



Russia's Impact on EU Policy Transfer to the Post-Soviet Space

The Contested Neighborhood

Esther Ademmer

Esther Ademmer's book makes an important and timely contribution to our understanding of EU and Russian influence on policy developments in their contested common neighborhood. Against the simplistic depiction of the EU and Russia as opposing forces for and against policy reform, the book provides rich case study evidence of Russia's diverse impact, the challenges the EU faces, and the room of maneuver local elites enjoy. Highly recommended reading for anyone interested in the post-Soviet region and EU external governance.

Frank Schimmelfennig, *ETH Zurich, Switzerland*

A welcome change from simplistic geopolitical approaches, this book offers a sophisticated, theory driven analysis of the impact and the limitations of the European Union and Russia in their shared neighbourhood. The 'preferential fit' framework, applied to well-chosen case studies, yields important conclusions about the primacy of domestic elites in shaping compliance with European or Russian demands for policy change.

Antoaneta L. Dimitrova, *Leiden University, the Netherlands*

This book provides an outstanding account of the competing influence of Russia and the European Union over the European Neighborhood Countries. It shows how countries such as Armenia and Georgia cope with opposing pressures from Russia and the EU, maneuvering between their contradictory influences in ways that minimally satisfy both partners, while achieving domestic political goals. Through detailed discussion of countervailing pressures in migration and energy policy, this book provides a clear model for understanding the domestic politics of compliance with two competing behemoths. Ademmer's book is required reading for anyone seeking to understand the European Neighborhood Policy and how the competition between the EU and Russia plays out in the lands in between.

Mitchell Orenstein, *University of Pennsylvania, USA*

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Russia's Impact on EU Policy Transfer to the Post-Soviet Space

Russia's impact on EU policy transfer to the post-Soviet space has not been as negative as often perceived. EU policies have traveled to countries and issue areas, in which the dependence on Russia is high and Russian foreign policy is increasingly assertive.

This book explores Russia's impact on the transfer of EU policies in the areas of Justice, Liberty, and Security, and energy policy – two policy areas in which countries in the EU's Eastern neighborhood are traditionally strongly bound to Russia. Focusing especially on Armenia and Georgia, it examines whether it is the structural condition of interdependence, the various institutional ties and similarities of neighboring countries with the EU and Russia, or their concrete foreign policy actions that have the greatest impact on domestic policy change in the region. The book also investigates how important these factors are in relation to domestic ones. It identifies conditions under which different degrees of EU policy transfer occur and the circumstances under which Russia exerts either supportive or constraining effects on this process.

This book will be of key interest to students and scholars of EU and European politics, international relations and comparative politics.

Esther Ademmer is post-doctoral researcher at the Kiel Institute for the World Economy and at Freie Universität Berlin, Germany. Her research interests include European integration and governance, and the impact of external actors on the political economy of domestic change, especially in the post-Soviet space.

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Esther Ademmer

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Contents

<i>List of illustrations</i>	viii
<i>Acknowledgement</i>	ix
<i>List of abbreviations</i>	x
1 Introduction	1
2 Theorizing Russia's impact on neighborhood Europeanization	14
3 Constraining EU policy transfer? A bird's-eye view	45
4 Migration management	102
5 Energy diversification	149
6 Anchoring policy change in times of crisis	185
7 Conclusion	206
<i>Appendix: Interviews</i>	220
<i>References</i>	226
<i>Index</i>	263

List of illustrations

Figures

2.1 Aggregated Freedom House Index scores, 1999–2013	40
3.1 Estimated number of migrants from Georgia and Armenia in Russia and the EU	58
3.2 Net energy imports, in percent of energy use	61
3.3 Overview of JLS compliance patterns in Georgia and Armenia	64
3.4 Overview of energy compliance patterns in Georgia and Armenia	65
3.5 Governance Indicators, Rule of Law score	75
3.6 Comparative Economic Freedom Index score, 1999–2013	76
3.7 Governance Indicators, Regulatory Quality score	78
3.8 Governance Indicators, Government Effectiveness score	78
3.9 Governance Indicators, Control of Corruption score	79
7.1 Decision tree for neighborhood Europeanization East	210

Tables

2.1 Interaction effect of preferential fit and multiple policy conditionalities	33
2.2 Interaction effect of preferential fit and multiple external capacity building	35
3.1 Compliance coding across sectors and countries, in percent	63
3.2 BTI Status Index scores, Transformation to Market Economy	77
4.1 Overview of cases: migration management	141
5.1 Overview of cases: energy diversification	181

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List of abbreviations

AA	Association Agreements
AEI	Alliance for European Integration
AENEAS	Program for financial and technical assistance to third countries in the area of migration and asylum
AEPLAC	Armenian-European Policy and Legal Advice Center
AP	European Neighborhood Policy Action Plans
ARF	Armenian Revolutionary Federation-Dashnaktsutyun
BOMCA	Border Management Program for Central Asia
BSEC	Organization of the Black Sea Economic Cooperation
BTC	Baku–Tbilisi–Ceyhan oil pipeline
BTE	Baku–Tbilisi–Erzurum pipeline
BTI	Bertelsmann Transformation Index
CEEC	Central and Eastern European countries
CIPDD	Caucasus Institute for Peace, Democracy and Development
CIS	Commonwealth of Independent States
CNC	Caucasian neighborhood countries
CoE	Council of Europe
CRA	Civil Registry Agency
CSRDG	Center for Strategic Research and Development of Georgia
CSTO	Collective Security Treaty Organization
CU	Eurasian Customs Union
CUG	Citizen’s Union of Georgia
DCFTA	Deep and Comprehensive Free Trade Area
DCI	Development Cooperation Instrument
DG	Directorate-General
DMR	Department of Migration and Refugees
DP	Democratic Party
DRC	Danish Refugee Council
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEAS	European External Action Service
EEC	Energy Efficiency Center Georgia

