

Stuck in the middle

The shared neighbourhood of
the EU and Russia, 2000-2005

John Löwenhardt

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Abbreviations

BMD	Bloc 'Democratic Moldova' (electoral alliance, 2005)
CDPP	Christian Democratic Peoples' Party (Moldova)
CPSU	Communist Party of the Soviet Union
CIS	Commonwealth of Independent States
CoE	Council of Europe
EC	European Commission
ENP	European Neighbourhood Policy
EU	European Union
GAER	General Affairs and External Relations (Council, EU)
<i>Gosplan</i>	State Planning Commission of the USSR
GU(U)AM	Georgia, Ukraine, (Uzbekistan), Azerbaijan, Moldova (grouping of states)
PCRM	Party of Communists of the Republic of Moldova
OSCE	Organisation for Security and Co-operation in Europe
PACE	Parliamentary Assembly of the Council of Europe
PCA	Partnership and Co-operation Agreement (individual states with EU)
<i>Politburo</i>	Political Bureau of the Central Committee of the CPSU
SES	Single Economic Space

In footnotes, internet URLs should be read to be prefaced by <http://>

Preface

This paper has two aims. The first is focussed on individual states. I wish to present a concise analysis of the development of Russia, Ukraine, Belarus and Moldova during the first five years of the new Century, and of the problems and dangers facing them. The emphasis here is on the word concise. Of necessity, these country analyses will have to leave many stories untold. The second aim widens that focus to the whole region and looks at foreign and international politics, particularly at the interplay of policies of the EU and Russia towards each other and towards their shared neighbourhood. If at the end of this short text the reader will feel that he or she has a better understanding of our eastern neighbours and the world they live in, the author will be more than contented.

The reader should therefore not expect a strong vision for the future, or outspoken policy recommendations. My aim has been to provide background, to take stock of 'where we are', of how the peoples of eastern Europe have come to be where they are – and to analyse the complexities of a region that is literally stuck in the middle. The perceptive reader will notice that the title of this paper implies that Belarus, Ukraine and Moldova will, at least for its shelf-life, not receive an explicit perspective for EU accession. This is more the result of the inbred leaning toward realism of its author, than of his preferences for these countries or for the inclusiveness of the EU. Policy recommendations for the intermediate period have been presented by several institutions, including the Centre for European Reform in London (cer.org.uk), the Batory Foundation in Warsaw (batory.org.pl) and the

Netherlands Advisory Council on International Affairs (aiv-advies.nl). Several of their publications are listed in the bibliography at the end of this paper.

This work has been researched and written during 2004-2005. I wish to express my gratitude to the Clingendael Institute and to the many interlocutors who have given their time to share their views and professional insight, particularly Anatol Gudym, Marcel de Haas, Hans van der Meulen, Rosaria Puglisi, Clelia Rontoyanni, and Jan Rood.

John Löwenhardt

1 September 2005

Introduction

'Russia and the European Union are not yet on their honeymoon, but it is true love'. This was Luxembourg's Prime Minister Jean-Claude Juncker speaking at the end of the 15th EU-Russia Summit on 10 May 2005 in Moscow. Most likely, Russians and citizens of the EU were not (yet?) aware of their true love for each other, or of their engagement to be married. The fatuous remark of the Luxembourgian Prime Minister was just one example out of many of EU politicians engaging in grandiloquence to mask their emptiness. One wonders what the people stuck *in-between* the loving couple will have thought of the diplomatic and rhetorical skills of Luxembourg's Prime Minister.

In its thoughtlessness, the remark testified to an attitude similar to that ten years earlier. In the mid-1990s, West Europeans lacked a perspective on the future positioning of eastern Europe. Insofar as there was debate, it was dominated by American visions formulated in response to the collapse of communism, particularly those of Samuel Huntington and Zbigniew Brzezinski.¹ In his *Foreign Affairs* article in 1993, Huntington drew renewed attention to the fact that the divide between western Christianity (and thus 'Western civilisation') and Orthodoxy runs through Belarus and Ukraine. Many policy makers drew the conclusion that due to this dangerous fault line,

1) Samuel P. Huntington, 'The Clash of Civilizations?', *Foreign Affairs*, Vol. 72, No. 3 (Summer 1993), and Zbigniew Brzezinski, *The Grand Chessboard. American Primacy and Its Geostrategic Imperatives*. New York (Basic Books) 1997.

these new states – and Ukraine in particular – could not play a role in guaranteeing stability in the eastern part of the European continent. Ukraine should therefore never be included in either NATO or the EU. This line of thought was particularly strong in European circles where policy makers tended to focus on good relations with the biggest eastern neighbour, Russia. For a long time the European Union followed a ‘Russia First’ line, keeping Ukraine at arm’s length. The implication was that Belarus, Ukraine and Moldova were to remain safely inside the Russian sphere of dominance.

In *The Grand Chessboard*, Brzezinski on the other hand had stressed that as long as Ukraine remained independent, a new Russian empire could not possibly emerge. Post-Soviet great power ambitions of Russia would be blocked by independent Ukraine, and the country thus played a crucial role in safeguarding European security. The implication was that the West should support and strengthen Ukrainian independence by integrating the state in its main structures, NATO and the EU. But at the same time the West would have to engage with Russia to strengthen that country’s Western orientation and to promote that it would decide to ‘cast its lot with Europe’ and would thus accept that ‘it is in Russia’s own interest that Ukraine be included in the expanding European structures’.² This line of thought was particularly popular in the USA and in NATO circles.

The debate of the years following the Soviet collapse had been of a geopolitical nature. Ten years later, one can ask what came of it. The eastern borders of NATO and the European Union have moved eastward and now roughly coincide with what once was the western border of the USSR. Three former Soviet republics have even been incorporated into ‘the West’. Soon after, the pivotal country in the region experienced a crisis in which the two sides, the West and Russia, tore at it in opposite directions. There was fear that the country would break apart. If the civilisational divide running through Ukraine was ever to break, it was during the ‘Orange Revolution’ of November–December 2004 when the eastern provinces threatened to secede. Yet, this has not happened.

However much Western governments try to wed a friendly Russia policy to overtures vis-à-vis Ukraine, it is beyond doubt that the region in-between the EU and the Russian Federation has been developing into an area of competition between these two actors. The EU has started implementation of its *European Neighbourhood Policy* (ENP) aimed at integrating its eastern neighbours just short of membership. For their part, Russian policy makers have exhibited an increasing assertiveness vis-à-vis their western neighbours Ukraine, Belarus and Moldova, aiming to strengthen their economic grip and export their own model of governance. In all three of these societies orientations towards integration with the EU coexist with an acute awareness that ties with Russia will remain of paramount importance. Their heart goes

2) Brzezinski, op. cit., p. 122.

to 'Europe', but the mind is painfully aware of dependence on Russia. Thus, this 'shared neighbourhood' has been developing into an economic and diplomatic battlefield, as seen recently in the Orange Revolution. Russia aims for the maximisation of its influence on the domestic situation and foreign policy orientation of the countries in the region. The EU's primary concern is over the sovereignty and stability of these countries. That is to say: the EU wishes to see legitimate and effective regimes that provide stability at its eastern borders. But EU policy makers are also painfully aware that like Belarus, Ukraine and Moldova, the European Union countries themselves depend on Russia for energy deliveries.

This study will deal with domestic politics and international relations in the region during the first years of the new millennium.³ The focus is on Belarus and Ukraine, the European Union's new neighbours, and Moldova. The populations of these countries cannot decide where they belong, else than being stuck between powerful neighbours. In June 2003, for example, 65 per cent of Ukrainians said they felt that their country should join the EU. At the same time, 69 per cent supported the deepening of relations with Russia.⁴ When in December 2004 they were forced to make a choice in the re-run of the second round Presidential election, 52 per cent voted for Western oriented Yushchenko, and still a solid 44 per cent for Russia oriented Yanukovich. These simple data documented that Russia and EU were not either/or alternatives. These countries are torn between several conflicting and concurrent demands: the need to establish good governance and democracy; to pursue structural reform and real economic growth; to lower their economic dependency on Russia while making effective use of new instruments offered by the EU; to strengthen sovereignty and national security without alienating the eastern neighbour.

The answers that they have found differ considerably. President Lukashenko in Belarus has resisted openings to the West and has made himself and his country more and more dependent on Russia. In Ukraine, increasing dependency on Russia and disappointment in the EU contributed to a popular revolt that swept away the Kuchma regime. Russia suffered a serious diplomatic defeat when the attempt at export of its 'managed democracy' model fell through. President Voronin of Moldova, finally, has moved from friendship with Putin in 2000 to alienation and rejection of Russian meddling in 2005.

3) For the period immediately prior to these years, see Margot Light, Stephen White and John Löwenhardt, 'A wider Europe: the view from Moscow and Kiev', *International Affairs* Vol. 76, No. 1 (January 2000), pp. 77-88, and John Löwenhardt, Ronald Hill and Margot Light, 'A wider Europe: the view from Minsk and Chisinau', *International Affairs* Vol. 77, No. 3 (July 2001), pp. 605-620.

4) Data from Jakob Hedenskog, *The Ukrainian Dilemma: Relations with Russia and the West in the Context of the 2004 Presidential Elections*. Stockholm (Swedish Defence Research Agency), 2004, p. 50.

