

Russian Games with the WTO and the International Order¹

Sixteen years since it first submitted its bid to join the World Trade Organisation (WTO), Russia has thrown the process into confusion. First Prime Minister Putin declared in June that Russia's application was to be withdrawn, in favour of a joint application with Belarus and Kazakhstan with whom it plans to establish a customs union in January 2010. Then President Medvedev at the G8 summit in Italy on 10 July said that Russia could join in either of two ways, jointly with Belarus and Kazakhstan or separately, the latter course being "simpler and more realistic".

Russia's chief trade policy negotiators know full well from their sixteen years of apprenticeship what joining the WTO entails, with the progressive accumulation over these years of obligations beyond simple agreement of a binding tariff schedule for 'most-favoured nations' (i.e. other WTO members states). Take the terms of Ukraine's accession as the most relevant model. The final report concluding in favour of Ukraine's accession and its related annexes and protocols run to hundreds of pages, and beyond the tariff schedule concerns topics such as competition policy, export restrictions and subsidies, technical barriers to trade, government procurement, free trade zones, agricultural policies, intellectual property rights, patents, copyrights, enforcement procedures, and details on the extent of market opening for all service sectors (the list of serviced sector commitments takes over 40 pages alone).

The idea of making a single unified multilateral agreement with this content is a surrealist proposition for any group of states that are not already integrated to a virtually federal level. Russia's chief negotiators know this.

So what does Prime Minister Putin think he is doing, when President Medvedev feels obliged to say in public at the G8 summit that Putin's line is unrealistic? One interpretation might be that Prime Minister Putin shot off with his proposition without taking advice from his officials. But that seems unlikely. Putin is generally an assiduous master of detail in whatever he does.

A second interpretation is that he was not without **technical advice**, but went ahead with a different

¹ This is a revised version of a Commentary published in July by CEPS under the title "Russian games with the WTO".

political rationale. This would be that he does not want Russia to accede to the WTO, since his government is constantly wanting to adopt trade policy measures that would be ruled illegal if a member of WTO, or at least seriously contested. He does not want to be bound by international rules. Examples in recent years of measures that were either WTO-incompatible, or could have been seriously contested and taken to WTO dispute settlement procedures, include wine sanctions taken against Georgia and Moldova in 2006, the meat dispute with Poland and the EU in 2007, the timber export dispute with Finland and the EU in 2008, and the automobile import tariff increases in 2009. He wants to be able to continue to use trade sanctions as a political tool.

A third interpretation relates to Russia's wish to advance renewed economic integration with whichever CIS states are willing. Only Belarus and Kazakhstan are currently willing to join Russia in a customs union, although trade sanctions taken in the last months by Russia against milk products from Belarus may make this country think again. However to pull these two countries into a joint WTO application could provide leverage to advance the economic integration agenda of the three countries beyond the tariff unification of the customs union. In addition the customs union will deprive Belarus and Kazakhstan of the option of going on to negotiate their own trade agreements with major partners such as the EU or China.

Combining interpretations two and three would suggest that Putin spotted a smart move to stop any realistic chance of the WTO accession which he does not want, but without having to say so, while at the same time using the manoeuvre to increase Russia's leverage over Belarus and Kazakhstan. However this turns out to have been not so smart. It has thrown into the open the well-known divisions among the Russian leadership and elite circles over the real issue: whether it is in Russia's interest to accede to the WTO or not, and more broadly whether Russia's modernisation objective should be furthered with increasing international openness and acceptance of generally accepted global rules of the game. Putin reveals himself to be against WTO accession with all that this implies, contrary to numerous speeches saying he is in favour; Medvedev appears to be in favour. There seems to be no other explanation why Medvedev felt obliged to intervene in their most explicit policy difference so far observed.

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European Neighbourhood Watch Index

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It is also reported in the Russian press that Russia is contemplating withdrawing from the Energy Charter Treaty, which it has signed but not ratified. This would be a further move to distance itself from internationally binding legal obligations. However such a move would not be as easy as might be supposed, since a state withdrawing from the Treaty would still be bound for a further 20 years after withdrawing by provisions protecting foreign investment on its territory (Article 45), and this even for a non-ratifying state. The consequence of this is that Russia could be subject to judgements in international courts of justice following complaints over breach of Energy Charter provisions (e.g. over the treatment of foreign investors), with serious possible consequences in the event of non-compliance (e.g. seizure of assets abroad).