EEU	Eurasian Economic Union
EIA	US Energy Information Administration
EIB	European Investment Bank
EIU	Economist Intelligence Unit
EKENG	e-Governance Infrastructure Implementation Unit
EMCDDA	European Monitoring Center for Drugs and Drug Addiction
ENC	European neighborhood countries
ENI	European Neighborhood Instrument
ENP	European Neighborhood Policy
ENPI	European Neighborhood and Partnership Instrument
EPC	Electric Power Council
EPRS	European Parliamentary Research Service
EU	European Union
EUAG	European Union Advisory Group
EUI	European University Institute
EurAsEc	Eurasian Economic Community
Eurojust	European Union Judicial Cooperation Unit
Europol	European Police Office
FATF	Financial Action Task Force
FDI	foreign direct investment
FMS	Federal Migration Service
FRONTEX	European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
GD	Georgian Dream
GDP	gross domestic product
GEPLAC	Georgian-European Policy and Legal Advice Center
GFSIS	Georgian Foundation for Strategic and International Studies
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNI	gross national income
GRECO	Council of Europe Group of States against Corruption
GUAM	Georgia, Ukraine, Azerbaijan, Moldova
GYLA	Georgian Young Lawyers' Association
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICHD	International Center for Human Development
ICMPD	International Center for Migration Policy Development
IDP	internally displaced person
IEA	International Energy Agency
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
INOGATE	Interstate Oil and Gas Transportation to Europe
IO	international organization
IOM	International Organization for Migration

xii *List of abbreviations*

IRENA	International Renewable Energy Agency
JLS	Justice, Liberty and Security
KfW	German Development Bank (Kreditanstalt für Wiederaufbau)
KV	kilovolt
LDP	Liberal Democratic Party
MENR	Ministry of Energy and Natural Resources
MFA	Ministry of Foreign Affairs
MIA	Ministry of Internal Affairs
Moneyval	Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MRA	Ministry for Refugees and Accommodation (in 2010, renamed Ministry for Internally Displaced People from the Occupied Territories, Accommodation and Refugees)
MW	megawatt
NATO	North Atlantic Treaty Organization
NGO	non-governmental organization
NIF	Neighborhood Investment Facility
NIS	Newly Independent States
NPP	nuclear power plant
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
OSF	Open Society Foundation
PCA	Partnership and Cooperation Agreements
PEEREA	Energy Charter Protocol on Energy Efficiency and Related Environmental Aspects
R2E2	Revolving Fund for Renewable Energy
REEEP	Renewable Energy and Energy Efficiency Partnership
RFE/RL	Radio Free Europe and Radio Liberty
SCP	South Caucasus gas pipeline
SIPRI	Stockholm International Peace Research Institute
SMS	State Migration Service
SOEAI	State Office for Euro-Atlantic Integration
TACIS	Technical Assistance to the Commonwealth of Independent States
TAIEX	Technical Assistance and Information Exchange Instrument
TIG	Targeted Initiative Georgia
TRACECA	Transport Corridor Europe–Caucasus–Asia
UES	Unified Energy System
UN	United Nations
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNHCR	United Nations High Commissioner for Refugees

UNM	United National Movement
UNODC	United Nations Office on Drugs and Crime
USA	United States of America
USAID	United States Agency for International Development
VLAP	Visa Liberalization Action Plan
WTO	World Trade Organization

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1 Introduction

I want to see a ‘ring of friends’ surrounding the Union and its closest European neighbors, from Morocco to Russia and the Black Sea.

(Romano Prodi 2002)

More than a decade after Romano Prodi’s vision inspired the development of the European Neighborhood Policy (ENP)¹ in 2003, the ‘ring of friends’ he had hoped for had turned into a ‘ring of fire’ (The Economist 2014). The war in Ukraine, a political crisis in Moldova, and Armenia’s decision to forego the European Union’s (EU) offer of further economic integration, were among the drivers that made the EU review its neighborhood policy in 2015. To many observers, its alleged failure was not much of a surprise. The ENP had been designed on the blueprint of the EU’s enlargement policy (Kelley 2006) with the central goal to make neighboring countries adopt a large amount of EU rules and policies, comprising parts of the EU’s *acquis communautaire*, bilaterally negotiated rules, and international conventions. However, it did not provide a membership perspective to the neighbors – the incentive that had boosted Europe’s transformative power in Central and Eastern European countries (CEEC) (Schimmelfennig and Sedelmeier 2005b). In addition, unlike the young democracies in Eastern Europe, the EU’s new neighbors had been stuck in transition, suffered from high levels of corruption and qualified as semi-democratic countries at best – all unfavorable conditions for EU policies to travel (Börzel 2011; Schimmelfennig 2012).

