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**ENLARGEMENT WITHOUT ACCESSION:
THE EUROPEAN NEIGHBOURHOOD POLICY
AND
THE CASE OF UKRAINE¹**

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Abstract

The European Neighbourhood Policy (ENP) is the newest foreign policy tool of the EU for relations with its neighbours after the 2004 enlargement. The EU launched the ENP in order to promote and strengthen the stability and security in its neighbourhood by motivating the ENP countries to realize domestic reforms. The transformative power of the Union is applied to the neighbouring countries through the ENP. It is argued in this paper that the impact of the ENP remains limited in EU's neighbours due to the inherent weaknesses of the policy and the domestic factors within the ENP countries. The present study aims to analyze the effectiveness of the ENP as a new foreign policy tool of the EU towards its neighbours by exploring: first, the development and origins of the ENP; second, the key features of the policy; last the implementation of the policy in a relatively ambitious partner of the EU, Ukraine, which is the best illustration for perceiving the implementation of the ENP with its potential and shortcomings.

Key Words: European Neighbourhood Policy, European Union, Ukraine, EU-Ukraine Relations.

Introduction

Since May 2004, the EU accepted ten new members from Central and Eastern Europe (CEE).² As a consequence, the EU acquired new direct neighbours. The Union's enlarged borders caused the elaboration of a new policy framework for the relations with its new and old neighbours. Thus, in 2004 the ENP was launched by the EU with the aim of developing a more coherent and integrated policy approach towards its neighbours.

Much of the literature about the ENP agrees that the policy has some inherent weaknesses (Cremona and Hillion, 2006; Kelley, 2006; Smith, 2005). Smith (2005: 767) argues that the ENP is an ambitious policy which faces serious challenges such as the difficulty to build a neighbourhood with some degree of cohesiveness, the ghost of enlargement or the membership question. Cremona and Hillion (2006:34-43) further emphasize some systemic weaknesses of the ENP such as the limits of the enlargement methodology within the policy or the lack of a clear regional dimension. Kelley (2006: 49) questions the application of the enlargement policy within the ENP and argues that the domestic reforms expected from the ENP countries are very demanding and the policy tools of the ENP are rather weak.

So far, however, most authors addressing the ENP have argued from a rather broad perspective. Therefore, the previous research about the ENP focuses on the policy in a more general manner by giving some examples of the actual policy. There are few studies that analyze the ENP and apply the analysis to a case study – specifically Ukraine – in the literature. In this paper, I consider the shortcomings of the ENP by assessing the actual policy with a view to Ukraine. Yet, the main argument elaborated in this paper is that the ENP remains far from an innovative and highly ambitious project due to its inherent shortcomings and also internal dynamics in the ENP countries such as the lack of elite support to the reforms envisaged by the Action Plans (AP).

² The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia (as well as the two Mediterranean countries Cyprus and Malta) joined the EU in May 2004, Bulgaria and Romania followed in January 2007.

The case of Ukraine constitutes an interesting case study regarding the implementation of ENP. The country is relatively an ambitious partner of the Union within ENP and has a strong interest in membership in the long run. Moreover, it is exactly these membership aspirations that heavily contributed to the launching of the ENP in order to address these aspirations without, however, giving a clear accession perspective to the country (Cremona and Hillion, 2006:21).³ Therefore, the effectiveness of the ENP can be effectively analyzed in a country as Ukraine which has a membership perspective in the long run. This paper tries to contribute to the ENP literature by combining the insights of much of the literature with a concrete case study. The first part of the paper will focus on the development and origins of the ENP. In the second part, I will discuss the key features of the ENP. The third part analyses the implementation of the ENP with the case of Ukraine.

Establishing the European Neighbourhood Policy

The development and origins of the ENP are crucial to grasp the actual policy today. Due to this importance, this section will examine the key phases in the development of the policy and the origins that includes motivations behind the policy.

The development of the ENP

The idea of a new neighbourhood initiative by the EU emerged in early 2002. At the General Affairs Council (GAC) of April 2002, the High Representative for Common Foreign and Security Policy in a joint initiative with the Commission proposed “to work up ideas on the EU’s relations with its neighbours” (European Council Conclusions, 2002:10). In August 2002 a joint letter by Commissioner Chris Patten and the EU’s High Representative Solana on ‘Wider Europe’ gave a solid basis for a neighbourhood initiative. Since April 2002 the neighbourhood initiative has become a regular issue in GAC meetings. The General Affairs and External Relations Council of September 2002 confirmed the view that enlargement creates an opportunity to enhance the relations between the EU and its neighbours. The Council charged the relevant bodies to continue work about that issue.

In March 2003, the European Commission published its first Communication: ‘Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours’. The document clearly formulates the rationale for the ENP and set out the framework of methodology which is modeled on the enlargement process.

In July 2003, the Commission published another Communication entitled ‘Paving the way for a New Neighbourhood Instrument’ as a response to the GAC request in June 2003. In that document, the Commission outlined the creation of a new neighbourhood policy that would support the ENP countries with technical and financial assistance. The Commission proposed a two stage approach. The first phase covers the period from 2004 to 2006 which would rely on the already existing instruments (INTERREG, PHARE, TACIS, CARDS, MEDA). The second phase should introduce a new financial instrument – European Neighbourhood and Partnership Instrument – which would cover the 2007-2013 financial framework (Rossi, 2004:11).

In May 2004, the Commission published a further Communication, the ENP Strategy Paper. Here, new concepts were introduced such as joint ownership, monitoring or added value

³ As Smith (2005:768) puts it, “the ENP can in fact be interpreted as being a policy designed to handle this ‘Ukrainian problem’ in the short term.”

(Rossi, 2004: 12). The document made clear the basic principles of the ENP. Together with the former 'Wider Europe' communication, it included the ENP's main features. Thus, these two documents can be regarded as the basic framework of the ENP.

The ENP Strategy Paper outlined an approach in four stages. These stages include: "Establishment of contractual relations with neighbours; Draft of Country Reports; Agreement and entering into force of Action Plans; Implementation and monitoring" (Marchetti, 2006:7). At the outset of the process, the Commission releases Country Reports that assess the economic and political situation of the ENP countries in order to deepen the relations with these countries. Country Reports were published in May 2004 for the first seven ENP countries. A further five Country Reports were published in March 2005 (Magen, 2006:395).

The second stage is the development of the Action Plans with the ENP countries. The APs are negotiated with each country based on the needs and capabilities of these countries. The APs define a political and economic reform agenda for each ENP country in the short- or medium-term (3-5 years). Seven ENP Action Plans are already implemented with Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine. The implementation of the APs with Armenia Azerbaijan and Georgia just began and the APs with Lebanon and Egypt will follow them when it is adopted (Magen, 2006:395).

