

# **EU REGIONAL COOPERATION AND GOVERNANCE OF ITS EASTERN NEIGHBOURHOOD**

A Compilation of Six Research Papers

By

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BA, Minsk State Pedagogical University, Belarus, 1996

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A Dissertation Submitted in Partial Fulfilment  
of the Requirements for the Degree of  
**DOCTOR OF PHILOSOPHY**  
in Interdisciplinary Studies

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## **Abstract**

The European Union (EU) governance is very complex. Also, in order to have an impact on the democratic transformation of national settings in its Eastern Neighbourhood there is a need for the EU to govern more effectively. How can we understand the relations between the EU and countries in its Eastern Neighbourhood? Has the EU regional governance been able to bring positive change by influencing domestic processes including democratic institution-building in the region? What challenges has the EU encountered in its Eastern Neighbourhood and how has it responded to them? Even at times when the EU's performance is being questioned by policy-makers and in academic literature, the EU retains a strong focus on sectoral and regional policies, along with a consistent presence in neighbouring countries. The six research papers of this thesis examine important aspects of regional development of the EU and its governance of the Eastern Neighbourhood. These analyses determine that the EU's understanding of the governance of its Eastern Neighbourhood has developed and varied to a substantial degree since introduction of the European Neighbourhood Policy followed by addition of the Eastern Partnership. The papers provide empirical qualitative analysis on the factors shaping EU regional performance and address institutional, political, and cultural challenges that Ukraine and Belarus face in terms of democratization and regional cooperation. In addition, these papers engage with debates on borders and bordering in order to study the neighbourhood transformations through the European Neighbourhood Policy. New priorities, such as border management and a focus on multilateral initiatives under the Eastern Partnership, signalled the continuation of a region-based approach employed by the EU and the recognition of shared values, common traditions, and histories among neighbours in the EU's shared borderland.

**Keywords:** European Neighbourhood Policy, Eastern Partnership, Eastern Neighbourhood, Borders, (Good) Governance, Cross-Border Cooperation, Ukraine, Belarus

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## **ABBREVIATIONS**

AA: Association Agreement

ACCORD: Association of Cooperating Organizations for Development in Western Ukraine

ADVANCE: Transcarpathian Advocacy and Development Centre

BRICS: Brasil, Russia, India, China and South Africa

CE: Carpathian Euroregion

CBC: Cross-Border Cooperation

Com: European Commission

CFSP: Common Foreign and Security Policy

CoR: The European Committee of the Regions

CORLEAP: Conference of Regional and Local Authorities in the Eastern Partnership

DCFTA: Deep and Comprehensive Free Trade Agreement

EaP: Eastern Partnership

EC: European Community

ENI: European Neighbourhood Instrument

ENP: European Neighbourhood Policy

ENPI: European Neighbourhood Policy Instrument

EXIE: External Images of the EU

EU: European Union

EAEU: Eurasian Economic Union

EUBAM: EU Border Assistance Mission

GSP: Generalized System of Preferences

HIA: Hungarian Interchurch Aid

HEKS: Swiss Protestant Relief Organization

IBPP: Institution-Building Partnership Programme

MAP: Membership Action Plan

MFA: Macro-Financial Assistance

MLG: Multi-Level Governance

MoU: Memorandum of Understanding

NATO: North Atlantic Treaty Organization

NIF: Neighbourhood Investment Facility

NGO: Non-Governmental organization

OECD: Organization for Economic Co-operation and Development

OSCE: Organization for Security and Co-operation in Europe

PCA: Partnership and Cooperation Agreement

PRDP: Pilot Regional Development Programmes

SIGMA: Support for Improvement in Governance and Management

SSHRC: Social Sciences and Humanities Research Council of Canada

TACIS: Technical Assistance to the Commonwealth of Independent States and Georgia

TAIEX: Technical Assistance and Information Exchange

UACES: Academic Association of Contemporary European Studies

United States: US

## ACKNOWLEDGEMENTS

*This research comprises six research papers presented during my PhD studies at the 9<sup>th</sup> Biennial European Community Studies Association-Canada conference in 2012; at the EUBORDERREGIONS conference “Borders, Regions, Neighbourhoods: Interactions and Experiences at EU External Frontiers” at the University of Tartu in Estonia in 2014; at the Academic Association of Contemporary European Studies (UACES) conferences in 2015, 2016, 2017; at the research seminar “Contemporary Studies on Ukraine” as part of the policy workshop “EU Partnership with Ukraine, Moldova, and Georgia: Prospects for Reform with Implementation of the EU Association and Free Trade Agreements” held at Carleton University in 2017; at the “Multiple Crises in the EU” Canada-Europe Transatlantic Dialogue conference at University of Victoria in 2017; and at the 2018 Association of Borderland Studies World Conference at the Central European University in Budapest, Hungary. It also includes material based on a guest talk “Good Governance: Assessment of the Institutional Opportunities for Regional Cooperation between the European Union (EU) and Ukraine” performed during my short stay as a Visiting (PhD) Researcher at the Krakow University of Economics in 2014.*

*This thesis was made possible by generous financial support from the University of Victoria, Graduate Studies, Social Sciences and Humanities Research Council of Canada (SSHRC), by a grant through Dr. Amy Verdun and Dr. Emmanuel Brunet-Jailly’s SSHRC funds (for a BIG project). Furthermore, the EU studies programme at UVic provided a generous opportunity to do fieldwork in Ukraine and Belarus. I would like to thank both my supervisors, professor Amy C. Verdun and professor Emmanuel Brunet-Jailly, whose exceptional knowledge, professional help, and incredible human qualities supported me through the whole process. I appreciate all the time they invested in me, their ideas, their thoughts, and the funding that made my PhD possible. I am grateful to the European Studies programme for supervising opportunities at the West Coast Model EU at the University of Washington, in Seattle, and for teaching opportunities for special EU modules. My special thank you to professor Emmanuel Brunet-Jailly for providing me with an opportunity to support his teaching of an online course “European Borders without Walls” funded by BIG project.*

*I am also grateful to my PhD committee: Professors Oliver Schmidtke and Derek Fraser, for their feedback during my PhD studies. Derek Fraser made available various sources of information about Ukrainian government, civil society, Russia, and other important issues by sharing with me his knowledge and numerous important contacts in Ukraine. I am grateful for Professor Schmidtke's comments on the proposal and the thesis at various stages. Special thanks to EUCANET team and Beate Schmidtke for providing me with everyday guidance and a comfortable place to work during my graduate internship. My big thank you to Dr. Valerie D'Erman, the late Dr. Donna Wood, Dr. Serhy Yekelchuk, and all administrative staff at the Department of Political Science at the University of Victoria. I would like to thank Professor Tatjana Muravska, Professor Aleksander Surdej, and Professor James Scott who hosted me as a visiting researcher at the Department of European Studies of Latvia University, the Krakow University of Economics, and the University of Eastern Finland for the 2014–2017 academic years and provided me with presentation and guest lecturing opportunities as well as valuable opportunities for informative discussions with colleagues. Tatiana's kindness, great professionalism, and knowledge of Eastern Europe made my stay in Riga extremely fruitful and unforgettable. I am also thankful to her generous funding of my visit on an EU study tour to Brussels and Strasbourg together with students, colleagues, and friends from the EU studies programme in Latvia University.*

*Moreover, I would like to thank all my colleagues at the University of Victoria—Assem Dandashly, Graeme Crouch, Ivan Dumka, Elodie Texier, and Anindya Sarkar—for all their support and encouragement, but most of all for their continuous friendship. I am also thankful to those in charge of the SSHRC Cluster Europe-Canada Transatlantic Dialogue PhD Mentorship Programme that provided the opportunity and funding to spend two months at the University of Ottawa in 2015. I had very fruitful time there and thorough discussions and feedback on my research from Professor Joan de Bardeleben. Finally, I would like to thank my supervisor Amy Verdun, Professor Elena Korosteleva, and Professor Richard Whitman who supported my PhD residency at the University of Kent funded by the academic association for Contemporary European Studies. I am extremely grateful to Louise Scallon, who became much more than a friend during my life in Canada and who always warms my heart even at a distance. Special thanks to Martin Matthews. Last but not least, I would like to thank my parents who supported all my endeavours, for all their love to my daughter Ania*

*and myself. I would like to express a very special appreciation to my daughter for her patience, acceptance, and unconditional love. And thank you to all my friends whom I possibly forgot to mention but who always stood by my side during the PhD years.*

*Tatiana Shaban, June 2019*

## **I. INTRODUCTION: Summary and Background of Six Research Papers**

The European Union (EU) governance is very complex. Also, in order to have an impact on the democratic transformation of national settings in its Eastern Neighbourhood there is a need for the EU to govern more effectively. How can we understand the relations between the EU and countries in its Eastern Neighbourhood? Has the EU regional governance been able to bring positive change by influencing domestic processes including democratic institution-building in the region? What challenges has the EU encountered in its Eastern Neighbourhood and how has it responded to them? What is the role for Russia? How Russia perceives the EU and its normative power? Most importantly, how to reconcile regional players, like Russia and the EU? These are questions that these papers address. Even at times when the EU's performance is being questioned by policy-makers and in academic literature, the EU retains a strong focus on sectoral and regional policies, along with a consistent presence in neighbouring countries. The six research papers of this thesis examine important aspects of regional development of the EU and its governance of the Eastern Neighbourhood. These analyses determine that the EU's understanding of the governance of its Eastern Neighbourhood has developed and varied to a substantial degree since introduction of the European Neighbourhood Policy (ENP) followed by addition of the Eastern Partnership (EaP). They provide empirical qualitative analysis on the factors shaping EU regional performance and address institutional, political, and cultural challenges Ukraine and Belarus face in terms of democratization and regional cooperation. In addition, these papers engage with debates on borders and bordering in order to study the neighbourhood transformations through the European Neighbourhood Policy. New priorities, such as border management and a focus on multilateral initiatives under the EaP framework, signalled the continuation of a region-based approach employed by the EU and the recognition of shared values, common traditions, and histories among neighbours in the EU's Eastern borderland.

Research presented in this thesis primarily seeks to find out whether and how the EU governance approach<sup>1</sup> has been able to contribute to an overall institutional change and

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<sup>1</sup> Governance approach means interaction among various stakeholders who are able to impact and contribute to decision-making.

sustain democratic institution-building in the Eastern region. Likewise, it seeks to understand what type of governance is emerging in cross-border areas in the Eastern Neighbourhood by analysing EU cooperation trends with Ukraine, Russia and Belarus. Despite the Ukrainian crisis, research presented here shows that the EU's policies towards the EaP countries reflect the continuous state of joint cooperation. This opens avenues of enquiry concerning the relationship between EU governance and regional development in the EU's Eastern Neighbourhood. Thus, in addition to offering empirical insights, this study offers a theoretical background on both the meaning of (EU) governance with specific reference to the principle of good governance<sup>2</sup> and the EU's power relations outside the EU. According to the European Commission (henceforth, the Commission), the concept of *European governance* shall encompass five principles of good governance—i.e., openness, participation, accountability, effectiveness, and coherence—in a comprehensive framework for consistent policies associating civil society organizations and European institutions (European Commission, 2001, p. 10). This change that is occurring within the understanding of the concept of governance is nuanced by the emergence and importance of cross-border cooperation (CBC) outside the EU. CBC activities contribute to transforming the operation of power across the various levels of governance, and a “new mode” of governance emerges from this development. In turn, this form of governance incorporates a new style of decision-making that is dependent on non-hierarchical and mutually interdependent relationships aimed at building consensus among various actors whose interests may differ.

Active EU policy tools aim to influence partner states' transition processes towards democracy and stability whilst at the same time gradually improving their institutional and organizational capacity. Periodic monitoring, evaluation, and reviews are supposed to induce processes of mutual learning through the diffusion of best practices. According to Holland (2002, p. 6), goals and principles of the EU policies should be formulated in consultation with the developing countries and jointly evaluated on the basis of formerly agreed benchmarking criteria. The processes of coordination are complemented by

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<sup>2</sup> The principle of good governance has been an EU norm implicitly stated in the EU's Copenhagen criteria. It is found in Romano Prodi's inaugural speech to the European Parliament (Prodi, 2000), as well as Commission papers on “EU election assistance and observation” (COM(2000) 191 final) and the “White Paper on European governance” (COM(2001) 428 final).

reinforced efforts at capacity-building in the public sector; and strengthening of civil society and non-governmental organizations. In support of the above, the White Paper on European Governance calls for the greater involvement of two constituencies: regional and local actors, on the one hand, and civil society organizations, on the other (Börzel, Pamuk, & Stahn, 2008, p. 21). With the White Paper on European Governance issued by the Commission in 2001, the EU has officially acknowledged the role of non-state actors for the effectiveness and legitimacy of EU policy-making, both within the Union and towards the outside (European Commission, 2001, p. 5). Cooperation between civil society in the EU and the partner countries, and between partner countries, is particularly important where cooperation between governments may be difficult. Therefore, when studying the Eastern Neighbourhood, it is essential to explore bottom-up processes where local and regional powers and cross-border initiatives are strongly interlinked into complex cultural, economic, and political structures.

Thus, the ENP<sup>3</sup> is not just about integration scenario but also about managing the existing cultural, political, and religious differences through cross-border cooperation and exchanges in order that each side can learn and acquire knowledge about the other. As a result, more actors are engaged in border-related activities and management. From 2011, the EU has initiated various forms of governance—supporting local initiatives, diversifying stakeholders, and speaking to all levels of society (Casier et al., 2013). According to Casier, currently the EU operates a wider outreach, speaking to all levels of society—from business communities, local authorities, educational circles, and civil society to government-level officials and civil servants (Casier et al., 2013). Domestic agents of change and lobbying activities by civil society actors in the shared neighbourhood are supported by the EU through various transgovernmental initiatives: twinning, Technical Assistance and

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<sup>3</sup> The first financial instruments, including the ENPI, in the framework of the ENP additionally suggested that 'wider Europe' aimed at blurring the EU's external borders. Thus, the Commission for instance proposed to reform the INTERREG programme, which aimed to cover EU external activities, that is, cross-border cooperation both within the EU and across the neighbourhood. See Commission of the European Communities, *Building Our Common Future: Challenges and Budgetary Means of the Enlarged Union 2007-2013*, Brussels, 11 February 2004, COM(2004) 101 final; see also Commission of the European Communities, *Proposal for a Regulation of the European Parliament and of the Council: Laying Down General Provisions Establishing a European Neighbourhood and Partnership Instrument*, Brussels, 29 September 2004, COM(2004) 628 final.

Information Exchange (TALEX), or advice centres like the Ukrainian European Policy and Legal Advice Centre. Langbein admits that interactions amongst various actors at different level of governance as well as interactions amongst private actors can impact on a more direct or indirect way on domestic regulatory/governance change (Langbein, 2015, p.11). She argues that the EU and international/regional organizations facilitate cooperation and coordination within various state, sub-state, and private actors, for example reform-minded segments of bureaucracy, or civil society agents. Independent regulatory authorities or private companies that achieve regulatory tasks such as certification or monitoring according to European and international market rules were not needed during communism when economies were regulated by the state. Therefore, Langbein argues that capacity building (the transfer of knowledge, technologies, financial resources, and skills) through networks contributes to regulatory and governance change accordingly in a hierarchical governance structure such as that of Ukraine.

The question of the management of the Eastern border of the EU, especially with Belarus, Ukraine, and Moldova, came on the agenda in 1997, when the prospective of accession was finally accepted for the Eastern and Southern candidates. The Commission required “good neighbourly relations” as a further condition for accession and as a result a concept of “Wider Europe”<sup>4</sup> was proposed. It implied increasing openness and inclusionary politics where neighbourhood could be jointly negotiated between the EU and its regional partners, including Russia. As a result, in the post–Cold War context, the “Wider Europe” was seen to present the EU as a new kind of international actor. To sum up, the original proposition of a policy towards the EU’s neighbours was very much linked to the idea of reinforcing sub-regional cooperation, especially in creating an “Eastern Dimension”—and, later on, Black Sea cooperation (to complement the already existing “Northern Dimension” and the “Union for the Mediterranean”<sup>5</sup>). It was grounded on the successful achievements

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<sup>4</sup> The Commission Communication on Wider Europe (2003) initially set the goal of the ENP as “to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.”

<sup>5</sup> The Northern Dimension is a joint policy between EU, Russia, Norway and Iceland. It was initiated in 1999 and renewed in 2006. The Union for the Mediterranean, formerly known as the Barcelona Process, promotes economic integration across 15 Southern Mediterranean countries: Albania, Algeria, Bosnia and Herzegovina, Egypt, Israel, Jordan, Lebanon, Mauritania, Monaco, Montenegro,

of regional development policy of the EU founded on partnerships across the EU, planning, and principles of good governance. In the end, the idea of the EU as a new type of security community whose policies would rely on normative soft power was officially added to the rhetoric of EU policies.

However, the existing scholarly literature reveals that the EU's coordination role has been limited both internally and externally (Anderson, 2007; Christiansen et al., 2000; Dimitrovova, 2010; Simão, 2013, 2017). Moreover, Dimitrovova suggests that there are grounds to look at the integration motivation of the ENP with pessimism due to distrust, the EU's self-interests (or those of its member states), geopolitics, and a perception of power asymmetries which undermine the networking function of borders and can be seen as damaging to effective cross-border governance and border transcendence (Dimitrovova, 2010). Thus, in terms of politics, the mobility of people and goods, and the promotion of values, the agenda for the ENP integration project remains quite challenging. In addition to differentiation and coordination problems, Paasi (2001) notes that the dominating hegemonic identity of the EU tends to suppress other voices. Consequently, the 2014 Ukrainian crises seriously challenged the EU's integration project and questioned its legitimacy as a new kind of international actor and an effective crisis manager. This is duly reflected in the 2015 ENP review. Furthermore, following the revision of the ENP in the autumn of 2015, for the first time in EU official documents it is argued that the neighbourhood is a geopolitical space and there is a need for the EU to engage in conflict resolution in the region (European Commission, 2015a). As a result, the effectiveness of the ENP cannot be studied without taking into account the role of Russia in its "Near Abroad." A major factor affecting the ENP policy towards its Eastern neighbours is the relationship with Russia which considers this neighbourhood to fall within its own sphere of influence. Some of the Europeanization literature focuses on Russian power politics assuming it is the reason for current regional conflicts (i.e., Browning & Joenniemi, 2008; Maas, 2019; Nitoiu, 2016). According to Browning & Joenniemi (2008), in Russia there is a growing suspicion that the EU attempts to restrict Russian political, cultural, and economic influence in Russia's

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Morocco, Palestine, Syria (suspended), Tunisia and Turkey with Libya is an observer. European External Action Service

western periphery through a reinforced border regime. Bearing in mind Russia's strategic and territorial dispositions towards its neighbours, the EU has to advance its governance mechanisms that aim to develop dynamic and capable cooperative relations with Russia. On a similar note, some scholars remain sceptical about the effects of EU sanctions in response to Russia's destabilizing role in Eastern Ukraine as they consider Russia to be "highly resilient because the many non-globalized sectors of its economy co-exist with more export-dependent sectors, such as energy, which are protected by Russia's Reserve Fund"<sup>6</sup> (Aalto & Forsberg, 2016). This view is supported by a Russian academic Tsygankov, for example, who states that sanctions could also "strengthen the potential for anti-Western nationalism inside Russia" (Tsygankov, 2015, p. 259).

However, by analysing numerous Russian transnational actors and their impact on the domestic landscape, Langbein (2015), for instance, concludes that Russia's presence does not necessarily hinder the integration of the EU's Eastern neighbours into international markets. Rule enforcement is happening despite the lack of an EU membership prospective and the presence of Russia as an alternative governance provider. That offers a platform to further studies of not just Russia as an alternative provider of governance, but the role of regional organizations such as the EU, and the Eurasian Economic Union (EAEU). It goes without saying that more empirical work is needed to understand better the interactions between different actors and institutions that are capable of bringing governance change in the EU's Eastern neighbourhood. When commenting on the EU Security Strategy 2013, Slavkova argued that asking some countries to choose between powers would be at the very least unsustainable and, in some cases, impossible. According to Slavkova (2015), the EU should try to rebuild the win-win frame of approach with its neighbours. Events in Eastern Ukraine demonstrated that despite an existing degree of institutionalization of sectoral policies in countries with transition economies, effectiveness of the EU in solving territorial and governance conflicts has remained rather weak. Moreover, Ukraine crisis has stalled any previously existing progress in EU–Russia relations which in turn pushed the EU to take a more pragmatic approach towards its Eastern neighbours.

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<sup>6</sup> In 2017 Russia's Reserve Fund merged with the National Welfare Fund.

The initial debates on the post-Soviet region have focused on political and economic transitions (democratization, marketization), including issues of national identity, but have tended to neglect the state and governance mechanisms (Fritz, 2004; Fuchs & Zielonka, 2006; King, 2000, 2007; Linz & Stepan, 1996; Pridham, 2005; Przeworski, 1991; Rhodes, 1996). The experience of “failing” economic and political transitions in the former Soviet Union countries has given rise to the issue of the role of institutions. Recent democratization and transitologist literature debates tend to treat good governance and associated institutions as key variables to implement successful democratic reforms in transition countries (Linz & Stepan, 1996; Pridham, 2005; Schmitter & Schneider, 2004; etc.). In contemporary literature debates good governance is widely regarded as the goal of state formation and transformation efforts (Fritz, 2004; Gänzle, 2009; Lavenex, 2004; Pollack 1996, 2005, 2009; etc.). According to Fritz (2004), the key challenge for Ukraine when integrating into Europe and adopting essential institutions and values, especially those related to good governance, is to improve its state capacity and quality of democracy.

An institutionalist<sup>7</sup> approach to governance characterizes much, and the best, of scholarly work on the EU (Jupille & Caporaso, 1999, p. 431). Theories of new institutionalism (March & Olsen, 1989; North, 1990; Olsen, 2009) describe various institutional features (for instance, constitutional arrangements and policy structures) in order to examine processes of social change. Rationalist institutionalism follows the logic of resource redistribution and the presence of supporting institutions as main factors facilitating change. This approach particularly helps in addressing issues of temporal changes without making over-generalizations about events and actors involved. From a rationalist institutionalist perspective, changes in the political opportunity structure lead to a domestic redistribution of power and consequently to domestic change. In its turn, sociological institutionalism emphasizes the importance of European policies, norms, and collective understandings. It suggests that Europeanization leads to domestic change through a socialization and collective learning process resulting in norm internalization (Börzel & Risse, 2003; Lavenex & Schimmelfennig, 2009; Schimmelfennig & Sedelmeier, 2004, 2005). Historical

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<sup>7</sup> For a discussion of three institutionalist debates, see Hall and Taylor (1996).

institutionalists stand between these two views: human beings are both norm-abiding rule followers and self-interested rational actors (Steinmo, 2008, p.163).

From an institutionalist perspective (Bulmer, 2009; Jupille & Caporaso, 1999; North, 1990; Olsen, 2009; Pierson, 2000; Pollack, 1996, 2005, 2009; Radaelli & Schmidt, 2004; Scharpf, 1997; Thelen, 2004) it matters less whether politics occur within or among nations. What matters more is that they occur within a framework of mutually understood principles, norms, rules, or procedures—that is, within an institutional context. Therefore, institutionalism promises a logic that can unify the analysis of politics and policy-making at and across levels of analysis. According to Roland (2004), institutions have no meaning if the constraints they impose are not enforced. In the exogenous models, enforcement relies on the role of a third party. Such models, therefore, have the disadvantage of raising the questions of where these third parties derive their enforcement power and what their incentives are to enforce the rules (Roland, 2004). Policy dialogue, therefore, requires not just a dialogue with governments but also with different components of civil society at large, especially with civil society elites who have not just an interest but also extensive expertise and training in rule enforcement. Those elites are not necessarily represented in governments but are a very active component of civic life in post-communist countries. However, Schimmelfennig and Sedelmeier (2005) argue that institutions mainly provide constraints and incentives but not reasons for action. They alter cost-benefit calculations but not interests or identities. Institutional power approaches have been particularly strong in the field of energy, focusing on the asymmetrical interdependence (Keohane and Nye, 1989) between the EU and Russia. Moreover, the connection between the EU's EaP and the Russia-led Eurasian Economic Union has received considerable scholarly attention over the last years (Haukkala, 2009).

Overall, the EU represents different kinds of power, based on their content and focus. Scholarly research specifies that the EU's soft, normative, and transformative power represents a unique driver for change in the region (Dimitrova et al., 2016; EU-STRAT, 2017; Manners, 2002; Nye, 1990). When the EU acts as a transformative power, it aims to promote reforms across a broad spectrum of governance areas: democratic institutions, rule of law, public administration, economics, standardization, and regulatory issues. In the

case of Ukraine,<sup>8</sup> which is implementing its Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU, it has acted as a transformative power when seeking to change economy, politics, and society by introduction of good governance principles and demanding wide-ranging reforms. In contrast, the EU's cooperation progress in Belarus, downgraded by the EU's sanctions and Belarusian authoritative regime, suggests the EU's power in this country has been predominantly normative.<sup>9</sup> Last but not least, the well-known concept of soft power as developed by Nye (1990) represents a mix of ideational (attractive simulation model, rights, culture) factors and economic influence.

Hence, the issue of EU governance is of paramount importance at a time when the so-called Ukraine crisis on the Eastern border of the EU has seriously challenged European security and international order by questioning the EU's role as an effective governance actor and crisis manager in its shared neighbourhood. This research shows that that the EU is able to establish and promote fairer rules of the game by simply maintaining its visual, consistent presence on the ground, providing an example and best practices on the regional level, and maintaining cooperation with all societal actors. It intends to inform both academics and practitioners about existing tendencies in EU governance towards its Eastern neighbours and fill in the gaps in the literature about EU regional cooperation, border governance, and democratization. Overall, it contributes to existing literature debates about democratization, regionalism, and EU governance by linking them together. In addition, this research aims to add to an understanding of how global forces of competing cultures and international order are affecting borders and borderlands along the Eastern border of the EU.

Paper one, **"The European Union's Policy towards Its Eastern Neighbours: The Crisis in Ukraine,"** asks how to manage the neighbourhood space of the European Union

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<sup>8</sup> According to experts on the Eastern neighbourhood, the 'Copenhagen-lite' criteria can be offered to Ukraine and other countries that are willing to integrate with the EU. The Copenhagen criteria, which define if the country is eligible to join the EU, contain all essential elements of a broad concept of democratization.

<sup>9</sup> When the EU primarily emphasizes norms and rights, it can be defined as a normative power (Manners, 2002).

effectively, including its capacity to promote reform in Ukraine. The European Union's neighbourhood is complex and still far from being stable. In Ukraine, significant progress has occurred in many areas of transition. However, much work remains to be done, especially in the field of regional development and governance where many legacies of the Soviet model remain. At the crossroads between East and West, Ukraine presents an interesting case study of policy development as an expression of EU external governance. By identifying security, territorial, and institutional challenges and opportunities the EU has faced in Ukraine, the paper underlines the most important factors accounting for the performance of its external governance and crisis management in Ukraine. Ukraine unlike Belarus did not avoid violent political crises and civil wars (also experienced by almost all EaP countries including Russia).

Ineffective governance in Ukraine was the turning point that caused the Maidan revolution in February 2014, when people started to protest against the government of Yanukovitch, who reconstructed the oligarchy by concentrating enormous wealth within his own family, to the dissatisfaction of both Ukrainian society and business. The Ukrainian parliament voted Yanukovitch out of power in 2014 when he refused to sign the Association Agreement with the EU and turned to Russia instead. Maidan (or the so-called Revolution of Dignity) produced a prolonged internal political, economic, and security crisis in Ukraine. Following those events, the EU needed to rethink its policy towards the EaP countries and Russia, find new approaches to suit the new reality, and set the rules in key areas: energy, neighbourhood, and visa policy. In the EaP initiative, the "more for more" principle was further strengthened through a reformed comprehensive institution-building programme, providing systematically more support in expertise, twinning, technical assistance, and financial assistance in proportion to the achievements and effectiveness of implementation to date. As a result, better functioning institutions could give Ukraine stronger de facto sovereignty and the confidence to choose its own form of strategic identity.

The EU's security agenda (Debardeleben, 2005; Della Porta & Keating, 2008; Leuprecht, Hataley, & Nossal, 2012; Newman, 1999a, 1999b; Newman & Paasi, 1998; Wilson & Hastings, 2012) is being redefined as a result of instability in the neighbourhood that has triggered demands for the EU to become a more strategic security actor. The Ukraine crisis showed that Russia's aggression against Ukraine and the annexation of Crimea in many

ways marked an end to the post–Cold War period. The European security order is being disturbed by violations of its core norms when for the first time for decades borders in Europe have been changed by use of force. As a result, the focus of national security policies has shifted back towards traditional territorial defence and geopolitics,<sup>10</sup> causing substantial changes in the ENP and EaP. According to Sakwa (2016), the “Ukrainian crisis” refers to the way that internal tensions have become internationalized to provoke the worst crisis in Europe since the end of the Cold War. Thus, Ukraine’s current situation makes this an ideal moment to reflect on institutional and regional problems at stake in Ukraine and the EU. The EU and its neighbours continue to work in partnership to bring peace and prosperity to the region. The review of the challenges and opportunities reveals that the EU provides Ukraine with exceptional support for its long-term transformation and the establishment of a democratic system and effective governance. Academic and policy research also shows that EU cooperation with Ukraine depends on negating asymmetric relations, including those with Russia, and applying the EU soft power concept on the ground responsibly and respectfully.

Paper two, “**Regional Development of the European Union and Ukraine: Institutional Aspects of Cross-Border Cooperation**,” aims to demonstrate how the EU’s regional strategies support developing democratic institutions because they bring non-EU institutions and predominantly non-state actors into EU policy-making in Ukraine. In the long-term, Ukraine–EU cooperation may also affect the implementation of important domestic legislation. The paper argues that instead of challenging values or waiting for Eastern countries to adopt them, the EU itself is also able to establish rules of the game that these countries, like Ukraine, follow. Governance<sup>11</sup> beyond EU borders has been

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<sup>10</sup> According to Browning and Joeniemi (2008), *geopolitics* can be understood as a multilevel process of boundary-making or “bordering.” Bordering is basically about the everyday construction of borders through ideology, discourses, political institutions, attitudes, and agency (Scott & Matzeit, 2006). Within this context, geopolitics can also be read in terms of (1) a politics of identity (who is “in,” who is “out”), (2) a regionalization of difference (defining who is a neighbour, a partner, a friend or rival), and (3) a politics of interests (in which issues of economic self-interest, political stability, and security play a prominent role).

<sup>11</sup> **Governance** as employed by the EU is defined as “the method of ‘governing’ proposed for obtaining lasting economic, social and institutional development, promoting healthy equilibrium amongst the state, civil society and the economic market, and generating expressly for this purpose

conceptualized here as the establishment and operations of “institutions” (in the sense not of organizations but of rules of the game) that define actors and their responsibilities, both in cooperation towards society’s objectives and in the resolution of any conflicts that may arise. Good governance is a set of such institutions, which is effective, accountable, and legitimate. When talking about governance quality in terms of development of the principle of good governance I primarily mean establishment of rule of law, clear division of powers, control of corruption, and design of impartial, and professional public administration. Cross-border cooperation policy has been a vital element of EU regional policy, aiming to bridge countries, civilizations, and continents. According to Perkmann, CBC involves a certain stabilization of cross-border contacts, i.e., institution-building, over time (Perkmann, 2003, p. 156). It is also assumed that with time it breaks down barriers to deeper political and social integration as well as creating new development opportunities through communication, ideas, and synergy (Scott, 2006, 2009).

The increasing importance of the EU’s good governance concept is highlighted by explicit reference to the 2003 European Security Strategy whereby “the EU’s task is to make a particular contribution to stability and good governance in [the] immediate neighbourhood.” One major innovation of the European Neighbourhood Policy Instrument (ENPI)<sup>12</sup> can be seen in the fact that the cross-border cooperation programmes involving regions on both sides of the EU’s border share one single budget, common management structures, a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries. What is of particular importance concerning such cooperation is that EU cooperates with Russia on certain CBC projects where Russia provides additional funding and its support to these programmes. EU–Ukraine partnership activities allow for the development of good governing practices at

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active involvement by citizens” (Contributions to the White Paper on Governance). This definition of governance is provided by the Royal Academy for the Spanish Language. It fully fits good governance principles incorporated into the White Paper on European Governance and meets the requirements of my research objectives.

<sup>12</sup> As from 2014 the ENPI was replaced by the European Neighbourhood Instrument (ENI), which aims to provide increased support to 16 partner countries to the East and South of the EU’s borders.

the local and regional level through the exchange of experience, ideas, and best practices.<sup>13</sup> According to Kauffman, Kraay, and Mastruzzi (2011), one key indicator of good Multi-Level Governance (MLG) is the manner in which local and regional authorities engage with their stakeholder community. However, the Ukraine crisis brought up deep tensions not just in the Ukrainian nation and its state-building processes, but also setting the stage for confrontation in Europe. The internal deadlock in Ukraine, and the appearance of an old East–West division of Europe that runs across its historically diverse territories, have made the task even more challenging for both the EU and Ukrainian authorities. Therefore, in order to effectively and successfully cooperate and understand actors and their rules, the EU needs to be an effective cross-border manager not just in the Eastern neighbourhood but also a strategic actor in the international arena.

Paper three, **“Assessment of the Institutional Opportunities Induced by the European Union in Western Ukraine,”** analyses the setting up of a regional development policy which intended to overcome the disparities between territories in the West of Ukraine against the EU border. The aim of the paper is to characterize cooperation programmes of border regions in Western Ukraine and to identify institutional capacities and gaps which might help intensify cross-border cooperation with the EU in those regions. For the Eastern neighbours, cross-border cooperation policy with the EU presents an interesting case to study as a relatively new policy which was developed after the Soviet Union collapsed in 1991. Therefore, it can be studied as a new phenomenon or change in the state’s policy. Overall, this paper examines whether the EU’s regional approach is sufficiently supporting governance transformation by introducing specific institution-building initiatives in Western Ukraine. In addition, it explores those EU tools and programmes that designed to bring fundamental change into internal governance processes under the framework of the ENP in Ukraine. The question the paper is seeking to answer is: How has the EU helped Western Ukraine with governance challenges it faced after gaining independence? In the perspective of reinforcing cooperation with countries bordering the EU, the European Neighbourhood Policy Instrument included a component specifically

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<sup>13</sup> Committee of the Regions. Opinion on “Local and Regional Government in Ukraine and the Development of Cooperation between Ukraine and the EU”. CoR 173/2010.

targeted at cross-border cooperation. The ENPI's CBC strategy has four key objectives: to promote economic and social development in border areas, address common challenges, ensure efficient and secure borders, and promote people-to-people cooperation. It is the task of the regional and local partners on both sides of the border to analyse their common needs and to identify priorities and actions that are most relevant to their local situation.