The failure of the ENP in the East, however, was attributed less to the lack of a membership perspective or the neighbors’ domestic politics, than to the fact that the EU was no longer ‘the only game in town’. Russia had been widely perceived to actively try to reduce ‘Western’ influence in the post-Soviet space for a long time (Bugajski 2010; Kubicek 1999; Leonard and Popescu 2007). Unlike the EU, it reigned over strong, historically grown interdependencies in terms of trade, security, or migration flows with post-Soviet states that were likely to undermine the ENP’s attempt for policy transfer to the region (Delcour and Kostanyan 2014; Dimitrova and Dragneva 2009). The competition between the EU and Russia eventually peaked

2 *Introduction*

when Russia started to formalize previously toothless Eurasian integration attempts.² It lobbied European neighborhood countries (ENC) to join the Eurasian Customs Union (CU), which was, however, incompatible with the EU's offer of closer economic integration. After intense pressure by Russia in 2013, Ukraine and Armenia rowed back from finalizing Association Agreements (AA) with the EU that foresaw the transfer of an even greater amount of EU rules to the ENC – fueling perceptions of a geopolitical rivalry in the region that the EU was not winning (Lehne 2014).

A closer look at the region, however, shows a much more puzzling picture: Moldova and Georgia signed Association Agreements with the EU despite threats and economic sanctions by Russia, and EU-demanded policy changes occurred in areas in which neighbors were more dependent on Russia and subject to its assertive foreign policy. Armenia has taken over a large portion of EU demands for migration management, even though its migration flows are primarily directed toward Russia. Georgia responded to some EU demands for energy sector reforms, despite the fact that it had been fully dependent on Russian energy supplies and subject to Russian sanctions and threats when faced with EU demands for reform. Likewise, Ukraine converged toward EU market rules under conditions of high interdependence with Russia – a process on which Russia's foreign policy and Russian non-state actors had both supportive and countervailing effects (Langbein 2015). However, while Russia's trade embargos or its involvement in the war in eastern Ukraine have generally received substantial academic and public attention, its impact on the central goal of the ENP, namely to transfer EU policies and rules to the EU's neighborhood, has rarely been analyzed.

This book sets out to explain these puzzling findings and asks whether, how and under which conditions Russia impacts EU policy transfer to the post-Soviet space. It studies EU policy transfer to Armenia and Georgia in the areas of Justice, Liberty and Security (JLS), and energy policy – two policy areas that lie at the heart of a state's sovereignty, and in which the ENC are traditionally strongly bound to Russia. In the realm of JLS, the book provides for in-depth case studies of Armenia's and Georgia's migration management reforms. In the energy sector, it scrutinizes their attempts (not) to diversify energy suppliers and sources in line with demands formulated by the EU. The book also investigates whether the factors that account for the adoption and implementation of EU policies in these sectors until 2013 can explain why ENC chose to sign Association Agreements with the EU or to integrate into the Russian-led Eurasian integration regime instead. Based on these analyses, the book argues that EU policy transfer to the contested Eastern neighborhood is best understood as the result of the strategic interaction of semi-democratic incumbents with multiple incentives provided by both the EU and Russia – an argument that is outlined in greater detail in the next section.

Neighborhood Europeanization as a strategic choice under multiple constraints

This book hypothesizes that different degrees of EU policy transfer, defined as full, shallow and non-compliance with the ENP's bilateral reform program, the so-called Action Plans (AP), are a strategic choice of ENC governments that is made under multiple constraints and opportunities resulting from their relationship with both the EU and Russia. These choices are theoretically assumed to be shaped by the structural patterns of regional interdependence (Dimitrova and Dragneva 2009), the institutional contexts ENC are embedded in or the overall compatibility of their domestic structures (Lavenex and Schimmelfennig 2009) with those of the EU and Russia. In addition, they can be shaped by more agency-centered factors (see e.g. Börzel and Langbein 2014), such as the provision of various incentives and capacity by external actors. Based on the analysis of EU policy transfer to Georgia and Armenia in the area of JLS and energy policy, this book argues that full, shallow and non-compliance with EU policies in the contested neighborhood are a function of the interplay of two agency-related factors:

First, I show that preferential fit is a sufficient condition for full or shallow compliance with EU policies. I label the status in which an EU policy benefits the incumbent government in terms of welfare, security or power vis-à-vis other internal or external actors' 'preferential fit' (Ademmer and Börzel 2013), taking into consideration the costs and benefits that emerge from EU policy transfer on an incumbent's specific power base. I argue that the EU is unlikely to empower a larger variety of state and non-state actors in ENC given their overly powerful executives, but that EU-demanded policy change is also not always costly for domestic incumbents in semi-democratic environments: as the EU also strives to enhance the capacities of neighboring states or their effectiveness in regulatory matters, ENC incumbents can also use EU-demanded change for furthering their own political agenda (see also Ademmer and Börzel 2013; Börzel and Pamuk 2012; Börzel and Risse 2012b). In addition, I show that incumbent governments in semi-democratic ENC are able not only to choose to comply or not to comply, but also comply shallowly by formally adopting EU policies without implementing them in practice.

