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External democracy promotion in Ukraine and Moldova: the impact of the European Union

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ABSTRACT

After the European Union's eastward enlargement, the new eastern neighbours are now among others, Ukraine and Moldova. They have been torn between adopting a pro-Western course and staying loyal to the traditional alliance with Russia. This dilemma has shaped the path to domestic socio-political reforms in these countries. This Working Paper looks at the role of the EU in supporting the political transformation of Moldova and Ukraine after independence in 1991 and at the domestic context which is of crucial importance if democracy promotion efforts are to be successful. It argues that, so far, the EU has failed to tailor its offerings to fit into the prevailing Ukrainian and Moldovan context and that an agreement with more specific advantages but also more specific demands would probably stimulate more reforms. The unstable domestic developments in the two countries has also had an important role concerning the impact of the EU's neighbourhood policy.

1. INTRODUCTION

Since the collapse of Communism, the European continent has witnessed rapidly shifting political boundaries and a profound geopolitical transformation in the former Soviet Union's sphere of influence. After the European Union's eastward enlargement, the new eastern neighbours are now among others, Ukraine and Moldova. They have been torn between adopting a pro-Western course and staying loyal to the traditional alliance with Russia. The tension between the Communist legacy and the historical attachment to Russia on the one hand and the growing attraction of Western Europe and the EU on the other has also shaped the path to domestic socio-political reform in these countries. Although they have much in common, the trajectories of Ukraine and Moldova have diverged.

Ukraine's Orange Revolution, which brought Viktor Yushchenko as a president in January 2005, raised expectations that liberal, Western-oriented democracy will be established in Ukraine. After being under the semi-authoritarian and corrupt rule of President Leonid Kuchma for a decade, civil society rose up against efforts to install Kuchma's candidate, Prime Minister Viktor Yanukovych, as the new president. But much of the optimism faded as the initial 'Orange' government was dominated by corruption allegations and internal fighting. In 2006, the Orange coalition fell apart and Yanukovych returned as prime minister. A constitutional crisis in early 2007 threatened Ukraine with violence, and the September 2007 parliamentary elections that brought Yulia Tymoshenko, one of the leaders of the Orange Revolution back as prime minister, did not help bring stability into the Ukrainian political arena. This instability has resulted in the election of the pro-Russian Viktor Yanukovych at the presidential elections in January 2010.

Until the Communist Party took power in 2001, Moldovan politics was characterised by high political instability with an extremely pluralist and fragmented party system. The elections were generally considered free and fair and the transfers of power from one government to another was peaceful. With the take of power by the Communists, the government changed from a semi-democratic to a more authoritarian one. The former communist President, Vladimir Voronin, concentrated the major decisions in his hands and moved the politics' centre of weight to the President, in spite of the fact that Moldova is, according to the Constitution, a parliamentary republic. Voronin managed to turn the economy in the better and created a fake stability. On 5 April 2009, Moldova held general elections and the ruling Communist Party won for the third time. The result of the elections was in striking contrast to what opinion polls had shown during the electoral campaign.[1] This conduced to protests and new re-elections in July 2009 when the opposition's pro-European Alliance for European Integration (AEI) came to power though without being able to choose the president. Moldova finds itself in a deadlock, as the Communist Party has blocked the election of the presidential candidate of the now-governing AEI. This means that the current parlia-

1 Opinion polls showed the Communists with around 35 percent, while the opposition parties combined came close to the same figure. When the Central Election Commission (CEC) announced that 50 percent of the vote had gone to the Communists, the result differed strikingly from previous polls, including a national exit poll taken by the Soros Foundation – funded Institute for Public Policy on election night.

ment is to be dissolved and new elections have to be hold, most likely in fall 2010.

Apparently, the two countries have had different paths in their democratic development since independence, but have they really and why have they developed the way they have. To what extent has the EU as an external factor contributed to the actual state of things? To what degree has the impact of the EU's involvement been prevented/promoted by domestic factors? Has Russia's claim to influence in the neighbourhood been a factor of instability?

The paper will look at both the role of the EU in supporting the political transformation of Moldova and Ukraine after independence in 1991 and at the domestic context that is of crucial importance if democracy promotion efforts are to be successful. It argues that the role of the EU in promoting democracy in Moldova and Ukraine has so far been limited. The partial nature of the EU's impact on democratic transformation of the two countries stems both from the limits of the former' s policy and from domestic developments in the latter.

The two countries will be presented in a comparative perspective which will give a comprehensive picture of the democratisation efforts that the EU has made in the region. Moldova and Ukraine are the two countries that have, to some extent, defined the shape and pace of the European Neighbourhood Policy (ENP) (Sasse 2010, p. 181). Both countries have declared EU membership as their strategic objective and they are trying to turn the ENP into a step towards that goal, which is against the EU's initial intentions. By comparing the two countries the article will emphasize the importance of the particular domestic context and will show that the EU has not taken into consideration or been able to recognise the specific conditions or problems to each country and tailor its policies accordingly. The EU has been slow to react and has favoured incremental changes.

The paper starts by setting out a theoretical framework of analysis where the EU policies of conditionality and socialisation will be briefly presented. It then proceeds by setting the domestic context: it discusses the state of democracy and the peculiarities of transition in Moldova and Ukraine. The attitudes and perceptions of the two countries towards European integration will also be discussed. Following this EU involvement in Moldova's and Ukraine's transformation both in general and in relation to specific policies will be analysed. The EU policies of conditionality and socialisation are considered. Finally, the paper draws a number of conclusions and discusses some policy implications.

2. DEMOCRACY PROMOTION BY THE EU: CONDITIONALITY AND SOCIALISATION

The EU is a relatively new democracy promotion actor, with democracy occupying its external relations agenda since the early 1990's. In practice, it was through the enlargement policy that the EU established its role as an international democracy promotion actor. Throughout much of the 1990's the EU focused more on stability and market economy reforms, rather than on political transformation in both Ukraine and Moldova. The European Neighbourhood Policy launched in 2003-2004 puts much more emphasis on democratisation, which reflects the evolution of the EU as a global democracy promotion actor.

This paper will look at democracy promotion by the EU from the point of view of two democracy promotion strategies: conditionality and socialisation (Kelley 2004, p. 428). Political conditionality is an incentive-based strategy. This mechanism corresponds with a rationalist set of assumptions that define actors

as cost-benefit-calculating, utility-maximizing actors. Put it in another way, domestic actors follow norms if the benefits of EU rewards exceed the domestic adoption costs (Schimmelfennig & Sedelmeier 2004, p. 662). Conditionality has been particularly effective when the EU offered a credible membership incentive and when incumbent governments did not consider the domestic costs of compliance threatening to their hold on power (Kelley 2004; Schimmelfennig 2005; Schimmelfennig and Sedelmeier 2005; Vachudova 2005).

