georgia's simmering conflict between its traditional values and a more liberal-progressive younger generation. Even the crowds at protests organised by Russian opposition leader Alexey

Navalny, who today represents the main voice of the democratic opposition in Russia, are marked – and sometimes ridiculed – for being iPhone brandishing urban hipsters that, ideologically, have more in common with (progressive) Western European youth than with their own compatriots in the Russian outback.

The independence generation no longer accepts the status quo of oligarch-run conservative establishments. Many either try to change them through political or civic activism (Ukraine, Georgia, Armenia) or, if they cannot, start looking for a way out: a survey in Russia released in November 2019 found that more than half of young people between the ages of 18 and 24 would like to leave the country (Radio Free Europe/Radio Liberty, 26 Nov 2019)⁹

Very few, if any, of the young activists and their groups self-identify as social democrats. But looking at the issues that they raise and values for which they fight, many of them would, in fact, fit quite naturally in leftist-progressive ranks as we see them.

The difficulties

For years the main European social democratic organisations have espoused quite a traditional way of looking at a political field in any given country: which are the main political parties, what is their declared ideology and how much influence do social democratic parties have – a judgement usually based on whether or not the party in question has a presence in parliament, government and/or local authority bodies. But we would argue that this framework is no longer sufficient for properly understanding the political processes in the countries in the post-Soviet region. In fact, this approach is

⁹ In other countries the numbers are also quite high. A 2018 study in Belarus showed that nearly 60% of Belarussians between the ages of 18 and 35 would like to emigrate, with some 75% not believing they have any impact on the developments in their country. A study by the British Council in Ukraine in 2015 showed that 45% of those aged between 16 and 35 considered emigration. In Armenia, a 2016 study showed some 30% of people under 30 wished to emigrate. In 2013, before the wave of civic activism truly began, that number was as high as 80%. It would be interesting to see if there is any causal link between more space for civic activism and a diminishing of the wish to migrate.

problematic for three reasons: a lack of ideology-driven politics in general, a lack of genuinely social democratic political parties specifically, and a lack of straightforward political influence patterns visible to the naked eye, like the legally defined interplay between government, parliament and political parties that we are mostly used to in Central and Western European societies.

A lack of ideology-based political parties in post-Soviet Eastern Europe has presented a challenge to European social democrats for some time. In the past 5-10 years, there have been many political cleavages in the countries in question: geopolitical orientation, conflicting oligarchic interests, populism/opportunism vs. the more established political actors, but ideology was rarely one. It has traditionally been difficult to identify political parties that would neatly fit their self-declared ideological affiliation, let alone that would correspond to a more general understanding of liberalism, socialism or conservatism. There are religious communists, fiscal conservatives speaking out for more public spending, and even libertarians trying to include socialist policies in their plans.

This also means that a political party that labels itself as social democratic will probably not always meet the criteria we tend to associate with social democracy. Especially perhaps under the challenging conditions of post-communism, parties do not make crucial political decisions based on ideology, but on more mundane concerns, be it political opportunism, oligarchic interests or something else. Of course, this phenomenon is not limited to post-Soviet Eastern Europe, but it does make the work of supporting sister parties there more difficult.

As to the patterns of – political, financial – influence in the public arena, these prove to be difficult to understand to an outsider. The political systems of some of the countries of the Eastern Partnership have resembled the workings of a mafia group that uses a double bookkeeping: a public rhetoric and organisational system that is only a façade for the actual decision-making process, which mostly takes place behind closed doors among people with hidden agendas and special interests in the political process.

Conclusions

This means that we have to rethink the way we work with and look at post-Soviet Eastern Europe – and, more specifically, the Eastern Partnership countries – and devise an entirely new approach.

Firstly, in order to better understand these countries, we have to abandon our traditional notions of who is who in a political system. The truth of the matter is, that, at least in the region in question, the existing political parties may no longer be the vehicles of democratic change. When looking at any of the significant changes that have taken place there in the past ten years, these were not brought about under the leadership of political parties but either in spite of them, or with their belated help. One indicator of this is the persistent low level of public trust in political parties.¹⁰ Many of the civil society organisations and activists – which, in practice, are often the ones to trigger civic and political activism and change on any given issue – in fact now see political parties as a necessary evil at best, and an enemy at worst (Graumans, 2017). The lesson for European social democrats is to widen the scope of attention beyond the existing political parties, to include in our political analysis NGOs, movements of a more informal nature, individual activists and informal (online) community leaders as forces that are more relevant to the political power field than they are currently considered.

Secondly, it is important to re-evaluate who is a political ally and who is not. A political party that has been around for decades and calls itself social democratic should not automatically receive preferential treatment by merit of that fact alone. The values and ideas that it advocates and communicates, as well as the level of its internal democracy, should, in fact, weigh much more heavily. Consequently, more loosely organised (youth) movements without a proper structure or electoral participation that do, nevertheless, strongly espouse the core of social democratic ideals should receive more attention and support than they currently generally do. This approach thus combines more flexible selection criteria of organisational development and influence, with a more rigid look at ideological compatibility with what are

¹⁰ See e.g.: Ukrinfo 2018, Kakhishvili 2019, Moscow Times 2017, Nodia 2017

considered core values of social democracy. This may raise the objection of the impracticality of ideological purism in a world where politicians and parties are looking for more powerful positions in order to achieve certain goals, and rightfully so. In other words: it would be very difficult to achieve anything – including meaningful social policies – in any given country if you don't have a powerful political ally there. However, recent years have shown that the notion of power is relative. Established political forces with all the experience, control of public institutions and even financial backing can lose to a public mass mobilisation that does not have any of those means in a shockingly brief period of time. In Moldova, an oligarch – Vlad Plahotniuc – who was said to have 'captured' the entire state lost his influence in one week when the power balance suddenly changed after a surprise cooperation deal between his opponents. In Armenia, an oligarchic regime that had been in place for 15 years was ousted by a completely unexpected peaceful revolution within 3 weeks. In Ukraine, a presidential race was turned upside down – soon followed by the entire political arena – when comedy actor Volodymyr Zelensky decided to enter politics for the first time in his life and managed to channel and voice not only the disappointment of an entire people but also its hope for a better future much better than any of the more experienced politicians. In Georgia a ruling party with nearly absolute power, Georgian Dream, finds itself in a political crisis over a public outcry driven by ordinary citizens and activists against its failure to enact electoral reforms.

By giving too much credit to traditional power relations in politics we sometimes tend to disregard the potential of a popular movement driven by an idea. This oversight is especially unfortunate, as oftentimes that idea is very close to our own set of values. Jumping on the bandwagon and trying to bring them into our fold – practically and ideologically – once these movements break up the existing power balance and forcefully take the reins of control is simply too little, too late, and will not likely meet with an eager ear or open arms. The links with organisations and individuals that fight for progressive, left-wing ideals should be established several steps before such events occur. We should already have mapped out the progressive civic-political field in each given country, and have close communication with any (informal) leadership figures – including on issues of ideology – to have a clear image of their plans, goals and strategies before historic opportunities

arise. Because once they do, and the progressives are in power, it is not the time to make acquaintances, it is the time to actively and efficiently enact the changes they have been fighting for. The changes that we could be in a position to help with and – where necessary – guide with the experience and expertise of Western and Central European countries that have gone through similar processes in the past. As we have heard on visits to many of the countries mentioned above, this expertise and experience is much needed, and would likely be accepted – or even requested – eagerly, if it came from long-established and trusted friends.

If progressive sentiments are indeed on the rise, this just might give us an opportunity to help and guide the (re)building of a strong, progressive, social-democratic alternative in the countries of post-Soviet Eastern Europe in the years to come.

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SPOTLIGHT

TOO LITTLE, TOO SLOW: LABOUR AND SOCIAL JUSTICE IN THE EAP

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"DIALOGUE EASTERN EUROPE" IN KIEV

Initiated 10 years ago, the Eastern Partnership (EaP) was meant to bring stability and prosperity to the European Union's eastern neighbours. The ambition was that the six countries included – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – would benefit from economic cooperation and intensified trade with the EU.

Three of the six countries (Georgia, Moldova, Ukraine) have entered into an Association Agreement (AA) with the European Union. However, neither the concept of the Eastern Partnership nor the framework of the Association Agreements puts any particular focus on the social dimension. Nevertheless, in the agreements the countries committed themselves, among other things, to EU and international labour standards. The problem? Although the necessary directives – for instance, concerning minimum workplace health and safety requirements – have been transposed into national law, social rights often exist only on paper. The reason for this is that the implementation of the directives is often intentionally deficient and ineffective. In reality, little has been done to change a generally very precarious situation. The consequences for employees are grave, and in cases even deadly. Therefore, despite all undeniable economic progress, so far, workers are not noticeably profiting from economic growth.

Sometimes the legal approximation is highly selective as the directives are not applied equally to all employees. In Georgia, for example, most provisions

of directives are transposed into the law on public service, but not into the Georgian labour code. Consequently, public servants enjoy minimal labour standards, while employees in the private sector do not benefit at all. In some cases, the situation today is even worse than before the signing of the AAs. For example, in Moldova, the number of accidents in the workplace, including fatal accidents, has increased in recent years – a direct result of weakened labour inspection.

A big problem in the region is the very high level of informal employment. In 2018, in Georgia as well as in Moldova more than every third employee was informally employed. That is a huge number of people who do not have an official employment contract and are deprived of basic labour rights, such as fair remuneration, protection against unemployment, and financial compensation in case of injury. Even if the social standards in the countries were brought to a Western European level, informally employed people would still not enjoy any form of social protection. Therefore, fighting the massive shadow economy should be a lot higher on the agenda for Eastern European governments.

Unacceptable working conditions

Unfortunately, poor and unsafe working conditions, informal and unstable employment, sometimes bordering modern slavery, and discrimination in the workplace are not uncommon for employees in the three countries. The most pressing issues are substantial improvements in the fields of social dialogue and collective bargaining, anti-discrimination measures, and effective labour inspection.

Social dialogue as a means to foster good-quality jobs, decent work and increased productivity is virtually non-existent in the Eastern Partnership region. Where Tripartite Commissions exist, they meet rarely and are completely irrelevant. There is simply no genuine, systematic approach to mediate between employers and employees in order to avoid social unrest and strikes as the national governments do not see the importance of social dialogue as an instrument to settle collective labour disputes.

In many instances, workers are forced to use strikes not as a means of last resort, but rather as the only possibility to force employers to start negotiations in the first place. Without constructive face-to-face negotiations, it is extremely hard for workers to defend their right to fair wages and a safe working environment.

