

EUROPEANIZATION POSTPONED: THE ROLE OF VETO PLAYERS IN SHAPING
CONVERGENCE WITH THE EU'S CONFLICT RESOLUTION AND INTERNAL
MARKET INTEGRATION POLICIES IN MOLDOVA AND GEORGIA

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A thesis submitted to the faculty of the University of North Carolina at Chapel Hill in
partial fulfillment of the requirements for the degree of a Master of Arts in the
Department of Political Science.

Chapel Hill
2015

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ABSTRACT

Jeffrey Ellison Brown: Europeanization Postponed: The Role of Veto Players in Shaping Convergence with the EU's Conflict Resolution and Internal Market Integration Policies in Moldova and Georgia
(Under the direction of Milada Anna Vachudova)

This thesis analyzes the implementation of the EU's Eastern Neighborhood Policy (ENP) in Georgia and Moldova by comparing two policy fields – conflict resolution and integration into the internal market. I argue that in the absence of a concrete membership perspective, the EU's policy specific conditionality and technical assistance result in low levels of implementation, which remains constant across policy fields and states. I explain this by focusing on the presence of formal and informal veto players responsible for blocking and easing implementation of EU norms and rules. In doing so, this thesis highlights the emergence of non-traditional veto players in agrarian states with pro-EU coalitions such as Georgia and Moldova.

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LIST OF ABBREVIATIONS

AA	Association Agreement
BMO	Border Monitoring Operation
CEE	Central Eastern Europe
CFSP	Common Foreign and Security Policy
COREPER	Committee of Permanent Representatives
CSDP	Common Security and Defense Policy
DCFTA	Deep and Comprehensive Free Trade Area
DG Trade	Directorate General for Trade
EC	European Commission
EEAS	European External Action Service
ENP	European Neighborhood Policy
ENPI	Eastern Neighborhood and Partnership Instrument
EP	Eastern Partnership
EU	European Union
EUBAM	EU Border Assistance Mission (Moldova)
EUMM	EU Monitoring Mission (Georgia)
EUSR	EU Special Representative (Georgia, Moldova, South Caucasus)
ECU	Eurasian Customs Union
FTA	Free Trade Agreement
GD	Georgian Dream (Georgia)
GSP/GSP+	Generalised Scheme of Preferences
IDP	Internally Displaced Persons

IPR	Intellectual Property Rights
MFAEIM	Ministry of Foreign Affairs and European Integration of Moldova
MFAG	Ministry of Foreign Affairs of Georgia
NATO	North Atlantic Treaty Organization
OSCE	Organization for Security and Co-operation in Europe
SPS	Sanitary and Phytosanitary Standards
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UN	United Nations
UNM	United National Movement (Georgia)
WTO	World Trade Organization

INTRODUCTION

Launched in the wake of 2004's 'big bang' accession round, the European Neighborhood Policy (ENP) and the Eastern Partnership (EP) are designed to foster stability, democracy and prosperity in Eastern Europe and the South Caucasus. The ENP in particular seeks to draw states in the Eastern neighborhood¹ closer to the European Union (EU) by creating incentives for them to "accelerate political association and further economic integration" (Council of the European Union 2009:6). However, by stressing the approximation of national legislation to that of the EU through Association Agreements (AAs) and Deep and Comprehensive Free-Trade Areas (DCFTAs), the EU pursues a brand of convergence in which its Eastern partners are expected to unilaterally implement the EU's model.² The one-way nature of the EU's policy diffusion through the ENP means that states in the Eastern neighborhood are meant to implement EU policies *without* the finality of EU accession. There is, however, great variation in what EU rules and policies ENP states adopt and implement. While this raises broad questions about the nature of the EU's leverage in the Eastern neighborhood, it also demands a deeper understanding of when and how EU policies are implemented by regimes facing wildly different cost-benefit calculations without the backstop of EU accession.

Given the conditions outlined above, how successful can the EU be in affecting change in Eurasia when employing its newest version of conditionality? To what extent do regimes in the

¹ According to the 2009 Eastern Partnership (EP) agreement, the 'Eastern neighborhood' is composed of Belarus, Ukraine, Moldova, Georgia, Armenia and Azerbaijan (ENPI Info Centre 2015).

Eastern neighborhood implement EU rules and policies aimed at harmonizing their markets and polities with the EU? How does implementation differ across ‘partner’ states and policy domains? In order to measure the scope and depth of policy implementation, I investigate two policy areas – conflict resolution and the internal market – in what are considered two of the three ‘most likely cases’ for successful policy implementation: Georgia and Moldova (Langbein & Börzel 2013). By comparing differences and similarities in policy implementation across policy fields and states, I also address a more analytical question: how do domestic veto players shape implementation (or non-implementation) of EU policies in the Eastern neighborhood?

In this thesis, I argue that implementation of the EU’s ENP policy mechanisms is overall minimal, with domestic veto players dictating the pace and depth of implementation across case studies and policy fields. I find that degree of policy implementation varies little between policy fields and case studies, with any implementation in the field of internal market integration driven by the EU’s sector-specific conditionality and technical assistance. Second, I find that formal (state) and informal (non-state) veto players maintain *the* decisive role in blocking or facilitating the implementation of EU policies in the domain of internal market integration. In the domain of conflict resolution, I find that in addition to veto players, implementation (or a lack thereof) is molded by a host of tertiary factors including the nature of the conflicts, external influence from Russia, and the EU’s own institutional weaknesses.

In order to determine answers to these questions, I analyze policy implementation across sectors (conflict resolution, internal market integration) and states (Georgia, Moldova). This thesis adds to this body of literature in two significant ways. First, it focuses on two states that have recently begun the process of implementing EU legislation. This captures how the EU’s norms and rules are being implemented across two policy fields and states that have recently

codified implementation timetables and levels of financial assistance with the EU. Second, this thesis distinguishes itself from previous assessments by adopting the most comprehensive (and difficult to achieve) measurement of convergence identified by Lavanex & Schimmelfennig (2009): *implementation*. Lavanex & Schimmelfennig focus on implementation in order to differentiate between less comprehensive forms of convergence such as rule selection and adoption, which are driven primarily by membership aspirations in the Eastern neighborhood. Since Moldova and Georgia lack a membership perspective, analysis of implementation captures the effects of the EU's sector-specific conditionality and technical and financial assistance, in addition to domestic veto players responsible for blocking or easing implementation (Langbein 2011; Langbein & Wolczuk 2012).