The last stage is the implementation and monitoring. The implementation of commitments envisaged by the APs is monitored regularly. Monitoring in the ENP is twofold. One is via joint assessments. Here, implementation is monitored with each country by sub-committees that deal with those sectors and issues. The other is via regular country reports published by the EU. The Commission released its first report on progress and on areas that require further progress on 4 December 2006 for Ukraine, Moldova, Israel, Jordan, the Palestinian Authority, Tunisia and Morocco. The second assessment is very similar to the progress reports for the CEE accession countries (Kelley, 2006:33-34).

In December 2006, the last Communication on Strengthening the European Neighbourhood Policy was released by the Commission. The document mainly focuses on strengthening the ENP as an attractive offer to the neighbours of the EU. Some new incentives such as a deep and comprehensive free trade agreement with the ENP countries are envisaged by the Communication (2006:3). It should be noted here that in every document of the EU in regards to the ENP there is an attempt to improve the features of the policy.

To sum up, the European Neighbourhood initiative has become a focal point for the EU from early 2002. From that date, the idea to create a coherent approach towards the EU's neighbours is attempted to be realized through the ENP. The policy has been developed phase by phase by the Council and the Commission. However, little has been said so far about the motivations that lie behind the ENP. I will turn to this question in the next chapter.

The origins of the ENP

The ENP is originated from the idea that "the EU should aim to develop a zone of prosperity and a friendly neighbourhood- 'a ring of friends'- with whom the EU enjoys close, peaceful and cooperative relations."(Commission, 2003:4). But why does the EU want to create 'a ring

of friends' in its neighbourhood and what is the motivation of the EU behind launching the ENP?

The ENP was launched by the EU in order to create a more coherent and umbrella policy towards its neighbours.⁴ The motivation of the EU behind the ENP endures two main factors: first the 2004 enlargement and second security considerations. First, the 'big bang' enlargement stimulated to create a new framework for the EU's neighbours. After the enlargement, the queue of candidates and potential candidates has grown for membership to the Union (Smith, 2005:758). As Haukkala (2003:1) notes that in an enlarging EU the new neighbours are always potential future members at the outskirts of the EU. But the EU is reluctant to accept future comers. In that sense, the ENP is a response to the membership seekers in the neighbourhood by framing an alternative perspective for them.

Second, the security of the Union is another factor behind the ENP. The origins of the ENP dated back to Solana/Patten letter (2002) which emphasizes the security issues in the neighbourhood as a top priority of the Union. As Cremona and Hillion (2006:22) point out that the security pillar of the ENP does not incidentally appear. In contrast, it is a fundamental part of the policy and even may be regarded as a consciously developed policy for the "regional implementation of the European Security Strategy" (Cremona and Hillion, 2006:22). Therefore, security dimension is the basic pillar of the ENP.

Within the ENP security has been attached to the stability and prosperity both within the EU and the neighbourhood of the EU. For instance, the ENP Strategy Paper (2004) added that ENP is a response to the EU enlargement and "it will also support efforts to realize the objectives of the European Security Strategy". The threats - terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure, organized crime- against the Union emphasized in the European Security Strategy (2003) are also reflected in the ENP, especially within the APs. Due to the spill over effect of these security threats from the neighbourhood to the EU, security issues are prioritized within the ENP.

It is clear that the ENP has a fundamental objective to deal with security threats and also queue of membership aspirants in the EU's neighbourhood. But how is that objective realized within the framework of the ENP? In that case, the transformative power of the EU is at work. As Waever (2000:260) points out that the EU is an important security actor because of its "disciplining power on 'the near abroad': the magnetism working already in East Central Europe." The Union has been a magnet for its neighbours especially after the enlargement. There has been a great potential to apply its transformative power in the neighbourhood. Therefore, the application of this power to discipline the neighbours is the case in the ENP (Dannreuther, 2006:183).⁵ The objective within the ENP is to create a ring of friends resembled exactly to the EU member states with their norms and values but without being EU members. However, the effectiveness of the EU's transformative power in its neighbourhood without the membership carrot is somehow questionable.

⁴ As Marchetti (2006:10) emphasizes that "The desire to generate more coherence via harmonisation derives from the increased awareness that there is a 'gap between the EU's economic weight and its political clout' " Therefore, the ENP is an attempt to balance the political and economic engagement of the EU in its neighbourhood in a coherent way.

⁵ Dannreuther (2006:183) argues that "the ENP is a strategy which seeks to promote the EU's transformational diplomacy but without the incentive of a perspective of future membership." (Dannreuther, 2006:185)

To sum up all, the ENP emerges mainly as a result of the security considerations of the Union with the effects of the 2004 enlargement. The necessity to promote and preserve the security in enlarged borders motivated the EU officials to launch a new policy framework for its neighbours. The EU who realized its successful transformative power from the enlargement process attempts to create a safe environment around its borders through the ENP by creating 'Ideal Neighbours' resembling the EU member states but without being a member (Wolczuk, 2007a).

Design Features of the ENP and their evolution: Enlargement without Accession

The ENP has been modeled on enlargement without membership to stabilize the neighbouring countries and strengthen the security in EU's neighbourhood. As Wolczuk (2007a) points out, "With its new Eastern neighbours the EU aspires to build on the successful application of pre-accession conditionality but without incurring the costs of further enlargement." The key features of the ENP -Action Plans and Assistance, Differentiation, Conditionality and Joint Ownership, Incentives and Pre-accession techniques- are vital to grasp the policy framework.

The instruments of the ENP: Action Plans and Assistance

Action Plans will define priorities and provide focus for the implementation of existing agreements. They will include 'deliverables' of importance to the EU and the country concerned in various fields covered by the agreements. (Strategy Paper, 2004:9)

Action Plans (AP) are the main instruments of the ENP which defines main priorities to be reached by the ENP countries in order to have closer integration with the EU. While the existing frameworks of relations such as Partnership and Cooperation Agreements (PCA) are preserved, the APs become an added value to the existing agreements. APs involve a high commitment to the shared values and an extensive adaptation of the Union's standards (i.e. much of the *acquis*).⁶ In case the priorities envisaged by the AP of an ENP country is fulfilled, this country could have closer relations with the EU. Therefore, the APs reflect a high level of conditionality of the ENP. While this instrument of the ENP is not a legally binding it depends on the rewards or incentives of the ENP. Therefore it remains a soft law instrument of the ENP.

The similarity of the ENP and the pre-accession strategy of the EU is noticeable in regards to the APs. The APs are modeled on the association agreements ('Europe agreements') with the Central and East European countries which were the main policy instrument of the enlargement (Kelley, 2006:32). Prodi (2002) points out that "we need to set benchmarks to measure what we expect our neighbours to do in order to advance from one stage to another. We might even consider some kind of 'Copenhagen proximity criteria'." Both the APs and the association agreements provide a roadmap for the countries in order to launch domestic reforms. However, the APs are more vague and general than the association agreements.