In any case these episodes throws unfavourable light on the role of Russia as privileged member of the G8, which is meant to be the inner sanctum of the world's most advanced economies. Russia's presence in G8 alongside the absence of China (WTO member state) is already an objective anomaly. At the same time Russia pretends to a grand role in reshaping the world order, for example convening recently a meeting of the so-called BRIC group with Brazil, China and India.

At the same time Russia is also pretending to lead Europe and the West into a new normative pan-European security order, against the background of having invaded Georgia a year ago, and going on to justify recognition of the independence of Abkhazia and South Ossetia with the Kosovo precedent that it had otherwise been using as tool to criticise the immorality of the West. OSCE is the obvious organisation to preside of any such development, but Russia has been doing its best to undermine it for several years. Similarly in the Council of Europe, where Russia is subject to a very large number of cases brought against it at the European Court of Human Rights in Strasbourg; in fact so many that proposals have been made to streamline the proceeding there, and avoid that this overload wrecks the institution. But Russia blocks these technical reforms.

Russia's ruling elite have the ambition for their country to be a leading international actor, with a branding as promoter of a reshaped normative world order. But Russia's actual track record is one of undermining several European organisations to which it belongs, or acting contrary to their letter or spirit, and also complaining when applications for accession (such as to the WTO) are subject to standard membership criteria which it seems not to want to comply with. For Russia's international political ambitions to be successful there will have to be more consistency, professionalism and credibility for the sincerity of its motives.

by Michael Emerson

Russian President Medvedev on Russia's WTO accession

Press Conference following the G-8 Summit L'Aquila, Italy, 11 July 2009. [Link](#)

With regard to WTO accession, I will not go back to why we re-considered our approach to joining the WTO. I will only say that we had two choices. But given the fact that the process of joining the WTO was stalled, despite all the talk that 95 percent of the issues had been resolved, we acted as we had agreed. Incidentally I would like to shed some light on an agreement we reached on this issue. Last year, when we met with the President of Kazakhstan Nursultan Nazarbayev, we agreed to accelerate the creation of a Customs Union, and that our decisions will depend on whether we join the WTO by, say, the summer of this year. Neither Russia nor Kazakhstan nor Belarus belongs to the WTO, and we have established a Customs Union.

What to do next? Of course we can join the WTO in one of two ways - and that remains our goal, there should be no doubt about that.

The first way is to join as part of a Customs Union, which would be nice but quite difficult, according to our colleagues at the WTO charged with orchestrating such a process and other member states of the World Trade Organisation.

Or we can join a different way. Having agreed on some common standards and positions within the tripartite Customs Union, we could accede separately, which in my view would be the simpler and more realistic option, subject of course to honouring the rights and interests of other parties, depending on the position that we've worked out. This might enable us to proceed at different speeds in joining based on what had been agreed. But of course we must honour the positions outlined in our deal with Kazakhstan and Belarus.

Related Documents:

Documents of the G8 Summit 2009. [Access here.](#)

Russian Prime Minister Putin Summary of the Supreme Body of the Customs Union meeting

Moscow, 9 June 2009. [Link](#)

The meeting of the Supreme Body of the Customs Union of Belarus, Kazakhstan and Russia was very constructive and businesslike, and has borne tangible fruit.

At my colleagues' request, I would like now to announce the statement of the Prime Ministers of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation:

"In pursuance of the decision of the Heads of State on the priority establishment of the Customs Union, in confirmation of the resolution to join the World Trade Organisation, aware that the last years have made the process of joining the WTO piecemeal a deterrent to the integration processes, and stressing the high economic potential of our countries and the benefits of their far-reaching integration, the Heads of Government of our countries determine:

1. To approve the draft unified customs tariff and offer it for approval to the Eurasec Interstate Council at the level of the Heads of State, having in view the coming thereof into effect on January 1, 2010.
2. To approve the proposal on the formative stages and schedule of the united customs territory, proceeding from January 1, 2010, as the beginning of Customs Union activities and July 1, 2011, as the deadline for the finish of all relevant procedures.
3. To notify the World Trade Organisation regarding the intention to open negotiations on the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation joining the WTO as a united customs territory."

Logically, the decision on the formation of the unified customs tariff of the Customs Union and on the Customs Union joining the World Trade Organisation contains the following clause: "The Governments of the Parties notify the World Trade Organisation of the termination of negotiations on the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation joining the WTO."