Furthermore, discriminatory practices in the workplace are still alarmingly common. The countries of the region rank notoriously low in the Global Gender Gap Report of the World Economic Forum. The issue of gender inequality goes far beyond the absence of equal pay. Although some progress has been made, women still suffer from immense discrimination in the workplace ranging from lower salaries to sexual harassment. In some instances, female workers' service contracts have even been terminated after the employer learned about the employee's pregnancy. Formal equality before the law does not mean actual equality, as women continue to encounter major obstacles in their everyday lives, including in the workplace.

The most alarming conditions, however, can be observed in the field of safety and health at work. Ideally, in most countries, the institution of labour inspection helps to guarantee a decent working environment and thereby prevent accidents in the workplace and protect workers. In the post-Soviet space, however, due to past experiences, labour inspection is often seen as being corrupt and a barrier to economic growth. Therefore, the region has seen a trend towards abolishing the inspections or at least weakening them significantly.

In many countries, labour inspectors are not able to examine a worksite without giving notice several days ahead. Of course, this gives employers the opportunity and enough time to temporarily resolve the biggest safety violations. Employers simply don't have to fear repercussions for their behaviour and practices. The consequences have been grave. Every year, hundreds of workers die at the workplace due to poor safety measures.

In Ukraine, the lack of a proper labour inspection system has led to horrendous conditions in the workplace. On construction sites, there are often no security measures at all. Construction workers operate hundreds of meters

above the ground without any safety lines or nets. Reports tell of employees putting helmets and hi-vis jackets on their dead colleagues after fatal incidents to cover up safety violations.

Fatal incidents per 100,000 workers are six times higher in Ukraine than in the EU. In Georgia and Moldova, the numbers are not significantly better. As countries to the east of the EU struggle to guarantee safe working environments, workers continue to pay with their lives. If they have been informally employed, the families of the victims often do not receive any form of compensation at all.

Neoliberal thinking prevails

In many post-Soviet countries, the dreadful experience with totalitarian socialism has led to a general rejection of state interventions, especially in the field of social and employment policy. Fearing corruption and bureaucratic obstacles, labour inspection and many other regulations in the field of employment have been abolished. However, the idea that unconstrained free market economies would bring prosperity to citizens has turned out to be a chimera.

Despite not having created a great track record, neo-liberal approaches – with Georgia under Mikheil Saakashvili being a prime example – unfortunately further dominate in the region. Practically all governments in the region care primarily about the demand-side, trying to make the business environment more attractive. The discussion about the liberalisation of the labour code in Ukraine as well as the introduction of the flat tax in Armenia are just two of many examples.

The issues above depicted affect a major part of the population in the region. Employees but also their families suffer because of inadequate working conditions. What seems surprising at first sight is that most of these people are neither organised nor represented at all in the political process. One has to ask: if these issues are so detrimental for employees, why do social democratic parties and unions play such a small and marginal role in the region?

A big part of the answer can be found in the region's past. Almost three decades after the collapse of the Soviet Union, the political party systems are characterised by some unique traits. First, they lack political parties which are based on a certain ideological orientation. Most of the existing parties revolve around particular individuals rather than certain political ideas. The parties are usually rather opportunistic and ideologically undefined. There is no well-established political party tradition. Often, parties or political movements collapse as soon as their respective leader disappears. As a result, citizens' trust in political parties is, to no surprise, extremely low.

Ample room for social democracy and trade unions

Additionally, social democratic as well as all other left or centre-left parties have to fight entrenched public perception. Many people still mistakenly associate them with communist ideology and the 'Soviet heritage'. In the minds of many people, left-wing political ideology still represents chaos, destabilisation as well as the lack of property rights and basic freedoms. Moreover, these days left-wing parties are often seen as pro-Russian, which carries a huge stigma in most post-Soviet states. For that reason, in many countries, social democratic or socialist parties are not represented in parliament at all.

Without meaningful social democratic parties, however, the interests of workers are not properly represented on the political level as there is no credible alternative that could fill the gap. During election campaigns other political groups often try to appeal to workers by promising social progress and better working conditions. In most cases, these are little more than unsubtle political manoeuvres by populists with the sole goal of gaining quick votes. As soon as the elections are over, workers are mostly once again on their own.

As working class people are supposed to belong to the core voters of social democratic parties, the potential for social democracy in the region is substantial. Studies show that there is a desire among the population for more solidarity and justice in society. For social democrats to be successful,

they must put workers and employees in the service sector at the heart of their agenda and fight for their rights. Supporting social dialogue, fighting discrimination, and guaranteeing effective labour inspection would be a great starting point.

Furthermore, Social Democrats in the region should come up with ideas how to guarantee that the state is capable of regulating and managing in an efficient and transparent manner. If state structures remain inefficient and corrupt, it is easy for neoliberals to convince people that relying on the market is the best approach to turn things for the better. The result is a weak state with an empty treasury incapable of providing minimum social guarantees. Therefore, a transparent system that allows citizens to understand how their tax money would be spent is essential.

Unfortunately, similar to social democratic parties, trade unions are not a strong force in the region either. Often their organisational structures are weak and outdated, with their management staff from Soviet times still in place. Unions have a poor image among the population and their work is generally not very well known. Furthermore, in some countries state structures impede the work of trade unions. There, legislation is insufficient, poorly enforced or anti-worker in general.

As the employment sector in most Eastern European countries is marked by a great degree of informality and mass unemployment, unions have a particularly tough mission. Their impact on the political process is rather marginal. Mostly they are not actively involved in the process of policy-making in the fields of social and labour market policy at all. As a result, the interests of the workforce are not adequately represented at any level. Workers and employees in the service sector suffer most from unacceptable working conditions. In order to become relevant again, social democratic parties and unions have to modernise and show the people through concrete policy proposals and measures that they are capable of improving the life of employees.

Many people in the countries of the Eastern Partnership, especially in the three associated countries, dream of a better future. They expect that the process of European integration will lead to tangible progress for them and a

noticeable improvement in the quality of life. However, despite economic growth, ordinary citizens and employees do not feel that their lives are changing for the better. Great achievements such as visa liberalisation benefit only those who can afford to travel abroad. However, that is merely a small percentage of the population.

The huge gap between elites and ordinary citizens in the countries of the region is not good for society as it weakens social cohesion. Even the International Monetary Fund now considers inequality to be a major threat to growth and prosperity. For countries in the region, it is time to turn away from a business-only approach and find a better balance between economic development and social progress. In fact, a stable and safe work environment is conducive for increased productivity and economic growth.

Conclusion: EU and EaP countries must emphasise social rights

For the European Union it is high time to change its approach to the region of the Eastern Partnership as well. Although giving billions of euros in financial assistance certainly helped to achieve greater economic growth and higher trade numbers, so far it has been unable to deliver social change. Despite all the EU's efforts, the countries in Eastern Europe still suffer from immense poverty, mass emigration, huge social inequalities and often even democratic backsliding. Therefore, the EU should put labour and social rights much higher on its agenda.

Without noticeable improvements in this area, people from Eastern Partnership countries will increasingly seek to move to the European Union in pursuit of decent work and higher salaries. In Poland alone, currently two million Ukrainians live and work to provide a better life for themselves and their families through remittances. Migrant workers are not always welcome in the countries they go to as their arrival poses the risk of social dumping to the EU labour market. For their country of origin, migration often means their economies and societies suffer from an exodus of highly educated people.

If EaP countries have serious intentions regarding European integration, they should get their act together and put a stronger focus on social matters. The

highest potential for immediate improvements in living standards lies here. At the same time, the EU should hold the three associated countries properly accountable for their commitments with regards to the social dimension.

The EU should consider systems of incentives as well as mechanisms to sanction the violations of social standards agreed upon. As it already did in the field of justice reform, it could use the disbursement of financial assistance as leverage to force the countries to improve the labour conditions of their workforce. If citizens continue to perceive that their rights and interests are not being taken seriously by their government and the EU, this could lead to disenchantment within the broader population and subsequently endanger the European integration process.

PART II

THE EXTERNAL DIMENSION

EU'S IMPACT IN THE EAP COUNTRIES

JAN MARINUS WIERSMA, VICE-PRESIDENT OF THE EUROPEAN FORUM FOR DEMOCRACY AND SOLIDARITY

EU's ambitions

It is difficult to discover what exactly the EU and the six countries that are part of the Eastern Partnership Programme (EaP) expect from one another? What vision lies behind the EU's ambition to build ever closer relations with at least three of the six? And how is this appreciated? Is the EU's contribution helping to develop more resilient and mature democracies, thereby stimulating more responsive and inclusive internal politics?

After deciding on the strategy towards the countries of Central and Eastern Europe – offering membership – the EU had to come up with a targeted approach to the European countries further East and in the South Caucasus – the wider Europe. It was Commission President Romano Prodi who coined the ambition to create a 'ring of friends'. Participation in everything but the institutions, was the original idea. He formulated it as follows: 'The centrepiece of this proposal is a common market embracing the EU and its partners: it would offer a single market, free trade, open investment regime, approximation of legislation, interconnection of networks and the use of the euro as a reserve and reference currency in our bilateral transactions.' (Prodi 2002)

The EU created the so-called Neighbourhood Policy aimed at the regions to its south and east. The policy did not have real impact in terms of reforms, partly because of its one-size-fits-all frame. Consequently, the EU decided to separate the east and the south and to adopt a more bilateral approach to the

six countries of the Wider Europe which led to the establishment in 2009 of the Eastern Partnerships.

What was the main aim of EU's involvement? A quote from a European Commission document: 'The overall strategic objective for the EU in the Eastern Partnership is to strengthen state and societal resilience of the Partner Countries. Deeper and stronger relations with the EU will support their modernisation and transformation efforts for the benefit of citizens, contributing to stability, prosperity and security in the neighbourhood. Continued EU engagement with partners builds state and societal resilience in the region and brings the Eastern Partners closer to the EU through reforms, sustainable economic development, trade, improved security, more people-to-people contacts, all supported by better connectivity. Particular attention will be paid to human rights, democratic principles and rule of law. The EU applies both a differentiated approach with individual Eastern Partners, as well as an inclusive approach to the Eastern Partnership region through its various multilateral activities.' (EAS, European Commission 2017)

Considerable amounts of money have been made available to support the EaP countries. For the period between 2017 and 2020 the indicative allocation for the whole programme is between 521 million and 637 million Euros both for bilateral and regional projects. It is and will be spent as follows: cross-cutting themes (civil society, gender equality, communication) 10%, economic development and market opportunities 20%, strengthening institutions and good governance 15%, connectivity, energy efficiency, environment and climate change 25%, mobility and people-to-people contacts 15%, support measures and regional dimension 15% (EEAS, European Commission 2017).