It should be noted that the APs are differentiated according to countries for which were designed. Therefore, the definition of priorities changes from country to country. The very essence of the ENP, the Union's values and norms, has found a little place in some of the APs and a relatively long section in some others. For instance, the APs of Ukraine and Moldova involve a lengthy part on political values and priority actions about these values. But the APs

⁶ These include strengthening democracy and the rule of law, the reform of the judiciary,..., respect of human rights and fundamental freedoms.

of the Mediterranean countries have been kept shorter these sections than the former. These countries do not have a membership perspective and perceive the ENP as a policy framework to achieve more funds from the EU. As a result, the enforcement of the Union's values is restricted because of this perception of Mediterranean countries (Bosse, 2007:50-52). However, such an approach threatens the ENP to become an incoherent policy framework. Under the same policy some countries prove more effort to adopt the EU's norms and standards and some others only try to reach more funding. Even though the ENP endures carrots not sticks, the ineffectiveness of the ENP to discipline these countries with EU's ignorance of the failure of its policy may cause resentment in other ambitious ENP countries. Moreover, EU's ignorance of the membership perspective of these ambitious countries has actually caused resentment in the domestic arena of these countries and being under the same umbrella with fund-seekers deepens this resentment.

In that regard, there is an urgent need to separate the ambitious countries from the others within the ENP and launch another type of policy framework for relations with these countries. Alternatively, the ambitious statement of the European Parliament (European Parliament Resolution on the European Neighbourhood Policy, 2004) makes clear what has to be done (but not done) by the EU in the ENP: "...a readiness to restrict or suspend aid and even to cancel agreements with countries which violate international and European standards of respect for human rights and democracy..."

Additionally in order to support domestic reforms of the ENP countries, the EU provides these countries a crucial amount of funding. The fulfillment of priorities in APs is determinant in the allocation of the funds from the EU. The new neighbourhood instrument- the ENPI as it is emphasized before- proposed by the Commission in 2003 was built on the positive experiences of the Phare, Tacis and INTERREG programmes of the Union for funding cross border cooperation (Commission, 2003:14). The ENPI with a considerable increase in funding for the period between 2007 and 2013 has become the financial instrument to support the ENP countries and also Russia.

The financial support to the ENP countries in that framework would be approximately €11.2 billion for the period of 2007-2013. The rise of the budget sources to support the ENP countries is more than €8 billion in comparing the 2000-2006 period (Emerson, Noutcheva and Popescu, 2007:22). Despite the creation of such a framework for funding and the increase in EU funding, the Commission emphasizes that this amount of funding is not enough for the ambitious reform agenda of the ENP (Commission, 2006:12). But it is clear that the ENPI is a well-grounded instrument to support the ENP countries in their domestic reforms for closer integration with the EU.

To sum up all, the effectiveness of the ENP instruments is debatable especially in case of the APs. The differentiation in the APs threatens the ENP as a coherent policy framework. Moreover, the priorities stated in the APs are very demandable from the ENP countries. The domestic cost to implement reforms under the APs seems very high and the incentives to compensate this feature seem inadequate. Therefore, the effect of the APs to the ENP countries remains very limited.

Differentiation

Our Wider Europe-New Neighbourhood policy will take full account of the differences in relations with each neighbours...It is obvious that our neighbours differ largely. So their relationships with us. Ukraine is not Egypt and Israel is not Moldova...Hence differentiation is a key notion in our

neighbourhood policy. (EU Enlargement and the Union's Neighbourhood Policy, Speech by Günter Verheugen, member of the European Commission, 2003)

The ENP is an umbrella policy which covers a wide diversity of countries differentiated due to specific circumstances in each neighbour, its reform process and its relations with the EU (Wissels, 2006:10). This differentiated approach of the EU in the ENP comes from its enlargement policy as a result of institutional learning process (Kelley, 2006:34). The experience of the enlargement shows the necessity of the principle of differentiation in the ENP. Dannreuther (2006:191) emphasizes that "...a 'one size fits all' policy is counterproductive and frustrates the ambitions of those genuinely seeking to engage substantively with the EU." In order to keep these ENP countries which are highly ambitious in their relations with the EU, even a more differentiated approach is required. It is clear that Ukraine and Moldova are very uncomfortable for being under the same umbrella with Syria or Egypt. To appease these considerations and to respond to the progress of ambitious countries differentiation is a key and very effective principle.

While differentiation is a beneficial principle in such a broad policy, there emerge some questions about that. Does differentiation aim to favor the ENP countries that resemble to the EU member states? Meloni (2007:27) asks that "If the ENP is promoting the principle of differentiation, isn't it finally preferring some particular neighbours over others depending on the degree of their resemblance to the EU itself?" The EU wants its neighbours to resemble itself with its values and norms. Therefore, even in the beginning phase of the policy the Union rewards the ENP countries due to their resemblance to the member states of the Union. This somehow proves that the ENP is highly asymmetrical even in the beginning phase of the relations with an ENP country. With the conditionality component, the more resemblance to the EU the more you can get principle has been consolidated in the ENP.

To sum up, the EU applies its transformative power in a differentiated manner in the ENP. As Meloni (2007:27) emphasizes that: "The European Union does not intend to act like the Good Samaritan who is ready to love any neighbour. On the contrary, it promises its 'devotion' only to those who are willing to adopt its core principles and norms. One could say that the EU is not 'loving' its neighbours as itself, it rather loves itself in its neighbours. Only at this condition, the European Union is ready to take charge of them." Thus, the ENP is a differentiated policy which is effective mainly in the countries that are ready and ambitious to be an EU-alike non-member state.

Conditionality vs. Joint Ownership

As our partners fulfill their commitments on rule of law, democracy, human rights, market oriented economic and sectoral reforms and cooperation on key foreign policy objectives, we offer deeper political and economic integration with the EU. (Speech by Eneko Landaburu, Director General of DG External Relations, CEPS Conference 2006)

The ENP aims to provide a roadmap to the neighbours of the EU in their political and economic reform processes. Some priorities in that process are set up and the achievement of the ENP countries in fulfilling these priorities determines the future of their relations with the EU. This feature of the ENP is conditionality emphasizing that the more common values with the EU reached by the neighbouring countries the more cooperation facilities with the EU (ENP Strategy Paper, 2004:8). The conditionality of the ENP resembles highly to the conditionality of enlargement. But the difference is the lack of the membership perspective in the ENP which was the main motivation for Central European countries in the enlargement

process. However, without clear incentives the success of conditionality in the ENP is debatable.

European Commissioner Ferrero-Waldner (6 June 2006) emphasizes in a speech that “It is true that, there’s an element of conditionality involved. But it is positive conditionality, meaning that we will offer more (financial, assistance, technical dialogue, or transfer of best practice) as progress is made.” Despite the EU’s positive conditionality that depends on rewards, there is at the same time attempts of the EU officials to prove that the ENP is a jointly-owned policy. After the launch of ‘the Wider Europe Initiative’, all the documents of the ENP point out that one of the strengths of the ENP lies in joint ownership. Therefore, the EU toned down its language of conditionality in the ENP through time (Kelley, 2006:36). As it is emphasized in the ENP Strategy Paper (2004:8) that “The ENP is an offer made by the EU to its partners...Joint ownership of the process... is essential. The EU does not seek to impose priorities or conditions on its partners.” In that sense, joint ownership implies that the ENP includes mutual interests and common consent of both the EU and ENP countries in an equal partnership.

