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TURNING PRESENCE INTO POWER: LESSONS FROM THE EASTERN NEIGHBOURHOOD

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SUMMARY

Since the launch of its European Neighbourhood Policy (ENP) in 2003, the European Union has become the biggest trading partner of most of the states in the region, embarked on association and free-trade talks, deployed crisis management operations, and offered visa facilitation and visa-free dialogues. But the EU has not succeeded in turning this presence into power. In fact, as the EU has become more involved in the eastern neighbourhood, its ability to influence political developments in the region has stagnated at best. With the exception of Moldova, all of the EU's eastern neighbours have gone in the wrong direction in the last few years.

Behind the EU's failure to turn presence into power in the eastern neighbourhood lie three structural trends: the increasingly authoritarian and semi-authoritarian regimes in most of the neighbourhood states; the emergence of a multi-polar world that allows countries in the eastern neighbourhood to play "neo-Titoist" games of balancing between external actors; and the EU's own limited commitment to the ENP. The EU should continue to increase its own visibility and outreach with the public, business interests and state institutions in the eastern neighbourhood. However, it should not rely on soft power alone. Instead, it should also aim to develop a more transactional relationship with its eastern neighbours – in other words, to decide what its interests are, be less diplomatic with interlocutors and set tough conditions on issues such as visa liberalisation.

Since the launch of its European Neighbourhood Policy (ENP) in 2003, the European Union has become more present and involved in the affairs of its eastern neighbours than ever before. It has become the biggest trading partner of most of the states in the region, embarked on association and free-trade talks, deployed crisis management operations, and offered visa facilitation and visa-free dialogues. But it has not succeeded in turning this presence into power. In security and democracy terms, the EU has failed not only to achieve most of its objectives, but also to prevent a deterioration of trends on the ground. In fact, every country in the region except Moldova is less democratic now than it was five years ago. As the EU's southern neighbourhood goes through a democratic transformation of its own, it is particularly important that Europe learns the lessons of this failure to consolidate democracy in post-revolutionary societies in the eastern neighbourhood like Georgia and Ukraine.

At the same time, with some member states preoccupied with the revolutions in North Africa and the Middle East, there is also a danger that things will get even worse in the eastern Europe. As revolutions have toppled dictatorships in Tunisia and Egypt and threatened other regimes in the southern neighbourhood, the eastern neighbourhood seems to be moving in the opposite direction – in other words, towards authoritarian consolidation. While the EU's southern neighbours look like the eastern neighbours did in the revolutionary years of 2003 to 2005, the eastern neighbourhood looks increasingly like the south did a few years ago – a collection of states with close economic relations

with Europe but centralised, non-competitive politics, which can routinely afford to ignore the EU on key political and security questions. To prevent this trend continuing, the EU will need to put much more energy into its policies towards Eastern Europe in order to turn its presence into power.

The EU's increasing presence...

Since 2004, the EU has been more present in the eastern neighbourhood – which comprises Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – than ever before. The EU trades more than Russia with each of the six Eastern Partnership (EaP) states except Belarus, and it is also moving towards Deep and Comprehensive Free Trade Agreements (DCFTA) with most of its neighbours.

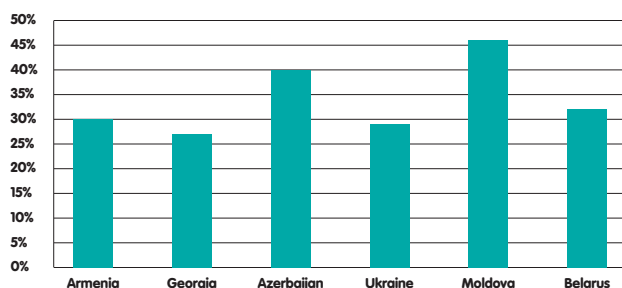


Figure 1
EU share of foreign trade of EaP states

Source: European Commission

The EU has also become increasingly involved in conflict management in the eastern neighbourhood. The EU is a mediator in the talks between Moldova and the secessionist region of Transnistria, and it deploys a 120-strong EU Border Assistance Mission (EUBAM) to Ukraine and Moldova. It also has a 200-strong EU Monitoring Mission in Georgia and is a mediator in the Geneva talks between Russia, Georgia and the secessionist regions of Abkhazia and South Ossetia. This means that there are more crisis management personnel deployed in EU missions in the eastern neighbourhood than in any other region except the Balkans.