In 2017, 20 deliverables for 2020 were adopted by the EaP summit in four areas: stronger economy, stronger governance, stronger connectivity and stronger society. Structured engagement with civil society was added as a separate goal. The package includes financial envelopes for in particular SMEs (100 million), a digital programme (50 million), better governance (170 million), TENs (150 million) and youth and education (340 million).

The 2019 evaluation of their implementation concluded that not enough progress had been made on creating a better enabling environment for civil society, on anti-corruption and judicial reform (European Commission 2019).

The EU added in this way to the original goal of market integration a much broader reform agenda also targeting administrative capacity, rule of law, people-to-people contacts, youth programmes and so on. This approach resembled the one adopted towards countries that are in the process of acceding to the EU.

Associated

In 2013 and 2014 the EU signed Association Agreements (AA) and Deep and Comprehensive Free Trade Agreements (DCFTA) with three EaP countries with pro-European governments – Ukraine, Georgia and Moldova. In two of them there had been a recent drastic change of government – the Euro-Maidan 'uprising' (2013-2014) in Ukraine and the end of United National Movement (UNM) rule in Georgia (2012).

In Ukraine we witnessed a clear pro-European reflex after the then – pro-Russian – regime had rejected the EU's offer of association. That government was ousted. In Georgia internal factors played a key role – one pro-European government actually replacing another. Moldova was more divided on the issue with major parties supporting stronger links with Russia and the Eurasian Economic Union (EAEU).

The DCFTA is basically a free trade agreement with a gradual integration into the EU's common market. The AA regulates the political relations and EU's role in support of transformation processes. Association agendas are set regularly to be monitored by association councils.

The preamble of the Ukraine AA states the goals: 'The political association and economic integration of Ukraine with the European Union will depend on progress in the implementation of this Agreement as well as Ukraine's track record in ensuring respect for common values, and progress in

achieving convergence with the EU in political, economic and legal areas.’ And: ‘to promote gradual rapprochement between the Parties based on common values and close and privileged links, and increasing Ukraine's association with EU policies and participation in programmes and agencies (EU-Ukraine 2014)’.

The preamble does not offer the perspective of EU membership but recognises the European aspirations of Ukraine and for that matter Moldova and Georgia.

The impact of the DCFTAs seems to have been positive with increased trade of the three countries with the EU, although souring economic relations with Russia have also contributed to the change of trade patterns. All three countries have endured economic hardship in the recent past, but now GDP growth is up. However, the economic gains are very unequally divided and much has still to be done to turn these countries into reliable and competitive economic (investment) partners, which is an EU priority. Georgia seems most advanced given its high ranking on the best for business index.

Let us look at the countries more in detail.

Ukraine

Ukraine is the EaP country that counts most. This explains the huge efforts of the EU, the US and the international financial institutions to keep pro-Western governments afloat. The country has been struck by economic sanctions of Russia which together with the costs of the war in Eastern Ukraine has caused considerable economic and financial damage. Partly thanks to the reorientation of its trade the economic situation has improved. Consecutive governments have failed though to turn Ukraine into a resilient, mature and sustainable democracy. Corruption remains endemic; competing oligarchic elites are still extremely influential; the Ukrainian government has proved unable to solve its differences with Russia; and the country is mortgaged by what has become a frozen conflict in the East.

Most Ukrainians notice little improvements in their daily lives. Few parties consider inequality and social problems as priorities. The last presidential campaign was about nationhood, Russia and corruption. The new

government led by President Zelensky has promised to deal with corruption and improve relations with Moscow. As regards the economy, he seems to be a libertarian, convinced of the beneficial effect of stronger market mechanisms.

Between 2014 and 2019 the EU, EBRD, EIB and EU Member States mobilised more than 15 billion Euros in support of Ukraine, mostly in loans and macro financial assistance and around 2 billion in grants. The EU is the largest humanitarian donor helping the victims of the Eastern Ukraine conflict. It financed the new Chernobyl Shelter. And it operates an advisory mission assisting security sector reform.

Trade has shifted significantly towards the EU, showing considerable growth after the start of the DCFTA: 43% with the EU and only 8% with Russia.

Georgia

Georgia went through ups and downs with a peaceful regime change (Rose Revolution 2003), followed by a reformist and libertarian UNM government which largely ignored, however, the social needs of significant parts of the population and engaged in abuse of power. The UNM lost the general elections, which brought Georgian Dream (GD) to power, a more left-wing party established by an oligarch. Still, all governments adopted a pro-European orientation – partly ‘by default’ because of a conflict with Russia about separatist South Ossetia and Abkhazia and the Russian military invasion of 2008. Under GD leadership there has been democratic backsliding and recently there were huge demonstrations against a majority decision of the Parliament to postpone a promised change of the electoral system to a fully proportional one.

The EU is responsible for monitoring the borderline of South Ossetia through the EU Monitoring Mission (EUMM). The EU is by far Georgia's most important trading partner.

Georgia has been allocated financial support by the EU for the period 2017-2020 of between 371 and 451 million Euros, of which 20% is meant for good governance.

The Association Councils composed of EU and associated country representatives meet annually to assess the implementation of the treaty. The most recent meeting of the EU Georgia Council was critical of the continuing strong political polarisation in the country, and it recommended a dialogue to safeguard the rule of law and further reform of the judiciary.

Moldova

For the period 2017-2020 the EU has allocated to Moldova between 284 and 348 million Euros, of which 15% has been reserved for good governance initiatives.

Despite having had a pro-European government during the last decade, Moldova is deeply divided about the orientation of the country, with many Moldovans giving preference to Moscow. On the surface it is a functioning democracy, but underlying structures tend to undermine it, which makes the political course of the country difficult to predict. A huge banking scandal, the growing influence of oligarchs and signals of state capture by the dominant Democratic Party (DPM) induced the EU to suspend financial support. Although some reforms were introduced, the government seems to have little grip on their implementation. Policy-making has been inconsistent. After the DPM government was replaced with a coalition of pro-European and pro-Russian parties EU support was resumed. But – Moldova being Moldova – this new situation did not last long. Recently the pro-Russian Socialist Party changed partners and took the DPM, whose leader has fled the country, on board again. It is now again unclear what direction the country will take.

The EU has no direct role in finding a solution to the Transnistria conflict, but is assisting OSCE efforts.

The EC's 2019 Association implementation (2019) report used unusually strong language: 'For most of the period covered by this report, Moldova failed to deliver on justice, human rights and fundamental freedoms. Prosecutions and arrests of political and CSO representatives continued in 2018 and the beginning of 2019. Selective and non-transparent justice also affected business operators and investors. Widespread use of pre-trial

detention, prosecution of defence lawyers and non-transparent judicial process also persisted.'

Ring of friends?

Based on the reports of recent European Forum visits, it seems that most politicians in the countries of the EaP generally consider themselves as pro-European. What pro-European really means however, remains unclear. It leaves us with the question of whether the pro-Europeans are really prepared to introduce EU's standards even if this would harm their personal interests. What was once named a ring of friends cannot be labelled as such anymore, with a less ambitious EU differentiating its relations with the six countries and explicitly avoiding any suggestion of EU expansion.

Three countries have rejected association with the EU, but are considered EaP countries. Azerbaijan – oil and gas rich – has chosen an evenhanded approach to Russia and the EU.¹¹ Belarus and Armenia are bound by strong economic and security links to the Russian Federation, as elaborated in the next article.

The EU has accepted Belarus as an Eastern Partner – no longer treating its president as the last dictator in Europe. The country participates in the multilateral parts of the EaP programme.¹² For this purpose between 71 and 89 million Euros has been allocated for the period 2014-2017. Sanctions originally introduced because of the disappearance of political opponents of the regime and prolonged for many years because of the human right

¹¹ The European Union's relations with Azerbaijan are based on the EU-Azerbaijan Partnership and Cooperation Agreement in force since 1999. In February 2017, the EU and Azerbaijan began negotiations on a new framework agreement with Azerbaijan designed to give new impetus to political dialogue and mutually beneficial cooperation. Azerbaijan is a strategic energy partner for the EU and plays a pivotal role in bringing Caspian energy resources to the EU market. The EU is Azerbaijan's first trading partner and biggest export and import market. It is also Azerbaijan's largest foreign investor, both in the oil and non-oil sectors. The EU-Azerbaijan Partnership and Cooperation Agreement enables gradual approximation of Azerbaijan's legislation and procedures with EU and international trade-related laws and standards. EU Fact Sheet Azerbaijan.

situation were partially lifted in 2016. Basically, the EU, under pressure from Member States neighbouring Belarus, has given up its policy of isolating the country. The authoritarian regime shows few signs of weakness and remains relatively popular, making sure in the last parliamentary elections that no opposition candidate was elected.¹³ Lately there have been talks about visa facilitation initiated by the European Commission.

Relations between the European Union and Armenia are based on the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA). The agreement provides a framework for Armenia and the EU to work together in the areas of strengthening democracy and human rights, creating more jobs and business opportunities, fairer rules, more safety and security, a cleaner environment as well as better education and opportunities for research.

The EU is the biggest provider of financial support and a key reform partner in Armenia with annual allocations of €40 million in grants since 2014, more than €1 billion in the form of blended loans and grants invested in the energy, agriculture and transport sectors. (EU Armenia Fact Sheet 2019)

Since 2018, the Armenian government has made a clean break with its rather authoritarian predecessor. It has adopted an open and positive attitude towards the EU, which actually was the biggest financial contributor to the 2018 early elections. Armenia is a member of the EAEU and therefore it cannot be associated with the EU or conclude a DCFTA, although the EU

¹² Over the past three years, there has been progress in EU-Belarus relations. Belarus has been participating actively in the multilateral formats of the Eastern Partnership. The bilateral relationship will be strengthened through the EU-Belarus Partnership Priorities, which are currently being negotiated. This will set the strategic framework for cooperation in the coming years. Tangible steps taken by Belarus to respect universal freedoms, the rule of law, and human rights, including the freedoms of speech, expression and of media, and labour rights, will remain fundamental criteria for shaping the EU's policy towards Belarus. The EU also supports Belarus' World Trade Organisation accession process as this will contribute to the creation of a more predictable and stable business environment in the country. Negotiations on a Visa Facilitation and Readmission Agreement with Belarus were recently finalised. EU Fact sheet Belarus.