Second, I argue that whether an initial preferential (mis)fit translates into full, shallow or non-compliance depends on its interplay with policy conditionalities provided by both the EU and Russia. The EU, for instance, conditions the benefit of visa liberalization or greater market access on the fulfillment of domestic reforms by ENC. While Russia does not have a similarly formalized neighborhood policy, it often uses functional equivalents to policy conditionality by linking the withholding of sanctions or the provision of benefits to certain decisions or policy choices of ENC. In this vein, full compliance occurs under conditions of preferential fit and a lack of rivaling policy conditionality by Russia. Shallow compliance is the result either of a

4 *Introduction*

preferential misfit and policy conditionality by the EU or a preferential fit and rivaling policy conditionality by Russia. This suggests that policy conditionalities by the EU and Russia incentivize merely cosmetic, rather than profound domestic changes. Non-compliance occurs in cases of preferential misfit and a lack of policy conditionality to incentivize reforms. In cases in which both Russia and the EU attach conditionalities to different policy choices, the ENC governments choose the offer that best fits their agenda. I thus argue that under conditions of an increased external rivalry, they can pick and choose from the various offers what they find most beneficial for increasing their domestic power and welfare. The causal mechanism that dominates EU policy transfer to ENC is consequently a strategic form of lesson drawing, by which domestic governments use the EU policy to further their own domestic agenda. This book therefore concludes that Russia and the EU matter especially as foreign policy agents, rather than through the structural or institutional characteristics of their relationships to the ENC.

Third, the findings of the book provide the answers to the question about the conditions under which Russia impacts EU policy transfer in different ways: I find that Russia indeed has a countervailing impact on EU policy transfer, when Russia, and only Russia, uses policy conditionalities to incentivize non-compliance with an EU policy. In these cases, even an ENC in which there is a general preferential fit with the EU policy only complies shallowly to avert potential costs induced by Russia. Put in more technical terms, I find that the absence of such an exclusive form of rivaling Russian policy conditionality figures as a necessary condition for full compliance with EU policies. However, the cases in which Russia indeed reverts to such a form of rivaling policy conditionality have so far been relatively few in number. More often, Russia sanctions ENC without applying specific policy conditionality. These negative incentives that are not clearly linked to specific demands, however, often make third countries seek shelter in compliance with EU policies in order to be eligible for (geo)political and economic alternatives. They hence exert a supportive effect of EU policy transfer.

The book also tests whether these arguments can account for the choices of ENC (not) to sign the Association Agreement (AA) with the EU. Presenting evidence of developments in Georgia, Armenia, but also from Moldova and Ukraine, it shows that the same factors that make EU policies travel, can also largely account for these broader integration choices of ENC.

Contributions to the literature

By making these arguments, this book contributes to the literature on neighborhood Europeanization and external governance, as well as to the broader debates on EU and Russian foreign policy in the post-Soviet space.

This book adds to the literature on neighborhood Europeanization by systematically including Russia as a second external actor in the equation of neighborhood Europeanization. Since the beginning of the 1990s,

Europeanization research has dealt with the question of how EU politics, politics and policies impact on the nation-state and how this impact can be explained (Radaelli 2003). For a long time, this strand of research mainly focused on the impact of hierarchical steering by the EU on its member states (Börzel and Risse 2000; Knill and Lenschow 1998). Processes of Europeanization beyond the EU moved to the center of attention as students looked closer at transformation processes that occurred in CEEC after the fall of the Berlin Wall. The rapid and thorough democratic transformation, including the takeover of EU rules in these post-Soviet or former communist countries, was largely explained by the EU's incentive of membership (Schimmelfennig and Sedelmeier 2005a). The latter was made conditional upon the takeover of the entire *acquis communautaire* and compliance with the EU's political, institutional and economic conditions defined in the Copenhagen Criteria, which empowered liberal over illiberal domestic actors in the CEEC (Börzel and Risse 2000; Börzel and van Hüllen 2011; Vachudova 2005). Domestic reform-friendly agents were perceived as having been targeted by the active conditionality of the EU, but also used its passive leverage in order to push through reforms against the veto of domestic political opponents (Vachudova 2005; see also Brusis 2005). In this vein, compliance was largely considered the result of cost-benefit analyses of domestic actors in the CEEC underscoring the dominance of the rationalist logic of consequentialism, as opposed to the social-constructivist logic of appropriateness that has been linked to socialization processes (March and Olsen 1998; Schimmelfennig 2007). While this literature has not been fully blind to the presence of other external actors, their theoretical and empirical relevance in the post-communist accession states has largely been disregarded. The USA and international institutions such as the International Monetary Fund (IMF) or the World Bank, which also applied conditionality in the CEEC after the end of the Cold War, were largely perceived as adding to the EU's conditionality without challenging it (Schimmelfennig and Sedelmeier 2005a: 15). As opposed to this, the neglect of Russia in the study on accession Europeanization in the post-Soviet space has been justified by arguing that Russia would be unable to provide incentives that compete with the overarching incentive of EU membership (cf. Schimmelfennig and Sedelmeier 2004: 674).