Although it seems that there is positive conditionality and joint ownership in the ENP, there is also a tension between them. There are still questions whether the joint ownership is only rhetorically added to the ENP or it is real. For instance, Smith (2005:765) argues that in terms of APs, except one of them, the EU’s self interest is reflected in these documents as priority areas for action in the ENP countries. The question is if the ENP is asymmetrical or horizontal initiative. Is it an EU policy or common policy of the EU and ENP countries? The ENP is a unilateral European initiative towards EU’s neighbours. As Cremona and Hillion (2006: 39) point out that the ENP is not a “‘space’ (e.f. the four common spaces being developed with Russia), nor an ‘area’ (e.f. EEA), ... , nor a ‘partnership’ (e.f. Euro-Mediterranean Partnership)...” Therefore, the ENP is highly asymmetrical.

Such a conclusion is reached especially because of the fact that the EU decides what the shared interests and also shared values are. The EU defines what the interests of itself and also of the ENP countries within the ENP are and what the shared values are in that process between the EU and its partners. As Zaiotti (2007:150) argues that “As for the case of interests, however, the extent to which these values are shared effectively with the neighbours is doubtful...These values are common to the Member states...So values are indeed shared, but apparently only by EU countries.” As a result, it is difficult to say that the ENP is a joint ownership of the EU and its neighbours. The initiative has not been shaped from the beginning in an equal partnership between these parties.⁷ Instead, it has been shaped by the EU’s unilateral acts in order to change its environment or neighbourhood.

Incentives

Specifically, all the neighbouring countries should be offered the prospect of a stake in the EU’s Internal Market and further integration and liberalization to promote the free movement of- persons, goods, services and capital (four freedoms). If a country has reached this level, it has come as close to the Union as it can be without being a member. (Commission, 2003:10)

⁷ As Zaiotti (2007:151) emphasizes that the EU tells to its neighbours that: “We appreciate your support, but we do not trust you; we want your cooperation and friendship, but we build protective fences; we share interests, but we define what these interests are; and we believe in promoting collective security, but our own security comes first.”

The ENP relies on some incentives such as extension of the internal market and regulatory structure, new sources of finance and investment, extension of four freedoms which are the only stakes of the ENP countries in response to the realization of reforms in these countries. Furthermore, Prodi (2002) has emphasized that the ENP involves the idea of ‘everything but institutions’. However, without a membership prospective the carrot seems not adequate for the ENP countries to launch painful reforms and realize the priorities outlined in the APs. The reform process expected from the ENP countries is very painful but the incentives seem not adequate to compensate the domestic cost.

Moreover, the incentives under the framework of the ENP are not clear. For instance, the ENP aims to ease trade restrictions and ultimately constitute the accession of the ENP countries to the EU’s internal market. But this prospect seems even not clear and also far prospect for all the ENP countries (Milcher and Slay, 2005:16).

It should be noted here that there is an increasing emphasis of the EU to offer attractive incentives for the ENP countries recently. For instance, The Communication from the Commission (2003: 10) offers the extension of Four Freedoms to the ENP countries and also mentions the prospect of a stake in the EU’s Internal Market. Later, the ENP Strategy Paper (2004:3) offers gradual obtaining a stake in the EU’s internal market for the ENP countries which is even ironically more vague. The weakness of the policy has also been recognized by the Commission in its later Communication (2006). The document (2006:13) states that “To support our neighbours in pursuing demanding and costly reform agendas, we must be able to present a more attractive offer on our side.” It (2006:3) further offers a deep and comprehensive free trade agreement with the ENP countries which envisages the extension of four freedoms and also harmonization of legal standards and policies with the EU. By doing this, the Commission attempts to make the former declarations about a stake in the internal market more specific and also more attractive (Menkiszak, 2006).

Even though the EU realizes that the incentives are vague and not attractive for the ENP countries and tries to improve it, EU Commissioner Ferrero-Waldner (Speech 6 June 2006) reflects the actual way of thinking within the EU about the ultimate end result of the incentives: “Indeed, there’s no guarantee the goal will ever be reached. But every step along the way to closer integration in the internal market will bring medium and long term advantages.” Therefore, the ultimate consequence of the incentives as a response to the painful reforms is even not clear. Moreover, there are still some questions about whether the incentives are doable or not. To sum up, the ENP’s incentives which are quite vague make it difficult to realize reforms in the ENP countries and to apply conditionality by the EU.

Pre-accession without accession: Membership question and pre-accession techniques in the ENP

The goal of accession is certainly the most powerful stimulus for reform we can think of. But why should a less ambitious goal not have some effect? (Prodi, 2002)

The membership perspective is excluded strictly from the ENP. It is a framework for EU’s neighbours in order to assist them in their reform processes without the membership perspective. However, the early drafts of the ENP reflect a more open-door policy of the EU towards its neighbours (Commission, 2003:10). But the latest Communication from the Commission (2006:2) draws a clear line between the enlargement of the Union and the ENP: “The ENP remains distinct from the process of EU enlargement.” Therefore, it should be noted that there is a growing concern within the EU about the membership question in the

ENP. But there is still no concrete and definite response from the EU to the ENP countries which has a clear membership perspective (e.g. Ukraine).

Even though the ENP excludes the accession prospect, the EU never closes the doors wholly to the aspirant ENP countries. For instance, Verheugen (2003) points out that “The Union’s neighbourhood policy is distinct from the issues of possible further enlargement...Our neighbourhood policy does not close the door to the European aspirations of any country...” Therefore, the Union’s door neither open nor close to the ENP countries in regard to the membership.

While the ENP excludes the accession perspective from the policy framework, enlargement policy of the EU has had a great effect to the ENP. Most of the policy frames in the ENP has been derived from the pre-accession strategy.⁸ There is a high similarity between the key features of the ENP and the pre-accession policy of the EU such as APs (association agreements in pre-accession policy), monitoring, conditionality and differentiation. For instance, the APs set some priorities for reform in the ENP countries similar to the accession partnerships in the enlargement process (Cremona and Hillion, 2006: 29).

As Kelley (2006:31) emphasizes that the path dependency in the ENP is very high. The Commission has extended its successful and active foreign policy role to the ENP. Therefore, such a strong role of the Commission has been transferred to the ENP. The officials in charge in the enlargement policy were also transferred to the ENP. The result is the high similarity between the pre-accession strategy and the ENP (Kelley, 2006:32).

Because of such similarity, even the membership perspective is excluded from the ENP there emerges some sort of confusion in the ENP countries about the accession possibility. As it is pointed out by Cremona and Hillion (2006:17), “it sends contradictory signals to the Partners.” Most importantly, if the ENP countries fulfill the EU’s priorities one day and become eligible candidates for membership, what will happen then? Without accession perspective, as Cremona and Hillion (2006:17) emphasize that “... the ENP will create new candidates.” But the EU does not ignore this prospect while toning down such a possibility in later documents: “If a country has reached this level, it has come as close to the Union as it can be without being a member” (Commission, 2003: 10). Therefore, it can be asserted that the ENP is an opportunity for countries who have a membership perspective. If these countries use this opportunity wisely and adopt the EU values and standards successfully, the EU would have been pressurized by its own success and even would have no chance but to accept the new comers to the Union.

