

## **Danube Strategy and its Implications for the Eastern Neighbourhood of European Union**

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**Abstract:** The paper analyse the implications of the Danube Strategy for the two countries included in the eastern neighbourhood of EU. The paper focuses on the interaction between the eastern dimension of the European Neighbourhood Policy and EU's Danube Strategy and is partly based on the investigations made by the author, for her's PHD these. In order to achive this article's objectives, the author has used documentary study of EU's documents and national documents related to the European Neighbourhood Policy and Danube Strategy. As supporting study methods, the author has used elements of conceptual content analysis and comparative analysis. The results shows that Danube Strategy contributes at the achievement of the ENP's goal in Moldova and Ukraine through the strong opportunities for the social-economic potential for development that it provides to these two countries. The results can be used in the academic debates in connection with the success or the failure of the European Neighbourhood Policy and of the macro strategies of the European Union. The added value of the paper consists in the approach of Danube Strategy by its contribution to the creation of a prosperous and safe EU's neighbourhood.

**Keywords:** neighbourhood policy; Moldova; Ukraine

### **1. Introduction**

Doing a new step in the development of European territorial cooperation the European Union has have adopted, in June 2011, EU Strategy for the Danube Region (EUSDR) which is an integrated framework, for countries's issues, that requires for solving, strategic approaches, commune projects and networking. This strategy allows also, a better cooperation for the Member States with neighboring countries beneficiaries of this instrument, providing them, an established way to improve the leverage and impact of EU's policies, at national and regional level, creating synergies and utilizing existing programmes.

The EU Strategy for the Danube Region includes 14 countries as follows: nine EU Member States - Austria, Bulgaria, Czech Republic, Germany, Hungary, Romania, Slovakia, Slovenia, Croatia; 3 potential candidates for accession - Serbia, Montenegro, Bosnia and Herzegovina and 2 countries from the eastern neighbourhood of the European Union - Ukraine and the Republic of Moldova.

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If we consider that a macro-regional strategy:

- 1) is an integrated framework relating to Member States and third countries in the same geographical area;
- 2) addresses common challenges;
- 3) benefits from strengthened cooperation for economic, social and territorial cohesion;<sup>1</sup>, and that this initiatives are implemented beyond EU borders, we notice that this approaches stimulates the countries involved, to overcome the national frontiers and maximum use the available opportunities in order to develop economically and to achieve its national and regional objectives.

Given the fact that the Danube macro-regional strategy requires no additional EU funds, no new institutions, and no new legislation, this instrument facilitates better communication between countries, acquiring best practices, better use of funds and more coherence of the policies.

Moldova and Ukraine, two states situated to the eastern border of European Union are beneficiaries of the policies and initiatives of the European Union dedicated to this area. Until their involvement in the the EU Strategy for the Danube Region, they have been European Union's partners in the European Neighbourhood Policy and in the other two regional initiatives: Eastern Partnership and Black Sea Sinergy.

The European Neighbourhood Policy, the newest foreign policy instrument of the European Union was developed by the representatives of the Member States in order to create at the EU's border, an area of stability and prosperity. Regarding to the eastern dimension of this policy, we see that it was constitute itself as a response to the precarious economic situation of former Soviet states, to the corruption and crime that exists in these countries and to lack of democracy which characterize the entire region.

Although the EU's representatives denied that the ENP was an instrument against Russia's hegemony in the region, EU has needed this policy in order to built a 'ring of friend' at its borders and to have as neighbours, safe and prosperous states that does not favor the appearance of conflicts and which does not support Russia's policies.

After the last political and social events from Ukraine and the annexation of Crimmea by Russian Federation, the European Union was compelled to review the European Policy dedicated to its neighbourhood and many scholars and political representatives declared this policy a complete failure.

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<sup>1</sup> European Commission, 2013, Report from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions concerning the added value of macro-regional strategies, Brussels.