¹³ Belarus' HDI ranking is significantly above the other EaP countries, its Economist Democracy Index score only comparable with that of Azerbaijan.

has become its largest export market. Armenia also depends heavily on Russian security guarantees.

The EU is well advised to build on the positive context by helping the country to raise economic standards, improve the business climate, increase its administrative capacity, strengthen CSOs and invest in youth-to-youth activities. In this way the EU can help promote a more stable, sustainable democratic environment without engaging in open competition with Russia.

EU's options

In 2016, High Representative Federica Mogherini presented the EU's Global Strategy. She introduced the concept of 'principled pragmatism' combining a realistic assessment of the world around us with the aspiration to advance a better world, observing that many people wished to build closer relations with the Union because of its enduring power of attraction. Mogherini declared the promotion of resilience to be the priority. 'A resilient state is a secure state, and security is key for prosperity and democracy. But the reverse holds true as well.' (Global Strategy 2016).

The two politicians behind the original EaP idea, the then foreign ministers of Poland and Sweden, argue that the new set-up was also a reaction to the Russian invasion of Georgia (2008). They conclude that significant progress must have been made, otherwise the three associated countries would never have been given visa freedom. For them the best time is yet to come (New Eastern Europe 2019).

One wonders what would have happened if the EU had offered membership to the EaP countries from the mid-nineties. Would, say, Ukraine have found itself in the same position as another post-Soviet country like Estonia? In 1990, Estonia's rank on the HDI index was 32, Ukraine's 44. Then they both dropped significantly. In 2004, the Baltic country was ranked 98 and Ukraine 142! Then the situation improved but the gap remained, the two ranking respectively 30 and 81. In 2019, Freedom House declared Estonia free but Ukraine partly free. The World Justice Project's Rule of Law Index

2019 gave Estonia rank 9 and Ukraine place 77. And finally, the Social Progress Index 2019 ranked Estonia 25 and Ukraine 80. Perhaps this is comparing apples and oranges, but still.

The attitude of the citizens of the EaP countries vis-à-vis the EU remains positive. According to a 2019 poll the perception even rose to 67% considering the relations with the EU to be good. Awareness of EU support has increased and the EU is seen as the most trusted international institution. Even in Belarus trust in the EU is somewhat higher than trust in the EEU. The same is true in Armenia. (EU Neighbours east 2019)

The EU and its partners adopted four priority areas: the economy, good governance, interconnectivity and mobility, and people to people contacts. The EaP has been an economic success story, especially for those countries with a DCFTA. Trade with the EU has increased considerably. Least effective have been the efforts concerning good governance and the rule of law. States remain weak, and so far they have proved unable to solve endemic corruption, tackle state capture and so on. Interconnectivity, in particular in the energy area, has improved. Notable progress has been made with visa liberalisation and visa facilitation as well as with the rapid expansion of youth programmes. The EU's interventions have been rather technocratic, with low political commitment, not tackling the elite structures. (CEPS 2019)

Conclusions

- One could say that the EU managed to reach important implicit strategic goals regarding the three associated countries: tie them to the EU, keep Russia out – not joining the EAEU and opting in large part for closer association ties with the EU – and no EU membership. (New Eastern Europe 2019) Three of the 6 EaP countries are now associated with the EU, relations with Belarus and Armenia have improved and nothing much has changed with regard to Azerbaijan.

- Georgia and Ukraine have made some progress in tackling corruption and in administrative reform, while Moldova has backslided. All three are still far from being resilient and mature democracies – stated goals of the EU.
- The EU has no clear vision on the geopolitical future of the EaP region. It denies the perspective of EU membership and it aims to avoid competition with Russia, even though it has introduced sanctions against Russia after the annexation of Crimea and Russian interference in East Ukraine. The result is a kind of strategic ambiguity.
- Although the European Commission tries to put a positive spin on its reporting on the progress in implementing the association agreements, it will have to admit that change in key areas such as the rule of law and administrative reform remains slow, reflecting the weak states that the associated EaP countries still are. The EU's 2018 overall reporting was critical of the enabling environment for civil society, implementation of gender programmes, media freedom and strategic communication. Not enough progress was made in the area of the rule of law.
- The EU's contribution to make the EaP countries more secure has been very limited even though it is one of the goals of the AAs. Of course, the same can be said of other 'stakeholders', but the fact is that the three countries most strongly linked to the EU are still faced with frozen conflicts that impede their development.
- Officially, the EU seems to cling to its basic principles, promoting European values, but in fact its policies are often very pragmatic. Maintaining the – rather superficial – pro-European orientation of the local elites seems the EU's primary goal. Stability has priority, which implies a tolerant approach towards ruling elites that preach European values but hardly practice them. The basic attitude of pro-European elites seems to be saying yes to European values, but thinking/doing the opposite. They imitate Western examples, but are not converted (Krastev and Holmes 2019). The EU's approach has been described as conditionality-light, aimed at enticing policy change only if it corresponds with how far the elites in the EaP are willing to go. (New

Eastern Europe 2019) A recent Dutch evaluation of the ENP found that overall EU conditionality had only had limited impact on democratic reforms. (IOB Report 2019).

- Obviously, association is not a strong instrument. The process is not linear progress, there can be backsliding.
- Real change can only be initiated from below, as it has in the past. With the exception of Azerbaijan and Belarus, who both suffer authoritarian rule, the other four EaP countries have followed that route. Civil society and the political opposition are still capable of mass mobilisation in defence of democracy. Protest movements seldom demand closer ties with Russia; the EU remains the preferred example. Even if the EU's impact is limited, most people seem to prefer transformation based on its model to end the 'in between' situation of their countries. (New Eastern Europe 2019)

Recommendations

- The only way to escape the 'in between' state at least to some extent would be for the EU to take a longer-term view and help turn at least some of the EaP countries into resilient and mature, well-functioning democracies. There is nothing wrong with the goals of the EaP quoted earlier, but reaching them will demand more commitment from all sides.
- Even more than is already the case the EU should customise its dealings with the EaP countries accepting the reality of the big differences between them.
- EU conditionality has been too one-sided: only carrots and seldom sticks with its more-for-more approach. EaP's Civic Society Forum criticised the EU for putting too much emphasis on stability. Instead the EU should upgrade the role of civic society – making it the third partner – and focus much more on human rights. (Civic Society Forum 2018)

- Poland has suggested to give the EaP some structure by providing it with a permanent secretariat and a rotating presidency. By offering the AA countries to use the screening methods applied to the candidate countries, the process would become less voluntary – AA+.
- Some EU member states keep insisting that the associated EaP countries should be rewarded the perspective of EU membership. That is not a realistic option. Maybe a better goal would be joining the CEFTA and eventually the EEA.¹⁴

¹⁴ The European Economic Area (EEA), which was established via the EEA Agreement in 1992, is an international agreement that enables the extension of the European Union's single market to non-EU member parties.^[6] The EEA links the EU member states and three European Free Trade Association (EFTA) states (Iceland, Liechtenstein, and Norway) into an internal market governed by the same basic rules. These rules aim to enable free movement of labour, goods, services, and capital within the European Single Market, including the freedom to choose residence in any country within this area. The EEA was established on 1 January 1994 upon entry into force of the EEA Agreement. The contracting parties are the EU, its member states, and three EFTA member states.^[7] However, the EEA Treaty is a commercial treaty and differs from the EU Treaties in certain key respects. According to Article 1 its purpose is to 'promote a continuous and balanced strengthening of trade and economic relations.' Unlike the EU Treaties, there is no mention of 'ever closer union'. The EFTA members do not participate in the Common Agricultural Policy or the Common Fisheries Policy.

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THE GEOPOLITICAL ENVIRONMENT OF THE EASTERN PARTNERSHIP

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Introduction

Geopolitically, the six Eastern Partnership countries Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine are a very mixed group. This applies to their domestic political and economic situation and policies, to their relations and expectations with regard to the EU, to their integration with Russia-dominated regional organisations, and to their contacts with other external actors in the region. The Eastern Partnership (2009) offered the countries in between Russia and the EU economic integration and political association with the EU. In terms of the transfer of norms, rules and practices the EaP is a highly interventionist programme, second only to EU enlargement. The Eastern Partnership signalled a 'shift toward hard-law integration with the EU', with an 'export of rules', 'unprecedented in terms of scale and intensity'. (Ademmer, Delcour and Wolczuk 2016, 1-2). Potentially, it turned the EU into a key revisionist power in the region. Different from the ENP, from which it developed, the EaP initiative was not pursued in consultation with Russia.

Among the countries of the EaP Azerbaijan is the most evident outlier. Its rich energy resources, deeply authoritarian political system, and its relatively unchallenged geopolitical situation (Iran being the potentially most disturbing neighbour) does not make integration with the EU or with Russia imperative. Azerbaijan has no interest in signing an Association Agreement with the EU; nor is it a member of either the Collective Security Treaty Organisation (CSTO) or the Eurasian Economic Union (EAEU), the major Russia-led organisations in the region. A non-affiliation balancing strategy

seems Baku's most rational choice, whereby relations with Russia carry more weight than those with Europe. Russia is Azerbaijan's most important arms supplier and a crucial go-between in the Nagorno-Karabakh conflict with Armenia.

Ukraine, Moldova and Georgia are the only 'real' countries in-between. They have signed Association Agreements (AA) and Deep and Comprehensive Free Trade Agreements (DCFTA) with the EU. They are not partnering in the CSTO or in the EAEU. Ukraine, Georgia and Moldova may still envision the ultimate goal of EU membership, but the prospects of it are close to zero.

Belarus and Armenia are members of the CSTO and the EAEU. Armenia had to cancel its ambition to sign an Association Agreement with the EU as a result of its decision to enter the EAEU. In November 2017, it settled on a special arrangement with the EU, the Comprehensive and Enhanced Partnership and Cooperation Agreement (CEPA). Armenia is the only EaP state that combines institutional links with major Russia-dominated institutions (CSTO and EAEU) as well as with the EU.

