

## THE EUROPEAN NEIGHBOURHOOD POLICY: A CRITICAL ASSESSMENT

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### **ABSTRACT**

*The European Neighbourhood Policy (ENP) which can be viewed as the most significant geopolitical project of the European Union (EU) after 2004 enlargement, also constitutes one of the key issues of the external agenda of the Union. The ENP is a new policy initiated in 2003 and implemented in 2005 and it offers a new partnership between the enlarged EU and wider Europe, the latter including both the EU's old Southern neighbours and the new Eastern ones as well as the Southern Caucasus countries. Central to this partnership is the notion of shared values, economic benefits, cooperation against security challenges or simply said, sharing everything but institutions. Indeed, what the ENP offers to these neighbours is a closer relationship which is compatible with increased interdependence and common needs of a wider Europe, yet short of EU membership. Even though the ENP is inspired by the instruments and mechanisms of EU enlargement, the policy aims at preventing or postponing a new wave of enlargement for the Union. As for the neighbours, commitment to shared values and how to sustain such commitment with required political and economic reforms in the absence of an eventual membership remains a major dilemma.*

**Keywords:** *European Union, Wider Europe, EU's Old and New Neighbours, Partnership, Shared Values.*

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## ÖZET

*Genişlemeden sonra Avrupa Birliği'nin (AB) en önemli jeopolitik projesi olarak görülebilecek Avrupa Komşuluk Politikası, Birliğin dış ilişkiler gündeminin başlıca konularından biridir. 2003 yılından başlayarak hızla şekillenen ve yürürlüğe konulan Komşuluk Politikası, genişleyen AB'nin "daha geniş Avrupa" ile ilişkilerini-ki, bu tanıma Birliğin eski Akdenizli ortaklarıyla, yeni Doğu komşuları (Ukrayna, Beyaz Rusya ve Moldova) ve Güney Kafkas ülkeleri girmektedir-kurumlar dışında ekonomik yararlar, güvenlik tehditleri ve en önemlisi ortak değerlerin paylaşılacağı yeni bir ortaklık ilişkisi temelinde geliştirmesi olarak tanımlanabilir. Kısaca, Komşuluk politikası, Birliğin komşularına, AB üyeliğinden geride, ancak karşılıklı bağımlılığını artan ve bütünleşen yeni Avrupa düzeninin gereksinimleriyle uyumlu kapsamlı bir ortaklık ilişkisi öngörmektedir. Bu özelliğiyle, politika Birliğin genişleme stratejisi ve mekanizmalarından esinlenmekle birlikte, AB açısından yeni bir genişleme dalgasını önleyici ya da erteleyici niteliktedir. Komşu ülkeler açısından ise, ortak değerlere bağlılık ve bu bağlılığı- üyelik perspektifi olmaksızın- ekonomik ve siyasi reformlarla nasıl ve ne ölçüde destekleyebilecekleri, yeni politikanın başlıca açmazıdır.*

***Anahtar Kelimeler:** Avrupa Birliği, Genişleyen Avrupa, AB'nin Eski ve Yeni, Komşuları, Ortaklık, Paylaşılan Değerler.*

## Introduction

Each enlargement wave of the European Union (EU) has acted as a catalyst for a deep transformation of the internal and external policies of the EU. The last enlargement that formally took place on 1<sup>st</sup> May 2004 is not an exception in this sense. While the EU's internal agenda is heavily overloaded with the constitutional debate/crisis on the future of Europe and the negotiations over the new financial perspective, the Union is faced with the reality of acquiring new Eastern neighbours and coming closer to old Southern ones. This situation carries opportunities as well as challenges in itself. The European Neighbourhood Policy (ENP) is a new strategy that the Union has designed to share the benefits of enlargement with the neighbouring countries and to handle the challenges resulting from the new geopolitical environment of Europe. The ENP has been modelled on the EU's previous policies, namely the European Economic Area (EEA), the Northern Dimension, the Barcelona process and EU enlargement, and as such, it aims at achieving some degree of integration with the new and old neighbours rather than being just a foreign policy instrument with some milieu goals.

The aim of this paper is to explore whether or not the ENP, that has been modelled on the existing EU policies would develop into a totally new form of relationship with the neighbours, hence offering a tangible alternative to the membership in the long run. An overview of the major incentives, the stated objectives and the methodology and the

instruments of the ENP led to a conclusion that the policy in its present form, is far from fulfilling such a role. Therefore, the ENP carries the risk of generating a new “capability-expectation gap” in the international relations of the EU.

The paper first focuses on the rationale for looking beyond enlargement and the main objectives of the ENP. Secondly, it examines the origins and the evolution of the ENP, with reference to its similarities and differences with the existing neighbourhood policies. Thirdly, it critically analyses the contents of the policy-its incentives, methodology and instruments and compares the logic of the ENP with that of enlargement. On the basis of the critical assessment provided in the earlier section, the paper draws a number of conclusions.

### **The Rationale for and the Objectives of the ENP**

The Wider Europe- Neighbourhood policy is the name of an ambitious project launched officially in March 2003 by the Commission President Romano Prodi in agreement with the European Council. The most appealing reason for the EU to launch a policy during a period of profound internal transformation was the 2004 enlargement. The ENP was mainly thought as a strategy to cope with the effects of the “big bang” enlargement, and notably:

- the changed geopolitical landscape on the EU’s eastern borders which pose numerous challenges;

- need to stabilize the EU’s new neighbourhood – while enlargement proved the most successful instrument for stabilising the Central and Eastern European countries (CEECs), the EU cannot enlarge forever. The impracticability of further enlargement has left the EU governments searching for some alternative, similar to association but short of full membership. Unable to commit itself to enlargement beyond the Balkans and Turkey, one way out is to devise a strategy that can anchor the neighbouring countries to a comprehensive framework of relations through which to pursue their development and stabilisation <sup>1</sup>;

- need to achieve a new convergence between the internal and external agendas of the enlarged Union. While the new members will add to the complexities and difficulties of the EU system of governance, they will bring new visions, ideas and interests to the external policies of the EU. It is particularly important to set out clear and uniform principles in relations with all neighbours; both the new eastern neighbours, namely Ukraine, Belarus and Moldova, and the old southern neighbours. As

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<sup>1</sup> Rosa Balfour and Alessandro Rotta, “Beyond Enlargement. The European Neighbourhood Policy and Its Tools”, *The International Spectator*, Vol.1, No.2, (2005), p. 7

William Wallace points out any effective EU foreign policy must start with common policies towards the neighbours.<sup>2</sup>

The 2004 enlargement changed the meaning and scope of the EU's near abroad. In the early 1990s, this area comprised three regions and grouping of countries: the CEECs; the Balkans and the Mediterranean. During the last decade, the EU pursued different strategies towards these regions with various levels of cooperation and a variety of outcomes. Previous EU approaches towards its neighbours, may be grouped in two main categories: approaches promoted for "stabilization" and "based on fostering regional cooperation and broad partnership (regionalism)" and approaches aimed to a real integration and with the goal of bringing neighbouring countries into the EU through conditionality.<sup>3</sup> The latter was the approach chosen for the CEECs, while the former has characterized the EU's relations with southern and south-eastern Europe and relations with Russia, Ukraine, Moldova and Belarus in the framework of the Partnership and Cooperation Agreements (PCAs). With regard to its neighbours, new and old, the EU has adopted a stabilisation approach based on a region-building process, while excluding the prospect of membership.<sup>4</sup>

A decade later, the definition of "near abroad" changed so that neighbouring countries have become those countries that are not given a membership perspective in the context of a wider Europe. In geographical terms, neighbourhood countries are listed in three new groupings: First are those European countries which are eligible for EU membership but do not seek membership at present (such as Switzerland and Norway). Second are those countries which may be seen as "potential candidates", which are committed to membership but fail to meet the accession criteria (the Western Balkans). The third group includes those countries which are already, or will soon become the neighbours of the enlarged Union, namely, Russia, Ukraine, Belarus, Moldova and the Mediterranean states. The evolution of a neighbourhood policy since 2000 has reinforced these new formations with separate policies developed for Russia, for the Western Balkans, and for Belarus, Moldova, Ukraine, the three Western Newly Independent States (WNIS)

Enlargement has been seen to draw a new borderline between EU members and non-members. With the accession of ten new members, the Union now shares a land border with the new Eastern neighbours, and the permeability and safety of the new eastern borders will become vital interests of the new members. In the new eastern

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<sup>2</sup> William Wallace, "The Challenge of the Near Abroad", *Halki International Seminars Forging Regional Cooperation Working Paper* 04.5.3, 2004, p. 2.

<sup>3</sup> Antonio Missiroli, "The EU and Its Changing Neighbourhood: Stabilization, Integration and Partnership", Rann Dannreuther (ed), *European Union Foreign and Security Policy: Towards a Neighbourhood Strategy*, London and New York, Routledge, 2004, p. 9.

