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REVIEWING THE EUROPEAN NEIGHBOURHOOD POLICY: a weak response to fast changing realities

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On an early morning flight at the end of January, heading to Brussels to discuss with his colleagues the EU's response to popular uprisings in Tunisia and Egypt, the Swedish Foreign Minister Carl Bildt tweeted that the issue at stake was whether the EU can really be a force for reforms and the rule of law in its neighbourhood¹. A Joint Communication of the European Commission and the External Action Service, published on 25 May, aims to address this question by proclaiming the need for a "A new response to a changing neighbourhood". This was also one of the issues on the agenda of the meeting of the EU Heads of State and Government on 24 June, and will soon be addressed by the European Parliament. Is it going to make nay difference this time?

The warm and mostly uncritical relations maintained for decades by the European governments with most of their authoritarian governments in North Africa and the Middle East, together with the hesitant response when the first protests erupted, have seriously compromised the EU's credibility. In the Eastern Neighbourhood, which comprises countries from the Eastern Europe and the Caucasus, the EU's attractiveness has also been eroded. The EU has been reluctant to offer a membership perspective, the hopes of the coloured revolu-

tions have vanished and none of the Eastern neighbours are currently firmly on a path of democratic reforms, with the potential exception of Moldova. To put it bluntly, in the form of Lukashenka and Aliev, the East has its own Ben Alis and looks increasingly like the Southern Mediterranean before the revolts².

Since 2004, the EU has placed under a single policy umbrella, the European Neighbourhood Policy (ENP), its relations with this large and heterogeneous ring of countries that ranges from Morocco to Belarus and comprises exceptional situations like Palestine. These countries have differing political and economical relations with the EU and some of them are involved in open or latent conflicts, either internally or with each other. Most importantly, however, they have completely different expectations as regards the kind of relations they would like to have with the EU.

The official aim of the ENP is to promote reforms and even harmonisation with the EU norms and legislation in both the political and economic fields while the undeclared goal may be described as consolidating an area of political, economical and even cultural European influence in its southern and eastern borderlands. As to the policy results, there is an overall agreement among experts and practitioners alike that if

1. Bildt, C, "Very early from Stockholm to Brussels. Can EU really be a force for reforms and the rule of law in its neighbourhood? That's the issue now", 31.01.2011 06:51 via Twitter for iPhone.

2. Popescu, N, "Of Eastern and Southern Neighbours" <http://blogs.euobserver.com/popescu/2011/02/14/on-eastern-southern-neighbours/>, 14 February 2011

not an outright failure the results are at least rather disappointing. The EU policy has failed to bring about progress in its neighbourhood, and we have observed the inadequacy of its tools to favour political, social and institutional reforms. The EU's attractiveness, particularly in the South, has also diminished due to the emergence of new global powers, the divisions among Member States, and the projection of a "Fortress Europe" image. The Arab revolts have only made more evident the shortcomings and contradictions of this policy approach.

Both a structural and contextual factors force the EU to adapt the EU policies in its Eastern and Southern Neighbourhoods. This is the main aim of the ENP review process, which contrary to the wide-spread misconception, did not result from the Arab uprisings but has been in-built since the establishment of this policy and carried out on a regular basis. An internal evaluation had already taken place in 2007, and the current one started in May 2010, well before the Arab Spring. Yet, the situation in the EU's Southern

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Neighbourhood has made this policy review unarguably more pertinent and what could have been otherwise a technical and bureaucratic assessment has become a political exercise.

Here we attempt to identify whether the European institutions are addressing the structural problems of the ENP, on the one hand, and, on the other, if the changes proposed are meeting the demands of both a fast evolving situation in its Southern Neighbourhood and the worrying ongoing stagnation and/or retreat from democracy in the post-Soviet space. We believe that the EU is still a prisoner of its bureaucratic mindset and selfish national interests, and that a more robust leadership and political vision is needed. Unless the EU provides a strong political message, which results from honest self-criticism, and is accompanied by larger and better assistance, the EU will condemn itself to be irrelevant in front of the huge challenges that are ongoing at its borders.