Due to the fact that the EU lacks this prominent tool in its neighborhood policy, the scholarship on the ENP has tried to study neighborhood Europeanization from new perspectives, but only sporadically included 'competing governance providers' such as Russia into these concepts (Lavenex and Schimmelfennig 2009: 803). While the ENP copies the enlargement tools and logic (Emerson et al. 2005; Kelley 2006), its neglect to offer a membership perspective to the non- or semi-democratic ENC questioned the application of the accession-related 'external incentives' model. Instead, an 'external governance' approach has been brought forward, designed to explain both democracy promotion in the ENC as well as more policy-specific transfer processes via sectoral cooperation (Freyburg et al. 2009; Freyburg et al. 2011;

Lavenex and Wichmann 2009). This approach advocates a structure-focused, rule-based view of EU rule transfer to the neighborhood which respects the greater parity in the relationship of the EU and the ENC (Lavenex and Schimmelfennig 2009: 794; Stulberg and Lavenex 2007). In this model, the EU fosters rule adoption via functional cooperation with the ENC: governmental actors in the ENC get acquainted with and internalize EU policies and norms of democratic governance in transgovernmental networks and in areas where such policies are highly institutionalized (Freyburg 2012; Lavenex and Schimmelfennig 2009). Socialization has hence been deemed a dominant mechanism that triggers neighborhood Europeanization in the absence of a membership perspective (Schimmelfennig 2012: 22).

The external governance literature has also been the first to suggest a structural conceptualization of Russia's impact on rule adoption in the ENC (Lavenex and Schimmelfennig 2009). In a case study on Ukraine a highly asymmetric interdependence with Russia and the Commonwealth of Independent States (CIS) has been found to undermine the EU's efforts to induce policy change via the ENP (Dimitrova and Dragneva 2009). In this vein, Russia's influence on the region has often been considered a function of its asymmetric ties with ENC, in terms of trade or migration linkages, for instance (see also Cameron and Orenstein 2011; Delcour and Kostanyan 2014; Levitsky and Way 2006). These structural approaches have, however, faced criticism with a view to their blindness towards domestic actors and powerful elites in the target countries (Langbein and Wolczuk 2012; Tolstrup 2013). Consequently, students of the ENP have also started to discuss the effectiveness of the ENP from an agency-centered perspective in terms of external incentives and domestic empowerment, conceptualizing policy transfer again as the result of rationalist cost-benefit analyses (Ademmer et al. 2016; Ademmer and Börzel 2013; Börzel and Pamuk 2012; Casier 2011b). In this vein, scholars studied the effect of the liberalized access of goods and persons to the EU that is offered to the ENC in return for sector-specific reform progress (Ademmer and Börzel 2013; Gawrich et al. 2010; Langbein 2011; Langbein and Wolczuk 2012). This policy conditionality or 'conditionality-lite' (Sasse 2008) has been found to be an effective tool that can indeed bridge the absence of the membership perspective in the respective areas (Schimmelfennig 2012). The interplay of key domestic veto players with policy conditionality and capacity building by the EU has been found to account for diverse policy changes (Ademmer and Börzel 2013; Buzogány 2013; Dimitrova and Dragneva 2013).

There are a few studies that include Russia in the equation of neighborhood Europeanization, also from an agency-centered perspective (Ademmer et al. 2016; Langbein 2015). They mostly share a sectoral approach to studying Russia's impact on EU policy transfer, as patterns of interdependence or conditionalities can vary across policy sectors, and not only countries (Ademmer et al. 2016; Dimitrova and Dragneva 2009; Hagemann 2013; Langbein 2015; but see Schmidtke and Chira-Pascanut 2011). In addition,

they suggest analyzing Russian influence ‘through the prism of domestic actors’ preferences’ (Dimitrova and Dragneva 2013: 663; see also Hagemann 2013) that filter multiple external influences and drive EU policy change in the region (Ademmer et al. 2016).

However, comprehensive analyses that include Russia both as a structural force and a foreign policy actor in the region are still rare. Some conceive of Russia mostly as a source of interdependence (Dimitrova and Dragneva 2009), or as a provider of cross-conditionalities (Hagemann 2013). Others investigate Russia’s impact on broader political or democratic developments and often find unintended and counterproductive effects of Russian pressure (Börzel 2015; Delcour and Wolczuk 2015a; Schmidtke and Chira-Pascanut 2011; Tolstrup 2009). A study on Ukraine that systematically analyzes patterns of interdependence, as well as cross-conditionality and capacity provided by Russia, finds that Russia is indeed not only a countervailing force for EU-demanded regulatory policy change in Ukraine (Langbein 2015). Langbein’s study focuses on changes in market rules, in which also private actors qualify as important change agents, and shows that Russian business actors are not necessarily obstructive to the further alignment of ENC with EU rules, but also lobby for domestic change if it suits their business interests. Russia has also been found to support and undermine EU policy change in other policy areas and neighboring countries (see, for instance, Buzogány 2016; Delcour 2016; Hagemann 2013; Wolczuk 2016).