<sup>4</sup> Manuela Moschella, "The EU's Regional Approach Towards Its Neighbors: The European Neighborhood Policy vis-à-vis Euro-Mediterranean Partnership", Fulvio Attina and Rosa Rossi (eds.) *European Neighbourhood Policy: Political, Economic and Social Issues*, Jean Monnet Centre, Department of Politics, University of Catania, 2004, p. 65.

periphery, the EU will face with a wide range of soft security challenges from illegal trafficking of various kinds, organized crime, terrorism, nuclear proliferation to environmental degradation, hence the urgent need for managing the transactional boundaries with the new neighbours.<sup>5</sup> Realizing that it is not possible to seal off instability behind ever tighter borders, the EU leaders had to make a choice: whether to export stability and security to its near neighbours, or risk importing instability from them.<sup>6</sup> The growing security interdependence with the neighbours and the necessity to extend the zone of security, stability and prosperity across Europe was acknowledged by the High Representative Javier Solana in his paper on the European Security Strategy, presented at the Thessaloniki European Council in June 2003:

“It is in the European interest that countries on our borders are well-governed

Neighbours who are engaged in violent conflict, weak states where organised crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe. The reunification of Europe and the integration of acceding states will increase our security but they also bring Europe closer to troubled areas. Our task is to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations.”<sup>7</sup>

Preventing enlargement from creating new dividing lines in Europe is thus the main driving factor behind the ENP. With the collapse of the Soviet Union and the rise of the newly independent countries in Eastern Europe, borders have acquired a new meaning. They were no longer perceived as divisive in ideological terms but rather in terms of huge economic and social asymmetries. While the pre-accession process has contributed to a narrowing of the socio-economic gap between the old and new EU members, it has the potential to construct a new dividing line between the Union and the new neighbours. Indeed, enlargement will have a dual impact for the neighbours: it will increase the EU's power of attraction in its relationship with outsiders. The EU shares with its neighbours a relationship of asymmetrical economic, political and social interdependence which means that neighbours are more vulnerable than the Union as a whole. The level of asymmetry is an important source of the EU's presence and influence in its neighbourhood. The EU's power of attraction could be translated into a European policy of stabilisation and a European project of a shared neighbourhood. As George Christou argues, the focus on the power of attraction highlights the EU's capability to influence the future order in Europe by locking states and regions into its framework and structures, while also showing the ability of the EU to frame and

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<sup>5</sup> Roberto, Aliboni, “The Geopolitical Implications of the European Neighborhood Policy”, *European Foreign Affairs Review*, Vol.1, No. 16, (2005), p.1.

<sup>6</sup> Marise Cremona, “The European Neighborhood Policy: Legal and Institutional Issues”, *CDDRL Working Papers* No 25, 2 November 2004, p. 3.

<sup>7</sup> European Council, *A Secure Europe in a Better World, European Security Strategy Security*, Brussels 12 December 2003, p.9.

determine the conditions for peace for the incomers and outsiders.<sup>8</sup> Enlargement will, however, aggravate the insider/outsider paradox for the neighbours through exclusionary processes of the EU internal market and the Schengen regime. In order to overcome this inclusion/exclusion dilemma, the European Commission expressed the rationale behind the ENP as: “to share the benefits of the EU’s enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned, and hence prevent the emergence of new dividing lines between the enlarged EU and its neighbours”.

The most effective instrument of the EU foreign and security policy over the past decades years has been the offer of membership and the effective tool of the pre-accession conditionality attached to it. However enlargement is no longer sustainable since any further expansion of this strategy beyond the existing candidates might well threaten the very achievements of the EU as well as the need for the consolidation of the ongoing enlargement process. The key task confronting the EU was to construct a new form of engagement with neighbouring states, and to offer them a new relationship which is less than full membership but more than associate partnership. In the words of the Commission, neighbours would become the EU’s essential partners “to increase mutual production and trade, to create an enlarged area of political stability and functioning rule of law, and to foster the mutual exchange of human capital, ideas knowledge and culture”.<sup>9</sup>

Through the ENP, the EU seeks to spread liberal political and economic values to increase its neighbours’ prosperity, stability and security, and also to promote the reforms in its neighbourhood. However, the eventual success of this new strategy in providing stability without an offer of membership is questionable. In the absence of membership, the outcome of the ENP might not be so dissimilar from the already existing policies of the EU in the neighbourhood. Much will therefore depend on the ability of the EU to exercise political conditionality towards the ENP countries and contribute to democracy and human rights improvements in them as long as membership incentives are absent.

Before examining the innovative features of the ENP in terms of incentives, instruments and methodology, it is important to place the origins and the emergence of the ENP in a historical context and perspective. The next section overviews the previous and present neighbourhood policies of the Union towards wider Europe and seeks continuities and similarities between them and the new policy initiative.

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<sup>8</sup> George Christou, *European Union and Enlargement, The Case of Cyprus*, New York, Palgrave/Macmillan, 2004, p. 2.

<sup>9</sup> European Commission, *Communication from the Commission to the Council and the European Parliament “Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours”*. COM (2003) 104 final, Brussels 11 March 2003.

### Earlier EU Policies towards the Neighbours

The dismantling of the Iron Curtain and of the Berlin Wall launched an intensive debate on the new European security architecture. The origins of this discussion could be traced to the new thinking introduced into the Soviet domestic and foreign policy by Gorbachev. Central to his new foreign policy was the idea of a common European home, and the renewal and strengthening of pan-European institutions, notably the Conference on Security and Cooperation in Europe (OSCE), which would replace the structure of rival military blocs. Was there a role in this transformation for the European Community? The prevailing view within the Community was that it had to be deepened before it could be widened. The Commission and majority of the member states feared that a hasty commitment to enlargement would endanger the institutional and policy achievements of the Community. Several ideas were therefore floated to organize relations with the CEECs, without offering them the prospect of accession in the short term. In September 1990, President Mitterand, called for a "European Confederation" to engage the CEECs in a parallel and distinct institutional framework.<sup>10</sup> The proposal was not supported by the Commission or by the CEECs, indeed the latter group of countries saw the initiative as an attempt to defer their accession to the Community.<sup>11</sup> Alternatively, the President of the European Commission, Jacques Delors, put forward his vision of a Europe of concentric circles, of which the innermost was to be the EC with its single market; the next those European countries which already had close economic ties with the Community; and the outermost, the CEECs and the Soviet Union. Aiming to differentiate the CEECs from the EFTA countries, Delors called for a new form of partnership with the latter, which was later turned into the EEA. As for the CEECs, the EC was soon to begin negotiating Europe agreements that are revised form of association agreements in order to meet the growing demands and expectations of the transition countries.<sup>12</sup> Delors' proposals could be viewed as an extension of his vision of the EC as a deepening economic union, nevertheless, the new formula of "Europe association" included an institutional framework for political dialogue with the CEECs to promote convergence on foreign policy matters. Realizing the weak political character of these agreements, the Commissioner for External Relations, Frans Andriessen came up with the idea of a "European Political Area" as a form of partial integration into the EC framework in April 1991.<sup>13</sup> Affiliate members would have 'a

<sup>10</sup> Simon Nuttall, *European Foreign Policy*, Oxford, Oxford University Press, 2000, pp. 39-44.

<sup>11</sup> Karen Smith, *The Making of EU Foreign Policy, : The Case of Eastern Europe*, London, Macmillan, 1999, p. 110.

<sup>12</sup> In order to differentiate the CEECs from the Soviet successor states, the EU concluded PCAs with the Newly Independent States (NIS), including Belarus, Moldova, Russia and Ukraine in the mid-1990s. It also adopted CFSP Common Strategies on Russia and Ukraine in 1999. The PCAs are less ambitious when compared with the Europe Agreements in that they aim at establishing a new trade regime with the NIS, offer a mechanism of political dialogue and conditional EU technical assistance (TACIS).

<sup>13</sup> Article 2 of the Europe Agreements reads: "A regular political dialogue shall accompany and consolidate the rapprochement between the parties, support the new political order in country and contribute to the establishment of lasting links of solidarity and new forms of cooperation. The political dialogue and cooperation will be based on shared values and aspirations."

seat at the Council table on a par with full members in specified areas, together with appropriate representation in other institutions, such as the European Parliament'.<sup>14</sup> This proposal was also dismissed by many within the Community and was also found as an unacceptable offer of 'second class' membership by the CEECs.

Meanwhile, the initial experiment with bilateral political dialogue did not meet the expectations and was replaced at the Copenhagen European Council (June 1993) by the "structured dialogue", a framework for reinforced and extended multilateral political dialogue. This offer was to prepare the CEECs for the EU membership, not to keep them on the outside; there was nonetheless, considerable frustration with the structured relationship which eventually led to its replacement with other multilateral initiatives in the enlargement process.<sup>15</sup>

At the Essen Summit in December 1994, EU leaders approved a comprehensive pre-accession strategy for the CEECs which had two key components: for the political dimension it offered the CEECs an enhanced structured relationship with EU institutions, and for the economic dimension it advocated their progressive integration into the single market. For Ulrich Sedelmeier and Helen Wallace the structured dialogue was a response to criticisms of the excessive bilateralism of the Europe agreements and thus aimed at reinforcing the opportunities for regular multilateral meetings that would cover each of the three pillars.<sup>16</sup> Michael Baun has added that by deepening the institutional level and the policy scope of the political dialogue, the enhanced structured relationship aimed at socializing the CEECs into the process of EU policy formation and decision-making and hence to enhance the associated countries' sense of inclusion.<sup>17</sup>

The Essen pre-accession strategy was important in bringing the emphasis on "good neighbourly relations" as a precondition for accession. This emphasis reflected the EU's concern not to import any instability via enlargement. The EU thus sought to minimize the security risks of enlargement by encouraging the applicant countries to resolve outstanding border and minority conflicts with their neighbours prior to accession. To this end, and based on a proposal from the French Prime Minister, Eduard Balladur, the EU initiated at the Copenhagen Summit a diplomatic process that would lead to the signing of a Pact on Stability in Europe, in March 1995. Attached to the Pact were a series of good neighbourliness and cooperation agreements concluded between the CEECs, between them and some member states and non-member states (Russia, Ukraine, Belarus). In return for the associated CEECs' commitment to settle disputes

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<sup>14</sup> Smith, *op cit.*, p.111.

<sup>15</sup> Karen Smith, "The Outsiders: The European Neighbourhood Policy", *International Affairs*, Vol. 81, No.4, (2005), p.762.