Five main actors can be identified in the region: the Russian Federation; the European Union; and the countries of their shared neighbourhood, Belarus, Ukraine and Moldova. The EU, which after all has professed to have a 'Common Foreign and Security Policy' since 1992, is treated here as a single – but special type of – actor, not the least because since December 2003 the EU has had a security strategy. These political facts have not kept individual member states from adopting their own positions on various issues whenever this suited them. A secondary actor is the United States, both in that it influences internal EU decision making, steering the EU into or away from certain directions, and in its efforts to directly influence Russia and other countries in the region. Central is the question how the European Union in recent years has dealt with Russia and their shared neighbourhood, and how, vice versa, Belarus, Ukraine and Moldova have behaved towards their neighbours to the west and east. But before going into this question, I will characterise the regimes and societies of the four main actors Russia, Belarus, Ukraine and Moldova by the year 2005.

Eastern Europe entering the 21st Century

Putin's Russia

On 31 December 1999 Vladimir Putin accepted presidential power from the hands of Boris Yeltsin. For good or for worse, Yeltsin had managed the first stage of the transition from communism. But by his feeble health, weak policies and preference for strong liquor he had become an embarrassment to the Russian public and a liability to the state. It was not difficult for Putin to make a good impression, at home or abroad. His popularity skyrocketed and foreign statesmen were impressed by his realism and determination. Soon after in March 2000 his Presidency had been confirmed by the electorate, he announced and resolutely implemented plans to reform the state structure. His aim was to strengthen the so-called *vertikal* of power from the President downward and to restore discipline. Skilfully manoeuvring around the Constitution, Putin extracted the teeth from the upper house of parliament, the Federation Council, and inserted a new administrative layer between the federal institutions and the federation's 89 regions. Appointing his own men to these seven federal districts, Putin made it clear that the one and only principle guiding relations in the Russian state was to be loyalty to the President. This applied to regional governors and presidents as well as to the businessmen who had profited from Yeltsin's privatisation and were now among the world's richest individuals. Those who refused loyalty were forced to leave the country or put behind bars.

In March 2004 Putin was easily re-elected with 71 per cent of the vote. Since December 2003 he had been supported in the State Duma by a two-thirds majority, his 'United Russia' party. The party had been one of several created by the Presidential Administration with the purpose of guaranteeing support for the president's policies in parliament. The Administration's success was immense. The electronic media had long before been brought under Kremlin control in order to safeguard the re-election. Russia had developed into a 'managed democracy'. The political process was directed and controlled by the Presidential Administration where a majority of ex-security officials held the cynical view that democratic procedure was fine (particularly to keep foreign criticism at bay) as long as its outcome was determined by them, and them alone.

By the start of his second term, however, Putin's self-confidence and that of his entourage in the Presidential Administration had suffered from a conjunction of unhappy events, both domestic and abroad. First, terrorism emanating from Chechnya had moved ever closer to the Kremlin. In Putin's first term, approximately 1,500 civilians had been killed in some 25 terrorist attacks, not counting those killed in Chechnya. An increasing number of Russians had grown concerned by the insecurity. It was no longer safe to visit a Moscow market or travel the subway. Second, in November 2003 Russia had 'lost' Georgia to the so-called 'Rose Revolution' – or so it seemed to the men in the Kremlin. During the same month an audacious attempt to settle the Transnistrian 'frozen conflict' in Russia's favour had failed (see below). At the December 2003 OSCE summit in Maastricht, Russia was entirely isolated. Then in September 2004 a series of terrorist attacks had culminated in the Beslan tragedy that had shocked both Russia and the world. Two months later Russia had 'lost' Ukraine to the Orange Revolution, partly as a result of poor diplomacy.

At the start of his rule Putin had promised to be realistic and to do away with the makebelieve of the Yeltsin years. He had spoken about the weakness of the Russian state and economy, a weakness that would take many years to overcome. He had presented an ambitious vision to catch up with the rest of the world in the shortest possible time. The events of 2003-2004 had shattered the confidence of the Kremlin that during his first term Putin had made progress towards these goals.⁵ More reforms were announced, aimed at further strengthening central control over Russia's regions. Money was thrown at various security services, without any guarantee that the co-ordination of antiterrorist measures would actually improve. With its chief Khodorkovski behind bars, the Yukos oil conglomerate was effectively renationalised. No major enterprise was to exist which did not have Putin loyalists on its board.

5) Dov Lynch, "The enemy is at the gate": Russia after Beslan', *International Affairs*, Vol. 81, No. 1 (2005), pp. 141-61.

The Presidential Administration and Council of Ministers had two factions, two 'clans' united in their desire to restore Russia as a strong state but divided on economic issues such as renationalisation and the state's relations with the private sector: the 'siloviki' and the 'liberals'.⁶ These clans, each with their own business interests, vied for influence on Putin, acting from a purely win-loose perspective. In the view of sociologist Olga Kryshтанovskaya, Putin deliberately retained 'liberals' in his entourage in order to balance the other clan, thus allowing him manoeuvrability. During the Yeltsin era, the elite had still been relatively open: fresh talent had been drawn in from, for example, academia. Many of them had been 'public politicians'. But under Putin Russia reverted to closed politics managed by technocrats.

Kuchma's Ukraine

Ukraine seemed to be doing well during president Kuchma's second term. Average GDP growth since 2000 had been 6,5 per cent per annum, wages had increased on average by 27 per cent annually.⁷ Small-scale privatisation had been completed during this period. In 2002 the private sector accounted for some 65 per cent of GDP.

But these rosy figures masked a grim reality. As one in four Ukrainians lived below the poverty line, a small group of oligarchs had 'captured' the state and amassed vast riches in the process. They could do so as a result of the weakness of both political and economic institutions. The presidential system allowed Leonid Kuchma to consolidate power on a supportive clientele from, originally, Dnepropetrovsk. The result, in the words of one observer, was 'the reinforcement of a rent-seeking system in which economic advantages were afforded only to those close to the administration ... As administrative resources became a source of income for the bureaucracy, the bureaucrats became themselves an obstacle to economic reforms, preventing changes that would unsettle their power and revenues.'⁸

After Kuchma's election in 1994, some 206 leading bureaucrats had moved from Dnepropetrovsk to key positions in the state administration in Kiev. The core of the Dnepropetrovsk clan consisted of some 200 individuals who in the years ahead had come to occupy many key positions. Since then, new regionally based clans had emerged, split, merged and developed into political parties; political parties had appeared 'as institutionalised channels to lobby for specific business interests' – with the highly important side benefit

6) Elena Korop, interview with Olga Kryshтанovskaya, *Profil* (10, 21 March 2005) as in Johnson's Russia List, 28 March 2005.

7) Data from European Commission, European Neighbourhood Policy Country Report Ukraine {COM(2004)373 final}, 2004.

8) Anders Aslund as referred to by Rosaria Puglisi, 'The Rise of the Ukrainian Oligarchs', *Democratisation*, Vol. 10, No. 3 (Autumn 2003), pp. 99-123.

that deputy status in parliament gave immunity from prosecution. The history of Ukrainian high politics since then had been a history of clan competition with the president as chief arbitrator. To the president and his administration, the redistribution of economic benefits was 'a currency to secure political support from powerful business people' and an instrument of coalition building.⁹

There had been unmistakable signs that the regime had degenerated into Mafioso politics. Public life was saturated with corruption. The concentration of power was, to say the least, not conducive to the protection of human rights. On 16 September 2000, the investigative journalist Heorhiy Gongadze, a critic of corruption, had disappeared; his beheaded body had been found in early November.¹⁰ Later that month, the so-called 'Melnychenko tapes' had been released. These tape recordings, made by former presidential guard Mykola Melnychenko, had implicated the president in a series of serious illegal acts including the Gongadze murder. They had triggered the 'Kuchmagate' crisis.¹¹ On 9 March 2001 Ukraine had seen the largest ever demonstration, directed against the president. Shortly after, state television had aired anti-Western programmes claiming 'that the West was plotting with Melnychenko to install [then Prime Minister] Yushchenko as president in place of Kuchma.'¹² Indeed, European and international institutions had become increasingly critical of the human rights situation in the country.

The president had translated estrangement from Western institutions into ominous changes in the government. In late September 2000, he had dismissed Foreign Minister Borys Tarasyuk, 'the symbol of the country's Western orientation'.¹³ (Tarasyuk once again became Foreign Minister in 2005.) In April 2001 Viktor Yushchenko was forced to hand in his resignation as Prime Minister. On 10 May, former Russian Prime Minister Viktor Chernomyrdin who had an excellent personal relationship with president Kuchma, was appointed Russian Ambassador and Special Envoy of President Putin for the development of Russian-Ukrainian trade and economic ties.¹⁴ It had been obvious that ties with Russia were being strengthened. During the years of his second term, Kuchma had met on average at least *once a month* with his Russian counterpart Putin for private consultations on state affairs.

9) Puglisi, 'The Rise of the Ukrainian Oligarchs'.

10) See on the Gongadze case a.o. media.gn.apc.org/gongadze/index.html and www.gongadze.org/

11) Taras Kuzio, 'Ukraine One Year after "Kuchmagate"', *RFE/RL Newsline*, Vol. 5, No. 224 II, 28 November 2001.

12) Kuzio, 'Ukraine One Year after...'