Our analysis is based on the conviction that the revision of the ENP should address the long identified structural shortcomings of this policy: lack of incentives, resources, and benchmarking as well as vague conditionality. Many critics have also cited excessive focus on governmental cooperation and insufficient engagement with and support to civil societies. Above all, we challenge the idea that placing such different regions as the Mediterranean, the Eastern Europe and Southern Caucasus within the same institutional framework can meet the aspirations of any of the partners.

The assistance-based approach of the ENP review

This review process has been driven by three main factors: the adaptation to the post-Lisbon institutional setting, which creates more opportunities for external policy coherence; the need to address the flaws that have emerged in the implementation of the ENP and the pressing need to react to the changing realities in the turbulent Southern Mediterranean. The title of the Commission/EEAS Joint Communication "A new response to a changing neighbourhood" suggests a bold policy-shift and a fresh approach. This is, however, not backed up by the contents of the proposal. The paper is a good reflection of the current state of affairs within the EU, its internal divisions, the chronic lack of ambition, and the need to focus on its own economic problems. As such, the text focuses on technical tweaking rather than proposing political breakthrough. Understandably driven by the revolutions in the Southern Mediterranean, the focus of the paper lies there with little new on offer to the East.

All in all, the EU offers to both Southern and Eastern neighbours more differentiated relations based on stronger conditionality, increased and more flexible funding and some perspectives for visa-facilitation and market access. In addition, the Commission suggests the creation of new tools for engaging with the civil societies and promoting democracy.

Greater economic integration is foreseen through extending the offer of the negotiation of Deep and Comprehensive Free Trade Areas (DCFTA) to all neighbours, not only with the Eastern ones. DCFTAs present a high level of approximation with the EU's internal market, and could be considered an attractive offer, if the non-conclusive results from the only launched negotiations with Ukraine were not so discouraging as regards the EU's commitment to offer tangible results. On the other hand, the Communication proposes to facilitate mobility towards the EU, by putting forward a visa-free perspective, albeit in a non-committal manner, to Eastern neighbours and breaking the taboo of visa facilitation with the Southern Mediterranean. This two offers are at the core of the communication and are relatively new for Southern Partners but less so for post-communist countries, for whom both elements are already part and parcel of the Eastern Partnership package. Indeed, as far as the post-Communist countries are concerned, the most ambitious part of the document ends with the promised "new response" that appears in the title.

As to the funding, the Commission has already announced that an additional sum of €1.24 billion will be made available for the European Neighbourhood Policy (ENP), increasing the EU's support to its partners in the South and the East to nearly €7 billion over the next two years.³ The current balance of approximately two thirds to the South and one third to the East is

3. ENPI Info Centre News "Barroso announces extra 1.2 billion for Europe's neighbours", http://www.enpi-info.eu/main.php?id_type=1&id=25296&lang_id=450, 25 May 2011

most likely to be kept. While the increase in the funding can be welcome, the ENP will unarguably remain severely underfunded, particularly considering the pressing needs of the Southern Mediterranean economies. The so-called “more-for-more” also seems to imply “less-for-less” for countries where reform is not taking place. All in all, the Communication seems to recognise that since the need to make better use of the EU funds.

Accordingly, more concrete criteria, against which the progress in the neighbouring countries is going to be assessed, are introduced. The level of EU assistance is adapted according to the results achieved in the following areas: free and fair elections, freedom of association, expression and assembly, free press and media, independence of the judiciary, fight against corruption and democratic control on armed and security forces. This can definitely be seen as a step in the right direction. Yet, it remains unclear how this kind of conditionality will be applied in practice and whether this will result in clear and measurable benchmarks. Attaching strings to the support is made even more difficult by the inflexible programming process of the EU aid. Furthermore, an overwhelming part of the aid, particularly in the Southern Mediterranean but increasingly more in the East, is donated via budget support. While this method provides more ownership and potentially also increased capacities of partner governments, it also creates fiduciary risks, especially corruption. There is an overall agreement among experts that budget support requires a well functioning public financial management system to be effective, which most partners lack.