Belarus, generally seen as Russia's most loyal ally in the region, also tries to use the competition between Russia and the EU for its own purposes. Lukashenko seems to follow a carefully calculated strategy towards the EU. Belarus is interested in the benefits of economic cooperation, without considering to enter in any far-reaching formal agreements. Lukashenko is willing to fulfil some of the political requirements that the EU has set, but not at the price of major concessions with regard to the nature of the regime. And finally, to the extent possible and required, the Belarus leadership aims to use its incrementally widening foreign policy scope (partially resulting from the improved relationship with the EU) to try to keep Russia's ambitions in check. Even though the support from Moscow still appears a precondition for Lukashenko to stay in power, he has carefully worked to create a certain distance between his rule and Russia. Lukashenko never publicly supported Russia's annexation of the Crimea and its involvement in eastern Ukraine. Earlier, he unpleasantly surprised Putin when he abstained from recognising the formal independence of Georgia's breakaway provinces Abkhazia and South Ossetia. In the wake of the annexation of the

Crimea, Belarus adopted legislation that would consider the presence on its soil of any foreign armed forces, whether official or private troops, as a declaration of war. And to this day, Lukashenko persists in his opposition against a Russian military airbase on its territory.

Russia and the countries in-between

Russia has a large toolkit to influence developments in its neighbouring countries, much larger than the EU or any other external power has, but not necessarily more effective. Russia is deeply involved, covertly and openly, in the politics and the economies of the countries in the former Soviet Union (FSU) (with the exception of the Baltic States), but the overall tendency seems clear: Russia's influence is waning.

Russian military dominance is the key aspect of its claim to be the regional hegemon, to legitimately claim a zone of special privilege. Russia's military supremacy is staggering. Its military budget is 17 times higher and its armed forces are four times larger than the second strongest power in the region, Ukraine. Russia is the dominant arms supplier in the region. Its share in the military training and equipment varies per country, whereby the poorest and most vulnerable allies (Armenia, Kyrgyzstan, Tajikistan and, in a different league, Belarus) are also the most militarily integrated and dependent ones.

All six countries of the EaP cope with major security issues, to which the EU framework is essentially irrelevant, but to which Russia's involvement is key. Russian troops and their separatist allies continue to occupy parts of Georgia, Moldova and Ukraine. Russia's military presence is crucial to the future of the Nagorno-Karabakh crisis. Russia maintains a military base in Armenia, but has thus far failed to convince Belarus to also host one on its territory. Not even the drafting of the Military Doctrine of the Union State of Russia and Belarus (2018) made Lukashenko change his mind. Russia's representation in the region's major security alliance, the Collective Security Treaty Organisation (CSTO), corresponds with its military predominance, but it did not seem to have made the CSTO an effective multilateral security

institution. In the sphere of military security, relations often remain bilateral, rather than multilateral (if only to allow the smaller member states to continue their contacts with NATO).¹⁵ Although Russia has created 'integrated military structures' with South Ossetia and Abkhazia, and, less extensively, with Belarus, Armenia, Kazakhstan, Kyrgyzstan and Tajikistan, not all of these countries fully depend on Russia to protect their vital security interests (Kazakhstan is probably the best example).

A recent study on Russia's military policies in the post-Soviet space concludes that its record is mixed. Russia has not been able to translate its military dominance into political hegemony. 'As in the political and economic spheres', Margarete Klein argues, 'it is also evident in the military sphere that Russia's desire for a zone of influence clashes with the reality of an increasingly differentiated area.' (Klein, 2019, p.2)

Military aggression by Russia against neighbouring states had comparable results to the punitive economic measures that it occasionally took, a combination of short-term gains and longer-term losses. Conflicts with Russia provided the armed forces of Georgia and especially Ukraine with crucial combat experience, and it persuaded their governments to initiate large-scale military modernisation efforts. They also made Russia's allies more aware of their security vulnerability and more determined to reduce their dependency. Kazakhstan and Belarus seem resolute to make further progress towards a multi-vectored foreign and security policy. Belarus has fewer options, though, and its efforts seem primarily focused on deriving as much benefit from its economic relations with Russia as possible, while containing its neighbour's geopolitical ambitions.

Economically, from the Russian point of view developments are not very encouraging either. To be sure, Russia's economic presence in the region is second to none. The aggregate impact of a huge labour market, trade, energy deliveries, remittances, investments and debts gives Russia ample opportunities for brinkmanship, which it uses whenever it sees fit. However, Russia's position seems to be weakening. While Russian trade with the countries that are partners to the EaP fluctuated heavily and generally decreased over time; trade with the EU has grown moderately but relatively

uninterruptedly, especially with Ukraine and Moldova, but also with Azerbaijan.

The smaller member states of the EAEU, Kazakhstan and Belarus in particular, have been determined to contain Russia's integration ambitions. And Russia understands that in order to make the EAEU acceptable to all of its members, it needs to tread carefully. Russia is too big and too powerful to be a comfortable partner for the countries in its neighbourhood. Russia's population is almost five times bigger than the number of the three other founding members of the Eurasian Union combined. Russia's area size is almost eight times larger. Russia's GDP is seven times bigger (more than 80 percent of the EAEU total GDP). In this sense the Eurasian Union is much more 'unbalanced' than the EU and its predecessors have ever been. Joining the EAEU actually means associating with Russia. Paradoxically, the great geopolitical importance that Russia attaches to the integration effort in its own neighbourhood (which supersedes its –relatively minor – economic significance, as the EAEU accounts for only 6 percent of Russia's overall trade) and Russia's massive material superiority give the other member states a certain room to manoeuvre. The establishment of the Union was accompanied by reassurances from Putin, and emphasis, especially by the Kazakh leader Nursultan Nazarbayev, that the treaty would neither limit nor violate any of the signatories' sovereignty. And an early assessment of the institutional framework of the Union confirms that it is only weakly supranational and with minor infringements on the national authority of its members. The mode of decision-making is centred at the highest level of state authority and it remains firmly intergovernmental.¹⁶

As in the security sphere, Russia's punitive economic measures have mostly generated negative political consequences. Russia has enacted sanctions against Moldova, Georgia and Ukraine. The nature of the Russian political system, where political and economic power are deeply intertwined, enables

¹⁵ There are no formal relations between CSTO and NATO. However, CSTO member states (and non-member states in the region) cooperate with NATO to varying degrees. This occurs on an individual basis.

¹⁶ See Perovic 2019 for an up-to-date overview of Russia's policies in the FSU.

the leadership to massively engage in economic brinkmanship. In the FSU, as in other parts of the world, Russia is prepared to accept heavy economic losses for the sake of, often short-term, geopolitical gains. These losses can either be the result of reward measures (including energy below world market prices, preferential trade deals or opening its large labour market) or punitive actions. As often in international relations, positive measures seem more effective than negative ones. Trade between Georgia and Russia went down in 2006, after Russia disrupted transportation links between the two countries and declared an embargo on Georgia's main export products, including wine and mineral water. Trade between Ukraine and Russia decreased dramatically after the annexation of the Crimea and the troubles in the Donbass region. While Moscow issued trade restrictions, Kyiv, for the first time, seriously reduced its gas imports from Russia. The combination of political volatility and economic interdependency in its relations with Ukraine encouraged the Russian leadership to also change its course. Moscow never succeeded in acquiring full ownership of or control over Ukraine's gas transportation network, and it decided to divert its transportation routes bypassing Ukraine (North Stream, Turk Stream) and developing other modes of transportation (Liquid Natural Gas).

There is an additional problem for Russia (and the EU) in the region: despite all efforts to economically integrate the Eurasian region, external trade and investment relations grow rapidly. Foreign Trade Agreements with China, Turkey and other countries are proliferating. Ukraine, not an EAEU member, now exports twice as much to other countries, including military equipment and technology, as it does to Russia. Armenia exports more to third countries than to Russia. Despite being one of Russia's main allies, the country actively aims to reduce its economic dependency on Russia. Armenia fully relies on Russia for its energy needs and power generating capacities. Russia delivers remittances and employment for millions of Armenian citizens and their families, although decreasingly so (given the current state of the Russian economy). And Russia's recent arms sales to Azerbaijan and its wavering response to the April 2016 'four-day war' in Nagorno-Karabakh once again forced Armenia to consider its precarious security condition. But again, the country has precious few alternatives.

How soft is Russia's influence among the countries of the FSU, and how powerful is it? These seem questions of secondary importance. First, Russia's influence in the region essentially rests on the projection of hard power, especially energy and arms, and on the political impact that it generates. Russia's soft power on the other hand seems limited. In few countries Russia's hegemony is willingly accepted by either the full elite or by the population at large. Secondly, much has been written about Russia's media presence in its neighbouring countries, but it is practically impossible to weigh its societal impact, and even less so its political influence. The changing preferences by governments in countries that are believed to be heavily influenced by Russia at the grassroots level (especially Moldova, but also Armenia and, albeit in a different category, Belarus) indicate how difficult it is to draw any firm conclusions on the causality between Russia's soft power and its political influence. Arguably, Russia has most influence over the ethnic Russian or Russian-speaking minorities in the region: over eight million in Ukraine (17% of the population), 3.5 million in Kazakhstan (20%), and approximately 800,000 in Belarus (8%). More ominously, Russia has used the right to protect these 'compatriots' abroad as an argument for interference, including military intervention in those countries where no significant military resistance was expected (Georgia, Ukraine, Moldova).

Changing trade and investment patterns in the countries of the EaP have political consequences for both Russia and the EU. With significant exceptions, especially energy (Russia's major source of leverage), Russia's economic presence in the region has declined. This negatively affects Russia's political influence, albeit to a varying extent, given the other power resources at its disposal. Consequences for the EU seem more uncertain. Economic relations with the countries of the EaP are still growing, but the presence of third powers and the opportunities this creates for the countries' elites further decreases the EU's political conditionality. (Popescu and Secieru, 2018)

Conclusion: the effectiveness of Russia's policies in the FSU is far from indisputable. The region is divided, but even Russia's most loyal friends seem determined to hold the hegemon at arms' length and to keep their foreign policy options open. Others have actively tried and partially succeeded in

escaping Russia's sphere of influence and attempt to integrate with Western institutions. Despite Russia's enormous network, a mix of formal and informal, personal and institutional, hierarchical and interdependent relations, it has neither been able to decisively influence the economic and political decision-making processes nor to entice or force all relevant countries to join the international organisations that it dominates. Russia faces the typical dilemma of a hegemon that lacks sufficient authority – its power of attraction is too weak, with the exception of the countries that have no geopolitical alternative, whilst its power of force generates mostly short-term or even counterproductive effects. Few of the countries in the region are convinced that their political and economic problems can be most effectively solved by a regional or bilateral approach under the leadership of Russia.

