

EASTERN PARTNERSHIP INDEX 2015-2016

CHARTING PROGRESS IN EUROPEAN
INTEGRATION, DEMOCRATIC REFORMS,
AND SUSTAINABLE DEVELOPMENT



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WHAT IS THE EASTERN PARTNERSHIP INDEX?

The *Eastern Partnership Index 2015-2016* charts the progress made by the six Eastern Partnership countries towards sustainable democratic development and European integration. The Index measures steps taken on the path towards good governance, including the observance and protection of democracy and human rights, sustainable development, and integration with the European Union.

The EU's Eastern Partnership initiative, launched in 2009, signalled the commitment of the governments of the six Eastern European partner countries (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, and Ukraine) to respect the values of democracy and human rights, and to align with EU standards of good governance and the rule of law.

From the beginning of the Eastern Partnership initiative, the respective national governments in the Eastern Partnership countries expressed clear differences in aspirations concerning closer integration with the EU. While some had aspirations of membership, others saw a turn to the west as a challenge to long-lasting ties with Russia, and others wanted to pursue a more multipolar approach.

The period covered by the Index marked the first full years of implementation of the Association Agreements between the EU and respectively Georgia, Moldova, and Ukraine, including the entry into force of the Deep and Comprehensive Free Trade Area agreements (although delayed in the case of Ukraine).

While Azerbaijan continued to seek a tailored bilateral relationship with the EU, Armenia joined Belarus in the Russia-led Eurasian Economic Union (EAEU). In the case of Armenia, the turn towards the EAEU came after intense negotiations and progress towards signing an Association Agreement with the EU. The period covered by this edition of the Index saw Armenia work with the EU on resurrecting the non-trade parts of the

Association Agreement, saw a lifting of EU sanctions towards Belarus, and continuing negotiations between the EU and Azerbaijan towards a “strategic modernisation partnership agreement”.

The Index is designed to chart progress and reverses in reforms, but also to generate recommendations to guide countries along the reform process and to signal concerns when progress is flagging or even reversed. The Index is also intended to serve as an important monitoring tool for policymakers, independent researchers, think-tanks and civil society actors.¹

CHARTING THE PATH TOWARDS EUROPEAN INTEGRATION AND SUSTAINABLE DEMOCRATIC DEVELOPMENT

The Eastern Partnership Index is a set of individual and composite indicators which measure the extent to which the six Eastern European neighbour countries of the European Union have established sustainable democratic institutions and practices, and the level of their integration with the EU. “Integration” is conceived here as a core and multi-dimensional concept that consists of converging norms, growing economic exchange, deeper transnational networks linking up societies, and more frequent contacts between people.

This broad notion of integration implies that EU membership or association may be aims, stages or final states of the integration process. However, it is not limited to a normative approach, or a measure of harmonisation

¹ The Index does not cover the situation in the separatist-held territories of eastern Ukraine, Russia-occupied Crimea, Nagorno-Karabakh, or the breakaway regions of Transnistria, South Ossetia, and Abkhazia.

with EU norms and standards, but also reflects actual societal, economic and political change. The levels of contractual relations between the Eastern Partnership (EaP) states and the EU are viewed as elements of a much broader process that is, as a whole, not driven or controlled solely by governments and intergovernmental negotiations.

Rather, European integration is seen as a non-hierarchical, networked process where citizens, civic associations and business organisations play important roles. The interplay of these actors has been crucial for the historical development of the EU itself, as it induced and supported national political elites to take legal and institutional steps towards closer integration. Drawing on this experience, the Index is built on the premise that the ties between societies, peoples and economies form dimensions of European integration that are at least as important as the policy agendas of national governments and European Commission officials.

It is further assumed that transnational linkages contribute to the emergence and spread of common European and international norms which, in turn, facilitate closer linkages with the EU. For example, increasing trade is likely to strengthen domestic companies that benefit from foreign investment and are likely to become more aware of the importance of courts that protect investors' rights. A judicial system based on fair procedures and professionalism will then contribute to attracting more foreign investors.

An analogous reinforcing dynamic derives from a commitment to international norms and universal values. By incorporating democratic values, the protection of human rights and the rule of law in their constitutions, EaP states have adopted universal norms that have formed the basis of co-operation and integration among West European states since the end of the Second World War.