Socialisation is another important instrument of the EU in terms of democracy promotion. It includes a broader set of socialisation processes such as social influence or persuasion (Mcdonagh 2009, p. 145). In contrast to conditionality, no concrete incentives are linked to behaviour but rely only on the use of norms to either persuade, shame, or praise domestic actors into changing their policies (Kelley 2004, p.428).

Pridham distinguishes among several levels at which EU levers work: the elite level (this is often referred to as 'political dialogue'), the intermediary actors' level (transnational party and non-governmental organisation linkages), and the broader society level (various educational exchange programmes, the participation of the country in question in Community programmes, etc.) (Pridham 2005). The different levels will be drawn into the analysis as the paper progresses.

It is important to stress that the division between incentive-based strategies and socialisation-based strategies is not always clear in practice. It is seldom that democracy promotion actors use incentives without trying to achieve certain level of socialisation. With this in mind, it is useful to study both strategies in terms of their policy effects.

3. DOMESTIC CONTEXT FOR TRANSITION TO DEMOCRACY IN UKRAINE AND MOLDOVA

In order to determine the influence of external actors on democratic development, it is imperative to look at the internal factors that might have promoted or prevented democracy implementation. Reaching a consolidated democracy is an important step in the process of post-communist transformation. Although different definitions of what a consolidated democracy implies have been put forward[2], this paper will look at what Linz and Stepan propose as the five arenas of a consolidated democracy[3]: civil society, political society, rule of law, bureaucratic structure and economic society (Linz & Stepan 1996). Due to the length of this paper, the arenas will not be looked at individually. The purpose of this section is to give an overview picture of the internal situation in order to assess the impact of the EU

2 See Linz & Stepan, *Problems of Democratic Transition and Consolidation;* Diamond, Developing Democracy: Towards Consolidation ; Bertelsmann Stiftung, *Bertelsmann Transformation Index 2008*; Freedom House, *Nations in Transit 2008.*

3 **Civil society** is defined as an arena of the polity where self-organising and relatively autonomous groups, movements and individuals attempt to articulate values, to create associations and to advance their interests. **Political society** refers to the arena in which political actors compete for the legitimate right to exercise control over public power and the state apparatus, its core institutions being, political parties, legislatures, elections, electoral rules, political leadership and inter-party alliances. Throughout the state all major political actors, especially the government and the state apparatus must be subjected to **a rule of law** that protects individual freedoms. To protect the rights of citizens and to deliver other basic services, a democratic government needs a functioning **state bureaucracy**. **Economic society** is defined as a set of norms, regulations, policies and institutions that sustain a mixed economy.

on creating democratic conditions in Ukraine and Moldova. Furthermore, the choice of European integration will be looked at from the perspective of the two countries.

3.1. Domestic conditions relevant to democracy promotion in Ukraine and Moldova

According to Bunce, democratisation has had the clearest success in those countries that were able to make a clean and fast break with their communist past (Bunce 2003, pp. 167-192). Although the communist system in various ways shaped post-communist trajectories, the complete collapse of communist authority in f. ex. Poland, Hungary and Czechoslovakia gave new elites a relatively free hand to re-shape political institutions without paying excessive attention to vested interests that sought to preserve the old order (Kubicek 2009, p. 326).

Unlike these countries, in Ukraine the former communist *nomenklatura* gained a significant number of seats in the elections of 1990 and had one of its representatives, Leonid Kravchuk, elected president in 1991. A policy of partial reforms was conducted and the anti-communist opposition did not win a majority until 2004, in contrast to other former communist countries like the Baltic states.

Although Moldovan politics has also been dominated by former communists, the Moldovans' deep division over identity has been the crucial factor to the development of democracy in the country (Mungiu-Pippidi 2007; Villarroel 2005; Munteanu 1999). A high level of political pluralism and fragmentation in the 1990s was due to the existence of many groups with extreme views. On the one side of the spectrum, there were the radical pan-Romanians who viewed Moldova's only salvation the re-unification with Romania as a means of aiding the economic crisis and the issue of territorial separatism[4]. At the other end were the ultraconservative coalitions that centred their platform on the rejection of a nationalistic movement and called for a return to the Soviet Union (Villarroel 2005, p.21). Starting with the 1998 elections, politicians tried to capture the non-aligned, cautious public, which did not trust Russia and feared that a rapprochement to Romania would, however, bring more problems to Moldova.

Subsequently, Moldova has not managed to create a political nation, and the cultural nation is also under dispute. Transnistria, the separatist republic which claimed autonomy after Moldova became independent, has opted out of any common political community with the rest of Moldova. Although adepts of the independent Moldova are on the majority and have controlled most of Moldova's transition, they have been unable to control the two movements towards Russia and towards Romania, with the latter one being the strongest (Mungiu-Pippidi 2007).

Furthermore, another important element for the development of democracy is the institutional design and distribution of powers. Most East-central European states adopted parliamentary systems, whereas Romania, Bulgaria, and most Yugoslav and Soviet successor states opted for stronger presidencies. It is clear now that parliamentary systems have performed better and have prevented the emergence of 'superpresidentialism' as has happened in Russia, Ukraine, and elsewhere (Fish 2006, pp. 5-20). Nevertheless, Moldova is the living example that this theory is not always

4 The present territory of the Republic of Moldova together with the province of Moldova which is a part of Romania, was one of the Romanian historical provinces. The Republic of Moldova was a part of Romania during the interwar period.

valid, as Moldova is a parliamentary republic according to the Constitution.

Post-communist Ukraine, particularly under President Leonid Kuchma (1994-2004) provides plenty of evidence to indict a presidential system. Ukraine adopted a constitution with dual executives, but power, formal and informal, became concentrated in the hands of the president. Kuchma took advantage of a range of more informal powers to reward supporters and punish those that deviated from his preferences. Moreover, the judicial system functioned as an appendage of the Ministry of Justice, which was tightly controlled by the president. The president also had the right to name the judges and the administrators of various courts, meaning that the courts tended to be not only pro-government but also pro-Kuchma (Kubicek 2009, p. 326).

Although the constitution was changed in 2004 from a presidential-parliamentary to a prime ministerial-presidential system, it did not help creating a different political order. According to the new constitution, the parliament, from 2006 onward, would name the prime minister and the government would be representative of the majority in parliament (Wilson 2007, pp. 98-99). It should be added that the president did not surrender all powers, as he still appoints the ministers of defence and foreign affairs, prosecutor-general, and the head of the security service. This arrangement has created an ambiguous relationship between the president and parliament and can be illustrated by the disputes between Yushchenko and Prime Minister Yanukovych in 2007 and then Prime Minister Tymoshenko in 2008, both of which were over the distribution of powers between the two executives (D'Anieri 2005, p. 205). The two cases precipitated serious political crises.