Two dozen EU high-level advisors are embedded in the Armenian and Moldovan governments working with local institutions to promote reforms, and a Border Support Team has worked with border guards in Georgia. Since the launch of the ENP, the EU and its member states have also beefed up their diplomatic presence in the neighbourhood. The number of EU delegations in the region has increased from two to six, so that the EU is now represented in each of the eastern neighbours. The size of these delegations has also been increasing.

The EU's contractual relations with its neighbours have also advanced. The EU is negotiating Association Agreements with Ukraine, Moldova, Georgia, Armenia and Azerbaijan.

The EU has also launched a dialogue on visa-free regimes with Ukraine and Moldova, and embarked on visa-facilitation agreements with Georgia, Armenia and Azerbaijan. Even Belarus might follow. EU funding for the eastern and southern neighbourhood has gone from €8.4 billion in the 2000-2006 financial perspective to €11.2 billion for 2007-2013 – an increase of 32 percent.

The EU's approach has been based on offering some carrots and using almost no sticks (except for travel bans and asset freezes for Belarusian leaders). In a sense, this approach has been a success. Progress has been made against the opposition or scepticism of some member states that were either unwilling to commit more resources to the eastern neighbourhood or careful not to complicate relations with Russia. However, although the EU has made progress in its neighbourhood policy, it has failed to keep up with even faster negative trends in the region.

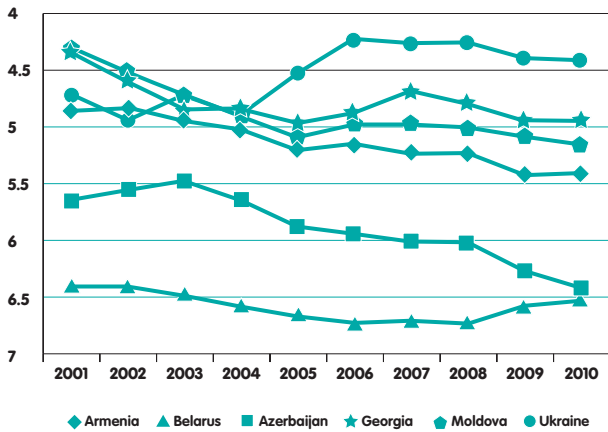
... but limited power

Power is not simply a matter of resources deployed on the ground and rising shares in foreign trade. Rather, it is primarily the ability to achieve outcomes, set the agenda and define what others want.¹ EU power in the eastern neighbourhood would mean that Brussels was increasingly able to nudge its neighbours towards more democracy and reforms and greater support for EU interests and values in the region. But the EU's influence on its eastern neighbours' reform and democratisation trajectories or foreign policies and on conflict resolution in the region has been marginal at best. In other words, presence has not turned automatically into power. In fact, as the EU's attention on and involvement in the eastern neighbourhood has grown, its ability to influence political developments in the region has stagnated at best.

Meanwhile, almost all of the EU's eastern neighbours have gone in the wrong direction in the last few years. Azerbaijan has switched to a lifetime presidency; in 2008, Armenia arranged a Putin-style succession triggering clashes that left at least 10 people dead; and Georgia went through a growing centralisation of power and a war with Russia in 2008. Between 2005 and 2010, the leaders of Ukraine's Orange Revolution squandered their power and Viktor Yanukovich moved quickly to assert a dangerously high degree of political centralisation after being elected president in 2010. Finally, Belarus ended two years of rapprochement with the EU with a crackdown on the opposition after the election in December 2010. Only Moldova has proved an exception so far, although its political system has yet to stabilise and the unsolved conflict in Transnistria is still a burden. In any case, it is too small to be a regional game-changer.