Further absorption of the core principles of the EU, laid down as a threshold for membership (Copenhagen criteria), gives a further indication of alignment with the EU member states and the capacity for the EaP countries to transform their economies and societies. The more these norms are implemented and respected in EaP states, facilitating sustainable democratic development, the more co-operation with the EU will ensue because these states and the EU will increasingly

recognise each other as partners sharing common norms and underlying values.

Furthermore, harmonisation with the norms of sustainable democratic development stretches beyond the European integration agenda. Just as observance of the rule of law, and its application in a non-arbitrary fashion, and the existence of freedom of expression and a competitive party political system, are measured in line with international norms and good practice, so the protection and observance of human rights is a universal norm.

Just as the elements of "deep and sustainable democracy" are set out in the index, so are measures of sustainable development, including attainment of the UN sustainable development goals. Sustainable development in terms of key indicators such as health, poverty, and education, as well as environmental protection, are therefore given a central place in the Index, given their relevance to social and economic development and the fostering of a sustainable democratic society.

This fundamental idea of sustainable democratic development leading towards European integration and its driving forces is reflected in the conceptual design of the Eastern Partnership Index.

The Index is the continuation of what was formerly known as the *European Integration Index for Eastern Partnership Countries*, building on the strong focus on the European integration process, and updating the index to reflect the current medium- and long-term challenges of sustainable development, human rights and democracy, and security and international co-operation in a tense political region. The earlier Index had three dimensions *Approximation*, *Linkage*, and *Management* (of the EU integration process). To strengthen the focus of the Index and to emphasize that the Eastern Partnership Index 2015-2016 is of direct relevance also to the countries whose governments have not expressed clear-cut aspirations towards closer European integration, *Management* has been folded into the other dimensions.

Data in the 2015-2016 Index covers the period of March 2015 - December 2016, combining independent analysis with annual quantitative data to provide a snapshot of progress in the attainment and ongoing implementation of internationally recognised democratic standards and practice.

THE 2015-2016 INDEX - KEY RESULTS AT A GLANCE

ASSOCIATION AGREEMENT SIGNATORIES, HEADED BY MOLDOVA, LEAD THE INDEX

The entry into force of the Association Agreements (AA) saw continued progress in integration with the EU in the case of Georgia, Moldova, and Ukraine in the period covered by the Eastern Partnership Index 2015-2016 (March 2015 - December 2016).

In both dimensions of the Index, Moldova emerged as the frontrunner, albeit with only a slight advantage over Georgia in *Linkage* and over Ukraine in *Approximation*.

In *Linkage*, there was a clear divide between the three AA signatories and the other three Eastern Partnership countries – Armenia, Azerbaijan, and Belarus.

However, in the case of *Approximation*, there was a pronounced divide between on the one side four countries - the three AA signatories and Armenia, in third place narrowly ahead of Georgia – and the weakest two performers, Azerbaijan and Belarus, not least due to these two countries' persistent failings in democracy and human rights. The score of Armenia confirms the continuation of progress made prior to the country's withdrawal from an Association Agreement with the EU.

Both Ukraine and Moldova have a steep hill to climb to make the most effective use of the Deep and Comprehensive Free Trade Area (DCFTA) agreement. While the EU is the largest trade partner of both countries, and Moldova and Ukraine have the largest share of EU imports, the three South Caucasus countries and Belarus all have a significantly more favourable business environment than Moldova and Ukraine.

While Belarus engaged in negotiations on visa facilitation and readmission agreements with the EU, and released most political prisoners, Azerbaijan began negotiations on a Strategic Modernisation Partnership Agreement, but sustained its poor record on human rights.

HIGHLIGHTS

Moldova was the leading reformer in the EaP region in meeting EU standards. It achieved the highest *Linkage* score of all six countries, although it continued to lag behind Ukraine and Georgia when it came to International Security, Political Dialogue and Co-operation. It was also outperformed by Ukraine in Sectoral Co-operation and Trade Flows. Moldova, by the end of the period covered by the Index 2015-2016, remained the only country that enjoyed visa-free travel to the Schengen countries, ensuring the country the most developed people-to-people links with the EU, and the lead in the Citizens in Europe section.