Surveying the literature on Europeanization, we see that it reaches quite pessimistic conclusions about the ability of the EU to induce policy change and “hit across its borders” (Kelley 2006; Schimmelfennig 2009; Wolczuk 2010; Börzel & Pamuk 2012:5). Compared to states in Central and Eastern Europe (CEE) taking part in the 2004 accession round, states in the Eastern neighborhood suffer from far greater deficits in democratic quality, economic development and regulatory capacities, which invariably affects their capacity and will to implement EU norms and rules. Taking the indigenous circumstances of ‘partner’ states into account, recent scholarship moves away from the application of macro-level assessments of successful convergence as applied in CEE (democracy and prosperity, for example) and toward an analysis of sector-specific rule adoption and implementation (Lavanex & Schimmelfennig 2009; Börzel & Langein 2011; Sierra 2012; Langbein 2011; 2014). Indeed, Langbein and her co-authors find that sector-specific conditionality induces change in narrow fields such as regulatory compliance when tied to policy-specific rewards offered by the EU (Langbein & Börzel 2013;

Langbein 2014). However, cross-country analysis of policy implementation in the neighborhood has drawn mixed conclusions, with Delcour (2013) finding scant evidence of successful change, Dimitrova & Dragneva (2013) pointing to shallow and patchy compliance, and others finding that measurable policy change has indeed occurred despite the relatively high costs associated with compliance (Lavenex & Schimmelfennig 2009; Langbein 2011). This thesis analyzes two ENP states and policy fields in order to unearth more conclusive trends concerning implementation in the region.

In addition, while it is necessary to understand to what degree EU policies are implemented in the Eastern neighborhood, it is also important to explain the causal mechanisms determining implementation or non-implementation. Scholars of Europeanization have pointed to the role of domestic veto players in (comparatively) industrial Ukraine in enabling or hindering convergence with EU rules (Langbein & Wolczuk 2012; Dimitrova & Dragneva 2013; Langbein 2014). This thesis adopts such a veto player centric explanation for why we may find limited convergence with EU norms and rules across policy fields and case studies. In this thesis, ‘veto-players’ are defined as actors whose agreement is required to change the status quo in an ENP state (Tsebelis 2002). This thesis adds to previous research by showing that veto players maintain control over the implementation of EU rules and norms in agrarian states such as Moldova and Georgia, where around 50 percent of the population is employed in agriculture.

In order to advance my arguments and gauge degree of policy implementation, I rely on twelve semi-structured interviews with current and former EU officials involved in the formation, implementation, and monitoring of ENP policy mechanisms in Georgia and Moldova. In addition, I draw on both public and non-public meeting summaries and internal policy reports obtained from my interviewees, the European External Action Service (EEAS), and the

European Commission's Directorate-General for Trade (DG Trade). In order to understand the role played by domestic veto players in easing or braking implementation, I also interview current and former officials from the Moldovan and Georgian governments involved in EU or 'Euro-Atlantic' integration. When necessary, I draw on secondary literature to contextualize my arguments and analysis.

This thesis is divided into three parts. In Part I, I briefly detail the EU's conflict resolution and internal market integration policies in Georgia and Moldova from the inception of the ENP to the present day in order to set the stage for my empirical analysis. In Part II, I highlight the Europeanization literature that underpins the theoretical framework of this thesis, analyzing the merits and pitfalls of its application to Eastern neighborhood states such as Georgia and Moldova. I then highlight gaps in the literature and the theoretical expectations associated with my hypotheses. I conclude by elaborating my research design and explaining how I selected my cases – the countries as well as the policy areas. In Part III, I present my empirical analysis of policy implementation across the domains of internal market integration and conflict resolution in Georgia and Moldova. Finally, before discussing avenues for future research, I restate my findings and frame them within the context of the current academic debate and research agenda.

PART I. Conflict Resolution & Internal Market Integration in the ENP

In this section, I discuss the rollout of the EU's conflict resolution and internal market integration policy mechanisms under the ENP to illustrate exactly what the EU has sought to accomplish. In doing so, I set the stage for my empirical analysis of how the EU's policies are being implemented by regimes in Moldova and Georgia.

a) Conflict Resolution in Moldova & Georgia

In this section, I describe how the EU has shaped and deployed its conflict resolution mechanisms in Transnistria, Abkhazia, and South Ossetia in order to gauge degree of policy implementation by states in the Eastern neighborhood. I show that while sustained levels of funding and 'appropriate' policy tools have been introduced via the ENP in Transnistria (and to a lesser extent, South Ossetia and Abkhazia), the EU's conflict resolution mechanisms are beset by lack of member state coordination and influence from external actors, which has colored how the policies are implemented by regimes in the neighborhood.

Since the early 2000s, the EU has employed civilian missions under the European Security and Defense Policy (ESDP), EU Special Representatives (EUSRs), and the European Commission's bilateral assistance programs to enforce its conflict resolution capacities in Georgia and Moldova (Delcour 2010). The introduction of the ENP means that conflict resolution has been supported through *indirect* measures such as good governance, poverty alleviation and economic development (Sasse 2010). Yet, while the EU has acknowledged that ongoing conflicts in Abkhazia, South Ossetia, Transnistria and Nagorno-Karabakh threaten the

successful deployment of other ENP mechanisms in the region, its conflict resolution and crisis management tools have been applied (and implemented) unevenly (Delcour 2010; Popescu 2011).

In its 2005 ENP Action Plan with Moldova, the EU highlighted its desire to resolve the Transnistria conflict by appointing an EUSR and launching an EU Border Assistance Mission (EUBAM) composed of both border police and customs officials (Sasse 2009; Popescu 2011). EUBAM's focus on beefing up border management aims to choke off the revenue streams of Transnistrian elites while increasing the capacity of the Moldovan government to collect revenues and enforce regulations (Popescu 2011). Therefore, EUBAM serves two purposes: diluting the leverage and power of Transnistria's authoritarian leadership while increasing the attractiveness of Moldova to Transnistrian residents. Furthermore, the relatively non-violent nature of the Transnistria conflict allows the EU to pursue a long-term strategy of conflict demobilization through ENP mechanisms such as internal market integration and visa liberalization. While the EUSR departed for good in 2011, EUBAM will be maintained until at least November 2015. Thus far, the EU's approach to conflict resolution in Moldova can be characterized as functionalist, in which 'low politics' mechanisms such the prevention of illegal immigration and human and drug trafficking take precedence over direct 'high politics' measures which attack the root causes of the Transnistria conflict (Delcour & Tulmets 2008; Sasse 2008; Simão 2014).

In contrast to Moldova, EU efforts at resolving Georgia's lingering conflicts in Abkhazia and South Ossetia remained anemic until the Russo-Georgian war of 2008. While the EU appointed a EUSR to the South Caucasus in July of 2003 and nested conflict resolution within Georgia's 2004 ENP Action Plan, the EU failed to approve an OSCE sponsored Border

Monitoring Operation (BMO) (Simão 2014). In contrast to the Moldova government, however, the Georgian government sought rapid integration into NATO and the EU while simultaneously attempting to re-integrate Abkhazia and South Ossetia as part of its overall state building efforts (Mitchell 2009). Furthermore, the historically violent nature of Georgia's protracted conflicts has precluded EU focus on the same 'low politics' conflict resolution measures present in Moldova. Instead, the EU has focused primarily on humanitarian assistance and confidence building measures geared towards internally displaced persons (IDPs). Following the 2008 war, the EU approved the formation of a 300 man EU Monitoring Mission (EUMM) to enforce the Sarkozy-Medvedev brokered cease-fire while also green-lighting the creation of a separate EUSR to Georgia headed by French diplomat Pierre Morel (Popescu 2011). Overall, the EU's scant resources have been divvied up among border missions, reinforcement of the rule of law, mediation, and humanitarian aid to both Georgia proper and its separatist regions.