In other words, we confirm that our countries' WTO membership remains our shared priority-no longer the individual membership of each country but of a customs union and a united customs territory.

I also want to say on behalf of the Russian Government that we will step up our efforts to develop our special relationship with the European Union in response to our European colleagues' proposal to form a free trade zone. We will certainly do that within the limits of agreements made in connection with the establishment of the Customs Union, which is our top priority.

Foreign Policy Priorities of the Swedish Presidency of the EU

July 2009. [Link](#)

5. The EU, its neighbourhood and the world

The EU was established to ensure peace and economic development in Europe. The Union is also increasingly shouldering its responsibility to promote peace, stability and development in our region and around the world. The EU is becoming an ever stronger global voice through dialogue, negotiations and incentives.

The EU's global role

The Presidency will continue to work to strengthen the EU as a global actor with a clear agenda for peace, development, democracy and human rights. We want to develop the EU's capacity to act during international crises and strengthen cooperation with important partners. We want to help ensure coherence between common foreign and security policy initiatives and the trade and development policy initiatives.

Relations with the EU's neighbours are very important. Work is therefore continuing on the development of the European Neighbourhood Policy. Particular focus will be placed on the implementation of the Eastern Partnership. The intention is also to work for closer cooperation with our neighbouring countries in the Mediterranean region, for example within the framework of the Union for the Mediterranean.

On the global stage, the Presidency will make use of the new prospects for deeper transatlantic dialogue. It is important that the EU further strengthens its commitment vis-à-vis Afghanistan and Pakistan. The EU's role as an actor in the Middle East needs to be developed. We must be prepared to handle crises in Africa.

Strengthening the ability of developing countries to deal with climate change and strengthening the EU's support for democracy-building in external relations are important issues that must be moved forward.

In addition, the Presidency will give priority to trade negotiations, primarily a rapid conclusion of the Doha Round, but also progress in free trade negotiations.

Summits are planned with a number of important partners during the Presidency: Brazil, China, India, Russia, South Africa, Ukraine and the USA.

Continued enlargement

The continued enlargement process is of strategic importance to ensure peace and progress in an open, united Europe. It is therefore of central importance that the EU stands by its commitments and the established principles in the area of enlargement. The pace of the EU integration process will be determined by the progress of reform in each country. Croatia's negotiations with the EU could enter a final stage during the autumn. The Presidency is aiming for continued progress in Turkey's accession negotiations. A solution to the Cyprus issue would greatly spur Turkey's EU integration process. The

Presidency will also work to make further progress in the EU integration process of the countries of the Western Balkans, in accordance with the progress of reform in each country and established procedures.

EU External Relations Council Conclusions on Georgia

Brussels, 27 July 2009. [Link](#)

1. The Council has decided to extend the mandate of the EU Monitoring Mission in Georgia (EUMM) for another 12 months until 14 September 2010.

2. The rapid deployment of the mission following the conflict between Georgia and Russia in August 2008 showed the EU's willingness and ability to act resolutely to promote peace and stability. The deployment of EU monitors has contributed to creating the necessary conditions for the implementation of the agreements of 12 August and 8 September, 2008. In this context, the Council called again on all parties to fully comply with their commitments, including the withdrawal of all military forces to the positions held prior to the outbreak of hostilities. The Council further recalled that EUMM Georgia has a country-wide mandate and called for unhindered access of EUMM to Abkhazia and South Ossetia, which has so far been denied. The Council deplored the attack on EUMM on 21 June and called on all parties to ensure a secure environment for the mission.

3. The Council welcomed the achievements of EUMM Georgia, in particular in the areas of stabilisation, normalisation, and confidence building. The mission's presence on the ground remains a key stabilizing factor. EUMM Georgia has monitored the partial withdrawal of Russian troops and the return of Georgian police to areas adjacent to the administrative boundary lines. The mission has reported on several serious incidents, and on the situation of internally displaced persons, the respect of the rule of law, violations of human rights and international humanitarian law. The Council encouraged the mission to continue its efforts, including to take part in the implementation of different confidence building measures.

4. The Council noted with deep regret and concern that agreement has not been reached on the future of the UN and OSCE monitoring missions in Georgia. This development further underscores the crucial role of EUMM Georgia. The EU will continue its close cooperation with the UN and the OSCE in all matters pertaining to Georgia. The Council reaffirmed its full commitment to the Geneva talks and the continued co-chairmanship of this forum by the EU, UN and OSCE.