13) James Sherr, 'The dismissal of Borys Tarasyuk', Conflict Studies Research Centre, OB 79, at www.da.mod.uk/CSRC/documents/

14) James Sherr, 'Viktor Chernomyrdin's Appointment as Ambassador to Ukraine', Conflict Studies Research Centre, 16 May 2001, at www.da.mod.uk/CSRC/documents/

The strengthening of Ukrainian-Russian ties had been partly the result of a re-orientation of the US and EU towards Russia. Up to September 2001, the United States had had an active Ukraine policy, aimed at counterbalancing Russia, whereas the EU had listened to Ukraine's pleas for integration with a sympathetic but deaf ear. After the attacks on New York and Washington the West's 'Russia First' policy of the early 1990s had returned with a vengeance. The ruling elite in Kiev felt marginalised and, in the words of the foreign policy analyst Oleksandr Pavliuk, 'a weakened and almost passive international witness.'¹⁵

In Ukraine, as in Belarus at the time, the further development of clan-based politics had been constrained by the constitutional limitation of the presidency to two terms. For the president, for clan-based factions in the administration and for the clan-parties themselves, the upcoming presidential election of 2004 had come to dominate their thinking and behaviour. The election, after all, was to be 'the most important occasion to alter the nature of the political structure and the internal balance of forces among political and economic actors.'¹⁶

The Orange Revolution of November 2004 had in fact started a year earlier when in 2003 the struggle for the Presidency had entailed increasingly desperate manoeuvres by the president, the Presidential Administration and the opposition. A 'fog of misinformation and confusion' descended on Kiev as Kuchma hesitated between forcing through a third presidential term, or weakening the position of his successor, aiming himself to become Prime Minister with extended powers. In late 2003 the manoeuvrings of the ruling clique had triggered a deep parliamentary crisis which almost resulted in the initiation of proceedings by the Council of Europe to suspend Ukraine's membership. In a damning report, Council's Parliamentary Assembly deputies Hanne Severinsen and Renate Wohlwend had concluded that the tactics employed by the Administration were 'unacceptable for a country that claims to be on its way to Europe'.¹⁷

A year later, the peaceful outcome of the Orange Revolution had been the result of a combination of many factors: the fact that the Kuchma regime, like that of Shevardnadze in Georgia and Milosevic in Serbia, had not suppressed civil society to the extent of other countries, such as Belarus or the Central Asian dictatorships; the blundering of Russian strategy and diplomacy and the inability of the powerful in the Presidential Administration to think other than in crude geopolitical terms; the early defection of the security

15) Quoted by Jakob Hedenskog, *The Ukrainian Dilemma: Relations with Russia and the West in the Context of the 2004 Presidential Elections*. Stockholm (Swedish Defence Research Agency), 2004, p. 13.

16) P. G. Roeder as referred to by Puglisi, 'The Rise of the Ukrainian Oligarchs'.

17) Monitoring Committee, Council of Europe Parliamentary Assembly, 'Political Crisis in Ukraine' (Doc. 10058), 27 January 2004, p. 14, at assembly.coe.int/Documents/WorkingDocs/doc04/EDOC10058.htm

services and of the city administration of Kiev to the opposition; the impact of the new EU member states on EU policy after the enlargement of 1 May 2004; the support by foreign donors of innovative grassroots movements such as PORA; and the mobilization of the masses in Kiev.

EU enlargement had also been a strong factor. Enlargement had impacted particularly on the agenda setting in the European Parliament's Foreign Policy Committee, and on the behaviour of the new member states. Poland had for several years told the EU that it was in a far better position than West European statesmen or Brussels' Eurocrats to provide vision to EU policy towards the East. When in November 2004 the first opportunity presented itself, Poland acted with resolve, not in the least because its troubled president could use a foreign policy success. During the hours and days after Ukrainian citizens took to the streets in the night of Sunday 21 November, the EU Presidency and the European Council hesitated. Russian President Putin had acknowledged Viktor Yanukovich as the new president of Ukraine, and a summit meeting with Putin was scheduled in The Hague for Thursday 25 November. Ben Bot, the Dutch foreign minister, and prime minister Balkenende received urgent phone calls from Warsaw, but were reluctant to engage. Polish President Kwasniewski, however, was determined to intervene to help bring the crisis to a good end. Faced with Dutch foot-dragging, he made the unilateral decision to leave for Kiev.¹⁸ In order to mask the initiative from being a purely Polish one, he succeeded in convincing his Lithuanian colleague Adamkus to join him. The European Union and its Dutch Presidency were presented with a *fait accompli*, conveyed to them by telephone. Only then minister Bot decided – on Wednesday 24 November – to dispatch a personal representative to Kiev to deliver letters to the four main players. Ambassador Nick Biegan, a senior diplomat, left that evening and was joined, after the EU-Russia summit of 25 November, by Javier Solana. Within two weeks, on 8 December, a compromise was reached which would by the end of 2005 turn Ukraine from a super-presidential into a parliamentary-presidential system. In the re-run of the second round presidential elections on 26 December, Yushchenko collected 52 per cent of the vote; he was sworn in on 23 January 2005.

Lukashenko's Belarus

Whereas Putin and Kuchma had been reluctant to change the constitution, Belarus' president Lukashenko has done so twice. In November 1996, two years after his election, he had forced through a controversial referendum amending the Constitution. The president's term of office due to expire in 1999 was extended until 2001, and his powers were broadened. Since then,

18) Interview with a senior Lithuanian diplomat, Vilnius 25 March 2005.

Western institutions had shown increasing criticism of Lukashenko's rule. The OSCE had been highly critical of the 9 September 2001 presidential election in which Lukashenko had been re-elected: the election had failed to meet the country's commitments towards the OSCE on democratic elections.¹⁹ But partly due to the events in the US two days later, the questionable re-election of Lukashenko had received little attention worldwide.

In comparison to other post-Soviet states, the Belarusian economy seemed to perform well. By 2002 the country had recovered 93 per cent of its 1989 GDP level (Russia stood at only 71 per cent) and had a registered unemployment of only 3 per cent. In the three year period between 2000 and 2002, wages had been raised by no less than 61 per cent.²⁰ After reforming the currency regime in 2000 (the abolition of multiple exchange rates), scarcities had been largely done away with. In the 2001 UN Human Development Index, Belarus was ahead of other CIS countries at 53rd place (Russia at 55th, Ukraine at 74th).²¹

Belarusian authorities claimed to be *en route* to a 'socially oriented market economy' not unlike the 'Rhineland model' of West European states. The problem was that by 2005 Belarus was not a market economy at all. The country's leadership meant to avoid market reform in order to spare the population from the shocks of transition – and thus they could hardly expect their economy to develop into a *socially oriented* market economy. The share of the private sector in GDP, roughly 25 per cent, was lowest among the transition countries. Prices were still largely administratively controlled, wages were centrally fixed. Administrative control over the economy was massive and wasteful. Unlike almost all post-Soviet states Belarus still had a state-managed economy, a 'command economy without central planning'.²² It could afford its 'social orientation' – keeping the population satisfied at a minimal level of welfare – only at the expense of large Russian subsidies. This made the regime dependent on Russian good will (see below).

Western institutions of which Belarus was a member were highly critical of the human rights situation in the country, far more so than in the case of Ukraine. In February 2004 the Pourgourides report on disappeared persons in Belarus had found high-level involvement and subsequent cover-up by

19) Final Report, OSCE/ODIHR Limited Election Observation Mission, 4 October 2001, at www.osce.org/documents/odihr/2001/10/1237_en.pdf

20) D. Mario Nuti 'The Belarus Economy: Suspended Animation between State and Markets', in Stephen White et al. (eds.), *Postcommunist Belarus*, Lanham etc. (Rowman & Littlefield) 2005, pp. 93-122 (p. 107, 114).

21) Rontoyanni, p. 132 and nt. 41. By 2004 Belarus had dropped to 62nd place, after Russia (57th) but still before Ukraine (70th) and Moldova (113th). *Human Development Report 2004* at hdr.undp.org/reports/global/2004/

22) Nuti, pp. 97, 99, 106-7.

Belarusian authorities in politically motivated disappearances.²³ On the basis of this report, on 28 April 2004 the Council of Europe's Parliamentary Assembly had adopted two resolutions demanding of the Belarusian government to launch an investigation into the disappearances and to end the persecution of independent media in the country.²⁴ At a press conference following the adoption of these resolutions, Christos Pourgourides had called Belarus a 'criminal regime' and reiterated his confidence that Lukashenko and other high-level officials were personally involved in the cover-up of four missing persons who allegedly had been kidnapped and murdered by security officers.²⁵ Two weeks later the European Union had expressed its 'grave concern' about the findings of the report.²⁶ At the UN General Assembly of 2004 a US and EU sponsored resolution condemning Belarus' deteriorating human rights record had been defeated.²⁷ On 29 March 2005 Adrian Severin, the UN Commission on Human Rights' Special Rapporteur on Belarus had presented his report, claiming that the human rights situation in the country had 'dramatically deteriorated'.²⁸ In the meantime, in October 2004 the US had adopted the Belarus Democracy Act and at her confirmation hearings in January 2005, the new Secretary of State Condoleezza Rice had included the country in her shortlist of six 'outposts of tyranny'. And so it went on and on and on.

Belarus had a hopelessly divided and ineffective opposition and a docile population. The contrast between external condemnation of the regime and internal support for Lukashenko had been striking. In the 17 October 2004 referendum, a very considerable part of the population had backed the constitutional changes demanded by president Lukashenko. Polls by independent organisations had found that this support was somewhere between one third and half of the electorate.²⁹ The OSCE had criticised

23) Parliamentary Assembly of the Council of Europe (Committee on Legal Affairs and Human Rights), Doc. 10062, 4 February 2004, Christos Pourgourides, 'Disappearances in Belarus'.

24) assembly.coe.int/%2FDocuments%2FWorkingDocs%2FDoc04%2FEDOC10062.htm

25) www.belarusupdate.org/latestnews/coeresolutions.htm?OpenElement

26) europa-eu-un.org/articles/en/article_3501_en.htm

27) US Department of State, 'Supporting Human Rights and Democracy. The US Record 2004-2005', www.state.gov/g/drl/rls/shrd/2004/43110.htm

28) UN Commission on Human Rights, 61st session, 29 March 2005 at www.unhchr.ch. Severin suggested a series of concrete measures, including the establishment of a programme for public education in the field of human rights and of an international fund for its financial support; assistance to NGOs and democratic political parties; the convening of an international conference on the human rights situation in Belarus; and the establishment of both a 'contact group' and a 'donors group' for the support of such activities.