¹ See, for example, Joseph S. Nye, *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, 2004.

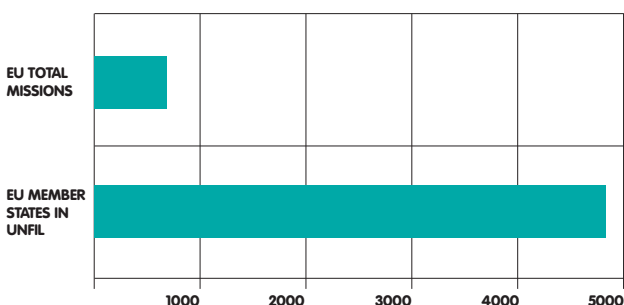
Figure 2
Democracy scores, 2001-2010



Source: Freedom House Nations in Transit

Even the EU's limited policy achievements in the region have lagged far behind need. The EU delegations in the region remain small (often as few as two or three diplomats) and are heavily geared towards technical assistance and development projects rather than political and security issues. Although the EU has increased its role in conflict management in the eastern neighbourhood, the total number of people it has on the ground remains tiny. For example, the combined number of EU personnel in the EU Border Assistance Mission in Moldova and Ukraine and the EU Monitoring Mission in Georgia is minuscule compared to the 4,827 people that EU member states currently provide to the United Nations' peacekeeping mission in Lebanon.² In fact, Bangladesh has more peacekeeping personnel in Lebanon than the whole of the EU does in the entire eastern neighbourhood.

Figure 3
Personnel in EU crisis management missions compared to EU member states' contribution to the United Nations Interim Force in Lebanon (UNIFIL)



Sources: European Council and United Nations

Even more worryingly for the EU, what were once supposed to be big carrots are now increasingly seen in the neighbourhood as sticks. In countries such as Georgia and Ukraine, Deep and Comprehensive Free Trade Agreements are seen as imposing burdens of red tape with few short-term benefits. Even some European officials are having second thoughts about the DCFTA. "It brings no short-term benefits and incurs a lot of costs," says one. "It is far from being a carrot."³ As a result, free-trade talks with Georgia did not progress because of Georgian delaying tactics, and talks with Ukraine have been stuck for a few years owing to protectionist instincts on both sides. Meanwhile, talks with Moldova have not even started because of EU delaying tactics.

Behind the EU's failure to turn presence into power in the eastern neighbourhood lie three structural trends. The first is regional: the increasingly authoritarian and semi-authoritarian regimes in most of the neighbourhood states. The second is global: the emergence of a multi-polar world that allows countries in the eastern neighbourhood to play "neo-Titoist" games of balancing between external actors. The third is internal: the preoccupation of the EU first with institutional reforms and then with the management of the economic crisis.