5. The Council recalled its conclusions from 13 October 2008 and those of the European Council from 1 September 2008 and reiterated its firm support for the security and stability of Georgia, based on full respect for the principles of independence, sovereignty and territorial integrity recognised by international law, including the Helsinki Final Act of the Conference on Security and Cooperation in Europe and United Nations Security Council resolutions.

EU General Affairs Council Conclusions on the extension of the mandate of the EUMM in Georgia

Brussels, 27 July 2009. [Link](#)

Extension of the mandate of the EU monitoring mission in Georgia

The Council adopted a joint action extending the EU's monitoring mission in Georgia, which was due to expire on 14 September 2009, for an additional twelve months until 14 September 2010 (11471/09).

It also adopted a joint action extending the mandate of the EU is special representative for the crisis in Georgia, Pierre Morel, for a further six months, until 28 February 2010 (11833/09), and a decision extending by two months, until 30 September 2009, its decision concerning the international fact-finding mission on the conflict in Georgia.

UN to continue engagement in Georgia despite mission's withdrawal

New York, 30 June 2009. [Link](#)

In spite of the start of the withdrawal of the United Nations Observer Mission in Georgia (UNOMIG), Secretary-General Ban Ki-moon today reaffirmed that the world body will remain engaged in the region.

Earlier this month, Russia vetoed a technical roll-over by the Security Council for the nearly 16-year-old operation, resulting in its functions ceasing as of 16 June.

In a statement issued today by his spokesperson, Mr. Ban expressed gratitude for the parties' cooperation with UNOMIG – entrusted with overseeing the ceasefire accord between the Government and Abkhaz separatists in the country's north-western region – since its creation in 1993.

He also welcomed the sides' expressed readiness to continue supporting the Mission until it has fully withdrawn.

In addition, the Secretary-General underscored the Organization's readiness to press ahead with its other key activities in the region, adding that he has asked his Special Representative Johan Verbeke "to continue to represent the United Nations at the ongoing Geneva international discussions on security and stability and on the return of internally displaced persons and refugees."

In his most recent report to the Council on UNOMIG, Mr. Ban stated that the Mission has contributed to the overall security of the local population, while cautioning that an agreement on a revised security regime is needed for lasting stability.

UNOMIG's area of responsibility in Abkhazia consisted of a security zone, where no military presence is permitted; a

restricted weapons zone, where no heavy weapons can be introduced; and the Kodori Valley.

It had no jurisdiction in nearby South Ossetia, the scene of fighting last August which pitted Georgia against separatists and their Russian allies.

Remarks by Javier Solana, EU High Representative for the CFSP, following the informal dinner of OSCE foreign ministers

Corfu, 27 and 28 June 2009. [Link](#)

Last night, we had a very good informal debate, over dinner. Everyone who spoke did so in a very frank manner. I would like to thank the Greek presidency of the OSCE for the good atmosphere they created.

This was just the beginning but it may be the beginning of a serious process in which we will look at the architecture of security in Europe. As the limits of this exercise, we want to maintain the structures that were created at Helsinki. We want to retain the three baskets, which are hard security, economy and human rights and governance. There is a space to make an analysis of the three baskets and to move. I would like to look at what we could call a "Helsinki Plus".

As you remember, Helsinki is the basis for our security in Europe. With the events that have taken place, and the new challenges of the world of today, I think there is room to move to what we may call a "Helsinki Plus" but keeping in mind that this is an exercise with the three baskets, not just one basket.

This debate is going to continue and I hope that, by the end of December, we may have something for the OSCE ministerial. It won't be finalized, it will take time – remember that it took nine years to create the Helsinki structures – but by the end of December, I hope we can have something more operational than the current debate which is still conceptual.

With the structures that exist, there is room to go further. You can imagine, for instance, that the NATO-Russia Council can develop further. For instance, the OSCE can develop further in some directions. The questions related to the economy, for instance the relationship between the mechanisms that the European Union has with so many countries, can develop further. The question of energy can be developed further. Many things can be developed further without changing the basic structures, without putting at risk something that has provided fantastic stability for many years. Remember, with the Helsinki structures of the 1970s we have been able to do many things and go through the process of the fall of Berlin Wall. These structures have been very flexible and it has been possible to adapt them to many different situations.