29) A late September poll by Moscow's Levada Centre found that 37 per cent backed constitutional change that would allow Lukashenko a third term; exit polls on 17 October organised by Gallup with Baltic Surveys found that 48 per cent had voted 'yes'.

Belarusian authorities for the ‘climate of intimidation’ that had existed before and during the elections; a handful of *Zubr* activists had staged demonstrations – and nothing had happened. President Lukashenko, warned by unrest in other countries, made sure that he did not slacken his rule in any way. When on 25 March 2005 Belarusians commemorated independence day just hours after mass demonstrations in Bishkek had caused the Kyrgyz president to flee his country, the Belarusian opposition could not muster more than 1,500 people into the streets. Opposition leader Andrei Klimov’s call to start the revolution on that day fell on deaf ears. The protesters were no match for the riot police; many arrests followed.

Voronin’s Moldova

Like Russia, Belarus and Ukraine had been presidential republics where the concentration of power in the president and his entourage had undermined democratic decision making and the belief in democracy as such. In Moldova, however, parliament had changed the Constitution in July 2000 after a period of persistent political instability caused by conflict over whether Moldova should be a parliamentary or presidential democracy. Since the changes, the president was to be elected not by popular vote but by the 101-seat parliament.³⁰ However, electing a successor to president Petru Lucinschi proved impossible and parliament had to agree to early elections. In the elections of 25 February 2001, the Party of Communists of Moldova (PCRM) had increased its share of the votes from 30 per cent (40 seats) in 1998 to just over 50 per cent (giving it 71 seats) and had thereby progressed from being the largest party in parliament to the one controlling it. On 4 April the PCRM had elected their leader Vladimir Voronin as the new president.

With this strong legitimacy and parliamentary base, the communist Voronin initially cultivated excellent relations with the new Russian president Putin. Russian language use was to be promoted, and in November 2001 a Russian-Moldovan Treaty on Friendship and Co-operation was signed. Expectations were high that with Putin, Voronin would be able to solve the ‘frozen conflict’ of Transnistria, the main barrier to Moldova’s further development. Since almost a decade conflict settlement had been entrusted to the ‘fivesided’ OSCE format in which the negotiating partners were the governments of Moldova, Russia and Ukraine; the regime of Igor Smirnov in Tiraspol; and the OSCE. In 1999 Russia had committed to the complete withdrawal of its troops and military hardware from Transnistria.

30) On the conflict, see the *East European Constitutional Review* 8:3, 1999; 8:4, Fall 1999; and 9:4, Fall 2000, pp. 26-28.

But the expectations of the beginning of Voronin's presidency had not been answered. In 2002 Voronin had agreed to the drafting of a new, federal constitution jointly with Smirnov. But when in 2003 President Putin and the Presidential Administration in Moscow had made an effort to speed up the process, the negotiations had collapsed. The 'Kozak Memorandum' of November 2003, named after Putin's chief negotiator, had resulted not in a final settlement, but on the contrary, in stalemate and a chilling of relations between Putin on the one hand, and Voronin and the European Union on the other. Kozak's failure had been due to a combination of various factors, all of which were symptomatic for the administrative cultures in Moscow and Chisinau: a lack of diplomatic professionalism and of intra-governmental co-ordination in both capitals; the atmosphere of complacency and arrogance in the Moscow Presidential Administration; and the skilful manipulation of these weaknesses by the Transnistrian ruler Smirnov.³¹

By the end of 2004, when the European Neighbourhood Action Plan with Moldova had been made public, the Transnistrian issue had not made any progress. But the economic situation in Moldova proper (with a population of 3.6 million, up to 600,000 of whom were abroad) was improving slightly. Moldova was still the poorest country in Europe, a miserable 113th on the United Nations Human Development Index, with some forty per cent of the population living below the poverty line (significantly down from 73 per cent in 1999!). Surprisingly, however, the total value of consumption expenditures was higher than GDP, a result of the remittances (a staggering US\$ 347 million, 18-19 per cent of GDP in 2003) from Moldovan workers abroad. Up to 30 per cent of the entire work force was estimated to be working outside the country.³² Over the period 2000-2004 GDP had grown by 33 per cent.³³ GDP per capita grew by 53 per cent from US\$354 in 2000 to US\$541 in 2003. Investments had also been on the increase since 2000, as had disposable income of the population. In 2004, real wages had increased on average by 10 per cent. But in unemployment there was only a 'gradual improvement', from 11 per cent in 1999 to just under 9 per cent in 2003.³⁴ Of all exports, 30 per cent went to the European Union, a substantial improvement compared to 21 per cent in 1999.

31) For an analysis of the Kozak débâcle, see John Löwenhardt, 'The OSCE, Moldova and Russian Diplomacy in 2003', *The Journal of Communist Studies and Transition Politics*, Vol. 20, No. 4 (December 2004), pp. 103-12.

32) Anatol Gudim, 'Case of Moldova: Mass Labor Migration as a Consequence of Inefficient Reforms', CISR, May 2004; Ana Vasile Sirbu, 'Is Growth Good Enough for the Poor?', CISR, August 2004; both at www.cisr-md.org/reports. European Commission, European Neighbourhood Policy: *Country Report Moldova*, {COM(2004)373 final}, Brussels 12 May 2004, p. 13-14.

33) Marianna Zolotko, 'Novoe sosledstvo: Moldova – Evropeiskii Soiuz', *Kishinevskii Obozrevatel*, 3 March 2005.

34) *Country Report Moldova* (see nt. 30, above), p. 14.

Voronin's policy of stabilisation and recovery had paid off at the parliamentary elections of 6 March 2005. Four years earlier the PCRM had been swept to power by the protest vote of a desperate electorate. Now they lost four per cent in votes, and 15 of their 71 seats in parliament. But the PCRM remained the largest party by far, with a comfortable 56 seat majority in the 101 seat parliament, 5 short of the 61 seats required for electing the president.³⁵ On 4 April, four years to the day after his initial election, Voronin was elected to a second term with the support of 75 MPs, including Iure Rosca's Christian Democrat CDPP and defectors from the other opposition party, BMD.

The problem of Moldova is not of an economic nature. The country has been a member of the WTO since 2001, its economy is growing, its people have adapted to market conditions and Voronin is to be commended for the fact that by 2005 among the population there is a certain degree of 'social optimism'.³⁶ The country's main problem, not unlike Belarus, is one of poor political leadership and weak administrative culture. This was illustrated in early 2005 when ministers and their departments were ordered to 'immediately implement' the ENP Action Plan for Moldova, not taking into consideration that the character of the plan is such that the idea of implementing it is an absurdity. It also came to the fore in the absence of realistic economic strategies in the election programmes of all major parties in the parliamentary elections of 2005. The ruling PCRM is obsessed with paper plans and not interested in a dialogue with society. In the vision of a senior academic, Voronin and his men 'lack entirely in vision, ideas, or fresh talent'.³⁷ Such vision and talent will be essential if the problem of Transnistria is to be solved.

Dependence on Russia

The three countries that are stuck between Russia and the EU share a high dependency on Russia. Their economies had been part of the Soviet economy and after the dissolution of the USSR in 1991 they had inherited the consequences of centralised planning decisions taken in Moscow by *Gosplan* and the *Politburo* of the Communist Party. This had meant that at the start of their independence their mix of industries had been far from ideal for a balanced economic development. To different degrees, the countries' regimes have in recent years struggled to reduce their dependence on Russia. Moldova

35) The Democratic Moldova Bloc (BMD) received 34 seats (19 in the 2001 elections), Iure Rosca's Christian Democrat PPCD 11, as in 2001.

36) Interview with Anatolii Gudym, *Kishinevskii Obozrevatel*, 3 March 2005.

37) Author's interview with Anatolii Gudym, Director of the Centre for Strategic Research and Reform, Chisinau 9 March 2005.

has arguably been the most active, Belarus the least – with Ukraine somewhere in-between. After all, of no little importance is the fact that Ukraine's dependence for energy imports is partly matched by Russia's dependence on Ukrainian energy transit facilities, particularly for gas. Under Putin, Russia has shown resolve in strengthening its economic grip on the countries by an active programme of investments in their industries and service sectors, and by looking for alternative routes for the transport of its energy resources to the European market.

Russia's grip on the region remains firm. Russia is the main trading partner and investor and, in countries where industry is still extremely energy-intensive, the main supplier of oil and gas. In Moldova, for example, the wine exporting sector (almost 30 per cent of all Moldovan export is alcohol) is now entirely in Russian hands. With extensive Russian ownership of the Transnistrian capital stock and growing investments in right bank Moldova, Russia, in the view of some, could become 'the main integrating factor' in Moldova, thereby solving the Transnistrian issue by default.³⁸ In Kuchma's Ukraine, Russian capital has acquired control over several strategic assets. In 2003 its control of aluminium production was 90 per cent; of oil refining 83 per cent, and of the non-ferrous metallurgy sector 67 per cent.³⁹ An estimated 40 to 50 per cent of the entire Ukrainian industry was in Russian hands.⁴⁰ During Kuchma's second term, several co-operation agreements have been signed between Russia and Ukraine in the fields of defence, arms production and aerospace, which have further increased Ukraine's dependence.⁴¹

For Belarus, Rontoyanni has noted the simple fact that other than its neighbours the country has not sought to reduce its dependence on Russia (Ukraine had done so under Kuchma's predecessor, president Kravchuk). To the contrary, Lukashenko has deliberately aimed at integration.⁴² Since the April 1996 'Treaty on the Formation of a Community' there had been a constant stream of treaties suggesting ever closer integration between the two states.⁴³ The share of Russia in Belarus' 2001 foreign trade had been 53 per cent of exports and 65 per cent of imports. Between 2000 and 2003, trade

38) Author's interview with Anatolii Gudym, Director of the Centre for Strategic Research and Reform, Chisinau 9 March 2005.