In both case studies, the EU's conflict resolution policies have been deployed via the ENP and EP in order to "tackle the underlying issues which enable conflicts to fester" rather than attempting to resolve the conflicts head on (Whitman & Wolff 2010: 95). However, given the nature of the conflicts and influence from third parties, assessment of how the EU's conflict resolution policies are implemented is far more challenging than in the field of internal market integration. This section seeks to detail the EU's involvement in the conflicts vis-à-vis the ENP while highlighting tertiary factors that may play a role in driving implementation. In doing so, I further my argument that while level of implementation remains low in the domain of conflict resolution: Veto players may not be the ultimate arbiters of implementation or non-implementation.

b) Integration into the EU's Internal Market

In this section, I describe how since 2004 the EU has used the framework of the ENP and EP to offer up economic incentives in order to drive convergence with EU standards and norms in Moldova and Georgia. By detailing the EU's policy mechanisms, I set the stage for my empirical analysis of how such policies have been implemented by regimes in the region. Given the onerous costs of adaptation required to comply with the 17,000-page *acquis communautaire* on the single market, the EU initially offered both states a Generalised Scheme of Preferences (GSP+) in their respective Action Plans (Sierra 2011). While GSP+ includes tariff exemptions for a basket of 7200 (mainly agricultural) products, comprehensive integration into the EU's internal market could only be achieved in 2009 after the introduction of Association Agreements (AAs) and Deep and Comprehensive Free Trade Areas (DCFTAs) as part of the upgraded EP process (Delcour 2013; Eisenbaum 2007:3).

In contrast to Moldova, Georgia began its process of economic and political reforms *before* the introduction of ENP policy mechanisms meant to foster convergence through free trade and regulatory convergence. Thus, beginning in 2007, the Georgian government attempted to negotiate a simple free trade agreement (FTA), which would have given Georgian exports access to the EU marketplace without forcing compliance with the *acquis* (Delcour 2013). It is important to note that DCFTAs include regulatory approximation in addition to free trade provisions, which implies the creation of new bureaucratic institutions and regulatory reform of everything from sanitary and phytosanitary standards (SPS) to intellectual property rights (IPR) and public procurement (Delcour 2008; 2013). Due to Georgia's initial resistance, it commenced AA negotiations in July 2010 and DCFTA negotiations in December of 2011, while Moldova

began both AA and DCFTA negotiations in January of 2010.³ Both Georgia and Moldova inked their AA's at the Vilnius Summit in November of 2013. Ratification by the European Parliament occurred on September 16, 2014 and the AAs will come into full force when they have been ratified by all 28-member states.

³ "EU and Georgia conclude talks on Deep and Comprehensive Free Trade Area," European Commission, 22 July 2013, available from http://europa.eu/rapid/press-release_IP-13-721_en.htm.

PART II. Theorizing the Domestic Impact of the EU in the Eastern Neighborhood

a) Literature Review

In this section, I explain how the current Europeanization literature has informed my research and shaped my hypotheses. In doing so, I show how my findings either conform or reject the most up to date findings concerning Europeanization in ENP states.

Since the fall of communism in the early 1990s, the EU and a wide range of international actors have sought to develop institutional and economic capacities in present day ENP states without offering a concrete membership perspective (European Commission 2004). Conceptualization of the EU's leverage in ENP states is heavily influenced by the wealth of literature on EU enlargement to Central and Eastern Europe (CEE). This body of literature concludes that the EU, through its flagship mechanisms of *conditionality* and *socialization*, has been successful in exporting market reform and democratic rule to states with a clear EU membership perspective (Schimmelfennig & Sedelmeier 2005; Vachudova 2005). However, following the 2004 and 2007 enlargement rounds, the EU created new mechanisms of conditionality that decouple adherence to EU policies and norms from membership. This contrasts with EU enlargement to CEE, where the strongest reward wielded by the EU in shaping domestic change was membership conditionality (Kelley 2006; Vachudova 2005). Citing lack of membership conditionality, high adaptation costs for domestic elites, and competition from other international actors such as the United States and Russia, scholars tend to minimize the potential impact of the EU on domestic regimes in the Eastern neighborhood (Gould 2004; Smith 2005; Kelley 2006; Schimmelfennig 2009; Wolczuk 2010).

Following a comprehensive review of the Europeanization literature, Sedelmeier (2011) concludes that the current academic challenge is the creation of a framework which goes beyond conditionality and socialization in order to explain just how the EU impacts domestic change in neighborhood states lacking a membership perspective. This thesis seeks to answer this challenge by building on more contemporary analysis which shifts away from macro-level analyses focusing on membership aspirations and asymmetric interdependencies with the EU and toward analysis of micro-level and sector specific policies (Sedelmeier 2007; Lavenex & Schimmelfennig 2009; Börzel & Pamuk 2012; Langbein & Börzel 2013). Multiple authors adopt such a sector-specific framework by arguing that the rigid definition of membership conditionality as applied to CEE and candidate states in the Balkans must instead be updated to an analysis of policy-level conditionality in Eastern neighborhood states (Langbein & Wolczuk 2012; Langbein & Börzel 2013).

Therefore, this thesis draws on a narrow but expanding subset of the Europeanization literature that employs sector specific analysis to judge the impact of the EU's policies in the Eastern neighborhood. For example, Julia Langbein (2014) adopts a sector specific framework by analyzing regulatory change across four different policy nodes within Ukraine, finding that a surprisingly diverse cast of domestic and international actors is responsible for determining adaptation or shirking of EU policies. While this thesis employs the overarching framework used by Langbein, it takes a step back from her ultra-specific analysis of regulatory change in order to capture how a broader subset of policies is (or is not) implemented. In doing so, this thesis draws on additional work in the field which uses sector specific analysis as a means to gauge domestic actors' differing calculations and capabilities to halt or ease the implementation of EU policies (Langbein & Börzel 2013). While Langbein & Börzel concur that policy change cannot

be explained by macro-level factors in the region, they observe a high degree of “compliance and convergence...” to EU policies in EP states “... despite high costs, limited capacities and the lack of EU membership prospects” (2013:571).

However, since Langbein & Börzel’s work focuses primarily on policy adoption rather than implementation, this thesis also draws on literature that analyzes the role of domestic veto players in shaping implementation. For example, Dimitrova & Dragneva (2013) argue that domestic factors (especially adaptation costs for veto-players) ultimately mitigate the EU’s impact in the region. Within this context, they find that the best likelihood for convergence between the neighborhood and the EU increases when the EU offers policy-specific rewards that diminish the veto power of domestic actors (Dimitrova & Dragneva 2013, cited in Langbein 2014). Thus, the EU is most successful when it transfers knowledge of EU governance (socialization) and financial assistance (conditionality) on a policy-by-policy basis as opposed to a political or countrywide level (Langbein & Wolczuk 2012). While acknowledging that Eastern neighbors face far higher degree of ‘misfit’ (incompatibility between national policies and those of the EU), they hold out the possibility that the inertia for compliance exists in states where regimes have a reform minded political agenda (such as Georgia and Moldova) (Langbein & Börzel 2013: 572). Most significantly for this thesis, Langbein & Börzel (2013) conclude that sector specific analysis best illuminates the preferences of domestic actors in states lacking a membership perspective (Langbein 2011, cited in Langbein & Börzel 2013: 574).