This book contributes to this emerging literature in multiple ways. First, it investigates how and under what conditions Russia and the EU shape domestic policy-making in two policy areas that lie at the heart of a state’s sovereignty: JLS and energy policy. It offers a systematic inclusion of Russia as a structural, institutional and more agency-centered force in the neighborhood, while acknowledging the centrality of ENC’s domestic actors in this process. It does so by studying EU policy transfer as a rational, strategic choice of ENC under multiple constraints that emerge from their interdependent relationships with the EU and Russia, the institutional context in which they are embedded, and the various incentives and assistance that they receive from both the EU and Russia. The book thereby assesses the relative explanatory power of structural, institutional and more agency-related approaches, and identifies clear conditions for successful EU rule transfer to the contested neighborhood. It also adds to the debate about causal mechanisms that drive EU-induced change beyond EU borders, arguing that the causal mechanism that dominates neighborhood Europeanization is a strategic form of lesson drawing, by which domestic governments use the EU policy to further their own domestic agenda. Socialization in transgovernmental networks may shape attitudes of individuals in ENC administrations, but cannot explain the detected compliance patterns for the cases at hand.

Second, this book deviates from the assumption that the EU and Russia generally compete over policy changes in the region. Analyses that study Russia’s impact on EU-promoted policy or policy change in the ENC usually

conceptualize Russia only as a counterforce to the EU (Babayan 2015; Delcour and Wolczuk 2015a; Hagemann 2013; Langbein 2015; Melnykovska et al. 2012; Tolstrup 2014). This assumption and the consequent lack of variation in external rivalry, however, make it difficult to detect the impact of the EU's and Russia's competition on EU policy transfer in the first place. This book sides with research showing that the EU and Russia – including Russian-dominated regional organizations such as the CIS – provide for a much more diverse pattern of conflicting, compatible or complementary policies in their neighborhood (Casier 2012: 49; Dragneva and Dimitrova 2007). By systematically varying policy areas with regard to whether the EU and Russia diverge or converge in the policies they promote or at least represent in the neighborhood, it allows for an assessment of the impact of the external rivalry on policy-specific change in ENC. It shows that the competition of the EU and Russia over policy content does not automatically hamper EU policy transfer, even in policy areas where ENC are more dependent on Russia.

The focus on policy-specific change additionally adds content to the relatively woolly debate about 'spheres of influence', and addresses the critique that the study of broader democratic norms often lacks specificity, thus making it hard to trace the influence of the EU or Russia, instead of other non-EU, international or domestic forces (Schimmelfennig 2012). It thereby also contributes a more nuanced perspective to the widespread view that Russia seeks to bolster its own and reduce 'Western' influence in the post-Soviet space (Babayan 2015; Bugajski 2010; Kubicek 1999; Leonard and Popescu 2007).

Third, this book contributes to the debate about the (unintended) effects of competing external actors on domestic change. Research on neighborhood Europeanization shows that the EU managed to transfer some of its policies to the Eastern neighborhood (Börzel and Langbein 2014; Casier 2011a), but while they have been formally adopted, their implementation has frequently failed to follow suit (Freyburg et al. 2009; Freyburg et al. 2011). As a result, 'enclaves of Europeanization' instead of profound domestic change have been found to permeate the neighborhood countries (Solonenko 2008: 32).

Likewise, Russia's foreign policy in the region has rarely been effective in living up to its goal of keeping the countries in Russia's sphere of influence and maintaining pro-Russian-oriented regimes in the neighborhood (Hedenskog and Larsson 2007; Oliker et al. 2009; Trenin 2005). Particularly its sanctioning policy has been considered ineffective, if not counterproductive (Schulze 2008; Stent 2008; Trenin 2009). As shown above, Russia has also been found to exert both supportive and countervailing effects on specific EU policy transfer, which echoes a debate that has emerged about unintended effects of external actors on policy changes, where liberal external actors have been found to empower illiberal domestic actors and vice versa (Börzel 2015).

This book suggests some explanations for these unintended effects and rather 'unsuccessful' foreign policies of both the EU and Russia from a policy-specific perspective. On the one hand, it argues that a differentiation of

incentives that Russia provides to neighboring countries can help explain countervailing and mutually reinforcing effects on policy change in the neighborhood. While Russia's rivaling policy conditionality frequently constrains EU policy transfer, negative incentives that fail to specify the policy they target rather foster EU-demanded change, as ENC seek to gain greater autonomy vis-à-vis Russia by complying with EU demands. On the other hand, the book shows that a key reason for the overall limited effectiveness of the EU's and Russia's foreign policy lies within the domestic distribution of power within ENC that is strongly biased in favor of executive or executive-related groups that act as 'gatekeepers' (Tolstrup 2013) in the reform process, and filter external influences. Given that governments and their power bases in the ENC under scrutiny here are relatively unconstrained by other political actors and institutional checks and balances, they can also decouple formal policy adoption from de facto behavioral changes (Börzel and Pamuk 2012). The book argues that shallow compliance with EU policies is likely to occur when executive actors in the ENC are faced with costly reform demands by the EU that are tied to attractive incentives, or when incumbents initially have a preference for EU-demanded policy change, but face rivaling policy conditionalities by Russia that are not countered with an attractive offer by the EU. In a context of geopolitical rivalry, however, domestic incumbents can often pick and choose from various external offers or even play off Russia and the EU against each other. Unlike the image of the post-Soviet space as a region that is bullied by two powerful regional actors, this book rather shows a region that is characterized by relatively sovereign incumbents that frequently use the external rivalry about influence for their own political survival. I thus add a policy-specific and multidimensional perspective to the literature on the ENP that finds a stabilizing or even perverted effect of EU democracy and good governance promotion on authoritarian regimes in its neighborhood (Börzel and Pamuk 2012; Börzel and van Hüllen 2011; Van Hüllen 2015).

