

## **EFPO: The EU's role in the Eastern neighbourhood – Addressing the decline of democracy**

Roundtable at the Finnish Institute of International Affairs, 20 April 2011

Summary of the presentation by

Balazs Jarabik, Associate Fellow, FRIDE

The Arab revolution has given the strongest ever feedback and reality check the European Union could ever wish for its neighbourhood policy. Especially as the EU is not 'losing' its neighbourhood; it is actually making (slow) progress, even in the East. But this is much less connected to the European Neighbourhood Policy (ENP) than the EU and the European expert 'industry' tend to portray. It is still the living standards Europe enjoys what attracts the neighbourhood rather than the EU policies in themselves.

The Arab Spring not only made old presidents fall in the Middle East, but it also served as a strong new impulse to erode the status quo surrounding the ENP in the region as well as in Brussels.

The recent ENP review has already confirmed the changing status quo in Brussels. Not only conditionality and differentiation were highlighted as the two guiding principles for the EU's assistance to its Eastern neighbours but also a "merit" based approach will be introduced to boost reforms. Those countries that take more steps towards greater political and economic association with the EU will receive more support from it than those that do not reform. Now, the question is whether the newly established European External Action Service (EEAS) will be able to grow to the task. A crucial factor for the EEAS is to recalibrate EU assistance in a way that allows for greater and more long-term support to domestic agents of change and pro-reform constituencies. However, what the EEAS should note in the first place is that it is not so much money, but actually the quality of engagement, i.e. European understanding and communication, that is key.

At the same time the region's outlook is increasingly unstable. The regional status quo – strengthening of authoritarian, but also patriotic/nationalistic elite with an understanding

or passive support of society - may be under much serious pressure due to the regional turbulences related to global economic challenges such as growing inflation and overall dissatisfaction of the middle class, the layer of society mostly hurt by the economic crisis everywhere in the region. The best example of what kind of turmoil the EU may face is the current Belarus: the prolongation of the Soviet system under the leadership of Alexander Lukashenka has ended without Russian financial subsidies and the erratic push of the Belarusian leader after the December 19 presidential elections. However, virtually no one in Minsk has a clear idea of what will or should come next, given that the status quo, i.e. strong (authoritarian) leadership was taking care of things till now.

While the principles stressed in the ENP review are the right step, in reality, this approach can only be successful insofar as the countries themselves want to embark on a path of reform, transformation and closer association with the EU. Most of the EU's neighbours continue to see the integration process from a zero sum perspective, i.e. the lack of membership promise by the EU makes them feel that this is a lost case - but they cannot lose their face toward their societies. This framework is a dangerous mix. On the other hand there is a clear refusal of the Russian tailored integration project, the Customs Union, across the Eastern Partnership region (Belarus was more or less bullied into the agreement with Moscow).

The EU should not miss out the regional status quo and the challenges it faces. The current shift of Brussels, as expressed in the ENP review, from its own status quo is due to another region, the South. However, the lessons learned from the East, from the past 20 years of political, economic and social development, could help to get out from the ENP the maximum toward both the East and the South.