

POTENTIAL AND LIMITS OF EU POLICIES IN THE NEIGHBOURHOOD

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SUMMARY

Contrary to the premises on which it was launched back in 2003, the European Neighbourhood Policy (ENP) has underperformed in many ways. While democratisation in Eastern Europe has lapsed, a number of Southern Mediterranean countries overthrew their ruling autocrats, but the EU had no role in that. The EU revised the ENP in 2011, but the revision looks unimpressive. In particular, conditionality appears unlikely to work in countries where reforms have been an endogenous product.

New challenges have also emerged from the new economic and strategic context. Internally, the crisis has absorbed significant energy and resources, plus Member States tend not only to bypass common external policies, but possibly stand in the way of implementing Lisbon Treaty foreign policy provisions. Externally, other actors have emerged in the EU neighbourhood, while neighbouring countries and their citizens no longer necessarily look at the EU as a model and final foreign policy goal.

The EU should adopt a political, not technocratic approach to its periphery, get Member States to support common policies, and seek ad hoc cooperation with new powers in the area, like Turkey. A strategic and proactive approach to the neighbourhood is needed, one that looks at the opportunities for the EU, and not just at the challenges and threats.

This Policy Paper is part of a series entitled "[How to make out of the EU's vicinity an opportunity for the EU itself?](#)" which also includes contributions by Haizam Amirah Fernández (Elcano Royal Institute, Madrid) and Timo Behr (*Notre Europe – Jacques Delors Institute*, Paris), Adam Balcer (demosEUROPA, Warsaw), Christopher Hillion (SIEPS, Stockholm) and Lucia Najšlová (Europeum, Prague), Věra Řiháčková (Europeum, Prague), Olga Shumylo-Tapiola (Carnegie Europe, Brussels).

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Carnegie Europe, CCEIA, CER, CEPS, demosEUROPA, ECFR, EGMONT, EPC, Real Instituto Elcano, Eliamep, Europeum, FRIDE, IAI, Notre Europe – Jacques Delors Institute, SIEPS, SWP.

Four other series of Policy Papers deal with key challenges on defence, strategic resources, migrations and economic policy. The final report presenting the key recommendations of the think tanks will be published in March 2013, under the direction of Elvire Fabry (*Notre Europe – Jacques Delors Institute*, Paris).

Introduction

When the European Neighbourhood Policy (ENP) was launched by the European Union in 2003 to provide a coherent and overall framework for relations with all the countries in its periphery, the Union and its surroundings looked different. Internally, the historical Eastern enlargement of 2004 was soon to be finalised and a Convention on the future of Europe was drafting the text of a “Constitution for Europe”. Building on the positive experience of enlargement to the Central and Eastern European countries (CEECs), the EU wanted to extend the same method to all the countries at its eastern and southern borders. Externally, except for the strong presence of the United States in the Middle East, who were nonetheless facing problems in Iraq and Russia, no other major powers were active in the EU’s neighbourhood. As a result, the EU cultivated the idea that it was the only player in town. Less than 10 years on, the situation has completely changed. Internally EU Member States and citizens have been facing the most difficult crisis since its inception, a crisis that is not only economic but also political and institutional. Therefore, much political energy and many resources have been devoted to trying to cope with it, in a process that is far from completion. Externally, the ENP has not proved successful and, paradoxically, when Southern Mediterranean countries overthrew the autocrats, this was done without the EU. On the contrary, the situation in the East has gravely deteriorated, particularly in a key country like Ukraine, which seems to be shifting from Brussel’s orbit into Moscow’s.

The Policy Paper will examine how the ENP, revised in 2011, has delivered so far and whether it is up to the manifold current challenges facing the EU in its neighbourhood, as a result of the new strategic context and its internal problems. Finally, some policy recommendations will be put forward on how the EU could improve its action in its periphery.

1. An overall evaluation of the ENP and of its 2011 revision

A thorough evaluation of the ENP is not a simple task, as this policy includes as many as 16 countries and covers a wide range of policy areas (political dialogue, values, governance and democracy, trade, economic cooperation, energy, transportation, culture, people-to-people contacts). According to the European Commission (now together with the European External Action Service, EEAS), which carries out on an almost yearly basis a detailed evaluation of how the ENP has scored with reference to different countries and sectors, the overall result was positive. The latest of these documents,¹ released in May 2012, claimed that the EU has responded with determination to a fast-changing situation in its neighbourhood and notably increased funding for ENPI countries by more than €1 billion for the period 2011-2013. It also re-oriented assistance to these countries through new programmes: SPRING for the Southern Neighbourhood and EaPIC for the Eastern Neighbourhood.