Fourth, this book also provides some preliminary insight into whether this argument can travel to more recent developments in the region. With the rise of the CU and Eurasian Economic Union (EEU) as more legalized and substantial Eurasian integration projects (Dragneva and Wolczuk 2012), Russia provides for a formal alternative to the EU's integration offers in the region. These latest developments may put to a substantial test the argument of powerful domestic agents that frequently use external resources, because of the incompatibility and increased legalization of competing integration regimes. I suggest that decisions of ENC (not) to sign AA with the EU can still be well understood by studying the interplay of executive preferences and multiple external policy conditionalities. This book does not strive to offer broader explanations for the conflicts that erupted in the region or provide answers to the question of whether and how policies associated with each integration regime will be adopted and implemented in the ENC. Rather, it seeks to provide some insight into the drivers of decisions that determine whether ENC commit to an even larger EU policy transfer in the first place.

Finally, the book's findings entail some practical conclusions on how to transfer policies into an increasingly contested neighborhood. I argue that powerful executives and executive-related elites constrain Russia's and the EU's effectiveness in fostering profound domestic changes. Against the background of the ongoing review process of the ENP, I draw a relatively bleak picture of the EU's functional cooperation with ENC governments and recommend putting a greater emphasis on creating a level playing field for various actors in ENC in order to facilitate the empowerment of reform coalitions. In addition, the findings of the book suggest that greater attention on the 'neighbors of the neighbors' (European Commission 2015a) needs to go hand in hand with a greater focus on domestic developments and actor constellations in the region to prevent the increasing external rivalry from accelerating the process of usage of external opportunities by semi-democratic executives in ENC.

Plan of the book

The book consists of seven chapters. Chapter 2 develops the theoretical framework to account for neighborhood Europeanization in environments characterized by multiple external actors and semi-democratic regimes. It defines neighborhood Europeanization as compliance with policies covered in the ENP Action Plan – the bilateral EU-ENC reform program. The chapter conceives of EU policy transfer as a strategic choice by incumbent governments in neighborhood countries. Instead of focusing on top-down promoted EU policies, the theoretical framework considers policy transfer to the Eastern neighborhood as the result of a bottom-up process, in which domestic actors make strategic choices for or against EU policy transfer in a context of different structural, institutional or agency-based opportunities and constraints that emerge from their relationships to both Russia and the EU. The chapter also outlines the methodological approach of the book, which combines different qualitative methods to conduct structured and focused macro- and micro-level comparisons of compliance processes in Armenia and Georgia from 1999 to 2013 in the areas of JLS and energy policy. The chapter presents the choice of methods, data sources and cases in detail.

Chapter 3 tests if EU policies travel at all once the ENC are more dependent on Russia than on the EU in policy areas in which the externally promoted policies diverge. The chapter presents similarly hard cases for EU policy transfer and comes up with a puzzling finding: EU policies do travel to ENC under these conditions and they do so differently across countries and sectors. The chapter then continues to investigate whether other explanatory factors can account better for the variation in compliance of Armenia and Georgia in the areas of JLS and energy policy. While Chapter 3 finds some explanatory power for institutional and structural factors to account for variation in compliance across sectors, these factors cannot explain the differences in compliance between the two countries. The factors that vary between

Georgia and Armenia are agency based in kind – namely, preferential fit, external incentives and external capacity building.

Based on this finding, Chapter 4 then presents in-depth case studies of compliance with EU migration management policies in Georgia and Armenia. The case studies trace in detail how preferential fit, external incentives and capacity building shape the process of complying with specific EU policies in the area of migration management – namely, the conclusion of readmission agreements, the enhancement of document security, the adoption of national action plans on migration, and data protection. The chapter argues that the interplay of preferential fit and policy conditionalities by the EU can best account for full, shallow or non-compliance with EU migration management demands. While Russia does not invoke any rivaling policy conditionalities in this area, other negative incentives such as the distribution of Russian passports in Georgia's breakaway regions or the encouragement of Armenian emigration via the Compatriots Program catalyze, rather than undermine, compliance with EU requirements.

The chapter shows that full compliance with EU policies occurs when ENP migration management requirements can be used by domestic incumbents to further their own political goals. The reduction of emigration, the return of migrants and a more restrictive approach towards migration management corresponded with the agenda of both the Kocharyan and the Sargsyan administrations in Armenia. By contrast, in Georgia under Saakashvili's incumbency, the proposed policies proved at odds with the liberal governmental agenda, despite a comparable misfit with a view to the policy, polity or politics status quo. When policy conditionality was invoked by the EU, Georgia at the time frequently complied shallowly with the EU's migration management demands. In this policy area, capacity building by the EU, however, largely fails to explain compliance: in cases of preferential fit, governments also find other sources of financing reforms if they lack EU support. In case of preferential misfit, attempts of bureaucratic actors working on reform proposals with the help of EU capacity frequently get sacked. The chapter suggests that the manipulation of utility costs and lesson drawing instead of socialization processes make EU policies travel in the cases at hand.