The EaP countries as foreign policy actors

Great power competition is the lens through which we generally interpret developments in the countries in between Russia and the EU. They are primarily considered as a zone of geopolitical competition – openly so by Russia and in more guarded terms by the EU. This geopolitically inspired view of developments in this part of Eastern Europe has obscured our understanding of a crucially important aspect of political change in the region, i.e. on the agency of the governments of the countries involved. These governments have a varying but significant influence on the foreign policy direction of their countries, and therefore also on their relations with Russia, with the EU, and with other external powers in the region. The perceived interests of national elites and how these relate to their strategies towards Russia and the EU are key factors in the geopolitics of a region that is rapidly changing and differentiating. The governments of the EaP countries are not mere pawns in a larger geopolitical game. To a varying degree, mostly depending on geopolitical circumstances, they co-define the game. They are political actors in their own right. And the nature of their relations with the EU and Russia largely results from the political interests and the calculating behaviour of these elites. They exploit the room to manoeuvre created by their own political craftsmanship and by the competition among relevant outsiders. It allows them to steer domestic and

foreign policies, which results in a significant degree of diversity among the countries of the EaP. It enables them (some more than others, of course) to follow a multi-vectored foreign policy strategy, where the interests of Russia, the EU and other external actors are relevant, but not necessarily decisive. This room to manoeuvre differs per country and changes in time. In general, changing political orientations in the countries of the EaP are strongly driven by *domestic* developments, albeit in close interaction with relevant outsiders, Russia and the EU in particular.

Only when we take the particular interests of the national elites into account, as well as the extent to which these are capable of translating these interests into real policies, will we be able to explain the persistence of apparently unfavourable situations or of the opposite, unexpected policy shifts in a largely unchanged geopolitical context. While Ukraine's energy (gas) dependency on Russia during the 1990s and most of the 2000s was a national security hazard for the country, until the annexation of the Crimea, the Ukrainian government did not seriously try to reduce it. Russian gas deliveries were a source of extreme rent-seeking for some of Ukraine's most powerful oligarchic groups.

Even for countries where the foreign policy options are limited, it is still crucial how elites perceive them and to what extent they are willing and able to explore alternative foreign policies. The post-Saakashvili government in Georgia, led by the Georgian Dream Party of Bidzina Ivanishvili continued the country's pro-Western foreign policy orientation, but it also aimed to improve relations with Russia. As is the case with all former Soviet republics, Georgia's relations with Russia are defined by huge power asymmetries. Georgia is not without foreign policy options though. Its preferred orientation towards the transatlantic world (EU, NATO) is supplemented with deepening ties with other external partners, especially China and Turkey. These relations were primarily economic, but have spilled over into the security realm, especially with Turkey.

Successive governments in Ukraine, Armenia and Moldova, and to a certain extent also the Lukashenko presidency in Belarus, have also initiated significant foreign policy changes within the limited parameters defined by

their geopolitical situation. These initiatives reflect changing political orientations, economic and personal interests, perceived national security priorities and ideas about regime survival. Russia was heavily involved in the emergence and the election (December 2016) of Igor Dodon in Moldova. Dodon's election to the presidency was a considerable setback for the EU. It reflected the growing disillusionment and decreasing consensus on the results of the implementation of the Association Agreement and the DCFTA with the EU. Dodon has meanwhile announced that his government would seek observer status in the EAEU. Surprisingly, in June 2019 Dodon's Party of Socialists formed a coalition with the pro-EU ACUM Bloc. The bloc's co-leader Maia Sandu was appointed prime minister. (The Constitutional Court would later invalidate the formation of the government as unconstitutional. The coalition between the Party of Socialists and ACUM lasted until November 2019.) These policy initiatives not only reflect changing elites' interests and attitudes but also the diverse, albeit generally rather pragmatic foreign policy preferences among significant parts of the public. Most opinion research indicates that foreign policy and closer relations with either Europe or Russia, integration with the EU or the EEU, are controversial issues. However, in all EaP countries with the exception of Ukraine, larger parts of society are in favour of close relationships with the EU and the EAEU, than are those that support exclusive membership of only one of the two organisations (Niculescu 2018).

Armenia

Foreign policy did not play a prominent role in the 2018 'Velvet Revolution' in Armenia. The leader of the opposition and the country's future prime minister Nikol Pashinyan, who had voted against Armenia's accession to the EAEU and later campaigned for Armenia to leave the Union, changed his position after taking office. Pashinyan supports close ties with Russia, which he claims to combine with a 'domestic' European orientation – a strategy not unlike Finland's during the Cold War. The fact that geopolitics did not come up during the protests and the transition of government, and that neither the US nor the EU were prominently present during the events, was probably the major reason why Russia reacted so permissively towards the fall of a friendly government, and why the revolution succeeded at all.

On the basis of the conversations that we had with various political groups and policy specialists in Armenia, three inferences can be drawn. One, there is relative consensus on the direction of Armenia's foreign policy (if not always on what to do, then on what to refrain from doing). Two, the basics of Armenia's 'multi-vectored' foreign policy, a notion emphatically used by government contacts, will be continued. Style and priorities may change or vary to some extent. Three, all policy ambitions, including the foreign policy ones, serve one major goal: to meet the socioeconomic expectations that were raised by the 'Velvet Revolution' and the domestic changes of 2018.

Armenia is a landlocked country in a uniquely challenging security environment, with limited foreign policy scope. Armenia is encircled by stronger adversaries (Turkey, Azerbaijan), a controversial regional power (Iran), and a friendly, but weak and impoverished neighbour (Georgia). Armenia shares no border with its most important security provider, Russia. The borders with Turkey and Azerbaijan are closed. Iran is an increasingly important partner, also economically, but Armenia needs to be cautious, especially with regard to the US response. However, as a source in Yerevan put it, for Armenia closing its borders with Iran would be 'suicide'.

The 2013 announcement by the then Armenian president to join the Russia-led Customs Union and to participate in the formation of the Eurasian Economic Union has always remained controversial, because the apparent result of Russian intimidation (shortly before Armenia's decision Russia supplied Azerbaijan with military equipment worth 4 billion USD), but it is generally accepted as a *fait accompli*, as is Armenia's membership of the CSTO. Major foreign policy initiatives or changes by the new party in power are not to be expected. The current party in power and the major opposition parties in and outside of parliament agree on the parameters of Armenia's security strategy. Membership of EAEU and CSTO is believed to express the country's national interest, if only because of a lack of clear alternatives.

Armenia's 'choice' for the EAEU may have occurred under Russian pressure, but it reflects Russia's status as Armenia's most important economic and security partner. Russia is deeply involved in the Armenian economy – in

conventional terms of trade and investment, but also ‘informally’, through the activities of Russian and local oligarchs. A ruling party spokesman expressed the hope that under the current government, foreign policy would not only become more open and transparent but also more balanced. Given that the party in power enjoys considerably more popular support and legitimacy than the previous regime, the government should be able to strengthen Armenia’s position vis-à-vis its powerful partner, Russia. Relations with Russia are widely considered as ‘unequal’, but there is no alternative. Russia may be a declining power, as it is also occasionally perceived in Armenia, but it still is the only power that protects Armenia against its multiple adversaries.

Relations with the European Union are appreciated and positively evaluated, but (still) seem to be underdeveloped. Apart from positive references to the normative attractiveness of the EU (democracy, human rights, rule of law), relations are especially appreciated for the funds and knowledge coming from Europe. Generally, though, the EU cannot be considered as a particularly significant or influential actor in Armenia’s domestic or foreign policies. Despite the current CEPA, none of the parties or specialist we have talked with seem to have a clear, detailed agenda for relations with the European Union. The representative of the EU in Yerevan confirmed that Armenia’s membership of the EAEU should not be seen as a barrier to developing further relations with the EU.

Belarus

Belarus and the EU signed a Partnership and Cooperation Agreement in 1995. Belarus also joined the Eastern Partnership. Belarus is also a founding member of the CSTO and the EAEU, and it has consistently worked towards a state-union with Russia. Not surprisingly, until recently, EU-Belarus relations hardly advanced. Belarus never showed any interest in building relations that would impact on its domestic or foreign policies. Belarus was the only country among the EaP states that was actually sanctioned by the EU (from 2011) as a response to the repression by the Lukashenko government of the political opposition in the country.

Relations between Belarus and the EU improved from 2014. The Lukashenko government released the country’s political prisoners, which was considered by the EU as a precondition for lifting the sanctions and re-establishing relationships (October 2015). Both sides agreed on a simplified visa regime; financial assistance increased; and major European banks became operational in Belarus. In early 2019, EU commissioner Gunther Oettinger (budget and human resources) held talks with Lukashenko. The EBRD and the EIB are discussing common projects in Belarus. Trade volumes are on the rise again.

The political moves towards ‘Europe’ can be partially explained by the increasing pressure Lukashenko feels from Russia. He is considering his options. Minsk probably views closer relations with the EU as a counterweight to Russia’s expansionist ambitions. For the first time, and rather unexpectedly, the authoritarian leadership of Belarus engages in a complex balancing strategy between Russia and the EU. Rapprochement towards the EU serves the interests, and eventually perhaps the survival of the Lukashenko regime. This increases the possibilities of the EU to exert a moderate influence on the internal development of Belarus.

Lukashenko’s ‘multi-vector foreign policy’, as it is referred to, has no domestic equivalent. The regime in Minsk is not interested in major domestic political reform. Currently the regime is trying careful economic reform, but meaningful political change is not to be expected. It is important to keep in mind, as most Belarusian partners mentioned to us, that pressure from society to engage in political reform is limited. Society may want change, but carefully and peacefully. For most Belarussians, Ukraine is a negative rather than a positive example. The evidently more democratic political environment does not outweigh the conflict with Russia, domestic political instability, and the lower standard of living.

For the Belarusian political elite, relations with Russia continue to have absolute priority – for economic and for political reasons. Whoever the next guy will be, as one of our sources in Minsk alluded to the succession of Lukashenko, he should be someone who knows how to reach agreement with Russia. Belarus is one of the founding members of the Union State

with Russia as well as of the Eurasian Economic Union. Belarus has consistently worked towards closer economic integration with Russia. Although relations between Russia and Belarus are going through uneasy times, the Belarus elite and society seem to accept the close relationship with Russia without much reservation. Society still is more pro-Russia than pro-EU, not least because Russia has a huge impact on mass media in Belarus, on the Orthodox Church and on other means of influencing public opinion.

Recently Lukashenko has sent mixed signals regarding his country's relationship with Russia. He continues to allude to the possibility of merging with Russia, but he has also repeatedly and emphatically emphasised the independence and sovereignty of Belarus. This suggests that Belarus and Russia have partially conflicting ideas about what their alliance, their friendly relationship should entail. For Minsk two issues seem absolutely crucial: economic relations (energy, including nuclear energy, trade, financial assistance, and (labour) market – 20% of the working population of Belarus works outside the country, especially in Russia) and regime support. While interdependence between Belarus and the EU is still insignificant, Belarus' dependency on Russia is a geopolitical fact. Ninety percent of its oil and hundred percent of its natural gas comes from Russia.