Democracy in Moldova - A great concern for the EU

Interview with Kalman Mizsei, EU Special Representative for Moldova
Brussels, July 2009. [Link](#)

The European Union is strongly committed to helping Moldova restore stability and continue democratic reforms, says Kálmán Mizsei, EU Special Representative for the Republic of Moldova, in an exclusive interview for the Council website.

How do you assess the political and economic situation in Moldova?

The young Moldovan democracy has been going through a very difficult period since the events following the April 5 elections. This is obviously a great concern for the European Union. Since the violent protests on 7 April, Moldovan society has become deeply polarised. The human rights of many people have been violated and the freedom and quality of the media have deteriorated. In spite of the EU's intensive efforts to facilitate dialogue between the parties and to call for mutual respect and reconciliation, Moldova is now preparing for repeat elections in an atmosphere of fierce mutual accusations. The EU has helped to mobilise a broad international presence and support in order to ensure that the elections on 29 July are conducted democratically and to remedy the concerns that were raised in the context of the April elections. The EU has also expressed a strong commitment to deepening its engagement with Moldova, so as to help the country restore stability, continue democratic reforms, work for national reconciliation and create prosperity for its people. We have considerably increased our engagement with the country in the last five years and we will continue this dynamic approach in the future.

The concern over the political crisis is exacerbated by an increasingly critical economic situation. The political crisis is delaying anti-crisis measures. Here too, increased assistance from the EU, as well as from international institutions where the EU has considerable weight, will be essential in order to help Moldova overcome the difficulties. With international support, Moldova needs to create a comprehensive mid-term anti-crisis programme that can be boldly supported by the international community.

We trust that the young state of Moldova will overcome these difficulties after democratically conducted elections and that we can also open a new chapter in our relations. We are fully aware of our responsibility, since the overwhelming majority of people in Moldova – our direct neighbour – see their future as being closely linked to the European Union.

What are the perspectives of a settlement to the Transnistrian conflict?

Transnistria is also going through a very deep crisis, both economic and political. Its already very fragile economy has been contracting to an almost unprecedented degree. According to official data, production decreased from 500 million to 238 million US dollars in the first half of 2009 relative to the same period last year. However, it remains true that

the Transnistrian conflict is relatively easy to resolve compared with many other similar conflicts. There are no ethnic dividing lines, no serious threat of military conflict. Once Moldova has a new government in place - we expect this to happen in early autumn - the settlement negotiations will hopefully be resumed. Resolving the Transnistrian conflict would have a very positive impact on European security at a broader level; here we agree with Russia, which is of course a key player in the settlement process.

Has the EU Border Assistance Mission for Moldova and Ukraine (EUBAM) improved the border control and cooperation between these two countries?

EUBAM is a great success story. It has helped to reform border control and customs services in both countries towards European standards. This is not just about borders - it contributes to strengthening the rule of law, fighting against corruption, increasing transparency in state structures. At the same time, the conditions for resolving the Transnistrian conflict have improved. I am very grateful to my colleagues at EUBAM, with whom I have excellent cooperation. What proves the usefulness of the Mission is that both Moldova and Ukraine have requested the extension of EUBAM beyond its current mandate, which ends in November 2009.

Mediterranean Migration: 2008-2009 Report

Edited by Philipppes Fargues

Florence, Robert Schuman Centre, European University Institute, 2009. [Download for free](#)

[Extract]

Introduction

The period covered in this latest report, the years 2007 and 2008, is characterized by the accentuation of the migratory trends described in previous reports: emigration from South and East Mediterranean countries (SEM) is continuing at a steady rate, while immigration to those countries is increasing, particularly in various irregular forms. However, this period differs from those preceding it in two ways.

The first difference is that public authorities have shown new interest in the management of migration. This is apparent in all SEM countries. This interest is no longer limited to attracting the savings remittances from their migrant workers abroad and maintaining the ties between diasporas and their country of origin, but involves other issues as well. These include, for example, the construction of a legislative framework for regulating the entry and stay of foreigners and their access to employment services, as well as negotiations for legal channels of migration for their own nationals to which the SEM States have, one after the other, attached themselves during the past years. In this framework, this latest report examines one particular form of migration negotiated between governments, for which a renewed interest has been shown in 2007-2008: "circular" migration.