Moldova, as mentioned before, is an exception. The Constitution was changed in 2000 so that the President would no longer be chosen directly, but by the Parliament. So, Moldova is a parliamentary republic where the President is elected by the Parliament with a qualified majority. However, the president's duties were not modified to resemble those of the classic parliamentary republic presidents. The political practice set after the declaration of independence gave the Moldovan Presidents the right to decide who to appoint in sectors related to security, public order and external relations (Ghinea & Panainte 2009, p. 98).

After having one of the most dynamic and competitive democracies of the former Soviet space during the 1990s, although unstable, Moldova slowly swung from the area of fragile democracies to that of unconsolidated authoritarianism with the election of Vladimir Voronin as President in 2001. The reason for that was the monopolisation of the power by the Party of Communists (PCRM). From that moment on, the constitutional name became of little relevance, because the PCRM leader, Vladimir Voronin, elected President by the Parliament in 2001, exercised the power through the so-called "vertical of power", a method of political control on the administration and the state exercised by issuing decisions from the party's head of cabinet. Voronin's power exceeded the limits of his constitutional mandate and the basis of his power was the control he exercised on the PCRM, which, in turn, controlled the state and its resources (Ghinea & Panainte 2009, p. 99).

At the moment, Moldova finds itself in a political deadlock. Although the opposition parties have succeeded in gaining more seats in Parliament than the Communists after repeated elections in 2009, they have not been able to get the necessary votes in order to elect the President. The opposition parties have at the moment 53 mandates but they need 61 in order to elect their candidate for President and the Communists have so far not been willing to give them the missing 8 mandates. So new

elections are most probable in 2010 again as the Constitution provides that after failure to choose the President a fifth time, the parliament should be dissolved and new parliamentary elections uphold. The new coalition in power, the Alliance for European Integration (AEI), adopted the decision to hold a constitutional referendum in September 2010 in order to modify the system for electing the head of state, so that the President should be elected by direct vote.

The development of the economy has also prevented the promotion of democracy. Ukrainian economy has been dominated by partial reforms, 'state capture' by oligarchs and increasing corruption. This has unfortunately not changed after the Orange Revolution. Kubicek talks about a structural problem that was lying at the heart of the Orange Coalition itself, as many of the Orangists became extremely wealthy thanks to dubious actions under the Kuchma regime and were themselves members of oligarchic political parties (Kubicek 2009, p.331). Each of the major political leaders in Ukraine have their own oligarchs, many of which found their way into parliament in 2006 and 2007 and thus enjoy immunity from prosecution.

Although the EU is now Ukraine's biggest trading partner, Russia remains the largest single state market. Russian economic pressure since the Orange Revolution has reinforced fears of dependence. Ukraine and Russia are heavily interconnected when it comes to their gas sectors. After Russia, Ukraine is the second biggest consumer of natural gas in the CIS (Commonwealth of Independent States) area, and has one of the least energy efficient economies in Europe. It imports more than two thirds of the gas it needs[5], all of which comes from or via Russia. At the same time, Ukraine remains the most important Russian gas corridor – ca. 65 percent[6] of all gas from Russia to the EU passes through its territory.

The gas crises in 2006 and 2009 have shown that Ukraine needs more constructive relations with Russia, as these relations can have a decisive impact on the EU as well. Relations with Russia have deteriorated during recent years. Since the Orange Revolution, Kiev has attempted to gain more freedom from Russian influence and the tensed relations escalated in January 2009's gas conflict. There was an intense Russian political and media coverage aimed at discrediting Ukraine as a reliable political partner for the EU, pointing at the existing disagreements among the Ukrainian elite, and exaggerating their role as one of the core reasons for the crisis (Loskot-Strachota 2009, p.4).

In the first half of the 1990s, Moldova managed to conduct a number of market-oriented reforms, earning the reputation as one of the leading reformers in the region. As a result of these reforms, Moldova's private sector is estimated at around 80 percent of the official GDP, dominating the services sector and agriculture (Hensel & Gudin 2004, p. 89). Despite these achievements, the Moldovan economy fell into deep recession in the second half of the 1990s and was also badly hit by a ban on wines to Russia in 2006, as a political retaliation for

5 According to the International Energy Agency, in 2007 Ukraine consumed about 70 billion cubic metres of which 50 were imported. http://www.iea.org/stats/gasdata.asp?COUNTRY_CODE=UA

6 Author's calculations based on Gazprom's data for 2007: 94.9 bcm was sent via Ukraine out of total of 144.9 bcm exported to the EU (http://gazpromquestions.ru/index.php?id=34). There is a difference with IEA statistics – according to them Russian gas exports to the EU in 2007 totalled 122.4 bcm.

Moldova's pro-EU policy, and by Russia's energy price hike, energy which Moldova is totally dependent on.

Due to its lack of resources, Moldova has plenty of criminals but no real oligarchs, although Voronin's son Oleg, is one of the country's most prominent businessmen. At the same time, Transnistria is notoriously a transit territory for drugs, armament and people smuggling. The country is highly dependent on capital flows from abroad and the inflow of migrant workers' remittances, which, according to the World Bank, made up 36,2 percent of GDP in 2007.[7] An estimated one million Moldovans, half of the country's workforce, have migrated to Portugal, Spain, Italy, Romania, Russia in search of better jobs (Mungiu-Pippidi 2007).

3.2. Ukraine's and Moldova's European Choice

As to the EU, Ukraine presents a range of geographical, cultural, historical, economic and security reasons for wishing to move closer to the EU. Nevertheless, until 2004, these aspirations were rather negligible in terms of domestic development. This is because of the combination of a particular national perception of the EU and specific elites' interests which confined the pro-European orientation to the foreign policy domain. Ukraine's historical and geographical claims to a European identity[8] have underpinned its demands for inclusion in contemporary Europe, marked by the borders of the EU. Ukrainians tend to see the EU as a civilisation-based geopolitical identity, a perception shared initially by most post-communist European countries (Wolczuk 2008, pp.89-90).

However, the foreign policy conducted in the 1990's was that of pursuing integration along different vectors such as the EU and Russia. In the beginning of the 1990's, the intertwining of politics and business interests created strong incentives for maintaining close economic ties with Russia, often reflecting the specific interests of power elites in Ukraine. Since the latter half of the 1990s, Ukraine has sought closer relations with the EU but until 2004 these were distorted by geopolitical and security considerations. The Ukrainian elites had an idea that Ukraine's sheer size and geopolitical significance as a counterbalance to Russia would guarantee it attention from the western institutions (Wolczuk 2008, p.91). They didn't realise that for the EU, Ukraine's democratic development and economic performance matter more than its size, geopolitical location and refusal to re-integrate with Russia. Consequently, Ukraine paid little attention to the importance of meeting contractual obligations with the Union, such as fulfilling the obligations under the Partnership and Cooperation Agreement (PCA), thereby suffering a considerable loss of credibility in the EU.