<sup>16</sup> Ulrich Sedelmeier and Helen Wallace, "Policies Towards Central and Eastern Europe", Helen Wallace and William Wallace (eds.) *Policy-Making in the European Union*, Oxford, Oxford University Press, 1996, p. 379.

<sup>17</sup> Michael Baun, *A Wider Europe. The Process and Politics of European Union Enlargement*, New York, Rowman and Littlefield Publishers, 2000, p. 58-89.



through peaceful means, the EU agreed to provide “flanking measures”, including PHARE-financed projects dealing with minorities and cross-border cooperation.<sup>18</sup>

1996 was a critical period for the EU in terms achieving simultaneous progress on deepening and on the strategy of enlargement, including the question of with whom to conduct accession negotiations and when. In its Agenda 2000 document, the European Commission sought a balanced answer to both issues. The Commission underlined that enlargement was an inclusive process embracing all applicant countries. The overall process includes the opening of accession negotiations with those countries which have satisfied the basic conditions of membership, a reinforced pre-accession strategy for all the CEECs in preparing for accession as well as the creation of a multilateral forum of cooperation in the form of a European Conference. As regards the last recommendation, the Commission was aware of the fact that enlargement is a long-term process affecting the whole of Europe, it therefore suggested to bring together the EU member states and all those European countries aspiring to membership and linked to it through an association agreement in a single multilateral framework.

The Luxembourg European Council (December 1997) basically followed the recommendations of the Commission and launched an enlargement process and strategy which comprises the European Conference, a single accession process involving 11 countries, and the opening of accession negotiations with the six CEECs and Cyprus.<sup>19</sup> The European Conference would be a multilateral forum for political consultation, intended to deepen cooperation on foreign and security policy, justice and home affairs, and other areas of common concern, particularly economic matters and regional cooperation. The increased emphasis placed upon the Conference partners’ commitment to EU values and to the settlement of territorial disputes by peaceful (legal) means in particular, gave the impression that, this was an EU offer specially addressed to Turkey. The European Conference would serve as a multilateral forum for the country to settle its disputes with Greece, and it might also provide an alternative means of including Turkey in the enlargement process but outside the accession process, and complementing the proposed European strategy for the country. Ankara’s counter-response which led to the suspension of the political dialogue with the EU and a refusal to attend the European Conference clearly indicate the ineffectiveness of imposing EU external political conditionality (good neighbourliness and peaceful settlement of disputes) upon a non-member European country outside the context of the (pre)accession process. Furthermore, the Turkish case demonstrated the difficulty of pursuing EU conflict resolution initiatives within a multilateral framework.<sup>20</sup>

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<sup>18</sup> *Ibid.*, p. 62.

<sup>19</sup> Graham Avery and Fraser Cameron, *The Enlargement of the European Union*, Sheffield, Sheffield Academic Press, 1998, p. 135.

<sup>20</sup> In October 2001 the European Conference was expanded to 40 participants, including the EFTA states, the south-east European countries, Moldova, Russia and Ukraine. But it has never been anything more than a talking shop: beyond regular meetings at high levels on political issues, it did not have a decision-making capacity, and it has never produced much of substance

Given the fact that the pre-accession strategy and its conditionality is linked to the prospect of an eventual EU membership, EU enlargement strategy as a whole, could not serve as a model for the EU's relations with its neighbours. Alternatively, it has been suggested that EU policies towards Northern Europe, namely the European Economic Area and the Northern Dimension initiative could serve as a potential model for the EU neighbourhood policies.

### *The European Economic Area*

The EEA agreement remains the most ambitious agreement ever signed by the EU with a group of third countries (Norway, Iceland and Liechtenstein at present). The agreement is a multilateral arrangement which requires the EFTA states to act harmoniously similar to the mechanism of region-to-region dialogue. Institutional integration in the EEA is well advanced not only in terms of the existence of some unique bodies such as an EFTA Surveillance Authority and an EFTA Court, but in terms of the EFTA countries' role in shaping EEA-relevant legislation. The EEA agreement enables the three countries to participate in the EU's single market, with the partial exception of the common policies on trade, agriculture and fisheries. Through the double impact of participating in the decision shaping and the high level of integration of the Community *acquis* into their national legislation, the EEA states are, of all the countries associated with the Union, technically the most closely linked to the EU.<sup>21</sup>

Outside the scope of the EEA agreement but complementary to it, Norway and Iceland are increasingly integrating with the EU in second pillar and third pillar issues. Last but not least, even though Norway and Iceland could easily fulfil the criteria for accession, they have voluntarily opted out for EU membership. The fact that EU membership is not on the current agenda for any of the EEA countries distinguishes them from other close neighbours, including Eastern ENP partners, in particular Ukraine who have EU membership as a declared aim.

The EEA agreement foresaw the creation of a common European economic space between the EU and the EFTA states as an alternative to membership. The EEA is the most advanced arrangement that the EU has with any group of countries and reflects both their proximity to and long-standing ties with the EU as well as the high levels of their political and economic development.<sup>22</sup> Notwithstanding this, the EEA, from its inception, was regarded as unsatisfactory and unacceptable for the other three EFTA members, namely Austria, Finland and Sweden due to an inherent contradiction between becoming a party to the EU single market and its *acquis*, without participating in the EU Council decision-making process. Thus, in the case of these countries, the

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itself. The Conference did not represent an example of 'effective multilateralism', a core strategic objective for EU foreign policy in the 2003 ESS, either. See Smith, *op cit.*, p. 762.

<sup>21</sup> Fraser Cameron, "EEA Plus? Possible Institutional Arrangements for the European Neighbourhood Policy?", *EPC Commentary*, 19.04.2005, p. 2.

<sup>22</sup> *Ibid.*, p. 5.

EEA, far from acting as an alternative to membership, has accelerated their entry into the Union.

The EEA agreement with its distinguishing features seems not a relevant model for the EU's relations with its neighbours. Although the ENP partners would be given an opportunity of economic integration with the EU in return for the approximation of EU law and economic reform, an economic integration short of four freedoms is actually taken as a long term objective by the EU. The assumed linkage between integration and reform has necessitated a strategy which would be closer to the accession strategy and its instruments (such as bilateral Action Plans, a new ENPI, monitoring of the ENP partners by the Commission) rather than the EEA model. Moreover, ENP is more modest in terms of these countries' cooperation and integration in the field of JHA. It is not specific about closer political dialogue in CFSP/ESDP either. This has led Marius Vahl to conclude that combined with the relatively limited economic integration envisaged, the ENP- even if supported by a political component- falls far short of the EEA agreement.<sup>23</sup> More importantly, the EEA is a special arrangement that the EU has developed with its neighbours which enjoy a higher level of political, economic and social development. By contrast, almost all ENP countries are faced with the challenge of socio-economic transition as those faced by the CEECs and the countries of South-East Europe.<sup>24</sup> Nor will they be able to adopt the *acquis communautaire* in the short to medium term, as the EEA member states have successfully done.

Hence, instead of an "EEA plus" formula, Vahl argues that Europe Agreements and Stability and Association Agreements could appear to provide more suitable models for the ENP than the EEA, if only the prospect of an eventual EU membership is added to the association agreements with ENP partners.<sup>25</sup> The absence of such a perspective may undermine the effectiveness of a differentiated conditionality which remains central to the EU's bilateral approach to its neighbours.

### *The Northern Dimension*

The end of the Cold War encouraged new thinking on the reconstruction of the political space in wider Europe. The 1995 enlargement which led to the accession of two Nordic countries, Sweden and Finland, increased the strategic impact of the Baltic Sea region for the EU, also increasing pressure on the three Baltic countries to join. All three submitted applications for membership in the EU in late 1995. This acted as a catalyst for Finland to launch a proposal for a Northern Dimension in 1997. Finland's position on the external border of the Union is a factor that has clearly influenced its foreign and security policy. Cross-border cooperation and involvement of non-EU countries have been central in the Finnish view on the EU's neighbourhood. Through

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<sup>23</sup> Marius Vahl, 'Models for the European Neighbourhood Policy: The European Economic Area and the Northern Dimension', *CEPS Working Document*, No.218/February 2005, p 10.

<sup>24</sup> *Ibid.*, p. 11.

<sup>25</sup> *Ibid.*, p.11.

this initiative, has aimed at increasing the presence of the EU in the North, while also multilateralizing its relations with Russia. Finland's Prime Minister Paavo Lipponen argued that the EU and its member states share vital common interests in Northern Europe and proposed that those interests should translate into a new policy. According to Hiski Haukkala, the Finnish initiative can be seen as an embodiment of two ideas: the EU's direct presence in Northern Europe following 1995 enlargement and the challenges that neighbourhood with Russia presents, and the primacy of soft security threats (environmental problems including nuclear safety, illegal immigration and the fear of epidemic diseases) and the role of multilateral cooperation in combating them.<sup>26</sup> Lipponen's speech was not simply about threats it had an explicit energy security dimension: The Union's ability to secure access to reserves in north-western parts of Russia is dependent on improved cross-border transportation and telecommunication systems in the region.<sup>27</sup> Thus the Northern Dimension can be viewed as a new policy initiative for the EU's Eastern periphery that contains elements of stabilization and integration.<sup>28</sup> The initiative marked a new orientation in the EU's relations with its neighbours: the preference for bilateralism via association agreements has been tempered by more active regional policies by the EU towards Eastern neighbours.<sup>29</sup> In particular, the initiative aimed to minimize the element of exclusion in the process of EU enlargement through its preference for a regional approach and its emphasis on cross-border cooperation. More concretely, the Northern Dimension offers outsiders the option of having a voice in the framing and producing of EU policies, such as the active engagement of Russia and the Baltic states in the Council of Baltic Sea States and their contributions to the drafting of the new Action Plan.<sup>30</sup> Another important feature of the policy is the modesty of its instruments: there will be no new institutions, no new financing and no new regional cooperation in Northern Europe. Instead, the Northern Dimension will bring "added value" by a better coordination of the existing policies and instruments of the EU and its member states, and between them and the other existing organizational frameworks.<sup>31</sup>

The Finnish initiative was formally endorsed by the EU and the Feira European Council of June 2000 adopted the first Action plan for the period 2000-2003. In operational terms, the main result of the Northern Dimension is the Northern Dimension Environmental Partnership of July 2002. The EU's commitment to the initiative after enlargement is continuing exemplified by the adoption of the Second Action Plan for

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<sup>26</sup> Hiski Haukkala, "The Northern Dimension: A Presence and Four Liabilities", in R. Dannreuther, *op cit.*, p. 99.