Chapter 5 traces the process of energy diversification in Georgia and Armenia. It studies the evolution and neglect of policies to develop domestic hydropower and other renewable energies, as well as to achieve a greater regional diversification of energy supplies. In this vein, I also discuss the issue of the closure of the Medzamor nuclear power plant in Armenia. The case studies on energy diversification suggest that preferential fit is a sufficient condition for domestic change, which may, however, remain shallow if rivaling policy conditionality by Russia is invoked. The importance of (changes in) preferential fit is especially vividly illustrated in the case of Georgia. Here, the change of government after the Rose Revolution enabled EU-compatible reform processes that had previously been blocked by vested interests in the energy sector associated with the Shevardnadze-administration. While rivaling

policy conditionality by Russia is found to undermine EU demands for policy change, the empirical evidence suggests that unconditional incentives and non-negotiable policies, such as the withholding of former energy subsidies or insecurities related to energy imports, accelerate reform dynamics in Georgia and Armenia. They indirectly encourage the countries to further seek autonomy and independence vis-à-vis Russia and support the EU-prescribed diversification agenda.

The chapter also discusses the explanatory power of multiple sources of capacity building, frequently channeled into the work of local non-governmental organizations (NGOs). Yet, capacity building is found to be largely contingent on preferential fit and with little explanatory value of its own. The chapter also problematizes the impact of actors other than the EU and Russia on domestic change, especially the US engagement with energy diversification in Georgia. Its findings again suggest that it is the manipulation of utility costs and lesson drawing instead of socialization processes that make EU policies travel in the case of energy diversification: capacity building, even if delivered via transgovernmental networks, fails to trigger policy change if this is at odds with the ENC's governmental agenda.

Chapter 6 asks to what extent the individual ingredients of neighborhood Europeanization as identified above – namely, multiple external incentives and preferential fit – help to explain the decisions of different incumbents in the ENC (not) to sign the AA with the EU. It argues that these choices can be well understood as a form of policy transfer under multiple external constraints, as the AA entail detailed and binding policies that ENC need to implement in practice. In addition, Russia and the EU have applied a variety of incentives to shape the choices of ENC for the AA or CU/EEU. The chapter analyzes recent developments in Armenia, Moldova, Georgia and Ukraine, and argues that the same factors that made ENC pick individual policies in the area of energy diversification and migration management may explain the decisions to sign the AA with the EU. Russia's quid pro quo bargaining frequently made ENC turn down the EU association offer, even though the alternative, integration into the CU, also remained shallow at times, as was the case in Armenia. Russia's sanctions to punish ENC for their broader foreign policy strategy, however, speeded up their EU integration process, as seen in Georgia and Moldova, for instance. The case studies once again stress the importance of preferential fit of the incumbency and its connected elites with the respective integration template to explain whether ENC opt for integration with the EU or its Eurasian alternative.

Chapter 7 contains the conclusions of this book. It wraps up the main findings presented in the previous chapters and discusses their theoretical and empirical implications. It presents the potential and the limits of the arguments made in this book for the study of policy transfer to other contested regions, as well as further countries and policy sectors in the EU's neighborhood. Finally, it reflects on the findings of this book in light of the recent debate about the review of the ENP.

Notes

- 1 The ENP targets both the EU's Southern and Eastern neighbors. Beyond the Mediterranean neighborhood countries, Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan are included in the European Neighborhood Policy in its Eastern dimension, which this book addresses.
- 2 Russia had formally institutionalized the cooperation with its so-called 'near abroad' after the breakup of the Soviet Union. Institutions included the CIS, the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Community (EurAsEc), to name but a few organizations that preceded its most recent integration project of the Eurasian Economic Union (see Dragneva and Wolczuk 2013 for an overview).

2 Theorizing Russia's impact on neighborhood Europeanization

Many analyses have conceived of domestic actors in the EU's Eastern neighborhood merely as cue balls in the EU's and Russia's geopolitical rivalry over the region. This chapter argues, on the contrary, that it is of explanatory value to consider compliance with prescriptions of the ENP Action Plans as the result of the strategic interaction of ENC with multiple external actors. Toward this end, the chapter presents the theoretical framework of the book that draws on the rationalist-institutionalist tradition of Europeanization research, insights of the policy transfer and diffusion literature, and sides with recent agency-centered accounts of neighborhood Europeanization, which are adjusted to the multi-actor environment of the ENC. It provides for a number of hypotheses that link compliance with EU policies to different sources of costs and benefits that may impact the strategic choices of ENC in the contested neighborhood. In this regard, patterns of interdependence, variations in the institutionalization of their bilateral relationships, and the compatibility of their domestic administrative and economic systems with those of Russia and the EU, respectively, are presented as structural and institutional constraints to EU rule transfer. The chapter then theorizes that different degrees of compliance with the EU policies in the contested neighborhood may also be the result of the interplay of two agency-related factors: the initial compatibility or fit of preferences of ENC incumbent governments with an EU policy, and policy conditionalities provided by both the EU and Russia.

The chapter starts by outlining why this book builds on the tradition of rationalist institutionalism to study EU policy transfer to a contested neighborhood. It then specifies compliance with policies codified in the ENP Action Plans as the dependent variable that is chosen to assess different degrees of EU policy transfer. Subsequently, the explanatory factors are elaborated upon that account for compliance as the result of a strategic choice of the ENC in the contested neighborhood. The chapter then presents the selection of cases investigated and methods employed in the subsequent chapters.