Energy issues have become increasingly contentious in the relationship between Belarus and Russia. Recently, the countries have openly quarrelled about Russian shipments of contaminated and poor-quality oil. Moscow aims to gradually abolish oil export levies, which would cost Belarus hundreds of millions of euros annually. Belarus complains about unfair competition. In April 2019, Moscow reinforced its argument by closing the Russian market to a range of agricultural products from Belarus. Lukashenko reacted furiously and called for 'corresponding measures'. Mutual relations reached a new low when Minsk demanded the withdrawal of Russia's ambassador to Belarus, Mikhail Babich, which Moscow complied with (30 April 2019). Babich was criticised in Minsk for publicly contradicting Lukashenko on the relations between Russia and Belarus (apparently, Babich operated in Minsk with maximum intrusiveness and minimum tact).

For Moscow, geopolitical considerations reign supreme in its relations with Belarus. Moscow cannot afford to lose another European partner in its ambitions for regional integration. Belarus borders two NATO member states and it is a key connection to Kaliningrad. While energy relations are always prominently present in the Kremlin's calculations, also given the close link between political and personal interests (public and private gains), it seems that Russia's main concern is the overall integration of Belarus with Russia in the Union State.

There is some reason for optimism concerning the future of EU-Belarus relations, but the EU will continue to have little impact on the country's immediate future. The EU is not overly interested in establishing much closer relations with the Lukashenko regime, and neither is it willing to engage in the country's political liberalisation. The EU has limited opportunities to benefit from recent developments in its relations between Moscow and Minsk. There is too little mutual interest between Belarus and the EU to fundamentally deepen or broaden the relationship. With Lukashenko, rapprochement with the EU seems highly unlikely. Without Lukashenko (or on the basis of a radical political turn of the Lukashenko leadership), a closer relationship may be possible, but any unwelcome political changes in Minsk will immediately alarm Russia, and may initiate a more dramatic scenario for relations between Russia, Belarus and the EU than continuation of the current situation.

For the Lukashenko regime political survival remains of course the absolute priority, and this may require a relatively balanced foreign policy, but still one that stays within the limiting context of Belarus geopolitical situation. Lukashenko declined to travel to Brussels to discuss mutual relations. He rebuffed regular European appeals to issue a moratorium on the death penalty, and steps towards further political liberalisation have not materialized. Lukashenko welcomes the EU as a source of financial assistance and economic modernisation, as a partner in his ambition to assign his country a key role in regional security and stability, and as a counter-balance to an overbearing Russia. Lukashenko's geopolitical dream is to present Belarus as a major 'hub for regional diplomacy' (as coined by the secretary-general of the Organisation for Security and Co-operation in

Europe Thomas Greminger). This seems unrealistic. Lukashenko's Belarus carries too little weight and enjoys too little prestige to develop such a core position in the context of European security.

Lukashenko seems to be carefully attempting to create some distance between his country and Russia (also perhaps for reasons of domestic consumption), but the country depends so much on Russia politically, economically and diplomatically, that his margins remain extremely small. It is not even certain anymore that the survival of the current regime can still be secured through its relations with Russia. The continuation of the current uneven triangle between Belarus, Russia and the EU is the most realistic scenario – Belarus being the junior, Russia the major, and the EU the distant player. It is important to emphasise that the basic future of the Belarusian political regime is not just a matter of Russian pressure. Deeply and fundamentally the interests of the Belarusian and Russian elites are largely identical. Managing these relations demands sophistication and flexibility from both sides. The gravest danger to the future of the relationship between Belarus and Russia comes from an overbearing, aggressive and arrogant Russia. The most dramatic development would of course be the annexation of Belarus by Russia. This 'Crimea' scenario was mentioned by some of our sources in Belarus, although no one considered it as particularly convincing. The annexation by Russia of Belarus seems only possible on the explicit (or convincingly 'arranged') invitation by the Belarus leadership, which currently seems out of the question. More realistic is a 'soft annexation', that is the incorporation of Belarus in a common state or the installation of a Belarusian leader who is under the full control of Russia. It is difficult to assess if such a scenario is feasible.

And what about the Belarussian people? It is practically impossible to gauge the extent to which the population supports either Belarus' close relations with Russia, Lukashenko's careful opening towards the EU, or both. Belarusians probably share the opinion of most other people in the region: it is better to have relationships with both the EU and the EAEU than with just one of the two organisations. The only option for the EU seems to be a policy of small steps, positive incentives, and patience. Belarusian society does not seem to be receptive to high-flown, declaratory statements.

Russia, the EU and the countries of the EaP

The politics of the in-between countries can be changeable and volatile, largely defined by the perceived interests of domestic actors and difficult to influence from the outside. Close relations with the EU are still a motivating option for most of them, albeit to varying degrees and for partially different reasons. 'Europeanisation' is not the only and not necessarily the most attractive choice though. 'Europe' is no longer the only vehicle of modernisation. The EU competes for influence with a range of other actors, including Russia, China, and in a different league Turkey and Iran.

The in-between countries are not just a zone of competition between Russia and the EU. Changing national policy priorities have an important impact on the extent to which major outsiders can achieve their strategic goals. Regime interests explain why the EU's impact on political and economic change in the region has proved to be limited and selective. For (parts of) elites, and of the population at large, incentives for integration with the EU are (too) weak, the adoption and implementation costs too high. Closer links with Russia and the regional international organisations that it leads, offer a partial alternative to political and economic Europeanisation. Russia extends material and political assistance towards its neighbouring countries and it represents an alternative model of development, based on traditional social values, cultural affinity and state-led modernisation. Russia's alternative to the Western-promoted model of deep political and economic reform can be attractive to parts of the domestic elites and populations. The distinction between the EU as an attractive normative power and Russia as its hard power competitor is too simple.

The EaP is not (yet) a political success story. The Civil Society Forum, which aims to measure the reforms made by the countries of the EaP, draws mixed conclusions, as was also mentioned in a previous article. In the field of democratisation, rule of law and good governance some countries continue to make progress (Ukraine), others do not or less so. (Eastern Partnership Index, 2017) Weak institutions, persistent corruption, deep-rooted oligarchic influences, popular distrust and a fragile security situation hinder progress.

Conclusions

The domestic and international conditions in the countries covered by the EaP are so diverse, that it raises the question if a regional approach continues to make sense. It would be more productive to set relations on a new, bilateral footing, than to continue to include them in one, albeit a flexible joint programme.

EU-Russia competition is a major but not the only aspect of the region's geopolitical situation. Other foreign actors are involved, including Turkey, Iran and China, partially also at the expense of the influence of Russia and the EU. This also creates more room to manoeuvre for the countries themselves. They are more than pawns in a larger geopolitical game. They are political actors in their own right, and they play a key role in the international orientation of their countries.

Russia is still a formidable, but also a declining power in the region. More than a full generation after the collapse of the Soviet Union, Russia's power of attraction is inevitably weakening. The country's means of hard power are overwhelming, especially in comparison with those of its neighbours, but it has proved difficult to employ them effectively. There is a risk that Russia will try to compensate its declining influence in countries of the FSU by using military or hybrid means. Russia is not just a spoiler power though. Relations with Russia offer real benefits to parts of the elites and of the populations of the EaP countries.

The EU and NATO have refused to recognise the Russia-led organisations in the FSU, the EAEU and the CSTO. The EU and NATO have always insisted on strictly bilateral relations with its members. The argument has remained unchanged: the West should not give legitimacy to organisations that are essentially instruments of Russian expansionism. This approach needs to be revised.

First, CSTO and especially the EAEU are more than instruments of Russian imperialism. Russia realises that it needs to tread carefully if it wants other states to join its integration effort in the region; if it wants the EAEU to

become a serious alternative to the EU. It is too early to tell how the EAEU will further develop. Given the enormous difference in economic size (aggregate GDP) between the EU and the EAEU and in the level of integration (less than 15 percent of the EAEU members' trade is internal trade; in the case of the EU it is almost 65 percent), given also that for major EAEU member states the bulk of their external trade is with Europe, we do not see how the initiation of talks with the EAEU would harm the interests of the EU.¹⁷ On the contrary, we believe that contacts between the EU and the EAEU serve the interests of the EU. It provides the EU with more options in a region where other powers (especially China) operate less dogmatically. And given the huge difference in economic weight between Russia and the EU, the European Union has probably more to gain from mutual cooperation than Russia has. The EU should not simply accept Putin's preferred strategy of the 'integration of integrations', but an official and structured dialogue between the EU and the EAEU could be a first step towards a more productive relationship and a less divided geopolitical landscape.

Second, it is not in the interests of the smaller member states of the EAEU to continue the policy of non-recognition. Russia is unlikely to drastically revise its policies towards the countries in-between. It is equally unlikely that the foreign policy orientations of these countries will cease to be internally controversial or divisive. It would therefore be advisable to not force these countries to make exclusive choices. Contacts between the EU and the EAEU would reduce these countries' 'integration dilemma' — keeping in mind of course that none of these states has any real prospect of joining the EU. Apparently, Russia did not consider the CEPA incompatible with Armenia's membership in the EEU. Armenia is not Ukraine, but it may show how keeping geopolitics low profile may help countries in the FSU to expand their foreign policy options.

¹⁷ The contributions to Charap, Demus and Shapiro (2018) contain a range of possible initiatives in this direction.

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CONCLUSIONS & RECOMMENDATIONS

Considering developments in the Eastern Partnership region during the past decades, one of the general conclusions to be drawn is that political and economic change in the Eastern Partnership countries has been far from linear. We have seen periods of democratic development, moments of backsliding on democracy and rule of law, and years of stagnation. In some cases, these developments took place by choice and agency of the local elites and/or populations, in others they were a reaction to unforeseen events within the countries themselves or through external influences. It has proven hard to make any predictions that would stand the test of even a relatively brief period of time. Nevertheless, in this final chapter we will attempt to suggest a number of conclusions and recommendations that may help to devise a workable and comprehensive strategy for the EU and the European social democrats towards the part of Europe that they have always struggled with.