<sup>27</sup> *Ibid.*, p. 101.

<sup>28</sup> *Ibid.*, p. 101.

<sup>29</sup> Vahl, *op cit.*, p. 4.

<sup>30</sup> Christopher Browning and Pertti Joenniemi, "The European Union's To Dimensions: The Eastern and the Northern", *Security Dialogue*, Vol. 34, No. 4, (2003), p.469.

<sup>31</sup> Council of the European Union, *Presidency Conclusions*, Feira European Council, June 2000.

the period 2003-2006. However, from 2004 onwards, the Northern Dimension became largely a regional element of EU-Russia bilateral cooperation.<sup>32</sup>

The regional and the inclusive nature of the Northern Dimension is acknowledged by the Commission in its subsequent papers on the ENP. Further, Poland's initiative of an Eastern Dimension in late 2002 is modelled along the lines of the Northern one. Despite the apparent linkage made between the Northern initiative and the new ENP towards other neighbours, Vahl draws attention to the limited role of a regional approach in dealing with conflict resolution in Europe's periphery. The Finnish initiative originally linked the Northern Dimension with the idea of enhancing the presence and the strategic actorness of the EU in the region.<sup>33</sup> Far from fulfilling these ambitions, the Northern Dimension has highlighted the growing need for cross-pillar and cross-organizational coherence in the conduct of the EU's policies in the region.<sup>34</sup> While highlighting the practical limitations of pillarization in EU foreign policy, the policy initiative also underlined an emerging trend of "dimensionalization" in EU foreign policy. Indeed, the decade of the 1990s reflects the evolution of the enlarging EU in the context of wider Europe as a "Europe of Dimensions" with a Southern, Northern, Eastern and even a South-Eastern dimension respectively.<sup>35</sup> However, the EU's multi-dimensional presence in its immediate neighbourhood has brought a significant challenge of achieving political unity among diverse interests and priorities of the EU member states as well as the need for harmonizing the task of goal prioritization with the reality of pillarization.<sup>36</sup> Developing a single and comprehensive framework of relations with the neighbours, old and new in the ENP can therefore be viewed as an attempt of the EU to overcome these problems in its external relations.

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<sup>32</sup> Vahl, *op cit.*, p. 3.

<sup>33</sup> Vahl, nonetheless, is aware of the utility of the regional multilateral approach in the ENP, in particular in the Black Sea region. Yet, whether the renewed relevance of regionalism will engage further with the existing structures of regional cooperation remains to be seen. On the increasing strategic significance of the Black Sea region for the enlarged EU, see Mustafa Aydın, "Europe's Next Shore: The Black Sea Region After EU Enlargement, **Occasional Paper 53**- June 2004, EU Institute for Security Studies.

<sup>34</sup> Chris Patten and Anna Lindth, "The Northern Dimension of EU Foreign Policy: From Words to Action", **Financial Times**, 20 December 2000.

<sup>35</sup> It was also argued that the Northern Dimension would contribute to a "Europe of Regions" and would initiate a re-organization of the EU's relations with neighbouring countries in line with a structure of Olympic Circles whereby these countries would be given stronger incentives to converge with European values which would, in return, enable them to move from the outer circle to inner circles. See P. Joenniemi, *Bridging the Iron Curtain? Cooperation Around the Baltic Region, Working Paper 22*, COPRI, Copenhagen, 2002.

<sup>36</sup> One consequence of the 2004 enlargement is that dealings with the Baltic countries and Poland will become a matter of internal politics for the EU. This leaves Russia as the main partner of the EU in the North, and this might have the effect of transforming the Northern Dimension into a regional component of the EU-Russia bilateral relationship. See Haukkala, *op cit.*, p.113; Vahl, *op cit.*, p. 3.

Multilateral regional policies as seen Northern Europe have also been experienced in Europe's southern periphery since the launch of the EMP in 1995.

### *The Euro-Mediterranean Partnership*

The Euro-Mediterranean Partnership (EMP) is a well-established example of the EU's regional approach to the Mediterranean region and was explicitly used as a model for the Northern Dimension.<sup>37</sup> Unlike other regions, integration between the EU and its Mediterranean neighbours is not predominantly a post-Cold War phenomenon. The EC launched its Global Mediterranean Policy in 1972 and the policy sought to bring into a single and coordinated framework the multiplicity of bilateral agreements that existed between the EC and Mediterranean countries.<sup>38</sup> While the initial motivation of the EC was primarily economic eventually leading to the creation of a Euro-Mediterranean free trade area, the oil crisis of 1973-74 brought about the Euro-Arab Dialogue in 1974 which was an early EC example of group-to group diplomacy. In spite of these multilateral initiatives, the EC's relations with most of the region remained largely bilateral in character throughout the 1970s and 1980s. Nevertheless, Euro-Mediterranean relations managed to survive the Southern enlargement processes of the EC and the completion of the European single market.

The first EC attempt for an assessment of the Mediterranean policy took the form of a new Mediterranean policy in 1990 and the renewed financial protocols that were intended to support economic liberalization and democratization. The Commission also proposed horizontal initiatives rather than bilateral ones in fields of transport, energy and telecommunications.<sup>39</sup> The Commission's preference for a regional multilateral approach was apparent in its proposals for a new regional framework for the Maghreb countries (Euro-Maghreb Partnership and a free trade area) and for the EU's role and for support of the Middle East Peace process.<sup>40</sup>

With the end of the Cold War, there was a growing need to stabilize the EU's Eastern and Southern periphery in response to the newly emerging security challenges that could directly affect the EU zone of peace and stability. This in turn, required the launch of new policies towards both regions. While the EU-CEEC relations were dealt within the context of integration/accession, the Union opted for a partnership approach

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<sup>37</sup> Lipponen quoted in Vahl, *op.cit.*, p. 5.

<sup>38</sup> According to the Commission, these agreements would be tailored specifically to the needs of the partner country concerned, but with minor differences they all shared the same characteristics: trade preferences for all industrial products, financial and technical cooperation, common institutions at various levels and some benefits to migrant workers from the Maghreb countries.

<sup>39</sup> Christopher Piening, *Global Europe, The European Union in World Affairs*, Boulder and London, Lynne Rienner Publishers, 1997, p. 78.

<sup>40</sup> Commission Document SEC (92) 40 Final, 30 April 1992; Commission Document COM (93) 458 Final, 29 September 2003.

with the Mediterranean countries in order to stabilize and to transform its Southern periphery.<sup>41</sup>

The EMP launched in 1995, did not only symbolize the EU's strategic approach to the Mediterranean, it also reflected the Union's commitment to the promotion of liberal values to its neighbours. In Fred Tanner's words, the EMP provided a normative framework for a pan-Mediterranean region from the Atlantic to the Near East.<sup>42</sup> The formal objective of the EMP was to create a zone of peace, stability and prosperity. The main innovation of the EMP was its global scope covering three baskets: political and security; economic and financial and social, cultural and human. It consists of two dimensions: bilateral/economic and multilateral/ political and security. These two aspects of the EMP can be combined as follows:

-the promotion economic development, trade and socio-economic reforms, notably through Association Agreements but also EU financial aid;

-the establishment of a regional dialogue on political, security, economic, social and cultural issues,

-conflict resolution and dialogue leading eventually to regional rapprochement in all fields while taking into account each country's peculiarities.<sup>43</sup>

Hence, the significance of the EMP as a framework for conflict resolution/prevention, through such initiatives as non-proliferation, disarmament, confidence building measures, political dialogue and possibly a Mediterranean Charter for Peace and Stability that would be complementary to other ongoing conflict resolution efforts.

The successful implementation of the multilateral political dimension of the Barcelona process was made possible by the existence of Middle East Peace Process. The "imported" problems from the Arab-Israeli conflict however, made it impossible to achieve progress in a multilateral dialogue on political and security issues, notably the confidence building measures and the proclaimed Charter.<sup>44</sup> Partly as a response to these implementation deficits and to the new post 9/11 global security agenda, the

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<sup>41</sup> The fact that both the pre-accession strategy and the Euro-Mediterranean Partnership were endorsed at the 1994 Essen European Council reflected the need for rebalancing EU's policies and assistance towards the East and the South. Moreover, it was only possible to plan and initiate the Barcelona process at a time when the Middle East Peace Process was making progress.

<sup>42</sup> Fred Tanner, "North Africa, Partnership, Exceptionalism and Neglect", in Ronald Dannreuther, *op cit.*, p. 137.

<sup>43</sup> Martin Ortega, "A New EU Policy on the Mediterranean?", in Judy Batt et al., *Partners and Neighbours a CFSP for a Wider Europe*, **Chaillot Paper 63**, September 2003, EU Institute for Security Studies, p. 88.

<sup>44</sup> *Ibid.*, p. 92.