European integration was regarded as an exclusive foreign policy matter and remained rather insignificant in terms of domestic policy-making. The interests grouped around the president militated against concerted efforts to implement far-reaching reforms. The EU's impact on Ukraine's domestic politics was perceived as marginal, in contrast to the influence of the US and Russia.

Although in the beginning Moldova was Romania-oriented, they soon took the same path as Ukraine, by conducting a foreign policy split between the EU and Russia. Since inde-

7 See http://economie.moldova.org/news/moldova-hooked-on-remittances-114028-eng.html

8 Ukraine's Europeanness is underlined by the frequent reference to the fact that the geographical centre of Europe, marked by the Vienna Geographic Society in 1911, is in the Transcarpathian region in western Ukraine. As to the historical claim, one often refers to the fact that in the eleventh century, Anna, the daughter of the Kievan-Rus ruler, Yaroslav the Wise, became the Queen of France through marriage to Henri I.

pendence in 1991, Moldova's political orientation has been unstable, much like the political landscape. Right after the independence, one could see a shift in the balance of power away from Russian-speakers to Romanian-speakers and the strong advocacy of a union with Romania. Since the mid-1990s, the new political majority re-oriented its foreign policy preferences towards the East, primarily towards Russia because of Moldova's economic dependence on Russian energy supplies and markets as well as the lack of interest of the West. In other words, new ties with the West failed to compensate for the loosening of ties with Russia and the CIS.

However, when Russian strategic interest declined by the mid-1990s, Moldova could no longer benefit from any privileges in economic relations with Russia. The parliamentary elections of 1998 with the communist victory marked another re-orientation of economic interests towards Russia despite Moldova's political interest in a pro-western orientation. In the mid-1990s, Moldovan high officials reiterated on numerous occasions that the integration of the republic into the European family was one of the strategic priorities of foreign policy. The country could neither overcome the existing difficulties in economic and social issues nor solve political problems connected with the separatism of the eastern territories (Transnistria) without assistance from the West.

Partnership with the EU became first active with the entry into force of the PCA in 1998, although the PCA was signed in 1994. Nevertheless, the PCA signature was seen in Chisinau as a "first step towards the accession to the EU", in spite of the fact that PCA did not aim a gradual integration of Moldova to the EU, neither upgrade the economic and political links with the EU as compared with other CIS. (Serebrian 2002).

In Ukraine, the Orange Revolution marked a change in policy towards the EU. The victory of Viktor Yushchenko marked the first time, since Ukraine became independent in 1991, that a non-Communist president replaced a former Soviet dignitary (Fraser 2008, pp.157-158). Since 2005, European integration has become a matter of domestic policy-making, in contrast with how relations with the EU were perceived before when they were largely seen as belonging to the domain of foreign policy and were regarded as of little relevance to the domestic politics and policy-making. (Wolczuk 2008, p. 87).

With the recent election of Yanukovych as Ukrainian president, it seems that the country is returning to a double-vector policy towards Russia and the West. This is the impression he gave after his first two visits as a president to Brussels and Moscow. Choosing Brussels as his first destination and singling out the "key priority, European integration" for involving foreign policy and internal reform strategy in equal measure, he distanced himself from his pronounced tilt towards Russia, by which he had mobilized his electoral base in the recent presidential campaign (Socor 2010).

One can, though, be sceptical about how much of the internal reform he will carry through. On the 11 March 2010 a pro-Yanukovych majority in parliament approved the new cabinet, where most key ministers are either leading businessmen, or are linked to specific oligarchs. The new Prime Minister, Mykola Azarov, was a first deputy prime minister, and finance minister under Prime Minister Yanukovych in 2002-2004 and 2006-2007, and he was often criticized for his Soviet-style leadership and accused of stifling free enterprise. It will not be easy for a handful of reformers and technocrats in this cabinet to conduct badly needed reform (Korduban 2010). Furthermore, the extension of the lease on Russia's Black Sea fleet until 2042 shows that the

Ukrainian president is playing both the West and the East cards.

Although Voronin skilfully played the Soviet nostalgia card at the 2001 elections by promoting the use of the Russian language and Moldovan integration within the CIS, he soon changed rhetoric towards a more pro-European foreign policy after the polemic around the Russian proposal to a solution to the Transnistrian conflict, the so-called Kozak Memorandum[9], which Voronin ended by rejecting in 2003. Moldova's subsequent westward turn was also encouraged by the Orange Revolution in Ukraine and the simultaneous election of Traian Basescu as Romanian president in December 2004, who has downplayed historical and linguistic disputes in favour of practical economics, and promised to serve Moldova's 'advocate' within the EU after Romania's entry in 2007 (Wilson 2008, pp.107-108).

Nevertheless, Voronin was never really "pro-European" and after the protests at the parliamentary elections on April 7 2009, he accused Romania of instigating the protesters and destabilising the country with the consequence that visas were introduced for Romanian citizens. After the constitution of the AEI, the new government normalised relations with Romania and has made considerable steps towards European Integration.

The improved relations with the EU have been fundamental for economic and national security reasons. Because of energy needs, the government must balance relations between Europe and Russia, however, the dialogue in Moldova has become more pro-European. The change in political elite attitudes towards the EU has influenced the civil society attitudes towards Europe and EU membership. According to White and McAllister, Moldovan society is much more supportive of EU and NATO membership than any other CIS country (Roper 2008, p. 94).

There are many reasons for this and the first is that Moldova does not have a shared border with Russia, but does have one with the EU. Over 50 percent of external trade is with the EU and only around 15 percent is with Russia.[10] Many Moldovan citizens, up to 200.000, hold Romanian passports, which makes them EU citizens able to travel and work in most of the EU. Moldova is also the only CIS state that is more dependent on remittances from its migrants in the EU than those in Russia. Migrants to the EU have also tended to have different political expectations and preferences than migrants to Russia (Popescu & Wilson 2009, pp.98-99).

Different from Moldova, in Ukraine the society is more split. Although the public is largely supportive of the European orientation, Europe is not the only choice for the citizens. The Eastern vector enjoys an even higher support (68 percent in a 2005 survey compared with 48-55 percent) (Kubicek 2003, p.157). Nevertheless, the Ukrainian public is not overtly oriented towards Russia and the Soviet space. One could say that Ukrainians want to "have it all", as evidenced by simultaneous support for closer integration with the EU and Russia by approximately one third of the Ukrainian population. Ukrainians see no contradiction between seeking EU membership and closer political and economic ties with Russia and the CIS.

9 Kozak Memorandum is a Russian proposal to a solution to the Transnistrian conflict. It would have given the Transnistrian side a *de facto* veto on constitutional changes in Moldova nd thus the perpetuation of the Russian military presence for decades.