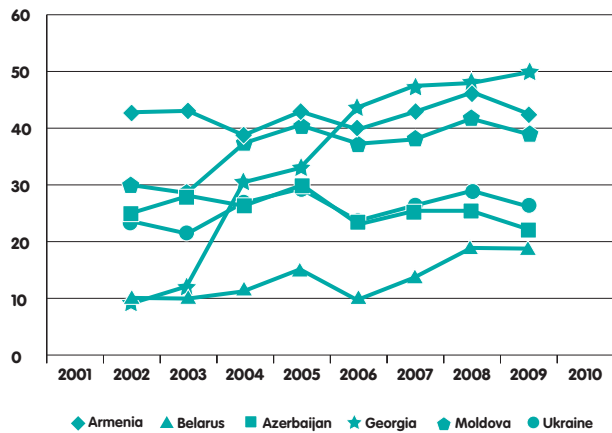
Strong regimes, weak states

Despite zigzagging through "coloured revolutions" and counter-revolutions, the general trend among the EU's eastern neighbours during the last decade has been state capture and authoritarian consolidation rather than transition towards free politics and economies. The elites in most neighbourhood countries prefer "stabilisation" to transition: they would rather freeze the status quo of partial reform, in particular by blending oligarchic networks with corrupt officials, rather than strengthen state institutions. Elites thus get the benefits of state capture (e.g. the virtual privatisation of state institutions which are used for private gains) while local societies bear the cost. As a result, much of the eastern neighbourhood is stuck somewhere between dictatorship and democracy, and between command economies and free markets.

² United Nations Interim Force in Lebanon (UNIFIL) home page, available at <http://www.un.org/en/peacekeeping/missions/unifil/index.shtml>.

³ Interview with EU official, Brussels, February 2010

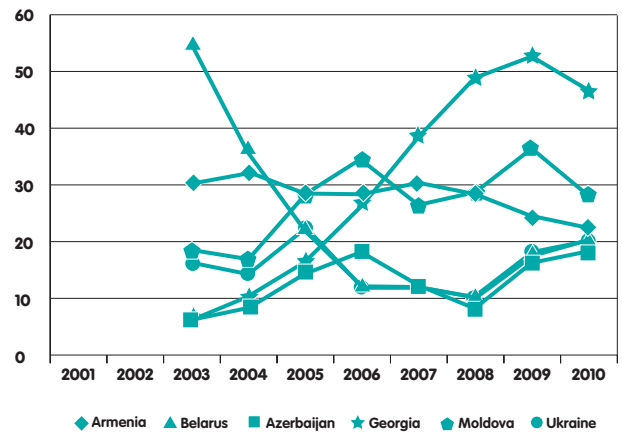
Figure 4
Governance scores, 2002-2008



Source: World Bank

This process of domestic political consolidation has drastically reduced the opportunities for EU influence. Very often, the problem is not that the EU is not offering enough to its neighbours but rather that authoritarian consolidation makes it more and more difficult for the EU both to induce change and to promote its interests and values. The neighbourhood states are now much less permeable to EU influence than Central Europe or the Balkans. As an ECFR report published in 2009 argued, the EU's basic approach to the region has been predicated on an "enlargement-lite" model aimed at exporting the *acquis communautaire* and helping transition, but the states in it are increasingly post-transition.⁴ Since 2009 the trends described in the report have continued, particularly with Yanukovich coming to power in Ukraine and Belarus cracking down on demonstrators in December 2010 and reversing its tentative rapprochement with the EU. The export of EU norms aims to create increasingly open societies, but the EU's eastern neighbours are increasingly closed.

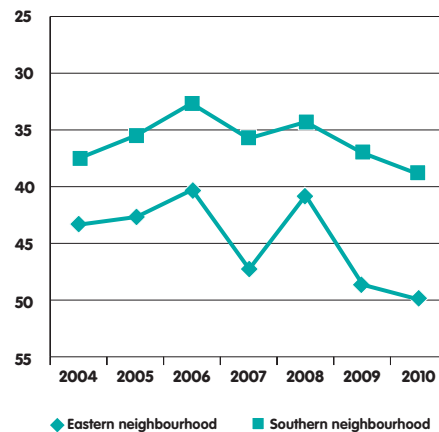
Figure 5
Corruption in the eastern neighbourhood, 2003-2010



Source: Transparency International

In some ways, the eastern neighbourhood now looks increasingly like the southern neighbourhood did before the revolutions this year. The EU faces consolidated authoritarian regimes rather than dynamic states in search of European solutions. Whereas in most reform indexes – be it democracy, press freedom, corruption or costs of doing business – the eastern neighbours still score much better than the southern neighbours, many of them run the risk of repeating the same pattern of stagnation in partial reform which characterised the EU's Mediterranean neighbours for decades. So far, only Moldova bucks the trend of political centralisation. As for Georgia, it is undoubtedly something of a leader in institutional reforms, but its politics remains too polarised and centralised around the president.