Moldova also led in *Approximation*, where it shared with Georgia the best results in Deep and Sustainable Democracy, within which Moldova scored highest on accountability and anti-discrimination policy. In EU Integration and Convergence, Moldova was a close second to Ukraine, but was the second worst performer on business climate, and lagged behind both Georgia and Ukraine on DCFTA. Together with Ukraine, it was the strongest performer on freedom, security and justice. Moldova also scored highly on Sustainable Development, level with Azerbaijan, but behind Armenia, but was the worst performer when it came to meeting the UN Sustainable Development Goals (SDGs).

Georgia was the second best performer in *Linkage*. It was a close second to Ukraine in International Security, Political Dialogue and Co-operation, but failed to match Ukraine and Moldova in Sectoral Co-operation and Trade Flows. In Citizens in Europe, Georgia was second after Moldova, but had the highest score for cultural exchange and also for co-operation in science and education.

Georgia was fourth after Moldova, Ukraine and Armenia in *Approximation*, although it held first place, jointly with Moldova, for Deep and Sustainable Democracy, notably leading on fair elections, independent media, and rule of law and fight against corruption. For EU Integration and Convergence, Georgia ranked joint third

with Armenia, even though it led the field on market economy and DCFTA. On Sustainable Development, it shared last place with Belarus. Georgia in particular lacked a strategy or active policy co-ordination on sustainable development policy.

Ukraine, in third position in *Linkage*, enjoyed the highest position in International Security, Political Dialogue and Co-operation, and held the lead in Sectoral Co-operation and Trade Flows. Ukraine had by far the most intense political dialogue with the EU. However, the country shared the lowest place with Azerbaijan in Citizens in Europe, owing to low scores for cultural engagement and co-operation in science and education.

Placed a close second in *Approximation*, Ukraine was not far from the scores of Moldova and Georgia for Deep and Sustainable Democracy, and progress in reforms since the Revolution of Dignity was reflected in Ukraine's status as the best performer in freedom of speech and assembly and also independent judiciary. Ukraine held first place on EU Integration and Convergence, albeit with the worst ranking for business climate. Although Ukraine took fourth place on Sustainable Development, the issue is climbing higher on its political agenda with the establishment by the government in 2016 of a high-level working group on the implementation of the SDGs.

Armenia ranked fourth in *Linkage*, scarcely better than fifth-placed Belarus. Armenia was placed joint fourth in International Security, Political Dialogue and Co-operation, far behind the three AA countries. Only Belarus was placed lower in Sectoral Co-operation and Trade Flows, a reflection of Armenia's turn away from the EU market towards Russia since joining the Eurasian Economic Union (EAEU), further exacerbated by energy dependence on Russia. Armenia fared better, in third place, in Citizens in Europe, reflecting higher scores for cultural engagement and co-operation in science and education.

In *Approximation*, Armenia was placed third, ahead of Georgia, although it trailed in fourth place in Deep and Sustainable Democracy – well behind the three AA countries, although also far ahead of Belarus and Azerbaijan. For EU Integration and Convergence, Armenia was placed jointly third with Georgia, and was placed second, behind Georgia, for market economy and DCFTA. Armenia took first

place for Sustainable Development, and had put in place a sustainable development policy co-ordination structure, although concerns persisted concerning deforestation, ineffective management of water resources, and weak pollution controls.

Azerbaijan ranked last in *Linkage*, within which it was in the lowest place for International Security, Political Dialogue and Co-operation. Its fourth place for Sectoral Co-operation and Trade Flows, ahead of Belarus and Armenia, reflected its stronger trade ties with the EU – Azerbaijan is not an EAEU member. Azerbaijan tied with Ukraine in the lowest place for Citizens in Europe, reflecting the lack of mobility and visa-free travel, alongside the low level of cultural exchange and co-operation in science and education.

In *Approximation*, Azerbaijan was placed fifth, far behind the leading four countries, but also significantly ahead of Belarus. Placed fifth for Deep and Sustainable Democracy, Azerbaijan was sixth when ranked for democratic rights and elections, including political pluralism, media freedom, and violations of civil liberties and human rights. Ranked fifth for EU Integration and Convergence, Azerbaijan was the second lowest for market economy and DCFTA, although the country performed better than Ukraine and Moldova on business climate. Azerbaijan was placed joint second for Sustainable Development, reflecting the low level of pressure on the environment and positive indicators of sustainable economic growth.