The second distinctive characteristic is the global financial and economic crisis which started in late 2007 and whose impact

in SEM countries could be accentuated by their economic dependence on migration and money received from their expatriates. However, at the time of writing this report, the real impact of the crisis on migration remains more the subject of speculation than established fact.

EU General Affairs Council Conclusions on Enlargement

Brussels, 27 July 2009. [Link](#)

The Council recalls the renewed consensus on enlargement as expressed in the conclusions of the European Council of 14/15 December 2006, including the principle that each applicant country is assessed on its own merits.

In a letter dated on 16 July 2009, Prime Minister Ms. Jóhanna Sigurðardóttir and Minister for Foreign Affairs Mr. Össur Skarphéðinsson presented the application of Iceland for membership of the European Union.

The Council decides to implement the procedure laid down in Article 49 of the Treaty on European Union. Accordingly, the Commission is invited to submit to the Council its opinion on this application.

The Council seizes this opportunity to reiterate its full support for the European perspective of the Western Balkans, and stresses that it will return to Albania's application for membership once the Albanian election procedure has been completed.

EU-Macedonia Stabilisation and Association Council - 6th meeting

Brussels, 27 July 2009. [Link](#)

The SA Council noted the conclusions of the Council of Ministers of the European Union adopted on 8 December 2008.

The SA Council welcomed the positive assessment that the country has met all the benchmarks of the road map for visa liberalisation and the legislative proposal of the European Commission to establish visa free travel regime for the citizens of the former Yugoslav Republic of Macedonia. The SA Council noted that the Council of the EU will examine the proposal without delay, in order to achieve a visa-free regime, ideally by the end of 2009.

The SA Council noted the country's primary objective and strong commitment to advance in the EU integration process by opening accession negotiations and welcomed the progress made in the implementation of key priorities of the Accession Partnership. The SA Council recommended to the Government to keep up its efforts in order to fully meet the benchmarks related to the opening of the accession negotiations before the next Progress Report of the Commission.

The SA Council reviewed key developments over the previous year related to the fulfilment of the political criteria. The EU welcomed the findings of the ODIHR observation mission that the conduct of the presidential and municipal elections met most international standards and noted that the citizens of the

country showed their strong attachment to democratic values throughout the electoral process and the state institutions have worked hard to ensure peaceful and orderly elections. The EU called for all of the recommendations of ODIHR to be fully implemented as soon as possible. The EU also welcomed the constructive and inclusive political dialogue pursued within the democratic institutions, resulting in improved functioning of the Parliament. However, further measures such as the Law on Parliament remain to be adopted.

Significant progress was noted in the implementation of the police reform, where the human resources strategy is being efficiently enforced and the work of the regional and local police commanders is effective. The SA Council noted the recent adoption of the Law on internal affairs. The EU welcomed the continued progress in judicial reform, the functioning of the new judiciary bodies and court structure, the measures taken to improve efficiency and strengthen the budgetary framework. It encouraged the country to keep up the implementation efforts, with reference to the key principles of independence and impartiality of the judiciary. Progress was noted in the fight against corruption, notably in the prosecution of high level corruption, strengthening of the legal framework and of the capacity of anti-corruption institutions, and the country was encouraged to vigorously continue its efforts. The amendments to the Law on Financing of Political Parties remain to be adopted.

Some progress was also noted concerning the public administration reform, particularly as regards the training and the functioning of the human resources units, although further efforts are needed, in particular to amend the Law on Civil Service.

The SA Council welcomed the progress made in implementing the Ohrid Framework Agreement, which remains a key part of the political criteria and will remain crucial for the process of EU integration, being an integral part of the country's constitutional and legal order. It underlined the need to ensure full implementation of the law on languages and to make further progress towards equitable representation and to promote the integration of the ethnic communities, in particular in education. It noted the progress achieved in the process of decentralisation, in particular the entry into force of the law on inter-municipal cooperation. It welcomed the creation of a specialised agency for the protection of ethnic minorities.

The EU expressed the view that further efforts are needed so that freedom of speech, including in the media, is effectively ensured in practice.

The EU recalled that regional co-operation and good neighbourly relations form an essential part of the process of moving towards the EU.