Valencia Ministerial Conference of 2002 broadened the scope of political and security dialogue to ESDP and JHA issues.<sup>45</sup>

Besides the limited utility of the EMP for conflict resolution and prevention in a regional framework, the institutionalized political dialogue has not been successful in the promotion of democracy and human rights in the regional context either.<sup>46</sup> Both the EU member states and the Mediterranean countries have preferred adhering to EU conditionality at a declaratory level and they have conceived conditionality mainly in economic terms (focusing on good governance and market liberalization) rather than democratic conditionality.<sup>47</sup> The particularistic approach to EU conditionality was an important factor accounting the ineffective use of the MEDA programme for the period 1995-1999.<sup>48</sup>

From the EU's point of view, bilateral Association Agreements between the EU and its Mediterranean partners will act as a catalyst to reform, restructure (liberalize) and to develop domestic economies. However, far from contributing to their economic development and integration into the global economic order, Association Agreements have had an immediate negative effect upon the Mediterranean partners.<sup>49</sup> Nor did the other component of the Euro-Mediterranean Free Trade Area, namely, the South-South Partnerships through the signing of free trade agreements amongst Mediterranean countries produce positive results.<sup>50</sup>

When conceived as a long-term exercise in transforming the EU from a civilian (soft) power into a credible strategic actor in shaping the domestic and the international environment in the Mediterranean and also promoting conflict resolution and prevention by means of multilateralism, the EMP has not been a success story. According to Tanner, the real problem with the Barcelona process was not just an implementation gap between EU rhetoric and action, but also the very contradiction between the ideal of a Euro-Mediterranean zone of peace, stability and prosperity and the embedded "Fortress Europe" approach of the Union.<sup>51</sup> This contradiction also imposes limits to the EU political conditionality and to Mediterranean countries' interest in carrying out

<sup>45</sup> Tanner, *op cit.*, p. 138, pp.142-147.

<sup>46</sup> Ortega, *op cit.*, p. 92.

<sup>47</sup> Tanner, *op cit.*, p. 141; Richard Youngs, "Democracy Promotion: The Case of European Union Strategy", *CEPS Working Document* 167, October 2001, p. 35.

<sup>48</sup> Volker Nienhaus, "Promoting Development and Stability Through a Euro-Mediterranean Free Trade Zone?", *European Foreign Affairs Review*, Vol. 4, No. 4, (Winter 1999), p. 504.

<sup>49</sup> Diana Hunt, "Development Economics, The Washington Consensus and the Euro-Mediterranean Partnership Initiative", George Joffe (ed) *Perspectives on Development: The Euro-Mediterranean Partnership*, London, Frank Cass, 1999, p. 17; Alfred Tovas, "The Economic Impact of the Euro-Mediterranean Free Trade Area on MNMCs", Richard Gillespie (ed) *The Euro-Mediterranean Partnership Political and Economic Perspectives*, London, Frank Cass, 1997, p. 113.

<sup>50</sup> Mustafa Benyaklef, "Socio-economic Disparities in the Mediterranean" in Gillespie, *op cit.*, p. 106.

<sup>51</sup> Tanner, *op cit.*, p. 144, 147.



economic and political reforms.<sup>52</sup> Above all, the inherent limitations of the EMP in terms of democracy promotion, economic reform and the effective use of political conditionality reflects a major dilemma between the security interests and political and economic values of the EU in the region. Stability is preferred in the Mediterranean at the expense of democracy.<sup>53</sup> The lack of emphasis on political conditionality constitutes an important difference between the EMP, a formal embodiment of the Union's stabilisation approach through partnership and EU enlargement through an approach of integration and accession.

Despite these shortcomings, Martin Ortega has not proposed a complete abandonment of the EMP or its replacement with the ENP. For him, the Barcelona process is still the appropriate framework in which to organise relations within the region as a whole by virtue of its three basic characteristics: regional construction; diverse bilateral and multilateral relationships and a comprehensive dialogue.<sup>54</sup>

### The Launch of the ENP

The ENP as a new and a single framework for relations with the 3 new eastern neighbours (Ukraine, Moldova, Belarus) and the 10 Southern Mediterranean neighbours (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia) was officially launched in 2003 before the finalization of the accession of the new members. Yet, the origins of a new approach to the immediate neighbourhood could be traced to the Agenda 2000 Document. In its paper, the Commission stresses the importance for the enlarged Union of its new neighbours and the need to ensure stability through cooperation in wider Europe. The Strategy Papers of 2001 and 2002 emphasised a more substantive "proximity policy" which would include the creation of a wider free trade area, progressive alignment with the rules and regulatory framework of the internal market, cooperation on migration issues and border management.<sup>55</sup> Existing contractual relations with both regions will be linked together in a more coherent Neighbourhood policy. While stressing the benefits of enlargement for the new neighbours, the Papers remained vague about the nature of any possible new relationship.

Since then, the Commission has increasingly moved on from managing enlargement to promoting a Neighbourhood policy.<sup>56</sup> The need for a new policy

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<sup>52</sup> *Ibid.*, p. 147.

<sup>53</sup> Stelios Stavridis and Justin Hutchence, "Mediterranean Challenges to the EU's Foreign Policy", *European Foreign Affairs Review*, Vol. 5, No. 5. (2000), p. 49, 62.

<sup>54</sup> Ortega, *op cit.*, p. 100.

<sup>55</sup> European Commission, "Making a Success of Enlargement", *Strategy Paper and Report of the European Commission on the Progress Towards Accession by Each of the Candidate Countries, 19 November 2001*, European Commission, "Towards the Enlarged Union", *Strategy Paper and Report of the European Commission on the Progress Towards Accession by Each of the Candidate Countries, 9 October 2002*.

<sup>56</sup> Wallace, *op cit.*, p. 3.

towards Eastern neighbourhood was acknowledged by the existing and the acceding countries. In 2001, the Polish government launched the idea of an Eastern Dimension aiming to prevent new divisions between the enlarged EU and non-members through close cooperation and assistance. Poland called for the formulation of a more coherent and comprehensive framework towards the Eastern neighbours similar to the Action Plans for the Northern Dimension, Poland suggested that the EU should hold out the prospect EU membership for these three countries, depending on the course of their political and economic transformation.<sup>57</sup> In his letter of March 2002, the British Foreign Minister Jack Straw also proposed a new approach for the Eastern neighbours as a means of reinvigorating the inefficient contractual ties with them.<sup>58</sup> A month later, the Council requested Chris Patten and Javier Solana, the two leading figures of EU Foreign Policy 'to work up ideas on relations with the neighbours'. Following their joint position paper as well as President Prodi's speech on a Policy of Proximity, the Copenhagen European Council of December 2002 confirmed the need for launching a new neighbourhood policy. In June 2003 the Council adopted "Conclusions on Wider Europe-New Neighbourhood", based on the Commission's proposals, and these were endorsed by the European Council in Thessaloniki.

Although the initial discussion of the neighbourhood policy in the Council focused solely on Ukraine, Moldova and Belarus, the Commission in Wider Europe Communication of March 2003 broadened the geographical scope of the new policy to include the 10 Southern Mediterranean states. This decision was induced by the pressure exerted by the EU Mediterranean states, notably France, Spain and Italy. The latter were once again concerned that 2004 enlargement would shift the centre of gravity of the EU eastwards, at the expense of the non-member countries located on the Southern periphery at a time when a more pro-active cooperation with them was deemed all the more necessary in the post 9/11 environment.

Following the Commission's proposal in its Strategy Paper of May 2004 to extend the ENP to three countries in the Southern Caucasus (Georgia, Armenia and Azerbaijan) the European Council officially included them in the ENP in June 2004. Accordingly, the ENP has turned into an attempt to fuse together neighbourhood policies hitherto separately treated and thus creating what the EP has called, "a complex geopolitical area stretching from Russia to Morocco, which may be defined as a 'pan-European and Mediterranean region'".<sup>59</sup>

Parallel to the geographical expansion of the ENP was a gradual shift in emphasis from economic development to political stability and comprehensive security. Determination to avoid drawing new lines in Europe and to promote stability and

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<sup>57</sup> Browning and Joenniemi, *op cit.*, pp.472-476.

<sup>58</sup> Dov Lynch, "the New Eastern Dimension of the Enlarged EU", Judy Batt et al., "Partners and Neighbours, A CFSP for a Wider Europe", *Chailot Paper*, No. 63, September 2003, EU-Institute for Security Studies, p.48.

<sup>59</sup> *Ibid.*, p. 50.

prosperity within and beyond the new borders of the Union was confirmed by the European Council in December 2002. Accordingly, the underlying concern of the Wider Europe Communication was no longer merely to assure the Union's neighbours that enlargement will benefit them economically but that enlargement might act as a divisive and destabilising factor, hence the need to build a relationship that will enhance the security of the Union itself. The security dimension of the ENP was explicitly recognized in the European Security Strategy which emphasized the "promotion of a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom EU can enjoy close and cooperative relations." Solana's paper and the ENP together, were to frame the new EU foreign policy. The Thessaloniki European Council in June 2003 focused more on the challenge of preventing and combating common security threats in the neighbourhood and the EU's interest in securing cooperation to tackle issues relevant to the field of JHA. As will be elaborated later, the shift in the Council's neighbourhood priorities was accompanied by a relaxation of the Commission's listing of economic incentives, particularly the extension of the internal market and regulatory structures.