10 National Bureau of Statistics of the Republic of Moldova, http://www.statistica.md/category.php?l=en&idc=336&

In general, relations with the EU are less divisive and evoke least controversies than the ones with the US, NATO and Russia. Despite this positive image of the EU, during Kuchma's presidency, the Ukrainian public tended to believe that it was mostly the elites who were most interested in Ukraine's membership of the EU and although the Ukrainians thought entering the EU would be useful, only half of them were able to explain what the benefits might be (Ukrainian Monitor no.17, 21-27 April 2003). This trend became even more pronounced after the Orange Revolution, when, according to a survey of the Eurobarometer, half of the respondents believed that it was the new president who was most interested in Ukraine moving closer to the EU. A perceived lack of a link between EU membership and benefits for the population at large persists. It does not seem that the "Orange" elites have been able to change anything regarding the detachment of Ukrainian society from foreign policy-making so far (Wolczuk 2008, pp.96-97).

3.3. The elites' perception and attitudes towards the European Neighbourhood Policy (ENP)

One major factor in the lack of reform in line with EU guidelines has been the fact that the ENP failed to raise the credibility of the EU within the Ukrainian political class as the ultimate wish was an offer of a membership perspective. Many in Ukraine believed that the EU could not continue to decline Ukraine's membership aspirations after its demonstration of support of European values during the Orange Revolution. Instead of revising the AP, the EU provided symbolic acknowledgement by adopting a List of Additional Measures in February 2005.

Although the rhetoric of European integration in Moldova increased in the second half of the 1990s, it was not followed up in practice. The institutional structures called for by the Foreign Policy Guidelines that were adopted in 1998, were not established, including the Moldova's PCA commitments, were either not introduced or remained unimplemented. For a long time, governments in Moldova showed themselves ensured that there was no fundamental contradiction between the pro-CIS and pro-EU policies, and persisted in sending contradictory messages to Brussels and its CIS colleagues. The origins of this ambivalent policy were linked to the perception of the "buffer between two hostile geo-strategic factors – Russia and the expanding NATO - among policymakers in Chisinau, very much aware of the 'lack of positive incentives' for the West to get involved in Moldova" (Stavila 2004, p. 75)

In contrast to Ukraine, the ENP was seen by Chisinau as a "gateway towards EU integration" and was interpreted more as a "great" diplomatic breakthrough than a definite "no". EU-Moldova relations have gradually become much broader than they were initially framed by the 1994 PCA which focused more on economic issues. Fields such as justice and home affairs, security and defence issues have yielded more prominence on the agenda of meetings between the EU and Moldova since 2002. Especially such statements from the EU concerning a more active role in the settlement of the Transnistrian conflict were particularly appealing to the Moldovan elites (Lynch 2003).

Owing to the absence of the much-vaunted positive signal from Brussels on the membership, European integration in Ukraine has remained a vague project detached from everyday life. Also the long-term perspective and the lack of a clear-cut prospect of EU membership, has made the politicians focus more on shorter-term considerations.

The new forms of cooperation that the EU has introduced for the last two years, the Association Agreement and the Eastern Partnership, are perceived in very different ways. While the Association Agreement is welcomed as a major

step towards European integration, the Eastern Partnership is perceived rather sceptically. For Ukrainian leaders, the name of the new agreement, association, has an important significance. Its content, due to the EU "half-open door policy" is interpreted in favour of the EU membership, thus the fact that the EU is not intending to sign a "membership association" with Ukraine is ignored on the Ukrainian side (Malyhina 2009, p. 26).

Unlike the Association Agreement, the Eastern Partnership is unpopular in Ukraine. It is believed that the new agreement does not give Ukraine new Euro-integration opportunities. Furthermore, Ukrainian politicians fear the development of bilateral relations with the EU would be brought to the level of lowest common denominator because the new initiative includes countries that have different strategic objectives with regard to EU integration (Malyhina 2009, p. 27).

Nevertheless, Yanukovych stated at the recent visit in Brussels, that European integration is the key priority and that it should both involve foreign policy and internal reform strategy in equal measure. This is, however, dependent on how Russia reacts to this position. If Moscow starts posing major demands, the new Ukrainian president will need to make some stark choices and the EU will need to support European choices in Kiev (Socor 2010).

In Moldova, a similar reaction concerning the Eastern Partnership could be seen. Voronin expressed its discontent with the initiative because of the lack of a clear EU accession prospect and by the fact that Moldova is far ahead Caucasian states in the European integration process (Cristal 2009). With the new pro-EU coalition in power, the attitude of the Moldovan elites has been positive towards any initiative from the EU. The European discourse of Moldovan officials dominates the public agenda, while the interest showed in the EU becomes more and more substantial (Cenusa 2010).

4. EU SUPPORT FOR DEMOCRATIC TRANSFORMATION IN UKRAINE AND MOLDOVA

From 1991 to 1993, Ukraine received scant attention from Western capitals. Some were sceptical about the viability of the Ukrainian state, but the bigger problem was that EU policy was focused on Russia and Ukraine was viewed as uncooperative on nuclear disarmament issues. Instability in Russia and a change in leadership in Kiev in 1994, helped break Ukraine's isolation. Kuchma announced a package of "radical" economic reforms and won support from international financial institutions. In June 1994, Ukraine concluded a Partnership and Cooperation Agreement (PCA) with the EU, the first CIS state to do so. This agreement, however, fully came into force only in 1998 due to ratification problems in EU member countries. The PCA represented a marked strengthening of the EU "vector" in Ukrainian foreign policy, and over the years this has been supplemented by other agreements, the newest being the ENP.

The case of Moldova was not very different from Ukraine's. Moldovan elites were preoccupied with the internal situation, especially the Transnistrian conflict and were split between a pro-Russian and a pro-European policy. This division reflected a deeper split within the society over the orientation of the country, just as the EU was divided in how to deal with ex-Soviet states that were mainly seen by EU officials as being in Russia's sphere of interest (Chirtoaca 2004, pp. 93-102).

As in Ukraine's case, the formal relation between the EU and Moldova began in 1994 with the signing of the PCA. The emphasis was put on economic cooperation and no special

programmes were initially set up for promoting respect for civil and political rights. Nevertheless, a closer look at the main provisions and conditions of assistance to Moldova reveals a democratic progress and respect for human rights' clause as a condition of further assistance, a clause though that was never applied (Mcdonagh 2009, p.150).

4.1. Conditionality

In the case of Ukraine, conditionality was weakly applied until 2005. The PCA provided for considerable projection of EU rules as it introduced far-reaching and binding commitments which required changes in the domestic legislation of Ukraine. Nevertheless, it was questionable how binding these commitments were. Although the trade provisions were precise and imposed clear obligations, no time frame was provided. Concerning the approximation of Ukrainian legislation to the EU, it was a voluntary endeavour from the part of Ukraine to make its legislation compatible with the EU. (Dimitrova & Dragneva 2009, pp. 855-856). Furthermore, there was no real monitoring, the only attempt being in 2003, when a joint EU-Ukraine report was published, this being rather technical in nature and without any reference to democratic shortcomings in Ukraine (Solonenko 2007).