Figure 6
Press freedom in the eastern and southern neighbourhoods, 2004-2010



Source: Reporters Without Borders, *World Press Freedom Index 2010*

⁴ Nicu Popescu and Andrew Wilson, *The limits of enlargement-lite: European and Russian power in the troubled neighbourhood*, European Council on Foreign Relations, June 2009, available at http://ecfr.eu/page/-/documents/ECFR_eastern_neighbourhood_report.pdf.

A multi-polar environment

The second trend that has significantly undermined the EU's usual foreign policy *modus operandi* is the multi-polar environment in which the eastern neighbours operate. Whereas the EU had a quasi-monopoly of influence in Central Europe and the Balkans in the 1990s, it must now compete with Russia, Turkey, Iran and increasingly even China for influence in the eastern neighbourhood. This allows the neighbourhood states to play a "neo-Titoist" game of balancing to win resources and strengthen local elites, and it provides an excuse for a lack of reform.

Meanwhile, American attention to the region is more sporadic than ever. Preoccupied by the rise of China and events in Afghanistan and Iran, the United States increasingly expects the EU to deal with its own neighbours alone. If the Obama administration's priority has always been prioritisation, Eastern Europe and the Caucasus are currently seen as neither a necessary part of broader global solutions nor as a part of broader problems. Relative US neglect ought to have increased the pressure on the EU to step in and do more, but it has not. At the same time, however, China's non-conditional mode of engagement gives local elites more room for manoeuvre. All of these trends have reinforced each other by affecting EU policy performance.

While some eastern European leaders have regretted the US retreat, most have welcomed China's rise, which they hope will expand their room for foreign policy manoeuvre, reduce their economic dependence on both Russia and, to a lesser extent, the EU, and allow them to escape the conditionality-based engagement of the West. Economically, however, China mainly offers specific deals and trade credits (Belarus's economic support from China, for example, may be more limited than President Alexander Lukashenka makes it look). Beijing is therefore more important as a foreign policy prop – though it often seems like a weak third leg on an unstable chair.

Russia, meanwhile, has changed its approach to the region in the last three years. Moscow may have intended the war with Georgia in August 2008 to intimidate its neighbours, but instead it spooked them. As a result, Russia has now shifted from the use of hard power to the use of more soft power in its "near abroad". The global economic crisis has also forced Russia towards a policy of selective engagement that limits the eastern neighbourhood states' freedom of manoeuvre in some areas (for example, in security policy) but deliberately expands it in others (for example, Moscow gives a green light to local elites' business practices in a way that the EU never would).

This situation has created fragile, highly personalised regimes which are inherently problematic or unstable: either awkward characters entrench themselves, like Lukashenka in Belarus, or each election leads to new leaders and new problems, as with post-Orange Revolution Ukraine from 2005 to 2010. But unlike the original variant in post-war Yugoslavia, the

new eastern European Titoism primarily benefits local elites. Whereas post-war Yugoslavia was relatively prosperous, the resources the neo-Titoists get from balancing rarely trickle down. Moreover, the freedom to manoeuvre that neo-Titoist regimes have creates a temptation to be adventurist. They are also prone to over-reach, as with Ukrainian and Belarusian blackmail over energy transit. The overspill of "local" problems into the EU is an obvious danger.

Finally, neo-Titoism undermines the traditional EU strategy of conditional engagement. To put it crudely, the neo-Titoists take the money and run – as a recent joke in the neighbourhood has it, "you cannot buy politicians, you can only rent them." In this respect, neo-Titoism differs from the original. Titoism produced potential new Western allies, increased connections with the West, not least through visa-free travel for Yugoslav citizens, and made the West popular in Yugoslavia. Neo-Titoism in Eastern Europe and the Caucasus, on the other hand, undermines the EU's entire approach to the region. It is increasingly difficult to promote the classic Schuman model of technical followed by political convergence with states whose foreign policies are annoyingly pendular.