Drawing attention to the dual title of the Commission's paper of 2003, "Wider Europe-Neighborhood: A New Framework for Relations with Our Eastern and Southern Neighbours" Michael Emerson proposed a conceptual clarification of the policy and differentiating between the Wider Europe and the Greater Middle East.<sup>60</sup> Emerson identified the Wider Europe with the normatively defined space of the Council of Europe which embraces all states that have European aspirations, including the states of the Southern Caucasus.<sup>61</sup> Such a comprehensive view of a continental Wider Europe encompasses the EU, Russia and other Europe. Europe's neighbourhood goes beyond the continent of Europe and extends from North Africa to Central Asia.<sup>62</sup> To the South and South-East it embraces all the Mediterranean states which are already partners of the Barcelona process. These states link to the rest of the Middle East, including the Gulf countries. Europe's neighbourhood extends to the East to Russia's neighbours of the former Soviet Union in Central Asia, as now represented politically by the map of OSCE membership. The emerging broad space may be called the Greater Middle East.

The key mechanism of the Wider Europe strategy is "Europeanization" defined as a multi-dimensional process of political, economic and societal transformation. While the prospect of EU accession is the strongest incentive for Europeanization, the strategy seeks to extend this influence as far as possible without full membership in the medium term. Hence Europeanization can take place without or before full accession. Europeanization of its neighbourhood by means of reform and transformation remains a key challenge for the EU. For the continent of Europe 'Europeanization' is an idealistic argument, since security threats from within this Wider Europe are much reduced and

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<sup>60</sup> Michael Emerson, "The Shaping of the Policy Framework for the Wider Europe", **CEPS Policy Briefs**, No39, September 2003, p.1.

<sup>61</sup> *Ibid.*, p. 1.

<sup>62</sup> *Ibid.*, p. 2.

there exists a common ideological basis. For the Greater Middle East, a realistic argument still prevails for the West as a whole due mainly to the existence of ideological disputes and security threats.<sup>63</sup> Moreover, this distinction has crucial policy implications, which is further elaborated in the next section.

### The Contents of the ENP

Even though the ENP is the newest EU foreign policy tool, the EU's engagement with its immediate neighbourhood represented something more than a sum of geopolitical challenges and opportunities. It also had a more fundamental quality to the EU, touching upon the very heart of the European project. The evolving ENP is closely linked to the evolving self-definition of Europe's borders, identity and purpose. It is linked to the ultimate *finalité politique* and *finalité géographique* of the EU. The key question is whether, as put forward by Jan Zielonka, the EU is developing into a classical Westphalian state, with a rigid demarcation between insiders and outsiders or into an alternative post-modern entity in which divisions are increasingly blurred.<sup>64</sup> The debate on Wider Europe complements the draft Constitutional Treaty for Europe together they are defining what the EU is to be.<sup>65</sup> The Treaty is defining the EU from the inside, albeit with public reservations about the pace of European integration, while the Wider Europe debate is seeking to define it by reference to its outer edges and wider neighbourhood.<sup>66</sup>

Through the ENP, the EU has sought to tackle the governance of the wider Europe. Arguably, the enlarged EU is experiencing, as set out by Michael Smith, a shift from the "politics of exclusion" towards a "politics of inclusion" in the context of wider Europe.<sup>67</sup> In this sense, the ENP can be seen as part of an ambitious external governance agenda of the enlarged EU for managing its new interdependence in the new European order.<sup>68</sup> The EU is gradually expanding its governance beyond the member states towards their immediate neighbourhood. For this reason, the ENP should not be taken as just an EU foreign policy tool with milieu goals it is the deepening of the integration process outward by means other than accession. As will be seen below, the objectives,

<sup>63</sup> *Ibid.*, p. 3.

<sup>64</sup> Jan Zielonka, "How New Enlarged Borders Will Reshape the European Union", *Journal of Common Market Studies*, Vol. 39, No. 3, (September 2001), pp.507-36.

<sup>65</sup> The Constitution foresees the Union developing 'special relationships with neighbouring states' with the aim of establishing 'an area of prosperity and good neighbourliness, founded on the values of the Union.' Article 1-56 continues: 'for this purpose, the Union may conclude and implement specific agreements with the countries concerned [which] may contain reciprocal rights and obligations as well as the possibility of undertaking activities jointly.' These articles are a clear recognition of the EU's responsibility for the Wider Europe.

<sup>66</sup> Emerson, *op cit.*, p.1.

<sup>67</sup> Michael Smith, "The European Union and a Changing Europe: Establishing the Boundaries of Order", *Journal of Common Market Studies*, Vol.34, No. 1, 1996, pp. 5-28

<sup>68</sup> Sandra Lavenex, "EU External Governance in Wider Europe", *Journal of European Public Policy*, Vol. 11, No. 4, (2004), pp. 680-700; William Walters, "The Frontiers of the Union: A Geostrategic Perspective", *Geopolitics*, Vol.9, No. 3, (2004), p.688.

methodology, instruments as well as the implementation and the monitoring of the ENP clearly reflect this line of reasoning.

### *The Incentives and Instruments of the ENP*

As mentioned earlier, the key objectives of the ENP is to export stability to neighbouring countries, to improve security at the border of the enlarged EU and living standards in these countries. To achieve these objectives, the EU offered partner countries a kind of bargain. If they accept commitments, which can be monitored in the area of shared values and core foreign policy objectives, the EU will open up some of its activities, agencies and programmes to their participation. Thus, a broad balance was sought between the extent of a partner's real progress in acting on the basis of common values and the EU's openness. The contents of the bargain will vary from one country to another reflecting domestic conditions and relationships with the EU. The core of this reciprocal commitments and offers is the Action Plans with agreed reform targets, timetables, benchmarks and an element of conditionality.<sup>69</sup> These serve as the point of reference for providing EU assistance and for ensuring a degree of formal institutionalization with the partners. Progress in implementation will be monitored via the country reports during the initial three years, which may lead to the negotiation of new and more ambitious ENP agreements.

Effective implementation of the policy is closely related to the EU's new additional financial resources. In keeping with the fact that the ENP is the EU's newest foreign policy tool, the Commission has proposed that the objectives of the ENP should be matched by adequate funding. For the next budgetary period (2007-2013), the Commission has proposed a gradual increase in funding to double the present level by 2013 (€14.93 billion). However these figures are still Commission proposals, much will depend on the outcome of the bargaining between the old and new members over the new financial perspective in the next two years.

From 2007 onwards, as part of the reform of EC external assistance instruments, financial support for the ENP will be provided through a new European Neighbourhood and Partnership Instrument (ENPI).<sup>70</sup> The Commission adopted a two-step approach to

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<sup>69</sup> The Action Plans agreed in 2004 cover a number of key areas for specific action, from political dialogue and reform to trade and measures for improved market access, JHA, energy, transport, information society, environment, research innovation, social policy and people to people actions.

<sup>70</sup> For the post-2006 phase, the ENPI will be the main instruments for funding the ENP. It will replace the existing programmes for the Mediterranean and CIS states, CARDS and MEDA. Although the countries of the Western Balkans fall outside the scope of the ENP, their funding will come from this source in the post-2007 period. As a candidate country, Turkey will not fall within the scope of the instrument but will benefit from an Instrument for Pre-Accession. The ENPI will provide a single financial framework for the neighbors; however it will have different regional priorities. In the East, drawing on the experience of the Northern Dimension, cross-border regional cooperation will be promoted. In the Balkans, emphasis was given to regional, cross-border and transnational and inter-regional cooperation. In the Mediterranean where land borders are less of significance, maritime borders and cooperation will be the main priority.

create the new instrument: increasing coordination between the EU external funds and EU structural funds with a special emphasis on cross-border facility, and a new regulation for the instruments of EU external assistance, including the ENPI, under the new financial perspective of 2007-2013.<sup>71</sup> The ENPI will focus in particular on supporting the implementation of the ENP Action Plans and will target sustainable development and approximation to EU's policies and standards. The most innovative feature of the instrument is its cross border cooperation component under which the ENPI will finance joint programmes bringing together regions of the member states and partner countries sharing a common border.

Balfour and Rotta characterize the proposal for a single new regulation and the ENPI as a radical policy innovation. The fact that ENPI will support projects implemented both in the territory of the enlarged EU and of the partner countries is indeed a remarkable innovation. In that way, the new borders will no longer be seen as a barrier but as an opportunity for cross-border cooperation.<sup>72</sup>

Apart from financial and technical assistance, the incentives offered by the EU include increased market access in return for political and economic reform, together with functional cooperation in a wide range of areas. The ultimate possibility is of a gradual extension of the internal market and regulatory structures. The 2003 Wider Europe Communication is more explicit in terms of the notion of an ENP partnership which depends essentially on the nature of the Union's offers and incentives. The Communication mentioned the neighbours' "further integration and liberation to promote the free movement of persons, goods, services and capital" as the main incentive for the partner countries and added that "if a country has reached this level, it has come as close to the Union as it can without being a member".<sup>73</sup> Subsequent Council Presidency Conclusions changed this strongest incentive into a long-term and

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<sup>71</sup> European Commission, "Communication from the Commission Paving the Way for a New Neighbourhood Instrument", COM(2003) 393 final, Brussels, 1 July 2003., European Commission, "Communication from the Commission to the Council and the European Parliament on the Instruments of External Assistance under the Future Financial Perspectives 2007-2013", COM (2004) 626 final, Brussels, 29 September 2004.

<sup>72</sup> Balfour and Rotta, *op cit.*, p. 19. The authors also draw attention to the possibility of the EU's support for and the strengthening of the decentralisation processes and the strengthening of local democratic governance in partner countries via partnerships between national, regional and local authorities on a cross-border basis. This also reveals the significance the EU attaches to the civil society dimension of the ENP, despite its formally intergovernmental character.