EU border politics (see Anderson & O'Dowd, 1999; Brunet-Jailly, 2005, 2010; Buzan, Weaver, & DeWilde, 1998; Keating & Hughes, 2003) comprise a complex range of programmes, policies, and imaginaries of political community in which borders are used as resources for different specific aims. The European Committee of the Regions supported certain innovations in the form of new governing practices in order to meet regional challenges across borders, such as those promoted through the CBC programmes. In Ukraine they were funded through the ENPI instrument and maintained by the Memorandum of Understanding (MoU).<sup>14</sup> Under the framework of the EaP policy,<sup>15</sup> Ukraine benefited from the EU's cross-border cooperation, and various regional and inter-regional cooperation programmes. Those were mainly in education (Tempus,<sup>16</sup> Erasmus [Erasmus Mundus], Erasmus +), transport and border assistance, institution building such as Technical Assistance and Information Exchange (TAIEX), Support for Improvement in Governance and Management (SIGMA), and investments Neighbourhood Investment Facility (NIF). In addition, Ukraine is eligible for funding under thematic programmes: the European Instrument for Democracy and Human Rights, Instrument for Stability, Instrument for

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<sup>14</sup> Memorandum of Understanding for the establishment of a dialogue on regional policy and development of regional cooperation between the Ministry on Regional Development and Construction of Ukraine (now Ministry of Regional Development, Building and Housing and Communal Services of Ukraine) and the Commission signed in 2009.

<sup>15</sup> The EaP policy was introduced to the EU upon the direct initiative of Poland and Sweden in 2009. It offered bilateral (Action Plans) and multilateral cooperation tracks to Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. It aimed to support six partnership countries to advance a market economy, sustainable development, and good governance. Belarus participated in the EaP's multilateral track only due to limitations introduced by the EU after the unconstitutional dissolution of Belarusian parliament by the president, which took place following the referendum's results in May 1995. European External Action Service. [http://www.eeas.europa.eu/eastern/index\\_en.htm](http://www.eeas.europa.eu/eastern/index_en.htm).

<sup>16</sup> Tempus is the European Union's programme, introduced in 1990, which aims to promote voluntary convergence of partner countries' higher education systems with EU developments in the field of higher education. In addition to institutional cooperation Tempus also promotes a "people to people" approach.

Nuclear Safety Cooperation, and the Development Cooperation Instrument. Thematic Instruments also provided financial support to civil society, including non-state actors and local authorities. Since 2011, civil society organizations have benefited from the Neighbourhood Civil Society Facility. The management of CBC programmes is assigned to a local or national authority jointly selected by all participating countries. CBC between EU and Ukraine uses an approach largely built on Structural Funds principles such as multiannual programming, partnership, and co-financing, adapted to take into account the specificities of the Community's external relations, its rules and regulations.

Paper four, **“Euroregion as an Important Mechanism of Cross-Border Cooperation between Ukraine and the European Union,”** is an examination of the current European integration course of the Ukraine within the framework of the Carpathian Euroregion (CE) from the viewpoint of cross-border governance. The underlying assumption is that European integration (with or without EU membership) is good for Ukraine. In June 2006 the EU Council reiterated that the EU is open to any country that fulfils Art.49 of the Treaty on European Union<sup>17</sup> and would meet the conditions for membership. Ukraine has recognized its foreign policy course as a European choice since the Partnership and Cooperation Agreement (PCA) came into force in 1998 and has admitted that European integration will help modernize its economy, increase living standards, and strengthen democracy and the rule of law. On 14 February 1993 the Ministers of Foreign Affairs of Hungary, Poland, and Ukraine<sup>18</sup> ratified a declaration in the city of Drebecen (Hungary), stating that establishment of the Carpathian Euroregion would greatly contribute to strengthening of friendship and prosperity among these countries, and guarantee active application of the principles of the Helsinki Act (1975), the Charter of Paris for a New Europe (1990), and other instruments. The problem, however, was that the theoretical CE model, developed with the assistance of experts from the East-West Institute, who voiced their concern over numerous local initiatives of transboundary cooperation, was neither understood nor supported by the national governments involved (Mytryaeva, 2007, p. 126).

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<sup>17</sup> Article 49 provides the legal basis for any European state to join the EU. Article 49 of the Treaty on European Union.

<sup>18</sup> Romania joined in 1997.

Euroregions are defined as organizations of transboundary interregional (intermunicipal) cooperation aimed at establishing good neighbourly relations as well as addressing common problems singled out by the constitutional documents regulating the territories of three or more states. On its borders the EU is dealing with countries that had a strong history of autocratic rule by the communist party, with an institutional culture differing from that of Western countries and an absence of civic community or liberal traditions. The Soviet legacy in Ukraine has remained clearly visible in both the structure of local governing arrangements and in people's expectations of their authorities, as well as their lack of trust in the process of governing. This situation partially explains the strong existing sentiment that the state, rather than the community, should take care of people's needs. Ineffective and typically unchanged internal governance processes have triggered apathy and lack of individual or collective responsibility in the Ukrainian society. Moreover, there was no border cooperation policy between communist and European countries, and this made post-Soviet states to look more as a buffer zone rather than a "ring of friends." However, this is not the only barrier that the EU faces. The EU is today composed of 28 member states, each pursuing its own interests. All of these factors combined have presented a key challenge for the effective delivery and implementation of EU programmes and initiatives. In addition, the ENP underwent a further revision that reflected more of a geopolitical actor role for the EU by prioritizing a security agenda, placing defence and security issues as one of the most topical in its cooperation with neighbouring countries.

Belarus and Ukraine share a common Soviet past along with continuing persistent problems, such as bad (ineffective) governance characterized by corruption, close links between politics and business, and an inefficient bureaucracy. In further research on EU governance, my fifth paper "**Media Perceptions of the European Union and Russia in Belarus**" monitored the current media coverage in Belarus in an attempt to understand how the EU has been portrayed internally. Geopolitically Belarus is caught between two different civilizational integrationist projects: the Eurasian Economic Union and the EU. Current EU assistance for Belarus is granted under the Country Strategy Paper 2014–2020 in the framework of the ENP under the ENPI (ENI), and focuses on social inclusion, environment, and local and regional development. However, there is no action plan yet in place. The problem is that Belarus–EU relations still do not have a developed infrastructure: no Partnership and Cooperation Agreement; the withdrawal of Generalized System of

Preferences (GSP)<sup>19</sup> from 21 June 2007 over workers' rights violations relating to freedom of association; and EU sanctions imposed since disputed elections in 2004 which were temporarily<sup>20</sup> lifted for a period of 4 months in October 2015. Belarus as a member of the EaP initiative participates only in its multilateral track and it has been excluded from its bilateral initiatives.

However, in September 2014 after Minsk saw the conclusion of Trilateral Contact Group (Russia–Ukraine–Organization for Security and Cooperation in Europe, OSCE) consultations and the signing of a protocol on a ceasefire in the two Ukrainian regions of Donetsk and Luhansk, there began a process of an evident though gradual warming of EU–Belarus relations. As a result, the Minsk agreements<sup>21</sup> helped Belarus to position itself as an island of security, stability, and peace domestically and internationally, which strongly helped to improve its international standing. Thus, inability of the international community to solve the conflict in Eastern Ukraine gave Belarus an opportunity to become a negotiation platform for the conflicting sides. However, the October 2015 presidential elections in Belarus clearly showed that the Belarusian authorities want to look more democratic to the West/Europe without allowing many changes inside the country, including establishment of a healthy relationship with civil society. They have seen civil society as an integral component of the regime, rather than a domain separate from the state. Moreover, the opposition has the difficulty of wanting to play a meaningful role in the political process in Belarus without at the same time legitimizing the election process. That also brought strong division to actors among the opposition itself.

This paper offers some preliminary conclusions about the perception and the presentation of the EU and its member states in national news. In Belarus the EU receives

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<sup>19</sup> The GSP allows vulnerable developing countries to pay fewer or no duties on exports to the EU, giving them access to the EU market and contributing to their growth.

<sup>20</sup> In 2019, the EU Council extended EU sanctions against Belarus for one more year until 28 February 2020, that comprised an arms embargo, asset freezing measures, and travel ban against 4 individuals. It added one individual to its ISIL and Al-Qaeda sanctions list. Council Decision (CFSP) 2019/325 of 25 February 2019 amending Decision 2012/642/CFSP concerning restrictive measures against Belarus. ELI: <http://data.europa.eu/eli/dec/2019/325/oj>.

<sup>21</sup> The most significant peace agreements signed in Belarus were given the informal titles Minsk-1 (5 September 2014) and Minsk-2 (11 February 2015).

much less coverage than Russia, but also much less than individual EU member states such as Germany, Poland, Italy, and France. The coverage of the Eurasian Union and the Union with Russia, of which Belarus is a member, have dominated the coverage presented by the official printed media. Most coverage does not have a noticeable evaluative tone. In Belarus news about the EU is mostly neutral or somewhat negative (criticizing the liberal order, market, and capitalism), whereas news about Russia is mostly positive. In comparison the Ukrainian media coverage of the EU member states is more positive than negative, but coverage of Russia is very negative (Chaban & Kravchenko, 2014). Moreover, the analysis suggests that the EU's role (its assistance and policies), as well as its messages, are not very prominent in Belarus. It is also argued that domestic evolutions in Belarus essentially depend on regional factors rather than on the effectiveness of the EU's political conditionality. Van Elsfuge (2010), therefore, suggests that recent initiatives of constructive engagement with Belarus (and other ENP countries) can only be successful when embedded in a comprehensive strategy for the entire region. The present challenge for the EU is for its role and policy to be recognized in the media, including public opinion in Belarus.

The European Union's approaches for the region are still largely work-in-progress. In addition, the question of energy security has risen in prominence, resulting in calls for a more coherent EU external energy policy. This has become a cross-cutting theme in the EU's regional and bilateral approaches (Haukkala, 2009). The Normative Power Europe literature has given considerable attention to how the EU has influence outside its borders. Few studies examine how EU "messages" are being received in third (non-EU) countries. However, it is equally important to understand the general patterns of Russian own perceptions of political, socio-economic and cultural relations with its regional partners to assess Russia's role and actions towards its neighbours. In 2014 the annexation of Crimea and Ukrainian separatist movements in the Eastern (Donbass) region triggered unprecedented deterioration of the EU relations with Russia. The EU imposed economic and political sanctions and discontinued existing diplomatic fora which in its turn caused further securitization and territorialisation of the EU political agenda (safeguarding Ukraine's territorial integrity requires to avoid the country's polarization between the EU and Russia). The EU also revisited its neighbourhood policy. That said, the current situation of suspicion and (mild) hostility to the growing EU presence in the East is far from satisfactory. The main

features of the post-2014 Russia's self-assertion discourse leads to increase alienation of Putin's Russia from the EU as a liberal "normative power". To summarize, Russia challenged and contested the EU's normative hegemony in the region. Indeed, the biggest challenge the EU is facing in its Eastern portfolio is to overcome the current Russian mood of zero-sum interpretations, by persuading Moscow to accept the win-win logic of integration in the region.

This last sixth paper "**Russia and EU Cooperation in Energy Policy: Sending and Receiving Messages?**" in the form of an article written jointly by Anastasia Chebakova, Olga Guliaeva, Tatsiana Shaban, and Amy Verdun, examines how EU energy policy is "received" in Russian media. Through a detailed media analysis of five snapshots of 1 month of articles in two leading Russian newspapers over 5 years (2009–2013), the paper argues that the Russian media does not receive EU messages quite the way the EU intends them to be received, even though Russia does respond to the so-called Third Energy Package. This triggers interest in the further study of relationship between the EU (energy) governance and regional policy development with its neighbouring countries in the Eastern region. This paper contributes to overall understanding of EU-Russia relations by offering a Russian perspective, how it tries to redefine its relations with the West, including the EU and thereby contributes to our general understanding of how EU external influence works in countries outside the EU. It gives an example of Russia's perceptions of the EU as an energy actor and shows the further evidence that the Normative Power Europe approach is rather eurocentric in its point of departure. The analysis shows the importance of further examining the normative messages of the sending and the receiving sides as well as the context in which these sides operate.

The thesis includes as Annex 3 a policy brief "**Perceptions of the Global Energy Governance: Case-Study Russia**" prepared by Tatsiana Shaban as a researcher for Russia under the Brazil, Russia, India, China, South Africa (BRICS) framework for a project named "External Images of the EU (EXIE): Images of the EU as Normative Energy Player." The same media material as used for the published paper "Russia and EU Cooperation in Energy Policy – Sending and Receiving Messages?" (959 articles from two Russian newspapers: popular daily *Kommersant* and business daily *Vedomosti*) was examined. The total number of articles analysed is 959 between 2009 and 2013. The policy brief concludes that Russia continues to establish itself as a strong regional player despite its damaged reputation as a gas supplier

after the gas dispute with Ukraine starting in 2009. EU–Russia energy relations remain influenced by the fact that Russia has better relations with certain leaders of some EU countries than with the EU as a whole. Overall, media coverage of energy policies remains an intensely local and regional issue in the Russian media.

Different types of energy along with energy-related issues such as investments, prices, cooperation, and technological innovations receive most of the attention from the Russian influential press. In terms of energy policy development, Russian media presents Russia as a strong regional and global energy partner who considers building up relations with countries on a bilateral basis. In this context, the “competitiveness” framework is dominant. In terms of sustainable energy development, the 2013 coverage suggests that the EU’s messages have been received but have not been taken up to an appropriate level of development and cooperation. When it comes to actorship, Russian media presents all energy actors, including itself, typically in a neutral manner. The EU as an actor received a more negative flavour due to its “Third Energy Package” regulations and the obstacles that it created for Russian energy market. Media also negatively assessed Russian government energy policies, which created barriers to competition in the domestic energy market and did not support private oil and gas companies other than state-owned Gazprom. This policy brief provides recommendations on how to use information about perception in policy-making when it comes to the global energy governance by discovering messages of potential importance to the EU–Russia energy dialogue. All in all, the EU has been seen as an important market supported by existing energy infrastructure, while Russia is open for cooperation in various fields (and not just energy), but only as an equal partner. Otherwise, the conflict between Russia and global actors, including the EU, can be expected.

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## II. Paper 1. The European Union's Policy towards Its Eastern Neighbours: The Crisis in Ukraine<sup>22</sup>

### 2.1 Abstract

The European Union's neighbourhood is complex and still far from being stable. In Ukraine, significant progress has occurred in many areas of transition; however, much work remains to be done, especially in the field of regional development and governance where many legacies of the Soviet model remain. At the crossroads between East and West, Ukraine presents an interesting case of policy development as an expression of European Union external governance. This paper asks the questions: Why was the relationship between the EU and Ukraine fairly unsuccessful at promoting stability in the region and in Ukraine? What was missing in the European Neighbourhood Policy in Ukraine that rendered the EU unable to prevent a conflict on the ground? By identifying security, territorial, and institutional challenges and opportunities the EU has faced in Ukraine, this paper underlines the most important factors accounting for the performance of its external governance and crisis management in Ukraine.

**Keywords:** European Union, crisis manager, European Neighbourhood Policy, Eastern Neighbourhood, Ukraine

### 2.2 Introduction

Ukraine signed the Charter on a Distinctive Partnership with the North Atlantic Treaty Organization (NATO) in 1997. In doing so, it effectively self-identified as a "European" state, in the sense of pledging allegiance to this important Western security alliance. A year later Ukraine established its European foreign policy course when the Partnership and

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<sup>22</sup> An earlier version of this paper was presented at the "Multiple Crises in the EU" CETD conference at University of Victoria, Feb 23rd, 2017. This conference was made possible by generous financial support from the Canada-Europe Transatlantic Dialogue at Carleton University. The author would like to acknowledge Amy Verdun, Zoey Verdun, Valerie D'Erman, Derek Fraser, and two anonymous reviewers of this journal for their comments on earlier drafts of this work. The author thanks Emmanuel Brunet-Jailly (and the Borders in Globalization project) for continued support. Special thanks go to Joan DeBardeleben, the Editor-in-Chief of this journal, for helpful comments and continued encouragement. Funding was provided by Social Sciences and Humanities Research Council of Canada, by a grant through Dr Amy Verdun.

Cooperation Agreement (PCA)<sup>23</sup> between the European Union and Ukraine came into force. In 2010 the Ukrainian Parliament adopted the law “On the principles of foreign and domestic policy” which further prioritized integration into the EU with the aim of acquiring membership (The Law of Ukraine №2411-VI of 01.07.2010). However, the crisis in Ukraine in February 2014 clearly demonstrated that the EU will have to develop a different strategic approach in its policy toward its Eastern neighbours in order to stabilize the situation in the region. People protested against the government of the then President Viktor Yanukovich, who had concentrated enormous assets within his own family and found himself in a vulnerable position manoeuvring between Russia and the EU. On 22 February 2014 the Ukrainian parliament (Verkhovna Rada or just Rada) voted Yanukovich out of power after he refused to sign the Association Agreement (AA) with the EU and turned to Russia instead. Likewise, the Rada announced new presidential elections for 25 May of that same year. In the end, the Maidan revolution<sup>24</sup> (also known as the “Revolution of Dignity”) produced a prolonged political, economic, and security crisis in Ukraine, regionally and internationally.

This paper asks, why was the relationship between the EU and Ukraine fairly unsuccessful at promoting stability in the region and in Ukraine? What was missing in the European Neighbourhood Policy (ENP) policy in Ukraine that rendered the EU unable to prevent a conflict on the ground? To answer these questions, this paper proceeds in four steps. First, it provides a brief literature review of recent academic debates on Europeanization and EU governance, which have paid extensive attention to the development of the ENP and the Eastern Partnership (EaP). Scholarly debates provide a conceptual framework for the EU as a transformative power and help understand the EU’s external performance in promoting stability in the region. Second, the paper examines the relationship of the EU and Ukraine by examining the progress of the ENP and development

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<sup>23</sup> The PCA between Ukraine and the EU (1998) was based on the existing Agreement between the European Economic Community and the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and commercial and economic cooperation, signed on 18 December 1989. Currently, the Association Agreement provides a new legal framework for bilateral EU–Ukraine relations, replacing the out-dated PCA, after being ratified by all 28 EU member states on September 1, 2017.

<sup>24</sup> The Ukrainian revolution got its name from the Maidan (Kyiv’s Independence Square) where it started in February 2014.

of its specific programmes and instruments in the area of security and regional integration. Third, it analyses territorial and security challenges the EU encountered on the ground, including the role of NATO and Russia in the Ukraine crisis. Finally, it explores institutional opportunities for EU–Ukraine cooperation. This paper only covers the period of the ENP between the implementation of the EaP policy, launched by the EU in 2009 on the initiative of Sweden and Poland, and its second revision<sup>25</sup> in November 2015. That period has been marked by an escalating confrontation between the EU and Russia based on disagreement about the EaP’s goals and functions. The overall analysis is helpful in articulating a number of factors that can form the basis for future cooperation between Ukraine and the EU.

### **2.3 Literature Review**

The literature on Europeanization (including EU governance) suggests that the EU exerts important transformative power outside its borders. In the post–Cold War context, the “Wider Europe” concept clearly presented the EU as a new kind of international actor (Commission of the European Communities, 2003). The EU concept of Wider Europe, understood in progressive terms, implied increasing openness and inclusionary politics where neighbourhood relationships could be jointly negotiated between the EU and its regional partners.<sup>26</sup> However, the “Arab Spring” uprisings that commenced in 2010 clearly demonstrated that policy of the EU toward its neighbours has not lived up to its standards and required change (Biscop, 2012). In light of regional conflicts and threats to the international order that seem to involve joint efforts by the international community in response, the European Commission (henceforth “Commission”) called for a comprehensive EU approach<sup>27</sup> to the management of external conflicts and crises. However, some scholars argue that the different objectives of the EU regional cooperation agenda have been

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<sup>25</sup> The second revision of the ENP in 2015 recognized that the attempts to create a “ring of friends” around the EU had failed and many of the neighbouring countries developed in the opposite way.

<sup>26</sup> The EU launched the ENP in 2003 with the objective of avoiding the emergence of new dividing lines between the enlarged EU and its neighbours to the South and East, and of strengthening the prosperity, stability and security of all countries concerned. The first revision took place in 2011 after the “Arab Spring” uprisings in many of the neighbouring countries participating in the ENP.

<sup>27</sup> The EU comprehensive approach towards crises is understood as providing security and building up a security community based on liberal democracy and a market economy, and not just management of the conflict itself.

mutually contradictory and contained both elements of potential regional partnerships and exclusionary and discriminatory aspects (Scott, 2009; Liikanen, Scott, & Sotkasiira, 2016).

Importantly, after the 2004 enlargement of the EU and before the 2014 Ukraine crisis Russia–EU relations have not reached a high priority on the agenda when brought for political discussion or dialogue. Andrey Makarychev claims that “the Russian version of neighbourhood has been an area predominantly marked by enmity and (geopolitical) competition,” whereas the EU sees its neighbourhood as being a “ring of friends” converging progressively on “European values,” which the EU naturally and hegemonically assumes to be its values (Makarychev in Emerson, 2006, pp. 15–41). The EU was regarded as important to secure market access in Europe and attract foreign direct investments, but in terms of the EU foreign and security policy, Russia considered the United States, NATO, and the Organization for Security and Cooperation in Europe as more important players (Haukkala, 2003, p. 9).

While internally the EU’s institutional development implied a shift towards coordinative network governance, externally it involved different forms of deep association towards neighbouring non-member states (Lavenex, 2008). The argument is that traditional rationalist, actor-based foreign policy approaches to the ENP that stress its weakness owing to the absence of accession conditionality may miss an essential part of EU external influence, according to which the ENP may be conceptualized as a “roof over expanding structures of sectoral, functional co-operation in Europe” (Lavenex, 2008, p. 951). The EU has also paid considerable attention to regional reform (decentralization), used in its broad sense to mean producing a change in the nature of relations between national and subnational tiers of government (Mrinska, 2010). Political developments since October 2013, when Ukraine decided against signing the EU–Ukraine AA, once again stressed the need to pay serious attention to the social and institutional context when studying the EU’s ability to function as an effective architect of its security community beyond its borders (Börzel & van Hüllen, 2011, 2013; Papadimitriou, Baltag, & Surubaru, 2017a, 2017b).

Similarly, the capacity of domestic actors to influence or defeat an illiberal government represents an important factor. As Langbein (2014) concludes in her research on regulatory convergence, beside strong EU policy conditionality, “multiplex” capacity-building that empowers various non-state actors and state agencies leads to stronger convergence in Ukraine. EU actions target not only governments but various societal actors

who either observe the EU's actions or cooperate with it. Academic debates emphasize that in the absence of strong formal institutions, informal networks and decision-making play a crucial role (Solonenko, 2015). Likewise, the mobilizing effect of conditionality will be higher if the society views EU conditions as legitimate (Schimmelfennig & Sedelmeier, 2005; Vachudova, 2005; Sasse, 2008; Schimmelfennig, 2009; Börzel & van Hüllen, 2013). According to Burlyuk and Shapovalova (2017), "conceptualisation of (EU) conditionality as a tool for societal mobilisation and differential empowerment of domestic actors" potentially explains domestic change as motivated by the EU.

In addition to security matters, scholarly research claims that improved governance in the neighbourhood remains crucial to its economic growth (Aslund, 2015). In Ukraine the EU has provided consistent financial and political support to public administration reform (PA reform), a declared priority for all administrations since independence in 1991, regarded as central to country's democratic consolidation (Youngs, 2009). Unsurprisingly, the role of the EU as an agent of change in its neighbourhood has been analysed profoundly. In the end, it is through EU assistance that understanding of EU norms and values by the government, civil actors, and society has been introduced and further reinforced in Ukraine. However, despite the current Ukrainian government being the most pro-reformist in the history of independent Ukraine, corruption and old-style bad governance continue to prevent the transformation and development of sustainable democratic institutions (Maksak, 2015a).

Moreover, critics of EU policies in Ukraine argue that linkages between the EU and EaP countries (even if increasing) do not necessarily translate into reform (Solonenko & Shapovalova, 2011; Maksak, 2015a). According to Kataryna Wolczuk (2017) the problem is that many EU officials in Brussels and in Kyiv are reluctant to promote change when engaging at the political level, believing that working with the current, pro-European administration is more desirable than triggering a change of government. Yet, Wolczuk argues that the most successful reforms so far have been those that created new institutions and systems in Ukraine—namely, a National Anti-Corruption Bureau, the electronic public procurement system (ProZorro), and the new road police. Furthermore, approaching the reforms as a technical process of legal approximation is insufficient for actual democratic transformation of the country (Wolczuk, 2017). Likewise, the question

remains whether EU policies and related actions are resulting in sustainable policy change in Ukraine.

## **2.4 Research Methods and Design**

The empirics of this paper rely on qualitative methods. The author conducted interviews in Kyiv, Lviv, and Krakow in 2014 and 2015 with governmental officials, academics, journalists, and NGO activists directly or indirectly dealing with ENP matters. Additional data was gathered through official (policy) documents, newspapers, and participation in the events related to the Ukraine crisis that took place both in Ukraine and at the international level during the same period and later. In order to answer the research question regarding the extent of the EU's transformative power in Ukraine, the paper draws on 1) the institutional arrangements governing Ukraine–EU relations, which mainly examine the EU's governance policy in the framework of the ENP and EaP; and 2) how these institutional arrangements are perceived and understood by different actors in Ukraine and abroad. Face-to-face and skype interviews were conducted in English, Russian, and Ukrainian. All those interviewed were asked to reflect upon EU-related policies and programmes in their field of activity and on the role that Ukrainian government is playing in this process. While the interviews also covered other, more regional aspects of policy implementation which are not addressed here, the respondents were asked to assess 1) their relations with the EU, including EU institutions, 2) the role of the Ukrainian government, 3) activities of Ukrainian NGOs, and 4) their own role.

## **2.5 The ENP: Review of EU Regional Programmes and Instruments in Ukraine**

The Commission Communication on Wider Europe proposed that the EU should aim to develop a zone of prosperity and a friendly neighbourhood—“a ring of friends”—with whom the EU enjoyed close, peaceful and cooperative relations (Commission of the European Communities, 2003). Drawing on that concept the EU offered its “ring of friends” to share “everything but institutions.”<sup>28</sup> The development of the ENP progressed further when in

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<sup>28</sup> The quote is taken from a famous speech by Romano Prodi, former President of the European Commission: A Wider Europe—A Proximity Policy as the Key to Stability. “Peace, Security and Stability International Dialogue and the Role of the EU.” Speech/02/619. Sixth ECSA-World

2009, upon the direct initiative of Sweden and Poland, the EU launched its Eastern Partnership policy (EaP). The EaP aimed to support six countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) in advancing to a market economy, sustainable development, and good governance.<sup>29</sup> It was built on the framework of the ENP and designed to “accelerate political association and further economic integration” (Council of the European Union, 2009, p. 6) in several areas, including governance, trade, migration and border management, energy, and the environment, between the EU and its partner countries.

This policy has been the first comprehensive initiative introduced into the system of the EU’s external relations intended to help neighbouring countries with their approximation to and integration with EU rules and norms based on a differentiated approach, committed to permitting each partner country to progress in its own way and at its own speed. The EaP includes an official package of at least three main elements that, if implemented, would significantly change relations between the EU and partner countries: first, the Association Agreement (AA)<sup>30</sup>; second, a Deep and Comprehensive Free Trade Area (DCFTA), which aims to open markets and deal with competitiveness issues and standards set by the EU in the area of trade; and finally, full visa liberalization. The AA highlights reforms in the spheres of justice, freedom, and security, particularly concerning provisions on mobility.

In addition, the EaP set up bilateral and multilateral projects and programmes in areas of economic, political. and cultural development with all EaP participants (except for

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Conference. Jean Monnet Project. Brussels, 5–6 December 2002, European Commission. Press release. [http://europa.eu/rapid/press-release\\_Speech-02-619\\_en.htm](http://europa.eu/rapid/press-release_Speech-02-619_en.htm). Accessed 10 May 2018.

<sup>29</sup> In Ukraine implementation of the measures covered by previous Annual Action Programmes from the period 2007–2009 (European Commission, 2011) was delayed pending timely confirmation of improved public financial management in the country, notably in the field of public procurement.

<sup>30</sup> In May 2012, the EU Council adopted three main conditions for the signature of the AA in Ukraine: conducting free and fair parliamentary elections, addressing cases of selective justice, and implementing reforms envisaged by the AA. The AA was negotiated between 2007 and 2011 and signed on 21 March and 27 June 2014. Substantial parts of its have been applied provisionally since 1 November 2014 and 1 January 2016 for the DCFTA. The AA in Ukraine fully entered into force only on 1 September 2017 after it was ratified by all member states of the EU. In June 2017 the visa liberalization process was finalized. As of 11 June 2017, the visa obligation for citizens of Ukraine who hold a biometric passport and want to travel to the Schengen zone for a short stay was abolished (Migration and Home Affairs, European Commission, last update 19/04/2018).

Belarus).<sup>31</sup> EaP bilateral projects include Comprehensive Institution Building Programmes (CIBP, CIB) which aim to help reform, develop, and improve the capabilities of the partner-states' public institutions. Since 2014, the CIB has been supported through the European Neighbourhood Instrument (ENI)<sup>32</sup> that replaced the former European Neighbourhood Policy Instrument. Specific instruments like the Twinning, Technical Assistance and Information Exchange Instrument (TAIEX),<sup>33</sup> and EU advisory missions have been used for the implementation of these programmes. The EaP multilateral track similarly aims to foster links among partner-countries themselves. The Commission identifies four thematic platforms in the multilateral framework: 1) democracy, good governance and stability; 2) economic integration and convergence with EU sectoral policies; 3) energy security; and 4) contacts among people. In the framework of these thematic platforms, five Flagship Initiatives have been launched: 1) integrated border management; 2) small and medium-sized enterprises facility; 3) regional electricity markets, energy efficiency, and renewable energy sources; 4) prevention, preparedness, and response to natural and man-made disasters and 5) environmental governance.

The EaP's regional dimension has been covered by Pilot Regional Development Programmes inspired by the EU experience of cohesion policy. It supports regional development strategies by aiming at reducing disparities and funding projects, which help in overcoming structural deficiencies. In September 2011, the Committee of the Regions established a Conference of Regional and Local Authorities for the EaP as "a political body of multilateral cooperation." Moreover, Ukraine, as a member of the EaP, has benefited from EU cross-border cooperation, and various regional and inter-regional cooperation programmes, mainly in education (Tempus, Erasmus Mundus), transport and border

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<sup>31</sup> Belarus is excluded from the full participation in the EaP due to its violations of human rights and civic freedoms. However, in contrast to Russia, Belarus participates in the EaP, at least formally, for it takes part in its multilateral track. The Minsk Agreements and the lifting of most sanctions by the EU after the presidential elections in Belarus in February 2016 showed a slight warming of Belarus–EU official relations and opened perspectives for change in both Belarus itself and Belarus–EU relations.

<sup>32</sup> Interestingly, the ENI is funding cross-border cooperation programmes in which Russia takes part under the ENP, even if it is not a part of the ENP as such.

<sup>33</sup> TAIEX supports public administrations with regard to the approximation, application, and enforcement of EU legislation as well as facilitating the sharing of EU best practices.

assistance, institution building (TAIEX, SIGMA<sup>34</sup>), and investment. In addition, the Visegrad (also known as the "Visegrad Four" or simply "V4")<sup>35</sup> countries have provided many forms of assistance to Ukraine and its people. As an example, Slovakia launched National Conventions for European Integration in Moldova and Ukraine and the Centre of Transfer of the Slovak Experience from the accession process at the Ministry of Foreign Affairs in Bratislava. In the end, such partnership activities endorse the development of good governing practices at the local and regional levels through the exchange of experience, ideas, and best practices in Ukraine.

Notably, the EaP initiative pays much more attention to civil society than previous EU policies towards its Eastern neighbourhood. It created the EaP Civil Society Forum, which included NGOs from both EaP countries and the EU. In addition to the Forum, the EuroNest Parliamentary Assembly (PA)<sup>36</sup> was formed in May 2011 in Brussels. The 2011–2013 National Indicative Programme (NIP) for Ukraine was adopted in March 2010 and had a budget of €470.1 million. The 2011–2013 NIP included a specific appropriation to finance new actions under the EaP, notably CIB with a minimum of €43.4 million and Cohesion Policy with a minimum of €30.8 million. Since the outbreak of the crisis in early 2014, it has mobilized a total of €3.4 billion in macro-financial assistance (MFA) through three consecutive programmes of low-interest loans to Ukraine. That represented the highest amount ever made available by the EU to a non-EU country in such a short time.<sup>37</sup> In

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<sup>34</sup> Support for Improvement in Governance and Management (SIGMA) is a joint initiative of the Commission and the Organization of Economic Cooperation and Development, principally financed by the EU. It focuses on strengthening public management in areas such as administrative reform, public procurement, public sector ethics, anti-corruption, and external and internal financial control.

<sup>35</sup> The V4 reflects the efforts of four Central European countries (Poland, Czech Republic, Slovakia, Hungary) to work together in a number of fields of common interest in the broader context of European integration, which prioritize the strengthening of the rule of law, the efficiency of national government and local governments, the transparency of public procurement, the reduction of state regulation, and the fight against corruption. Visegrad Fund.

<sup>36</sup> The EuroNest PA consists of a European Parliament's delegation and the EaP's delegations from Armenia, Azerbaijan, Georgia, Moldova, and Ukraine (excluding official Belarus representation but including participation of extra-parliamentary representatives of the opposition from Belarus). It aims to contribute to the strengthening, development, and visibility of the EaP, as the institution responsible for "parliamentary consultation, supervision and monitoring."

<sup>37</sup> Information provided during the talk by David Stulik (press officer of the Commission representation in Kyiv, Ukraine) at the National Mohyla Academy. Key documents relating to MFA I (disbursed in 2014–15): Council decision of 12 July 2002 providing supplementary MFA to Ukraine (€

addition to substantial financial assistance, the EU created the Support Group for Ukraine, which provided expert assistance for reforms. The Commission helped to organize the International Conference on Support for Ukraine in April 2015, while the Parliament launched a special mission to study the needs of Ukraine's parliament in the reform process. Overall, Commission estimated the EU's financial assistance to Ukraine for 2014–2020 at €11 billion.

## **2.6 EU–Ukraine Territorial and Security Challenges**

The problem for Ukraine's sovereignty started with the collapse of the Soviet Union when Ukraine declared itself an independent state in 1991. That act pushed the borders of Russia further east and limited its access to the Black Sea. Ukraine signed the Charter on a Distinctive Partnership with NATO in 1997, the Charter of the Organization of Black Sea Economic Cooperation agreement in 1998, joined pro-European GUAM (Georgia, Ukraine, Azerbaijan, Moldova), and sought further development of its international relationships, aiming at membership in the World Trade Organization (WTO) and NATO.<sup>38</sup> Since independence, Ukraine has regarded cooperation with NATO as a priority for its national security. Hence, after the Orange Revolution as a confirmation of its engagement with the Euro-Atlantic community the coalition government of Viktor Yushchenko and Yulia Tymoshenko called for consideration of Ukraine's entry into the NATO's MAP during the 2008 Bucharest summit. However, due to strong objections from Russia,<sup>39</sup> the 26-member alliance was split and thus confirmed it would not yet offer membership to Georgia or Ukraine.