39) Data from Volodymyr Sidenko in Jacek Klich, Iryna Kryuchkova and Volodymyr Sidenko (eds.), *Macrostructure policy and market transformation: The experience of Poland and Ukraine*. Kyiv (Razumkov Centre & Zapovit Publishing), 2004, p. 87.

40) Jakob Hedenskog, *The Ukrainian Dilemma: Relations with Russia and the West in the Context of the 2004 Presidential Elections*. Stockholm (Swedish Defence Research Agency), 2004, p. 16.

41) See Mark Kramer, 'Ukraine, Russia, and US Policy', PONARS Policy Memo 191, Harvard University at www.csis.org/ruseura/ponars/policymemos/pm_index.cfm

42) Clelia Rontoyanni, 'Belarus and the east', in Stephen White et al., p. 123-42 (123).

43) For details, see Rontoyanni, pp. 126 ff.

turnover with Russia had grown by 34 per cent.⁴⁴ Belarus had surpassed Ukraine as Russia's second largest trading partner, after the EU. The country's privileged position showed in the fact that until 2003 it had obtained Russian oil and gas at a price roughly half of the price Ukraine had to pay, and a third of the world oil price.⁴⁵ For energy, Belarus remains almost entirely dependent on Russia.

Introduction of a single Russian-Belarusian currency had been on the agenda since 1998 and a single bank for the issue of the single currency was to be created by the end of 1999. In June 2003 the prime ministers of both countries had set January 2005 as target date for adoption by Belarus of the Russian rouble. However, by early 2004 Belarus had not been closer to monetary union with Russia than it was five years earlier.⁴⁶

The most fundamental dependency of Belarus, however, had concerned the sustainability of its professed socio-economic model, that of a socially oriented market economy. Since the mid-1990s Lukashenko had succeeded in keeping his population from mass dissatisfaction only thanks to large scale energy and other subsidies by Russia, estimated at US\$ 1 – 2 billion annually.⁴⁷ A seasoned observer had noted in 2004 that ultimately the Belarusian economic model 'depends solely on the continuity of Russian good will and generosity.'⁴⁸ But in September 2003 Putin had announced that from 2005 Belarus would have to pay 'market basis' prices for its gas. Relations deteriorated particularly in early 2004 when negotiations failed on transferring a controlling stake in *Beltransgas* to *Gazprom*, resulting in a gas war between the two countries.⁴⁹

While Belarus had been entirely oriented towards Russia, with a very high degree of military and economic integration, other countries in the region had tried to counteract the Russian dominance. In October 1997 the presidents of Ukraine, Moldova, Georgia and Azerbaijan had agreed to collaborate in exploring common goals and needs in the post-Soviet space, and had founded GUAM. They had promised each other co-ordination of their foreign and security policies, and co-operation in strengthening transport corridors, particularly for energy, circumventing Russian territory. GUAM was a loose consultative grouping of states wishing to increase their diplomatic flexibility and to provide counterweight to Russian pressures, particularly to Russian collusion with separatist forces within their states. Ukraine, GUAM's leading member, had a particular interest in trying to assert itself as a regional leader and in hoping to decrease its dependency on Russian oil and gas. Thus, even though GUAM was not an organisation, it

44) Calculated from Table 7.3 in Rontoyanni, p. 130.

45) Nuti, pp. 115-6.

46) Nuti, p. 117.

47) Rontoyanni, p. 130.

48) Nuti, p. 102.

49) On this episode, see Rontoyanni, pp. 131-2.

contributed to what Zbigniew Brzezinski has termed ‘geopolitical pluralism in the post-Soviet space’.⁵⁰ GUAM had an anti-Russian smell to it. Two years later, when in 1999 the CIS Collective Security Treaty expired, Azerbaijan, Georgia and Uzbekistan had declined to participate in its renewal. As guests at the NATO anniversary celebrations in Washington DC, the GUAM leaders announced that Uzbekistan was being welcomed into GUAM – turning it into GUUAM. Throughout most of the period of this study, GUUAM more or less hibernated, with only the US showing some interest in its continuation. But the Rose and Orange Revolutions woke GUUAM up. From early 2005 the presidents of Georgia, Ukraine, Azerbaijan and Moldova intensified their co-operation, whereas the Uzbek tyrant Islam Karimov, fearing political unrest, turned his back on them, turning GUUAM once again into GUAM. At their summit meeting on 22 April, the presidents declared their intention to transform the grouping into a full fledged international organisation.

50) Oleksandr Pavliuk, ‘Ukraine’s Regional Politics: The Case of GUUAM’, summary of a speech 12 February 2001 at the Woodrow Wilson Center. wwics.si.edu.

Russian foreign policy aims in the region

The accession of Vladimir Putin had inaugurated a new approach to the outside world. For many years in its foreign and security policy, Yeltsin's Russia had lacked a steady hand (or a straight tongue). Expectations of the CIS as a successful union modelled on the EU had been disappointed. Trade flows had changed course and the 'legal nihilism' of the CIS (hundreds of agreements had been signed, but not implemented) had undermined its reputation. Whereas Belarus, Ukraine and Moldova were still highly dependent on Russia for energy, trade and investments, for Russia the EU had become its main trading partner and an important source of investment.

In 2000 Putin had profited from high state income from oil revenues, renewed domestic production after the 1998 economic crash and an unprecedented high approval rating. This had been an ideal situation for the Presidential Administration to present lucid policy goals. In January of that year the new National Security Concept had been adopted. External factors were no longer identified as the main threats to Russia's security, and the nagging tone of years past was now gone. The main problems were now identified as being internal weaknesses of the Russian Federation, both economic and political. A focussed approach was formulated for dealing with them. This new approach – or 'silent revolution', in the words of Sergei Medvedev – was accelerated by the Al Qaeda attacks on New York and Washington. Medvedev sees the policy of rapprochement with the West in the struggle against international terrorism as a revolutionary and fundamental change in Russia's foreign and security policy, for which the ground had been prepared by Gorbachev and Yeltsin: a 'profound reappraisal of Russia's

national interests and place in the world, defying centuries-old imperial paradigms'.⁵¹ Whether the change is as fundamental as he claims, remains to be seen.

Whether lasting or not, in his 'direct neighbourhood', Putin had said good-bye to the frenetic multilateralism of the Yeltsin period. It had outlived itself, and it was too expensive anyway. Two years earlier, Sergei Karaganov's Council of Foreign and Defence Policy had complained about the lack of realism in Russian foreign policy. The Council had pointed out that CIS member states had the tendency to unite *against* Russia (for example in GUAM) instead of with it. Putin had taken these recommendations to heart, particularly those that suggested to invest far more in bilateral relations with the CIS states. This new and more realistic policy had been expressed in his June 2000 'Foreign Policy Concept of the Russian Federation' and later in foreign minister Igor Ivanov's book on *The new Russian diplomacy* (2002).⁵²

In his book the Russian foreign minister had confessed that the CIS had been too ambitious a project and had referred to the 'centrifugal forces' that had shown themselves soon after 1991.⁵³ At the start of the 21st Century, he wrote, Russia was faced with a dilemma: either integration at any price (in other words: at too high a price to Russia), or a pragmatic policy focussed on Russia's economic and security interests. The choice made by the new Putin regime had been to aim for deepening bilateral relations as a precondition for further integration. What Ivanov had meant to say was simply that Russia had become far more egotistic. The willingness of individual CIS partners to meet the wishes and demands of Russia had become the main criterion for deepening integration. In his book Ivanov admitted to the 'normality' of CIS countries 'diversifying' their international relations by looking for new trade partners. But: 'Russia will not tolerate that third countries try to enter the CIS in a way undermining Russian interests, excluding Russia or weakening its position.'⁵⁴

Realists had gained the upper hand in Moscow. In the 'CIS space' they had introduced a pragmatic approach aimed at safeguarding Russian interests and strengthening its influence abroad. For this, multilateral institutions were not the most appropriate means. This became abundantly clear in October 2003 when Russia, Belarus, Ukraine and Kazakhstan signed the 'Single Economic Space' (SES) agreement. Within days after the pomp and circumstance of the top level meeting, Russians started building a dam in the

51) Sergei Medvedev, *Rethinking the National Interest: Putin's Turn in Russian Foreign Policy*. Garmisch Partenkirchen (George C. Marshall European Center for Security Studies), n.d., p. ix.

52) Igor S. Ivanov, *The New Russian Diplomacy*. Washington DC (Nixon Center & Brookings Institution Press) 2002.

53) Ivanov, p. 82.

54) Ivanov, p. 87.

Kerch Strait, forcing Ukraine to agree to a compromise in the Azov Sea Delineation Agreement, a compromise that favoured Russian interests.