<sup>73</sup> Apart from the extension of the internal market and regulatory structures, the Commission lists the following incentives: preferential trading relations and market opening, support for integration into the global trading system, new instruments for investment promotion, integration into transport, energy and telecommunications networks and the European research area, enhanced assistance, perspectives for lawful migration and movement of persons, intensified cooperation to prevent and combat common security threats, greater EU political involvement in conflict prevention and crisis management, greater efforts to promote human rights, further cultural cooperation and enhanced mutual understanding. See COM (2003) 393, p.10-14.

imprecise perspective for participation in the internal market and regulatory structures.<sup>74</sup> Furthermore, the Council identified some new possible incentives in line with the renewed emphasis on security-building and regional cooperation in the EU's proximity.<sup>75</sup> The perceived change in the priorities and incentives of the Commission and the Council might indicate the EU leaders' shared interest in and stronger commitment to the goal of a secure, stable and cooperative neighbourhood instead of supporting domestic transition and reforms as a goal in its own right.

This security-driven EU rhetoric, as distinct from the original discourse on "increasing the neighbours' prosperity, stability and security" necessitated a parallel shift in the methodology of the ENP. The new EU rhetoric and reasoning has emphasised the principles of partnership and shared values rather than the principle of conditionality and strong incentives.<sup>76</sup> In its 2004 Strategy Paper, the Commission maintained the mutual commitment to common values between the EU and its neighbours as the normative basis of partnership and cooperation. Yet, the Commission also made it clear that "the EU does not seek to impose priorities or conditions on its partners, these will be defined by common consent and will vary from country to country".<sup>77</sup> The Strategy Paper further notes that: "the ambition and the pace of development of the Union's relationship with each partner country will depend on its degree of commitment to common values, as well as its will and capacity to implement agreed priorities." Hence, differentiation between partner countries is at the basis of the ENP partnership. The latter is to be based on the mutual commitment to common values between the EU and its neighbours, the more a country conforms to EU values the closer it can cooperate with the EU.<sup>78</sup>

The tilt towards partnership has led some to argue that: "the way to pursue this policy is not anymore political conditionality but rather benchmarks: public definitions of the actions that the EU expects the partners to implement, depending on agreed targets and reforms".<sup>79</sup> Marise Cremona has identified benchmarks as being concrete

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<sup>74</sup> At present, the Commission also views the objective of a "stake in the internal market" as a long-term one. The process will be gradual and the elements and areas of integration will be defined in each case, taking into account the capacity and interests of both sides. It is clear, however, that free movement of persons is not on the agenda for the foreseeable future. See <[http://www.europe.eu.int/comm/world/enp/faq\\_en.htm](http://www.europe.eu.int/comm/world/enp/faq_en.htm)>

<sup>75</sup> For a brief comparative analysis of the Commission's and Council's priorities, see Balfour and Rotta, *op cit.*, p. 12-15.

<sup>76</sup> Tocci, *op cit.*, p. 25-27.

<sup>77</sup> European Commission, **Communication from the Commission to the Council, European Neighbourhood Policy Strategy Paper**, COM (2004) 373 final, Brussels, 12 May 2004, p. 8.

<sup>78</sup> Kelley, *op cit.*, p. 10.

<sup>79</sup> Rosa Rossi, "European Neighbourhood Policy in Perspective", in Fulvio Attina and Rosa Rossi (eds) **European Neighbourhood Policy: Political, Economic and Social Issues**, Jean Monnet Centre, Department of Politics, University of Catania, 2004, p. 11.

and objectively testable, offering greater predictability and certainty than what the Commission calls “traditional conditionality”.<sup>80</sup>

The key elements of the ENP approach are the principles of differentiation, gradualism and benchmarks. Although the Commission wishes to develop a coherent policy, it recognises the differing starting points of the neighbours, hence the need for different speeds and timetables, or simply the differentiation in progress and the conditionality applied.<sup>81</sup> Differentiation is to be accompanied by the logic of gradualism defined as the gradual engagement for each state depending on its willingness to progress with economic and political reform. Political and economic benchmarks will be used to evaluate progress in key areas.

According to Balfour and Rotta, the most innovative feature of the ENP is the principle of differentiation which would allow the EU to reward those partners making more progress. Accordingly, the policy will be structured around a differentiated framework, which responds to progress made by the partner countries in specified areas of priority, that is to say, “policies tailor-made to meet the conditions of a given country, rather than a one-size-fits-all shopping list of reform priorities”.<sup>82</sup>

Differentiation complements the bilateral dimension: while common rules are to guide the Union’s relations with all neighbours, much will depend on the neighbour’s specific capability and willingness to move forward.<sup>83</sup> It may therefore be suggested that the combination of differentiation and bilateralism might act as a catalyst for long-term domestic reform especially in the case of the reluctant Mediterranean partners. Hence, while differentiation and bilateralism could, in principle, allow for the exercise of positive conditionality in the Mediterranean context, it could inject a new dynamism of flexibility in terms of multi-speed political and economic transformation.

Not all ENP commentators are optimistic about the assumed linkage between differentiation and bilateralism. Some have noted an imbalance and tension between the cooperative and the transformative baskets of the ENP: whereas regional cooperation could be strengthened through partnership, it is highly doubtful whether an eventual successful transformation of the ENP partners could be realized through partial inclusion or “virtual membership”, neither of them is conducive to the application of strict conditionality.<sup>84</sup>

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<sup>80</sup> Marise Cremona, “Enlargement: A Successful Instrument of Foreign Policy?”, in Takis Tridimas and Paolisa Nebbla, (eds), **European Union Law for the 21st Century, Rethinking the New Legal Order**, Vol I, London, Hart Publishing, 2004, p. 410.

<sup>81</sup> *Ibid.*, p. 410.

<sup>82</sup> Balfour and Rotta, *op cit.*, p. 11.

<sup>83</sup> Tocci, *op cit.*, p.25.

<sup>84</sup> Balfour and Rotta, *op cit.*, p. 19-20; *Ibid*, p. 25.



Another criticism levelled against differentiation in the ENP is the implication that the bilateral dimension is privileged over the regional frameworks.<sup>85</sup> This assumption is supported by the prevalence of a bilateral over regional dialogue and also the preference for a differentiated rather than a holistic approach.<sup>86</sup> While the Communication of March 2003 emphasises regional cooperation as a precondition for political stability, economic development reduction of poverty and social division, the Strategy Paper of May 2004, refers to institutional arrangements of the existing policies, notably the EMP as a means of strengthening the regional dimension.<sup>87</sup> Regionalism is characterised by a minimum, if not completely absent, level of institutionalisation: there are no provisions for the institutions responsible for the implementation of the ENP other than the already established joint bodies under the existing agreements.

Given the inadequacy of the necessary instruments of regionalism and region-building in the ENP, it will be difficult for some neighbours to assert their “Europeanness” through a sense of joint ownership and a sense of belonging to a shared region. The lack of a sense of common identity could induce them to negatively perceive their asymmetrical relations with the Union, and might even challenge their acceptance of the ENP as a partnership of shared values.<sup>88</sup> Built on the assumption to assure its own security through the creation of a region of shared values and prosperity, the European neighbourhood project is not just about sharing material benefits but is also a far-reaching project of a shared future.<sup>89</sup> As such, the ENP should not forget the basic lessons learned from the EMP as a process of region-building: “despite the limited results achieved, Barcelona’s main attainment is the awareness to eliminate asymmetrical perceptions between the two shores of the Mediterranean, making partners feel as equals, fostering sub-regional cooperation and developing a common identity.”<sup>90</sup>

One of the key challenges for the EU under the ENP is to achieve a balance between its initial security concerns and the mutual interests and identities that will eventually be shared with the neighbours. Another challenge for the EU would be to combine the ENP and the EMP in a way in which they can both generate positive

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<sup>85</sup> *Ibid.*, p. 11.

<sup>86</sup> Manuela Moschella, *op cit.*, p. 31.

<sup>87</sup> In its Report “Wider Europe–Neighbourhood, the European Parliament underlined the necessity of differentiating between the Eastern and Mediterranean countries on the basis of the types of challenges involved, the level of domestic political development, and their interest and capacity to engage in closer cooperation. It further suggested that while there is significant scope for developing sub-regional and regional cooperation in the South, a bilateral approach is more promising in the East. See the European Parliament, **Report on Wider Europe–Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours –COM (2003)1004-2003/2018(INI)**, 20.11.2003, p. 89.

<sup>88</sup> Moschella, *op cit.*, p.62.

<sup>89</sup> *Ibid.*, p.65.

<sup>90</sup> *Ibid.*, p.64.

effects in the Mediterranean area: regional co-operation through the latter and political and economic reforms through the former.<sup>91</sup>

The relationship between the ENP and the EMP has been subject to different assessments amongst scholars. Some critically approach the change of emphasis from the logic of multilateralism and regional co-operation in the Mediterranean to the logic of differentiated bilateral relations in the ENP and argue that this may lead to a slowdown in the process of (sub) regional co-operation in the Mediterranean.<sup>92</sup> Despite the fact that regional cooperation seems a more appropriate way for tackling cross-border security challenges than bilateralism, Balfour and Rotta have noted to a tension in the ENP between differentiation and regional cooperation in favour of the former, and they have added that this inherent tension might act contrary to the compatibility of these two policies.<sup>93</sup>

By contrast, other scholars claim that the ENP approach that is based on conditionality and bilateralism may inject a new driving force into the Euro-Mediterranean relations and may induce the most reform-willing countries to go ahead without concern for the slow progress made in other countries.<sup>94</sup>

### *ENP as a Partnership of Common Values*

As stated earlier, the predominance of the logic of stabilization in the ENP necessitated an increasing emphasis on the notion of partnership based on mutual concerns and shared values. This was explicitly stated in the Commission's Strategy Paper of May 2004:

"...The Union is founded on the values of respect for human dignity, liberty, democracy, equality, the rule of law and respect for human rights. ... The ENP seeks to promote commitment to shared values. The extent to which neighbouring countries implement commitments in practice varies and there is considerable scope for improvement. Effective implementation of such commitments is an essential element in the EU's relations with partners. The level of the EU's ambition in developing links with each partner through the ENP will take into account the extent to which common

<sup>91</sup> Michele Comelli, "The approach of the European Neighbourhood Policy (ENP): Distinctive Features and Differences with the Euro-Mediterranean Partnership", Paper presented at the IGC Net conference in Brussels on 17 November 2005 (in cooperation with the IEP Paris and TEPSA), p. 3.