“ THE STRICT ENFORCEMENT OF BOTH POSITIVE AND NEGATIVE CONDITIONALITY IS LIKELY TO INCREASE FRAGMENTATION ”

The point is that this evaluation focused on input, while neglecting output. In fact, one might wonder: have the abovementioned additional funds been spent effectively? What was the result? The approach outlined in the 2011 ENP revision is not a radical departure from ENP principles, but rather a re-examination of them following the Arab Spring. Besides the commitment to a substantial rather than a formal concept of democracy when dealing with its neighbours, the EU set out to reinforce its approach based on conditionality (a term that, interestingly, never appears explicitly in EU documents, possibly to avoid accusations of political imperialism).² The stricter enforcement of both positive and negative conditionality also means a stronger differentiation between ENP countries, which in turn is likely to increase

1. European Commission and High Representative of the EU for Foreign Affairs and Security Policy, *Joint Communication on Delivering on a new European Neighbourhood Policy*, JOIN(2012) 14 final, Brussels, 15.5.2012.

2. European Commission and High Representative of the EU for Foreign Affairs and Security Policy, *Joint Communication on a New Response to a Changing Neighbourhood. A review of European Neighbourhood Policy*, Brussels, COM(2011) 303, 25.05.2011.

fragmentation, especially in Southern Mediterranean countries that are seemingly following very different political trajectories post-Arab Spring. Besides the practical problems of implementing conditionality, a political dilemma stands out: positive conditionality can only be applied to countries that have gone through a regime change, like Tunisia, or are experiencing an endogenous process of reform, like Morocco.³ However, in these same countries the awareness that the political change has been triggered from within and not from outside is likely to generate a negative reaction to the application of conditionality.⁴ On the contrary, where authoritarian regimes continue to have the upper hand, like in Algeria or the Gulf countries, the EU is either unable or unwilling to use (negative) conditionality;⁵ sanctions against Syria are the only notable exception throughout the EU neighbourhood.

“THE OVERALL DETERIORATION OF THE EASTERN NEIGHBOURHOOD ILLUSTRATES THE EU’S INEFFECTIVE USE OF TRADITIONAL ENLARGEMENT-LITE POLICY”

If we shift our attention from the South to the East, the situation is different, but certainly not better. The recent parliamentary elections in Belarus, held on September 23rd 2012, were neither free nor fair, and resulted in an unsurprising landslide victory for the candidates supporting President Lukašenko. It is of little consolation that even without major rigging, Lukašenko’s supporters would have won anyway. Elections in Georgia, held on September 30th 2012, were genuinely democratic and the opposition ousted the incumbent President Saakashvili after nine years in power. However, the overall picture of the Eastern neighbourhood is rather grim. Take Ukraine, for example: relations between the biggest and most important of Eastern neighbours and Brussels have recently “reached their lowest point yet”,⁶ and may, following some possible new moves by Kiev, come to a “complete deadlock”. Here, the former Prime Minister Yulia Tymoshenko is in jail as a result of a sentence that has clear political motivations. Ultimately, conditionality has not worked even with this country, which some years ago looked set to embark on a democratic process following its own Orange Revolution. The overall deterioration of the situation in the Eastern neighbourhood speaks to the difficulty for the EU to be effective by using its traditional enlargement-lite policy. Given this background, the 2011 revision of the ENP looks like a sort of rebalancing of the Eastern and Southern dimensions.⁷ Indeed, the offers that the EU had made to Southern Mediterranean countries following the Arab Spring were those already being offered to Eastern neighbours.

2. Internal and external challenges to EU action in its periphery

The revised ENP is now more balanced between the East and the South, and also more prone to bilateralism than multilateralism, but what about strategic considerations? What is its added value? As is usually the case in European foreign policy, forging a formally common policy or position is given priority over the effectiveness of such a policy/position. The ENP has had the merit of creating a single framework for relations between the EU and all its members, with the result that Northern EU Member States had to deal with the Mediterranean and Southern European States had to deal with Eastern Europe and the Caucasus. The flip side, however, is that the ENP has often come to represent only the minimum common denominator among the different positions taken by Member States. In fact – and this is particularly apparent in the Mediterranean – on the one hand there is the ENP, that is mainly dealt with in a technocratic way by the Commission/EEAS, and on the other are the Southern European States (Italy, Spain, but above all France), which have their own policies and can count on many resources.⁸ The tendency toward re-nationalisation is not limited to the ENP but constitutes a more general trend affecting all areas of European foreign policy. Enlargement has also been

3. N. Tocci, “A Trilateral EU-US-Turkey Strategy for the Neighbourhood: The Urgency of Now”, *IAI Working Papers*, 12 | 08 – March 2012, p. 12.

4. R. Balfour, “Changes and Continuities in EU-Mediterranean Relations After the Arab Spring”, in S. Biscop, R. Balfour and M. Emerson (eds), *An Arab Springboard for EU Foreign Policy*, Gent, Academia Press, January 2012 (*Egmont Papers No. 54*).

5. N. Tocci, *cit.*, p.12.

6. O. Shumylo-Tapiola, “The EU’s Plan B for Ukraine”, *Commentary*, Carnegie Endowment for International Peace, 14.05.2012.

7. M. Comelli, “The Impact of the Changes in the Arab World on the Southern Dimension of the ENP”, *International Issues & Slovak Foreign Policy Affairs*, Vol. XX, No. 2, 2011, pp. 54-70.