Ukraine is in an important geostrategic location between Europe and Russia. Russia perceived the plan of the Ukrainian government to join the MAP as an expression of

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110 million); Decision of the European Parliament and of the Council of 7 July 2010 providing MFA to Ukraine (€ 500 million); Memorandum of Understanding between the European Union and Ukraine for MFA for Ukraine of up to € 610 million.

<sup>38</sup> Ukraine became a member of the WTO on 16 May 2008. In the same year, Ukraine applied to join the NATO's Membership Action Plan (MAP).

<sup>39</sup> The paper does not provide detailed analysis of Russia's actions in the aftermath of the 2008 Bucharest summit due to its space limitations and its major focus on Ukraine–EU relations rather than Russia–EU relations. However, some facts of particular importance to Ukraine are covered in this paper.

undesired NATO expansion to the east into its own sphere of geopolitical and economic influence (Ministry of Foreign Affairs of the Russian Federation). However, even within Ukraine, the application to join NATO in 2008 was met with opposition, which revealed the lack of an internal consensus of the political elites as well as low public support at that time.<sup>40</sup> In 2010, the Ukraine government dropped plans for membership following the elections in which Viktor Yanukovich became the Ukrainian president. During Yanukovich's government the Ukrainian parliament passed an initial draft of a bill, establishing Ukraine's non-aligned status on June 4, 2010. In 2014 Prime Minister Arseniy Yatsenyuk's government submitted to the Rada a draft bill that would cancel Ukraine's non-aligned status.

During 2014 Ukrainian territorial integrity and self-determination, based on general principles of international law and guided by subsequent multilateral and bilateral agreements,<sup>41</sup> was challenged and undermined by the military conflict in its eastern territory and the annexation of Crimea<sup>42</sup> by Russia. On 17 March 2014, following a highly contested referendum, the Republic of Crimea declared its independence, started seeking recognition by the United Nations, and applied to join the Russian Federation. On the following day, Russia recognized Crimea as a sovereign state, an act condemned by the international community. This happened despite the 1994 Budapest agreement between the US, Russia, and the United Kingdom which provided Ukraine with security assurances in exchange for the dismantling and destruction of all its nuclear weapons.<sup>43</sup> Thus, after the Ukraine crisis the Russia–US/NATO relationship has to some extent reverted to Cold War–

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<sup>40</sup> This evidence is supported by opinion polls conducted in 2007 and 2008 by Razumkov Centre in Ukraine. The results of Razumkov Centre's sociological research are also published in the National and Security Defence magazine.

<sup>41</sup> Articles 2, 3 of the Treaty on Friendship, Cooperation, and Partnership between Russia and Ukraine (signed in 1997) promised border recognition removing all Russian territorial claims against Ukraine. The stumbling blocks of the Treaty were the division of the Black Sea Fleet and the federal status of Sevastopol. However, the Treaty contained guarantees that the two sides would build their relations on the non-use of force or the threat of force, "including economic means of pressure." FBIS, doc. number FBIS-SOV-97-124.

<sup>42</sup> The Crimean Constitution approved by Ukrainian Parliament in 1998 declared that the Autonomous Republic was "an inalienable component part of the Ukraine."

<sup>43</sup> As a result of this agreement, between 1994 and 1996, Belarus, Kazakhstan and Ukraine gave up their nuclear weapons. Before that, Ukraine had the world's third largest nuclear weapons stockpile.

style antagonism. That change was reflected at the NATO summit in September 2014 in Wales.

Likewise, relations between Russia and the EU have played a role in the development of instability in the Eastern neighbourhood region. The Foreign Policy Concept of the Russian Federation of 2000 stated as Russian foreign policy's first objective to preserve and strengthen its sovereignty and territorial integrity, to achieve firm and prestigious positions in the world community, most fully consistent with the interests of the Russian Federation as a great power. Russia did not perceive the EU as a serious geopolitical partner, and the EU did not consider Russia as an equal partner. Regrettably, the last EU–Russia summit, held in January 2014 in Brussels, demonstrated the complete dysfunction of the top-level EU–Russia relationship.<sup>44</sup> In 2014 after the Ukrainian revolution, the Russia–EU relationship was reduced to a technical level, its content consisting of managing conflicts over EU energy policies, Gazprom's operations in EU countries, and Russian gas transit across Ukraine (Trenin, 2014).

The 2014 Ukraine crisis seriously tested the European security order with relation to its Eastern neighbourhood. As former Swedish Prime Minister Carl Bildt stated, it turned the EU's "ring of friends" into a "ring of fire" (Bildt, 2015). According to the 2016 Munich Security Report, Europe has failed to build a credible Common Foreign and Security Policy as envisaged by the Treaty of Lisbon, with institutional arrangements for decisive crisis management. However, if on the one hand, the Ukrainian crisis clearly exposed the vulnerability of the EU's foreign policy; on the other hand, it prepared Ukraine to acknowledge fully its geopolitical choice and foreign policy orientation towards Europe. The Maidan Revolution, the conclusion of the Association Agreement with the EU, and Russian aggression in Eastern Ukraine dramatically changed not only the Ukrainian and European landscape but also the whole international landscape.

In February 2015, the leaders of Ukraine, Russia, France, and Germany agreed to the so-called Minsk II accord concerning the conflict in the Ukrainian Donbas. This accord called for a ceasefire, withdrawal of heavy weapons from the front, release of hostages and

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<sup>44</sup> Remarks by President of the European Council Herman Van Rompuy following the 32<sup>nd</sup> EU-Russia summit, European Council, Brussels, 28 January 2014 EUCO 27/14 PRESSE 38 PR PCE.

detainees, changes in the Ukrainian constitution to give more autonomy to the regions, legislation on special status for parts of the Donbas regions of Donetsk and Luhansk, withdrawal of foreign forces from Ukraine, and restored Ukrainian government control over the eastern border by the end of 2015 (Ivan, 2015). However, to date this accord has achieved none of its goals. To add, the key diplomatic format to resolve the Ukraine crisis—the “Normandy group”—does not include the US. Hence, for the EU, how to deal with Russia in order to secure stability and security on its Eastern borders remains an open question.

## **2.7 EU–Ukraine Institutional Challenges**

The 2014 Ukrainian crisis pressed the entire international community and powerful foreign actors to play an important role in shaping Ukrainian governing structures. Recall that Ukraine is a post-communist country with a history of a highly centralized state and a state-owned economy. Moreover, the historical legacy of the Soviet culture of governance remains evident in various aspects of Ukraine’s politics and public administration. The 2004 Orange Revolution played a crucial role in determining the strategic direction of the Ukrainian policy towards its integration into the Euro-Atlantic community and democratic development (Kuzio, 2006; Kubicek, 2007; Haran, 2013). However, subsequent domestic developments showed how fragile the gains of a democracy could be, if democratic changes are not institutionalized. Leaders of Ukrainian opposition started to fight with each other for power after 2005, keeping in mind the next presidential election five years later.

The 2005 Blue Ribbon Commission report on Ukraine identified five key areas for national reform: political reform; social spending in areas such as health care and education; the tax system and the legal foundations of the financial system; a clear line to be drawn between the state and private enterprise, so that property rights are fully guaranteed; and integration into the world economy, to be facilitated through early accession to the WTO and closer integration with the EU.<sup>45</sup> The report stated that the fundamental political

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<sup>45</sup> Integration into the EU has always been a priority for Ukrainian foreign policy. This goal has been supported by many political and legal instruments, such as the Program on the Integration of Ukraine to the EU (approved September 2000); the Law “On State Program of Adaptation of the Legislation of Ukraine to the Legislation of the European Union” (18 March 2004), and the EU–Ukraine Action Plan (2005).

problem in Ukraine, as in other post-communist countries, is that “the state rules its citizens, rather than serving them. [. . .] The state machinery must become efficient through real control by society and law” (Blue Ribbon Commission Report, 2005, p. 3–17). Thus, the focus of the political debate in Ukraine itself gradually shifted from geopolitical orientation to domestic reform.

The EaP initiative created a critical necessity to put into operation essential management structures to improve the quality of governance in its partners. Governance beyond EU borders is conceptualized here as the establishment of “institutions” (in the sense of organizations but also rules of the game), which define actors and their responsibilities, both in cooperation towards society’s objectives and in resolution of conflicts that may arise. When talking about governance quality this paper primarily means establishment of the rule of law, clear division of powers, control of corruption, and design of impartial and professional public administration. With the EU, Ukraine faced a very demanding roadmap, particularly in fighting organized crime and corruption (talk by David Stulik, 2014). The EU had been pushing Ukraine to adopt comprehensive reforms and, most importantly, to effectively implement anti-corruption provisions. Those reforms were intended to facilitate EU–Ukraine cooperation for the years to come.

In 2010, after Viktor Yanukovich’s arrival in power, Commissioner for the ENP Štefan Füle presented to the Ukrainian government the “Füle Matrix”<sup>46</sup>—a list of 18 political and economic reforms with benchmarks and deadlines. The document was intended to renew mutual commitments as well as bring clearer conditions for the finalization of negotiations and eventual conclusion of the Association Agreement. On top of that, the EU promised some sectoral rewards, such as €610 million of MFA and €2.5 billion of credit for the modernization of the Ukrainian gas transit system conditional upon the implementation of the gas market reform. However, the lack of proficient staff<sup>47</sup> and of local experience created additional challenges to reforms on the ground.

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<sup>46</sup> Stefan Füle, European Commissioner for ENP. Exchange of views on South Caucasus and Ukraine. Speech/10/189. Committee on Foreign Affairs (AFET), European Parliament. Brussels.

<sup>47</sup> In 2015 after the EU conducted its second ENP revision in a reorganised EaP initiative, the “more for more” principle was further strengthened through a reformed CIB, providing more support in the form of expertise, twinning, technical assistance, and financial assistance.

Yet, corruption remains the main obstacle to effective governance in Ukraine. According to Corruption Perception Index (CPI),<sup>48</sup> in 2006 Ukraine ranked 99 and scored 2.8 for perception of corruption. After the 2006 parliamentary elections Ukraine was recognized as the only “free country” in the CIS in the ratings of Freedom House due to the accomplishments of the Orange Revolution which were political freedoms, including freedom of the press, and free and fair elections.<sup>49</sup> However, in 2010 Freedom House had to move Ukraine from the category of “free” country into “partially free.”<sup>50</sup> President Yanukovich (2010–2014), who rejected the EU agreement, had reconstructed the oligarchy, concentrating enormous wealth in his own family and dissatisfying both Ukrainian society and business (except, perhaps, his fellow oligarchs).

Ineffective (bad) governance<sup>51</sup> in Ukraine happened to be the critical factor that caused the Maidan revolution in February 2014 in which people started to protest against the existing government. However, even after the revolution oligarchs continue to exercise significant influence through their control of the economy, much of the media, and the financing of political parties (Natalie Jaresko, The Fifteenth Annual Stasiuk Lecture in Contemporary Ukrainian Studies: “*Ukraine in Transition*,” 24 February 2017). In March 2015, President Petro Poroshenko dismissed Ihor Kolomoyskyi from the governorship of Dnipropetrovsk Oblast (region) after he attempted to assert control over the country’s main oil company. At the same time the Ukrainian government also sharply reduced energy subsidies, aiming to remove distortions in the market that exhausted state assets and encouraged corruption. However, despite the dismissal, Kolomoyskyi continued to influence

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<sup>48</sup> The CPI score relates to perceptions of the degree of corruption as seen by business people and country analysts. The CPI ranks countries and territories based on how corrupt their public sector is perceived to be. The 2006 index included 163 countries. The score ranged between 10 and 0 (highly corrupt). Transparency International.

<sup>49</sup> See the ratings of Freedom House, available at: <https://freedomhouse.org/report/freedom-press/freedom-press-2009?page=251&year=2009>.

<sup>50</sup> See *Freedom in the World, 2011: The Authoritarian Challenge to Democracy*. Washington, DC: Freedom House, 2011. [www.freedomhouse.org/report/freedomworld/freedom-world-2011](http://www.freedomhouse.org/report/freedomworld/freedom-world-2011).

<sup>51</sup> I define “bad governance” as a form of governance involving practices such as abuse of human rights, corruption, lack of transparency, lack of responsiveness, and lack of accountability. In 2014 the CPI ranking in Ukraine grew to 142 and it scored 24 subsequently. The 2014 index included 175 countries and territories; the 2014 scores ranged between 100 and 0 (highly corrupt). Transparency International.

politics through his support for election financing, his personal television network, armed battalions that are nominally loyal to the state, and other existing means.

Persistent corruption among prosecutors and judges has been another important problem in Ukraine. In order to confront this problem, a package of anticorruption legislation adopted in 2014 has been implemented. The government set up a National Anticorruption Bureau to investigate corrupt officials, along with a National Agency for Corruption Prevention (NACP), and planned a separate anticorruption section within the prosecutor general's office. Yet, Ukrainian nongovernmental organizations focused on combating corruption criticized the government because they were not properly included in the process of choosing the new leaders of the NACP as required by law. In December 2015, President Poroshenko signed a law<sup>52</sup> creating an additional agency to deal with the assets of corrupt officials (Freedom House Report on Ukraine, 2016). In addition, despite all these reforms, Poroshenko did not give up his control of the judicial branch.

Importantly, due to and during the Ukrainian crisis, a strong civic identity developed in Ukraine partly owing to institutional cooperation with the EU on various levels. The EU regional partnership has consistently grown through its social engagement in various regions of Ukraine (Manko Maryan, Interview, Lviv, 4 November 2014). It has been due to civil society pressure, coupled with external pressure from the EU and international donors, that governance reforms have been initiated in Ukraine in the first instance. A pro-European orientation, together with the growth of civic identity and patriotic feelings, have helped create a political nation in Ukraine (Papadimitriou et al., 2017a, 2017b). During 2015 and 2016, however, Ukrainian citizens were disappointed with the government's slow progress in combating corruption. Civil society activists wanted the EU to play a stronger political role in bringing about change in Ukraine.

## **2.8 Conclusion**

This paper examined the extent to which the EU's ENP has managed the crisis that began in Ukraine in 2013–2014. It aimed to understand why the EU was unable to prevent a conflict

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<sup>52</sup> However, according to experts, the law potentially exacerbated the problem of overlapping authorities.

on the ground: why was the relationship between the EU and Ukraine fairly unsuccessful at promoting stability in the region and in Ukraine in particular? What had been missing in the EU policy in Ukraine that rendered it unable to prevent a conflict on the ground? It provided a summary of the territorial and security challenges, which can be used to identify institutional opportunities for effective cooperation between Ukraine and the EU. Ultimately, the study has aimed to contribute to the debates in the literature on EU governance and its foreign policy in the Eastern neighbourhood.

The EU's persistent presence in Ukraine pushes the country towards its institutional development and the implementation of an important number of reforms, including much needed anti-corruption provisions, while building a security community on its borders. However, the adoption of the ENP and EaP further intensifies Russian concerns in the shared neighbourhood. Regrettably, to this date, Russia and the EU have not developed a full understanding of each other's positions and priorities. While uneven development without the promise of EU membership limits the implementation of any "innovative policy framework" in Ukraine, the revised ENP seems to orient Ukraine more toward a form of democratic development, which can be created within its own society by using EU mechanisms and tools. The review of the challenges and opportunities reveals that the EU provides Ukraine with exceptional support for its long-term transformation and the establishment of a democratic system and effective governance. Academic and policy research also shows that EU cooperation with Ukraine depends on negating asymmetric relations and applying the EU soft power concept on the ground responsibly and respectfully.

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**III. Paper 2. Regional Development of the European Union and Ukraine: Institutional Aspects of Cross-Border Cooperation.** 27–28 November 2014. Prepared for Borders in Globalization (BIG) project.

### **3.1 Abstract**

This paper looks at regional strategies and cross-border cooperation programmes that affect the relationship between the European Union, its member states, and Ukraine in order to analyse governance challenges facing Ukraine. The paper aims to demonstrate that EU regional strategies tend to bring change and develop democratic institutions because they bring non-EU institutions into EU policy-making and affect the implementation of the existing legislation. Nowadays Russia has also emerged as the biggest threat to the security of Ukraine, which raises the question of how to protect the national interest of Ukraine and embrace security challenges. This paper draws on the institutionalist theories and uses research on external governance of the EU.

**Keywords:** Cross-Border Cooperation, Ukraine, regional development, European Union, security

### **3.2 Introduction**

Cross-Border Cooperation (CBC) policy has been a vital element of regional policy of the European Union, aiming to bridge countries, civilizations, and continents. This paper aims to analyse how cross-border cooperation programmes work within the existing institutional environment in Ukraine. It will seek to find out under which conditions the EU governance approach<sup>53</sup> would be sufficient enough to bring institutional change and sustain democratic institution-building in Ukraine through their joint cooperation. The question is: Do EaP policies have and use adequate instruments to address important cross-border cooperation issues in Ukraine? The research conducted for my paper studies the administrative tools

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<sup>53</sup> Governance beyond EU borders has been conceptualized here as the establishment and operations of “institutions” (in the sense not of organizations but of rules of the game) that define actors and their responsibilities, both in cooperation towards society’s objectives and in the resolution of any conflicts that may arise. Good governance is a set of such institutions, which is effective, accountable, and legitimate (European Commission, 2001).

that the EU had at its disposal to bring change into internal governance processes through cross-border cooperation activities<sup>54</sup>. To answer the question, the relationship between EaP projects and good governance reforms must be established. The programmes and instruments of the Eastern Partnership (EaP) policy of the EU aim to improve political transformation,<sup>55</sup> management activities, and government capability in regional cooperation with Ukraine. Government capability relates mainly to the capability of governmental and public regulatory institutions to manage, foresee, and influence change effectively. This holds among other things how government interacts with business, its macroeconomic, fiscal and social policies, regulation and law, and strategic future planning. This paper aims to demonstrate how the EU regional strategies support developing democratic institutions by bringing non-EU institutions, including non-state actors, into EU policy-making in Ukraine.

Properly functioning public administration is important for democratic economic and political development. For this reason, it is necessary for Ukrainian authorities to take effective measures for public administration development, the state's decision-making, its implementation capacity and scope of control, including accountability relationships in line with the grounding European Union principles. Those are issues addressed by the EU at both national and sub-national levels. In the long-term, Ukraine–EU cooperation also affects the adoption of important regulations and implementation of necessary domestic legislation. The key challenge for Ukraine when integrating into Europe and adapting essential institutions and values, especially those related to good governance, will be to improve its state capacity and quality of democracy (Fritz, 2004). Historically, the main characteristic of public administration of Ukraine was its undemocratic and strongly centralized decision-making process, where decisions were taken by the Communist Party in Kyiv or Moscow. In 2012 Ukraine scored 26 (very close to Russia which scored 28) out of 100 in the Corruption

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<sup>54</sup> Cross-border cooperation is defined in accordance with the definition used by the Association of European Border Regions, as 'neighbourly cooperation in all areas of life between regional and local authorities along the border and involving all actors'. Martinos, H. and Mahnkopf, K, Institutional Aspects of Cross-Border Cooperation.

<sup>55</sup> Transformation activities include prioritization, implementation, policy learning, efficient use of assets, policy coordination, anti-corruption, consensus-building, and regional cooperation. They are normally been assessed along lines of structural constraints and management performance.

Perceptions Index,<sup>56</sup> which ranks countries and territories based on how corrupt their public sector is perceived to be. In the Overall Change Readiness Index<sup>57</sup> (whose main indicators are enterprise capability, government capability, political and civil society capability), which assesses a country's ability to manage change and cultivate opportunity, Ukraine scored 0.4 (out of 1.0) in 2013. As for Ukraine's position with respect to EU integration, the domestic reform process has not yet been fully translated into a reform process on the ground.

The EaP policy initiative was launched in May 2009 with the aim of establishing a political association and economic integration between the EU and Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. Annual reports by the European External Action Service (EEAS) assess the countries' progress. The EaP policy was built on the frame of the European Neighbourhood Policy (ENP) which was designed to "accelerate political association and further economic integration" (Council of Europe, 2011) between the European Union and partner countries. In practice this means that the partner countries develop Action Plans by setting out their agendas for necessary political and economic reforms. The EaP policy was the first comprehensive initiative introduced into the system of the EU's external relations which was designed to help neighbouring countries with their approximation to and integration with the EU rules and norms, based on a differentiated approach committed to supporting each partner country to progress in its own way and at its own speed. It was developed with the aim of advancing political dialogue and cooperation in a number of areas, including governance, trade, migration and border management, energy, and the environment, by setting up bilateral and multilateral projects and programmes in areas of economic, political, and cultural development with all EaP participants (except for Belarus<sup>58</sup>).

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<sup>56</sup> Corruption Perception Index 2012, Transparency International, <http://cpi.transparency.org/cpi2012/results/#sthash.UMh8PwC0.dpuf>.

<sup>57</sup> It can be found at the KPMG International Annual Review, <http://www.kpmg.com/global/en/issuesandinsights/articlespublications/change-readiness/pages/index-tool-2013.aspx?countryCode=UA>.

<sup>58</sup> Belarus participates in the multilateral track of the EaP only due to its authoritative governance characterized by widespread human rights violations.

Under the EaP framework it was agreed to establish a potential flagship initiative on an Integrated Border Management<sup>59</sup> programme. Geographically, the partnership in this domain has specifically focused on Central Asia, the Caucasus, and some countries of the former Soviet Union like Ukraine and Moldova. The EaP policy also created a critical necessity to put into operation essential management structures in order to improve governance quality within its partners. When talking about governance quality, this paper primarily means establishment of rule of law, clear division of powers, control of corruption, and design of impartial and professional public administration. Thus, EU–Ukraine partnership activities allow for the development of good governing practices at the local and regional level through the exchange of experience, ideas, and best practices. According to Perkmann, CBC involves a certain stabilization of cross-border contacts, i.e., institution-building, over time (Perkmann, 2003, p. 156). It is also assumed that with time it breaks down barriers to deeper political and social integration as well as creating new development opportunities through communication, ideas, and synergy (Scott, 2006, 2009).

One major innovation of the European Neighbourhood Policy Instrument<sup>60</sup> (ENPI) was seen in the fact that the cross-border cooperation programmes involving regions on both sides of the EU's border share one single budget, common management structures, a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries. However, the internal deadlock in Ukraine, and the appearance of an old East–West division of Europe that runs across its historically diverse territories, have made cooperation even more challenging for both the EU and Ukrainian authorities. Under current circumstances in order to effectively and successfully cooperate and understand actors and their rules, the EU needs to be not just an effective cross-border manager in the Eastern neighbourhood but also a strategic actor in the international arena. It is worth mentioning that, despite of Ukrainian conflict, the EU

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<sup>59</sup> Following the Commission Staff Working Document accompanying the EaP Communication dated 3.12.2008.

<sup>60</sup> As from 2014 the ENPI was replaced by the European Neighbourhood Instrument (ENI), which aims to provide increased support to 16 partner countries to the East and South of the EU's borders.

cooperates with Russia on certain CBC projects where Russia provides additional funding and its support to these programmes.

### **3.3 Literature Debates and Theoretical Framework**

Academic literature still debates the role played by external factors in the domestic process of democratization. At the beginning, studies on democratic transition in Latin America and Southern Europe shared the hypothesis that external factors do not play any role—or at best a marginal one—in domestic processes of change (Linz & Stepan, 1996; O’Donnell & Schmitter, 1986). For instance, O’Donnell and Schmitter (1986) argue that transitions from authoritarian rule and immediate prospects for political democracy were largely to be explained in terms of national forces and calculations, whereas external actors tended to play an indirect and usually marginal role. Linz and Stepan (1996) arrived at a similar conclusion about domestic factors playing a predominant role in the transition. In their view, internal factors were of primary importance in determining the course and outcome of the transition attempt whereas international factors played only a secondary role.

The initial debates on the post-Soviet region focused on political and economic transitions (democratization, marketization) as well on issues of national identity but tended to neglect the state and governance (Fuchs & Zielonka, 2006; King, 2000; Linz & Stepan, 1996; Przeworski, 1991). Recent democratization and transitologist literature debates tend to treat good governance and associated institutions as a key variable to implementing successful democratic reforms in transition countries (i.e., Pridham, 2005; Schmitter & Schneider, 2004). In contemporary literature debates “good governance” is widely regarded as the goal of state formation and transformation efforts (i.e., Fritz, 2004; Gänzle, 2009; Lavenex, 2004; Pollack, 2005). According to Fritz (2004), the key challenge for Ukraine when integrating into Europe and adapting essential institutions and values, especially those related to good governance, will be to improve its state capacity and quality of democracy.

The experience of “failing” economic and political transitions in the former Soviet Union countries has given rise to the issue of the role of institutions (Bulmer, 2009; Jupille & Caporaso, 1999; Olsen, 2009; Pierson, 2000; Pollack, 2005). Theories of new institutionalism (March & Olsen, 1989; North, 1990; Olsen, 2009) have described various institutional features (for instance, constitutional arrangements and policy structures), thereby helping to examine long-term processes of social change. Rationalist institutionalism follows the

logic of resource redistribution and the presence of supporting institutions as main factors facilitating change. This approach helps address issues of temporal change without making overgeneralizations about events and actors involved (sample citation). From a rationalist institutionalist perspective, changes in the political opportunity structure lead to a domestic redistribution of power and consequently to domestic change. In its turn, sociological institutionalism emphasizes the importance of European policies, norms, and collective understandings. It suggests that Europeanization leads to domestic change through a socialization and collective learning process resulting in norm internalization (Börzel & Risse, 2003; Schimmelfennig, 2008).

Debates between rationalist and sociological institutionalism generated hypotheses about the conditions of institutionalization and institutional effects. Such processes and effects are posited to reflect the extent of the effectiveness of international influence on domestic change. Historical institutionalism combined with constructivism would endogenize “the current configuration of actors, interests and powers” (Christiansen, 1998, p. 113) to the structures within which they act. Christiansen seeks to examine the interrelationships between three layers of change—at the policy-making, constitutional, and macro-societal levels—each of which operates in a different historical time frame. Through the choice of actors, interests, and powers, structures condition the policy-making process, which conditions constitutional reforms, which contribute in turn to long-term structural (deep institutional) change.

From the institutionalist perspective, it matters less whether politics occurs within or among nations. What matters more is that politics occurs within a framework of mutually understood principles, norms, rules, or procedures—that is, within an institutional context. As a result, institutionalism promises a logic that can unify the analysis of politics and policy-making at and across levels of analysis. However, according to Schimmelfennig (2001), institutions mainly provide constraints and incentives but not reasons for action by altering cost–benefit calculations but not interests or identities. For example, the institutional export by the EU to Central Eastern European countries is widely regarded as a success; but similar efforts in the Western Balkans have had less effect (Fritz, 2004; Hughes, Sasse, & Gordon, 2004; Schimmelfennig & Sedelmeier, 2005; Vachudova, 2005). It is also argued that external governance seeks to expand the “legal boundary” of the Union with only limited openings of

its “institutional boundary,” thereby reinforcing speculation between an inclusionary and exclusionary approaches towards its near abroad (Lavenex & Schimmelfennig, 2011).

Realism and (neo)liberal institutionalism are among major International Relations (IR) theories that employ institutions as a core concept. The core of economic liberalism is a view that in order to function smoothly, a liberal economic order requires international regimes or institutions such as, for instance, the European Community, World Bank, World Trade Organization, and International Monetary Fund. Once in place, these institutions and regimes bolster economic cooperation, hence bolster prosperity (Haas, 1980; Keohane, 1988; Moravcsik, 1995; Schimmelfennig, 2001; Schneider & Schmitter, 2004). However, in the field of IR, traditional theories of international institutions do not offer much insight into how or under what circumstances these organizations promote democracy. Most theories of international organizations concentrate on international outcomes such as interstate conflict and cooperation, and do not provide a basis from which to draw strong causal linkages between international agents and domestic actors (Pevehouse, 2003).

It is admitted generally that in order to get a more comprehensive picture and to capture fully how the EU matters, the study of the EU governance processes should be complemented by learning the various domestic processes. The ENP was understood both as a policy based on enlargement principles and as an arena in which the transition experience of certain Central European states might assist the processes of integration and cooperation with the EU. It was generally accepted that EU policies facilitated political activities during transformation processes and created opportunity structures for societal change during integration processes. In 1995 when increasing further the scope of conditions,<sup>61</sup> the Commission developed a new enlargement method and a separate “enlargement *acquis*” which included requirements for horizontal administrative reform, regionalization, reform of the judiciary, ethnic minorities’ rights, border treaties (friendship and cooperation treaties), safety of nuclear power plants, and so on (Maniokas, 2004; Steunenbergh & Dimitrova, 2007). Goals and principles of policies were formulated in consultation with the developing countries and jointly evaluated on the basis of formerly agreed benchmarking criteria (Holland, 2002, p. 6).

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<sup>61</sup> See the Madrid European Council, 15–16 December 1995. Presidency Conclusions.

Overall, in the 1990s the challenges to developing effective institutions were underestimated (Olsen, 2009; Pierson, 2000; Pollack, 2005). Change in the literature during the 1990s is the result of the accumulation of empirical evidence and research following the democratic transitions that occurred after 1989 in Central and Eastern European countries. Those revolutions had been strongly influenced by international factors, notably the fall of the Berlin Wall and the demise of the Soviet Union. Furthermore, after the end of the Cold War, the main international actors—the USA, the UK, France, Germany, Norway, and Japan—along with the international organizations such as World Bank, International Monetary Fund, Council of Europe, the EU, and Organization of Security and Cooperation in Europe (OSCE) started to develop mechanisms and incentives to enhance the adoption, in third countries, of democratic reforms and of a free market. Scholars debated the nature and importance of the transition of democratic and liberal norms in such states: whether it was largely voluntary or involuntary, driven by external or internal forces; whether the most efficient measures were those that operated through the mechanisms of conditionality, or rather “lesson drawing” and “social learning” by the candidate states, which voluntarily adapted to the models they saw as dominant among EU member states (see Hughes et al., 2004; Schimmelfennig, 2008; Schimmelfennig & Sedelmeier, 2004, 2005).

EU integration processes have been closely intertwined with the emergence of “new modes of governance.” Governance in this sense is not only performed by hierarchical mechanisms of legally binding acts, but also includes other methods such as soft law, agreements, and contracts. It is exercised together with regional, supranational, and international governmental institutions working complementarily or in cooperation with national governments. According to Kauffman, Kraay, and Mastruzzi (2011), one key indicator of good multi-level governance (MLG) is the manner in which local and regional authorities engage with their stakeholder community. They aim to provide for stronger institutional contacts, various CBC schemes, particularly those which are relatively small in scale, and are also part of the MLG structure of EU policy-making (Perkmann, 2003, p. 168). It is also recognized that CBC is more likely to be effective in countries with a strong tradition of communal autonomy (Perkmann, 2003, p. 165). The presence of institutions such as agencies, networks, or committees, and the use of instruments such as non-binding guidance documents, or of procedures involving the horizontal cooperation of national authorities or the presence of private bodies in the decision-making process, has multiple

purposes, such as achieving more efficiency in increasingly complex regulatory decision-making scenarios, or improving the application of EU law in an ever-growing Union. However, these new modes of governance have, at the same time, given rise to several concerns, i.e., how to balance efficiency of decision-making among all actors involved, with their various interests.

### **3.4 EU–Ukraine CBC Instruments and Regional Programmes**

On 22 July 2009 the European Commission (henceforth, Commission) and the Ministry of Regional Development and Construction of Ukraine signed a Memorandum of Understanding (MoU) intended to promote dialogue on regional policy and regional cooperation within the context of the Commission's Communications<sup>62</sup> on the ENP and the EaP. One of the core aspects of the MoU was to facilitate the exchange of “views and practices on forms of multi-level governance, and the partnership in regional policies, including the principles of good governance at regional and local level” (MoU, p. 2). Further, the implementation of the European Agenda for Reform<sup>63</sup> for Ukraine as a joint effort of the EU and national authorities, coordinated, on the one hand, through the Support Group for Ukraine set up by the Commission, and on the other hand through the institution set up within the government of Ukraine to deal with the process of political association and economic integration with the EU. Also, the Committee of Regions (CoR) prioritized political and constitutional reform as well as institution-building as a key element of its interaction with and support for local and regional government in Ukraine. In short, the benefits of cross-border cooperation aimed to have wide implications for the development of multi-level governance in Ukraine and to facilitate the objectives of the Memorandum.

In 2007, the ENP began to replace earlier cross-border cooperation programmes. One of the main goals of the ENP was to intensify CBC between EU border areas and their

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<sup>62</sup> European Commission communications (from 2003 up to 2014) can be found at [http://eeas.europa.eu/enp/documents/strategy-papers/index\\_en.htm](http://eeas.europa.eu/enp/documents/strategy-papers/index_en.htm).

<sup>63</sup> Documents regarding Association Agreement provided by Ministry of Foreign Affairs of Ukraine, Directorate General for the European Union: Reforms Roadmap; High-level Support Group for Ukraine, <http://bit.ly/1wxkT6u>; European Union Advisory Mission, <http://bit.ly/1pkxqte>; Twinning/technical assistance.

neighbouring regions. Since May 2004, Ukraine had had direct border connections with three EU member countries: Poland, Slovakia, and Hungary. In January 2007, Romania was added to this list after joining the EU. Now EU member states have borders with six regions (*oblasti*)<sup>64</sup> of Ukraine. EaP bilateral projects included Comprehensive Institution Building Programmes (CIBP) that were expected to develop and improve the capabilities of the partner states' public institutions. Those programmes focused on capacity-building in the EaP countries by identifying weak spots and addressing these through training, technical assistance, and equipment. The aim was to help the partner countries to achieve necessary reforms. Pilot Regional Development Programmes (PRDP), based on the EU cohesion policy experience, developed and supported regional development strategies aimed at reducing disparities. They funded projects that helped in overcoming structural deficiencies. Moreover, the Conference of Regional and Local Authorities for the Eastern Partnership (CORLEAP)<sup>65</sup> as a political body of multilateral cooperation was established to bring a regional and local dimension to the EaP and strengthen local and regional self-government. Since 2011 CORLEAP has served as a platform of political dialogue and information exchange on a sub-national level. As for other multilateral projects, four policy platforms (with six flagship initiatives) were introduced: on democracy, good governance, and stability; economic integration and convergence with EU policies; energy security; and contacts between people (See Table 3.3. Eastern Partnership Platforms).