While Ukraine's Orange Revolution was welcomed through the EU, its stated ambitions to join the organisation were greeted with more apprehension. Prior to Yushchenko's victory, Ukraine had concluded an Action Plan (AP) with the EU under its European Neighbourhood Policy (ENP), which is designed to promote political, economic, and security cooperation and ensure fulfilment of the 1998 PCA with the EU (Kuzio 2006). The ENP, however groups Ukraine and Moldova together with such countries such as Egypt, Algeria, and Tunisia, countries with no prospect of gaining membership of the EU, and the ENP itself suggests nothing about future membership.

After Yushchenko gained power, a ten-point codicil was attached to the Action Plan, which called for enhanced cooperation and further assistance in various sectors. EU Commissioner Benita Ferrero-Waldner noted that these additional points sent a "powerful signal" that the EU wanted to "see a qualitative difference in our relations as soon as possible"[11], but Ukrainians were disappointed that nothing was stated about the country's possible membership. Nevertheless, the AP seeks to strengthen the positive aspects of conditionality by promising enhanced economic integration, or a "stake in the internal market", and a set of rewards. A 'values' conditionality is also envisaged, as progress is dependent on the adoption of the 'shared values' at the core of the ENP (Dimitrova & Dragneva 2009).

In 2007 negotiations on the New Enhanced Agreement (NEA) were opened because Ukraine carried out free and fair parliamentary elections in 2006. Similarly, opening negotiations on the free trade provisions of the NEA in 2008 became possible due to Ukraine's accession to the World Trade Organisation (WTO) (Solonenko 2009, p. 716 and Dimitrova & Dragneva 2009, p. 859).

The victory of the Communist Party in the parliamentary elections and the subsequent election of Vladimir Voronin as president surprisingly enough transformed the relationship of Moldova with the EU as Voronin, soon after his election, changed his policy from a pro-Russian to a pro-European one. Differently from the case of Ukraine, in Moldova's case the vague framework of the ENP was beneficial for the EU-Moldova relations and marked the

11 See Council of the European Union, *EU-Ukraine Cooperation Council Eight's Meeting.*

beginning of more serious policy-based discussions. Compared to Ukraine's Action Plan, the overall emphasis on political stability and security issues was stronger. The new Moldova-EU Action Plan implied the EU had to give Moldova financial and technical assistance and in exchange the latter undertook to implement detailed reform, modernisation and democratisation actions (Sasse 2008, pp. 18-19).

Among the incentives were the start of talks on preferential trade agreements for Moldova in the European markets; an increase in technical assistance through TACIS[12] and assistance in attracting foreign direct investments into Moldova. In 2001, the EU established a joint programme of cooperation between the European Commission and the Council of Europe to strengthen democratic stability, one of the priority themes being the support of independent media (Mcdonagh 2009, p. 156).

Concerning the monitoring of the Action Plans, both Moldova and Ukraine have been publishing reports on the progress achieved in the implementation process. These documents are detailed reports of the ministries' and parliaments' activities aimed at the implementation of the ENP AP and therefore are hardly a critical or objective analysis of the real situation. These reports reflect the weak capacity of both Moldovan and Ukrainian governments to assess the implementation of the Action Plans and to present clear results (Popescu 2006, pp. 5-6). The Commission has also given its evaluation in several country reports but these are less detailed and critical than the Progress Reports published by the Commission on the accession countries (Sasse 2008, pp. 16-17).

Nevertheless, the 2006 ENP Progress Report on Moldova makes it more clear than the Ukrainian counterpart what initiatives have been taken both by the Moldovan institutions and the EU to deepen their relationship since the beginning of the ENP process. In particular, it is mentioned that Moldova adopted a number of national strategies on issues emphasised in the Action Plan, such as a national anti-corruption strategy, the National Programme on Actions on Migration and Asylum, as well as legislation on sensitive issues, such as trafficking or money-laundering (European Commission, ENP Progress Report Moldova 2006[13]).

However, as Ghinea and Panainte stress in a recent report by the Soros Foundation, the strategy of the Voronin government until 2009 was to say things as the EU and do them as they pleased. For example, one of the EU requests was to create a professional body of civil servants who should have stable positions, should be hired through competition and protected from political interferences. The law was adopted only in July 2008, its publication in the official journal was postponed and no serious effort of implementation was made (Euromonitor no.3 2008). According to the Global Integrity Index measurement for 2008[14], Moldova received 88 points for the general criterion "legal framework" and only 48 points for the criterion "actual implementation".

This does not mean that all those laws adopted did not cause certain effects. For in-

12 The EU's Tacis programme encourages democratisation, the strengthening of the rule of law and the transition to a market economy in the Commonwealth of Independent States (CIS), created as a result of the break-up of the Soviet Union. The states are as follows: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

13 ENP Progress Report Moldova 2006: http://ec.europa.eu/world/enp/pdf/sec06_1506-2_en.pdf

14 The Global Integrity Index measurement analyses the barriers each country builds in the face of corruption from laws and ethic codes to their enforcement. http://report.globalintegrity.org/Moldova/2008

stance, the law on access to information led to people winning a couple of cases in court in front of the institutions. However, the effects were limited and they were mostly achieved in spite of the authorities than with their active support. As in other former-Soviet countries, the authorities were very much in favour of getting closer to the EU, but the political costs of implementing the reforms were very high for the government (Ghinea & Panainte 2009, p. 103).

After the elections in 2009, the new government has made efforts to implement structural reforms based on a strong European integration governmental programme. Dialogue with civil society has improved and measures have been taken to increase transparency of public decision-making. Amendments to the electoral code have been adopted, and progress made in fighting corruption and money laundering as well as on judiciary reform (European Commission, ENP Progress Report Moldova 2009[15]).

As to benchmarking, The Action Plans are documents with a set of rather vague commitments and obligations. Priorities related to democratic reforms are sometimes described in vague wording and it is not clear how progress will be judged (Khasson et all. 2008, p. 231). What is needed is annual documents that look more like the ones the accession countries were offered, where short- and medium-term objectives are listed in order to be fulfilled by each country.

Vahl argues, moreover, that conditionality is not applied consistently and that the interpretation of it depends on the phase of the relationship. While it is frequently applied during negotiations and in the ratification process, the EU has been very reluctant to interrupt the functioning of agreements already entered into force in order to comply with conditionality also in practice. For instance, the Union has never made use of the human rights provisions, in spite of numerous breaches of the political commitments made by its neighbours. (Vahl 2006, pp. 10-11)

As mentioned earlier in this paper, within the last couple of years, the EU has elaborated new alternatives to EU membership such as the Association Agreement and the Eastern Partnership. The Association Agreement' s main points of negotiation are a perspective of establishing a visa free regime and the establishment of a deep and comprehensive free trade area between the EU and Ukraine, respectively Moldova.[16] As the negotiations are still in progress, it is too early to talk about the practical significance of the new document. However, the EU has signalled that neither the possibility nor the impossibility of Ukraine's and Moldova's EU membership will be included in the new agreement (Malyhina 2009, p. 25).