As regards the economic criteria, the SA Council noted that the country has moved closer to becoming a functioning market economy. Economic stability and predictability have been maintained. Market entry procedures have been further simplified and bankruptcy procedure and property registration have been accelerated. Impediments to job creation have been reduced and the tax wedge on labour has been lowered. However, in view of the global financial and economic crisis,

the EU urged the country to monitor closely the economic developments and stressed the importance of pursuing a prudent fiscal policy. It also stressed the importance of pursuing the structural reforms rigorously so as to further reduce the obstacles to employment creation and further improve the business environment.

As regards alignment with the *acquis*, the SA Council noted that the country has made legislative progress in various areas such as electronic communications, customs, taxation, the internal market and competition. Continued efforts are needed to strengthen the capacity of the administration to implement and enforce the *acquis*. It welcomed the revised version of the National Programme for the Adoption of the *Acquis* (NPAA) and the practice by the authorities to annually update the NPAA on the basis of the Commission's Progress Report.

The SA Council also discussed the state of play of the IPA assistance. The SA Council recalled that for the period 2008-2010, a total of EUR 244 million has been allocated to assist the country on its road to European integration. The EU welcomed the progress made with the establishment of the required structures and the legal set-up for decentralisation of the EU funds management and encouraged the country to step up the efforts in this regard in order to achieve the conferral of management as soon as possible.

In examining the implementation of the Stabilisation and Association Agreement (SAA), the SA Council welcomed the finding that the country has achieved full compliance with the SAA provisions and has contributed to the smooth functioning of the various joint institutions. Recalling the Commission's assessment in the 2008 Progress Report that the country fulfils all the commitments foreseen under the first stage of implementation of the SAA, the SA Council noted that it is expected that the Commission will adopt a decision on the transition of the second stage of the SAA. The SA Council welcomed the steady progress in the ongoing negotiations on an Agreement on conformity assessment and acceptance of industrial products (ACAA), to be concluded in the form of a Protocol to the SAA.

The SA Council discussed developments in the Western Balkans region and welcomed the continued active participation of the former Yugoslav Republic of Macedonia in regional cooperation including initiatives in South Eastern Europe, such as the South East European Cooperation Process, the Regional Cooperation Council, the Central European Free Trade Agreement (CEFTA) and its contribution to the EU ALTHEA mission in Bosnia and Herzegovina.

Lost Voters: Participation in EU elections and the case for compulsory voting

Anthoula Malkopoulou

CEPS Working Document, No. 317, 24 July 2009. [Download for free](#)

[Abstract]

Since the mid-1990s, a declining trend of electoral participation in Western countries has triggered numerous discussions about civic education, awareness-raising and new voting techniques. Some have argued that turnout fluctuations are valuable *per se*, as they indicate the changing degrees of voter satisfaction or criticism against the government. However, in the case of the EU, low voter turnout undermines the representativity of the European Parliament and its symbolic importance *vis-à-vis* the EU citizens and the two other major EU institutions, argues Anthoula Malkopoulou in this CEPS Working Document, as it damages the image of the Union abroad, especially since democracy and political rights are the cornerstone of its foreign policy and development aid programmes.

Business and Trade Relationships between the EU and Central Asia

Sébastien Peyrous

EUCAM Working Paper No. 1, June 2009. [Download for free](#)

[Abstract]

The European Union is seeking to establish a place for itself in Central Asia in the face of a Chinese presence that is growing exponentially and a Russian influence that continues to be strong. Grand speeches about the EU's partnership with the Central Asian states notwithstanding, relations between both regions have remained rather limited. The EU strategy also aims to encourage exports, economic diversification and market-economic structures, in particular by developing public-private partnerships. The EU's commercial involvement in Central Asia enables it to further European goals in the region. These include consolidating the overall EU-Central Asia relationship, avoiding an excessive reliance by Central Asian countries on a few markets; helping to strengthen the institutions of civil society, which in turn could speed up the arrival of a substantial European presence; developing the rule of law, the private sector and transparency in government; and finally, addressing poverty, the root cause of instability. This EUCAM working paper will thus reflect upon the pertinence of having a collective EU business and trade agenda with Central Asia, what stands to be won and lost both economically and socially, and the goals it might include. It has become essential to ascertain whether or not this agenda ought to be placed at the service of more global European strategies for promoting its social model, and if so, to what extent.