In 2007 the EU launched calls for proposal for Institution-Building Partnership Programme (IBPP) projects in the context of the Technical Assistance for Commonwealth and Independent States (TACIS) programme. CBC in Ukraine<sup>66</sup> aimed to play a significant

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<sup>64</sup> These are: Odessa, Chernivetska, Ivano-Frankivska, Lvivska, Zakarpatska, Volynska regions.

<sup>65</sup> CORLEAP. <http://web.cor.europa.eu/epp/AtWork/Commissions/Pages/CORLEAP.aspx>.

<sup>66</sup> Ukraine took part in four ENPI CBC programmes (still ongoing):

1. Poland–Belarus–Ukraine (€186.2 million for the whole programme 2007–2013). The priorities were increasing competitiveness of the border area, improving quality of life, networking, and people-to-people cooperation.
2. Hungary–Slovakia–Romania–Ukraine (€68.6 million for the whole programme). The goals were to promote economic and social development, enhance environmental quality, increase border efficiency, and support people-to-people cooperation.
3. Romania–Ukraine–Republic of Moldova (€126.7 million). Targeting competitiveness of the border economy, the environment, emergencies, and interaction between people and communities living in the border areas.

role in the facilitation of a regional policy. For example, EaP Territorial Cooperation Support Programme<sup>67</sup> promoted sustainable cross-border cooperation between border regions of EaP countries by building the capacities of local and regional authorities to effectively manage future cross-border programmes in the region. It also increased the number of Technical Assistance and Information Exchange (TAIEX),<sup>68</sup> Twinning,<sup>69</sup> Support for Improvement in Governance and Management (SIGMA) projects, and the fairly recent Comprehensive Institution-Building Programmes (CIBP). SIGMA was a joint European Commission and the Organization for Economic Cooperation and Development (OECD) initiative, principally financed by the EU. It focused on strengthening public management in areas such as administrative reform, public procurement, public sector ethics, anti-corruption, and external and internal financial control.

One example of these projects which was financed by the Commission within the framework of the TACIS IBPP in Ukraine was the Association Energy Efficient Cities. Main partners included actors from both the EU member states and Ukraine: Minister for Housing and Communal Services of Ukraine, National Agency of Ukraine for Efficient Use of Energy Resource, Association of Ukrainian Cities, Association of European Local Authorities Energy-Cities, as well as Covenant of Mayors. The EC initiative directly targeted local authorities and their citizens to take the lead in the fight against global warming. Because a major portion of energy in Ukraine is consumed within the urban landscape, local authorities' joint coordinated efforts in improving resource allocation allowed local communities to progress in a more effective manner.<sup>70</sup> Later on, the EU-developed cultural policies programme (2011–2015) aimed at strengthening regional cultural links and dialogue within the EaP region. In its turn, Ukraine incorporated commitments related to cooperation with EU,

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4. Black Sea Basin (€21.3 million) to support CBC partnerships for economic and social development based on combined resources, to share resources and competencies for environmental protection and conservation, and to support cultural and educational initiatives for the establishment of a common cultural environment in the Basin.

<sup>67</sup> Timeframe 2012–2015. Budget: €5.5 million, [http://www.enpi-info.eu/maineast.php?id=465&id\\_type=10](http://www.enpi-info.eu/maineast.php?id=465&id_type=10).

<sup>68</sup> Total of 115 TAIEX projects in Ukraine for of the period 2007–2010, according to DG Enlargement.

<sup>69</sup> According to the Working Plan of the Administrative Office of the Twinning Programme, there were 61 twinning projects for 2013 in Ukraine.

<sup>70</sup> More information about the project can be found at the Association “Energy Efficient Cities of Ukraine,” <http://www.enefcities.org.ua/en>.

including those under the ENP and the EU–Ukraine Action Plan, into its national policy, strategic, and legislative instruments. The institutional capacity of the state bodies to work with European integration issues was further strengthened through the creation of special departments on European integration within the Ministries and special staff trainings.<sup>71</sup> CBC strategy had four key objectives: to promote economic and social development in border areas, to address common challenges, to ensure efficient and secure borders, and to promote people-to-people cooperation. In the perspective of reinforcing cooperation with countries bordering the EU, the European Neighbourhood and Partnership Instrument (ENPI)<sup>72</sup> included a component specifically targeted at cross-border cooperation. It was the financial instrument employed for ENP which was addressed to ENP partner countries including Russia and offered co-funding for promoting good governance and equitable social and economic development process. The ENPI similarly supported cross-border and trans-regional cooperation as well as gradual economic integration of recipient countries with the EU beneficiary countries. The ENPI had three strategic objectives: (1) supporting democratic transition and promoting human rights; (2) the transition towards the market economy and the promotion of sustainable development; (3) and policies of common interest (antiterrorism, proliferation of weapons of mass destruction, conflict resolution, rule of international law, etc.). It became a more flexible and policy-driven mechanism, as the allocation of funds depended on a country's needs and absorption capacity and its level of implementation of agreed reforms.

The task of the regional and local partners on both sides of the border was to analyse their common needs and to identify priorities and actions that were most relevant to their local situation. The management of CBC programmes was assigned to a local or national authority jointly selected by all participating countries. CBC used an approach largely built on “Structural Funds” principles such as multiannual programming, partnership and co-financing. One major innovation of the ENPI CBC was in the fact that the programmes involving regions on both sides of the EU's border shared one single budget,

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<sup>71</sup> Interviews conducted at the Institute for Strategic Research, Kyiv, and Ministry of Construction and Regional Development, Kyiv.

<sup>72</sup> As of 2014 the ENPI was replaced by the European Neighbourhood Instrument, which provided increased support to 16 partner countries to the East and South of the EU's borders.

common management structures, and a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries (Interview, Kyiv, 2014).

The approval of an emergency Macro-Financial Assistance (MFA) loan programme for Ukraine of up to €1 billion complemented an existing MFA package of up to €610 million, bringing the total EU assistance under this financial instrument to €1.61 billion. The disbursements under the two MFA programmes totalled €600 million as of 17 June 2014. Autonomous trade measures granted by the EU to Ukraine on the elimination or reduction of customs duties on a large number of goods originating in Ukraine has been in force since 23 April 2014 and is worth nearly €500 million per year in tariff reductions. The “State Building Contract” programme signed on 13 May of the same year and worth €355 million, plus €10 million to support civil society, intended to help the government of Ukraine to address short-term economic stabilization needs and implement governance reforms to promote inclusive socio-economic development.<sup>73</sup> Depending on the nature of specific projects, the EaP initiative allocated funds to various beneficiaries. CIBP, for instance, involved public administrations of partner states, EU member states, and EU institutions involved in training and other institutional reform programmes by using specific instruments (e.g., twinning, TAIEX, EU advisory missions). PRDPs, meanwhile, involved public administrations of partner states, local authorities, small and medium enterprises, and NGOs. The Programme started in 2012 from the 2012/2013 ENPI budget where Belarus was not a participating member. Finally, the EaP multilateral dimension involved commercial companies that won in public tenders, as well as NGOs and other organizations that received grants through public calls for proposals, as well as public administrations of partner and member states. Cross-border cooperation was also financed by the European Regional Development Fund.

An important element of coordination between Ukraine and the EU in regional policy was involvement of Ukraine’s regions on regular basis in the activities of European regional associations, in particular the Assembly of the European Regions, Council of European Municipalities and Regions, Conference of European Regional Legislative Assemblies,

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<sup>73</sup> EU–Ukraine: A European Agenda for Reform, July 2014 version.

Association of European Border Regions, Conferences of Peripheral Maritime Regions, Conference of President of Regions with Legislative Power, European Association of Elected Representatives from Mountain Areas, and EUROCITIES. In addition to cooperation between governments, it is also important to foster cooperation between civil society within the region and between partner countries and the EU. Research conducted showed that the EU's impact had to some extent depended on the degree and character of pressure for certain reforms by its civil society actors. Civil society normally acted as an informal controller of bad administration and ensured an increased scrutiny over public management. For this purpose, the EaP set up a network of civil society organizations in the EU and the partner countries. Community assistance in that area provided administrative and financial support for cooperation across the region and sub-regions between various civil society organizations. The "Migration and asylum" (ex-Aeneas) and "Non-state actors and local authorities" programmes were particularly relevant for the Eastern Region, including Ukraine.

Programmes within the framework of the Ukraine TACIS Institution-Building Partnership Programme – Support to Civil Society and Local Initiatives, with a budget of €252,175, provided assistance to marginalized groups of the population as well as enabling institution- and network-building in Ukraine during the period 2006–2008. Hungarian Interchurch Aid (HIA) has been present in Ukrainian Transcarpathia region since 1998 to provide assistance to the victims of floods. While implementing this programme HIA decided to also implement long-term development programmes in the region. In 2000 HID together with Swiss Protestant Relief Organization HEKS established the Beregovo Social Fund,<sup>74</sup> a new civil society organization aimed at carrying out social and training programmes. Overall objectives of the project were (1) promoting the social integration of unemployed people, especially Roma and disabled individuals; (2) providing capacity building to ADVANCE, HIA's partner organization; and (3) promoting the establishment of a

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<sup>74</sup> The Fund was renamed in June 2006 and now is called ADVANCE – Transcarpathian Advocacy and Development Centre. The project contributed to the institutional development of ADVANCE through organizing professional training for its staff both locally and in Hungary.

new NGO network.<sup>75</sup> Regrettably, current statistics<sup>76</sup> in Ukraine indicate the low level of NGO engagement with local and regional governments.

According to the Foreign Affairs Council of EU on Ukraine, there has also been an increase<sup>77</sup> of regional cooperation between Ukraine and the EU on border management, within the context of the EU Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM). EUBAM, the flagship border assistance mission, had operations on the ground in two (former Soviet) Commonwealth Independent States (CIS) countries: Ukraine and Moldova. It was launched in November 2005 with its headquarters in Odessa, Ukraine. The actors in the sphere of integrated border management include: Administration of the State Border Guard Service of Ukraine, State Customs Service of Ukraine, Ukrainian Ministry of Internal Affairs, Ministry of Foreign Affairs, and other government authorities within their competence. Concerning its democratic initiatives, the mission appointed an anti-corruption advisor, and drafted an EUBAM Anti-corruption Assistance Strategy (2010–2012), which identified key areas for future engagement within the context of EUBAM’s mandate.<sup>78</sup> EUBAM recognized that corruption represented a serious impediment to the modernization of border management procedures and was an endemic problem in Ukraine. Two pilot projects were established: “Islands of Integrity” border crossing points along the Moldova–Ukraine border was among the first steps implemented by EUBAM to improve professional integrity and reduce the level of corruption at the border crossing points. In 2011 Ukraine was also integrated into the Söderköping process<sup>79</sup> on border control which was later incorporated into the EP through the new Panel on Migration and Asylum. The EU’s Visa

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<sup>75</sup> Following the 2 years’ work and four network-building conferences, the Association of Cooperating Organizations for Development in Western Ukraine (ACCORD) network was established. A total of 22 organizations signed the network agreement and expressed their intention to work together with member organizations in the frame of the network.

<sup>76</sup> Civicus Civil Society Index report for Ukraine, 2006.

<sup>77</sup> Support for Border Management Sector Policy in Ukraine for 2011–2015 amounted to €60 million.

<sup>78</sup> EUBAM is an advisory body without executive power, that has a budget of €12 million annually (provided by the EU) and comprises 91 international and 127 national staff (January 2013). Its mandate was extended in 2007, 2009, and 2011.

<sup>79</sup> The Söderköping Process was launched in 2011 under the first Swedish Chairmanship, as a cross-border cooperation project on asylum and migration, focusing on the Eastern Enlargement of the EU.

Liberalization Action Plan<sup>80</sup> (VLAP) for Ukraine also required that the government implement particular national reforms.

### **3.5 Multi-Level Governance and Institutional Challenges for Cross-Border Cooperation in Ukraine. Analysis.**

There are clearly significant problems in all EaP countries with transition economies where the state is not a good manager, and there is an evident lack of transparency among both public and private players. The territorial policy in Ukraine has been characterized by strong inter-regional disparities, and its inevitable need for decentralization. However, despite an existing agreement on the need for greater decentralization in Ukraine, sub-national/local governments faced serious capacity challenges and were extremely fragmented at lower levels, making it impossible to perform some even basic services effectively. As a result, for Ukraine, participation in the multi-level system of governance has remained challenging overall, requiring specific reforms at both national and local public administration levels. Markedly, the ENPI CBC programmes supported increased linkages between local regional actors in the EU and Ukraine by fostering learning and administrative capacity-building, and facilitated dialogue and exchange of best practices across the EU's boundaries (Interviews, 2014). However, besides an optimism about positive effects of EU neighbourhood programmes on the development of border regions (such as TACIS, INTERREG III) there were also important considerations about the effectiveness of these programmes. According to Pitoska (2006), who used the example of EU–Balkan cooperation, these programmes had a positive but modest effect on the socio-economic development of border regions. The international community as a whole, as well as both Western and Eastern actors, played an

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<sup>80</sup> The EU has conducted “Visa Liberalization Dialogues” with three EP countries, namely Ukraine, Moldova, and Georgia. Through these dialogues, the EU has taken gradual steps towards the long-term goal of visa-free travel on a case-by-case basis, provided that conditions for well-managed and secure mobility are in place. These dialogues, led by DG Migration and Home Affairs, were built upon “Visa Liberalization Action Plans” (VLAP), which include four blocks of benchmarks related to document security, including biometrics; border management, migration and asylum; public order and security; and external relations and fundamental rights. The benchmarks concerned both the policy and institutional framework (legislation and planning) and the effective and sustainable implementation of this framework. The EU–Ukraine Visa Liberalization Dialogue was launched on 29 October 2008 and the VLAP was presented to Ukraine on 22 November 2010.

important role in the process of shaping Ukrainian governing structures. The Partnership and Cooperation Agreement (PCA), the European Charter of Local Self-Government, and other legal acts of the EU and the Council of Europe (CoE) formed the basis for regional integration with the EU. They envisaged the setting up and deepening of direct contacts between Ukrainian regions and the countries which were either members or candidate members of the EU. The development of those contacts was in line with the directions specified in the Strategy<sup>81</sup> with the aim of transferring the focus of the integration process from central bodies of executive power to regions, to bodies of local self-government, and to territorial *Hromadas* (Ukrainian communities) in order to secure a widest possible cooperation and integration with the EU.

Despite its recent transformations, the state in Ukraine has been continuously characterized by the absence of strong institutional foundations. As a result, after years of transformation it still lacks the fundamentals of effective governance: impersonal and effective bureaucracy, rule of law, and accountability mechanisms. In addition, in Ukraine sub-national governments tended to depend heavily on central transfers, the allocation of which were both unpredictable and non-transparent (interview with Valentina Romanova, Institute of Strategic research, Kyiv, Ukraine, December 2014). Ukraine took a number of steps to bring its regional policy framework into line with European integration, focusing on investment, competitiveness, and a multi-sector horizontal approach, as opposed to a top-down sectoral policy. However, according to reviews performed by the OECD in 2013, a territorial reform should have been implemented prior to any decentralization of functions to lower levels of government. Such a reform is expected to facilitate municipal mergers and the further development of new forms of inter-municipal cooperation. A territorial reform should simplify the legal procedures involved in transferring competences to joint bodies or companies; and provide additional incentives to jurisdictions that implement new types of cooperative relationships (OECD, 2014).

As stated by Inna Pidluska, Ukrainian challenges to cross-border such as weak institutions and poor governance, lack of political and institutional accountability and

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<sup>81</sup> The last Country Strategy Paper adopted in 2017 remains a valid framework for EU cooperation with Ukraine. European Commission. Country Strategy Paper 2007–2013, Ukraine.

responsibility for results of their performance or failure to perform, insufficient (and often totally lacking) respect for the rule of law, incomplete economic transformation, non-transparent privatization, insecure and questionable property rights, dramatic and rapid deterioration of the “social capital,” impoverishment of population and lack of incentives for development of “middle class,” corruption and illegal activities justified by broad circles of the population hinder development of a new quality of cooperation—which has become even more complicated due to the present political situation (Pidluska, 2002). It is also necessary to harmonize sector strategies with the Strategy of the National Regional Policy in Ukraine to ensure access and public participation in the decision-making process on local regional issues.

According to Delcour (2011), the EaP clearly created new multilateral institutions in EU policy towards the East. In parallel the EaP drew the line for reinforcement of bilateral cooperation at various levels, i.e., contractual relations with EU neighbours through negotiation of Association Agreements (AA), Deep and Comprehensive Free Trade Agreements (DCFTA), visa liberalization, cooperation in the field of energy, support to social and economic policies, and finally assistance aimed at strengthening institutional capacities in order to meet the requirements of such agreements. However, uneven development, without the promise of EU membership, restricted the implementation of any “innovative policy framework” in Ukraine. The three EaP priorities—public administration, fiscal decentralization and regional cooperation—were addressed in a report submitted at the CORLEAP<sup>82</sup> meeting in Lithuania in November 2013. CORLEAP members stressed that decentralization (such as greater political and fiscal autonomy for regional and local authorities) and territorial cooperation were key for a successful implementation of the AAs and for economic, political, and social development. Michel Lebrun, a Committee of Regions (CoR) President (2014–2017) and CORLEAP co-chair also emphasized that “decentralisation reforms and more cross-border cooperation” can lead “to greater legitimacy of policies on the local level and provide concrete solutions to problems for people living on both sides of a frontier.” However, 10 years after the initiation of the EaP by the EU, the policy and its

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<sup>82</sup> CORLEAP was established by the Committee of the Regions in 2011 to bring a regional and local dimension into the EU's EaP. (EU Neighbourhood Info).

objectives remain in its infancy. Overall, post-Soviet Eurasian states remain the only region where no state has achieved a high level of transformation.<sup>83</sup> The European Community should thus look to support innovation in the form of new governing practices to meet regional challenges across borders, such as those promoted through the CBC programmes funded through the ENPI and supported by the MoU.

### 3.6 Conclusion

The research conducted for this paper examined institutional and cross-border cooperation tools the EU had at its disposal to bring change into internal governance processes. The EU exercised its relations with Ukraine through various sets of capacities: bilateral and multilateral agreements; diplomatic delegations set up by the Commission; regulations; decisions; and financial assistance. All of these were undertaken using either a regional approach (such as TACIS) or a thematic approach. However, the current state of EU–Ukraine cooperation doesn't meet the needs of either side. Despite its continuing implementation of undertaken obligations which confirm its adherence to the European integration values, Ukraine's political situation remains far from stable. However, the EU institutions and the EU member states continue to maintain the dialogue with Ukraine by paying attention to the regional and non-government component: local and regional communities, civil society, etc.

The journey to democracy can be, to varying degrees, especially long and hard for Ukraine, because of weak institutions, a weak tradition of cultural pluralism, and the separation of powers. Politicization of EU and Ukraine activities often occurs due to the lack of strategic vision of the future for EU–Ukraine integration. Therefore, joint cooperation should be followed by decentralization tendencies at the local level, political will, depoliticization of issues, technical assistance, professional advice, and shared competencies. The general public lacks information on the EU and its policies. Key problem areas also include the lack of capacity of state authorities (i.e., personnel capacity).

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<sup>83</sup> Based on analysis of data/country reports by the Bertelsmann Stiftung and its Transformation Index, which analyses and evaluates the quality of democracy, market economy, and political management in 128 developing and transition countries.

Ukrainian regional and local authorities, as well as a wide range of representatives of civil society, have to develop their own strategies in order to start building trust in their governance. It is important that the authorities make it clear that everyone is treated equally when it comes to justice and law enforcement. The EU can help combine all those measures and policy areas needed for change by using its multi-level governance approach as well as solidarity actions on the part of its member states.

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**Table 3.1 EASTERN PARTNERSHIP FUNDS<sup>84</sup>**

| <b>EASTERN PARTNERSHIP FUNDS</b>   |                                       |                        |
|------------------------------------|---------------------------------------|------------------------|
| Comprehensive Institution Building | Pilot regional development programmes | Multilateral dimension |
| €175m                              | €75m                                  | €350m                  |

**Table 3.2 INDICATIVE BREAKDOWN OF EaP FINANCING**

| <b>INDICATIVE BREAKDOWN of EaP FINANCING</b> |             |             |             |              |
|--|-------------|-------------|-------------|--------------|
| <b>2010</b>                                  | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>TOTAL</b> |
| €85m   | €110m       | €175m       | €230m       | €600m        |

**Table 3.3 EASTERN PARTNERSHIP PLATFORMS**

| <b>EP PLATFORMS</b>                                 |  |   |  |
|---|--|---|--|
| <b>A1 Democracy, Good Governance, and Stability</b> |  |   |  |
| <b>Public Administration Reform</b>                 | <b>Policy Objectives</b><br>Professional and accountable civil service;<br>Approximation to EU standards and | <b>Instruments</b><br>EP Panel on PA reform;<br>ENPI;<br>EU MS-Tallinn, Warsaw, Prague Institute and Academy for PA | <b>Expected Results/Lessons Learned</b><br>PA legislation: a greater ability to absorb EU assistance |

<sup>84</sup> When creating the EaP in 2009, the EU assigned it €600 million, increasing the overall amount of ENPI funds for the Eastern partners to €1.9 billion during 2010–2013. After last EaP summit in Warsaw, the Polish prime minister Donald Tusk announced an increase of the EU’s allocation towards the Eastern partners by €150 million in 2011–2013. The EaP funds are incorporated into the ENPI and are dispensed by the Commission in accordance with usual ENPI procedures.

|                                       |  |                                 |  |
|---------------------------------------|--|---------------------------------|--|
|                                       | increasing efficiency of the public administration and policy-making process |                                 | due to well-functioning central administration |
| <b>Regional and Local Authorities</b> | <b>Policy Objectives</b>   | <b>Instruments</b>              | <b>Results/Lessons</b>                         |
|                                       | Local government reform  | CORLEAP, TAIEX                  |  |
| <b>CBC</b>                            | CBC  | ENPI-funded CBC                 |  |
| <b>A9 Fight Against Corruption</b>    |  | Council of Europe and EaP Panel |  |

### 3.8 Annex 1: Legal Framework

The legal framework for the involvement of Ukraine’s border regions in cross-border cooperation is well-developed and quite sufficient. It includes:

- a. **The Council of Europe acts:** European Outline Convention on Transfrontier Cooperation between Territorial Communities or Authorities (ratified by the Decree of Verkhovna Rada of 14 July 1993) and European Charter of Local Self-Government (Ratified by the Act of Ukraine of 15 July 1997).
- b. **National legislation:** Act of Ukraine on Local Self-Government (adopted 21 May 1997); Act of Ukraine on Local State Administrations (adopted 9 April 1999); Act of Ukraine “On Transfrontier Cooperation” (adopted 24 June 2004 and defining the objectives and principles of the national policies in the field of transfrontier cooperation; powers of Ukrainian entities involved in transfrontier cooperation; and the principles and methods of the government support to transfrontier cooperation including the national funding); Decree by the Cabinet of Ministers of Ukraine “On the Measures to Implement the Concept of the State Regional Policy” (adopted 13 September 2001); Decree

by the Cabinet of Ministers of Ukraine “On Some Issues of the Development of Cross-border Cooperation and the Euroregions” (adopted 29 April 2002).

- c. **Bilateral agreements** on cooperation and good neighbourhood between Ukraine and the neighbouring countries and special bilateral agreements on cooperation between Ukraine and the neighbouring countries in boundary regime and sectoral cooperation (e.g., trade, cooperation in the management and protection of transboundary waters, etc.).
- d. **Documents outlining Ukraine’s move towards accession to the EU:** EU–Ukraine Partnership and Cooperation Agreement (signed in 1994, entered into force in 1998); Strategy of Ukraine’s Integration into the EU (approved by the President’s Decree of 11 June 1998); National Programme of Ukraine’s Integration into the EU (September 2002); EU–Ukraine Action Plans adopted yearly. Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part (AA) and the Deep and Comprehensive Free Trade Area (DCFTA) which forms part of the AA signed in June 2014.

#### **IV. Paper 3. Assessment of Institutional Opportunities Induced by the European Union in Western Ukraine.** Prepared for Borders in Globalization (BIG) Project.

##### **4.1 Abstract**

Ukraine moved towards a closer relationship with the European Union that encouraged its participation in a number of cross-border cooperation programmes. In addition, the country set up a regional development policy intended to overcome disparities between the northern and eastern territories bordering Russia and the western territories bordering the EU. The aim of the paper is to characterize cooperation programmes of border regions in Western Ukraine and to find out institutional capacities and gaps to intensify cross-border cooperation with the EU in those regions.

**Keywords:** Western Ukraine, European Union, regional development policy, cross-border cooperation

##### **4.2 Introduction**

The European Commission Communication on Wider Europe (2003) set out the goal of the European Neighbourhood Policy (ENP) as “to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.” The Communication proposed that the EU should aim to develop a zone of prosperity and a friendly neighbourhood—a “ring of friends”—with whom the EU enjoyed close, peaceful, and cooperative relations. The Ukraine Country Strategy Paper adopted in 2007 remained a valid framework for EU cooperation with Ukraine. Furthermore, the National Indicative Programme in Ukraine for 2011–2013,<sup>85</sup> with a budget of €470.1 million, included a specific appropriation to finance new actions under the Eastern Partnership (EaP), notably a

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<sup>85</sup> The programme supports the achievement of key policy objectives, as outlined in the EU–Ukraine Association agenda, pursuing three priorities: (1) good governance and the rule of law, (2) facilitation of the entry into force of the EU–Ukraine Association Agreement (AA) including the Deep and Comprehensive Free Trade Agreement (DCFTA); and (3) sustainable development.

Comprehensive Institution Building programme<sup>86</sup> (a minimum of €43.4 million) and a Cohesion Policy (a minimum of €30.8 million).<sup>87</sup> The EU Committee of the Regions also supported innovations in the form of new governing practices in order to meet regional challenges across borders, such as those promoted through the cross-border cooperation (CBC) programmes funded through the European Neighbourhood Policy Instrument (ENPI) and supported by the Memorandum of Understanding (MoU).

As a member of the EaP, Ukraine benefited from the European Union cross-border cooperation, and various regional and inter-regional cooperation programmes.<sup>88</sup> Such partnership activities allowed for the development of good governing practices at the local and regional level through the exchange of experience, ideas, and best practices.<sup>89</sup> Moreover, CBC frameworks encouraged the creation of new spaces for development of policy solutions to respective policy challenges. With regard to territorial and administrative division, Ukraine is subdivided into 27 regions (Ministry of Foreign Affairs of Ukraine, <http://mfa.gov.ua/en>). The administrative division in Ukraine was inherited from the local republican administration of the Soviet Union, and the Ukrainian Soviet Socialist Republic remained not much changed since Soviet times. Regions, cities, and districts were governed by a state administration headed by a chief appointed by the president. City municipalities were governed by a mayor and a city council (*miskrada*).

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<sup>86</sup> The CIB Framework Document signed in October 2010 set out the four priority areas for support: one is horizontal (the steering and implementation process for the AA and DCFTA), and three are vertical (sanitary and phyto-sanitary regulations, state aid control, and migration).

<sup>87</sup> Implementation of the measures covered by previous Annual Action Programmes from the period 2007–2009 was delayed pending timely confirmation of the improved situation in the country regarding public financial management, notably in the field of public procurement.

<sup>88</sup> Mainly in education (Tempus, Erasmus Mundus), transport and border assistance, institution building (TAIEX, SIGMA) and investments (NIF). In addition, Ukraine is eligible for funding under the following thematic programmes: the European Instrument for Democracy and Human Rights, Instrument for Stability, Instrument for Nuclear Safety Cooperation, and the Development Cooperation Instrument. Thematic instruments provide financial support to civil society, including non-state actors and local authorities. Since 2011, civil society organizations also benefit from the Neighbourhood Civil Society Facility.

<sup>89</sup> Committee of the Regions Opinion on “Local and Regional Government in Ukraine and the Development of Cooperation between Ukraine and the EU” (CoR 173/2010).

Beside the administrative divisions, there was also a geographical division. According to this division Ukraine was split into four geographic parts: Western, Eastern, Southern, and Central Ukraine. Eastern Partnership Territorial Cooperation eligible regions in Ukraine consisted of Odesa in Southern Ukraine, and Vinnytsya and Chernivtsi Oblast in Western Ukraine. Those particular regions were supported by a cross-border cooperation programme financed by the ENPI.<sup>90</sup> Ukraine's move towards a closer relationship with the European Union encouraged the country's participation in a number of cross-border cooperation programmes. In addition, it set up a regional development policy intended to overcome disparities between the northern and eastern territories bordering Russia and the western territories bordering the EU. The aim of this paper is to characterize the EU cooperation programmes of border regions in Western Ukraine and to find out institutional capacities and gaps which help/prevent from cross-border cooperation with the EU in those regions. In this paper CBC projects of the EU in Western Ukraine region will be examined. The paper will define existing institutional and administrative barriers and opportunities EU-Ukraine cooperation development in Western Ukraine. It will also determine specific (domestic and international) conditions under which those programmes could have worked most effectively considering the present institutional environment in Ukraine. *The final key question is how the change will be carried out in order to integrate public authorities around the problems and outcomes that cross-border cooperation requires.*

#### **4.3 Cross-Border Cooperation and Ukrainian Regionalism**

Ukraine's independence in 1991<sup>91</sup> pushed Russian borders further east. In 1997 after signing the Charter on Distinctive NATO-Ukraine Partnership, Ukraine recognized itself as a European state actor by moving into the European political mainstream. Since then Ukrainian territorial integrity and self-determination has been based on general principles of

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<sup>90</sup> 3.3 million euro is available for the Moldova-Ukraine programme; maximum co-financing rate is 90. See also tables 1 and 2 which show ENPI programmes in Ukraine.

<sup>91</sup> The former USSR was dissolved relatively peacefully by using a process based on a constitutionally recognized equality of the separating units and retaining sovereignty in the union through exercising their constitutional right of exit.

international law and guided by subsequent multilateral and bilateral agreements.<sup>92</sup>

Although it was an Associate Member of the Commonwealth of Independent States (CIS), Ukraine never supported the CIS objectives for transparent internal and jointly guarded borders. According to Paul Goode (2016), Ukraine's drive for independence emerged from a regional perspective, but then Kyiv moved to centralization of its powers under the 1996 Constitution. However, according to Mychajlyszyn (2008), in Ukraine's post-Soviet interactions its commitment to the place of Europe in the Ukrainian identity was advanced only when the Russia–Ukraine relationship remained stable or when the Europe–Russia relationship was being cultivated.

Regionalism had always been strong in Ukraine because of its significantly different historical experiences and economic development. Ukrainian regions varied in their history, political and cultural traditions, language, economic development, religion, and perceptions of Ukraine's cooperation in relations with the West and Russia (Maksymenko, 2001). According to Strezhneva (1998), the central issue of the Ukrainian national culture was inner heterogeneity. On the one hand, one part of Ukraine was still tied to Russia in terms of cultural, structural, organizational, and societal similarities, as well as by a strong connection between business elites and ordinary people. On the other hand, historically, being a part of the Polish–Lithuanian state, Western Ukraine was involved in the formation of a governance culture reflective of that period in Central Europe. Major political differences could be distinguished between the regions that experienced the late-medieval culture of self-governance based on the Magdeburg rights (West, North, and Centre) and the remaining regions (South and East). Strong cultural (including religious) cleavages between Catholic Galicia in the West and the Orthodox and Russian-speaking, as well as more industrially

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<sup>92</sup> **Charter of the United Nations**, Art. 2, §4: “All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state”; **Articles 2,3 of the Treaty on Friendship, Cooperation, and Partnership between Russia and Ukraine (signed in 1997)** promised border recognition removing all Russian territorial claims against Ukraine. The stumbling blocks of the Treaty were the division of the Black Sea Fleet and the federal status of Sevastopol. The Treaty contained guarantees that the two sides will build their relations on the non-use of force or the threat of force, “including economic means of pressure.” FBIS, Doc number FBIS-SOV-97-124; **1994 Budapest Agreement**, US–Russian–Ukrainian trilateral agreement which provided Ukraine security assurances in exchange for the dismantling and destruction of all nuclear weapons.

developed, East and South existed for long period of the history of Ukraine. As a result, culturally and politically, Ukraine had been divided into a pro-EU part and a pro-Russian part.

Strezhneva (1998) also pointed out that political, economic, and cultural divisions in the Ukrainian West and the Russian-speaking East have long been the source of political competition and rivalry. As discussed above, one part of Ukraine remained tied to Russia through societal commonalities, as well as by connections in areas as diverse as gas supplies, unsettled border issues, trade conflicts, common history, etc. There was a strong Russian language diaspora and important economic links in Eastern Ukraine: defence industry, agriculture, and heavy industry (Garnett, 1997). On the other hand, there was a connection to Europe: common culture including elements such as religion, family ties, trade links, and traditional farming.

Regarding governance issues, the historical legacy of the Soviet culture of governance remained obvious in all parts of Ukraine and in all elements of politics and public administration. Now the EU has borders with six regions (*oblasti*) of Ukraine.<sup>93</sup> The location of these territories at the border of neighbouring states has importantly influenced their level of social and economic development. The character of such influences depended on the level of economic development of the neighbouring country and the industrialization/urbanization level<sup>94</sup> of the region itself. The people who lived in the EU-facing territories, for instance Zakarpattya, had more possibilities to generate additional income through localized foreign economic activities. According to results of analysis by the State Statistics Committee of Ukraine, the majority of *raions* (an administrative unit) that border on the member countries of the European Union had higher than average growth (State Statistics Committee of Ukraine, 2013, 2014). The poorest agricultural regions like Vinnytsia and Volyn were also all border regions: Vinnytsya is located on the border of Romania, whereas Volyn shares a border with Poland and Belarus. Among the less

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<sup>93</sup>Odessa, Chernivetska, Ivano-Frankivska, Lvivska, Zakarpatska, Volynska.

<sup>94</sup>BRIDGE, an international project co-financed by the European Commission and EuropeAid in 2008–2012, aimed to foster mutual understanding and cooperation of the EU with Belarus, Moldova, and Ukraine.

developed regions Volyn had one of the best geographical positions as it directly bordered the EU through Poland.

The management of CBC programmes<sup>95</sup> was assigned to a local or national authority jointly selected by all participating countries.<sup>96</sup> CBC used an approach largely built on Structural Funds principles such as multiannual programming, partnership, and co-financing, adapted to take into account the specificities of the European Commission's external relations rules and regulation.<sup>97</sup> One major innovation of the ENPI CBC can be seen in the fact that the programmes involving regions on both sides of the EU's border shared one single budget, common management structures, and a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries. The cases of Technical Assistance and Information Exchange Instrument (TAIEX), Twinning, SIGMA, and recent comprehensive institution-building programmes have involved existing EaP instruments for institution-building that supported the authority's administrative capacity to implement CBC policies at both the local and the national level in Ukraine.