In a 2012 *Living Review* of the Europeanization literature, Frank Schimmelfennig concludes that the literature thus far has shown that the ENP results in selective rule export to non-candidate states, noting that policy adoption is most significant in states where EU bargaining power is high and where third countries hold out hope of an eventual membership

perspective (Schimmelfennig 2012:23). Schimmelfennig concludes that further comparative studies of policy-level impacts between neighborhood states and across policy domains is necessary in order to fully comprehend the impact of the EU on states which lie beyond the reach of conventional (and well-researched) EU conditionality. This thesis conducts such a comparative study in order to flesh out how the EU impacts partner states where domestic veto players retain the ability to block or ease implementation.

Scholars conducting up to date, country specific research on Eastern neighborhood states back Schimmelfennig's 2012 review of the literature. For example, in their 2012 cross-country analysis of the EU's anti-corruption and governance policies in the South Caucasus, Börzel & Pamuk find that the EU's policy mechanisms have been co-opted by domestic actors for nefarious purposes. While their research illustrates the "dark-side of Europeanization" in the South Caucasus, they caution that their research cannot be applied to other policy domains as individual policies and their implementation differs greatly across the Eastern neighborhood (Börzel and Pamuk 2012). Other research into the domestic impact of the EU in the region analyzes the implementation of a broad range of EU policies within states without making the jump to a cross-country comparison. For example, in her analysis of the application of EU policy instruments in Georgia, Delcour (2013) shows that EU policies undergo an adaptation process to meet the Georgian context in which Georgian officials adopt a highly selective approach to EU requirements. Delcour goes on to explicitly state that further studies of specific ENP policy mechanisms are needed in order to determine how EU policies are implemented at both the sectorial level *and* between EP states in the region. It is for these reasons that this thesis adopts a two-level analysis founded on the implementation of two of the ENP's flagship policies in two of the best-case scenarios for policy convergence.

b) Research Design

i) Country Selection: Georgia & Moldova

Scholars note that Georgia, Moldova, and Ukraine are the most likely candidates for EU policy adoption and implementation as they maintain EU membership aspirations and high degrees of asymmetrical interdependence with the EU (Langbein & Börzel 2013). Armenia and Azerbaijan are considered least likely cases as neither harbors genuine membership aspirations and both maintain highly symmetrical relationships with the EU (although for differing reasons) (Emerson et al. 2007; Börzel 2010). However, it must be noted that the inclusion of Ukraine in such analysis took place before the 2014 Euromaidan protest movement and subsequent separatist movements in Donetsk and Luhansk. Given its recent troubles, Ukraine's appetite for EU policy adoption and implementation remains untested. Furthermore, Georgia and Moldova are the only 'partner' states to have begun the laborious process of DCFTA and AA implementation, furthering solidifying their status as the two most fruitful cases for analysis.

ii) Policy Selection: Internal Market Integration & Conflict Resolution

This thesis analyzes the implementation of EU policies in the following domains: internal market integration (through the lens of the Deep and Comprehensive Free Trade Agreements – or DCFTAs and Association Agreements – AAs) and conflict resolution. These policy fields are chosen in order to judge degrees of policy implementation and to flush out both cross-policy and cross-state impact across the two most likely candidates for the implementation of EU policies: Georgia and Moldova. I select integration into the internal market and conflict resolution as they approximate two of the three nodes of EU engagement with ENP states, encompassing the internal market and foreign and security policy (Lavenex 2008; Langbein & Börzel 2013). The

two cases also display differing levels of institutionalization of the *aquis communautaire*, with conflict resolution falling under the banner of the Common Foreign and Security Policy (CFSP) (with limited rules) while approximation with the EU in the realm of the Single Market is a core part of the *acquis*, with its own set of complex procedures and rules (Dimitrova and Dragneva 2013). Furthermore, as noted by Sierra (2011), EU reform mechanisms in the Eastern neighborhood are deployed through sector specific mechanisms (as opposed to macro-level mechanisms employed during Eastern enlargement), meaning that the implementation effects of EU policy can be judged through the lens of narrow bands of compliance or non-compliance.

iii) Data & Operationalization

In order to gauge the degree of policy implementation and the role played by domestic veto players, this thesis relies primarily on twelve semi-structured expert interviews with current and former officials involved in the negotiation and implementation of EU policies in Georgia and Moldova. Interviews were conducted with officials at the European Commission's Directorate General for Trade (DG Trade), the European External Action Service (EEAS), the office of the European Union Special Representative (EUSR), and diplomats at the Georgian Ministry of Foreign Affairs (GMFA) and the Moldovan Ministry of Foreign Affairs and European Integration (MMFAEI). I also include input from several former officials who now work in academia. All interviews were completed in Brussels and Paris during the months of January and February 2015. When appropriate, this thesis also draws on document analysis and secondary literature in order to contextualize its findings.

PART III. Analysis & Discussion of Policy Implementation in Georgia & Moldova

In this section, I analyze the degree of policy implementation in my two case studies and the role played by domestic veto players in shaping implementation. While the Association Agreement (which includes the DCFTA as an annex since September 2014) is still in the early phases of implementation, I use expert interviews and official documents to argue that the level of implementation is low. Despite the EU's technical assistance and policy-specific conditionality, I argue that implementation is highly sensitive to the preferences of formal and informal veto players. I use my interviews to illustrate how veto players have influenced staunchly pro-EU coalitions in both states, sapping their states' ability to implement EU norms, rules, and regulations.

a) Internal Market Integration

In this section, I argue that implementation of the EU's internal market integration mechanisms has thus far been minimal, with resistance fueled by domestic veto players and their respective interest constellations. According to the EU, the integration of Moldova and Georgia into internal market is to be accomplished through DCFTAs, which stipulate a "gradual and dynamic approximation of EP countries' legislation to EU legislation, norms and standards" (Wiegand & Schultz 2015:16). Sector-level approximation with EU legislation is foreseen in multiple domains, including technical norms and standards for industrial goods, SPS, customs, services, IPR, public procurement, and competition, with individual sub-annexes containing derogations which allow for 'dynamic' approximation over periods ranging from 2-15 years

(EU-Georgia Association Agenda 2013). Although Georgia and Moldova conducted DCFTA negotiations with the EU at roughly the same pace, negotiation strategies concerning both the substance and implementation of the agreements has differed greatly. From 2009-2011, DG Trade prepared for the rollout of the DCFTAs by handing down a set of ‘key sectoral recommendations’, which have formed the basis for negotiations and the final agreements contained within the AA (Messerlin et al 2011).

i) DCFTA Implementation in Moldova

In Moldova, the DG Trade’s 2009 recommendations were eagerly adopted by the freshly minted pro-EU coalition, which garnered just over 50% of the vote in parliamentary elections held in July of 2009. However, the new government exhibited a severe lack of negotiating prowess and technical know-how, with one DG Trade official likening the situation in 2009 to: “Romania, just after the fall of Communism.”⁴ Moldova’s “extreme acceptance”⁵ of the DCFTA (and later the AA) stems from the fact that the pro-EU governing coalition maintains a razor-thin margin of support, and thus seeks to cement Moldova’s pro-EU orientation through compliance with the DCFTA.