The EU and Central Asia: Commercialising the Energy Relationship

Michael Denison

EUCAM Working Paper No. 2, July 2009. [Download for free](#)

[Abstract]

The commercial energy relationship between the EU and Central Asia will be structured around gas above other hydrocarbons and minerals. More specifically, it would entail the provision of medium- to long-term volumes of around 15 bcm annually to supplement the core supply base from Azerbaijan's Shah Deniz II project. The crucial Central Asian state in this equation is Turkmenistan, which alone has the requisite volume availability for export. As such, the initial finding of this paper is that Turkmenistan should be the EU's strategic priority for engagement on energy issues. The secondary findings of this working paper are that there is both a role for the EU in Turkmenistan and a willingness on the part of the Turkmen, if only on a tactical level, to engage. The EU, with European energy companies, can up their game by: i) actively seeking to resolve the long-standing maritime boundary dispute between Turkmenistan and Azerbaijan; ii) seeking to secure a supply commitment on gas volumes from specified sources flowing through the proposed East-West pipeline; and iii) working to promote EU companies as the best technical and most environmentally responsible commercial partners to develop new onshore fields under a legal formula that protects all parties' interests. For their part, EU energy companies must stay engaged and consider whether they would be prepared to work under commercial arrangements short of a Production-Sharing Agreement (PSA) and closer to the Joint Activity Agreement (JAA) model.

Russian Foreign Policy in Times of Crisis: Greater compliance or resilient self-confidence?

Stanislav Secieru

CEPS Policy Brief, No. 192, 1 July 2009. [Download for free](#)

[Abstract]

After months of pretending that the economic turmoil is not likely to affect Russia, the government recently went public on the multiple ramifications of the crisis. It seems that virtually no sector or policy of the Russian state will escape unaffected. This Policy Brief raises several questions in regard to Russia's foreign policy at a time of economic difficulties. Will it fall victim to the crisis or will the crisis re-energise Russia's assertiveness? Will it mechanically adjust to the declining curve of the oil price or will it preserve its self-assertive tone while the economic crisis fuels the aggressive rhetoric? Stanislav Secieru is Associate Researcher at the Center for East-European and Asian Studies in Bucharest and Fellow at the Institute for European Politics (Berlin) within the Study Programme on European Security.

The EU and Uzbekistan: short-term interests versus long-term engagement

Sukhrobjon Ismailov and Balazs Jarabik

EUCAM Policy Brief, No. 8, July 2009. [Download for free](#)

[Abstract]

After fifteen years of independence, there are practically no democratic institutions in place in Uzbekistan. Four years after the 2005 Andijon crackdown and the subsequent Western sanctions, almost nothing has changed and the European Union (EU) is struggling to establish a credible policy towards the 'heart of Central Asia'. Uzbekistan is not an easy or predictable partner; on the contrary, it is full of (self-) importance. The Strategy on Central Asia, which has made the EU a new international player in the region, has also presented it with a dilemma, as most of the priority issues inevitably depend on political reforms in Uzbekistan. The EU should put the strongest accent on the development dimension, clearly communicating its message and engaging with as many stakeholders in Uzbekistan as possible. The EU must make its message about the importance of reforms heard within the Uzbek political elite. Only a long-term EU commitment and engagement geared towards Uzbekistan's development will help to build relations and create clarity on both sides.

Central Asia and the Global Economic Crisis

Richard Pomfret

EUCAM Policy Brief, No. 7, June 2009. [Download for free](#)

[Abstract]

In 2007 the EU published a Strategy for a New Partnership with Central Asia. In its initial stages the EU focused on developing new forums for dialogue with the Central Asian countries, and received some criticism for inadequate substantive actions. This Policy Brief argues that the current global economic crisis does not alter the priorities of the EU Strategy, but it does require the EU to stick to existing obligations and also provides an opportunity for fresh initiatives to better achieve the Strategy's fundamental goals.

This EUCAM Policy Brief is part of a mini-series of three publications on the impact of the global slowdown on Central Asia and its relations with the European Union.

The EU's approach to the development of mass media in Central Asia

Gulnura Toralieva

EUCAM Policy Brief, No. 6, June 2009. [Download for free](#)

[Abstract]

In spite of positive developments in terms of human rights, the rule of law and democratisation in Central Asia following the adoption of the European Union (EU) Strategy for Central Asia in June 2007, the state of the mass media continues to deteriorate in all five countries in the region.

This policy brief identifies tendencies and problems affecting the development of free media outlets in Central Asia and proposes ways and means through which the EU could engage to improve the situation.

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