A do-it-yourself ENP

The third reason why the ENP has underperformed so far is the EU's own lack of commitment in the neighbourhood. As a senior EU official puts it, "our partners are less interested in the ENP than we are, and we are not that interested ourselves".⁵ Another European official calls the ENP the EU's "bastard child" – a surrogate for enlargement rather than a tool for the EU to pursue its interests in the neighbourhood. Thus, although the EU has a massive presence in the neighbourhood, it has had a laid-back, hands-off attitude to the ENP: it was something the EU expected its eastern neighbours to deliver themselves and at their own pace, as if it had little stake in the outcome.

A good example of this "do-it-yourself" ENP is the EU's stated objective of establishing a common aviation area between it and its neighbours by 2010. So far, only Georgia has negotiated an air transport liberalisation agreement, while negotiations with other states in the eastern neighbourhood such as Ukraine have now been overtaken by southern neighbours such as Morocco and pre-revolutionary Tunisia.⁶

The main reason for this lack of commitment has been that, since the launch of the ENP in 2003, the EU has been preoccupied first with its own institutional reforms and then – almost immediately after they had been completed – with the consequences of the economic crisis and the eurozone crisis. As a result, foreign policy has been sidelined. But even in terms

⁵ Interview with EU official, Brussels, February 2011.

⁶ Communication from the Commission – Common Aviation Area with the Neighbouring Countries by 2010: Progress Report, 1 October 2008, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0596:EN:NOT>.

of foreign policy priorities, many member states were much more focused on other issues such as the wars in Afghanistan and Iraq and the rise of China. The lack of any positive dynamic in the eastern neighbourhood itself, especially after hopes briefly flared with the “coloured revolutions” of 2003-04, also created apathy and fatigue. As a result, the EU has devoted few foreign policy resources to the neighbourhood – for example, most European leaders ignored the first EaP summit in May 2009. Following the revolutions in Egypt and Tunisia, the EU is now almost certain to focus whatever foreign policy energy it has primarily on the south.

An additional reason for this lack of commitment has had to do with the way the EU works. Much of the EU’s power in the neighbourhood derives not so much from its foreign policy as such but from its ability to mobilise other areas of European integration – from funding to free trade – to achieve foreign policy goals. However, because all of the eastern neighbours except Ukraine have negligible economies, there was little incentive for most EU officials to invest time, personnel and political attention in them. For example, while diplomats in the External Action Service might think that free trade with Armenia or Moldova was a worthy foreign policy goal, it made more sense for officials involved in trade to invest their time and attention in free-trade negotiations with South Korea. The slow progress towards free trade with the EU’s neighbours came about not so much because anyone in the EU seriously opposed the aim, but because too few cared enough about it.

But even on key issues where the EU’s public appeal and visibility was at stake – for example, conflict resolution – it lacked coherence. Before the Lisbon treaty, the EU’s policies on post-Soviet conflicts were run by the Council of Europe and were therefore not even technically part of the ENP, which was run by the European Commission. However, the greatest difficulties came from the reluctance of key member states to play a substantial role in conflict resolution in the eastern neighbourhood, mainly for fear of irritating or complicating relations with Russia. Although the Georgia-Russia war of 2008 was not the EU’s fault, it failed on numerous occasions to pursue conflict prevention policies in the run up to the war. For example, in 2005, the EU refused to take over the Organisation for Security and Co-operation in Europe (OSCE) border-monitoring mission to Georgia, which had been terminated by Russia. This created much more room for gradual destabilisation and growing security tensions. The EU has also frequently tried to compensate for this lack of a clear political strategy with money. All too often, it tried to buy itself political influence by offering limited aid rather than designing functioning political and security strategies, which merely reinforced the perception of the EU as a cash cow.