While much early resistance to the DCFTA centered on agriculture and the growing and processing of food products, many small to medium size producers gradually implemented portions of the *acquis* after the institution of successive Russian embargoes on wine, apples, and vegetables.⁶ EU financial assistance granted under the Comprehensive Institution Building Programme (CIB) has focused on the agricultural sector by furnishing the relatively modest sum

⁴ Interview with a member of DG Trade, Brussels, 5 February 2015.

⁵ Interview with a member of the EEAS, Brussels, 6 February 2015.

⁶ Interview with a member of the Moldovan Delegation to the EU, 6 February 2015.

of €41 million between 2011-2014 (Wiegand & Schultz 2015). However, the under-developed nature of Moldova's banking and credit sector has meant that larger agricultural producers and processors facing high adaption costs have often thrown their weight behind pro-Russian political forces.⁷ Furthermore, despite having retained Soviet-era technical facilities for the inspection of food processing facilities and farms, officials at both the EEAS and DG Trade state that corruption and a lack of basic technical expertise and training have thus far prevented Moldova from advancing far on its ambitious plans for implementation.⁸ EU officials also cite a lack of strategic vision concerning the DCFTA, with young, western-educated officials systematically underestimating the administrative capacity of their own government to implement complex chapters dealing with everything from public procurement to standards for industrial products.⁹ Despite such setbacks, strong pro-DCFTA constituencies do exist: the textile, shoemaking, and IT industries hope to capitalize on the DCFTA to export value added products and services to the EU's 500 million consumers.

Apart from a lack of administrative capacity and technical know-how, DCFTA implementation has been hobbled by a diverse array of both formal and informal veto players. Parliamentary elections held in November 2014 saw the ascendance of three political parties that have explicitly campaigned against the DCFTA and AA. They include: Patria, led by Renato Usatii, President of VPT-NN, a major supplier to Russian Railways (which is itself controlled by Vladimir Yakunin, a close confidant of Vladimir Putin);¹⁰ the Party of Socialists, headed by Igor Dodon, who has referred to the DCFTA as "the accursed trade agreement" while campaigning

⁷ Ibid.

⁸ Interviews with members of DG Trade and the EEAS, 5-6 February 2015.

⁹ Interview with a member of DG Trade, Brussels, 5 February 2015.

¹⁰ Valentina Ursu, Robert Coalson, "East or West? Divided Moldova's Tense Election Season Comes Down to the Wire," *Radio Free Europe/Radio Liberty*, 27 November 2015, available from: <http://www.rferl.org/content/moldova-elections-east-or-west/26713779.html>.

under the slogan “A Prosperous Moldova Together with a Powerful Russia”¹¹; and the Party of Communists, which have vacillated between support the DCFTA and the Eurasian Customs Union. Interestingly, while the Party of Communists were critical of the DCFTA and AA in the run up to the 2014 elections, their leader, Vladimir Veronin, commenced DCFTA negotiations with the EU before losing a parliamentary majority in July 2009.¹²

In addition to the emergence of overtly anti-DCFTA forces, veto players lurk within pro-EU factions. The ability of supposedly pro-EU forces to negatively impact DCFTA implementation should not be underestimated: an official at DG Trade notes that, in Moldova, the ‘push’ for implementation comes from young, Western-educated officials at the Ministry of Foreign Affairs and European Integration rather than the Ministry of Economy (which still contains between 400-500 staff from the Soviet era),¹³ thereby opening up space for veto players to express “dissatisfaction” with specific annexes of the DCFTA.¹⁴ In addition, multiple EU officials confirm the continued influence of two businessmen who happen to lead the two largest pro-EU voting blocs: Vlad Filat of the Liberal Democratic Party and Vladimir Plahotniuc of the Democratic Party.¹⁵ Since breaking with the Democratic Party in 2009, Filat has been dogged by accusations of smuggling and import-export improprieties during his tenure as director general of the Department of Privatization and State Property Administration. Plahotniuc, a ‘self-made’ businessman, grew his wealth while acting as custodian of a holding company owned by the head of the Party of Communists and former President, Vladimir Veronin. While Plahotniuc

¹¹Vladimir Socor, “Russia’s New Moldovan Favorite: Igor Dodon’s Socialist Party,” *Jamestown Foundation*, 4 December 2014, available from: http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=43150&cHash=b57a95e78b176c6fbb0034829620a952#.VOenGEIISJI.

¹² Interview with a member of the Moldovan Mission to the EU, Brussels, 6 February 2015.

¹³ Ibid.

¹⁴ Interview with a member of DG Trade, 5 February 2015.

¹⁵ Interviews with members of the Moldovan Delegation to the EU and EEAS, Brussels, 5-6 February 2015.

holds few assets in Russia, he maintains substantial business interests in Romania and Western Europe. In addition, Plahotniuc allegedly exerts control over the Office of the Prosecutor General and the Supreme Council of Magistrates, which theoretically makes it possible for him to appoint judges and investigate officials.¹⁶ While there are strong links between Plahotniuc and the Party of Communists led by Vladimir Veronin, it remains unclear as to whether or not Plahotniuc is willing to give up “the structure he controls” without first being offered blanket immunity from prosecution by the Moldovan government and the EU.¹⁷

Other forces working against implementation of the DCFTA include the breakaway territory of Transnistria and the Autonomous Region of Gagauzia. In a referendum held on February 3, 2015, 97.2% of eligible Gagauz voted against economic integration with the EU, with 98.9% voicing support for accession to the Eurasian Customs Union.¹⁸ Perhaps not surprisingly, the Moldovan Orthodox Church, whose Metropolitan Bishop is appointed directly by the Holy Synod of the Russian Orthodox Church in Moscow, has also campaigned against the DCFTA. During the 2009 and 2014 Parliamentary elections, the church often linked support for the DCFTA and AA to perceived EU permissiveness toward homosexuality, prostitution, and drug use.¹⁹

Despite the push by Moldova’s pro-EU governing coalition and the EU to make engagement stick, implementation of the DCFTA is in the process of being sidelined. Despite the deployment of limited sector-specific conditionality and financial assistance, the organs of the Moldovan state remain inefficient and vulnerable to influence from veto players. While even the

¹⁶ Interview with a member of the Moldovan Delegation to the EU, Brussels, 6 February 2015.

¹⁷ Ibid.