## **2. Theoretical Framework**

In this article, based on the neoliberal theory of interdependence we will emphasize that an increased economic interdependence it would have been a determinant factor in order to achieve the objectives of the ENP and that any initiative that strengthens regional cooperation with the EU will help reduce the dependence of former Soviet countries, on Russia, and thereby contribute to the success of the European Neighbourhood Policy.

Keohane and Nye's paradigm that "interdependence affects world politics and attitude of the states, but also, government actions are affecting patterns of interdependence" (Nye, 2005) can be extended to the European Neighbourhood Policy and to the behavior of states from the eastern dimension of EU.

Economic and political interdependence of the European Union with its neighbors was recognized since 2003 by the European Commission through its Communication "Wider Europe" virtually the "birth certificate" of the European Neighbourhood Policy, in which an increased interdependence is considered the grant for promoting the security, stability and sustainable development outside the EU's borders.

Just as argues Balfour and Rotta, neighborhood policy follows the pattern of integration so "the more higher will be the interdependence and integration between countries, the bigger will be the zone of peace, prosperity and democracy" (Balfour & Rotta, 2007), this instrument being built using dependence as a the basic way in achieving the objectives.

European Neighbourhood Policy, aims sectors of cooperation such as trade, environment and migration, combining European democratic values and norms, being seen by some researchers as the European Union strategy for managing interdependence with neighboring countries (Freyburg, Lavenex, Schimmelfennig, & Skripka, 2011), through which were created instruments of cooperation between the Union and Eastern partner countries, whose use and efficiency depends on other players existing in the region. European Union is using the power given by asymmetrical interdependence so they can get through conditionality the implementation of the reforms. (Ademmer & Borzel, 2013)

This relationships conducted under the auspices of the asymmetric interdependence take into the account the existence of a third actor, Russia which, as Helly asserted (Helly, 2007), contributes to poor influence of the Union in certain countries in Eastern Europe.

"It is asymmetries in dependence that are most likely to provide sources of influences for actors in their dealings with one another. Less dependent actors can often use the interdependence relationship as a source of power in bargaining over an issue and perhaps to affect other issues" (Robert & Nye, 2001).

The disintegration of the Soviet Union's centrally planned economy have had as a result a number of independent states, some of them dealing with European aspirations and also with very strong interdependence to Russia's economy.

Russia's main mechanism for control in the countries from the eastern border of the EU have been the use of economical dependencies. Russia has used this asymmetrical interdependence, to which it has added a historical and cultural interdependence that binds it to the states from the Eastern dimension of the ENP, managing to interpose between the desire of these countries to get closer to EU and their ability to make this closeness effective. Besides this interdependence Russia's representatives admit that "as the internationally recognized legal successor to the USSR, the Russian Federation should base its foreign policy on a doctrine declaring the entire geopolitical space of the former Union to be the sphere of its vital interests and should strive to achieve understanding and recognition from the world community of its special interests in this space." (Laruelle, 2005)

Through the ENP, European Union has have wanted to create a privileged relationship with the neighbours and has have expected more interaction in economical, political and cultural issues, opening new possibilities to externalise its governance tool and thus to bring prosperity and stability in the partner countries. Such a paradigm was acknowledged in the "Report on the review of the European Neighbourhood Policy" that has been released by the Committee of Foreign Affairs of the European Parliament in June 2015, where was undelined the importance of ENP "as a policy creating multi-layered relations and strong interdependence between the EU and its partners in the neighbourhood" (Parliament, 2015)

Later on in the communication "Review of the European Neighbourhood Policy" from november 2015, the High Representative of The Union for Foreign Affairs and Security Policy has emphasized that the interdependence between EU and its neighbours has been put in the spotlight by the last events such as energy crisis, the developments from Ukraine, the terroris attacks or the migration crisis. In such a context the stated purpose of the review od ENP was "to propose how the EU and its neighbours can buid more effective partnership in the neighbourhood"<sup>1</sup>

### **3. Ukraine and Moldova between Russia and European Union**

After the Soviet Union dissolution the former Soviet States found themselves in a very difficult polical and economical situation, having the largest trade relations with Russia, a common infrastructure and an almost complete energy dependence.