Another novelty is introduced in the form of “mutual accountability”, an aid concept that aims to bring about more mutual trust and aid effectiveness, involving a shared agenda, a monitoring framework, and a process comprising dialogue and negotiation.⁴ Enlargement Commissioner Stefan Füle has promised to the European Parliament that the EU will too be held accountable, if it fails to deliver what partners have requested, i.e. when it does not live up to its promises as regards giving privileged market access or more favourable conditions for mobility.⁵ However, this raises the question of how such accountability would be enforced and who would decide whether the EU has misbehaved or not? Would this be provided by self-control or would there be an external mechanism? Considering the strong asymmetry in the power relationship between EU and partner countries, an event of the EU being held accountable seems rather unlikely.

Addressing the criticisms of the overtly governmental approach of the ENP, the Communication suggests strengthen-

ing cooperation with non-governmental organisations by establishing civil society partnerships in all partner countries. The support is to be made accessible through a new Civil Society Facility, a tool inspired by a similarly called instrument that has been in place in the Western Balkans since 2008. The Polish idea of creating an EU version of a US-style European Endowment for Democracy (EED) “to help political parties, non-registered NGOs, trade unions, and other social partners” is also put forward. It is unclear from the text what the contents of these proposals will be, or how the responsibilities will be divided amongst the already existing European democracy promotion instruments, such as Instrument for Democracy and Human Rights (EIDHR). EIDHR is a financial instrument that has been used to support democracy and human rights in the neighbourhood since 2007, albeit without much tangible success. Apparently a separate concept is currently being drawn up by the EEAS which should shed some light on the operational side of the proposals as well as on how synergies will be created among the plethora of the new and old instruments.

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Baby-steps towards a more political approach

EU institutions aim to carefully address the structural problems that have become painfully evident during the Arab revolutions that put the EU’s new Lisbon foreign policy institutions to a tough test. The new coordination mechanisms are yet to produce a more unified foreign policy. The Communication recognises that the lack of coordination and contradictions between the external policies implemented by the EU and its member states, in particularly as regards the EU’s evolving Common Foreign and Security Policy (CFSP), are one of the main obstacles for greater European impact in the international arena. With a view to solving the problem and intensifying political and security cooperation with the neighbours, the Communication proposes three lines of action: enhancing EU involvement in solving protracted conflicts, making joined-up use of the CFSP and other EU instruments, and promoting joint action with ENP partners in international fora on key security issues.

An increased concerted action by the EU and its member states would be particularly important in the field of conflict resolution. The neighbourhood as a whole faces a number of different types of conflicts both within and between states. The four unresolved conflicts (Abkhazia, South Ossetia, Transnistria and Nagorno-Karabakh) in the Eastern neighbourhood and the Middle East and Western Sahara conflicts in the Southern neighbourhood, in particular continue to con-

4. Definition derived from OECD Issues Brief on “Mutual Accountability”, June 2009

5. Stefan Füle European Commissioner for Enlargement and European Neighbourhood Policy Presentation of the European Neighbourhood Policy Review to the European Parliament AFET European Parliament Brussels, 25 May 2011

stitute serious security challenges, and are the main obstacles to economic and political progress and regional integration. Despite some progress, until now, several factors have prevented the EU from achieving significant participation in conflict prevention and resolution processes, including its own internal institutional divisions, the scarce resources available for deployment, the absence of the required political will on part of its member states to allow for such a role, as well as on part of other actors to cooperate with the EU in this context.⁶

The above challenges cannot be solved within the framework of the mainly assistance-gearred, normative ENP reform agenda, and need a wider political answer from the member states. Beyond the ENP review, Member States are also discussing the creation of a task-force to monitor political developments in the Arab countries as well as the appointment of a Special EU envoy for the Southern Mediterranean. It remains to be seen if the current leadership, both in the EEAS and among member states, will have the political will,

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capacity and the means to provide for coherent and consistent external action. The EU's confused reaction to the Libyan turmoil, to the brutal repression in Syria and to the politically motivated imprisonments in Ukraine are a litmus test for the EU's credibility as a coherent international actor.

Mixing oranges with apples

The Commission has been heralding its "more-for-more" approach as a groundbreaking step towards more policy differentiation. This is rather similar to the previous rhetoric of "tailor-made" approaches. The substance of reform programmes have since the beginnings of the ENP been decided between the EU and its partners on a bilateral basis, and also the majority of the accompanying assistance has been channelled in such a way. In the current circumstances, even more differentiation is the only effective way to deal with

such diverse situations, as it allows more flexibility for the EU to promote reform when a partner has such ambition and willingness, and provides the mechanism to downscale the cooperation when there is none.