¹⁸ “Gagauzia Voters Reject Close EU Ties for Moldova,” Radio Free Europe/Radio Liberty, 26 February 2015, available from <http://www.rferl.org/content/moldova-gagauz-referendum-counting/25251251.html>.

¹⁹ Anonymous interview with a member of an ENP member state delegation to the EU, Brussels, 5 February 2015.

Moldovan Mission to the EU admits that it has “worked hard” to incorporate the opinions of veto players into its negotiating positions on the DCFTA, it seems highly unlikely that Moldova’s 50,000 strong cadre of elites would be willing to give up control over critical sectors of the economy in exchange for hundreds of millions of Euros in conditional aid. An official at DG Trade acknowledges the uphill battle by making a comparison to DCFTA implementation in another ENP state: “Moldova is a lot like Ukraine - chaotic structure, not very exposed to the outside world, ready to take easy solutions, funny deals under the table.”²⁰

ii) DCFTA Implementation in Georgia

In contrast to Moldova, the Georgian government under President Saakashvili viewed the imposition of the ‘Deep and Comprehensive’ element of the DCFTA as an existential threat to its GDP growth rate of 10% per year and its status as one of the World Bank’s ‘ten best reformers’ (World Bank 2008). Preferring an enhancement of GSP+ trade preferences or the adoption of a simple Free Trade Agreement (FTA), from 2009-2011, the government pursued an ‘à la carte’ strategy toward the DCFTA that sought to carve out sector-specific exemptions in the domains of environmental regulation, IPR, and SPS (Delcour 2013).²¹ Opposition to the DCFTA from libertarian members of the administration was led by Minister of Economical Reforms Coordination, Kakha Bendukidze, who feared not just the negative impact on growth, but the possibility that the creation of new certification and regulatory structures would re-introduce petty corruption.²² However, by the end of 2011, Georgia had reached its full export potential under GSP+ trade preferences and the government came to accept that competing trade regimes

²⁰ Interview with a member of DG Trade, Brussels, 5 February 2015.

²¹ Anonymous interview with a member of an ENP member state delegation to the EU, Brussels, 5 February 2015.

²² Interview with a former member of the Georgian government, Paris, 9 February 2015.

with Russia and Turkey would not be capable of injecting the FDI and long-term regulatory transformation necessary for Georgia to move beyond its dependence on agriculture.²³ Thus, Georgia's DCFTA stance has been dictated by necessity, its often-chaotic neighborhood, and the fact that it introduced liberal economic and political reforms *before* the advent of the ENP.

As in Moldova, resistance to implementation of the DCFTA has centered on agriculture, which employs 50% of the population and accounts for 10% of GDP (Delcour 2013). While DG Trade has targeted €27 million in assistance to the Ministry of Agriculture in 2015, a non-public meeting summary of the EU-Georgia Association Committee in Trade Configuration registers tepid and halting implementation, noting: “from a technical perspective, the approximation process [in the agricultural sector] for Georgia is expected to be long and challenging.”²⁴ The minutes go on to state: “it will be important to make sure that the EU engages with the right Georgia interlocutors given the multiplicity of actors involved and the lack of clarity regarding internal flow of information, decision-making and reporting arrangements.”²⁵ In addition to institutional challenges, multiple officials confirm grassroots opposition to DCFTA implementation in the agricultural sector, which the EU Delegation to Georgia is attempting to mitigate via a public relations offensive and publication of ‘mythbusters.’²⁶

Other points of contention center on the intellectual property rights (IPR) and financial services sectors. According to the December 2014 meeting summary of the EU-Georgia Association Committee in Trade Configuration, Georgia has aligned its national legislation with the EU *acquis* and WTO TRIPs standards without undertaking effective implementation or

²³ Interview with members of DG Trade and the EEAS, Brussels, 5-6 February 2015.

²⁴ DG Trade, “Meeting Agenda of the EU-Georgia Association Committee in Trade Configuration,” (non-public), 3 December 2014.

²⁵ Ibid.

²⁶ Interview with a member of the EEAS, Brussels, 5 February 2015.

enforcement. For example, roughly 70% of the 30,000 computers used in government ministries operate using pirated software, with judicial and law-enforcement agencies either unable or unwilling to crack down on infringement.

At the same time, Georgia's under-developed industrial base means that implementation of the *acquis* in the domain of industrial regulations and standards has been less problematic. Since 2013 Georgia has attempted to renegotiate implementation timeframes, noting that its manufacturing sector is aligned with Russian standards that will require the retooling of production lines.²⁷ Another looming issue revolves around the imposition of an excise tax on tobacco and alcohol to raise money for implementation, which the government is reticent to implement due to fear of a public backlash.²⁸ It must also be stated that Georgia has not taken on parts of the *acquis* in sectors where it has low or non-existent production, for example in the chemical, pharmaceutical, and car industries.

As is the case with Moldova, members of DG Trade and the EEAS state that Georgia has taken on incredibly ambitious targets, while also noting that administrative capacity, political will, and strategic vision are more evolved and consistent. While officials at the Ministry of Foreign Affairs have played a large role in negotiating the DCFTA and AA, technical experts at the Ministry of Economy and Sustainable Development are responsible for implementing the AA. While Georgia has shown slightly higher competency and consistency in implementing the DCFTA, officials at the EEAS and DG Trade note a drop off in implementation since the ouster of President Saakashvili and his United National Movement in 2012.²⁹

²⁷ Ibid.

²⁸ Interview with a member of DG Trade, Brussels, 5 February 2015.

²⁹ Interviews with members of DG Trade and the EEAS, Brussels, 5-6 February 2015.

Before 2012, opposition to the DCFTA emanated from pro-Russian veto players marginalized under the Saakashvili administration. These include elements of the current Georgian Dream coalition and former Soviet-era business elites such as Gogi Topadze, who benefited from the privatization of state owned assets during the 1990s (mainly a beer factory in Kazbegi).³⁰ Since the election of Bidzina Ivanishvili's Georgian Dream coalition in parliamentary elections held in October 2012, the Georgian government has strived to re-establish smooth diplomatic and economic relations with Russia. Russia's embargoes on Georgian mineral water, wine, and transport have been lifted, with one former official summing up the "no questions asked" approach to Russian investment by quipping "Russian money is sweet and European money is sour."³¹ Rapprochement has in part been fueled by a coalition of pro-Russia NGOs, which have received funds from non-transparent sources.³² Furthermore, ministers and other bureaucrats from the Saakashvili era with expertise in negotiating and implementing the DCFTA have resigned or been forced from office, meaning that there is now a lack of technical expertise just as DCFTA implementation timeframes narrow.³³ Meanwhile, Ivanishvili, who retired from politics in 2013, remains the world's 294th wealthiest person, with assets of \$5.2 billion.³⁴ While Ivanishvili continues to exert influence within Georgian Dream, his role in hindering or aiding implementation of the DCFTA remains unclear.