To sum up the chapter, the ENP has been designed to strengthen the security and stability in EU’s neighbourhood without the burden of the enlargement by transforming the Union’s norms and values to its neighbours. Despite the fact that the ENP is an integrated approach of the EU towards its neighbours, as a young policy it has some inherent shortcomings –as it is analyzed above- in regards to its key features. It should also be noted that the ENP is a highly flexible policy in regards to its soft instruments which is suitable for some alterations according to the needs of the day. However, there is the danger of turning the policy into an incoherent

⁸ The pre-accession strategy of the EU relies on accession partnership which led to “the emergence of a system whereby the candidates would adopt to all EU standards under close scrutiny by the EU institutions” (Cremona and Hillion, 2006: 27). The pre-accession strategy of the EU mainly involves high conditionality, socialization process, differentiation, and especially the Copenhagen criteria which comprise the EU accession conditions.

approach which may bring the mistrust of the ENP countries to the EU. Even though the EU is a pluralistic political community comprising many voices, the community institutions especially the Commission and the Parliament should exercise their duty as a balancer of various interests. These institutions should press to promote the transformative power of the Union towards the ENP countries in a coherent way. The next sections will concentrate the ENP in a specific case study in order to perceive the implementation of the policy and the problems in that area.

Common Strategies, Diverse Interests: the ENP and the case of Ukraine

Ukraine is the most committed ENP country to implement the AP and the most important candidate to have closer integration with the EU in comparing with the other ENP countries. As Wolczuk (2006:21) emphasizes that this feature of Ukraine is a good reference which is "...enabling the EU to claim that the ENP makes a difference in the Union's neighbourhood." Therefore, Ukraine is an interesting case study to perceive the actual success of the ENP.

The interesting point in the case of Ukraine is that different interests and motivations are at work for the EU and Ukraine independently within the ENP. While the EU has attempted to stabilize Ukraine without giving the membership prospective, Ukraine has announced its membership perspective steadily. However, diverse interests of both parts under the ENP bring inconsistency to the EU-Ukraine relations.

Moreover, the case of Ukraine proves that domestic politics are crucial in the course of European integration. Some domestic preconditions such as elite consensus or strong and stable democratic institutions are needed for the EU's application of its transformative power within the ENP (Solonenko, 2007:31). The lack of these conditions hampers the implementation of APs and neighbours' closer integration with Europe.

The key factors that affect the EU-Ukraine relations under the framework of the ENP will be analyzed in the next sections while giving an introduction of the EU-Ukraine relations prior to the ENP in the first part. These factors are the internal dynamics in Ukraine that affect the European integration of the country under the ENP and the implementation of the EU-Ukraine Action Plan.

EU-Ukraine relations prior to the ENP

The EU-Ukraine relations have been developed in a slow manner since the end of the Cold War. There is a need to overview both the EU's and Ukrainian approach (in President Kuchma era, 1994-2004) towards each other until the launch of the ENP in order to grasp the development of the EU-Ukraine relations.

The EU policy towards Ukraine has been the similar approach of the Union to all the post-Soviet countries which is on the basis of Partnership and Cooperation Agreement (PCA) without any membership perspective. Although the EU offered the PCAs to all newly independent states (NIS) except the Baltic states, there was some sort of differentiation in its relations with some of the former Soviet countries. For instance, provisions with the Free Trade Zone perspective are included in the PCA's of Ukraine, Russia, Belarus and Moldova. Furthermore, Common Strategies on both Russia and Ukraine was launched by the EU in 1999 (Pavliuk, 1999:19). In that sense, the EU's approach to the post-Soviet countries reflects, as Wolczuk (2007a) points out, 'limited differentiation'.

Ukrainian approach (Kuchma era, 1994-2004) towards the EU has been developed somehow with different expectations. Ukraine has developed a membership perspective in the second half of the 1990s. In 1996, President Kuchma announced the 'European choice' as a strategic objective of Ukraine. The President issued a decree involving the proclamation of the membership to the EU as a strategic and long-term goal of Ukraine in 1998 (Wolczuk, 2004:5-6). That decree of the President led to a more detailed work programme for European integration process of Ukraine.⁹ However, in that period Ukraine proved no progress in terms of launching and implementing reforms for closer integration with the EU.

Why did Ukraine prove no success in the European integration process in that period? Two important features in this era were influential in European integration path of Ukraine: the dominance of ex-communist power elites and of the executive branch in Ukrainian politics (Wolczuk, 2004:3). Because the political decisions were reached through a bargaining process among the elites around the president, European integration process was highly determined by the elite groupings (Guicherd, 2002:24). These elite groupings that focused to preserve their power and consolidated their interests by controlling the executive branch namely the presidency were the main obstacle for launching the necessary reforms for European integration process (Wolczuk, 2004:3). The main reason behind this is the consideration of the rent-seeking elite that these domestic reforms would have harmed their personal interests. Therefore, in Kuchma era there was no tangible improvement in Ukraine's path of European integration mainly due to the elite resistance to the reforms.

In this era, as Wolczuk (2007a) emphasizes that Ukrainian strategy in regards to European integration remained declarative and fixed to the membership perspective without taking the necessary steps, namely domestic reforms. It can be said that there was a gap between the declarations and deeds of the Ukrainian authorities for closer European integration.¹⁰

When the ENP was launched by the EU, Ukraine has become a party of this new framework later on despite its membership perspective in the long run. The ENP has become the main framework for the EU-Ukraine relations since then. But how did the Ukrainian authorities react to the ENP? Ukrainian authorities responded this initiative with scrutiny and mainly disappointment due to the exclusion of membership perspective from the policy. Being under the same umbrella with Magrib and Mediterranean countries which do not have a clear membership perspective as Ukraine was a real disappointment for Ukrainian authorities (Solonenko, 2006:44).

But why did the Ukrainian leadership accept the ENP which excludes membership perspective at least in the medium term? The main reason is the realization of the Ukrainian authorities that without the ENP and the implementation of the AP closer integration with the EU seems impossible (Solonenko, 2006:44-46). In addition to that, as Kelley (2006:47) points out that Ukrainian authorities have perceived the ENP as a springboard for membership. They believe that after successful implementation of the AP an association agreement with clear membership perspective can be achieved (Kelley, 2006:47). Instead of rejecting the EU's offer wholly, Ukraine attempts to use it as a step to the membership.

⁹ The decree of the President Kuchma listed main priority areas for European integration of Ukraine such as the adaptation of the Ukrainian legislation with the *Acquis Communautaire* of the EU, economic integration with the EU, protection of Human Rights (Wolczuk, 2004:6).