Yet another new initiative of the EU within the framework of the ENP, the Eastern Partnership, doesn't foresee EU membership for Ukraine and Moldova. The Eastern Partnership is aimed at strengthening cooperation with six eastern partner countries – Azerbaijan, Belarus, Ukraine, Armenia, Moldova, and Georgia. The initiative was launched in 2009 following a Swedish-Polish initiative and does not provide new opportunities for Ukraine's

15 http://ec.europa.eu/world/enp/pdf/progress2010/sec10_523_en.pdf

16 Joint Declaration on the EU-Ukraine Association Agreement, Paris, 9 September 2008. Available at http://www.eu2008.fr/webdav/site/PFUE/shared/import/09/0909_UE_Ukraine/UE_Ukraine_association_agreement_EN.pdf . Accessed 22.03.2010.

and Moldova's convergence to the EU (Malyhina 2009, p. 25).

Nevertheless, both Ukraine and Moldova have started negotiations on a new association agreement. At the last meeting with Ukraine, the EU leaders held clear prospects for an association agreement, including a deep and comprehensive free trade area and a visa-free travel agreement that could be signed already by 2011, conditional on Ukraine's performance on internal reforms (Interfax Ukraine, March 1 2010). The EU leaders have already agreed to draw a road map towards visa-free travel with Ukraine this year. The Commission is also prepared to disburse 500 million Euros in assistance funds, if Ukraine meets the International Monetary Fund's macroeconomic reform criteria to qualify for such assistance.

Brussels has now opened, for the first time, the prospect of Ukraine's eventual accession to the EU. According to Barroso, "If the process [of Ukrainian reforms] advances, we see Ukraine's future very clearly as a European future, and Ukraine in the European integration process… Ukraine's possible accession to the EU has always been on the agenda", Barroso was cited as saying at the joint briefing with Yanukovych (Interfax Ukraine, March 1 2010). This statement seems to entail a positive reinterpretation of earlier EU positions.

Such statement has not come for Moldova but negotiations regarding visa liberalisation have already started and other EU funded projects are being set up at the moment.

4.2. Socialisation

There is a lack of socialisation channels between the EU and Ukraine. At the elite level, the PCA, which entered into force in 1998, provided for annual summits and other bilateral institutions involving predominantly political elites. Other forms of socialisation, especially what is known as the people-to-people dimension, were underdeveloped under the pre-ENP arrangements. The same could be seen in Moldova, where there was mostly the Council of Europe that used socialisation methods throughout the 1990s with a focus on promoting democratic norms in Moldova via teaching and persuading domestic political elites with not much success though (Mcdonagh 2009, pp. 150-153).

In this regard, the ENP has improved the situation. More educational exchange programmes have been made available to Ukraine and Moldova. Also, such programmes as TAIEX and Twinning, targeted at civil servants, were offered and more contacts at different levels of the central bureaucracy are taking place now than before. Many of the changes are, though, still at the level of decision, rather than implementation (Solonenko 2009, p. 718).

In the case of Moldova the dynamics of socialisation through the ENP have played out somewhat differently than in Ukraine. In Moldova the vague incentive structure of the ENP was sufficient to launch a number of reforms, although many of which are still unimplemented, in this way illustrating an attempt to use the EU as a domestic reform anchor by political actors whose political record suggested otherwise and at the same time gaining the EU's attention and a degree of commitment. Besides, the ENP process has added a new momentum to the attempts at conflict-resolution in the frozen conflict in Transnistria – through making the EU a regional player and, more importantly, by providing an incentive and a process for Ukraine and Moldova to cooperate over sensitive border and custom issues (Sasse 2008, p. 20).

As to the Ukrainian civil society, after the Orange Revolution, a more intensive dialogue with the EU took place, but this has not yet translated into significantly more effective relations. The hindrances in the political and legal spheres have been one of the reasons which have made it difficult for external donors such

as the EU to develop effective strategies to support NGOs in Ukraine. The weakness of many Ukrainian NGOs, resulting partly from the problematic domestic context, prevents them from taking advantage of opportunities provided by the European Commission. On the other side, although support for civil society is included in the context of the ENP action plans for Ukraine, it has not been a significant focus of the dialogue between the EU and the Ukrainian government (Stewart 2009, p. 14).

Despite the fact that Voronin expressed his commitment to amend Moldovan legislation and governmental policies in line with European policies, one could see a deterioration in the human-rights situation and especially the relation to freedoms of expression and media. Although a critical media and civil society did exist in Moldova, they were harassed by the communist authorities. Media outlets were submitted to intimidation by tax authorities or threatened with corruption charges (Mungiu-Pippidi 2007). To these abuses the ambassadors to Moldova were very critic. In June and December 2008 they published open letters in which they raised questions about the democratic credentials of the Communist government, especially the involvement of state institutions in the process of political competition, the pressures on independent media and the freedom of expression. During Moldova's political turmoil in the aftermath of the April 2009 elections when the EU Special Representative on Moldova spent months mediating between the political parties, he was the only channel for dialogue between the competing political forces (Popescu & Wilson 2009, p. 99).

The idea of European integration is an uncontested foreign policy objective for most societal groups in Moldova and this has given the EU some traction with public opinion, thereby undermining discourses modelled on "sovereign democracy". In such an environment the communist government could not contest the normative appeal of European values. It could only fake adherence to them and try to bandwagon on the popularity of the EU idea. The situation has now improved with a changed media landscape. A plethora of news outlets offer various points of view and state television is now run by a new and more democratically-oriented team (Moldova Azi 8 April 2010).

The lack of channels through which EU norms and values can be diffused to Ukraine, as well as visa obstacles, limit the EU's influence on strengthening the commitment of the Ukrainian political elite and bureaucracy to democratic reforms on the one hand, and on increasing the demand for democracy in Ukrainian society on the other hand.

The case of Moldova is slightly different. The country has been so weak and poor as a state that it has been very dependent on international support for most of its existence. Requests for macroeconomic assistance from the International Monetary Fund (IMF), or negotiations for trade access and grants from the EU have provided the international community with stronger leverage than in states like Ukraine or Azerbaijan. Moldova has also always needed EU and US support for conflict settlement in Transnistria. Moldova could not go it alone in enforcing authoritarian rule, partly because of this external conditionality. The Communist government has always had to play a more careful balancing game in comparison with most other post-Soviet governments (Sasse 2010, pp. 194-199.

However, the April 2009 post-election crisis highlighted some of the limits of EU influence. The EU never openly criticised anti-democratic abuses by the government for fear that this would make Moldova turn increasingly authoritarian and adopt a closer rapprochement with Russia, a card which Voronin played in order to get benefits from cooperation with the EU for geopolitical reasons and via implicit threats to realign itself with Russia, rather than

implementing genuine reforms. Nonetheless, in the end it was the electorate that gave the final death touch to the 8 year-long Communist rule. External pressures, primarily from the EU, made Moldova not slide into a too pronounced authoritarianism, but it was the local voters that threw the Communist Party from power by voting against it in July 2009 (Popescu & Wilson 2009, pp. 101-102).