As in Moldova, the Georgian Apostolic Autocephalous Orthodox Church has stoked resistance to the DCFTA, AA, and rapprochement with the EU more generally. While the institutional setup and hierarchy of the Georgian Orthodox Church differs from that of Orthodox

³⁰ Anonymous interview with a former member of the Georgian government, Paris, 9 February 2015.

³¹ Ibid.

³² Ibid.

³³ Ibid.

³⁴ "#292: Bidzina Ivanishvili," Forbes, 25 February 2015, available from <http://www.forbes.com/profile/bidzina-ivanishvili/>.

Churches in Moldova and Russia, public opinion polls show that 95%³⁵ of Georgians express satisfaction with the work of the church. In addition, there is evidence that the church has actively sheltered Soviet-era elites that have benefited from privatization and business connections to Russia.³⁶ As the sole Soviet-era institution left untouched by the raft of reforms introduced under President Saakashvili and Prime Minister Garibashvili, the church has also tied its opposition to the DCFTA and AA to social issues, such as the inevitable ‘implementation’ of supposed EU values such as homosexuality and women’s empowerment.³⁷

Conclusion

In this section, I have argued that we see little evidence of meaningful implementation in the domain of internal market integration. While the EU has released tranches of sector-specific assistance to facilitate convergence in both case studies, resistance from domestic veto players has largely mitigated its impact in fostering implementation. Furthermore, I show that resistance to EU rules and regulations stems from a diverse array of economic, political, and even religious veto players. In the following section, I argue that implementation of the EU’s conflict resolution policies has also been minimal. However, I find that domestic veto players maintain far less agency in dictating implementation than in the domain of internal market integration.

b) Conflict Resolution

In addition to convergence in the area of internal market integration, both Moldova and Georgia are the subjects of direct and indirect ENP policy mechanisms aimed at managing and

³⁵ “Georgia’s mighty Orthodox Church,” *BBC*, 23 July 2013, available at <http://www.bbc.com/news/world-europe-23103853>.

³⁶ Anonymous interview with a member of an ENP member state delegation to the EU, Brussels, 5 February 2015.

³⁷ Interview with a former member of the Georgian government, Paris, 9 February 2015.

resolving their respective conflicts. While conflict resolution and management traditionally lie within the realm of ‘high politics’, EU institutions such as the Commission and EEAS have followed a decisively ‘low politics’ strategy that seeks to force change in the circumstances underwriting the conflicts. Therefore, the EU relies heavily on economic engagement, financial assistance, and border management rather than ‘high politics’ measures such as the deployment of armed peacekeepers (Popescu 2011). In this section, I argue that implementation of the EU’s conflict resolution measures has been weak in Moldova and almost non-existent in Georgia. However, in contrast to the field of internal market integration, veto players play a diminished role in determining implementation or non-implementation. Therefore, while this section concentrates on the interplay between ENP mechanisms and the parties to the conflicts, it references additional forces shaping implementation when possible.

i) Moldova/Transnistria

In contrast to Georgia, Moldova has welcomed the adoption and implementation of the EU’s package of economic measures aimed at fostering rapprochement with Transnistria (Popescu 2011). According to the EU, Transnistria’s inclusion in the DCFTA would raise local GDP by 3.6%, while its rejection would lead to a 5.2% contraction. However, according to a recent assessment by Transnistria’s President, Evgenij Schevchuk, Transnistria’s inclusion in the DCFTA would lead to a 30% reduction in (local) external trade and a drop of 28% in budget revenues.³⁸ Thus, Transnistria has demanded the continuation of previously established Autonomous Trade Preferences (ATP) rather than the implementation of the DCFTA (Popescu 2015). However, while the EEAS insists that Transnistria has a “structural interest in trading

³⁸ Michael Emerson, “Countdown to the Vilnius Summit: The EU’s Trade Relations with Moldova and the South Caucasus,” *CEPS Brussels*, 31 January 2014, available at <http://www.ceps.eu/book/countdown-vilnius-summit-eus-trade-relations-moldova-and-south-caucasus>.

with the EU,” conflict resolution in Transnistria has been treated with increasing ‘indifference’ by the Moldovan government itself.³⁹ Indeed, many Moldovan elites have come to view the conflict through a “cold-blooded cost-benefit analysis” rather than through the Georgia-style lens of nationalistic struggle for reunification (Popescu 2012:3). Thus, while Moldovan authorities have permitted the export of Transnistrian goods with Moldovan customs stamps, there is reticence to engage in further substantive measures that could result in unwanted federalization or wholesale reunification.

In addition to the application of direct economic pressure and sanctions on the Transnistrian authorities, the EU has employed a raft of additional ‘low politics’ measures such as funding for IDPs, efforts to increase people-to-people interactions, and increased focus on developing civil society (Popescu 2011: Sasse 2012). In contrast to Georgia, confidence building has taken place at the highest level, with Moldova’s Vlad Filat and Transnistria’s *de facto* “President” Yevgeny Schevchuk having their meetings in locales such as Odessa ‘certified’ by the EEAS. Meanwhile, the EU’s efforts at augmenting people-to-people contacts have revolved around an (as of yet unrealized) €30 million program to increase exchange across the Dniester river dividing Moldova and Transnistria.⁴⁰ Despite the implementation of such concrete measures, it must be stated that a permanent end to the conflict would irrevocably change Moldova’s tenuous relationship with the EU as Transnistria’s citizenry remains Russophile and, in general, less well disposed to democratic processes.⁴¹ Thus, while Moldova’s indifference has promoted demilitarization and the mooting of ethnic and nationalist demands for reunification, it has also resulted in less ‘pull’ for conflict resolution from Moldova. Therefore, while

³⁹ Interview with a member of the EEAS, Brussels, 6 February 2015.

⁴⁰ Interview with a member of the Moldovan Delegation to the EU, Brussels, 6 February 2015.

⁴¹ Interview with a member of the EEAS, Brussels, 5 February 2015.

implementation of the EU's conflict resolution measures has been greater than in Georgia, pro-EU forces in Moldova may very well prioritize relations with the EU over the resolution of a conflict that has now entered its 25th year.

ii) Georgia/Abkhazia/South Ossetia

Since the 2008 war, the EU has attempted to shape the Georgian government's outreach to Abkhazia and South Ossetia while simultaneously introducing concrete measures of its own, such as the deployment of a Georgia-specific EUSR and an unarmed civilian monitoring mission (EUMM). The Association Agenda between the EU and Georgia lists a total of twelve general measures of cooperation in the domains of conflict resolution, which mostly cover people-to-people contact, settlement of IDPs, and commitments to continue discussions through the OSCE, UN, and Geneva talks (EU-Georgia Association Agenda 2013). Much of the friction between the EU and Georgia revolves around Georgia's continued use of so called "occupation language" and the EU's stated policy of 'active engagement' with the separatist territories. Despite these differences, since 2011 the EEAS has spearheaded a worldwide campaign to dissuade third countries from diplomatic recognition of South Ossetia and Abkhazia.⁴²

As in Moldova, the EU attempts to influence the host government's relationship with the separatist territories by leaving the door open to their integration into the DCFTA and AA. The EEAS maintains that it ties increased market access under the DCFTA to the 'certification' of contact between members of the government and separatist leaders.⁴³ However, when pressed on specific examples of when refusal to make contact has resulted in diminishment of market access, members of the EEAS demurred. Yet, while the EU states that "the objective of the

⁴² Ibid.

