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**The EU's 'transformative power' beyond the policy of enlargement:
has the European Neighbourhood Policy made a difference in Ukraine?**

Abstract

This paper attempts to explain whether and what impact the European Union (EU) has had on the internal developments in Ukraine since the European Neighbourhood Policy (ENP) was launched in 2005. It challenges the dominant discourse about the failure of the ENP by showing that in reality the situation is more complex: the ENP's impact on Ukraine varied depending on which domestic actors and structures the EU has targeted. The paper argues that the EU has so far had no impact on the political elites and the overall reform process. However, the ENP has resulted into incremental integration with the civil society and some parts of the bureaucracy being the 'key agents' of this process. This incremental integration might grow into a critical mass of changes and ultimately have impact on the reform process in the long term; it is, however, under risk considering Russia's destabilising potential in the short term.

More specifically, the paper shows that the EU has failed to influence the decision-making and the reform process in Ukraine due to the incentive structure which does not appeal to the political elites and the electorate at large. This is due to the fact that the long-term incentives the EU has to offer do not match the short-term and narrow corporate thinking of the political elites. Yet, as the paper shows, the EU has offered some tools for limited circles of civil society to put certain EU-related issues on the agenda and, thus, influence public discourse, as well as decision-making at the bureaucracy level. The EU has managed to establish a certain path-dependency, mostly at the bureaucracy level, which creates a potential for institutional 'entrapment' of Ukraine (which means the EU would create a critical mass of institutional links with Ukraine and its institutions and procedures, which would make opting-out too difficult). The relevant processes, however, are not yet well entrenched. All of these influences taken together indicate that Ukraine has embarked on the process of incremental integration with the EU and 'bifurcated' or 'creeping' Europeanisation. The potential of these processes for fully-fledged Europeanisation of the country remains questionable, especially given the destabilising potential on the part of Russia.

The paper contributes to the ongoing debate about the 'transformative power' of the EU beyond the policy of enlargement by pointing to the fact that the EU's eastern neighbours create a challenge for the EU because of a more difficult domestic situation as compared to the Central and Eastern European countries, and a strong intervening variable – Russia. The paper also proposes policy recommendations which concern both instruments the EU can offer and the overall approach/strategy of the EU's policy. On the instrumental level the paper argues that the EU has to elaborate its incentive structure to Ukraine by turning long-term incentives into short-term and specific objectives. The EU also has to become more involved with the civil service and bureaucratic actors at the regional and local levels. In addition, the EU could empower civil society by not only directly strengthening the civil society actors, but also persuading the Ukrainian government to create a more favourable regulatory environment, and involving civil society into the decision-making process. More importantly, however, the EU needs to tackle the challenge of the 'Russian factor' by attaching more political significance to its policy towards Ukraine and making its interests in Ukraine a part of its political dialogue with Russia.

Table of Contents

	Introduction
1.	Conditionality and the incentives structure: do the long-term incentives match the short-term thinking?
	1.1 Conditionality in the EU's policy towards Ukraine to date 1.2 Ukraine's response: no compliance, yet some resonance and elements of the 'discursive adoption' 1.3 The learning process on the part of the EU and what can still be improved
2.	Empowering pro-reform constituencies and structures in Ukraine: helping the civil society hold the political elites accountable and cultivating the political alternative to the current elites
	2.1 EU support for strengthening the role of civil society in Ukraine to date 2.2 The response of Ukrainian civil society: the EU has become a partner and empowered limited segments of the civil society vis-à-vis the authorities, but is hardly an actor in civil society development 2.3 How can the EU improve its civil society-related policy?
3.	Path-dependency or institutional entrapment of Ukraine: bureaucracy rocks
	3.1 The role of institutions and bureaucracy in the EU-Ukraine relationship 3.2 Implications of institutionalised and bureaucratized policy-making 3.3 What else can be done to strengthen and expand the institutional links?
4.	Is incremental European integration under risk? Russia as an intervening variable
	Conclusion