5. CONCLUSION

This paper has tried to go beyond a summary of EU policy developments and it has included the Ukrainian and the Moldovan perspectives into the analysis thus underlying the importance of the domestic political context as to democracy promotion by the EU. It has been shown that countries who were able to make a fast break with their communist past have had most success with the democratisation process and that Ukraine and Moldova were not among them. Moreover, the process of democratisation in the two countries has been slowed down by the institutional design and the distribution of powers together with the development of the economy that has been dominated by the dependence on Russian energy.

In the beginning of the 1990's the two countries were not focused on European integration just as the EU was more preoccupied with the enlargement process and saw Moldova and Ukraine as belonging to the Russian sphere of influence. Their foreign policy was oriented towards both the EU and Russia and has continued to do so. Russia has been important for the two countries as they are both dependent on Russian energy provision. Ukrainian economy has been dominated by partial reforms, oligarchs' involvement in state business and increasing corruption and this has not changed after the Orange Revolution. Although the EU is now Ukraine's biggest trading partner, Russia remains the largest single state market. After Russia, Ukraine is the second biggest consumer of natural gas in the CIS area and has one of the least energy efficient economies in Europe. It is also the most important corridor of Russian gas to the EU.

Moldova's case is different in the way that, Moldova managed to conduct a series of market-oriented reforms at the beginning of the 1990s, meaning that the Moldovan private sector is estimated at around 80 percent of the GDP and although there are plenty of criminals, there are no real oligarchs. Moldova is totally dependent on energy from Russia but at the same time the country is even more dependent on economic assistance from the IMF and grants from the EU, in this way the international community having a stronger leverage on Moldova than any other country in the region.

A decisive EU-oriented policy has been seen in Moldova since the pro-EU government came to power in 2009 but not the same has happened in Ukraine. The orientation of the civil society has made a difference in the attitude of the two countries towards the EU. In Moldova the public is predominantly supportive of EU membership, while in Ukraine the society is more split between a Eastern and a Western orientation. Since 2009 the media landscape has changed in Moldova. A plethora of news outlets offer now various points of views and state television is run by a more democratically-oriented team. Civil society is also more developed in Moldova both thanks to different projects sponsored by the EU but also because of the support from the Romanian state and regional projects that take place between the two countries. Furthermore, more Moldovans than Ukrainians have access to the EU because of the possibility of taking the Romanian citizenship for those Moldovans that can demonstrate they have Romanian ancestors and there are not few. On the contrast,

there has been a lack of channels through which EU norms and values have been diffused to Ukraine, one of the reasons being the hindrances in the political and legal spheres. Visa obstacles have also limited the access of Ukrainians to the EU area.

The policy the EU has conducted towards Moldova and Ukraine has an open-ended nature, meaning that the incentives and the commitment on the side of the EU's neighbourhood countries as well as the EU are vague and limited. The EU has not applied to Ukraine its key tools of transformative power, conditionality and socialisation, in any significant way. Following the Orange Revolution, the EU as a whole failed to make any commitments with respect to Ukraine which might have consolidated the fragile democratic forces.

At the same time, domestic conditions in Ukraine over the past decade and a half seem to have disallowed any serious influence on the part of the EU. Genuine political competition and elite consensus with respect to the rules of the game and the goals of reforms have so far been missing in Ukraine. While the situation partially improved after the Orange Revolution, the 2007 political crisis and events that followed revealed deeply rooted problems that will not disappear in the near future. The Ukrainian elites have also been extremely disappointed that the EU has not offered them a membership perspective and this has played a significant role in the reluctant way Ukraine has implemented the policies promoted by the EU. The specific domestic factors influencing Ukrainian political development have created a problematic context in which the instruments used so far by the EU have failed to bring significant results.

The Moldovan case suggests a somewhat different situation. It has been shown that other incentive-based methods than the membership perspective can be quite effective in bringing about changes in domestic policy. European institutions could influence domestic policy by applying conditionality without clear membership incentive: they explicitly demanded Moldova's compliance with legal commitments, and also, they offered other incentives such as the increase in bilateral cooperation and democracy assistance.

Comparing with Ukraine, Moldova has been more amenable to EU influence. When it comes to trade, it is the post-Soviet state that is most dependent on the EU, support for European integration is also the highest in the region, it shares a language and a history with Romania (an EU member state) and due to migration flows and its geography has the highest intensity of people-to-people interaction with the EU. Moldova has also always needed EU and US support for conflict settlement in Transnistria.

The most important conclusion that can be drawn from the analysis is that so far the EU has failed to tailor its offerings to fit into the prevailing Ukrainian and Moldovan context and that an agreement with more specific advantages but also more specific demands would probably stimulate more reforms. One of the most important problems regarding EU's approach towards its neighbours was illustrated at the Eastern Partnership's launch summit in Prague on 7 May 2009. Angela Merkel was the only leader of a major Member State to bother to attend, in this way exposing the divisions within the EU over the importance of the region and confirming suspicions in the neighbourhood that the EU has other priorities.

The EU needs to be more committed to its democracy-promotion endeavours and be more responsible when designing the methods of encouraging domestic political elites to move towards further democratisation. The EU should support co-operation with Russia in the neighbourhood where possible. The EU has taken a more bureaucratic, less political approach than Russia and it has also been less

willing to offer benefits or make use of conditionality or coercion. A new EU strategy for the region should be based on a review of the effectiveness of its various policy levers.

The EU should also be more "present" and make itself more attractive in the region. For small states that feel isolated at the borders of the EU, attention on its own can be very influential. There was very unfortunate that leaders of other major Member States than Germany failed to attend the Eastern Partnership summit in 2009. The EU foreign policy team, presidents and prime ministers should make efforts to visit the region more often, particularly those countries affected by secessionist conflicts. In order to be more attractive, the EU should speed the visa liberalisation process. Ukraine and Moldova have recently been offered road maps for visa-free travel. These should be combined with very tough demands for reforms of their border management and law enforcement agencies. Also, in order to deal with political deadlock in neighbourhood states, the EU must grant its representatives the flexibility to deploy the EU's tools in a more dynamic, "political" way.

Last but not least, the specific domestic context should be a crucial factor to take into consideration when forming policies towards the neighbours. EU's strategy until now has been "one size fits all" but as it has been demonstrated in this paper, it would be more efficient if different initiatives would be taken for different countries.

The EU's security, prosperity and its relationship with Russia are bound up with the wellbeing of the states in the eastern neighbourhood. If the EU continues to downplay the importance of the region, it can expect to suffer the consequences in the years to come.

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