8. N. Witney and A. Dworkin, “A Power Audit of EU-North Africa Relations”, *European Council for Foreign Relations*, September 2012.

exposed to a “creeping nationalisation”⁹ and is characterised by a dual approach: on the one hand, official EU declarations reaffirm that the process continues, while on the other Member States stall the advancement of negotiations. This is exactly what happened in the case of Turkey’s accession negotiations. At least in the case of the western Balkan countries, divisions among EU Member States concern the “when” and “how”, not the “if”. In other words, while some Member States do have reservations about Turkey joining the EU, no EU country opposes the entry of western Balkan countries, although positions over the application of conditionality and the timing of the process largely differ.

This renationalisation of foreign policy and external relations in the post-Lisbon Treaty era appears paradoxical given that it is happening just as the long sought after Lisbon Treaty innovations have finally entered into force. It seems that European foreign policy after the Lisbon Treaty is like the young officer Drogo, the main character of Dino Buzzati’s masterpiece “The Tartar Steppe”: when the Tartar invaders, who he has waited for all his life, finally come, he is no longer able to fight them and must abandon the battlefield. Examples of non-use of the Lisbon foreign policy provisions abound. The United Kingdom has stubbornly objected to the full application of the treaty when it came to the rights of EU delegations to negotiate and represent the EU when the topic at hand is a shared competence. Spain refrained from facilitating the implementation of the foreign policy provisions of the Lisbon Treaty and behaved as if nothing had changed, convening important international meetings, while failing to make any reference to Mr. Van Rompuy, the newly elected President of the European Council.¹⁰ In particular, all the legal and institutional provisions aimed at ensuring more vertical coherence (between Member States and the EU) and horizontal coherence (between different EU institutions and notably between the intergovernmental Common Foreign and Security Policy (CFSP)/Common Security and Defence Policy (CFSD) and supranational external action), have been seriously neglected.

Both the EU and its Member States have devoted significant energy and resources to solving a eurozone sovereign debt crisis that is far from over. For over two years, the eurozone crisis has been given priority over all other issues, as evidenced by the agenda of the European Council summits over this period of time. A more introverted EU is not only less capable of performing well externally, it is also overlooked by other countries. Moreover, the well-known soft power of the EU, its model of democratic governance and generous welfare systems are indeed at risk. This has been clearly perceived outside of the EU, and citizens of candidate and neighbouring countries are becoming more and more critical towards this model. To put it bluntly, they wonder whether this crisis is on their own political and economic horizon and if it is worth carrying out EU-induced reforms if the end result is so poor. At the same time, new actors at the doorstep of the EU like Russia, Turkey and even China have become more active. For all its talk of strategic partnerships and all the elaborate legal and political frameworks regulating its relations with these countries, the EU has not yet developed a clear idea of how to deal with them within its common neighbourhood. The situation has changed a great deal since the early 2000s and the EU should take into account the potential benefits of its relationship with these countries. Of course, some stakeholders have a very different worldview of international relations than that of the EU and it will be difficult to deal with that. Thinking in terms of sphere of influence, as Russia does, is not in the EU’s DNA, but specific co-operation should be attempted, notably so within the context of the unresolved conflicts in Eastern Europe and the Caucasus. Stronger chances of a fruitful cooperation in the common neighbourhood exist with Turkey, a country whose foreign policy tenets are more similar to those of the EU.

9. C. Hillion, “The Creeping Nationalisation of the EU Enlargement Policy”, *Swedish Institute for European Policy Studies (SIEPS)*, 2010:6.

10. C. Gebhard, “Coherence”, in C. Hill and M. E. Smith, *International Relations and the European Union*, Oxford: Oxford University Press, 2011.

3. Policy recommendations

In conclusion, in order to strengthen its neighbourhood policy, the EU should:

- Although the crisis has acquired central stage and absorbed many energies, the EU should develop a comprehensive and strategic approach to its neighbourhood, aimed at benefiting from its opportunities and not just facing the challenges stemming from the area;
- Follow a more political and less technocratic approach towards its neighbours: enlargement-lite strategies and conditionality have often underperformed and currently they are even less effective. Therefore, new concepts and practices of co-operation are needed;
- The bilateral relations of the EU with specific countries and regions in the neighbourhood should be made more coherent with each other in order to reinforce synergies;
- Launch specific forms of co-operation with other important actors in its neighbourhood, in particular with Turkey; beyond its borders the EU is not the only player in town beyond. Both actors share the objectives of achieving stability, security and prosperity in their neighbourhood. Specific forms of co-operation should also be launched with Russia, in particular towards finding a solution to the so-called frozen conflicts in Eastern Europe and the Caucasus;
- Optimise the use of funds channelled through the European Neighbourhood and Partnership Instrument (ENPI) and the new programmes and make sure that the money reaches civil society organisations and is directed to economic and social development.

Contributions to the TGAE series: “How to make out of the EU’s vicinity an opportunity for the EU itself?”

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