Depending on the nature of specific projects, the EaP initiative allocated funds to various beneficiaries: for comprehensive institution-building<sup>98</sup> projects, these included

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<sup>95</sup> Component CBC ENPI programmes on trans-border cooperation: Hungary–Slovak Republic–Romania–Ukraine, Ukraine–Poland–Belarus, Ukraine–Romania–Moldova, and the regional Black Sea programme.

<sup>96</sup> CBC will be also financed by the European Regional Development Fund. For example, the EaP Territorial Cooperation Support Programme promotes sustainable cross-border cooperation between border regions of the EaP countries by building the capacities of local and regional authorities to effectively manage future cross-border programmes in the region. The time frame is 2012–2015, and the budget is €5.5 million. See [http://www.enpi-info.eu/maineast.php?id=465&id\\_type=10](http://www.enpi-info.eu/maineast.php?id=465&id_type=10)

<sup>97</sup> Cross-Border Cooperation within the European Neighbourhood and Partnership Instrument (ENPI), <http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/>, Regulation of the European Parliament and of the Council on ENPI; Executive Summary of the ENPI CBC Strategy Paper.

<sup>98</sup> Comprehensive Institution Building Programmes are expected to develop and improve the capabilities of the partner states' public institutions. They will focus on capacity building in the EaP countries, identifying weak spots and addressing these through training, technical assistance, and

public administrations of partner states, EU member states, and EU institutions involved in training and other institutional reform programmes, and used specific instruments (e.g., Twinning, TAIEX, EU advisory missions); for PRDPs<sup>99</sup> they included public administrations of partner states, local authorities, small and medium enterprises and non-governmental organizations (NGOs).<sup>100</sup> EU missions were organized in April–May 2011, to inform stakeholders about the concept of PRDPs, and a seminar was prepared in Brussels in June 2012 with representatives from partner countries and EU Delegations to launch the programme.

For the EaP's multilateral dimension, beneficiaries were commercial companies that had won public tenders, as well as NGOs and other organizations that received grants through public calls for proposals, and public administrations of partner and member states. Furthermore, the Ukrainian Regional State Administration Fund acted as a tool for financing business plans of small-scale enterprises. During a 9-year period, more than 140 business plans of micro enterprises were financed, with a total value of 6.3 million UAH, contributing to the creation of over 1,200 new jobs. In 2010 Ukraine<sup>101</sup> became an associate partner in the project on “increasing entrepreneurial potential in the cross-border region by setting up enterprise support institutions.” During the period from 2011 to 2015, the EU also developed numerous policy programmes aimed at further strengthening regional cultural links and dialogue within the Eastern Partnership region, and between the EU and Eastern ENP countries' cultural networks and actors. The programmes supported regional initiatives that demonstrated positive cultural contributions to economic development, social inclusion, conflict resolution, and intercultural dialogue in Ukraine.

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equipment where necessary. The aim is to help the partner-countries more intensively than before to achieve reforms where necessary.

<sup>99</sup> Pilot Regional Development Programmes (PRDPs): Inspired by the EU's cohesion policy experience, partner countries will be able to develop and support regional development strategies aimed at reducing disparities and funding projects which will help in overcoming structural deficiencies.

<sup>100</sup> Funding, foreseen in the amount of €75 million, started in 2012 from the 2012/2013 ENPI budget in the amount of €62 million, where Belarus is not a participating member.

<sup>101</sup> Hungary–Slovakia–Romania–Ukraine European Neighbourhood and Partnership Instrument Cross-border Cooperation Programme 2007–2013.

#### 4.4 Experiences in Cross-Border Cooperation: Western Ukraine

Questions about the kind of local government Ukraine needs should certainly address the quality of Ukrainian democracy, the ability of the Ukrainian public sector to provide essential services to citizens, and the capacity of Ukraine to integrate with the European Union in the future. Although there were many disputes concerning the division of Ukraine, it was convincing that separatist attitudes and moods rapidly turned into extreme separatist movements in the eastern part of Ukraine. According to Goode, centralization in Ukraine began immediately following the election of Kuchma in 1994. Yet regionalism has remained a prominent feature of national politics as clearly demonstrated by the critical situation that evolved in Ukraine. The Law of Ukraine “On Cross-Border Cooperation” of 22 July 2004<sup>102</sup> defined the legal, economic, and organizational principles of Ukrainian cooperation in the border regions. CBC as defined in law is a sequence of actions aimed to establish and intensify economic, social, scientific, technical, environmental, cultural, and other relations between territorial communities and their representative bodies, local executive authorities of Ukraine, and similar public institutions of other states.

In 2011–2012 the ENPI CBC programme with a budget of €500,000 implemented a project with a focus on training activities enabling job placement for the disadvantaged population in Beregovo (Ukraine) and Miskolc (Hungary).<sup>103</sup> The overall objective of the action was to contribute to the intensification and deepening of cooperation between institutions in Zakarpatska, Ukraine and Miskolc, Hungary. As a result, unemployed people (especially Roma, women, and the disabled) gained new skills in order to successfully apply for jobs in Miskolc and the Zakarpatska region and as a result, strengthened regional and institutional cooperation among Miskolc and Beregovo.

One of the central tasks in the sphere of cooperation for the region was also the development of direct ties with trade partners at the level of regions, which contributed to

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<sup>102</sup> The Concept approved by the Cabinet of Ministers of Ukraine. 15.08.2010. Nr.1838-p. (2004). *Verkhovna Rada*, 45, 499. [www.kmu.gov.ua](http://www.kmu.gov.ua).

<sup>103</sup> Hungary and Ukraine 2011–2012 ENPI CBC Programme. Project title: Training activities enabling job placement for the disadvantaged population in Beregovo and Miskolc. Duration: 2011–2012 (24 months). Budget: €500,000. Donor: European Commission/National Development Agency. <http://www.segelyszervezet.hu/en/hungary-and-ukraine-2011-2012>.

the widening of cooperation and increasing turnover of goods. For example, the Ukrainian Rivne Regional Administration concluded a number of agreements at the interregional level, among them the agreement on trade and economic cooperation between the Rivne region of Ukraine and Warmino-Mazurske Province of Poland. That agreement anticipated the establishment of joint ventures, trade firms, commercial centres, evaluation of possible investment projects, establishing a system of direct currency, and financial clearing-off. Likewise, Ukraine and Slovakia share a common border in the West. Slovakia's transformation, transition, and integration experiences are its main value added to the EaP. Slovakia launched National Conventions for European Integration in Moldova and Ukraine and the Centre of Transfer of the Slovak Experiences from the Accession Process at the Ministry of Foreign Affairs in Bratislava.

The future of the EaP was also discussed at the V4 ministerial meeting with all Eastern partners. Using standard tools and additional financial capacity, the International Visegrad Fund<sup>104</sup> started with flagship projects aimed at the promotion of Slovak Democratization and Transformation experience, development of regional cooperation, and support of civil society in Ukraine and Moldova. The V4 countries provided various forms of assistance to Ukraine and its people by prioritizing the strengthening of the rule of law, the efficiency of national government and local self-governments, the transparency of public procurement, the reduction of state regulation and, last but not least, the fight against corruption.

The CBC Programme Poland–Belarus–Ukraine 2007–2013<sup>105</sup> under the ENPI broadened cooperation in the border zone areas of the three countries, which was developed within the framework of the Neighbourhood Programme Poland–Belarus–Ukraine INTERREG IIIA / TACIS CBC 2004–2006 (Neighbourhood Programme). The programme enabled cross-border cooperation by bringing the different actors—people,

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<sup>104</sup> Source: Ministry of Foreign and European Affairs of the Slovak Republic.

<sup>105</sup> In accordance with the Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument. The coordinating role was conferred on the Ministry of Regional Development of Poland to be the Joint Managing Authority of the programme. Total programme budget: €202.9 million (including €186.2 million in EU co-financing).

institutions and organizations, enterprises and communities—closer to each other, in order to use the opportunities offered by joint development of the cross-border area. The programme was further elaborated by the Joint Task Force, which consisted of representatives of central and regional authorities of the three countries. The programme area included the following administrative units in Ukraine: Lvivska, Volynska, and Zakarpatska Oblasts as well as neighbouring cooperation areas: Rivnenska, Ternopilska, and Ivano-Frankivska Oblasts.

Among the ENPI projects with the Western Ukrainian partnership was the Project “Lubaczów –Yavoriv: two potentials, joint opportunity” project with the priority on increasing competitiveness of the border area aiming at tourism development. Another project “Underground city: development and popularization of cross-border tourism by the creation of cross-border tourist route in the underground routes of Lviv, Rzeszów, Lublin” was led by the Office of Historical Environment Preservation of Lviv City Council (Ukraine) (interviews September–November 2014, Lviv City Council, Ukraine). Common actions implemented within the project also contributed to cooperation between local authorities in the field of cross-border tourism development. A further project aiming at “Clean water at the Bug Estuary: a cross-border water supply system for Hrubieszów and Volodymyr Volyns’kyi,”<sup>106</sup> organized under increasing competitiveness of the border area priority, was headed by the Urban Commune of Hrubieszów (Poland) in partnership with the Town authorities of Volodymyr Volyns’kyi (Ukraine). As a result of the project, both towns obtained knowledge of their need for water supply and the actual state of investment structure for water supply.

The Regional Fund for the Support of Entrepreneurship (RFSE) was one of the main and regular participants in the Regional Programme for the Support and Development of Entrepreneurship in Ukraine. Within the Programme, the RFSE organized free-of-charge seminars and round-tables for small-scale enterprises on a quarterly basis and maintained a “hotline business consultation” facility. In 2010 it became an associate partner in the project for “Increasing entrepreneurial potential in the cross-border region by setting up enterprise

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<sup>106</sup> CBC Programme Poland–Belarus–Ukraine, 2007–2013.

support institutions” (Hungary–Slovakia–Romania–Ukraine ENP! CBC Programme 2007–2013).<sup>107</sup>

In 2007, the European Neighbourhood Policy (ENP) started to replace former cross-border cooperation programmes. One of the main goals of the ENP was to intensify CBC between EU border regions and their neighbouring regions. The EU launched calls for proposals for Institution Building Partnership Programme (IBPP) projects in the context of the Technical Assistance to the Commonwealth of Independent States (TACIS) programme, 16 of them for Ukraine. For example, Association Energy Efficient Cities<sup>108</sup> was financed by the European Commission within the framework of the Partnership Programme for Institutional Development (TACIS, IBPP). Because a major part of a country’s energy was consumed within the urban landscape, local authorities’ joint coordinated efforts in improving resource allocation allowed local communities to advance forward in a more confident and more effective manner. Through the cross-border programme another project on “Renewable sources of energy: method of improving the quality of natural environment within the area of the Lubaczów district and Yavoriv region,” under the priority on improving the quality of life, was led by the District of Lubaczów (Poland) in partnership with the Regional Council of Yavoriv (Ukraine) and aimed at natural environment protection in the borderlands.

Within the period 2006–2008, Ukraine’s TACIS IBPP – Support to Civil Society and Local Initiatives (with a budget of €252,175) provided assistance to marginalized groups of the population as well as institution- and network-building in Ukraine. The Hungarian NGO Hungarian Interchurch Aid (HIA) had been present in Transcarpathia, Ukraine since 1998 to provide assistance to the victims of floods. While implementing the programme HIA realized the shortcomings of basic social services and decided to implement long-term development

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<sup>107</sup> The Regional Fund for [www.rfpp.ua/](http://www.rfpp.ua/).

<sup>108</sup> Main partners include: Minister for Housing and Communal Services of Ukraine; National Agency of Ukraine for Efficient Use of Energy Resource; Association of Ukrainian Cities; Association of European Local Authorities Energy-Cities (<http://www.enefcities.org.ua/en>); as well as Covenant of Mayors, the EC initiative directly targeting local authorities and their citizens to take the lead in the fight against global warming.

programmes in the region. In 2000 HID together with HEKS (Swiss Protestant Relief Organization) established Beregovo Social Fund,<sup>109</sup> a new civil organization dedicated to carrying out social and training programmes. The overall objective of the project was to promote the social integration of unemployed people, especially Roma and disabled individuals. Further important objectives were to provide capacity-building to ADVANCE, HIA's partner organization, and to promote the establishment of a new NGO network.<sup>110</sup>

In the period 2007–2013 the Hungary–Slovakia-Romania-Ukraine ENPI CBC Programme was implemented on the external border between the participating EU member states and Ukraine. The Programme entered into force on 23 September 2008, after the approval of the European Commission. It allocated €68,638,283 in ENPI funding for the seven years. The Programme offered a wide range of opportunities to potential beneficiaries through its four priorities: economic and social development, enhanced environmental quality, increased border efficiency, and supporting people-to-people cooperation. As a result, 46 new projects were approved for funding in the framework of the HUSKROUA ENPI CBC Programme requesting about €17 million in co-financing from the ENPI, complemented by the state co-financing of the three member states and the contributions of the Applicants and Partners. The Joint Operational Programme Romania–Ukraine–Republic of Moldova 2007–2013 (JOP RO-UA-MD) is one of the EU's new ENPI financing instruments. Implemented on the EU's external borders during the programme period 2007–2013, it aimed at creating “bridges” among the three countries involved, in order to help the border areas overcome their similar development challenges, by working

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<sup>109</sup> The Fund was renamed in June 2006 and now is called ADVANCE – Transcarpathian Advocacy and Development Centre. The project contributed to the institutional development of ADVANCE through organizing professional training for its staff both locally and in Hungary. Besides transfer of knowledge in person, assistance and counselling through phone and e-mails were continuously provided during the programme. Capacity-building and transfer of know-how included the following: how to write and submit applications, fundraising possibilities, techniques, division of labour/specialization, project-based bookkeeping, bank transfers, and exchange rates.

<sup>110</sup> Following two years' work and four network-building conferences, the ACCORD (Association of Cooperating Organizations for Development in Western Ukraine) network was established. A total of 22 organizations signed the network agreement and expressed their intention to work together with the member organizations in the frame of the network.

together and finding common solutions. Hence, instead of dividing, the border united the areas concerned.

Twinning was another institutional-building instrument designed to help beneficiary countries to harmonize, approximate, and implement *acquis*. Twinning developed quickly in Ukraine and a good number of issues were taken under consideration.<sup>111</sup> The participants were the Ministry of Economy, Ministry of Foreign Affairs, the Ukrainian Twinning Programme Administration Office, and the Delegation of the European Commission to Ukraine. For example, a Twinning project might be undertaken to help a beneficiary country to implement a value-added tax or to have its veterinary or border control service function up to the same standards as those in the member states. There was also a Twinning Light<sup>112</sup> version that was used to tackle smaller and less complex institutional tasks. Twinning Light consisted of the provision by a member state of well-defined public sector expertise, generally involving the short- or medium-term delivery of expertise by officials (civil servants). Less frequently, civil servant experts stayed for longer periods. Given their limited scope and duration, Twinning Light projects fell short of building longer-term structural links between public administrations.

#### **4.5 Literature Debates: Europeanization**

Territorial transformation at a global scale, and the deinstitutionalization of territories in eastern Europe and elsewhere, have once again raised questions relating to boundaries and territorial identities. Without institutions capable of enforcing the rule of law and lacking impartial bureaucracy resistant to business and political influence, democratization produces ineffective governance and ultimately experiences a reversal (Fukuyama, 2004). Yanukovich's presidency uncovered the weaknesses of Ukraine's state institutions. The aim of using the Europeanization literature in this paper is to distinguish different mechanisms of democracy promotion and to see if they are relevant in Eastern European countries. There is a tendency in parts of the literature on transition to exaggerate the EU's impact. For

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<sup>111</sup> Twinning projects are intended for institutional-building and are not fully represented in this paper due to their wide scope.

<sup>112</sup> EC TACIS Project Implementation of Twinning Operations in Ukraine. [www.center.gov.ua/twinning](http://www.center.gov.ua/twinning); [www.twinning.com.ua](http://www.twinning.com.ua).

example, scholars working on democratization have tended to assume that the EU has vigorously encouraged democratization by pressing the Central and Eastern European countries into implementing human rights and open political systems (e.g., Linz & Stepan, 1996). Conditionality and socialization have always been structural components of the EU's transformative strategy towards EaP countries. Socialization strategy acknowledged actors who generated behavioural changes by creating reputational pressures through shaming, persuasion, and efforts to socialize state actors (Manners, 2002; Vachudova, 2005).

This belief in changing norms in societies also placed strong emphasis on civil society and cooperation with non-governmental organizations. Sasse (2010) has pointed out that the second wave of Europeanization literature focusing on conditionality impact framed it as a process rather than an intervening or causal variable. This process showed the importance of different actors and issues over time, which affected in either positive or negative ways progress towards institutional, behavioural, or policy change. The main elements of conditionality identified in the literature are incentive structures, the consistency and credibility of conditions, an underlying power asymmetry, and adoption costs (Börzel & van Hüllen, 2013; Börzel & Risse, 2003; Sasse, 2010; Schimmelfennig & Sedelmeier, 2004). The scholarly analysis of the ENP contained active debates about EU conditionality as a "reform anchor and motor of change" within ENP countries.

In the 1995 Madrid European Council which further increased the scope of conditions, the European Commission added a number of areas such as human rights or nuclear safety in which the Union itself does not have competences or common rules. These have been so numerous that it is possible to claim that a new enlargement method has been developed (Maniokas, 2004) and a separate "enlargement *acquis*" has emerged including requirements for horizontal administrative reform, regionalization, reform of the judiciary, ethnic minorities' rights, border treaties (friendship and cooperation treaties), safety of nuclear power plants, and so on (Steunenberg & Dimitrova, 2007). Brusis states with regard to the Czech Republic and Slovakia that "EU conditionality existed and functioned but was essentially complementary and instrumental in a process driven by domestic needs and interests. Rule adoption occurred because the ideas underlying these rules resonated with national political discourses" (Brusis, 2003, p. 11, cited in Sadurski, 2004). Regarding the extent of the influence of political conditionality, Vachudova (2005) argues that the

effectiveness of importation of institutions and rules was highest where there existed significant domestic factors in the states that “favoured the importation, adoption and the maintenance of these mechanisms.”

Vachudova’s (2005) analysis assumes that the density of the previously established rules, practices, and institutions in any given area in each candidate state was also important. Schimmelfennig and his co-authors have shown how changes in the socio-political setting in different countries at different times can affect crucially the effectiveness of rule adoption (Schimmelfennig, Engert, & Knobel, 2003). Europeanization literature points towards the important role of the EU in shaping the domestic political environment and helping to build liberal democratic institutional foundations in Eastern Partnership countries. The domestic effect is conceptualized as a process of change at the domestic level in which states adapt their processes, policies, and institutions to new practices, norms, rules, and procedures (Sadurski, 2004). Through the conclusion of bilateral and multilateral cooperation agreements/partnerships, the EU created preferential trade relations with third countries and promoted processes of economic, political, and social transformation.

Domestic status quo reflects the current distribution of preferences and bargaining power in the state. EU conditionality is supposed to change this domestic equilibrium in its favour by introducing (additional) incentives to the existing ones; some of the countries have more favourable conditions that help them to accept the rules of the game, compared with others that have a bigger gap in cost-benefit calculations. The most general proposition of the external incentives model is therefore that “a state complies with the norms of the organization if the benefits of the rewards exceed the domestic adoption costs” (Schimmelfennig & Sedelmeier, 2005; Schimmelfennig cited in Maas, 2006, p. 30). Democratic conditionality works through using an intergovernmental or a transnational channel. Vachudova argues that transnational reinforcement has been crucial for the effectiveness of conditionality. In her opinion, “the conduits for international influence on domestic politics were the electorate and the opposition, not the government” (Vachudova, 2005). The strategies and policies to promote democracy are similar, and the mechanisms and incentives to promote compliance vary only slightly with the type of third country (Börzel & Risse, 2003, pp. 1–5). Despite the efforts of Western actors to promote democracy in favourable domestic environments, a significant number of regimes have remained non-

democratic. The role of domestic and external factors in democracy promotion has been widely analysed in the literature, however, much of it remains debated and poorly understood. One underexplored aspect of this discussion is the role of regional powers in democratic backlash and re-emergence of authoritarianism.

An empirical problem of the Europeanization literature is that it represented a top-down governance approach based on conditionality. Moreover, the EU cooperation with Ukraine did not have an end goal, which made it open to becoming more political than technical. There were also governance problems: lack of coordination, and absence of benchmarks, timing, and follow-up (assessment criteria). Korosteleva (2012) identifies a conceptual problem in the explanation of “shared values” and rule/norms transfer. According to her, there is a socio-cultural gap in the values. Sasse (2010) notes that EU impact should be regarded as a process rather than an intervening or causal variable when using mechanisms of conditionality that consist of material bargaining and social influence. She raises the issue of the EU being entrapped in cognitive change and socialization. In the EU, conditionality developed from a minor policy tool used in agreements with third countries, to the main pillar of EU enlargement governance and a successful tool of EU foreign policy (Smith, 1996). It is distinct from the conditionality employed by the World Bank and the International Monetary Fund, as the benefits that countries receive are not only financial but are linked to EU membership (see Dimitrova & Dragneva, 2009; Schimmelfennig & Sedelmeier, 2005a).

The test of the external incentives model on the comparative cases of the new EU member states suggests that the success of this model differs depending on the type of conditionality, with *acquis* conditionality working better than democratic conditionality (Schimmelfennig & Sedelmeier, 2005b, pp. 1-28). The empirical analyses in Schimmelfennig and Sedelmeier’s edited volume (2005) found the credibility of conditionality and the size of adoption costs to be the key variables influencing compliance. Based on the conditions set out by the EU, the government of the applicant country has two options, either to implement institutional reforms as proposed by the EU or to implement an entirely domestic agenda. The characteristics of the conditions the EU sets, the reform demands, the degree of intensity, and the salience of conditions vary. EU conditionality is not based on a single or several related conditions (for example, economic reform, liberalization, and

human rights), but is diverse. The conditions are organized around the EU's Copenhagen criteria and later additions such as the Madrid administrative capacity criterion.

Analysis suggests that the outcome of political conditionality in the European non-member states has been marginal mainly because of domestic conditions (among others, Schimmelfennig, 2001, 2008; Vachudova, 2005). The extent of the impact of EU democratic conditionality can be examined by testing the hypotheses of Vachudova and Schimmelfennig in the domestic environment: "The lower the domestic political costs of compliance for the target government, the more likely conditionality will be effective" and "the stronger the identification of the target government with the EU international community, the more likely conditionality will be effective." Revisiting Sasse (2010), the impact of conditionality can be framed as a process showing the importance, over time, of different actors and issues that affect in either positive or negative ways progress for institutional, behavioural, or policy change.

Scholarly analysis of the ENP contains active debates about EU conditionality as a "reform anchor and motor of change" within ENP countries. The main elements of conditionality identified in the literature are incentive structures, the consistency and credibility of conditions, an underlying power asymmetry, and adoption costs (Börzel, 2013; Börzel & Hüllen, 2013; Börzel & Risse, 2000, 2003; Sasse, 2010; Schimmelfennig & Sedelmeier, 2005). Pressures created by the EU (both diplomatic and economic), political discourse, and social learning through the EU channels draw on incentives for compliance with the rules of the game. Brusis states with regard to the Czech Republic and Slovakia that "EU conditionality existed and functioned but was essentially complementary and instrumental in a process driven by domestic needs and interests. Rule adoption occurred because the ideas underlying these rules resonated with national political discourses" (Brusis, 2003, p. 11, cited in Sadurski, 2004). Regarding the extent of the influence of political conditionality, Vachudova (2005) argues that the effectiveness of importation of institutions and rules was highest where there existed significant domestic factors in the states that "favoured the importation, adoption and the maintenance of these mechanisms." Her analysis assumes that the density of the previously established rules, practices, and institutions in any given area in each candidate state was also important. She posits that the more states were of illiberal nature, the higher the resistance in the domestic

arena to rules imported from the EU. In a series of case studies, Schimmelfennig and co-authors show how changes in the socio-political setting in different countries at different times can affect crucially the effectiveness of rule adoption (Schimmelfennig et al., 2003).

Democratic conditionality works through using an intergovernmental or a transnational channel. Vachudova (2005) argues that transnational reinforcement has been crucial for the effectiveness of conditionality. In her opinion, “the conduits for international influence on domestic politics were the electorate and the opposition, not the government” (Vachudova 2001, p. 5). EU conditionality acts as a catalyst for domestic reform. On the one hand, it is legally binding and constitutes a solid foundation for the relationship. On the other, its wording is flexible enough to allow a broad interpretation, combining dialogue with positive measures and cooperation with negative measures or pressures as a last resort (Fierro, 2003, p. 211). The strategies and policies to promote democracy are similar, and the mechanisms and incentives to promote compliance vary only slightly with the type of third country (Börzel & Risse, 2003 pp. 1–5).

Persistence of autocratic and/or hybrid regimes and inefficiency of external democratization remains a puzzle in the academic literature. Despite the efforts of Western actors to promote democracy in favourable domestic environments, a significant number of regimes have remained non-democratic. The role of domestic and external factors in democracy promotion has been widely analysed in the literature, however, much of it remains debated and poorly understood. One underexplored aspect of this discussion is the role of regional powers in democratic backlash and re-emergence of authoritarianism. For example, what the aftermath of Colour Revolutions in the post-Soviet region reiterates is that non-democratic regimes, especially those aspiring to maintain their dominance in the region, can play a role in proliferation or persistence of non-democratic regimes around themselves. Thus, the question arises, what is the role of non-democratic regional powers in the persistence of non-liberal regimes?

The conditions of institutionalization and institutional effects will reflect the extent of effectiveness of international influence on domestic change. EU conditionality is not based on a single or several related conditions (for example, economic reform, liberalization, and human rights), but reflects a diverse set of conditions. These conditions

are organized around the EU's Copenhagen criteria and later additions such as the Madrid administrative capacity criterion (Dimitrova & Dragneva, 2009). In general terms by the phrase "administrative capacity" the Commission sought the following reforms in the public administration of applicant states: legislation specifically regarding the civil service; the establishment of a career civil service; political neutrality of the civil service; and pay reform designed to bring public sector pay closer to that in the private sector. The Commission also reviewed capacity of applicant states to implement the *acquis* in sectoral areas.

Christiansen (1998) seeks to examine the interrelationships between "three layers of change" (at the policy-making, constitutional, and macro-societal levels), each of which operates in a different historical time frame. Historical institutionalism combined with constructivism would endogenize "the current configuration of actors, interests and powers" (Christiansen, 1998, p. 113) to the structures within which they act. Through the medium of actors, interests, and powers, structures condition the policy-making process, which in turn conditions constitutional reforms, which then contributes to long-term structural (deep institutional) change. The notion of governance presupposes forms of organization that go beyond hard notions of external and internal sovereignty (Lavenex, 2004, p. 682). In Ukraine, more so than in any other part of the world, the successful spread of the EU's external governance may end where a strong notion of traditional power reasserts itself.

As an analysis of EU documents on (Western) Ukraine indicates, the sub-state (regional or local) level is targeted mostly regarding socio-economic policy areas, including infrastructure and (urban) development, energy and transport, environment, and water management. The following policy directions involving local and regional authorities are emphasized: 1) joint projects on both sides of the border and cross-border; 2) "partnership and co-financing" in programming, managing and implementing the EU's assistance to beneficiary states involving "central, regional and local authorities" (EU/Ukraine Action Plan, 2004, pp. 4, 16), including "the development of local consultancy capacities"; the form of "contacts among [. . .] regional and local authorities (including city-twinning programmes)" within the frame of "people-to-people exchanges" being used as an effective institution-building tool within the scope of the European Neighbourhood Policy (On strengthening the European Neighbourhood Policy, 2006, p. 7) and further in the EaP; 3) "exchanges on a

regional level regarding governance training issues” is named among incentives suggested for the EU approach (EU/Ukraine Action Plan, 2004, p. 12); and 4) “The institutional capacity of local and regional authorities in the EU’s partner countries,” whereby “local government reforms are of particular importance and are often part of national reform agendas as reflected in the ENP Action Plans” necessary for implementing cross-border cooperation (EU/Ukraine Action Plan).

#### **4.6 Conclusion**

According to the EU Strategy Paper 2007–2013, the EU involved various subsets of partners according to the functional requirements of the subject area at hand. Stefen Lehne (2014) noted that since its establishment the ENP has been plagued by conceptual flaws and implementation problems. However, given its enormous experience in regional cooperation, the EU had a lot to offer in this area. Engaging the entire neighbourhood together did not make any sense in view of its heterogeneity. Instead the EU needed a multilevel approach.

In particular, regional and local authorities in Ukraine are described as having “relatively limited power. Executive and administrative structures are characterized by a high level of centralization at all levels” (ENPI Cross-Border Cooperation Strategy Paper 2007–2013). Moreover, they are suffering from “lack of administrative capacity and insufficient resources,” whereby the “major challenge facing Ukraine is to strengthen administrative capacity at national, regional and local levels, including coordination between the relevant authorities” (ENPI Ukraine Country Strategy Paper 2007–2013, pp. 10, 25). Finally, knowing that Ukraine has preserved Soviet administrative division without democratic self-government, the highest leverage which the EU has can be extended to actions of individual member states. Overall, EU has relatively low leverage in Ukraine regions. Still, since it “sought to justify its institutional choices in the process of constitution-making by references to international norms” (Wolczuk, 2001, p. 209), the Council of Europe norms focussed on the local level have been important for the sub-state institutional reform in Western Ukraine and Ukrainian territory in general.

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#### 4.8 Annex

ENPI offers the following multilateral platforms for cooperation:

**Cross-Border Cooperation.** One of the key priorities for ENPI. It comprises four directions: facilitate the economic and social development of border regions; solve common problems; assure efficient work and reliability of borders; and facilitate the cooperation between nations. Budget for 2007–2013 is €1.1 billion.

**Neighbourhood Investment Fund**, which combines grant financing from the EU and its member states and credits from the European state institutions, is considered an innovative instrument of European Neighbourhood policy.

Oriented towards the mobilization of additional financing for infrastructure projects on the territory of neighbouring countries. Budget-contribution of the European Commission is €700 million for the period 2007–2013 plus the contributions of EU member states.

**SIGMA** (Support for Improvement in Governance and Management). Budget is €5.9 million for 2008–2010.

**TAIEX** (Technical Assistance and Information Exchange) was implemented in the ENPI region in 2006 with the purpose of providing short-term support and consulting services to the partner countries for the implementation of action plans within the framework of European Neighbourhood policy. Annual budget for assistance in ENPI countries is approximately €5 million.

**Twinning** has since 2004 been applied to all the ENPI countries with the purpose of accelerating the cooperation actions. Annual budget changes and depends on the country; average amount is €1 million.

**Erasmus Mundus II Partnership** has the goal to stimulate the exchange of students, scientists, and professors for supporting their free movement from countries beyond the EU in EU member states. Budget for 2009 was provided in the amount of €29 million. The same amount will be granted for the academic year 2010–2011.

**Tempus IV (Trans-European Mobility Programmes for University Studies).**

Annual budget granted for implementation of the programme in ENPI countries is approximately €35–39 million.

**CIUDAD: Cooperation in Urban Development and Dialogue.** The programme is developed for facilitating dialogue and development between local authorities and civil institutions in the EU and beyond its borders, at the same time stimulating efficient administration and sustainable urban development in ENPI partner-states. Budget for the period 2009–2011 constitutes €14 million.

## **V. Paper 4. Euroregion as an Important Mechanism of Cross-Border Cooperation between Ukraine and the European Union.** Prepared for BIG project. June–August 2015.

### **5.1 Abstract**

This paper is an examination of Ukraine's current course of European integration within the framework of the Carpathian Euroregion, from the viewpoint of cross-border governance. The paper's main underlying assumption is that European integration (with or without European Union membership) is good for Ukraine.<sup>113</sup> On 14 February 1993 the Ministers of Foreign Affairs of Hungary, Poland, and Ukraine<sup>114</sup> ratified a declaration in the Hungarian city of Drebecen, stating that establishment of the Carpathian Euroregion would greatly contribute to strengthening the friendship and prosperity of the countries of this region and would guarantee active application of the principles of the Helsinki Act (1975), the Charter of Paris for a New Europe (1990), and other instruments. However, it is problematic that the Carpathian Euroregion model, developed with the assistance of the experts from the East-West Institute who voiced their concern over numerous local initiatives of transboundary cooperation, was arguably neither understood nor supported by the national governments.

**Keywords:** European Union, Euroregion, Carpathian Euroregion, Ukraine

### **5.2 Introduction. Problem Statement and Research Question**

The Soviet legacy in Ukraine has remained clearly visible in both the structure of local governing arrangements and in people's expectations of their authorities, as well as their lack of trust in the process of governing. This situation explains the strong existing sentiment that the state, rather than the community, should take care of people's needs. Ineffective and typically unchanged governance processes have triggered apathy and lack of responsibility in the Ukrainian society. Likewise, the concept of autonomous self-

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<sup>113</sup> In June 2006 the EU Council reiterated that that the EU is open to any country that fulfils Art.49 of the European Treaty and would meet the conditions for membership. Ukraine recognized its foreign policy course as a European choice since the Partnership and Cooperation Agreement came into force in 1998 and admitted that European integration will help modernize its economy, increase living standards, and strengthen democracy and rule of law.

<sup>114</sup> Romania joined in 1997.

government as a form of local democracy has lost support in Ukraine.<sup>115</sup> Most importantly, the strongly centralized and oppressive state was not effective in pursuing its policies and delivering public good. Finally, there was no border cooperation policy between communist countries and European liberal democracies; therefore, post-Soviet states represented more a buffer zone for European security rather than a “ring of friends.” All of these factors combined have presented a key challenge for the effective delivery of EU programmes and initiatives.

The cross-border cooperation<sup>116</sup> (CBC) policy of the European Union is a reasonably new policy for Ukraine. According to the European Commission, governance beyond EU borders means establishment and operation of “institutions” (in the sense of rules of the game), which define actors and their responsibilities, both in cooperation towards society’s objectives and in the resolution of any conflicts that may arise. It can be argued that cross-border cooperation might be looked at as a vehicle of Ukraine’s bottom-up integration with the EU within the Euroregion framework, which ultimately helps grow public trust in governance in Ukraine. The research question of this paper is: What would the Ukrainian border provinces look like in the absence of the CBC policy/projects?

The paper is structured as follows. Section 1 reviews the historical background of cross-border governance of the Euroregion within the framework of the Carpathian Euroregion (CE) by looking at its development in the context of history and Ukraine’s integration with western neighbours. Section 2 looks at cross-border governance issues in the framework of the CE, as well as the Euroregion’s institutional shortcomings and institutional opportunities. Section 3 analyses the extent to which existing institutional

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<sup>115</sup> As a result, citizens of Ukraine have little knowledge of local self-government, preferring either to passively wait for the resolution of their problems by local authorities with state support, or to solve the problems by themselves with no consideration for the wider community (UNDP, 2008, pp. 29–30).