The so-called Tuzla incident of 2003 had been an indication that the influence of liberal domestic forces on foreign policy had, at least temporarily, weakened. It had shown that forces that continued to perceive world politics as a territorial zero-sum game were still to be reckoned with. It had shown that Putin, whatever he *really* wanted, was prone to listen to (or be manipulated by) advisers with conflicting views of the desired goals and instruments of Russian foreign relations. Even though this mental framework had demonstrated its harmfulness to Russia's interests during 2003, geopolitical thinkers and President Putin had shown their incapacity to learn from their mistakes. After hurtful diplomatic defeats in Georgia and Moldova at the end of 2003, Russian strategists had not foreseen the 'Orange Revolution' in Kiev in November 2004 and had tumbled into a trap set by themselves. Their narrow-mindedness showed in their propensity to interpret the popular uprising as a Western ploy. From Moscow perspective the region in-between Russia and the EU had developed into a battle ground between two visions of democracy: the model vigorously exported by the Bush Administration and less vigorously by the EU, and Russia's (or better: the Presidential Administration's) own conception of 'managed democracy'.

European Union policy aims in the region

Russian policy towards the countries squeezed between itself and the European Union had been bold and brazen, that of the EU hesitant and timid. What did the European Union want with the region? For a long time the EU did not want anything, for the simple reason that eastern Europe was at the bottom of its overcrowded policy agenda. For sections of the Commission bureaucracy in Brussels, the conclusion of readmission agreements (guaranteeing the right to return asylum seekers to eastern Europe) had been important, as had other Justice and Home Affairs concerns in the fight against uncontrolled migration and trans-border crime. But at the turn of the millennium the EU had been caught up with too many burning issues that pushed eastern Europe down the agenda: the war on the Balkans; the Herculean task of enlarging the Union from 15 to 25 in one go; further enlargement with Romania, Bulgaria, Turkey and countries of the Western Balkans; the inescapable internal reform to be fixed in a European Constitution; keeping – or restoring – unity of foreign policy in the face of US efforts to play member states apart; and last but not least: restoring economic growth.

Several more specific reasons have been identified for this low priority.⁵⁵ First, in EU perspective Belarus, Ukraine and Moldova were comparable with third-world developing countries in terms of their economic interest to the

55) J.W. van der Meulen, *Buurschap houden, de betrekkingen van de EU met de aangrenzende Oost-Europese landen*. Den Haag (Clingendael Research Essay) 2004, pp. 3-6.

EU. Direct investments in these countries was low, as was trade turnover; in the case of Ukraine less than half a per cent of EU trade turnover. Second, contrary to the United States, the EU was not given to much geopolitical thinking (or acting). Thus, the Union more or less ignored the region in-between itself and its only 'significant other' on the continent, Russia. Third, up to 2004 enlargement demanded a disproportionate amount of time and financial means, leaving only crumbs for the countries east of Central Europe. EU policy makers had little time for the – very concrete – negative impact of enlargement on the interests of Belarus, Ukraine and Moldova. Further, coinciding with the period of enlargement, increasing the security of its outside borders was high on the EU policy agenda, particularly since the start of implementation of the Schengen Agreement in the mid-1990s. Accession countries were assisted in upgrading their border regimes; what was beyond the barriers was of little interest to Brussels. And last but, unfortunately for the countries concerned, not least: they were considered a nuisance but unlike the successor states to Yugoslavia not as really troublesome or threatening. The 'Ukraine fatigue' of politicians and administrators in Brussels and other capitals gave expression to this attitude. Particularly for Ukraine and Moldova it was ironic and impossible to swallow that by the Stability Pact of 1999 the EU gave the countries of the Western Balkans the prospect of membership whereas they, with no violent conflict (or very limited, as in Transnistria, 1992) were explicitly withheld such membership prospect.

Starting in 2001, signs had emerged that enlargement might have an impact on the EU's eastern policy. In June of that year, three years before its formal accession, the Polish foreign ministry had sent a paper to the Swedish Presidency marking the importance of the region for the enlarging EU, outlining ideas for the EU's eastern policy and urging the Union to take the Polish ideas into account.⁵⁶ Whether or not as a result of this initiative, with Germany and the United Kingdom Sweden became one of the driving forces behind the new eastern policy. On 15 April 2002 the strengthening of eastern policy for a 'Wider Europe' had first been discussed in the General Affairs and External Relations (GAER) Council. The Council had invited Commissioner Chris Patten and High Representative Javier Solana to put their ideas to paper. Patten and Solana had done so in a letter on a 'Wider Europe' policy addressing primarily relations with Ukraine, Belarus and Moldova. They had distinguished three 'geographical groupings', the Balkans, the Mediterranean and the eastern neighbours 'by what we say about their prospects of accession to the EU'. They had set accession as an 'explicit goal' for the first group, as 'explicitly excluded' for the second group – whereas 'our

56) 'The Eastern policy of the European Union in the run-up to the EU's enlargement to include the countries of Central and Eastern Europe' (Poland's viewpoint). Paper of the Polish Ministry of Foreign Affairs, 10 June 2001.

future eastern neighbours fall somewhat uncomfortably in between'.⁵⁷ The 'most immediate challenge' for the neighbourhood policy would be 'making their situation less ambivalent and more comfortable'. The two authors had also written about the eastern neighbours that, 'in no other neighbouring region will enlargement have such immediate consequences'.

Patten and Solana had devoted a separate paragraph in their letter to Russia and how it 'might be linked to, or fall within, a new neighbourhood policy'. Very much in line with what Brezezinski had written in his *Grand Chessboard*, they had concluded that in the end, 'Russia is an indivisible part of the region – it is difficult to envisage strengthened regional co-operation without Russia.' The implication had been that in developing the initiative, the EU should take Russia's interests in the shared neighbourhood into account.

The GAER Council had discussed this letter on 30 September and 18 November 2002, and had found that there was 'a need for the EU to formulate an ambitious, long-term and integrated approach towards each of three countries: Ukraine, Moldova and Belarus'.⁵⁸ Apparently the Council had agreed with the Patten-Solana letter that 'the initial focus' of the initiative would have to be on the eastern neighbours. Also in line with the letter, the Council had added that 'this initiative should be seen in conjunction with the EU's strong commitment to deepening co-operation with the Russian Federation, which is a key partner.'

To the ear of Polish policy makers this will have sounded as false music. Two months after the Council conclusions, in January 2003, the Polish Foreign Ministry sent a second paper to the EU member states, the ten accession countries and the four eastern neighbours.⁵⁹ The paper listed arguments why the Visegrad countries Poland, Slovakia, the Czech Republic and Hungary should at this early stage participate in the formulation of the EU's 'Eastern Policy' and presented various concrete proposals.

Two months later, on 11 March 2003, the Commission came with its first official 'Communication' to the Council and the European Parliament, entitled 'Wider Europe—Neighbourhood: A Framework for Relations with our Eastern and Southern Neighbours'.⁶⁰ It proposed that the EU should 'aim to develop a zone of prosperity and friendly neighbourhood – a "ring of friends" – with whom the EU enjoys close, peaceful and co-operative relations... with a stake in the EU's Internal Market and further integration and liberalisation to promote the free movement of persons, goods, services

57) 'Wider Europe', letter addressed to the minister of foreign affairs of Denmark, 7 August 2002, at europa.eu.int/comm/world/enp/pdf/_0130163334_001_en.pdf

58) 'New Neighbours Initiative', Political and Security Committee, 12 November 2002, 14078/02.

59) 'The Eastern Policy of the European Union – The Visegrad Countries' Perspective' (December 2002) at www.mfa.gov.pl

60) COM(2003) 104 final, 11-3-2003.

and capital'. The Commission offered these potential benefits 'in return for concrete progress demonstrating shared values and effective implementation of political, economic and institutional reforms, including in aligning legislation with the *acquis*...'

It was not so much the conditional nature of the outreach effort that wounded the pride of policy makers in Belarus, Ukraine and Moldova. It was the fact that the Patten-Solana grouping of nations in their letter of August 2002 was abandoned and that they were lumped together into one group with the Southern Mediterranean countries for which membership was ruled out. It was little comfort that the Communication also stated that the case of prospective membership of 'European countries who have clearly expressed their wish to join the EU' remained open. The Communication was a blow to the pride of the elites of Ukraine and Moldova in particular.

The March 2003 Communication was followed in July by a second communication that was to 'pave the way' for a new neighbourhood 'instrument', meaning structural funding of the programme from 2006 and improvised funding (in Eurospeak: 'improved coordination between various financing instruments... within the existing legislative and financial framework') until that year. Half way between these communications, at the EU-Russia summit in St Petersburg on 31 May 2003, the two parties made an effort to calibrate 'Wider Europe' with the EU's special relationship with Russia. In a document published at that occasion, the EU wrote that it hoped that Russia would show interest 'in working in partnership with the Union to implement the new approach' (Wider Europe-Neighbourhood) 'which intends to complement and reinforce the EU's commitment to an ever-closer EU-Russia partnership.'⁶¹ At the same time the parties agreed to 'reinforce cooperation with a view to creating in the long term a common economic space' and three more 'common spaces' within the framework of the Partnership and Co-operation Agreement (PCA).⁶² Whatever the EU's intentions ('Wider Europe' with the shared neighbourhood to *complement and reinforce* the EU-Russia partnership?), it seemed that Russia considered itself too large and too important to be treated on par with Belarus, Ukraine... or Tunisia. Russia demanded special treatment, and received this in the form of four evolving 'common spaces' which taken together were presented as equivalent to the action plans between the EU and the 'lesser states' of Eastern Europe. This did not prevent Russia from being very difficult in signing the protocol extending its PCA with the EU to the new EU member states. After much ado, foreign minister Lavrov signed this protocol only three days before enlargement took effect on 1 May 2004.