¹⁰ As Kuzio (2003:11) points out that there was a gulf in that period between the "domestic non-European policies and its declared strategic goals of integration into the EU..."

To sum up all, different approaches have been dominated in the EU-Ukraine relations prior to the ENP. While the EU's approach to Ukraine evolved towards a 'limited differentiation' and heavily dominated by economic engagement of the Union, Ukraine has developed a membership perspective without taking necessary steps- domestic reforms. However, the period after 2004 was remarkable for the EU-Ukraine relations due to promoting the ENP as the new framework for the relations and the Orange Revolution in Ukraine. The next section will analyze the developments within Ukraine under the ENP beginning with the Orange Revolution.

Ukrainian Politics and European Integration under the ENP

...Kiev's 'return to Europe' rhetoric was almost completely defeated by domestic policies that spoke louder than words (Molchanov, 2004:452).

Ukrainian perspective for closer integration with the Union has been widely affected by the domestic politics and developments. In that part of the paper, the internal dynamics of Ukraine by considering European integration process under the ENP will be argued in the period after 2004 beginning with the Orange Revolution.

In 2004, Ukrainian politics was transformed with the Orange Revolution which occurred through mass mobilization in the presidential elections of Ukraine. The movement represented the support of Ukrainians to the European values. Therefore, in the aftermath of the Orange Revolution EU-Ukrainian relations gained a new impetus. The new leadership asserted the European values more than ever. The election of Yushchenko who is a dedicated pro-European politician as the president of Ukraine altered the balance of power and strengthened the pro-European power focuses in the country. The change of elite groupings which paved the way of domestic reforms occurred through the political competition in 2004 Presidential elections (Solonenko, 2007:35).

After coming into power, Yushchenko reinstated the EU membership as a strategic goal of Ukraine. Because the ENP negotiated by the old leadership, it was put into question by the new elites of Ukraine after the Orange Revolution. It is claimed that the new domestic situation in Ukraine after the Orange Revolution did not fit the document negotiated before. Therefore, the new leadership wanted to renegotiate the AP of Ukraine. The EU's recognition of Ukraine's membership perspective was expected from the new Ukrainian leadership at that stage. However, the AP was not renegotiated despite the claim of the Ukrainian authorities. It was adopted with a ten-point supplement in 2005. The ten-point declaration added more incentives to the AP and specified the priorities for Ukraine in the document.¹¹

At later stages Ukrainian authorities figured out, in fact, the benefits- mainly the membership possibility in the longer term- that may be derived from the successful implementation of the AP. Therefore, the new leadership focused on the implementation of the AP and launching necessary reforms in that path. As Solonenko (2006:48) emphasizes that "In this period, Ukraine's policy towards Europe has been characterized by a stronger focus on internal political and economic reforms, transparency and involvement of civil society."

¹¹ Ten points for closer cooperation with Ukraine involves some new incentives. Some of them are the EU support to the WTO accession of Ukraine, increasing EU assistance, granting the Market Economy Status to Ukraine, launching negotiations on a visa facilitation agreement, additional funding from the European Investment Bank.

The new leadership also realized the necessity to create an internal dimension for the country's European policy (Solonenko, 2006:47). The need to act towards European integration and close the gap between the declarations and deeds was recognized. Therefore, Ukrainian government adopted roadmaps in order to implement the AP in a coherent way. These roadmaps include detailed activities to fulfill the objectives of the AP. As Wolczuk (2007a) points out that the AP roadmaps are "the closest thing to a governmental programme Ukraine has ever had". Therefore, a more detailed work programme for the implementation of the AP is reached through these road maps.

In this period, the difference from the Kuchma era was the realization of the necessity to act towards European integration which involves launching and implementing domestic reforms envisaged by the AP. Moreover, Ukrainian authorities after the Orange Revolution were receptive of the ENP as a framework for the relations with the EU despite the exclusion of the membership. The belief among the leaders was the implementation of the AP would lead to membership possibility in the longer term.

However, the changes in the Ukrainian politics with the 2006 Parliamentary elections have affected the course of European integration strategy of Ukraine once more. The elections brought the victory of Yanukovich and his Party of Regions. The coalition which has been set up by the Yanukovich's Party of Regions, Moroz's Socialist Party and the Communist Party has adopted constituted a more interest-driven approach towards the EU. As Wolczuk (2007a) points out that Ukraine under Yanukovich has constituted "a more pragmatic approach to the EU but no rejection of the membership objective." Therefore, the European choice of Ukraine has evolved towards an interest-based approach with the 2006 parliamentary elections.

Wolczuk (2007b:12) emphasizes that "in line with the interest-driven 'logic of consequentiality', the new government implied that without a membership perspective, the degree of Ukraine's compliance with the EU-defined norms and standards would be based on a cost-benefits analysis." After the elections, the interests of the business elites have dominated on the European integration policy of Ukraine. The focus of the cooperation with the EU under the framework of the ENP has become more and more economic-oriented rather than political one (e.g. focus on access to the internal market of the EU) (Solonenko, 2007:50).

To sum up, the case of Ukraine demonstrates the strong effect of internal politics to European integration path of the ENP countries. Specifically Ukraine under the ENP seems still in the path of European integration. After the Orange Revolution, all interest groups in Ukraine realized the benefits of European integration and the importance of the domestic reforms for closer integration with the EU. As Solonenko (2007:49) stresses that "...Since the Orange Revolution all major political forces, important economic interests, bureaucracy, and civil society have clearly come to see their interests in integration with the European Union." However, the adoption of a more pragmatic approach in the relations with the EU affects the implementation of the AP and thereby the future relations between the EU and Ukraine. The danger of declarative integration with the EU remains a real threat in Ukrainian politics. Although there has been the promise of the Ukrainian authorities after the Orange revolution for "closing the gap between declarations and deeds and attention to 'domestic homework' (Action Plan)" (Wolczuk, 2007a), two years after the launch of the AP there are still some problems about the implementation of the reforms. The next section will examine the implementation of the EU-Ukraine AP.

Implementation of the EU-Ukraine Action Plan

Ukraine and the EU will work together in implementing this Action Plan. As confirmed in the EU's Common Strategy on Ukraine, the European Union acknowledges Ukraine's European aspirations and welcomes Ukraine's European choice (EU-Ukraine Action Plan, 2004:2)

The EU-Ukraine AP approved in 2005 for the next three years is the basis for the EU-Ukraine relations under the ENP. The AP has about 300 action points which are mostly related with the domestic political and economic reforms of Ukraine. Moreover, the EU has adopted a ten-point declaration in order to show its support to the Ukrainian reform process after the Orange Revolution.

The EU-Ukraine AP (2004:3) sets out a comprehensive list of priorities for action such as: "...guaranteeing democracy and the rule of law; gradual approximation of Ukrainian legislation, norms and standards with those of European Union; accession to the WTO; ensuring respect for the freedom of the media and freedom of expression." The AP which includes such a long list of priorities for action is, in contrast, vague. The vagueness of the measures in the AP hampers the whole understanding of 'things to do' and consequently the implementation of the priorities. The most important priorities for action are listed in the beginning of the AP. However, as Smith (2005:764) emphasizes that "...the sheer number of 'things to do' is striking."