<sup>116</sup> One of the key areas of Ukraine’s integration into European structures outlined CBC as a joint action aimed at establishing of economic, social, scientific, technical, environmental, cultural, and other relations between local communities and their representative bodies, local executive authorities, and relevant authorities of other states within competence as defined by their national legislation. Law of Ukraine for “Cross-Border Cooperation,” official release, Supreme Council of Ukraine, N45, Art.499, 2004. The legal basis for Ukraine–EU dialogue on regional development, regional, and cross-border cooperation is Article70 of the PCA and by the chapter “Cross-border and regional cooperation” of the Association Agenda.

mechanisms/institutions and other instruments of CBC influence the European integration course of Ukraine—if at all. Within the Euroregion framework Ukraine and EU member states (MS) will also be reaching the general European level. In order to succeed in this it will be necessary to have effective executive structures with a certain legal status at various levels within the Euroregion structure (see Mytryaeva, 2007, among others). However, largely due to the lack of strategic vision for the development of the Carpathian Euroregion and other operating Euroregions in Ukraine, examples of practical cooperation at the EU level have been very limited. Section 4 provides a review of methodology and two potential methods for analysing CBC within the framework of CE foundation in Ukraine. Finally, the paper's conclusion summarizes the impact of cross-border cooperation on the EU's neighbourhood and considers possible outcomes, including: level of civil society activity, economic development, corruption levels, local reforms, and public opinion (attitude towards the EU).

### **5.3 History of Carpathian Euroregion**

Euroregions<sup>117</sup> are normally defined as organizations of border (transboundary) interregional (intermunicipal) cooperation aimed at establishing good neighbourly relations as well as addressing common problems singled out by the constitutional documents regulating the territories of three or more states. The Ukrainian bordering territories enter into the four Euroregions at the same time: the largest of these is the “Carpathian Euroregion,” which unites the territories of four EU member states as well as the Transcarpathia, Lvivska, Ivano-Frankivska, and Chernivetska regions of Ukraine. Transcarpathia made its first successful steps by using the Euroregions as an integration instrument. Mytryaeva (2007) envisions Euroregions as an instrument of external policy of sovereign countries, which aspire to establish and maintain good neighbourly relations on a regional (municipal) level. According to her observation, it was due to activity within the framework of the Euroregions that territories of the Eastern Carpathians, at the watershed

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<sup>117</sup> Council of Europe, 1980. Article 2.1 of the 1980 Madrid Convention defines transfrontier co-operation as “any concerted action designed to reinforce and foster neighbourly relations between territorial communities or authorities within the jurisdiction of two or more Contracting Parties and the conclusion of any agreement and arrangement necessary for this purpose.” [www.coe.int/](http://www.coe.int/).

of the Tisza river, were not turned into a conflict zone. In fact, at present the Carpathian region is one of the most stable regions in Europe.

The CE was founded as a mechanism of cross-border regional cooperation between five post-communist countries—Poland, Slovakia, Ukraine, Hungary, and Romania—which in 1993 signed an agreement on the formation of the international association dubbed the Carpathian Euroregion. The CE was the only Euroregion in Europe which included the bordering territories of five post-communist states characterized by different economic development and with heterogeneous ethnic, religious, and cultural structures (Mytryaeva, 2007, p. 126). During the 20th century, this area was governed by six different entities (the Austro-Hungarian Empire, Czechoslovakia, Poland, Hungary, the Soviet Union, and Ukraine) with complicated and occasionally shifting borders. In the five states various nationalities lived together in a heterogeneous area that was also characterized by a mixture of major religions (Orthodoxy, Greek Orthodoxy, Roman Catholicism, Calvinism, Protestantism, Judaism, and Roma) (Tanaka, 2006, p. 65). Together, all of these features characterized the area as “a mosaic zone of ethnicities, cultures and religions” and “a microcosm of new Europe” (Research Center of the Slovak Foreign Policy Association, 2001a, pp. 6–11).

After the fall of communism, the citizens and institutions of the Ukrainian border areas found themselves confronted with difficult processes of re-scaling and re-territorializing. In addition, the processes of globalization and enlargement processes of the EU raised the awareness about cross-border cooperation and governance as central elements for reaching the integration criteria set up for these new democracies by the Copenhagen Council.<sup>118</sup> According to the later-adopted Lisbon Treaty of 2009, territorial cooperation developed the responsive capacity of the EU to various rising issues by offering financial support for the creation of joint transnational, regional, and cross-border institutions, which were able to support the unification goals.

#### **5.4 Organizational structure of Carpathian Euroregion**

The CE is an organization for cross-border regional cooperation among 18 border autonomous units at a similar level (region, province, county) belonging to five East

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<sup>118</sup> Conclusions of the Presidency, part 10. Ukraine, the Copenhagen Council, 21–22 June, 1993.

European countries (Makowski, 1993; Rebisz, 2003, pp. 35–43 cited in Tanaka, 2006, p. 67). According to the agreement, Interregional Association Carpathian Euroregion goals are to organize and coordinate activities that promote cooperation in the fields of economy, ecology, culture, science, and education with assistance in elaborating concrete projects, and to promote various contacts at different levels along with good neighbourly relations.<sup>119</sup> The CE is composed of the four parts: the Council with Presidium and Chairman, Secretary General, National Offices (Agencies), and Working Commissions. The supreme body of the CE is the Council, which consists of three representatives from each member country. The Council meets every six months. It discusses and unanimously accepts common projects and makes decisions on important topics relevant to cooperation (appointment, budget, and organizational changes). The Chairman is elected every two years to manage the session, representing the Council to the outside. The Secretary General (Executive Director) as well is elected every two years, has authority to present bill drafts to the Council, and conducts daily cooperation activities. The CE has a network of national offices, each of which has the responsibility to maintain regular contact with the Council, dealing with all the cooperation initiatives and taking charge of one Working Commission's works. The Working Commissions have five fields of activity: regional development, environmental protection and tourism, social infrastructure development, trade exchange development, and auditing (Rebisz, 2003, cited in Tanaka, 2006). Every national party contributes an equivalent of 35,000 USD a year to the CE budget (Helinski, 1999, cited in Tanaka, 2006, pp. 67–68).

## **5.6 Literature Review: Carpathian Euroregion**

As an international association the Carpathian Euroregion is well-defined as a consultative and coordinating body directed at the expansion of transboundary cooperation of its member states<sup>120</sup> and between different stakeholders at local, regional, cross-border, national, and supranational levels. The bordering states to the east of the EU were actively involved in various transboundary projects (under the TACIS CBC, ENI, etc.) of a bilateral and multilateral nature. In 2004 the EU Task Force, which comprised representatives of Ukraine,

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<sup>119</sup> <http://celdn.euroregionkarpaty.com.ua/index.php/uk.html?start=4>, accessed June 2015.

<sup>120</sup> According to the Project of the European Convention on transboundary cooperation among the geographical communities and authorities, No 106 of the Council of Europe.

Central European neighbours, and EU experts, started European Neighbourhood Policy (ENP) cooperation projects, among them Poland–Ukraine–Belarus, Hungary–Slovakia–Ukraine, and Romania–Ukraine. However, according to Mytryaeva (2007), the Lvivska region for example was cooperating more or less actively with Polish regions mostly on a bilateral level. Her conclusion was that Euroregions did not live up to the set expectations, directed at transboundary cooperation, due to established structures which were functioning on a community project basis (Mytryaeva, 2007, pp. 122–136).

Moreover, Ukraine was involved in a small number of project applications compared to Poland and Hungary. Being EU members, Poland and Hungary applied for 30–40 projects on a yearly basis, whereas Ukraine applied for only two or three. Sotnikov and Kravchenko (2013) argue that Euroregions did not use their full potential as organizational forms of CBC whose task was to facilitate obtaining funds for cross-border co-financing projects from structural funds and other international financial institutions. However, they point out that cross-border industrial zones represented a main component of institutional innovation and an investment model for economic development not only of border areas but in the region as a whole.

Hungarian researcher Ludvig (2003) lists a number of negative factors affecting Carpathian Euroregion development: (1) differences in the context of the CE; (2) the size of the participating areas; (3) the CE's structural institutional problems; (4) financial matters; (5) ambiguity of the division of labour between the district/local government and the central government; (6) historical inheritances; and (7) problems related to the introduction of the Schengen *Acquis Communautaire*. Likewise, the Polish agency of the CE (CE Secretariat) recognized that the CE faced three types of crises: (1) a crisis of self-recognition, which refers to a lack of knowledge, information, and consciousness; (2) a crisis of representation, in which neither the low-level local self-governing bodies nor non-profit organizations (NGOs) nor private enterprises were able to send their representatives to both the Council of the CE and the national organization of the CE. The third crisis related to participation where local residents were completely uninterested in the CE's issues (Stworzyszenie na Rzecz Euroregionu Karpackiego Euro-Karpaty, 2002, pp. 11–17).

When it comes to governance issues, according to Tanaka (2006), firstly the CE must be examined by analysing the region's characteristics not only as a border regime or a

builder of bridges among countries but also as an evolutionary form of governance. Secondly, taking the perspective of public space encourages consideration of the degree to which the everyday economic space and the public space have been formed and examining the institutions that can produce bottom-up initiatives in the border region as well as relationships with the EU and its policies (Tanaka, 2006). Kramsch and Hooper when examining cross-border governance in Europe concluded that cross-border areas in Europe were faced with the following four “dilemmas of multi-governance”: (1) Euroregions were used as a convenient administrative policy for local elites to access funding sources from Brussels; (2) ties among economic actors were not developed automatically in the borderlands; instead, extensive economic relationships at the national and global levels outdid those of cross-border areas; (3) public awareness of cross-border initiatives was decreasing among locals of the Euroregion; and (4) it remained difficult to establish an effective democratic system of trans-boundary institutions (Kramsch & Hooper, 2004, p. 3).

Those trans-border and trans-level actions altered the identity of the regional actors and precipitated the formalization and Europeanization of the cross-border regions themselves. Takahashi (2006) emphasized that although the boundary of the Euroregion was determined by the EU, the motivations and solutions of Euroregion participants varied depending on issues, resulting in an amorphous form of governance. However, by disregarding the bottom-up initiatives of the region, the institutionalization of the Euroregion caused a problem. Van Kersbergen and Van Waarden (2004) noted that in recent decades shifts in governance have occurred not just in the private, semi-private, and public spheres, but at (and in-between) the local, regional, national, transnational, and global levels. According to these authors, such changes took place in the forms and mechanisms of governance, the location of governance, governing capacities, and styles of governance. However, a public space that included multiple layers and multiple issues was not actively developed along the eastern border region of the new European Union.

Analysis of recent research in the Ukrainian scholarly literature on cross-border cooperation shows that problems of development of interregional and transborder cooperation have received substantial attention in the work of domestic scholars including Amosha, Belenky, Harasyuk, Filippenko, and Chmyr. Organizational–economic mechanisms of functioning for cross-border regional cooperation were studied by Ririashvili. Mikula

proposed the theory of cross-border cooperation. The cross-border region itself was considered to be a territorial system, which included the aspects of the region, its subsystems, and processes and stages of its formation and development. Makogon analysed forms and directions of inter-regional cross-border cooperation. Finally, the concept and specificity of agricultural business in the Ukrainian part of the Carpathian Euroregion were researched by Bentsak.

## **5.6 Data Collection**

An additional research method used for this paper is documentary analysis, namely analysis of written documents and (legal) texts. Content analysis is applied to various categories of primary documentary sources, as follows.

Ukrainian legislation:

The *Constitution of Ukraine* has the highest legal force. Laws and other normative legal acts are adopted on the basis of the Constitution of Ukraine and shall conform to it.

*Laws and legal acts* of the Ukrainian Parliament (Verkhovna Rada).

*By-laws.* The laws are supplemented by so-called normative acts, which embrace regulations, instructions, decrees, and orders. These documents are issued by the Cabinet of Ministers of Ukraine (the highest executive authority), ministries, public bodies and committees, and local government bodies. Normative acts contain the mechanisms for law implementation. The Cabinet of Ministers of Ukraine issues Regulations (legal acts of a normative nature) and Decrees (legal acts covering operational and ongoing issues that are not of a normative nature).

*Presidential Decrees* are treated separately. Under the general provisions of the Constitution of Ukraine, the President is entitled to issue Decrees on all matters referred to his jurisdiction (so called “constitutional powers”).

Section 3 analyses the extent to which existing institutional mechanisms/institutions and other instruments of CBC within the framework of the Euroregion could have influenced Ukraine’s course of European integration—if at all. The EU programmes for its neighbourhood gained a separate status and a budget in 2007–2009 within the Eastern Partnership policy framework. Before 2007 the regions of Ukraine (Volynska, Lvivska,

Transcarpathia, Ivano-Frankivska, Chernivetska, and Odeska) were subject to the TACIS programme.<sup>121</sup> In 2007 the ENP began to replace earlier cross-border cooperation programmes in order to intensify cross-border cooperation between EU border regions and their neighbouring regions and improve resource allocation to allow local communities to advance forward in a more effective manner. An important element of coordination between Ukraine and the EU in regional policy was the involvement of Ukraine's regions on a regular basis in the activities of European regional associations, in particular the Assembly of the European Regions, Council of European Municipalities and Regions, Conference of European Regional Legislative Assemblies, Association of European Border Regions, Conferences of Peripheral Maritime Regions, Conference of President of Regions with Legislative Power, European Association of Elected Representatives from Mountain Areas, and EUROCITIES.

Depending on the nature of specific projects, the Eastern Partnership (EaP) initiative allocated funds to various beneficiaries. For Comprehensive Institution-Building projects, these include public administrations of partner states, EU member states, and EU institutions involved in training and other institutional reform programmes, using specific instruments including Twinning, Technical Assistance and Information Exchange (TAIEX), and EU advisory missions. For Pilot Regional Development Projects, beneficiaries include public administrations of partner states, local authorities, small and medium enterprises, and NGOs. Funding, foreseen in the amount of €75 million, started in 2012 from the 2012/2013 ENPI budget in the amount of €62 million. As preparatory steps, EU missions were organized to all five EaP countries in April–May 2011, to inform stakeholders about the concept, and a seminar was organized in Brussels in June with representatives from partner countries and EU Delegations to launch the programme.<sup>122</sup>

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<sup>121</sup> During the years 2004–2006 about €20 million were allocated to the Ukrainian partners involved in projects directed at the strengthening of transboundary and transnational cooperation between the EU and Ukraine within the framework of the programmes mentioned above. Slovakia, Poland, and Hungary were financed under INTERREG, and Romania by PHARE.

<sup>122</sup> [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/international/neighbourhood-policy/](http://ec.europa.eu/regional_policy/en/policy/cooperation/international/neighbourhood-policy/).

It was the task of the regional and local partners on both sides of the border to analyse their common needs and to identify priorities and actions that were most relevant to their local situation. The European Neighbourhood Partnership Instrument (ENPI) was the financial instrument employed for ENP and addressed to ENP partner countries, including Russia. It offered co-funding for promoting good governance and equitable social and economic development process. In the perspective of reinforcing cooperation with countries bordering the European Union, the ENPI<sup>123</sup> included a component specifically targeted at cross-border cooperation.<sup>124</sup> The management of CBC programmes was assigned to a local or national authority jointly selected by all participating countries.<sup>125</sup> CBC used an approach largely built on Structural Funds principles such as multiannual programming, partnership, and co-financing, adapted to take into account the specificities of the European Community's external relations rules and regulation. One major innovation of the ENPI CBC lies in the fact that the programmes involving regions on both sides of the EU border shared one single budget, common management structures, and a common legal framework and implementation rules, giving the programmes a fully balanced partnership between the participating countries.

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<sup>123</sup> The ENPI is a more flexible and policy-driven mechanism, as the allocation of funds depends on a country's needs and absorption capacity and its level of implementation of agreed reforms. As from 2014 the ENPI was replaced by the European Neighbourhood Instrument (ENI), which provides increased support to 16 partner countries to the east and south of the EU's borders.

<sup>124</sup> CBC is a key priority of the ENPI. Its CBC strategy has four key objectives: to promote economic and social development in border areas, address common challenges, ensure efficient and secure borders, and promote people-to-people cooperation.  
[http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index\\_en.htm](http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/index_en.htm).

<sup>125</sup> CBC will be also financed by the European Regional Development Fund. For example, the EaP Territorial Cooperation Support Programme promotes sustainable cross-border cooperation between border regions of the EaP countries by building the capacities of local and regional authorities to effectively manage future cross-border programmes in the region. The time frame is 2012–2015 with a budget of €5.5 million. [http://www.enpi-info.eu/maineast.php?id=465&id\\_type=10](http://www.enpi-info.eu/maineast.php?id=465&id_type=10).  
<http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/>, Regulation of the European Parliament and of the Council on ENPI; Executive Summary of the ENPI CBC Strategy Paper. <http://ec.europa.eu/europeaid/where/neighbourhood/regional-cooperation/enpi-cross-border/>.

The ENPI also supported cross-border and trans-regional cooperation as well as gradual economic integration of recipient countries with the EU beneficiary countries. In 2011–2012 the ENPI Cross-Border Cooperation Programme with a budget of €500,000 implemented a project with a focus on training activities enabling job placement for the disadvantaged population in Beregovo (Ukraine) and Miskolc. The overall objective of the action was to contribute to the intensification and deepening of cooperation between institutions in Zakarpatska, Ukraine and Miskolc, Hungary. As a result, unemployed people (especially Roma, women, and the disabled) gained new skills in order to successfully apply for jobs in the Miskolc and Zakarpatska regions. A further benefit was that the initiative strengthened regional and institutional cooperation between Miskolc and Beregovo.

### **5.7 Ukraine–Slovakia Cooperation under the Framework of the Carpathian Euroregion**

In the wake of the European integration, Slovakia launched National Conventions for European Integration in Moldova and Ukraine and the Centre of Transfer of the Slovak and presented Experiences from the Accession Process at the Ministry of Foreign Affairs in Bratislava. Using standard tools and additional financial capacity, the International Visegrad Fund<sup>126</sup> started with flagship projects aimed at promotion of the Slovak Democratization and Transformation experience, development of regional cooperation, and support of civil society.

The EaP CBC also set up a network of civil society organizations in the EU and partner countries. EC assistance in this area provided administrative and financial support for cooperation across the region and sub-regions between civil society organizations. The Conference of Regional and Local Authorities in the EaP (CORLEAP)<sup>127</sup> was established by the Committee of the Regions in 2011 to bring a regional and local dimension into the EU's Eastern Partnership. CORLEAP brought together 36 regional and local elected

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<sup>126</sup> Ministry of Foreign and European Affairs of the Slovak Republic. Information about Visegrad is also available here: <http://visegradfund.org/home/>.

<sup>127</sup> CORLEAP is the political forum of local and regional authorities from the European Union and the Eastern Partnership countries. It is the only EU platform that offers an opportunity to discuss the contribution by cities and regions in the development of the Eastern Partnership.

representatives from the EU and its Eastern Partnership countries. CoR President and CORLEAP co-chair Ramón Luis Valcárcel Siso stressed that an important factor enabling multi-level governance to function effectively was greater political and fiscal autonomy for regional and local authorities. The three EaP priorities of public administration, fiscal decentralization, and regional cooperation were addressed in a report submitted at the CORLEAP meeting in Lithuania in November 2013. CORLEAP members stress that decentralization and territorial cooperation are key for a successful implementation of the Association Agreements and for economic, political, and social development. According to Michel Lebrun, a CoR President and CORLEAP co-chair, “decentralisation reforms and more cross-border cooperation” can lead “to greater legitimacy of policies on the local level and provide concrete solutions to problems for people living on both sides of a frontier” (the Annual Meeting of the Conference of the Regional and Local Authorities for the Eastern Partnership, Tbilisi, 2014).

The well-known EaP instruments for institution-building also supported the authority’s administrative capacity to implement CBC policies at both local and national levels. They included TAIEX, Twinning,<sup>128</sup> SIGMA, and recent comprehensive institution-building programmes. The EaP clearly created new multilateral institutions in EU policy towards the East (Delcour, 2011). However, in parallel it drew the line for a reinforcement of bilateral cooperation at various levels, i.e., of the contractual relations with the neighbours through the negotiation of Association Agreements, Deep and Comprehensive Free Trade Agreements, visa liberalization, cooperation in the field of energy, support to social and economic policies, and finally assistance aimed at strengthening institutional capacities in order to meet the requirements of negotiated agreements.

## **5.8 Methodology: SWOT Analysis**

This methodology section considers SWAP analysis . This is examined separately in the subsections below.

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<sup>128</sup> According to the Working Plan of the Administrative Office of the Twinning Programme, there were 61 Twinning projects for 2013 in Ukraine.



**Figure 5.1. Carpathian Euroregion**

This sub-section uses the examples of Carpathian Euroregion and Russia–Latvia cooperation, and identifies their similarities. According to the Russia–Latvia SWOT Analysis and Planning for Cross-Border Co-operation in Northern Europe performed by Institute of International Sociology of Gorizia for the Council of Europe, and the SWOT analysis of the Carpathian Euroregion prepared in 2010, the long tradition of intense cross-border human contacts can be maintained and further developed. The SWOT analysis method is based on identifying the dimensions and internal indicators of a cross-border area, as well as external ones referred to central governments or Europe, in order to subsequently measure the indicators, making it possible to evaluate them as positive or negative, according to the intensity of their presence. Through complex data processing, SWOT analysis made it possible to define the conditions of cross-border cooperation in a specific area and, at the same time, helped to highlight any potential for cooperation by working on the existing elements (Gasparini, A., & Ferluga, E., 2005). so as to emphasize strengths (S) and opportunities (O), while limiting the negative effects of weaknesses (W) and threats (T). SWOT analysis may be used in any decision-making situation when a desired end-state

(objective) is defined. SWOT analysis may also be used in pre-crisis planning and preventive crisis management.

**Strengths:** Institutional factors for effective cross-border cooperation include: signatory of the European Outline Convention on Transfrontier Co-operation (Madrid, 21 May 1980); signatory of the 1995 Additional Protocol to the Madrid Convention; signatory of the 1998 Second Protocol to the Madrid Convention; internationally recognized borders; good institutional and legal framework (based on EU requirements); the Euroregion is a potential EU Objective area (nature conservation, environmental protection, rural development, ethnic groups in backward situation, educational infrastructure to be developed); administrative factors for effective cross-border cooperation; official definition of cross-border areas; local authorities' co-operation with foreign partners.

Economic factors for effective cross-border cooperation include: presence of positive "filter" borders in both countries; participation in Interreg/Phare projects; efficient and well-connected road, rail, and waterway networks; favourable natural endowments: fertile soil, fresh air, clean environment; ecological conditions which are on the whole favourable for agricultural production, considerable nature conservation areas; good touristic endowments for thermal, hunting, and cultural tourism; a considerable number of cheap relatively well qualified labour force; ambitions for recognition and application of the operational mechanisms of market economy; growing interest towards the opportunities offered by the European Union; and advantageous proximity to Eastern markets.

Linguistic, cultural, and historical factors for effective cross-border cooperation include: common historical background and absence of stereotypes; common language or widespread knowledge of the neighbouring country's language, at least on one side of the border; ratification of the 1995 Framework Convention for the Protection of Ethnic Minorities; tradition of cooperation; and good transboundary transport routes (geomorphology, passes, types of transport).

**Weaknesses:** Institutional obstacles to cross-border cooperation include: state centralization; lack of adequate structures for cross-border cooperation; conflicting

competence on either side of the border; restrictive legal regulations on cross-border relations; lack of credibility; low mutual knowledge and trust; and insufficient financial resources. Different political-ideological orientations lead to a weak reaction to opportunities for cross-border cooperation.

Main economic obstacles to cross-border cooperation include: uneven development levels; weak or absent response to opportunities for cross-border cooperation; considerable distance from the national and Western European economic centres; worn-out self-supporting local development resources; and lack of financial resources for the necessary public expenditures. Socio-cultural obstacles to cross-border cooperation include: presence of national/regional negative stereotypes; language barriers; weak or absent response to opportunities for cross-border cooperation; low exploitation of the possibilities offered by transit circulation; weak accessibility; underdevelopment of tourism; and the small number of experts and professionals speaking foreign languages.

**Opportunities:** Establishment and development of direct contacts between municipalities, local authorities, NGOs, and citizens of both countries should be promoted. The border infrastructure and crossing points have to be modernized and their capacity strengthened. The border guards of both countries should interact on a permanent basis and exchange information and experience. Opportunities for developing tourism facilities to promote cross-border exchanges. In view of the similarity of the problems faced by the authorities at the regional and municipal levels, it should be possible to introduce joint programmes and projects in the fields of personnel training, spatial planning, and spatial development planning. More active utilization of the opportunities offered by international arrangements, in particular the “Pskov-Livonia” Euroregion and the Carpathian Euroregion.

**Common risks and threats:** Illegal trafficking and organized crime in the cross-border region. More effective border checkpoints should be established that would facilitate cross-border transport and trade relations between the countries. This should also help to prevent traffic jams, corruption on the border, and smuggling. There is a strong migration tendency in the border area, which may affect not only its demographic structure but also and above all its occupational skills structure. Central government bureaucracy hinders local

agencies and authorities from launching their own cross-border projects and programmes. Participation in the Schengen Area can make bilateral Russian–Latvian cross-border cooperation less flexible and more dependent not only on national governments, but also on various international arrangements. As a further threat, the falling behind of the Carpathian Euroregion from the centre regions of the member countries is intensifying and its peripheral situation is increasing; with marginalization and segregation, possibilities for self-government in the member regions are becoming limited. Additional threats: intensification of isolation due to the deterioration of accessibility; deterioration of the state of the public roads and the further loss of the role of railways; modernization of the network of long-distance roads on the area of the Carpathian Euroregion has been cancelled; acknowledgement of the Carpathian Euroregion remains unfavourable and no significant foreign capital is arriving in the region; as the advantages offered by the professional, scientific, and integration centres are not exploited, the function of being an international bridge will be lost; the member counties are at different stages of the integration process; and a new type of “Iron Curtain” is being formed between Eastern and Western Europe.

References for the SWOT analysis are included in the reference section for this paper.

## **5.9 Conclusion**

This paper aimed to identify programmes, mechanisms, and benefits of cross-border cooperation and community-building in the form of Carpathian Euroregion in Ukraine, and to answer the question of the extent to which the existing institutional mechanisms and instruments of CBC influence the European integration course of Ukraine. Largely due to the lack of strategic vision for development of the Carpathian Euroregion, examples of practical cooperation at the EU level have been very limited.<sup>129</sup> Argument about cooperation with civil society as a mechanism that helps gain trust in governance could be expanded towards the European integration course of Ukraine. With regard to decentralization, on the one

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<sup>129</sup> The website for MFA of Ukraine provides very limited examples of practical cooperation: Presentation of Dnipropetrovsk region in Brussels in April 2012; Presentation of Vinnytsia region in Brussels on 15 September 2011; Crimea Investment Forum in Brussels; EC allocates €12 million for Joint Initiative on Crimea in May 2011.

hand there is widespread public support and political will within the present government in Ukraine for decentralization reform. Many important stakeholders view its implementation as an urgent priority to move Ukraine towards integration with the European Community. On the other hand, while there appears to be political will at high levels of governance, including President Poroshenko, many political actors have yet to accept the reform due to issues related to political competition at the national level. To conclude, the role of the bordering territories of the Carpathian Euroregion in international cooperation is of great significance from both political and territorial perspectives, and in relation to the European integration course of the Ukrainian state.

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**VI. Paper 5. Media Perceptions of the European Union and Russia in Belarus.** Prepared for EXIE project.

*The status of civil society in Belarus? We don't have it here in Belarus; that's what we are fighting for. There is no freedom of speech and no independent judiciary—the two prerequisites for the existence of civil society.*

—Andrei Sannikov, former Deputy Foreign Minister of Belarus

### **6.1 Abstract**

Since 1996 the state of governance in Belarus has remained largely unchanged. Belarus has been consequently branded as Europe's Cuba, an outpost of tyranny, the last dictatorship in Europe, a country on standby—but that has lately been considered an island of stability. Geopolitically Belarus is caught between two different civilizational integrationist projects: the Eurasian Economic Union (EAEU) and the European Union. The media environment in Belarus is the most restrictive in Europe: the government keeps tight control over the media as a means of preserving power. Government control benefits state-owned providers and at the same time hinders the development of independent media through legislative and administrative restrictions. Moreover, the state-owned media gets significant budget subsidies, favourable advertising, and distribution contracts with government agencies. In comparison, independent publications face economic discrimination and distribution restrictions. It can be noted that there is also compulsory subscription to state-owned newspapers, both national and local, for employees of state-owned enterprises and organizations.

**Keywords:** Belarus, Belarus media, Eastern partnership, European Union, Russia

### **6.2 Introduction: General Press Situation in Belarus, Printed Media Selection**

State-owned newspapers in Belarus offer significant coverage of the “Eastern vector” while paying particular attention to cooperation with Russia, former commonwealth independent states (CIS), the State Union, the Customs Union, and the Eurasian Union. In comparison, non-state newspapers give significantly more coverage on Belarus relations with the EU and

its member states (MS), activities of political opposition, political parties, civil society, and human rights as well as more coverage of Western and international news. Non-state newspapers also pay substantial attention to Russia–Belarus relations. Overall, there is very little coverage of civil society events in the printed media.

Two key periods were observed in the mutual relationships of Belarus with Russia and the EU:

- The Eastern Partnership (EaP) Summit in Riga 21–22 May 2015 (time frame included in analysis: 11–31 May 2015)
- The beginning of Russian military involvement in Syria in September/October 2015 (time frame included in analysis: 30 September to 13 November 2015)

Leading press was considered for observation: prestigious broadsheets with the highest circulation, and national opinion-forming weekly magazines. For current analysis two leading state-controlled newspapers and one non-state newspaper (two dailies and one weekly) were chosen. **DAILY 1: *Respublika*** (Рэспубліка; The Republic) is the official bilingual newspaper of the Government of Belarus, circulation 119, 500 copies. **DAILY 2: *Zviazda*** (Звязда; The Star), is one of the largest state-controlled Belarusian language newspapers, circulation 20, 022 copies. This is an official newspaper that covers the activities of the Supreme Soviet, the Parliament, and the Council of Ministers of Belarus. The monthly supplement *Chernobyl* (which began in 1993) deals with issues linked to the nuclear power station disaster in neighbouring Ukraine in 1986. *Respublika* and *Zviazda* are both printed by the Belarus House of Press (Belorusskii Dom Pechati). **Weekly: *Belorusy i Rynok*** (Белорусы и Рынок; Belarusians and Market) is a weekly independent business newspaper, 12,000/5,000copies. This non-government newspaper was the first in Belarus to analyse the complex problems of transitioning to a market economy and the accompanying new businesses. A brief summary of the Belarus economy is that it preserves many characteristics of a planned economy where a significant share of GDP is allocated to social expenditure. About 80% of all industry remains in state hands (Belarus Industrial and Business Directory, 2015). The stated mission of *Belorusy i Rynok* is to assist the development of democratic institutions in Belarusian society.

The key target readership of all three selected publications is business people and politicians.

**Table 6.1. Newspapers Observed**

| Country | Daily/state newspaper   | Daily/state newspaper   | Weekly /non-state newspaper   |
|---------|---|---|---|
| Belarus | <i>Zviazda</i><br><a href="http://www.zviazda.by">http://www.zviazda.by</a> | <i>Respublika</i><br><a href="http://www.respublika.sb.by">www.respublika.sb.by</a> | <i>Belarusians and Market</i> ; former title <i>Belarusian Market</i> (the title has been changed due to national law requirements).<br><a href="http://www.belmarket.by">www.belmarket.by</a><br>(archive: <a href="http://www.br.minsk.by">www.br.minsk.by</a> ). |

### 6.3 Main Findings: Media Perceptions of Russia in Belarus

During the two key periods of my observation, Belarus newspapers continued to pay much attention to the role of Belarus within the Union State, also referred to as the Union State of Russia and Belarus. This is a politico-economic union consisting of the Russian Federation and the Republic of Belarus, officially created in 1999. Belarus state media put equal and sometimes even greater emphasis on relations with the Union State as compared with Russia.<sup>130</sup> For instance, economic cooperation was discussed in view of the existing Union State. In economic terms, more than 40% of Belarus exports consists of refined oil products produced from Russian crude oil. The share of gas supplied from Russia amounts

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<sup>130</sup> Signed by the heads of states in 1999, the **Agreement on Establishment of the Union State of Belarus and Russia** sets up the legal basis for integration between the two countries. According to the Agreement, Belarus and Russia define a series of major goals. Both countries move on each of these, taking into consideration the priority of social and economic matters. They develop their partnership under the unquestioned principles of state sovereignty and territorial integrity of both nations as well as due to implementation of their international obligations.  
<http://mfa.gov.by/en/courtiers/russia/>; <http://eng.belta.by/politics/view/lavrov-cooperation-with-cis-eeu-csto-union-state-is-russias-foreign-policy-priority-86244-2015/>.

The Union State is also reflected in the **Concept of the Foreign Policy of the Russian Federation**. *Approved by President of the Russian Federation V. Putin on 12 February 2013.*

to more than 90% of the fuel balance of Belarus. As a result, Belarus is largely dependent on imported energy and raw materials from Russia.

Despite this dependence, state media in particular positioned Belarus as an independent partner to Russia, which should effectively exploit its main asset of being a corridor between East and West. Politically, Russia has always recognized the results of presidential or parliamentary elections in Belarus, thus ensuring political support for its regime. Furthermore, Belarus even made statements about Russia's dependence on Belarus for security matters. The Belarus–Russia relationship was mentioned not just within the framework of the Union State but also within various integrationist projects: the Union of Belarus and Russia, the Collective Security Treaty Organization, the Customs Union, and the Eurasian Economic Community. In addition, in view of recent events in Ukraine, Belarus strongly situated itself as a transition country between the Eurasian Economic Community and the European Union.

The findings are discussed using the following frames in terms of Belarus–Russia relations (the same frames are used to understand perceptions of the EU in Belarus, presented in the next section of this paper): politics; economy; energy; social affairs; environment; international development; research, science, and technology; normative; and cultural. The two state newspapers depicted Belarus as being in a superior position to Europe (including the EU and its MS), Central Eastern European countries, Russia, and Ukraine in particular, by virtue of having strong state control over economic life. Under the economy frame the main topics covered were standardization and unification within the Eurasian Union; joint industrial cooperation; development of strong trade and economic links between Belarus and Russia through cooperation with importers; Russian companies working in the local market; and formation of joint associations and financial institutions.

Belarus historically finds itself in between the EU member states and Russia. Currently its foreign and security policy is formed by the powerful presidency—and is often more pragmatic than it would seem at first sight. For example, Belarus's hope for Chinese investment to restore its so-called Silk Road has been used as an opportunity to make Belarus itself an attractive place for Chinese business and to serve as a safe and friendly transit corridor connecting China and the EU. The same interest characterizes Belarus relations with members of the EURASIAN community.