61) 'The EU and Russia: Ever Closer Partners in a Wider Europe'

62) Joint Statement, 31 May 2003, at www.delrus.cec.eu.int/en/p_234.htm

Less than two weeks after enlargement, the Commission adopted a 'strategy paper' for the now renamed the European Neighbourhood Policy (ENP). It announced that jointly with interested countries (Ukraine and Moldova in Eastern Europe; Israel, Jordan, Morocco, the Palestinian Authority and Tunisia in the Mediterranean) the EC would formulate priorities for enhanced cooperation and integration with the EU. These would then be incorporated in Action Plans with individual countries, to be negotiated and agreed with the EU. Russia and Belarus were singled out for special treatment. Together with Russia, 'a key partner of the EU in its immediate neighbourhood', the EU had decided 'to develop further their strategic partnership through the creation of four common spaces, as defined at the St Petersburg summit in May 2003'. Belarus would have to establish a democratic form of government through free and fair elections before it could fully enjoy the benefits of the ENP.⁶³ At the same time, the Commission recommended to the Council that Armenia, Azerbaijan and Georgia be included in the ENP.

Action Plans were negotiated with the individual countries during the Summer and Autumn of 2004 and their proposed texts were published on 9 December. In case of Ukraine, the timing was particularly relevant. Negotiations with the discredited Kuchma regime had taken place during the run-up to the presidential elections, a period when European institutions were extremely critical of Kuchma's manoeuvrings. By the time their uninspiring result was published, the political situation in the country had changed fundamentally. The day before, the Ukrainian parliament had confirmed the compromise reached by the presidential candidates Yushchenko and Yanukovich allowing for a re-run of the second round election and constitutional change by the end of 2005. Shortly before Yushchenko was sworn in, the European Parliament suggested a review of the Action Plan and Commissioner Ferrero-Waldner promised in an article 'to unlock the potential of a deeper relationship'.⁶⁴ Immediately after his inauguration the new President himself said that 'we are not on the outskirts of Europe; we are at the centre of Europe... our way to the future is the way of a united Europe'. A few days later at the Parliamentary Assembly of the Council of Europe he affirmed that EU membership was a 'strategic foreign goal'. But significantly, Yushchenko's very first trip abroad after inauguration had been in eastern direction. On 24 January he had left Kiev for talks with 'our eternal strategic partner', Russia.⁶⁵

63) European Neighbourhood Policy Strategy Paper, European Commission COM(2004) 373 final, 12 May 2004, p. 4.

64) Article in *The Day*, 22 January 2005, also at the EC Delegation site www.delukr.cec.eu.int

65) Yushchenko at the Kremlin, 'Press-konferentsiia po itogam rossiisko-ukrainskikh peregovorov', 24-1-2005, at www.kremlin.ru

In the meantime, Russian policy makers had put in place a counterweight for their common spaces with the EU (*Westward looking* common spaces, so to speak), namely a common space directed towards the east, i.e. selected CIS countries. On 19 September 2003, less than half a year after the St Petersburg EU-Russia summit, Russia had signed an agreement on the creation of an *Eastward looking* 'single economic space' (SES) with Ukraine, Belarus and Kazakhstan. It was not their first attempt at reintegration of the – or some of the – CIS countries. In September 1993 all CIS states had signed an 'economic union treaty' and in October 2000 a selection had signed a treaty on a 'Eurasian Economic Community'. In spite of fierce opposition, in April 2004 the SES treaty had been ratified by the Ukrainian Rada. During his visit to Vladimir Putin immediately after his inauguration in January 2005, the new Ukrainian president Yushchenko set out his position on the SES, stating that he did not reject the SES but that 'our relations with Russia must be formalised to the maximum degree'; he referred to the movement of capital, ownership, labour, fiscal and customs issues.⁶⁶ Dizzy with this accumulation of common spaces, one could ask the question what game the EU and Russia were playing with each other and with their shared neighbourhood in particular.

66) 'Press-konferentsiia po itogam rossiisko-ukrainskikh peregovorov', 24-1-2005, at www.kremlin.ru

Geopolitics and partnerships: At whose expense?

Both Russia and the EU acted abroad on the basis of policy documents stating the guiding principles of their foreign and security policy. In the case of Russia, the document had been adopted within weeks after the inauguration of Vladimir Putin on 7 May 2000.⁶⁷ The 'Security Strategy' of the EU had been confirmed more than three years later, in December 2003.⁶⁸ Remarkably, both documents had claimed for their shared neighbourhood the imagery of a 'ring of friends'. In the EU the image had been used by Commission President Romano Prodi since the autumn of 2002 when he had stated at various occasions that the EU was in need of 'a ring of friends' with whom the union would 'share everything except institutions'. But two years earlier the Russian document had already stated as the fourth main aim of Russian foreign policy 'the creation of a belt [*poyas*] of good neighbourliness [*dobrososedstvo*] around Russian borders'. The EU document had set the task of promoting 'a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations'. The countries of the shared neighbourhood were seemingly in an ideal situation: both neighbours wanted them to be friends.

67) 'Kontseptsiiia vneshnei politiki Rossiiskoi Federatsii', confirmed by president Putin on 28 June 2000.

68) 'A Secure Europe in a Better World. European Security Strategy', Brussels 12 December 2003.

Nevertheless, the difference in wording was significant. Whereas Russia claimed to be interested in friendly states at its borders, the EU wanted *well governed* and (thus?) friendly states. The difference seemed to be one of nuance, but was in fact fundamental. Vladimir Putin had led Russia away from the model of democracy adhered to by the European Union. Legitimacy of government through free and fair elections, the rule of law, a truly independent judiciary and media are considered to be essential preconditions for 'well governed' and thus strong states. And only such states can be reliable partners. For countries abiding by this model the outcome of elections is a fundamental uncertainty, an uncertainty the Putin regime was not willing to accept. Ever since the arranged succession of Putin to Yeltsin in 1999, the 'Putinites' had perfected their model of managed democracy, democracy *à la Russe*, which had eliminated uncertainty from political life short of changing the Constitution.

Both parties engaged in the export of their model of democracy. The European Union because it was confident that democratisation would ultimately result in stable, friendly states. Russia, because it lacked such confidence and because many felt that the coming about of truly democratic states at its borders would undermine the legitimacy of its own model of managed democracy. For Russia under Putin, predictability of its external environment had come to be of paramount importance. Ignoring the domestic roots of the conflict in Chechnya, before and after the Al Qaeda attack on Washington DC and New York it had blamed its insecurity first and foremost on the intervention of foreign (Islamic) subversive forces. Radical Islam – and subversive, foreign support of it – had become a major worry for Russian policy makers during the 1990s. It had increasingly come to destabilise not only Southern Russia and the Caucasus, but the Central Asian CIS republics as well. Long before Putin had rushed to the support of president Bush in September 2001, Russia had posted itself as the last line of defence of the civilised world against the destructive forces of Islamic fundamentalism. In the Russian view, in that struggle the country surely deserved friendly if not obedient regimes just outside its borders. Russia was after all providing Europe a priceless service in acting as first line of defence against the 'Islamic hordes' and in taking the brunt of their vicious attacks. In the new states of Central Asia as well as in the shared neighbourhood with the EU, predictability of support for Russia had come to be considered of far higher priority than the heeding of 'sterile' democratic principles.

The impact of the attack of Al Qaeda on Russian foreign policy should not be underestimated. By the time when Putin came to power, most Russians, including influential sections of the foreign policy elite, still saw NATO as their country's main adversary, although fear of Islam terrorism was growing rapidly. Once in September 2001 Putin had aligned Russia with the US in its 'War on Terror', NATO as an adversary had faded into the

background, even though attitudes towards the organisation remained somewhat ambivalent.⁶⁹ Only a few years earlier, the prospect of accession of the Baltic states to NATO had been very difficult to swallow for the Russian elites. But once Putin and Bush had become friends, in April 2004 the second round of NATO expansion proceeded without much fuss.

Russia wished stability and was very much thinking in terms of 'hard security' and control over its neighbours. The EU, however, was engaged in a policy of actively exporting 'good governance' insofar as this was feasible. It gave up on Belarus after 1998 and scaled down its efforts for the promotion of civil society. It stepped up its criticism of Russia for its conduct in Chechnya, but due to its internal divisions the EU never succeeded in implementing a consistent policy. In May 2003 it had agreed to a special status for Russia in the context of the ENP, acknowledging Russia's somehow special place in the region: the elusive 'four common spaces'. It was, in the end, the Ukrainians who forced the EU's hand, at least in the short term. And by their defeat of Russia-backed presidential candidate Yanukovich, they triggered a crisis of confidence within Russia.

The debate in Moscow was on the crucial issue of the wisdom of exporting – or at least promoting the continuation of – democracy *à la Russe*, managed democracy according to the Russian presidential model. The attitude of the authorities towards free and fair elections by OSCE standards had been laced with cynicism. They did not particularly mind critical reports from the OSCE's election monitoring missions as long as these had had no follow-up. For the post-Soviet states at Russia's borders, they had preferred authoritarian regimes lacking legitimacy. This is why in 2004 they had supported the candidacy of Victor Yanukovich for the Ukrainian presidency. Such regimes were relatively easy to deal with in trying to give substance to the integration initiatives that Moscow took. When this policy had started to crumble in late 2003, criticism by independent thinkers in Moscow had increased. In November of that year electoral fraud in Georgia had resulted in the fall of president Shevardnadze. The Kremlin had been unable to halt the 'Rose Revolution' and had to accept a new president in Georgia. In October 2004 its manipulation of presidential elections in Abkhazia backfired, and a month later the same happened in Ukraine. Voices were now being heard in the Russian media saying that the policy of Putin of propping up unpopular leaders abroad was not in Russia's long-term interest. In January 2005, Putin's economic advisor Andrei Illarionov was demoted for criticising the president for this, and for other failures.⁷⁰

69) Marcel de Haas, *Putin's External & Internal Security Policy*. Camberley (Conflict Studies Research Centre) 2005, pp. 6-7.