Belarus ranked fifth in *Linkage*, where it was joint fourth for International Security, Political Dialogue and Co-operation, with a far lower level of political dialogue than any other EaP country. Belarus took sixth place in Sectoral Co-operation and Trade Flows. Due not least to the high number of students and other applicants for visas to the EU, Belarus was better placed – fourth – in Citizens in Europe.

Placed sixth in *Approximation*, Belarus has the worst record in Deep and Sustainable Democracy, including sixth place for independent media, and – along with Azerbaijan – for freedom of speech and assembly. Belarus also featured in last place for EU Integration and Convergence, although it fared better than Ukraine and Moldova on business climate. Belarus was placed joint fifth on Sustainable Development.

MOLDOVA

GEORGIA

UKRAINE

2015-2016

APPROXIMATION



2015-2016

LINKAGE



ARMENIA

AZERBAIJAN

BELARUS

2015-2016

APPROXIMATION



2015-2016

LINKAGE



MOLDOVA

GEORGIA

UKRAINE

APPROXIMATION



0.71

DEEP AND SUSTAINABLE DEMOCRACY
(DEMOCRACY AND HUMAN RIGHTS)

0.71

0.70



0.69

EU INTEGRATION AND CONVERGENCE

0.66

0.70



0.78

SUSTAINABLE DEVELOPMENT

0.64

0.77

ARMENIA

AZERBAIJAN

BELARUS



APPROXIMATION

DEEP AND SUSTAINABLE DEMOCRACY
(DEMOCRACY AND HUMAN RIGHTS)

0.58

0.32

0.28



EU INTEGRATION AND CONVERGENCE

0.66

0.57

0.42



SUSTAINABLE DEVELOPMENT

0.81

0.78

0.64



MOLDOVA

GEORGIA

UKRAINE

LINKAGE



INTERNATIONAL SECURITY, POLITICAL DIALOGUE AND CO-OPERATION



0.71

0.76

0.78

SECTORAL CO-OPERATION AND TRADE FLOWS



0.61

0.56

0.64

CITIZENS IN EUROPE



0.72

0.66

0.46

ARMENIA

AZERBAIJAN

BELARUS



LINKAGE



INTERNATIONAL SECURITY, POLITICAL DIALOGUE AND CO-OPERATION

0.45

0.31

0.48



SECTORAL CO-OPERATION AND TRADE FLOWS

0.39

0.50

0.35



CITIZENS IN EUROPE

0.57

0.46

0.54



DEEP AND SUSTAINABLE DEMOCRACY (DEMOCRACY AND HUMAN RIGHTS)

MOLDOVA



0.71

GEORGIA



0.71

UKRAINE



0.70

DEMOCRATIC RIGHTS AND ELECTIONS,
INCLUDING POLITICAL PLURALISM

0.72

0.68

0.59

HUMAN RIGHTS AND PROTECTION AGAINST TORTURE

0.70

0.72

0.77

ACCOUNTABILITY

0.82

0.74

0.74

INDEPENDENT MEDIA

0.64

0.69

0.63

FREEDOM OF SPEECH AND ASSEMBLY

0.70

0.72

0.85

INDEPENDENT JUDICIARY

0.71

0.63

0.80

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

0.79

0.68

0.75

RULE OF LAW AND FIGHTING CORRUPTION

0.70

0.92

0.59

PUBLIC ADMINISTRATION

0.61

0.59

0.58

ARMENIA

AZERBAIJAN

BELARUS



0.58

0.32

0.28

DEMOCRATIC RIGHTS AND ELECTIONS,
INCLUDING POLITICAL PLURALISM

0.43

0.06

0.15

HUMAN RIGHTS AND PROTECTION AGAINST TORTURE

0.64

0.33

0.05

ACCOUNTABILITY

0.66

0.45

0.40

INDEPENDENT MEDIA

0.53

0.23

0.22

FREEDOM OF SPEECH AND ASSEMBLY

0.46

0.00

0.00

INDEPENDENT JUDICIARY

0.74

0.41

0.34

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

0.47

0.41

0.31

RULE OF LAW AND FIGHTING CORRUPTION

0.67

0.49

0.63

PUBLIC ADMINISTRATION

0.63

0.49

0.43



PARTNERS



DONORS