In media analysis of the three newspapers, Russia and its actors are evaluated as neutral (46.4%), between positive and neutral (21.4%), and positive (25%). Negative evaluation in the media observed was 7.1%. As an example of the negative evaluation, falling cargo turnover in the Eurasian Economic Union forced Belarus transport companies to revise the geography of their transport and expeditionary services. The Russian market was in some way depicted as no longer a reliable source of revenue. The devaluation of the ruble and the mutual Russian and Western sanctions seriously changed the usual market conditions in Russia and the EAEU. However, criticism of certain Russian actions, mostly in the economic field, is typically counterbalanced with confirmation of longstanding friendship and acknowledgement of a common past. Article titles frequently portray positive images of Russia (Russian Federation), the Union State, or the EURASIAN Union, for example: “Russian bank will help Belarus customers,” “To work in unison,” “In one bunch,” “Unite and become stronger,” “An island of great opportunities,” etc.

There was strong emphasis on a common past and important economic, political, and military cooperation with Russia, especially in the state media. Historically, Russia and Belarus share a tragic common past and heroic memory about the Great Patriotic War (World War II). However, the topic of the Great Patriotic War was exploited by the state and its media to show the importance of common history and memory, in order to fight any rising distortions of WWII. For example, the Parliamentary Assembly of Belarus and Russia called to people of the Union State not only to preserve the memory of the heroic deeds of those who participated in the Great Patriotic War, but also to fight for that memory. A further example was coverage of the book exhibition “Books Serve Peace” held in St. Petersburg in which the topic of WWII was paid exceptional attention. Moreover, media coverage of the creation of the Union of Belarus and Russia can be partly explained by direct threats to the national security of Belarus and Russia when NATO underwent its expansion to the East. As a result, the military of the two states not only fought external threats but also strengthened the Union from within.

The beginning of Russian military involvement in Syria in September/October 2015 coincided with the presidential elections in Belarus. As a result, there was considerably more attention paid to Belarus’s domestic situation, its economic, political, and cultural

affairs, its general achievements, and current economic limitations than to international events, including war in Syria.

A greater degree of scepticism in the Belarus press vis-à-vis Russia might have been expected but conducted media analysis was not able to confirm this. Belarus is a small authoritarian state and from time to time its press sends clear signals to Russia endorsing its own power. To reiterate, there was stronger emphasis on the superiority of Belarus in relation to both Russia (to a lesser extent) and the West (to a greater extent), in particular when state control of the economy, and peace and stability issues were discussed. First place among country actors who interacted with Russia not surprisingly belonged to Belarus policy-makers (Belarus president, the Chairman of the National Bank, Foreign Minister of Belarus Ministry of Foreign Affairs, other top officials) while business came second (again, a majority of business enterprises belong to the state), and civil society actors came third.

**Table 6.2. Thematic Frame of Actions of Russia and Its Actors:**

|                                   |           |       |
|-----------------------------------|-----------|-------|
| Politics                          | <b>8</b>  | 28.6% |
| Economy                           | <b>21</b> | 75%   |
| Energy                            | <b>2</b>  | 7.1%  |
| Social Affairs                    | <b>2</b>  | 7.1%  |
| Environment                       | <b>1</b>  | 3.6%  |
| International Development         | <b>0</b>  | 0%    |
| Research, Science, and Technology | <b>1</b>  | 3.6%  |
| Normative                         | <b>0</b>  | 0%    |
| Cultural                          | <b>2</b>  | 7.1%  |

**The dominant thematic frame of the actions of Russia and its actors is economy, which accounted for 75%.**

#### **6.4 Main Findings: Media Perception of the EU in Belarus**

Media analysis of both the state and the non-state press shows that Belarus continues to manoeuvre between Russia and the West. However, the European Union (or more broadly Europe) might not be the key subject but is surely among the important foreign policy matters in Belarus media. In contrast to Russia, Belarus participates in the EU EaP (Eastern Partnership) policy, at least formally. It takes part only in its multilateral track. Evaluation of the EU news in Belarus media is generally neutral (50%) whereas 15.8% is evaluated between positive and neutral, and an equal percentage shows evaluation between neutral and negative. However, all observed newspapers also gave somewhat more attention to news and themes that are negative about the EU in comparison to relations with Russia: 13.2% of news is evaluated as negative.

EU policy goals towards Belarus were based on two main principles which aimed to ensure at least formal independence of Belarus from Russia and guarantee a reliable transit of goods and energy by making Belarus at the same time a barrier in the way of illegal migration. Official Belarus–EU cooperation was based on the Partnership and Cooperation Agreement (PCA) signed between Belarus and the EU in 1995. However, ratification of the EU–Belarus PCA has been frozen by the EU side since 1997 in response to the political situation in the country: no international organization recognized the results of the referendum of November 1996 which extended Lukashenko’s term in office by two years, gave him extraordinary powers over the legislature, and replaced the Supreme Soviet of Belarus with the People’s Assembly of 110 handpicked deputies. This was followed by regular violations of electoral standards in Belarus's presidential elections (especially in 2010) and the subsequent crackdown on civil society, political opposition, and independent media.

To some extent content analysis of the observed press discloses the unclear nature of the EU’s (Europe’s) image presented in Belarus media. The dominant thematic frame is politics, however the economy frame very closely follows. For example, some articles contained criticism of democratic elections in Europe showing them to be far from ideal; some provided information about expensive Schengen or national visas for Belarus citizens to EU MS like Poland or Lithuania. At the same time media talked about cheap and high-quality Polish goods in a way that clearly demonstrated that Belarus state authorities

understand the necessity to use economic tools to support a national producer in order to make it more competitive. However, there was always emphasis on the strong role of the state, and competition without state control was presented by the state media as “dead.”

Current assistance for Belarus is granted under the Country Strategy Paper 2014–2020 in the framework of the European Neighbourhood Policy (ENP) under the European Neighbourhood Policy Instrument (ENPI), and focuses on social inclusion, environment, and local and regional development. However, there is no action plan yet in place. Belarus is also a member of the EaP initiative but participates only in its multilateral track. Relations and goals towards cooperation with Belarus will be further advanced through the European Neighbourhood Instrument (ENI),<sup>131</sup> which replaced the ENPI in order to reflect real needs and considerations that have emerged over the years. Concerning topics covered by Belarus media, the EaP summit in Riga was reported by Belarus press as not meeting existing expectations of the neighbouring countries. Initially the EU policy aimed at advancement of the governance system, economic integration including a free trade zone, energy security, humanitarian aid, and visa liberalization. Belarus signed the final declaration of the Riga EaP summit with few restrictions: it refused to condemn Russian annexation of Crimea and did not sign an agreement on visa liberalization. Vladimir Makej, the Minister of Foreign Affairs of Belarus, negatively assessed EaP development and positively assessed the non-conflictual approach followed by Belarus. According to him Belarus was the only country in the EaP region which did not participate in any conflict. He also suggested making EaP policy more flexible, focused, and pragmatic. As an example of progressive and effective cooperation, media reported that about 30 Polish entrepreneurs had visited Belarus to learn about possibilities for potential investments.

In addition, the EU Court in Luxembourg annulled its sanctions imposed in 2012 against Yuriy Chizh<sup>132</sup> and two assets owned by him: the company "Triple" and the football club "Dynamo Minsk." As reported with reference to the EU Observer, the Council of Europe

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<sup>131</sup> For ENI see <https://www.euneighbours.eu/en/policy/european-neighbourhood-instrument-eni>. The Regulation setting up the ENI underlines that it should give support to implementation of the political initiatives shaping the ENP, including the EaP and the Union for the Mediterranean.

<sup>132</sup> Later in 2016 Yuri Chizh was jailed by Belarus authorities for tax avoidance.

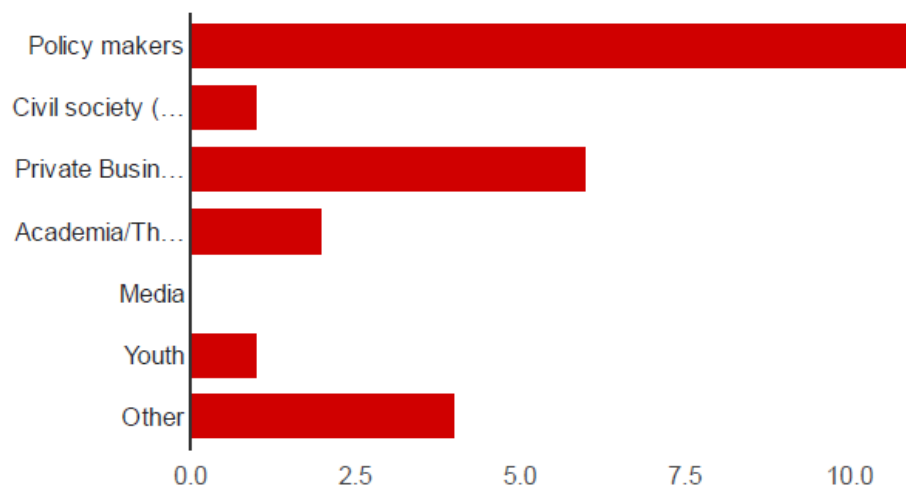
has not provided enough evidence that Chizh "financially supports authoritarian Belarusian authorities in exchange for promoting his business." The court also noted that the Council of the EU, as the losing party, must reimburse legal costs to Chizh and his company, if there is such a requirement. Earlier in July the EU doublecut the blacklist of Belarusian officials and legal entities, moving out from under the sanctions 26 people and four companies belonging to Chizh.

The Minsk agreements are among those topics that were covered very intensely by Belarus press during the observed period. The agreements helped Belarus and Lukashenko, its president, to position Belarus as an island of security, stability, and peace, with a regime that was the most effective and pragmatic one for Belarus. After presidential elections in October Lukashenko in his inaugural speech indicated that he was hoping to maintain stability in both the domestic and the international arena. The Minsk agreements and the lifting of EU sanctions the day after the presidential elections clearly demonstrated the warming of Belarus–EU relations and opened a perspective for change in Belarus itself. As a result, Belarus now sought to build closer economic ties with the EU and Europe in general.

On the whole, all three Belarus newspapers disseminate an image of the EU as a prospective economic partner. However, the state press advances a pragmatic but still fairly cautious attitude towards EU in Belarus society. The topic of pragmatism reads quite well through the whole media news: for example, the Belarus–Balkan relationship is based on pragmatism and realization of concrete economic infrastructure projects, which is distinct from the Russia–Balkan relationship where ideological motives often prevail. Among local actors who are reported to interact with the EU, the top place unsurprisingly is occupied by governmental officials and the president himself; business and academia come second and civil society actors appear in third place. Media report statements by Lukashenko concerning recent positive dynamics within Belarus–EU dialogue that will eventually lead to full normalization of their relations. He stresses that Belarus is interested in expanding trade, economic, and investment cooperation with the EU and counts on a full normalization of Belarus–EU relations. Lukashenko sees the warming of Belarusian relations with the EU as the beginning of a new stage in his own life and in Belarus society. This official line is clearly reflected in various articles, in particular those written by the state media in Belarus.

Analysis of Belarus media also shows an emergence of a so-called civil society with a tendency to follow a pro-government line. The idea of “civil society” in the Belarus official media discourse is understood as the appearance of public associations that cooperate with the government in order to implement official policy rather than encourage the diverse development of free and autonomous civic associations that function with the purpose of limiting, legitimizing, and controlling political power (Wood, 1990). Both state and non-state media reflected this trend when covering cooperation of civil society with Belarus authorities on typically non-controversial social issues.

**Table 6.3. Local Actors Who Are Reported to Interact with the EU**



**Table 6.4. Thematic Frame of the EU and Its Actors' Actions**

|  |    |       |
|--|----|-------|
| Politics                               | 23 | 60.5% |
| Economy                                | 21 | 55.3% |
| Energy                                 | 0  | 0%    |
| Social Affairs                         | 2  | 5.3%  |
| Environment                            | 0  | 0%    |
| International Development              | 0  | 0%    |
| Research, Science and Technology (RST) | 0  | 0%    |
| Normative                              | 0  | 0%    |
| Cultural                               | 4  | 10.5% |

In conclusion, Belarus–EU relations still do not have a developed infrastructure: no PCA; the withdrawal of Generalized System of Preferences (GSP) from 21 June 2007 over workers' rights violations relating to freedom of association; and EU sanctions imposed since disputed elections in 2004 (which were temporarily lifted for a period of 4 months in October 2015). In September 2014 Minsk saw the conclusion of Trilateral Contact Group (Russia–Ukraine–Organization for Security and Cooperation in Europe [OSCE]) consultations and the signing of a protocol on a ceasefire in the two Ukrainian regions of Donetsk and Luhansk. As a result, the Minsk agreements<sup>133</sup> helped Belarus to position itself as an island of security, stability, and peace domestically and internationally. This inability of the international community to solve the conflict in Eastern Ukraine gave Belarus a new opportunity to become a negotiation platform for the conflicting sides.

Conceptual metaphors of the EU which appeared in the title of articles in Belarus media generally showed more negativity towards EU than towards Russia: for example, “clear choice of foggy Albion,” “Macedonian shooting” (strelba po-makedonski), “negative impact of soft power,” “declarations and decorations,” “Poland as a 'good civilizing actor'”

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<sup>133</sup> The most significant peace agreements were signed in Belarus and given the informal titles Minsk-1 (5 September 2014) and Minsk-2 (11 February 2015).

(dobryi tsivilizator), “Competition is dead without the state,” and “The sky has been shut down.”

### **6.5 Conclusion: General Situation of Civil Society in Belarus**

The October 2015 presidential election in Belarus clearly showed that the Belarusian authorities want to look more democratic to the West/Europe without allowing many changes inside the country, including establishment of a two-way relationship with civil society. The Belarus regime has always seen civil society as an integral component of the regime, rather than a domain separate from the state. The opposition has the difficulty of wanting to play a meaningful role in the political process in Belarus, at the same time without legitimizing the fraudulent election process.

To make matters worse, in Belarus the space of public politics is totally absent. The space of intellectual discussion is also shrinking and many vital issues remain unresolved and undiscussed, among them the problem of geopolitical choice; issues of historical memory; language; social and economic set up; and law-based or social state. Despite the desire of the European Union to engage more with Belarus—a desire that clashes with its commitment to the principles of human rights and democracy—problems persist, one of which is that Belarus continues to have one of the most restrictive and hostile media environments in Europe.

Today’s civil society in Belarus is thus still at a development stage. As a rule, for the reasons outlined above, online resources are commonly used to cover the most notable civil society developments. For the 20-year history of independent Belarus, civil society did not have a satisfactory environment that would foster its development and acknowledge those individuals or groups whose enthusiasm contributed to positive change in Belarus. Media coverage of such events is selective and covers normally social or economic news, such as education or literature events, and some entrepreneurial successes. On 14 May 2015 Belarus became a member of the Bologna Process. Earlier in 2012, Belarus’s accession to the European Higher Education Area was blocked due to the report of the Public Bologna Committee of Belarusian civil society representatives who spoke of frequent violations of academic freedom, particularly students and teachers who were expelled or fired because of their political opinions. However, Svetlana Matskevich, an expert of the Agency of Humanitarian Technologies, believes that membership in the Bologna Process is a merely

political act and might not necessarily lead a country to reform its higher education and institute systemic changes.

All programmes funded by the EU are to the benefit of Belarusian people at large and include significant support to civil society in the framework of the ENP (EaP). In Belarus, where political conditions under the Lukashenko regime did not allow the EU to sign the PCA or implement Technical Assistance for Commonwealth Independent States (TACIS) projects, EU aid moved to finance humanitarian and social projects. However, as mentioned above, the Minsk agreements and the lifting of sanctions by the EU immediately following the presidential elections demonstrated some degree of warming in official bilateral relations and indicated potential directions for change. The EU's technical and apolitical engagement with Belarus is one example, which yielded incremental Europeanization of the nation (Korosteleva 2015).

Andrei Sannikov, former Deputy Foreign Minister of Belarus and one of the most respected figures in the country, described the current status of civil society in Belarus by saying, "Lukashenko has created a system in which all legal and other instruments are used to put limits on any dissenting views and activities and keep the society within its limits. It doesn't mean that there are no dissidents, opposition, or attempts to challenge the regime. It means that the system does not have anything within itself that could serve as any kind of support for civil society." In summary, present-day Belarus is a dictatorship ruled by a president who is totally committed to preventing civil society and democracy from emerging. A functioning civil society in Belarus does not exist.

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## VII. Paper 6. Russia and EU Cooperation in Energy Policy: Sending and Receiving

### Messages?

#### 7.1 Abstract

The Normative Power Europe (NPE) literature has spent considerable attention on how the European Union (EU) has influence outside its borders. Few studies examine how EU 'messages' are being received in third (non-EU) countries. This paper examines how EU energy policy is 'received' in Russian media. Through a detailed media analysis of five snapshots of one month of articles in two leading Russian newspapers over five years (2009-2013), we argue that the Russian media does not receive EU messages quite the way the EU intends them to be received, even though Russia does respond to the so-called Third Energy Package. This paper contributes to our overall understanding of EU-Russia relations by offering a Russian perspective and thereby contributes to our general understanding of how EU external influence works in countries outside the EU.

**Keywords:** Energy Policy, EU, Images, International Relations, Media Analysis, Normative Power Europe, Perceptions, Russia

#### 7.2 Introduction

The scholarship on European Union (EU)-Russia relations in general, and dialogue on norms and values in particular, more often than not focuses on the EU perspective (e.g. Aalto, 2008; Gower & Timmins, 2009; Nitoiu, 2011; DeBardeleben & Viju, 2013). Although there is plenty of literature written on EU-Russia energy relationship (Esakova, 2012; Proedrou, 2007; Romanova, 2013), much less effort has been placed on examining how this relationship works from a Russian perspective (yet see Johnson & Robertson, 2005; Christie, 2009 for combined perspectives; see also Headley, 2014). Finally, normative dimension of EU-Russia energy dialogue remains an under-researched area.

This paper seeks to make a contribution to those gaps in the literature by offering a unique methodological perspective for studying EU-Russia energy relations. It adopts content media analysis to identify what frames are used most often in selected leading Russian newspapers in the field of energy policy. Not only do we study what comes out of that analysis, as the most important frames, but we also seek to learn how the EU is perceived from a Russian perspective. In terms of its theoretical approach the paper is

constructivist, in that it reflects on the Normative Power Europe (NPE)<sup>134</sup> literature, which is set out in more detail in the introductory paper of this special issue. In addition, this paper builds on the ‘cascading activation model’ (Entman, 2003; and the introduction of this Special Issue) by looking at how Russia’s influential newspapers’ representation of EU external energy governance is capable of creating and spreading frames of the EU as an energy actor. In a nutshell, we assume that images and perceptions can have a real influence on policy outcomes (Manners, 2002, 2006a, 2006b; Bicchi, 2006; Diez, 2006; Sjursen, 2006; Whitman, 2011). Images and perceptions also serve as the ‘cultural filters’ (Manners, 2002) when receivers process and react to norms and values sent by the sender, in this case: the EU (Bjorkdahl et al., 2015). We are aware that these insights have their limits (Hyde-Price, 2006). Furthermore, this project is premised on the fact that this literature has been overly eurocentric. Thus we examine what insights can be obtained by reversing the lens (rather than looking from Europe outside, we look ‘inside out’ – at how leading media in Russia portrays images of the EU). This paper seeks to examine media images of the EU as an energy actor (normative or note) and applies its findings to understand the EU-Russia energy policy field in the period 2009-2013.

This paper poses four key questions: Is the EU (post Lisbon) recognized by Russia as an international energy actor with a unique international identity? If so, how does Russia view the EU? Does Russia send out messages about energy that it has generated itself or does it respond to messages (policy objectives) developed by the EU? Finally, what are the outcomes and how can we explain them?

In terms of methodology this paper employs content media analysis (for details see the Introduction of this Special Issue). It examines five snapshots of one month of articles in two liberal Russian newspapers (*Vedomosti* and *Kommersant*) in the period 2009-2013. These two newspapers were selected because one represents a business daily *Vedomosti*<sup>135</sup>, created in 1999, is distributed in the major cities and regions throughout Russia and its

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<sup>134</sup> This literature sometimes differentiates between “Normative Power EU” and “Normative Power Europe.” But usually what is meant is the “EU” even if “Europe” is used, which strictly speaking is a broader category. Here we assume that the area that is meant is the EU.

<sup>135</sup> *Financial Times* and *The Wall Street Journal* joined their efforts in bringing *Vedomosti* to life. Together with the largest Russian publishing house, Sanoma Independent Media, *Vedomosti* has been published since 1999 ([www.vedomosti.ru](http://www.vedomosti.ru)).

readers are mostly middle and top management, in finance and banking, real estate, IT and key Russian industries. The other one is a prestigious popular newspaper *Kommersant*, which circulates throughout all regions of Russia.<sup>136</sup> The articles have been coded to highlight when Russia, EU and energy are mentioned (see the Introduction of this Special Issue for a description of the key search terms). The *Kommersant* is physically a larger newspaper with circulation of 120,000–130,000 copies (*Kommersant*, 2013).<sup>137</sup> By contrast, the circulation of *Vedomosti* is 75,000 (*Vedomosti*, 2014). The research focuses on what frames and issues come forward and the relative role of actors therein. The project ‘External Images of the EU: Images of the EU as Normative Energy Player’ developed two distinct datasets: (1) the images of the EU as an actor in energy affairs and (2) the thematic energy dataset which monitored the visibility of and interplay between the EU and the so-called BRICS countries (Brazil, Russia, India, China and South Africa) in this policy area. Yet, for the purposes of this article, only the data from the thematic energy dataset was employed.

The structure of this paper is as follows. The next section provides an overview of the literature on the strategies of Russia in the area of energy and the literature on EU-Russia relations with a particular focus on the strategies of Russia in the area of energy. The third section provides an overview of the data. The fourth section offers an analysis and the final section concludes.

### **7.3 EU–Russia Energy Governance**

The literature on Russian energy policy more often than not offers a rational choice, cost-benefit (Bozhilova and Hashimoto, 2010), interdependence (Proedrou, 2007; Finon & Locatelli, 2007) or geopolitical analysis (Winrow, 2007; Walker, 2007; Pursiainen, 1998). It

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<sup>136</sup> According to the Medialogia Statistic Agency, the two newspapers have been the leaders in circulation and citation index for the last few years with *Kommersant* often being #1 (MLG, [http://www.mlg.ru/ratings/federal\\_smi/](http://www.mlg.ru/ratings/federal_smi/)).

<sup>137</sup> Our original research design envisaged including *Rossiiskaya Gazeta* as a third newspaper as it is one of the best federal media sources owned by the Russian government. However, due to the frequency of circulation of the leading outlets, the scope of reviewed samples became too significant, and we decided to prioritize *Kommersant* as the leading outlet in circulation and citation impact. Needless to say, the comparative analysis of government-friendly sources holds a significant potential for future research.

predominantly focuses on Russian power politics assuming it is the reason for current transit and regional conflicts.

Willerton and Beznosov (2007) noted that since the collapse of the Soviet Union Russia has constantly struggled to reconstruct its regional power base while reasserting its regional leadership position. Following the Russia-Commonwealth of Independent States (CIS)-EU past and recent gas crises, the EU realized that it had become more urgent than before to diversify its energy sources (European Commission, 2014b)<sup>138</sup> and to strengthen its position in European energy governance. Busygina (2013) finds that EU-Russia energy relations remain influenced by the fact that Russia has better relations with certain leaders of some EU countries than with the EU as a whole because the EU has no prospect of a common foreign policy. For instance, Ruxandra (2012), who critically analysed the normative approach of the EU in the Black Sea region, concludes that in the EU's relations with Russia, the big member states sacrificed the interests of the Black Sea states. As a result they compromised the EU's normative commitment in order to construct a special relationship with Russia based on their strong economic ties. Additionally, the EU turned a blind eye to the sometimes unlawful policies of the leaders of the Black Sea states and consequently, it did not act as force for good (Ruxandra, 2012, p. 107).

With the majority of energy companies that signed bilateral deals with Gazprom and governments mainly working with Russia on a bilateral level, it becomes apparent that companies and governments have little hope in EU norm transfer (Vahl, 2006, p. 25). However, the Commission's energy liberalization plan, proposed to ensure energy security in Europe, contains a reciprocity clause ('Gazprom clause') that aims at inducing third (non-EU) countries to play by the EU's rules and includes the objective of closer coordination between the member states in external energy relations, measures to make more efficient use of existing resources, build infrastructure to connect member states to each other's electricity grids and other energy efficiency measures (European Commission, 2008). Our project supports the statement that the EU seeks to strengthen its position as a collective

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<sup>138</sup> After a deal was struck between Ukraine and the EU, on 23 March 2009, to upgrade Ukraine's gas pipelines, Russian Prime Minister Putin for the first time threatened to review Russia's relations with the EU.

energy player: therefore, we focus predominantly on the EU's ability to project its norms and rules in specific energy relations with Russia.<sup>139</sup>

Literature about external governance agenda of the EU focuses on energy policies and interdependence patterns with Russia. For instance, Lavenex (2004) argues that external governance seeks to expand the 'legal boundary' of the EU with only limited openings of its 'institutional boundary', thereby oscillating between an inclusionary and exclusionary approach towards its near abroad (Lavenex, 2004, pp. 680–700). Dimitrova and Dragneva (2009) argue that interdependence with Russia is a key variable that defines the effectiveness of the EU's external governance (Dimitrova & Dragneva, 2009). The authors use EU-Ukrainian relations to test how the influence of Russia affects the EU's ability to export its norms and rules abroad. They find that the EU's influence interfered with Russia's power-oriented politics, especially, in policy areas such as energy. The existence of such constraints has important implications, ranging from delineating a clear limit to what the EU can achieve in its neighbourhood policies to requiring internal EU policy adjustments to take into account Russia's presence, as for example with energy policy (Dimitrova & Dragneva, 2009, pp. 853–872).

The notion of governance presupposes forms of organization that go beyond hard notions of external and internal sovereignty. Lavenex (2004, p. 682) argues that, for contemporary Russia, however, the idea of sovereignty is at the centre of its view of itself, its neighbours and the state system in Europe. The Russian worldview may not include understanding of external governance as a projection of the EU's own multi-level governance system. Furthermore, Krastev (2008) argues that the clash between EU and Russia is ultimately a clash between a post-modern state, embodied by the EU and the traditional modern state, embodied by Russia.

Reviewing the main policies between the EU and Russia, in March 2013, the EU in cooperation with the Russian government adopted a roadmap about EU-Russia Energy

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<sup>139</sup> However, we do recognize the fact that Russia has shown little sign of wanting to conform to EU norms when member states increasingly voiced their opinion of working towards a geopolitical approach. Our research reveals the various EU member states that were visible in the identified news items. Germany, Italy, France and the United Kingdom occupied the top four positions. Germany was mentioned in 82 articles, Italy in 59 articles, France in 50 articles and the United Kingdom in 40 articles in the observed period in the two newspapers.

Cooperation until 2050<sup>140</sup>, developing different scenarios and considering their potential impact on EU-Russia relationship. The most disputable issue in the EU-Russia energy relationship has been the so-called EU's 'Third Energy Package'<sup>141</sup>, which prohibits a single company from both owning and operating a gas pipeline and contains rules on third party access to the natural oil transportation grid. The main arguments between Russia and the EU centre on the Package's legal measures, which are intended to prevent a monopolistic supply and limit the volume of gas that Gazprom could export to the EU.

Some Russian commentators<sup>142</sup> believe that the 'Third Energy Package' creates serious obstacles to ensuring a stable supply of Russian gas to the EU. In spring 2013 the Prime Minister of the Russian Federation, Dmitry Medvedev, noted that 'the EU is free to regulate its energy flows as it wants "without imposing unilateral decisions on its partners but taking into account their partners" arguments instead' (Ivanov, 2013, p. 8).

The current Energy Strategy of the Russian Federation '*Energy Strategy of Russia for the period of up to 2030*' (ES-2030) (Ministry of Energy of the Russian Federation, 2009) is the main document that sets out the future prospects of development in the energy field in Russia. It shows that Russia considers the issue of energy security a priority and it also stands against the growing tendency for politicization of the energy field on the global scale. Our media analysis below will indicate whether Russia follows its Strategy's priorities in its relations with the EU.

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<sup>140</sup> The roadmap EU-Russia Energy Cooperation was agreed upon within the EU-Russia energy dialogue launched 2000 under the umbrella of the EU-Russian strategic partnership. The framework of the EU-Russia Energy Permanent Partnership Council (EPPC) has been the main working body of the Russia-EU cooperation and the steering instrument with the dialogue since 2003. For further analysis of the dialogue see section 4 below.

<sup>141</sup> On 19 September 2007, the European Commission adopted the third package of legislative proposals for electricity and gas markets. A competitive and integrated energy market allows European consumers to choose between different suppliers and all suppliers, irrespective of their size, to access the market. European Commission, Energy.  
[http://ec.europa.eu/energy/gas\\_electricity/legislation/third\\_legislative\\_package\\_en.htm](http://ec.europa.eu/energy/gas_electricity/legislation/third_legislative_package_en.htm).

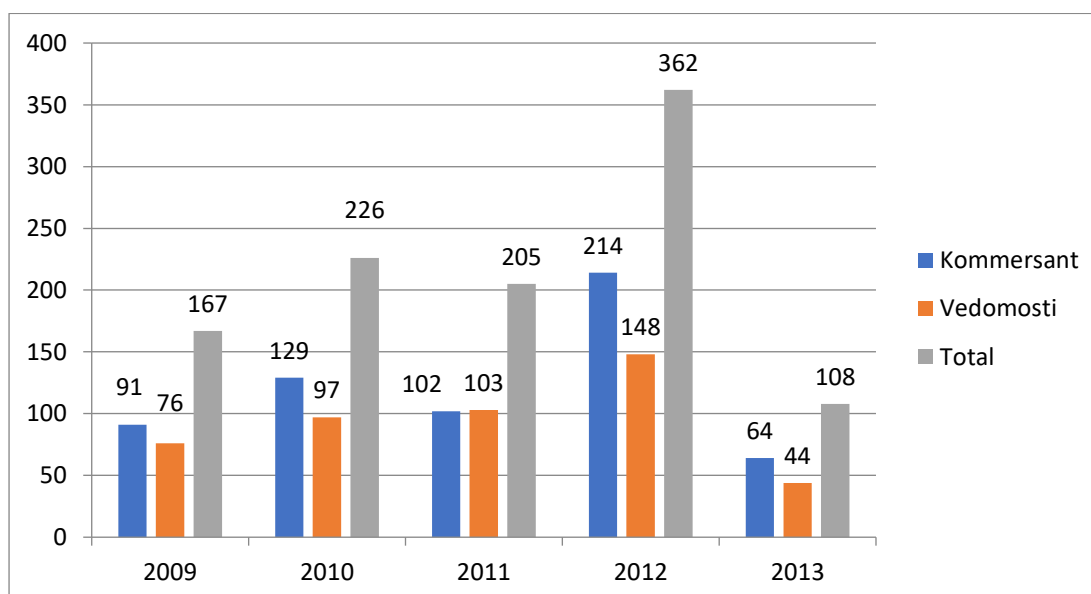
<sup>142</sup> Reported by Itar-Tass and Interfax leading Russian news agencies. "*These and other elements of the Third Energy Package, in the opinion of Russia, contradict the obligations of the EU in WTO on basic principles of non-discrimination and market access...the Third Energy Package creates serious obstacles to ensure a stable supply of Russian gas to the EU, including a threat to the construction of new transport infrastructure, for example, in the framework of the 'South Stream,'*" Medvedkov, Russia's chief WTO negotiator, told Interfax.

Finally, recent years have seen a growing interest in the debate over the EU's international actor image in 'third' countries (Chaban and Holland, 2008, 2011, 2013, 2014). Predictably, scholars have showed particular interest in Russia's vision of the EU's domestic and foreign policies. Gulyaeva (2013) zooms in on how the EU's actions in the countries of Russia's 'near abroad' and 'far abroad' are perceived in the Russia's media, among elites and the general public. There are prominent examples of in-depth interpretive analysis of EU-Russia energy relations through the prisms of public or political discourse (Proedrou, 2007; Chebakova, 2011; Gulyaeva, 2014; Tichý & Kratochvíl, 2014). However, the issue of external images of the EU in energy affairs remains a challenging and under-researched area in EU identity scholarship to which this paper seeks to contribute.

#### 7.4 Findings

In the monitored time period, a total of 1068 news items that referred to the EU and the BRICS in energy affairs were identified. Specifically, the thematic energy dataset on the visibility of the EU and the BRICS countries in energy affairs revealed that in 2009 there were 167 articles (16%), in 2010 – 226 articles (21%), in 2011 – 205 articles (19%), in 2012 – 362 articles (34%) and in 2013 – 108 articles (10%) that mentioned the EU-BRICS energy relations. The *Kommersant* accounted for 600 articles (56%) and the *Vedomosti* followed with 468 articles (44%) in the observed period. The *Kommersant* featured the highest volume of energy related news during the monitored periods.

**Figure 7.1. Visibility of the EU in Energy Affairs in Russia's Media Outlets**



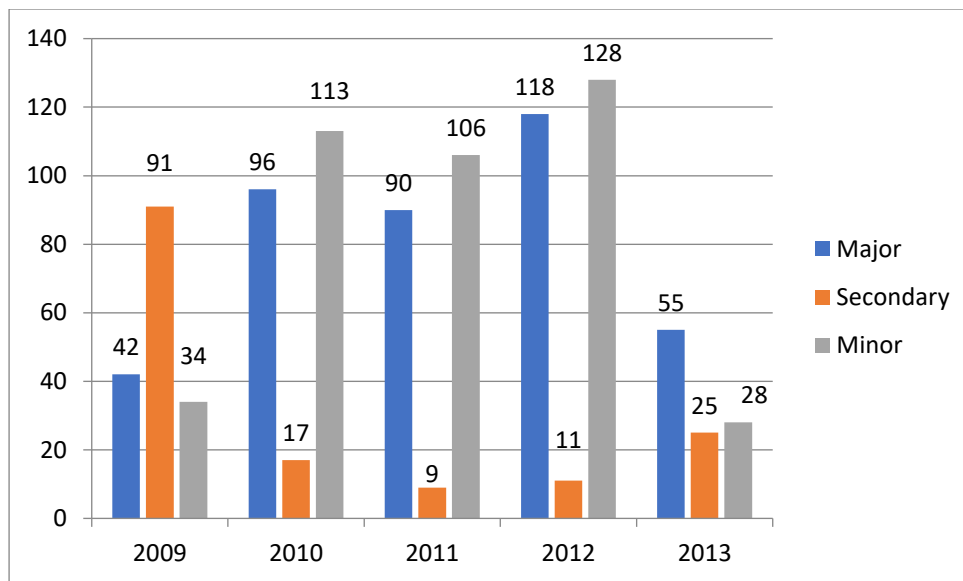
Source: Own calculations and compilation

The analysis of the most visible events assists in revealing whether the energy issue is a capable frame. The degree of visibility and memorability of the energy issue in the media coverage shows whether energy is a capable frame that can ‘stimulate support of or opposition to the sides in a political conflict’ (Entman, 2003, p. 417). The events reported in 2009-2013 included the EU’s relations with Russia in energy affairs in general; the effect of oil prices on the Russian economy; the problems caused by Russia’s dependency on the export of raw energy resources; the growth of energy consumption in the EU and the BRICS countries; Gazprom’s and Lukoil’s plans and strategies on investment and the construction of new energy infrastructure. News in which the energy issue was covered from a minor perspective dominated with 409 articles (38%). Specifically, this minor perspective was found in 17 articles in *Kommersant* and 17 articles in *Vedomosti* in 2009, in 67 articles in *Kommersant* and in 46 articles in *Vedomosti* in 2010, in 52 articles in *Kommersant* and in 54 articles in *Vedomosti* in 2011, in 77 articles in *Kommersant* and in 51 articles in *Vedomosti* in 2012 and in 14 articles in *Kommersant* and 14 articles in *Vedomosti* in 2013. The newspapers’ interest in providing coverage of Russia’s relations to the emerging powers, namely China and India, might explain the dominance of minor perspective of the energy frame in 2012. This data illustrates an application of this research to the cascading network activation model. The predominantly minor representations of the EU should not be underestimated as these may “push the activation of a particular set of mental connections” (Entman, 2003, p. 422), specifically the mental association of energy with Russia itself as the major actor in energy frame. The minor representation of the EU offers the journalists the ability to shape Russia’s leading voice in energy relations.