70) Peter Lavelle, 'Andrei Illarionov's madness?', *Johnson's Russia List* # 9005, 5 January 2005.

In other CIS member states the Orange Revolution had also triggered heated discussions on regime transition.⁷¹ The discussions had been fuelled by the events of late March 2005 in Kyrgyzstan, where president Askar Akayev had been chased from his residency by angry crowds. The compromise reached in Kiev on 8 December 2004 had implied that after Moldova (2000), Ukraine would now be the second country moving from a super-presidential to a parliamentary-presidential system. The discussion was linked to the Russian failure to impose its own model on Ukraine, and to the fact that even though their constitutions were unambiguous (after two full terms, they would have to go), many incumbent presidents saw regime transition as a most pressing personal issue. The interlinking of economic with political power had gone so far that many presidents and their clients (or, vice-versa, oligarchs and their client-presidents, for that matter) were looking for ways to change or bypass their constitution. By late 2004 three models for doing so were available.

The first was the Russian model, successfully implemented by Boris Yeltsin in 1999. This involved a meticulous selection process for a preferred successor, his grooming, and a carefully managed process of helping him into power. Elections were part of this process, as was the use of a multitude of 'administrative techniques' for steering elections in the direction of the desired outcome. This model implied an outgoing president who had no further power ambitions and was willing to go into retirement 'to engage in the cultivation of cucumbers and tomatoes', on condition that his successor would grant him immunity from prosecution for the misdeeds during his reign. In 2003 Azerbaijan had surprised the world with its own version of this model, when president Heydar Aliyev withdrew from the presidential elections in favour of his son Ilham. A cynic might note that the Azerbaijani version is far superior to the original Russian one, since the wealth amassed by the outgoing president remains in the family.

The second model, at the other extreme of an imagined scale of constitutional decency, was the Central Asian one. In this model the incumbent president simply forces a constitutional change that lengthens his term, allows him to rule beyond two terms (in fact: for life), or both. It was applied in Uzbekistan when in 2002 president Islam Karimov had his term extended until 2007 instead of 2005, and in Belarus. First, in 1996 Lukashenko had his first term extended from 1999 to 2001; then in October 2004 he forced through a referendum allowing him to run for a third term in 2006. In Kyrgyzstan this scenario seemed to be blocked at the last moment. President Akayev's term was to come to an end in October 2005, but the parliamentary elections in February – March 2005 triggered mass unrest that made him flee the country. A coalition of his former allies took power.

71) For an overview, see Graeme P Herd, 'The "Orange Revolution": Implications for Stability in the CIS', Conflict Studies Research Centre, Camberley UK, January 2005, at www.da.mod.uk/CSRC/documents/.

The third model was that of Moldova 2000, Ukraine 2004-2005 and possibly Kyrgyzstan since March 2005: change of the constitution from a super-presidential to a parliamentary-presidential system, with considerably upgrading of the authority of parliament. A comparison of Moldova and Ukraine is illuminating. Where the Ukrainian model has not yet been implemented, a serious potential for conflict between president and parliament is identified. In Moldova the system has been in operation for four years and no serious conflict between these two powers has broken out. The easy re-election of Voronin by parliament in April 2005 with a reduced majority of his PCRM party, may be seen as a vindication of the 'Moldovan solution'. But in spite of the ideal situation of a president backed by a parliamentary majority, little of any real economic or political value had been accomplished during Voronin's first term. In the first four years of his rule the great bottleneck of Moldovan politics – the Transnistrian issue – had not come closer to a solution.

And what will Putin do? His second term will come to an end in 2008 and he has repeatedly said not to seek a third term in any devious way. On the other hand, it is not clear yet whether the relatively young Putin is ready to spend the rest of his life 'cultivating cucumbers and tomatoes'. Ironically, one of the options currently under discussion in Moscow is upgrading the position of prime minister in tandem with the 'downsizing' of that of the president, as Kuchma has tried in early 2004 and Yushchenko was forced to implement as outcome of the December accords of that year. If at the same time Russia would unite with Belarus, two problems could be solved at once. Putin would continue to rule, now as powerful prime minister of Russia, and Lukashenko would glory in the role of ceremonial president. But all this is speculation...

Conclusion

Speculation is the trade of geopolitics. In 1997 Zbigniew Brzezinski speculated on a 'cautiously realistic timetable' according to which between 2005 and 2010 Ukraine should be ready for 'serious' [accession?, *JL*] negotiations with the EU and NATO. For 2010 he foresaw a Franco-German-Polish-Ukrainian partnership as the 'critical core of Europe's security'. But he also wrote that 'the key point to bear in mind is that Russia cannot be in Europe without Ukraine also being in Europe, whereas Ukraine can be in Europe without Russia being in Europe'.⁷² What we actually see in 2005 is that Russia and the EU consider each other strategic partners, if not in love as claimed by the Prime Minister of Luxembourg, then at least working at a number of 'common spaces' – whereas the leanings of the two main states in-between, balance each other. Belarus is leaning towards – and on – Russia, Ukraine towards the EU and NATO. The civilisational fault line running through the region has not disappeared, but neither has it broken. And twelve years after Huntington's essay a clash of civilisations is not taking place along such geopolitical fault lines, but in our very own cities and towns.

The onslaught of Islamic fundamentalist terrorism has only strengthened the European Union's wish to have stability on its eastern borders and constructive relations with its neighbours. And quite surprisingly, during the period under consideration the region has shown a remarkable degree of

72) Zbigniew Brzezinski, *The Grand Chessboard. American Primacy and Its Geostrategic Imperatives*. New York (Basic Books) 1997, pp. 84-5 & 122.

stability (defined in terms of the absence of serious intra- or interstate violence), though stability of rather different types. In Belarus, president Lukashenko has strengthened his rule and assured its continuation beyond 2006. There are no signs (yet) that the Lukashenko regime may soon turn instable, although its foundation is weak. In Ukraine, the Kuchma regime has recoiled from using force and has agreed to step back in favour of the opposition. In the end, the Constitution has been upheld. And the new parliamentary-presidential system of Moldova has shown in 2005 that it contributes to coalition politics and increased stability. The smooth re-election of president Voronin in April stood in sharp contrast to the constitutional crisis of 2000-2001 that had resulted in his initial election.

In dealing with this region, Russia has a structural advantage over the EU in developing its policies. The country is a unitary actor with a political system that allows the president to act decisively and swiftly. The EU, however, is at least 27 actors: the 25 member states, the European Commission and the European Parliament. The development of policy initiatives within the EU is a slow, complicated process. Although its Security Strategy and other CFSP documents may have set out general guidelines, national views of policies towards the region differ to a great extent. As a result EU policy may be a diluted compromise of generalities at best, wavering at worst. However optimistic one would like to be about the consistency of EU foreign and security policy, it is no speculation to state that it will take a long time before the EU will speak with a strong and loud voice, and act with determination and stamina.

And yet, the EU seems to be more effective than Russia. Occasionally, as in the Tuzla incident of 2003, Russia succeeds in bullying a neighbour into submission. It has also strengthened its presence in – and ownership of – the region's economies, aiming to replace their political submission of the past by a paralyzing economic dependence. But in the end it has great difficulty in translating economic dependence into political leverage, as events in Ukraine and Moldova have shown.

In spite of its advantage of being a unitary actor, Russian diplomacy has shown itself to be weak. At crucial moments in Georgia, Moldova, Ukraine and Kyrgyzstan, it has, from the Moscow perspective, failed. This is to a large extent due to structural flaws of the Putin regime, that is: to the essence of managed democracy and the impact it has on foreign policy making. I refer to the continuing concentration of power in the Presidential Administration to the detriment of the Ministry of Foreign Affairs; the lack of commitment to institutionalised co-ordination of foreign policy making; the divisions within that Administration and the tendency of the President to align himself now with this, then with that faction; the complacency of many in the Administration, resulting from a lack of openness and debate; and the inbred tendency to think in simple geopolitical terms. All this results in the at times irresistible urge to force the resolution of a dilemma by primitive ad-hoc

measures, such as Kozak adventure in 2003 or the support for Yanukovich in 2004.

European political actors, in spite of the analyses produced by a multitude of think-tanks, are hardly aware of the peculiarities of Russian policy making. They view Russia through a national prism, often assuming that procedures are similar to those in their own countries. They often do not seem to be aware that policies are made by different men hiding behind Putin's back in the Presidential Administration and Security Council, and that the Ministry of Foreign Affairs is little more than their executive arm.

In contrast to the United States and Russia, the complex EU decision making contributes to a strong resistance to geopolitical zero-sum thinking. But in the end the European Union and its member states cannot always escape choice once, in specific issues, interests clash. By 2005, both Ukraine *and* Russia are 'in Europe' in the sense of being on good terms with the EU and working at a deepening of relations. Nevertheless, Brzezinski's ideal has not (yet) come about. Anti-European and anti-democratic sentiments in Russia may still gain the upper hand. In this imperfect world, the best advice one can give the peoples in-between the EU and Russia is to work hard at creating better conditions for themselves and to shed their last remaining hopes for a free ride from the EU towards safety and prosperity. The European Neighbourhood Policy is a good guide to that process. But at the same time, the EU and its leaders should realise that their neighbourhood policy towards these peoples cannot hope to appear credible to them as long as EU member states disagree on their policy towards Russia. The signal should be loud and clear: managed democracy is no democracy, and should definitely not be exported.

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