The next step should be to combine this country-to-country tailoring with a similar approach to accommodate differences at the regional level. One of the key features but also one of the main criticisms of the ENP is that it brings Southern and Eastern partners together in the same institutional framework, thereby mixing so-called "European neighbours" and the "neighbours of Europe". The current document does not foresee any moves towards the de-coupling of the policy, a recurrent idea in the previous 2007 review process which led to the creation of the Eastern Partnership and the Union for the Mediterranean. The ENP will remain a policy that brings together both Eastern and Mediterranean partners under the same institutional umbrella. The transposition of the policy tools from the East to the South means converging EU approaches towards these two regions.

As regards the Eastern partners, the Communication mainly reiterates its earlier Eastern Partnership proposals and, as said above, makes more concrete its offer for more mobility and trade in exchange for more political reform. Overall, the references to the Eastern neighbours in this document seem to be aimed at pacifying those who fret that both

the funding and political attention will be diverted towards the Mediterranean.

Unlike the Southern Neighbourhood countries, Eastern neighbours, fall under article 49 of the Treaty on European Union that stipulates that "any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union". Although the attractiveness of the EU has clearly lessened in comparison to the 1990s and the beginning of 2000, many of the Eastern neighbours are still hoping to join the EU at some stage (e.g. Moldova, Ukraine, Georgia). Previous enlargements and the lessons learnt from the implementation of the ENP prove that partners are reluctant to undertake unpopular and costly reforms without the EU membership carrot.⁷ The fact that the Commission has not been ready to put this powerful incentive on the table even as a long-term objective, is a testament to enlargement fatigue among its member states.

Southern Mediterranean countries, are neither covered by the above-mentioned Treaty article nor aspiring to EU membership and, consequently, the current "enlargement-light"

6. See for example Herrberg A. & Gogolashvili K. "The ENP and Conflict Resolution in Georgia", http://reliefweb.int/sites/reliefweb.int/files/reliefweb_pdf/node-329027.pdf, Crisis Management Initiative, Tbilisi, 2009 and Wolff, D. and Whitman, R. "Conflict Resolution as Policy Goal under ENP in the Southern Neighbourhood", <http://www.stefanwolff.com/files/ENP.pdf>.

7. Kelley, J. "New Wine in Old Wineskins: Promoting Political Reforms Through the ENP", pp36-37

approach does not resonate in most Arab capitals. Further, the conceptualisation of the ENP which aims to promote convergence and harmonisation with the EU rules and practices was seen, in countries such as Egypt or Algeria, as a step back from the Barcelona Process model in which they felt to be treated on a more equal basis. In view of the political changes taking place in the region, the EU seems to have returned to a pre-ENP understanding of partnership with the Mediterranean neighbours, once more proposing a vague “partnership for democracy and shared prosperity” to those countries that enter into democratic transitions or are able to pursue far-reaching political reform.

The above-mentioned criticism does not mean that we see no value in ENP framework. Indeed, the ENP methodology has two virtues - policy continuity and consistency. Yet, the policy will continue to be widely contested and will fail to achieve its aims if it does not provide a more tailored bilateral approach to accommodate the geopolitical realities and the countries’ needs, which could be continued to be accompanied by differentiated regional strategies and multilateral regional or sub-regional programmes.

Conclusion: opportunities missed?

As already could be anticipated by the tone of the 25 May and 8 March Communications, neither the Foreign Affairs Council Conclusions of the 20th June, nor the 24th June European Council brought a strategic and visionary breakthrough. There are no big changes in terms of goals and framing of the ENP apart from new terminologies, technical fine-tuning and a greater emphasis on civil society. *Grosso modo*, the ENP will continue to focus on trade liberalisation and to attempt to promote or consolidate reform in the partner countries through gradualist engagement. The idea of “more for more” and “less for less” has become a simplified way of expressing that those countries that are moving forward in its reform process need supplementary aid while where there is no progress or setbacks, the EU has to reduce its support. Yet, it is unclear how these new tools and mechanisms will be applied in practice. Also, it is unlikely that the bit of more mobility and trade for political reform, in the absence of strong incentives such as the membership carrot or visa facilitation, would in practice motivate the partners to undertake costly and unpopular reforms.