The news items, which presented the energy issue as the primary focus, accounted for 401 articles (37.5%). Again, the analysis showed that the major perspective was found in 42 articles in 2009 (25 in *Kommersant* and 17 in *Vedomosti*), in 96 articles in 2010 (51 in *Kommersant* and 45 in *Vedomosti*), in 90 articles in 2011 (46 in *Kommersant* and 44 in *Vedomosti*), in 118 articles in 2012 (69 in *Kommersant* and 49 in *Vedomosti*) and in 55 articles in 2013 (34 in *Kommersant* and 21 in *Vedomosti*). The year 2013 was the only monitored year where energy was predominantly portrayed from the major perspective. The ‘Third Energy Package’, which received a considerable resonance in 2013, increased the visibility of the energy issues. The secondary focus was found in 258 articles (24%). There

were 91 news items with the secondary focus of domesticity in 2009 (49 in *Kommersant* and 42 in *Vedomosti*), 17 items in 2010 (11 in *Kommersant* and 6 in *Vedomosti*), 9 items in 2011 (4 in *Kommersant* and 5 in *Vedomosti*), 116 items in 2012 (68 in *Kommersant* and 48 in *Vedomosti*), 25 items in 2013 (16 in *Kommersant* and 9 in *Vedomosti*). The recovery from the financial crisis might have moved the newspapers' coverage away from the energy issues towards the economic ones.

**Figure 7.2. Degree of Centrality of the Energy Issue**



Source: Own calculations and compilation

The degree of centrality of the EU and the BRICS actors assists in coding the intensity of actor's visibility and characterizes the energy issue as being highly salient (Entman, 2003, p. 6). A major perspective was the dominant focus of reporting on Russia's position in energy affairs found in 736 articles from 2009 to 2013. The newsmakers focused mainly on Russia's regional and international role in the energy affairs. By contrast, the EU received a minor focus in the coverage in 118 articles, meaning that the EU was referenced in news items only briefly. There were 65 articles that presented the EU from the secondary perspective, meaning that the EU was acting together with other actors. The secondary perspective indicates that the EU was perceived as one of the significant poles in the international energy arena together with such powers as India, China and Russia itself. The major perspective on the EU was seen in only 32 articles. This finding reveals that in the

eyes of the Russian newsmakers the EU is not the dominant actor who can lead the energy storyline although it is definitely an important energy player. The EU leadership capacities continued to be questioned by the newsmakers. The EU was considered as being dependent on other energy actors and as an actor that lacks the cohesion to act as a powerful entity.<sup>143</sup> The EU was not seen as a leading power. By contrast, the newsmakers framed Russia as a significant and leading energy actor whose actions matter to other international players. For example, *Kommersant* and *Vedomosti* extensively covered the international companies' experience in working in Russia (Harnas, 2010; Krutihin, 2010) and complex relations between Russia's Gazprom and German E.ON Ruhrgas (Grib, Egikian, & Kyseleva 2010). These articles by no means paint a rosy picture of Russia's politico-economic environment for the business development. The newsmakers highlighted both challenges and opportunities that Russia as an international actor can offer. Yet the newsmakers placed Russia – not the EU – in the centre of discussion on energy matters.

The focus of domesticity assists in evaluating the context and relevance of the news story to Russia. Overall, local news was the dominant focus of reporting. Clearly the local perspective raises the importance of the news story to the domestic audience by bringing the story closer to Russia. In terms of the cascading activation model, the local perspective might show that the newsmakers seek to make external energy policy more rational and connect the government's external energy policy with the true long-term interests of Russia (Entman, 2003).

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<sup>143</sup> When Russia was still trying to balance its needs with its desire for control, 2013 media releases, both in *Vedomosti* and *Kommersant*, showed gradually rising shared interest in cooperation on energy issues, in particular, liberalization, transit and investments. Such interest had been generated mostly out of common business needs and at the same time out of obstacles posed by the EU rules, such as The Third Energy Package. Alexander Novak, *Vedomosti* 2013: Government approved amendments to the law on "Gas Export" which allows "Novatek" and "Rosneft" to export independently LNG. See also Ekaterina Kuznetsova, Andrey Zhuravlev, Kak Rossii Dostuchatsia do EU, *Vedomosti* 20.12.2012; N3256. [http://www.vedomosti.ru/opinion/articles/2012/12/20/obnovit\\_povestku](http://www.vedomosti.ru/opinion/articles/2012/12/20/obnovit_povestku).

The prevalence of the local framing of the energy affairs may arguably be related to the profile of the news sources. Monitored articles were categorized according to their sources: a Russian local correspondent/news agency, an international sources/international news agency or unattributed source. Overall, the majority of the news sources came from local correspondents – 893 articles or 84% (496 from *Kommersant* and 397 from *Vedomosti*) with 43 articles (4%) coming from local news agencies.

Although Russia is a more dominant player in the global gas market than in the global oil market, it is perhaps still not surprising that oil was the most visible non-renewable energy source reported, accounting for 646 articles (61%). Russia's budget is affected majorly by the volatility of oil prices. Therefore, more media attention is paid to oil, rather than to gas. Nevertheless, gas was the second most visible source noticed in 523 articles (49%). Priorities of reportage have shifted over time – oil was reported as a leading energy source in 2009-2012; however, in 2013 gas was noticed more frequently in the monitored news. The EU's 'Third Energy Package' could be the main reason behind the newsmakers' high reference to gas in 2013. Indeed, in 2013, the 'Third Energy Package', which prohibits a single company from both owning and operating a gas pipeline, was the most disputable issue effecting Russia-EU energy relations. Somewhat predictably, the renewable sources of energy did not receive much coverage throughout the monitored periods despite the fact that the period of observation coincided with the United Nations Climate Change Conference (UNCCC). This finding supports a statement by Aalto (2008, p. 136) that 'Russia itself is keener on energy than environmental issues'. Taking into consideration the significance of shale gas and oil in Russia's relations with the EU and US, it is rather surprising that shale gas and shale oil developments were overlooked by the newsmakers and hardly visible in the media coverage.

In terms of the dominant issues found in the newspapers' coverage of energy affairs, the issue of prices was the most covered theme in 2009-2012. The euro area sovereign debt crisis has influenced the newsmakers and brought the issue of prices on energy to the frontline. The finding that economics was the second most visible (678 articles or 64%) other dimension found in all five years in the monitored items to some extent supports the suggestion that the euro area crisis played an important role in the overall media coverage. In the light of the euro area crisis, there was a growing concern over the state of the global

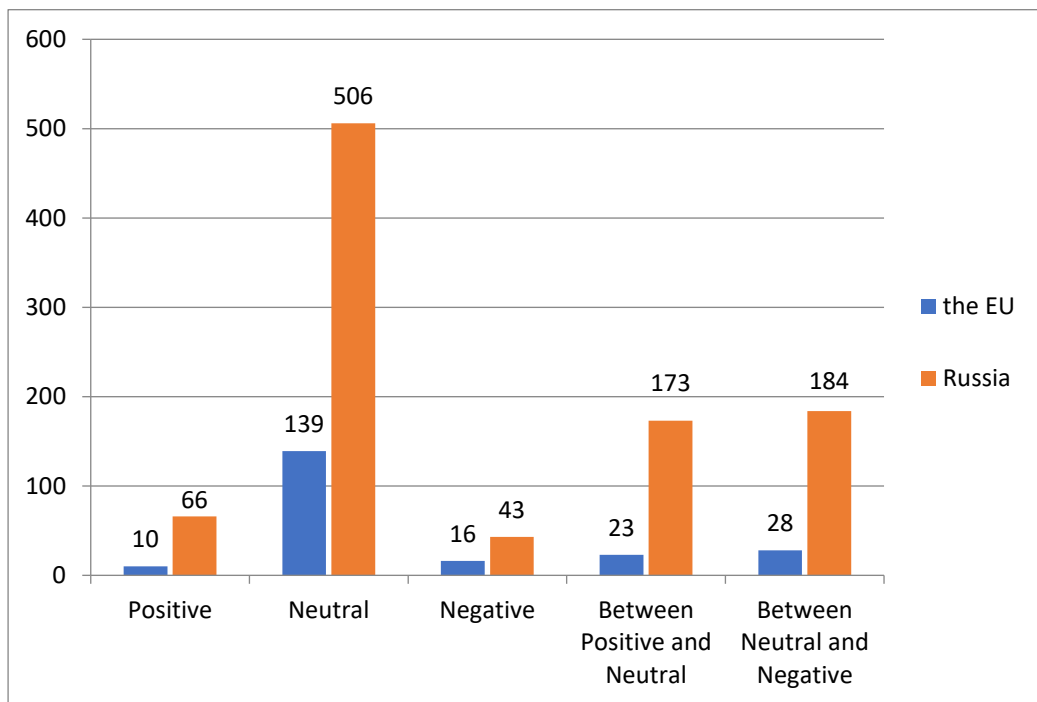
economy and the future of oil prices. Failure to deal with the crisis could lead to a drop of oil prices, which would have a dramatic impact on Russia's economy.

In 2013, the issue of investment, however, dominated the coverage with 39 articles out of 108 articles. The next issue, in terms of prominence, was 'prices' with 34 articles. In this instance again, the 'Third Energy Package' could be the reason for the newsmakers' extensive coverage of the issue of investment. There was a strong concern among Russia's ruling elite that the EU initiative to liberalize energy market poses high risks for investment in infrastructure aimed at ensuring the energy security of the EU. For example, Putin explicitly stated that this package 'could be equalled to confiscation of property' (Iškauskas, 2011).

This article analyses whether the monitored newspapers use words and images that are emotionally charged, noticeable, understandable and memorable, in other words, salient in the culture (Entman, 2003, p. 6). Evaluation of the analysed energy actors (the EU and the BRICS) was categorized according to several types – positive, between positive and neutral, neutral, negative and between neutral and negative. This evaluation helps to analyse to what extent the EU was pictured in emotionally charged words that would be salient in the culture. Analysis of how the energy frame is repeated assists in revealing whether the energy frame is salient and prominent in Russia. Representation of Russia in the two news outlets carried a neutral evaluation (506 articles). There were 184 articles that evaluated Russia between neutral and negative, followed by between positive and neutral evaluation of Russia in 173 articles. The positive evaluation was depicted in 66 articles. The negative evaluation of Russia's actions was found in only 43 articles.

The graph below shows the representation of the EU. Neutral evaluation dominated the tone of the EU representation – 139 articles. This finding is broadly in line with other findings from previous studies exploring the external images of the EU in Russia's media (Gulyaeva, 2014). Interestingly, in 2013, the EU received slightly more negative evaluation. This may well have been due to the EU "Third Energy Package" adopted by the EU with the goal of liberalizing and diversifying energy imports. The EU positive evaluation was insignificant and was found in only ten articles in 2009-2013. The EU's international legitimacy in energy affairs is seen to be bogged down by the EU's inability to speak in a single voice.

**Figure 7.3. Evaluation of EU and Russia's News**



Source: Own calculations and compilation

For the purposes of this research, it is important to explore the leading thematic representations of the EU and Russia. The data reveals that competitiveness was the dominant frame throughout the observed period of 2009-2013. When covering Russia as an actor, the newsmakers placed Russia in the frame of competitiveness in 511 articles. Competitiveness was the dominant theme even in the secondary leading frame. The EU was also predominantly reported within the frame of competitiveness (67 articles). There were 157 articles that covered Russia within the frame of the security of supply. The EU in this frame was depicted in 33 articles. The frame of sustainability was neglected in both the *Kommersant* and the *Vedomosti*. Russia was placed in the frame of sustainability in only 72 articles, while the EU in only 18 articles. This is rather surprising if it takes into account that the period of observation coincided with the UNCCC, which was neglected by the monitored newspapers. The newsmakers' failure to cover Russia within the framing of sustainability could be caused by the lack of social interest and debate on this matter and the lack of the government's actions at prioritizing issues within its environmental agenda. In turn, the newsmakers' neglect to frame the EU's sustainable actions might be an indication of the EU's incapability to raise environmental concerns outside of its borders. The fact that the

EU's actions in sustainable development were virtually invisible in the news is significant. This finding shows that the EU's environmental actions do not have a major impact on the Russian news agenda.

## **7.5 Analysis**

In the complex network of the EU's energy relations, Russia represents a unique actor. According to the IEA (2014), the Russia's energy mix is dominated by fossil fuels and natural gas accounts for 54% of the primary energy mix. In 2010, Russia was the largest oil producer, the largest producer and exporter of natural gas and the fourth-largest energy consumer (after China, the United States and India) (Gould, 2011). It has exceptional reserves of natural gas, oil, coal, uranium, metals and ores. It has major potential for hydropower and other renewables (Gould, 2011). The country is predominantly self-sufficient in the energy sphere.

Of the BRICS, Russia is the biggest external supplier of oil and oil products, gas, uranium and coal to the EU and the third biggest electricity exporter to the EU. In turn, the EU is the largest trading partner of the Russian Federation (European Commission, 2014a). For instance, recent figures from Eurostat show that 88% of Russia's total oil exports, 70% of gas exports and 50% of coal exports are directed to the EU. Energy goods represent 74% of total EU imports from Russia (EPPC Progress Report, 2011). The mutual interdependence between the EU and Russia in the energy sphere and the importance of the EU as an influential energy player for Russia is unquestionable given the attention to the EU in the chosen samples of articles on energy: our data demonstrates that the EU appeared in 917 out of all 1067 news items.

Officially, the mutual energy interdependence between the EU and Russia has been institutionalized into an EU-Russia Energy Dialogue launched in October 2000 (European Commission, 2011). The dialogue operates on a well-developed legal and institutional basis and presents one of the most dynamic and constructive dialogues within the framework of EU-Russia cooperation (for instance, see EPPC Progress Report, 2011).

The main objectives of the Energy Dialogue are fourfold: (1) to improve the investment opportunities in Russia's energy sector; (2) to enhance the energy security of the European continent; (3) to encourage the on-going opening up of energy markets; and (4) to promote energy efficiency and energy savings, as well as environmentally friendly

technologies (European Commission, 2011). Our findings confirm that Russian media discourses of reputable liberal press recognize the importance of all of these objectives in its energy relations with the EU. However, in the eyes of influential news media particular emphasis is placed on the price volatility and investment climate, especially in the year 2013, when the issue of investment received slightly more coverage than the topics on prices. It is a well-known fact that oil and gas prices have a direct impact on the export dependent Russian economy; it is in Russia's day-to-day interest to secure the high level of prices on all energy markets.

Our findings for the year 2009-2013 state that *competitiveness* on both the global and European energy markets is the leading frame and an absolute priority in Russia's energy agenda. Our media analysis also indicates that the government of Russia is framed having a unique position in defining the energy priorities and acting as an influential domestic energy actor. Although the major oil, gas and coal producers like Gazprom, Rosneft, Lukoil or TNK BP are present in most news items under observation, the Russian government's involvement in regulation of energy affairs was presented on an unprecedented scale and served as a unique characteristic of the Russian state. Such framing could be explained by reflection of the media on the government's involvement is closely related to the export-oriented nature of the Russian economy and the reliance of the Russian budget on non-renewable energy resources and, consequently, the need to secure Russia's competitiveness in the energy sphere.

The Energy Strategy of the Russian Federation (ES-2030) mentioned above prioritizes an aging infrastructure and transportation services as the major impediments in securing Russia's leading position in energy sphere in the long run. As we indicated in our findings in 2009-2013, Russia is depicted by its own prominent press to continue to be more concerned with an immediate task of securing high prices for its major energy resources. Popular reputable media sources show significant dependency of Russia's economy on the price volatility. Their reporting confirms that Russia has not been able to move its focus away from energy prices towards the questions of infrastructure as the major factor in providing Russia's competitiveness and securing its position in energy markets in the future.

Although our media analysis has not found a significant and well-pronounced correlation between reporting energy issues in general and the financial crisis in Europe, the increasing concern of Russia about the price volatility and investment climate can be

understood best only when placed in the context of financial crisis in Europe. According to the predictions of the report by the European Commission (2009, p. 5) on the impact of the financial crisis ‘... has led to a significant adjustment of expectations, relative to the previous continuous upward trend in energy trade between the EU and Russia’. Lower energy demand in the EU and Russia; energy price and energy volumes volatility; slowing down of the development of new energy reserves and new energy infrastructure due to the drop in energy sector investment; negative impact on the achievement of the energy efficiency savings and on the implementation of reforms under ES-2030 (European Commission, 2009, pp. 2–6) – all these concerns voiced in the EU’s official message are more or less echoed in the Russian media outlets.

Our findings demonstrate that Russia has an overwhelming need to protect its *competitiveness* in both the global and, especially, the European energy markets during the observed period of 2009-2013, when the EU as its major energy trade partner becomes increasingly unstable under the financial crisis. The economic dimension prevails over any other issues in the 2009, 2011, 2012 and 2013 coverage, indicating the level of concern over the crisis. Moreover, Russia’s insecurity is paradoxically expressed in an overtly critical tone in some newspaper items of the EU’s inability to get the crisis under control, to re-stabilize, calling the financial situation in Europe a ‘catastrophe’, or a ‘disaster’ (for instance, Overchenko & Tovkailo, 2012).

Nevertheless, the fact that investment has dominated coverage in 2013 gives us a slight indication that the attention may be shifting from securing high prices on gas and oil products during the financial crisis towards more long term goals of increasing investments into building a new infrastructure, starting new energy projects and, ultimately, securing Russia’s energy supply.

Although Russia recognizes the EU as ‘the driver of everything “green”’ and fully respects the EU’s *normative leadership* on the standards, rules and practices of sustainability and energy efficiency, the questions of sustainability and energy efficiency are not in the horizon of Russia’s own energy outlook according to the two prominent Russian news outlets (sustainability frame occupies the third place in Russia’s framing). Despite the enormous potential that Russia holds in non-renewable and renewable resources, as well as in unconventional oil reserves, our findings suggest that the primary focus of the influential liberal press remains on oil, gas and current conventional oil production. Little to no

attention has been paid to the research and development of alternative sources of energy. Although Russia seems to be somewhat alert about the issues around shale gas and shale oil developments, especially with regard to the involvement of the US as a potential competitor for Russia in the alternative shale market, Russian response to this new market – according to the press under observation – remains muted, which is surprising, considering the importance of shale research and development in the triangle of Russia-EU-US relations.

Our data suggests that Russia views itself as the leader in the energy sphere and in its energy relations with the EU. Specifically, Russia appears as a constantly featured actor in the observed news items, whether its focus is on domestic energy affairs in Russia, global or the EU related energy events. Despite considerable presence of the EU in Russian media outlets, the degree of the EU's centrality for Russian news ranges from minor to secondary, whereas Russia acts mostly as the major central actor in energy news. It is evident that the two prominent newspapers deliver a strong message – Russia is predominantly focused on its own leadership in the energy field, regarding the EU as a very important normative energy actor, a partner, rather than a forerunner in energy matters.

In addition, we have observed fluctuations in the media's images of Russia's self-esteem. There were examples of articles where Russia framed as the primary or secondary actor was evaluating itself in a negative way. Specifically, during 2009-2013 in 184 articles Russia was evaluated between neutral and negative. The negative evaluation of Russia's actions was found in 43 articles. We infer that such a negative evaluation of "self" is a result of the nature of the chosen newspapers, which are not owned by the government and, therefore, are relatively free to provide a critical reflection on the state of energy affairs in Russia.

Considering the EU's dependence on Russia's energy resources, we would expect that the EU's dominant frame in its relations with Russia would be the need to secure the energy supplies. However, our data suggests that in the reporting in these two influential dailies the EU prioritizes competitiveness over the security of supply and sustainability frames in its relations with Russia, especially in the years 2009, 2012 and 2013. The media choice in framing EU-Russia energy relations in terms of competitiveness may indicate (1) the indirect impact of financial crisis with an increasing concern over the energy price volatility; (2) that Russia responds to the EU's overall priorities in energy field with its own stance, and the EU receives and accepts Russia's message to frame their energy relations in

terms of competitiveness; (3) that the EU avoids discussing the most conflictual issues with Russia, for instance, a stable energy supply to Europe or sustainable energy consumption.

According to ES-2030, the ultimate goal of Russia is to secure its competitiveness on the global and European energy markets by safeguarding high level of energy prices and favourable investment climate, rather than by creating an innovative and efficient energy sector with modernized and new energy infrastructure. Although the Asian-Pacific vector gets some attention in Russia's energy agenda, multiple forecasts by the Institute of Energy Strategy in Russia (for instance, Bushuev, 2014) of possible change in Russia's geography of export of oil and gas products were not confirmed by the findings of our media analysis. The main export markets for the Russian gas and oil products remain predominantly the EU, and the CIS.

The EU's goals and objectives in its energy relations with Russia prioritize, first, competitiveness, and, second, the security of supply. Our findings suggest that sustainability as a prioritized frame in the EU's Energy Strategy 2020 is of least importance for both partners in the specific EU-Russia energy relations. Our data also demonstrates that Russia views itself as an unquestionable leader in the energy sphere, fully recognizing the EU as a reputable normative energy player, a partner and an example to follow. However, a peculiar image comes to the fore here – the country experiences a sense of insecurity when it comes to price volatility in global and European energy markets and is sometimes overly self-critical.

## **7.6 Conclusion**

This paper examines how Russian news media reflects and frames the strategies of Russia in the area of energy and the EU-Russia relationship by looking at their policies towards each other. The literature on Russia's position in the energy domain suggests that Russian energy policy is dominated by power politics considerations, especially its influence in the region. Energy also lies at the heart of Russia's interactions with the EU and other actors.

We can now return to our two key questions: Does Russia recognize the EU (Post Lisbon) as an international energy actor with a unique international identity? Does Russia send out messages about energy that it has generated itself rather than respond to messages (policy objects) developed by the EU. The findings of our media analysis of two selected independent Russian newspapers suggest that the energy relationship between

Russia and the EU is one that is focused on ‘competitiveness’. Russia responds to the Third Energy Package but not quite in the way the EU intended. For instance, competitiveness is more salient than other EU energy policy frames. Russia, by contrast, of course also develops its own policy objectives independent of the messages of the EU.

In terms of our contribution to the existing literature, we identified that the images of the EU in Russian media only in part reflect those that the EU has been trying to portray externally. In terms of its influence on the Russian energy policy, Russia is only to some extent engaging with themes that the EU finds of importance. The economic frames are prominent whereas sustainability, environment or green energy are less salient.

These findings have important bearings on the Normative Power Europe (NPE) literature. The analysis shows that the Russian media, although recognizing that Europe seeks to send out messages, does not pick up the exact messages that the EU intends to send out. Thus it interprets them differently. This finding is perhaps further evidence that the NPE approach is rather eurocentric in its point of departure. Our analysis shows the importance of examining the sending and the receiving ends as well as the context in which this two way street takes place. Such context is the euro area crisis, which makes Russia more focused on the above-mentioned economic frames rather than the environmental ones.

This paper suggests that there is value in turning the lens around by having a look at how the EU images and messages are received on the other side, in this case in Russia. Some messages resonate with those in Russia whereas others are not received (or at least are not sent out again). It shows the value of doing research in the receiving countries in order to determine whether EU messages are falling on deaf ears or are being engaged with.

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### Annex 3

Policy Brief: **Perceptions of the Global Energy Governance: Case-Study Russia.**

Prepared by Tatiana Shaban.

**Table A3.1. Newspapers and Articles Included in Analysis**

| <b>Russian Newspapers</b>        | <b>Number of articles</b> |
|----------------------------------|---------------------------|
| Popular daily: <i>Kommersant</i> | 2009: 59                  |
| Business daily: <i>Vedomosti</i> | 2010: 225                 |
|                                  | 2011: 205                 |
|                                  | 2012: 362                 |
|                                  | 2013: 108                 |
|                                  | <u>Total</u> : 959        |

#### **Current Russian policy priorities and energy market**

"Energy Strategy of Russia for the period of up to 2030"<sup>1</sup> is the main document determining future prospects of development in energy field in Russia for the near future. It shows that Russia takes an issue of energy security as its priority and it also stands against growing tendency for politicization of the energy field on the global scale. In March 2013, the EU in cooperation with Russian government adopted a roadmap<sup>1</sup> about EU–Russia Energy Cooperation until 2050 developing different scenarios and considering their potential impact on the EU–Russia relationship. The most disputable issue in the Russia–EU energy relationship has been the so-called EU "Third Energy Package,"<sup>1</sup> which prohibits a single company from both owning and operating a gas pipeline and contains rules on third party access to the natural oil transportation grid. Some commentators in Russia believe that the "Third Energy Package" creates serious obstacles to ensure a stable supply of Russian gas to the EU, including a threat to the construction of new transport infrastructure, for example, in the framework of the 'South Stream.'"

Shale gas/oil production and other technological innovations will also play a significant role in the future energy policies and most likely change the existing players and rules of the game. This is gradually becoming a strategic issue—and one that has been reflected in the EU–Russia Roadmap. According to Russian state-controlled oil company Transneft, the China route will be the most profitable (\$79 per barrel) and the Europe-

oriented pipeline “Druzhba” will remain second (\$47 per barrel). Russia will continue to establish itself as a strong regional player despite of its damaged reputation as a gas supplier after the gas dispute with Ukraine starting in 2009. EU–Russia energy relations will remain influenced by the fact that Russia has better relations with certain leaders of some EU countries than with the EU as a whole.

### **Findings (case-study 2013)**

#### **Sources**

Reportage of energy issues and global governance was dominated by local journalists. Energy remains an intensely local and regional issue in the media representations.

#### **Type of energy**

Despite the timing (media coverage surrounding the UN CCC in 2013), the reportage was still firmly focused on non-renewable energy types—namely, oil and gas. Renewable types of energy received only a limited media attention.

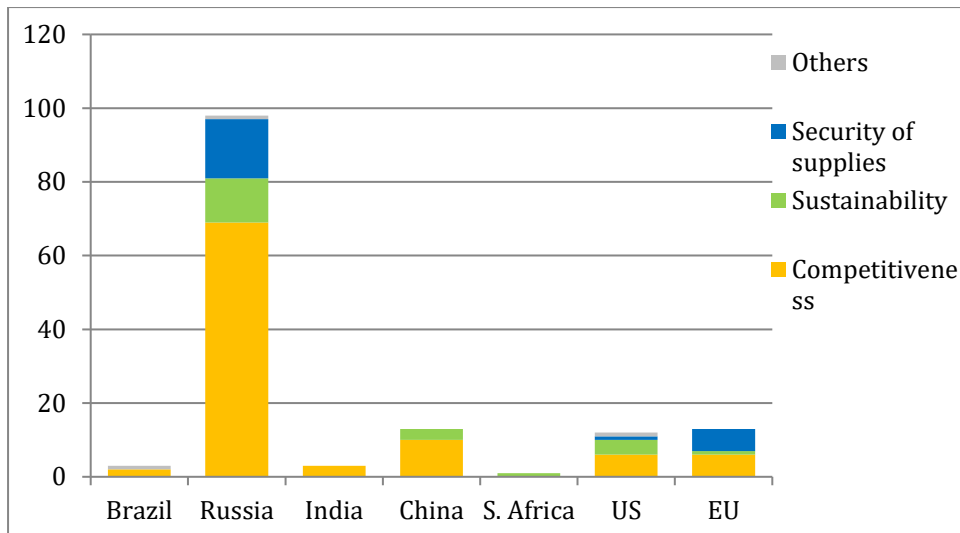
#### **Energy-related issues**

Energy issues such as investments, prices, cooperation, and technological innovations received most of attention from the Russian influential press.

#### **Frames**

In terms of energy policy development, Russian media presented Russia as a strong regional and global energy partner who considers building up relations with countries on bilateral basis. In this context, the main focus was on “competitiveness.”

In terms of sustainable energy development, the 2013 coverage suggests that the EU’s messages have been received but have not been taken up to an appropriate level of development and cooperation.



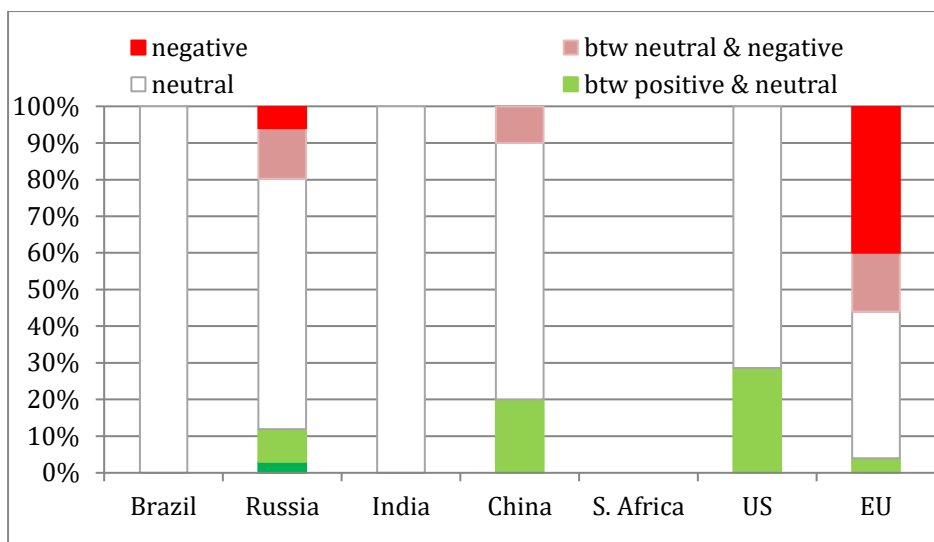
**Figure A3.1. Frames of Energy by Actor in Russian Press**

### Actors (the macro-level)

Media coverage points out that for Russia, China’s market is a potential strategic priority for long-term investments.

### Evaluation of the actors

Russian media presented all energy actors, including itself, typically in a neutral manner. The EU as an actor received a more negative flavour due to its “Third Energy Package” regulations and obstacles that it created for Russian energy market. Media also negatively assessed Russian government energy policies, which created barriers to competition at the domestic energy market and did not support private oil and gas companies other than state-owned Gazprom.



**Figure A3.2. Evaluation of Energy Actors in Russian Press**

### **Recommendations on How to Use Information about Perception in Policy-Making When It Comes to Global Energy Governance**

The first phase of media analysis (2013 data) revealed three messages of potential importance to the EU–Russia energy dialogue in a changing multi-polar world:

1. Media is arguably has started forming public opinion of diversification of Russia’s energy market. Heightened visibility of China—out of all BRICS—suggests an emerging pattern in communication a selected energy frame from national elites (government and media) to the general public.
2. This analysis also indicated that leading national press still sees the EU as an important market supported by existing energy infrastructure. Yet, in terms of energy policy development and cooperation, EU regulations are presented by important national press more as an obstacle for Russian energy actors.
3. Coverage of global energy governance delivered a message that Russia is open for cooperation with global actors (including the EU) in various fields, but only as an *equal* partner. Otherwise, the potential for a conflict is reported, and would lead to a change of rules in the game of global energy governance, with Russia being an assertive rule-dictating player.

## **Annex 4: General Information about the Interviews**

These papers draw upon a series of interviews. They also utilize official documentary sources connected with the ENP, in particular ENP policy documents.

### **List of questions**

1) What is your organisation's opinion about your country (Ukraine/Belarus) seeking closer relations to the European Union? In your view how likely is it that Ukraine/Belarus will develop closer relations with the European Union, and what form might those relations have?

2) What are the domestic political considerations that influence your country's policy towards seeking closer relations to the European Union?

3) What is, in your opinion, added value of the Eastern Partnership?

4) How does the Eastern partnership work in practice, including bilateral and multilateral levels when supporting reforms in the areas of good governance and security? How effective are programs implemented in Ukraine/Belarus? What policy challenges and what lessons have been learned so far in the course of policy development and implementation?

5) What changes have been made in Belarus in recent years in preparation to having closer ties with the European Union?

- a. How do the relations of the Belarus authorities with the civil society look like?
- b. Are there any steps taken by Belarus authorities to ease state control in both political and economic spheres?
- c. Do "Belarusian reforms" similar to those that their counterparts in Ukraine carry out? If yes, then what are similarities and differences?

6) What does the EU policy towards Belarus look like? If the "one-size-fits-all ENP" cannot deliver in Belarus, what kind of tailor-made approaches can work in Belarus? What is the Eastern Partnership offering to civil society organisations in Ukraine?

7) Do you consider closer relations to the EU a way to enhance further the process of democratisation and/or modernisation of your country? Within the Eastern Partnership, some countries advance faster, others are lagging behind. Can you envisage some kind of differentiation and what governance issues prevented Ukraine to support the proclaimed flagship status?

8) How do the media report on the matter of European integration? In your view what opinion does the general public in your country have on these matters of closer ties to the European Union?

9) What about the Russian federation? Some say that the Eastern Partnership is anti-Russian. Is it correct in your opinion? If yes, then why? How does the Eastern Partnership address security issues in Ukraine?

10) Platform meetings are held at least twice a year at the level of senior officials engaged in the reform work in the relevant policy areas. These meetings take place within the framework of the four thematic platforms ((1) democracy, good governance and stability; (2) economic integration and convergence with EU policies; (3) energy security and transport; (4) contacts between people. What is your vision of the future development of the (1) and (4) platforms? Finally, is there anything else which would like to add to this conversation?