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<sup>1</sup> European Commission, 2015, *Joint Communication to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions Review of the European Neighbourhood Policy*, High Representative of The Union for Foreign Affairs and Security Policy.

Ukraine and Moldova were probably the most affected countries by this dependence.

Economic interdependence between Russia and Ukraine and Moldova was at a high level during the existence of the USSR, and is maintaining even after its collapse, especially given the fact that in some areas, these two countries were suppliers of raw materials and Russia was the manufacturer that use raw materials or because the products of these countries do not meet the criteria imposed by the European Union in order to be sold on the internal market.

The energy sector, marked by a strong dependence on Russia, which exports gas as Korchenkin also stated, on two markets, one for world consumption and other for former Soviet states, whose economies are characterized by the existence of an infrastructure for distribution “that does not take account of new boundaries created in the former Soviet Union” (Korchemkin, 1996) and whose replacement would cost billions of dollars.

Dependence on Russian gas remains vital for countries such as Armenia, Belarus and Moldova, Ukraine. Considering the energy field the main vulnerability of Moldova to external factors, due to the almost 100% dependence of natural gas imported from Russian Federation. Gazprom monopol, and that over 60% of energy consumption is provided by a power plant from Transnistria region, these are the challenges that requires solutions and identification of the right policies and projects.

Energy in eastern dimension of ENP’s countries is dependent on Russia not only in terms of gas but also for other forms of energy industry, having close relations in terms of power grids, nuclear power plants - Ukraine being one of the states that has many nuclear plants that are based on Russian fuel - oil or coal.

Both EU and Russia manifest in the region an attitude very well characterized by the statement: “States will handle interdependence in areas where they are strong” (Balfour & Rotta, 2007) creating connections between the problems faced in international relations and the interdependence’s asymmetry that manifests in some areas. Such connections can be economic sanctions. These economic sanctions interfere with EU policy regarding to the States from its eastern border because Russia, in situations that wanted to show their power, has used economic interdependence as a “weapon” to sanction the decisions of the states on the eastern border of the European Union. In this metter is very well known the decisions taken by Russia’s representatives in its trade relations with Georgia (in respect of wine market), Ukraine (dairy products) or Moldova (restrictions on the marketing of fruit).

Russia has used its energy dependence in order to force other countries to meet its political objectives, the gas crisis from 2006, 2009 and 2014 are the best examples of the use of interdependence as a power source. The gas crisis has not only

affected Ukraine but also a number of Member States of the European Union such as Bulgaria, Hungary, Poland, Austria, Slovakia, Romania and Croatia or other countries such as Bosnia - Herzegovina, Serbia and Macedonia.

#### **4. Implementing EU Danube Strategy in Ukraine and Moldova**

Danube is considered a strategic transportation route for Europe and European Union has been acknowledged its importance through several resolutions that were included in documents regarding the Eastern Partnership or European Neighbourhood Policy. Danube is also, an important river for Ukraine and Moldova, in the Ukrainian part of the Danube Basin live 2,7 milions people and over 12.500 km of the Danube River Basin lies in Moldova.

The Danube Strategy is a macro – regional strategy adopted by the European Union in June 2011 that covers the following areas: mobility, energy sources and efficiency, water quality and quantity, biodiversity, socio-economic development, education and capacity, culture and identity, safety. In this strategy are incorporated 4 objectives: connecting the Danube region, protecting the environment, building prosperity, and strengthening the region. Within the Danube Strategy there are **11 Priority Areas** – “To improve mobility and intermodality”, “To encourage more sustainable energy”, “To promote culture and tourism, people to people contacts”, “To restore and maintain the quality of waters”, “To manage environmental risks”, “To preserve biodiversity, landscapes and the quality of air and soils”, “To develop the Knowledge Society”, “To support the competitiveness of enterprises”, “To invest in people and skills”, “To step up institutional capacity and cooperation”, “To work together to tackle security and organised crime”.