More important than what the documents say, is what is missing: self-criticism and political, strategic thinking, which would translate the EU’s vision of its neighbourhood into reality. In recent speeches, both President Obama and Prime Minister Erdogan have acknowledged that the US and Turkish policies towards the Arab countries failed to go beyond self-interest and promised a policy-shift to respond to the democratic aspiration of the Arab peoples. Nothing of this kind has been heard from Brussels, Paris, London or Madrid.

It is high time for the EU and its member states to publicly recognise that its policies towards the Mediterranean have been driven by short-term security interests and status quo maintenance at the expense of democracy and human rights. The EU needs to make sure that it avoids the same mistakes in the Eastern Neighbourhood.

ENP’s gradualist logic should be fitted into a wider foreign policy strategy for the EU’s neighbours in order to make the most of the opportunities offered by a wide array of tools available to the EU (trade, development assistance, CFSP). This new foreign policy strategy should be based on a long-term vision for dealing with EU’s neighbours. The new foreign policy strategy should define a long-term vision for dealing with the EU’s neighbours, including defining the interests of the EU and their partners. The policy should further clarify the strategic finality of the relations but also short-term and medium-term strategies to react to a wide range of current and potential scenarios, such as political transitions, promises of reforms, political stagnation, harsh

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repression and mass-scale violation of human rights and/or open or latent conflicts. It goes without saying that such a shift would need maturity from the European leadership and also imply more institutional changes for which there is currently little appetite.

Instead of continuing to give new and fancy labels to ENP conventional approaches, which create false expectations, realistic and differentiated political strategies should be established for the South and for the East. These should be based on a strong bilateral component, complemented by existing regional programmes, and developed through the same methodology and through a single financial package.

The Arab uprisings should herald a new phase of the EU’s relations with the Southern Mediterranean partners, the exact form of which can only be defined through negotiations with legitimate and democratically-elected governments. The fact that the latter are not yet in place does not mean that the EU should not start defining the priorities that will guide its relations with its neighbours as well as adjusting the instruments that the EU will be ready to deploy to achieve these goals. Quite the contrary.

As for its Eastern neighbours, the EU should not be satisfied with the scope of the policy review conducted until now and

needs to come back to this issue by the Eastern Partnership Summit. The Eastern neighbourhood is clearly far from being the focus of the papers produced for the ENP review, and therefore, it is also not surprising that the Communication largely reiterates what has already been offered under the Eastern partnership in 2009. Moreover, by issuing a special statement on the Southern Neighbourhood, the European Council confirms that the EU is focused on the South and that the East is sliding off its top agenda. Thus, as much as the EU needs a clearer vision for the Mediterranean region, the Eastern Neighbourhood should be the object of a specific in-depth analysis on why has the reformist processes stagnated and whether the EU could have a critical role in preventing the kind of political deterioration that the Arab countries have experienced for decades.

The way in which the EU is reacting to the fast and unprecedented changes in its neighbourhood lacks ambition and projects the EU's own strengths and weaknesses. Among

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the strong points, the Commission's technical competence, a wide range of instruments and a historical memory stand out, allowing the EU to learn from previous failures and successes. Yet, the structural problems of a self-absorbed EU, overshadow its competence and limit its capacity to become a force for change in the neighbourhood, as requested by the Swedish Foreign Affairs Minister. The European Council of the 24th June could have given a political answer to a new neighbourhood, as late as six months after the first uprisings in Tunisia. Instead, it fell short of doing so as it was bound to focus on EU internal problems such as the Greek bailout and the potential collapse of the Schengen system.

North Africa and the Middle East have changed its face after the political upheaval ignited by the Mohamed Bouazizi's protest suicide in Tunisia. The coming months will bring even more challenges, definitively reshaping the EU's Southern neighbourhood: elections and referendums in Morocco, Tunisia, Egypt and Palestine, the UN vote on a Palestinian State recognition foreseen for September, conflict and repression in Syria, Libya, Bahrain and Yemen. By delaying a strategic response to this political and social tsunami, the EU may be running out of time if it aims to keep its influence and credibility among its neighbours. Others, no doubt, will seek to fill the void.