Some bad news and some good news

Democratic reform has made considerable progress in the four non-authoritarian countries of the EaP (Armenia, Georgia, Moldova, Ukraine). The bottom-up demand for democracy is still alive, as the recent Ukrainian elections and the 'Velvet Revolution' in Armenia showed. Still, the EU, its member states and relevant international pro-democracy organisations should acknowledge the fact that also in these countries (and even more so in authoritarian Azerbaijan and Belarus) a long-term commitment is needed to consolidate democratic governance.

Past experience has shown that legitimate change can only be initiated from below. Armenia, Georgia, Moldova and Ukraine have followed that route. It

remains the preferred example; it is the model the EU represents. Protest movements seldom demand closer ties with Russia, and if they look to any foreign entity for inspiration, it is usually the EU and its member states. Three of the six EaP countries are now associated with the EU, relations with Belarus and Armenia have improved and nothing much has changed with regard to Azerbaijan.

At the same time, it should be noted that in several ways the EU's impact in the region is limited. And in one crucial aspect the EU has not been able to play a significant role at all, in the field of security. Even though it is one of the major goals of the Association Agreements to make the EaP countries more resilient and secure, Ukraine, Moldova and Georgia currently still face frozen conflicts that violate their sovereignty and impede their development. In the case of Armenia, security implications and dependence on Russia were largely considered as the main reason to align with Russia and abstain from an Association Agreement with the EU.

Another limitation to the EU's involvement in the region is the often-perceived discrepancy between its declared ideals and real policy goals and ambitions. Stability seems the EU's primary goal. This led to a pragmatic, but occasionally too tolerant approach to ruling elites that preach European values but hardly practice them. The EU's approach has been described as conditionality-light, linking the need for policy change with the political will of the ruling elites, whose interests may conflict with democratic values or, for that matter, with the will of the people they claim to represent. Generally, the strongly formalised, legalistic approach of the EU, an inevitable result of the nature of the organisation and its complex decision-making process, is difficult to reconcile with the still largely informal character of the politics of the EaP countries. This results in a mismatch: while the EU is usually working with treaties and legal agreements predominantly on an inter-state level, the countries it works with in the Eastern Partnership function informally and this informality often overrides formal statutory provisions.

It will come as no surprise then, that change in key areas such as the rule of law and administrative reform remains slow, reflecting the weak governing structures in most EaP countries. The EU's 2018 overall reporting was

critical of the enabling environment for civil society, implementation of gender programmes, media freedom and strategic communication. Not enough progress was made in the areas of the rule of law. Of the three Associated countries, Georgia has made some progress in tackling corruption; Ukraine has initiated some important reforms; while Moldova has backslided. As said, the three countries are still far from being resilient and mature democracies.

The EU still does not seem to have a clear vision on the geopolitical future of the EaP region. It denies these countries the perspective of EU membership and it generally aims to avoid open competition with Russia (despite the introduced sanctions after Russia's annexation of Crimea and interference in East Ukraine). The result is, in a sense, a strategic ambiguity.

And finally, it is difficult to discern any comprehensive social democratic strategy towards the Eastern Partnership countries. Like the EU in general, European social democrats also seem to prefer pragmatic stability over idealism, working with established and self-declared social democratic political parties, and to focus on the executive or legislative power branches of the state, rather than on grass-roots political actors. Many of these parties – not just social democrats, it should be added – preach the values of progressive politics, but hardly practice them. The most important political decisions are often based on other considerations, be it vested interests of major political players (oligarchs), political opportunism or the personal views of charismatic leaders. This, together with the perceived link between social democracy and Soviet-style socialism that is still present in many people's minds, has strongly contributed to the parties' inability to find their footing and create a durable niche in their national polities.

What is to be done?

Recommendations

- *More diversification and a long-term strategy*

Politically, economically and geopolitically the Eastern Partnership consists of a diverse group of countries. Policy effectiveness requires a diversified EU strategy and a more targeted country-by-country approach. Despite obvious similarities, each country copes with a different set of unique conditions that relate to not only its history, but also to increasingly diversified internal dynamics – including demographics, the presence of minorities, generational aspects, and geopolitical conditions.

The EU also needs to take a longer-term view. To reach common goals and ambitions, a stronger commitment from all sides is needed. An additional difficulty is the EU's inability or unwillingness to offer EU membership, which has played a significant role in the democratic developments of many Central European countries in the last three decades. While EU membership may not be a realistic option for the EaP countries, other possibilities should be explored more seriously, like joining CEFTA and eventually the European Economic Area.

- *Making democracy deliver*

The EU should seriously work on how to make democratic governance more attractive to the elites and populations of the Eastern Partnership countries. More than anything else, democracy should deliver. In terms of legitimacy, democratic output is at least as important as input is. And the EaP countries have come up short in that regard.

One aspect of better functioning democratic system is the role of political parties. EU programmes should more carefully reflect on and include support for political parties. This may sound contradictory to the findings in this book, which have shown mistrust or very low legitimacy and popularity of political parties. But to ignore them is no option. As yet, democratic consolidation *without* political parties is difficult to imagine. The EU can rely on a solid network of think-tanks and political foundations that could take on this challenge in a less formalised and less institutionalised way. Such an approach would be complementary to the established practice of cooperation with CSOs for which the EU has

already created a special agency, the European Endowment for Democracy. The standard for the inclusion of political parties into the EU cooperation programmes should be: political parties recruit and socialise new political leadership, prepare political newcomers on how to interpret and bundle the demands and preferences of citizens and transform them into policies. Internally they should be characterised by democratic procedures and accountability towards the membership. This should best be accompanied by public party financing schemes that allow for equal access of all parties and independent candidates to political competition and elections.

Another aspect concerns the perceived partners of the EU. Apart from the official contacts, the EU should continue to work not only with domestic reformers in the countries but also with the diaspora, motivating the latter to contribute to the democratic processes. The EU should politicise its cooperation policy, and make it less formalistic, bureaucratic and legalistic. It needs more political debate on the major challenges in these vulnerable societies in order to provide citizens with the chance to be heard and participate. This should include leaving the capitals and involving local authorities and communities in issues relevant to them. A special focus should be on attracting young people, who might be willing to take on more responsibilities. The EU should support national development in that direction and it might propose flagship event formats for such debates for the decade to come.

To deal with the problem of oligarchic networks the EU should focus in its contractual relations and in its diplomatic efforts on institutional capacity building, effective anti-corruption measures, public funding for political parties, competition policy, and support for an independent judiciary and media. The EU should discourage the international engagement with oligarchs and other elite groups that are suspected of misappropriation or corruption, infringement of the rule of law or manipulation of law enforcement agencies.

Democratic cooperation partners of the four EaP countries need to learn how to confront illiberal politics and how to react to shrinking spaces for

democracy support in the context of rising competition with autocratic governance systems. Russia, China, Turkey and Iran offer economic advantages that do not come – at least at first sight – with complex conditionalities that are inconvenient to deal with for many elite groups. Thus, governments following a democratic reform path still need more incentives. Today, the EU together with its member states is the only global player disposing of a variety of rewarding instruments which can be offered to countries making democratic progress.

· *Overcoming the Limits of Geopolitics*

Turning to the geopolitical aspect, the EaP region should not be primarily seen in terms of competition between EU and Russia. The governments of the EaP countries are not mere pawns in a larger geopolitical game. They have agency and sovereignty, albeit to varying degrees. They are political actors in their own right. They largely define the political direction of their countries. The nature of the relations between the countries of the EaP and the EU and Russia largely result from the interests, the ideas, and the calculating behaviour of their elites, and on how these relate to what the EU and Russia have to offer.

On the basis of our fact-finding, we believe that a dialogue between the EU and the Eurasian Economic Union is in the interests of the EU and of the EaP countries. Given the huge difference in economic weight between Russia and the EU, the European Union has more to gain from closer cooperation than Russia has. A dialogue between the EU and the EAEU could be a major step towards a less divided geopolitical sphere.

When considering the geopolitical dimensions of the EaP region, we should at all times keep in mind the important differences between the EU and Russia. The EU is guided by democratic values and it pursues voluntary association; Russia manifests itself in non-democratic ways, internally and externally, interferes in its neighbouring countries, and tries to destabilise them, at times through military means, when it considers this to be in its interest.

· *Supporting Progressive Parties and Initiatives*

The challenges European social democrats face with regard to the Eastern Partnership countries are not essentially different from the ones the EU deals with. There is no overall social democratic strategy towards this part of Europe. The same arguments of diversification and more long-term thinking apply here as well. European social democrats could to be more pro-active and imaginative. This requires mapping the left-wing/progressive civic-political field in each country, building communication channels and, where appropriate, relationships with promising individuals and groups irrespective of their current organisational development or presence in the legislative or executive power branches.

In a way, European social democrats are also struggling with a discrepancy between proclaimed ideals and pragmatic goals. There should be continuous discussions on norms and ethics with sister parties and allied movements that appear to have abandoned core social democratic values, or that have never pursued them in the first place. Currently, the bulk of the working, day-to-day communication is too focused on strategies and elections. Backsliding on democratic or social democratic values, or integrity (corruption, internal democracy or a lack thereof), should have more immediate consequences for the type of relationship we have with the parties in question.

European social democratic organisations should also be more pro-active and imaginative on who else could be their allies. Progressive parties, movements and/or individuals in the countries of the EaP who do not necessarily carry the label of social democracy should be given more attention and, in some cases, preference over established parties that are simply well-organised and close to power structures. We should detect promising new initiatives sooner, establish closer contacts and give more support if they prove to be genuinely driven by progressive ideals. Some examples include the SD Platform in Ukraine, which has been struggling to gain that international support for years while gradually growing into the only social democratic alternative in the country; or newly emerging social democratic/progressive initiatives in Armenia (Citizen's Decision

Social Democratic Party, The Progressives informal platform, SD Platform Armenia etc.).

Most of the countries in the EaP have a significant degree of civic activism, of people taking matters into their own hands and forcing their leaders to listen to them, through massive mobilisation campaigns that sometimes take everyone – including themselves – by surprise. As social democrats we should nurture these promising, progressive bottom-up initiatives, as fragile and disorganised as they may first appear. We should be ready to support them once the opportunity is there for them to flourish. To quote legendary ice-hockey player Wayne Gretzky: ‘a good hockey player plays where the puck is. A great hockey player plays where the puck is going to be’.

Much has happened in the Eastern Partnership countries in the past 5-10 years. An analysis of their democratic (and social democratic) development that we had made over the course of several visits in 2011 and 2012 has thus become outdated. We decided to revisit five Eastern Partnership countries to take a closer look at those developments, and propose a much-needed re-evaluated approach to the region for the EU and European social democrats.



Photo: CivilNet.AM / Hakob Manukyan