Ukraine and Moldova are participating in the EU Danuba Strategy developing projects along with the Member States that are part of this initiative. That is the reason why for Ukraine and Moldova the EU’s Strategy for Danube Region is considered a tool for the economical and social development of these two countries and significant framework for increased cooperation with EU. The projects under the “umbrella” of Danube Strategy help their economies to establish new networks. There are “evidence that national coordination works better in countries that have set up inter-ministerial working groups for coordinating EUSDR”<sup>1</sup>.

The pre-existing regional disparities between Ukraine, Moldova and EU will be reduced by the enabling of a better absorption of funds and the spread of capacities and skills regarding the implementation of European founded projects. Ukraine and Moldova learn from the implementation of EU’s Danube Strategy and “this learning process depends, in turn, on the ability o state elites to accurately assess

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<sup>1</sup> European Parliament, 2015, *New Role of Moco-ro-Regions in European Territorial Cooperation, Study Part I*, Directorate – General for Internal Policies.

the opportunities and constraint of the new international environment in which they operate” (Sterling-Folker, 2002) and it also depends “of their willingness to abandon cognitive and structural manifestation of autonomy in return for greater economic benefits” (Korchemkin, 1996)

Unfortunately because of the Russia’s invasion, the political and economic crisis, the annexation of Crimea, the leaders of Ukraine were not very active in the Ukraine’s participation in Danube Strategy, only the Ukrainian civil society seemed to be the only part fully involved in EUSDR implementation in Ukraine.

For Moldova and Ukraine a short evaluation of the EU’s Danube Strategy implementation has revealed that the public awareness of the Danube Strategy initiative and its benefits for the local communities is very low, the authorities responsible for the coordination do not have sufficient well prepared human resources and did not promote a dialogue between all the actors involved. Also the limited national funding and the lack of a specialized institutional structures dedicated to EUSDR’s implementation are factors outlined by the assessment of EUSDR in the two countries from the eastern border of EU.

In 2013 the European Union introduced the concept of a transnational DANUBE programme for the 2014 – 2020 period. Danube Transnational Programme will contribute to EUSDR by providing assistance to the governance of the strategy, ensuring proper quality and mature projects for the implementation of the EUSDR goals. Moreover, the programme will enhance communication among different stakeholder representing the regional governmental bodies and civil society. The programme will invest EUR 202,3 milion from the ERDF and EUR 19,8 milion from IPA II for transnational projects in the Danube basin territory.

Considering the fact that the most important dependence relation of the two countries with Russia is in energy field, the Progress Report on the Third Year’s Implementation for Priority Area 2 – “to encourage more sustainable energy” admits that the “regional approach in the energy field is more and more important, especially in the light of Russian-Ukrainian conflict. Security of gas supply is a top priority not only for Danube countries but the whole European Union.”<sup>1</sup>

“The macro-regional thinking cannot replace the work of the Member States but it can provide a comprehensive framework for the harmonized planning of national energy strategies” (Keohane & Joseph, 2001) and may have additional initiatives in area like renewable energy, improvements in energy efficiency, smarter energy infrastructures that might help Ukraine and Moldova in order to reduce their energetic dependency with Russia.

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<sup>1</sup> Progress report on the third year’s implementation EU Strategy for the Danube Region *Priority Area 2 - to encourage more sustainable energy-*

## **5. Conclusions**

After the assessment of the implementation of EU's Danube Strategy it is obvious that Ukraine and Moldova are just at the beginning of the implementation of this process, and it will take a joint effort of governmental authorities and civil society to access more projects under this initiatives and therefore to reduce the economic interdependence with Russia and increase the proximity to European Union.

A successful implementation of the EU's Danube Strategy in Ukraine and Moldova will lead to a closer cooperation with European Union and a better economical and social development. For this reasons the EU's Danube Strategy might be considered a helpful instrument for the achievement of the European Neighbourhood Policy's objectives.

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