⁴³ Ibid.

DCFTA is to engage in economic integration that benefits the entire territory of Georgia” (i.e. South Ossetia and Abkhazia), it readily admits that the conditions are not present for border and customs procedures to be implemented in order to halt the trade in counterfeit and deficient goods emanating from the separatist territories.⁴⁴ In contrast to the EU’s more ambitious policy deployments in Moldova, even ‘low politics’ cooperation in the domain of customs management has been delayed or blocked in COREPER by the member states.

While attempts at economic engagement have for the most part been unsuccessful, the Georgian government has also used its 2008 ‘Law on Occupied Territories’⁴⁵ to block EU confidence building and socialization measures across the Administrative Boundary Lines (ABLs). Multiple members of the EEAS and Commission report that the Saakashvili and Garibashvili administrations have slowed or hindered EU proposals to step up people-to-people contacts, confidence building, visa liberalization, and study exchanges.⁴⁶ However, despite instances of domestic resistance, the case of visa and study exchanges brings into question the EU’s indigenous ability to promote conflict resolution. While the EEAS has championed a policy to grant travel documents to students and young professionals from Abkhazia and South Ossetia so that they may transit through Georgia to study in the EU, the issuance of travel documents is not a community competency, and has thus been blocked by member states such as Germany.⁴⁷ To further compound the problem, a different set of member states blocks the same students from traveling to the EU as many of them hold Russian passports. Members of the EEAS also

⁴⁴ Interview with a member of the EEAS, Brussels, 5 February 2015.

⁴⁵ Georgia, The Law of Georgia on Occupied Territories, *Statutes of Georgia*, N431 (2008).

⁴⁶ Interview with members of the EEAS, Brussels, 5-6 February 2015.

⁴⁷ Ibid.

point out the need to differentiate between the separatist territories, with Abkhazians being receptive to contact with the EU while South Ossetians mainly seek greater access to Russia.⁴⁸

In general, members of the EEAS paint Georgia as being very inflexible in the domain of conflict resolution, while noting a small shift in the government's approach to the separatist territories since the departure of the Saakashvili administration. Controversially, members of the EEAS suggest that Georgia's own strategy towards the separatist territories is aimed at conflict maintenance rather than resolution, with one member of the EEAS stating: "frozen conflict attracts the international community to Georgia."⁴⁹ While Georgia has certainly shown resistance to the EU's watered down conflict resolution mechanisms, the EU has also categorically refused to commit the same level of resources to Abkhazia and South Ossetia as it has in Transnistria. While short bursts of meaningful engagement are spurred on by periodic crises such as the 2008 war and 2015's South Ossetia – Russia "integration treaty", substantive policies to promote resolution of the conflicts over the long-term remain few and far between.

⁴⁸ Ibid.

⁴⁹ Interview with a member of the EEAS, Brussels, 6 February 2015.

PART IV. Conclusions & Suggestions for Further Research

In this thesis, I illustrate the limits of the EU's ENP policies in Moldova and Georgia by showing that domestic veto-players are responsible for determining convergence or non-convergence across policy fields and states. In the domain of internal market integration, I find that implementation of the EU's policies has been minimal in both case studies. I show that (at least in the early phases of implementation), veto players maintain their ability to overwhelm any technical or financial assistance offered by the EU. In the domain of conflict resolution, I find that implementation of the EU's policies has been minimal across case studies. However, in contrast to the field of internal market integration, I find that while veto players are a major determinant of implementation or non-implementation, additional factors also play a major role in molding implementation.

In constructing its arguments, I build on two subsets of the Europeanization literature. The first engages in sector-specific analysis of ENP policy adoption and implementation in order to gauge convergence with EU norms and rules in the absence of an EU membership perspective (Delcour 2013; Langbein 2014). The second analyzes the role of formal and informal veto players in driving compliance (or non-compliance) with ENP policy mechanisms (Dimitrova & Dragneva 2013; Sierra 2011).

This thesis adds to the current Europeanization research agenda in several important ways. First, this thesis answers Delcour's (2013) and Langbein's (2014) calls for a cross state comparison of policy implementation across multiple policy domains. In doing so, it shows the limits of the EU's policy specific conditionality and financial assistance in the context of non-

accession. Despite the provision of €31 million and €41 million to Georgia and Moldova under the Comprehensive Institution Building Programme (CIB), the ‘carrot’ of financial assistance has failed to foster meaningful and durable implementation of the EU’s rules and regulations. Furthermore, Moldova and Georgia have been forced to commence implementation with the costly and time-consuming SPS chapters of the *acquis*, which has allowed opposition to coalesce among small-scale agricultural producers in Georgia and processors in Moldova, a finding that contradicts Langbein & Wolczuk’s (2012) assertion that a small industrial base leads to the lessening in importance of veto players.

This thesis also finds a wealth of evidence to support Dimitrova and Dragneva’s (2013) assessment of the role played by oligarchs and their interest constellations in shaping convergence with EU rules. However, this thesis also uncovers an emerging subset of non-traditional veto players in Moldova and Georgia, a finding that goes beyond assessments of veto players as economic elites in the post-communist space. I build on this research by drawing attention to the role played by the Orthodox Church and NGOs in fomenting opposition to the DCFTA, AA, and the EU in general. The field would benefit from further research that goes beyond analysis of ‘traditional’ veto players to look at the role played by the church and NGOs in foiling or promoting compliance with the EU policies.

In the field of conflict resolution, I show that veto players play a major role in dictating implementation in both case studies. For example, in Moldova the interests of veto players mean that there is less ‘pull’ to implement the EU’s rules and norms as an end to the conflict would lead to greater elite competition for power and resources. At the same time, it is clear that there are multiple factors driving implementation. For example, the particularities of each conflict,

external support from third parties such as Russia, and the EU's differentiated policy prescriptions and commitments when it comes to conflict resolution.

Overall, I offer a gloomy assessment of the EU's impact in Moldova and Georgia. Unable to leverage its time-tested tools of conditionality and socialization in the absence of a membership perspective, the EU fills the gap with technical assistance, directives from Brussels, and hints at future membership. My research shows that such measures are wholly insufficient in enticing domestic veto players to give up their control over the state and its economic resources. While the EU is currently in the process of reevaluating the entire ENP process,⁵⁰ any future policy proposals must take into account the preferences of domestic veto players or provide a path toward membership. Barring drastic changes in policy, it is clear that current ENP mechanisms will lead to at best shallow and unsustainable convergence with EU norms and rules.

⁵⁰ "Mogherini's timid 'mea culpa' on EU neighbourhood policy," Euractiv, Mar. 4, 2015. Available from: <<http://www.euractiv.com/sections/europes-east/mogherini-makes-timid-mea-culpa-eu-neighbourhood-policy312631> >.

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