The AP envisages the approximation of Ukrainian laws with those of EU's which comprise several blocks.¹² As Petrov (2006:4) emphasizes that the AP involves the voluntary adoption of national laws to the EU *acquis*. In that sense, the expectations of the EU highly resemble those in the association agreements ('Europe agreements') with the Central and East European countries.

Moreover, conditionality is strengthened within the EU-Ukraine partnership by the AP (Hillion, 2005:6). Due to the dominance of conditionality in the AP, future relations of the EU and Ukraine depend on Ukraine's fulfillment of the AP priorities. It is also stated in the EU-Ukraine AP (2004:3) that there is a possibility of a new enhanced agreement in the case of Ukraine's fulfillment of the AP. Despite the unclear content of this statement, it represents the evolutionary nature of the AP which envisages the possibility of a new framework for the partnership. Therefore, both the ENP and AP confirm and improve the evolutionary feature of the EU-Ukraine relations (Hillion, 2005:4).

Although the AP serves as a roadmap for the political and economic reforms in Ukraine, the implementation of the plan remains limited due to a number of factors. Before analyzing these factors, one has to overview the progress of the EU-Ukraine AP implementation.

The Commission released its progress report concerning Ukraine's implementation of the AP in 2006. The document (ENP Progress Report Ukraine, 2006:3) emphasizes that Ukraine has a good progress in the implementation of the AP even though the country's reform progress lagged behind since the beginning of 2006- due to the political instability in the country. Good progress has been reached in the implementation of many action points such as free and fair parliamentary elections in 2006, cooperation with the EU on foreign policy, respect for

¹² These blocks focused on mainly "democracy, rule of law, human rights and fundamental freedoms; cooperation in the combat against terrorism, non-proliferation of weapons of mass destruction and illegal arms exports; economic and social reform and development in the country; social situation, employment, poverty reduction; sectoral cooperation between the parties such as the adoption of competition laws" (Petrov,2007.:3).

human rights and the rule of law, improvement in trade and trade-related areas, energy cooperation, cooperation on justice, freedom and security issues (visa facilitation and readmission), cooperation on environment, research and innovation sectors (ENP Progress Report Ukraine, 2006:2-3).

As a matter of fact Ukraine attained some success in internal democratic transformations.¹³ However, many priority areas in the AP remained problematic: independence of judicial branch, fight against corruption, poverty reduction and employment, reforms in the socio-economic area (Razumkov Centre, 2007:6). Therefore, it can be said that the implementation of the EU-Ukraine AP remains limited due to the selective implementation of the action points (Razumkov Centre, 2007:29). For instance, the reform in judiciary could not be tackled. As Petrov (2006:5) points out that "...judiciary remains the most non-transparent branch in Ukraine." But in contrast trade and trade-related reforms proves significant success in the country. Therefore, it could be asserted that there is a growing pragmatic approach of Ukraine in regards to the relations with the EU. The AP has been perceived from that angle by the Ukrainian political elites. Therefore, it is implemented partially. There is the implementation of the action points which are for the sake of the Ukrainian elites such as the reforms in order to access the internal market of the EU. However, some action points that could harm elite's interests are ignored. As Petrov (2006:2) stresses that "the signing of the AP was welcomed by political elite in Ukraine though in somewhat skeptical way. It became clear that Ukrainian pro-European prognoses must be reconsidered in line with more pragmatic objectives of the AP."

There are many factors that affect the implementation of the AP in Ukraine. Some of the important factors are the political instability of the country, the resistance of the elites to the reforms, the lack of leadership and the institutional framework in regards to the implementation of the AP and the inherent weaknesses of the AP and the ENP in general.

First, the political instability in Ukraine especially after the 2006 parliamentary elections destabilizes foreign policy implementation- consequently the implementation of European integration policies and the AP. The political struggle between Yanukovich and Yushchenko or between executive and legislative branches has become tense after the elections. A "Cold War" emerged between the president and the government that are divided over many issues (e.g. the presidential decrees, the budget for 2007). The competition and crisis in the Ukrainian politics between the executive and legislative branches has become worse (even brought the dissolution of Verkhovna Rada in April, 2007) with the constitutional amendments of 2004 that enhanced the parliament's powers (D'anieri, 2005:86).¹⁴

Numerous power struggles between different political institutions due to the unclear separation of competences and responsibilities has affected the long term policies of Ukraine amongst all the EU-related issues (Wolczuk, 2007b:12). As it is stated in a research by Razumkov Centre (2007:4) "...confrontation between the President, Parliament and the Government destabilized the state system of foreign policy implementation, aggravates deregulation of governance, and impairs the effectiveness of concerned ministries and agencies in the European affairs. All this undermines implementation of the European integration course." Moreover, the parliament whose cooperation is vital for the

¹³ Some of successful developments in Ukraine are about freedom of media and expression, rights of national minorities, human rights, development of democracy and civil society (Razumkov Centre, 2007:6).

¹⁴ Despite the fact that the amendments were originally implemented in order to establish a more democratic regime in Ukraine, the consequence of the change is the crisis in Ukrainian politics in the short term.

implementation of the AP remains unstructured and hardly successful in the approximation of the Ukrainian national laws with the EU *acquis* (Wolczuk, 2007b:13). Therefore, the political instability in Ukraine represents an important difficulty in the implementation of the Ukrainian obligations under the ENP.

Second, the elite resistance to the reforms envisaged by the AP is the reason of the selective implementation of the Ukrainian reform process. Elite's selection of the action points for their sake is a crucial obstacle for the whole implementation of the AP.¹⁵ Moreover, elite consensus which is the basis of a democratic regime has been problematic in Ukraine (Solonenko, 2007:36-37).¹⁶ Political crises in Ukraine due to the clash among elite's interests have become a part of the daily life. This feature of Ukrainian politics has made the path of European integration for Ukraine especially implementing the domestic reforms more difficult. It seems that elite consensus for the European integration of Ukraine could only be reached unless the interests of these groups are threatened. As a result, the main problem in Ukraine in regard to the European integration is the lack of the elite support to transform the country.

Third, the lack of leadership and of a viable institutional framework for the implementation of the AP represents an important failure of Ukrainian authorities. The institutional framework required for the European integration of Ukraine is relatively weak even though some institutions have been established since Kuchma regime to deal with the European integration process. Despite the changes from 2005 to 2007 to create an effective institutional framework for dealing with the European integration, the institutional framework remains far from efficiency. As Solonenko (2007:44) emphasizes that "Yet, institutions in Ukraine seem to be far less stable and effective than its western neighbours." Therefore, the problems troubling state apparatus like over-institutionalization, inefficiency, corruption, poor coordination, competition, and lack of resources could not be eliminated in Ukraine (Wolczuk, 2004: 14-15).