The EU also acted as if soft power could replace rather than complement hard power. It hoped that the eastern neighbourhood states would listen to the EU and converge with it simply because it was attractive rather than because it offered something. However, the EU’s reliance on soft

power alone has failed to alter trends on the ground – all the more so because the EU’s half-hearted engagement with its neighbours has actually cost it a lot of soft power in the region. Not just the elites but also the public increasingly see the EU as irrelevant to them. For example, support for EU integration in Ukraine plunged from 65 percent in 2002 to about 40 percent at the end of 2008.⁷ Thus, any strategy to improve the EU’s performance in the eastern neighbourhood should seek to bolster both the EU’s soft and hard power alike.

Increasing soft power

Since the launch of the ENP in 2003, the EU has significantly build up its presence in the eastern neighbourhood – through increased assistance, association talks, more trade, and crisis management missions. But the EU has not been able to turn this presence into the power to change and shape the neighbourhood in accordance with its views. Since the launch of the EaP in 2009, democracy in the eastern neighbourhood has further deteriorated, “coloured revolutions” have under-delivered in Georgia and failed to deliver in Ukraine, media freedom has worsened, and corruption has grown. Today, the EU often lacks partners who could promote its agenda and it has also lost some of its allure in the region. In short, it is in danger of becoming politically irrelevant.

However, this does not mean that the EU should downgrade its presence in the neighbourhood. The EU should continue to increase its own visibility and outreach with the public, business interests and state institutions. Even though such presence does not turn immediately or automatically into power, it will help the EU win friends, increase leverage and visibility, and position itself to become more effective if and when conditions change in the neighbourhood countries or inside the EU. In short, it will increase the EU’s soft power in the region. But, in the meantime, the EU should also fight harder to pursue its own interests in the region and develop its short-term power by sharpening the edge of its policies, defining clearer red lines and actively policing them, and investing more political capital in the neighbourhood.

The priority for the EU should be to deliver on promises it has already made, particularly by being less protectionist in trade negotiations and by intensifying visa dialogues. All too often, EU promises from the highest level have been blocked, delayed or watered down in working groups in Brussels. Better delivery will enable the EU to insist with greater assertiveness on better delivery from its neighbours, which also have a bad record in sticking to their promises.

The EU also needs to invest more in high-visibility and even populist policies in the neighbourhood that replicate what the European Commission sometimes tries to do inside the EU. Above all, the EU should put more political weight behind the promotion of air transport liberalisation. More integrated

⁷ Razumkov Centre, “Does Ukraine need to join the European Union?”, sociological poll, 2002-2008, available at http://www.razumkov.org.ua/eng/poll.php?poll_id=387.

air transport between the EU and neighbouring countries will improve tourist, business and family ties. The EU could let its eastern neighbours join the EU-wide cap on roaming charges, reduce bank-card charges when travelling abroad, or encourage neighbours to join EU smoking bans. The aim of such initiatives would be to continue to build up the EU's soft power as the basis for circumventing non-reformist elites and to invest in policies that give significant benefits to the citizens of the EU and its neighbouring countries.

Similarly, the EU should become the voice of EU businesses in the region through the creation of EU Chambers of Commerce that could act as concerted lobbies vis-à-vis their host governments to push for improved governance and a better business climate that reflects both EU standards and reduced corruption. Engagement between EU embassies and local business associations should also be bolstered. EU member states could grant students from the EaP countries the status of "home" students to make it cheaper for them to study in the EU.

The EU also needs to invest more in lasting institutional partnerships with key institutions in the eastern neighbourhood such as interior ministries. These often are among the most corrupt, closed and anti-reformist institutions in the region, but that is exactly why they are important to engage. The EU should provide comprehensive assistance to improve border controls and policing in the region, building on its extensive experience in the Western Balkans and with the EUBAM mission to Ukraine and Moldova. The EU needs more mini-EUBAMs in the region that work actively with both border guards and the police. EU member states should also consider creating joint border patrols and joint border/customs posts, particularly with Ukraine and Moldova.