Moreover, there is a serious institutional crisis in Ukraine in regards to the competition within several agencies over the coordination of European integration issues.¹⁷ The need to separate competences of executive bodies that deals with European integration is an urgent problem in the institutional arena (Petrov, 2006:6). Additionally, the lack of political will and of assertive leadership deepens the inefficiency of Ukrainian agencies to implement the whole AP.

Fourth, there is the question of whether the ENP and the AP are adequate to launch radical reforms in Ukraine. Without the golden carrot of membership, the ENP remains weak for Ukraine to implement painful reforms envisaged by the AP. Although the AP includes a long list of priorities to realize by Ukraine, as Smith (2005:764) emphasizes that the benefits of the ENP summarized in the AP is rather fuzzy. Therefore, as Smith (2005:764) concluded "It is hard to see how these action plans provide a 'real incentive for reforms'." Due to that fact, the effectiveness of the EU's transformative power within the ENP remains limited. Moreover, the main problem for Ukraine is the lack of domestic support to the reforms, mainly the elite's resistance to the reforms. In that sense, as Wolczuk (2004:20) emphasizes that European integration of Ukraine should be a political project to support the domestic reforms rather than

¹⁵ It should be noted that elite groupings have been the most important political actors in Ukrainian politics since the independence of the country. The decisions of these groups both in the domestic and foreign policy arena have been the main determinant in Ukrainian politics (Wolczuk, 2004:3).

¹⁶ Solonenko (2007:42) outlines three reasons for the lack of elite consensus in Ukraine. These are "difficulty of breaking away from the Communist past, heterogeneity of Ukrainian society, and the lack of democratic political culture."

¹⁷ These institutions are the Secretariat on European integration of the Cabinet of Ministers, Ministry of Foreign Affairs, Ministry of the Economic and European integration.

only an economic project. But the focus and incentives of the ENP seems relied on economic aspects rather than political ones. As a result, the ENP, itself, leads to the selective implementation of the AP by stressing the economic aspects of the partnership.

To sum up all, Ukraine achieved some progress in the implementation of the AP. As Wolczuk (2007b:10) stresses that “The AP represents for the first time that Ukraine has acted on EU conditionality.” However, the implementation remains selective and limited due to domestic contingencies and pragmatic considerations of the Ukrainian elites. The absence of a strong political leadership and coordination centre with the weak design features of the ENP hampered the progress. As a consequence, it can be said that the progress of Ukraine in the implementation of the AP is not adequate for the country to derive the benefits from the cooperation within the ENP (Wolczuk, 2007b:22). Moreover, the AP is only an auxiliary tool for the domestic reforms in Ukraine. Therefore, it is difficult for such a short-term document (APs are adopted only for three years) to solve all the problems in Ukraine’s path of European integration (Razumkov Centre, 2007:5).

Conclusions

The ENP is launched for a more coherent external action of the EU in its neighbourhood. Even though the ENP is a valuable policy for an integrated approach to EU’s relations with its neighbours, many problems emerge in such a young policy. These are most related with the inherent shortcomings of the policy.

First, the value-driven rhetoric of the EU within the ENP seems relatively weak. The ENP has a strong value-based language in its origins. However, the implementation of the policy demonstrates that the EU ignores some of the deficits of its partners in regards to sharing EU’s standards, norms and values. In other words, the Union focuses in some cases on its vital interests rather than its transformative agenda for some ENP countries. For instance, the EU expects more from the East European countries to realize reforms and internalize European values. But the Union prioritizes its key interests such as energy cooperation in some other ENP countries (e.g. countries in Caucasus) (Bosse, 2007:51-52). Therefore, it can be said that the ENP does provide differentiation for the ENP countries but not always in a coherent way. In that sense, there is an urgent need to separate the ambitious ENP countries for closer European integration and differentiate these countries more in a positive and coherent way.

Second, the ENP is highly asymmetrical. Therefore, it is not a base for equal partnership. The EU’s conditionality becomes dominated in the ENP even if it is accompanied by joint ownership. This creates a unilateral perspective in the ENP which could lead the unwillingness of the ENP countries to cooperate under this framework in the future.

Third, the incentives and aims of the ENP are vague. The golden carrot to stimulate the reforms in the ENP countries is missing by the exclusion of accession perspective in the ENP. The incentives do not seem to compensate the cost of domestic reforms envisaged by the APs in the ENP countries. Moreover, the APs are very comprehensive and also vague. It is hard to implement for the ENP countries all priority areas in such a short period of time.

Fourth, the application of pre-accession techniques in the ENP with excluding the membership perspective creates confusion in the ENP countries especially in Ukraine which has a clear membership perspective.

Ukraine under the ENP is an interesting case to grasp the implementation of the policy. The ENP represents stronger involvement of the EU to the domestic reform process in Ukraine. However, the transformative power of the EU within the ENP remains limited due to the shortcomings of the policy itself and also Ukraine's domestic contingencies. Most importantly, the domestic situation of the ENP countries affects the success of the ENP. Even if the country has a will to go beyond, without necessary domestic conditions (e.g. elite willingness to implement reforms) it is hard to achieve successful implementation of the AP. Due to that fact, the AP of Ukraine could only be implemented selectively. Therefore, the effect of the ENP in the country remains limited.

The shortcomings of the ENP emphasized above also affect the implementation of the policy. The vagueness of the AP and incentives and the exclusion of the membership perspective from the policy limit the mobilising effect of the ENP in Ukraine. Moreover, different expectations of the EU and Ukraine cause an incoherent approach in the EU-Ukraine relations under the ENP.

The sum of all these factors is the emergence of a pragmatic approach in the EU-Ukraine relations under the ENP. Both parties focus on the short-term gains from the ENP. For instance, Ukraine now attempts to have a stake in the internal market of the EU without giving up its membership perspective. The EU, in contrast, focuses on the stabilization of Ukraine and making the country 'an ideal neighbour' without a membership perspective. It can be said that the EU is highly focused on the success of the ENP. Even if Ukraine does not implement the AP wholly, the EU prefers to see the positive impact of its policy to Ukraine. Therefore, the Union seems to reward even a partial success of the ENP countries. It means that the ENP is actually not an ambitious project as it was envisaged before. Moreover, the ENP countries may translate such an approach that they do not have to realize all the reforms envisaged by the APs (Kelley, 2006:36). As a result, the EU itself causes the selective implementation of the APs and reduces the effectiveness of its transformative power within the ENP.

To sum up all, the ENP reaffirms the EU's potential to resolve the roots of insecurity in its neighbourhood through economic and political transformation of its neighbours. The transformative power of the EU is the key to stabilize its neighbours. However, the need for a more balanced approach between the security interests of the EU and its transformative agenda is required within the ENP. Therefore, the potential of the ENP to transform the neighbours of the EU into 'ideal neighbours' should be enhanced by asserting a more differentiated, value-based and coherent approach with clear incentives and objectives. If it is done, the ENP could be a truly innovative and ambitious project.

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