At a time of austerity, it is unlikely that EU member states will commit significant new resources to the EaP countries. This means that the EU will have to drastically improve delivery and enhance co-ordination. Bilateral funding should be pulled together into EU-wide consortia in order to better co-ordinate development assistance. Yet a rethink of how and, in particular, where the EU spends its money is also necessary. The EU should focus financial assistance on those neighbours that perform best in terms of reforms or that refocus virtually all of this assistance to support for civil society and democracy. The EU should also redirect the financial assistance it offers to countries like China, Russia or India to the neighbourhood. These high-growth great powers can afford to spend funds on projects – from high-speed rail to nuclear and space programmes – that most EU member states cannot. While the few hundred million euros the EU offers these countries in assistance do not buy it any influence, they could make a significant difference in the neighbourhood.

A more transactional relationship

At the same time that it supports reforms in the eastern neighbourhood in this way, the EU should not automatically assume that it is more attractive than the other external players with which it now finds itself competing for influence in the neighbourhood. The EU should therefore aim to build a more transactional relationship with its eastern neighbours. The European Commission already elaborated a so-called policy matrix – a shopping list of mutual expectations whereby reforms by neighbours are matched by EU responses (mainly assistance). This is a good start but it needs to be expanded in scope to include more political and security issues. This approach will build more predictability in relationships and create a better link between EU offers and neighbours' progress. Developing a policy matrix for relations with Russia which includes some of neighbourhood issues, such as the conflicts in Moldova and Georgia, might also streamline EU policies and thinking.

The next step is for the EU, once it has decided what its interests are, to be less diplomatic with interlocutors – even its best partners in the region. This may actually help them: tough love in private is ammunition against the existing anti-reform lobbies in each of the partner governments.

For example, the EU should take a tough but fair approach to visa dialogues, which provide the EU with a powerful instrument to achieve its interests in the neighbourhood. This can translate into improved border-management practices and reformed law-enforcement institutions in the region. It is in the EU's interest to find other ways to improve the management of migration flows by improving co-operation with its neighbours, beefing up their capacity to manage migration, and making them share the costs of controlling migration. It is in the EU's interest for all its neighbours to introduce biometric passports, build up functioning border, customs and police services, and co-operate with EU agencies such as the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX). These instruments will help the EU better control migration flows.

The EU should therefore be strict about the conditions that its neighbours have to fulfil in order to qualify for visa-free travel. It should be ready to abolish visas for Ukraine and Moldova (and Russia), which in return would share the costs of managing mobility in a wider Europe by modelling their institutions and policies on those of the EU. When one of these countries fulfils EU conditions, its example could also have a significant effect in focusing minds and accelerating reforms in the others. The EU will benefit from an increased number of tourists, improved business links and family ties, the replacement of illegal immigration by circular migration, and, most of all, the transformation of its neighbours into credible partners in terms of managing migration flows. Eventually, Schengen visas would be no longer necessary because there would be other, more effective ways to manage migration, in which the EU's neighbours would play a significant part.

The EU is not likely to achieve many quick and easy successes in most of the eastern neighbourhood. The three structural trends that have diminished the EU's power in the region will not be reversed overnight. However, as the recent revolutionary upheavals in the southern neighbourhood show, even the most solid-looking political regimes can collapse in a matter of weeks. The EU should therefore recognise current realities, take a more interest-based approach, and prepare itself to take advantage of the next opportunity when it comes.

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Acknowledgements

The authors would like to thank Ben Judah and Jana Kobzova for their contribution to the policy brief.

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© ECFR May 2011.

ISBN: 978-1-906538-30-9

Published by the European Council on Foreign Relations (ECFR),
35 Old Queen Street, London, SW1H 9JA, United Kingdom

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