<sup>92</sup> *Ibid.*, p. 9-10; Karen E. Smith, *op cit.*, p.757-773; Rafaella Del Sarto and Tobias Schumacher, "From EMP to ENP: What's at Stake with the European Neighbourhood Policy Towards the Southern Mediterranean ?", *European Foreign Affairs Review*, Vol. 10, No. 1, (Spring 2005), p.17-38.

<sup>93</sup> Balfour and Rotta, *op cit.*, p.13.

<sup>94</sup> See; Michael Emerson and Gergana Noutcheva, "From Barcelona Process to Neighbourhood Policy", *CEPS Working Document No. 220/2005*.

values are effectively shared. The Action Plans will contain a number of priorities intended to strengthen commitment to these values".<sup>95</sup>

In order to mitigate the consequences of "Europeanization without accession" for the neighbours, the EU has emphasised upon the notion of "shared values". These values are those which ensure stability, security and prosperity of the EU and its neighbours, that is democratic reforms (fundamental rights, rule of law), market economy and sustainable development (including reforms in sectors such as trade, competition, energy and transport, environment, people-to-people contacts. These reforms will enable them to develop joint responses to the common challenges.<sup>96</sup>

Through the ENP, the EU seeks to spread liberal political and economic values to increase its neighbours' prosperity, stability and security, and to promote the reforms in its neighbourhood. However, the eventual success of this new strategy in providing stability without an offer of membership is questionable. In the absence of membership, the outcome of the ENP might not be so dissimilar from the existing EU policies. Much will therefore depend on the ability of the EU to exercise political conditionality towards the ENP countries and contribute to democracy and human rights improvements in them as long as membership incentives are absent. Frank Schimmelfennig, is not optimistic in this regard: "since ENP countries are without a membership perspective and generally governed by authoritarian regimes for whom the political costs of complying with democratic and human rights rules are high, the ENP will not have a significant impact on democracy and human rights in these countries".<sup>97</sup>

The lack of effectiveness of the ENP political conditionality holds true not only for the ENP countries but for the EU and its member states. In its relations with those countries that are not considered as potential future members, the EU is less normatively constrained and can treat democracy and human rights more expediently.<sup>98</sup> Thus, outside of the accession context, not only the EU incentives for supporting democratic conditionality, but its normative credentials may tend to be compromised with intra-EU politics and bargaining.

What also seems paradoxical on the part of the EU is to acknowledge the partners' lack of ability and/or will to commit themselves to common values on the one hand and to link its receptiveness in offers to their intensified will/ability to promote values on the other. The new Constitutional Treaty states that Union membership "shall be open to all European states which respect the values referred to in Article I-2, and are committed to

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<sup>95</sup> COM (2004) 373, p. 12-13.

<sup>96</sup> See <[http://www.europe.eu.int/comm/world/enp/faq\\_en.htm](http://www.europe.eu.int/comm/world/enp/faq_en.htm)>.

<sup>97</sup> Frank Schimmelfennig, "Political Conditionality and Its Impact on Democracy Promotion in Non-Candidate Neighbouring Countries, Paper prepared for EUSA 9th Biennial International Conference, Austin, 31 March-2 April 2005, p. 3.

<sup>98</sup> *Ibid.*, p. 12. For a further analysis see Richard Youngs, *The European Union and the Promotion of Democracy. Europe's Mediterranean and Asian Policies*, Oxford, Oxford University Press, 2000.

promoting them together”.<sup>99</sup> Is this talk of shared values a substitute for an assurance or the promise of membership? Isn't the EU going too far when it expects the same commitments of Union membership from both the European and non-European neighbours? In Marise Cremona's view:

“It is difficult to manage such a rhetorical combination, which depends, in fact, on a recognition by the neighbourhood states that their levels of performance need considerable improvement and a willingness to submit to the EU's judgement as to how to demonstrate commitment to the proclaimed shared values. Isn't it too idealistic to expect all these in a relationship of partnership rather than a relationship based on candidacy”.<sup>100</sup>

Furthermore, Cremona is skeptical about the compatibility of the principle of differentiation with the objective of a shared partnership. Instead of a joint ownership of the process defined by common consent, the relationship will remain one in which the actions of the partners are judged by the EU. Neighbouring countries will be the potential beneficiaries of progressive economic integration, as long as they develop the necessary legal, administrative and institutional capacity and to demonstrate readiness to share the Union foreign policy objectives in crisis management and conflict prevention. Thus, the real mutuality of partnership is somehow missing.<sup>101</sup>

“A shared neighbourhood implies burden-sharing and joint responsibility for addressing the threats to stability created by conflict and insecurity”.<sup>102</sup> There is no doubt that the agenda is being set by the Union and focuses on Union priorities, including the creation of conditions for a stable political environment, the prevention of internal and external conflict and cross-border security for the EU. Instead of shared objectives, there seems to be the incentive of economic integration and closer cooperation with the EU being offered in order to achieve the EU's own security objectives.<sup>103</sup> It is worth mentioning that the EU's fundamental objective is to export stability to neighbouring countries so that its own zone of peace is not hampered by instability in its neighbourhood.

According to Cremona, in stressing the commitment of the partners to shared values, the EU also aims to increase Europe's security by binding the ENP states into its own security policies, extending its cooperative base, building a network of support for its external policies beyond its borders.<sup>104</sup> Hence, the ENP is the new pan-European

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<sup>99</sup> The Constitutional Treaty lists the Union's common values in Article I-2 including respect for human dignity, liberty, equality and rights of minorities in addition to democracy, the rule of law and respect for human rights. These values are to be upheld and promoted by the Union in its relations with the wider world

<sup>100</sup> Cremona, *op cit.*, p.22-23.

<sup>101</sup> *Ibid.*, p. 7.

<sup>102</sup> COM (2003) 104, p.12.

<sup>103</sup> Cremona, *op cit.*, p.23.

<sup>104</sup> *Ibid.*, p.23; Cremona, *op cit.*, p.406.

space where the policy can be used to make the CFSP a success. While commitment to shared values will, in the long term, contribute to an enhancement of the EU's strategic presence in the neighbourhood, the Union will nonetheless continue to face security challenges in its new periphery. Higher levels of integration between the EU and its neighbours will provide structural stability in the long run, but in the meantime, it will bring regional and domestic crises and conflicts closer to the EU. In the words of Roberto Aliboni, "the most obvious geopolitical effect of the ENP will be expanded political involvement for the EU, which would face an alternative between acting effectively to defuse crises and solve conflicts in the political co-sphere it wants to stabilize for the sake of its own security, or looking on as the co-sphere weakens and its security is enfeebled".<sup>105</sup> Thus, the eventual success of the EU's new geopolitical initiative would heavily depend on the joint commitment of the EU member governments to strengthen the security and defence dimension of the CFSP.<sup>106</sup>

### *ENP and the EU's Experience with Enlargement*

There is a widely shared view that the Commission's approach to neighbourhood was largely inspired by the EU's enlargement experience. The rationale for the ENP follows the logic of enlargement: "the greater the interdependence and integration between countries, and the wider the area of peace, prosperity and democracy, the more stable and secure the entire community".<sup>107</sup> In terms of providing security and stability to its neighbourhood, the EU has clearly modelled the ENP on the enlargement process.<sup>108</sup> As Judith Kelley aptly points out, the ENP is shaped by the logic of path-dependency; the influence of historical choices on present institutional options, but it also results from the combination of EU policy learning and adaptation from the enlargement experience in response to the changed post-enlargement context.<sup>109</sup> The EU is clearly hoping to repeat the success of the accession process by setting some of the same targets and by using similar instruments and methodologies, including conditionality and differentiation, without the final incentive of EU membership

However, the ENP could be viewed as the continuation of the logic of enlargement with different political ends but with similar tools and instruments. ENP differs from the EU enlargement process simply because it does not include the prospect of membership for the partners. Indeed, the neighbours, old and new, have a long way to go in terms of achieving political and economic reform, before they could be ready to assume the responsibilities associated with (pre)accession. The ENP will bring these countries closer to the EU, by offering a substantial degree of economic integration and deeper

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<sup>105</sup> Roberto Aliboni, "The Geopolitical Implications of the European Neighbourhood Policy", *European Foreign Affairs Review*, Vol. 10, No.1, (Spring 2005), p. 5

<sup>106</sup> *Ibid.*, p. 6.

<sup>107</sup> Balfour and Rotta, *op cit.*, p.9.

<sup>108</sup> Cremona, *op cit.*, p.5

<sup>109</sup> Judith Kelley, "New Wines in Old Wineskins: Policy Adaptation in the European Neighbourhood Policy", *Paper prepared for EUSA 9th Biennial International Conference*, Austin, 31 March-2 April 2005, p. 4-10.

political co-operation. This makes the ENP a strategy for supporting transition in principle, without a possibility of spillover into a pre-accession strategy.

Even if the existing structural deficiencies in the neighbourhood are left aside, it would still be unrealistic of the EU to embark on further commitments when “the pace and scale of enlargement is approaching the limits of what European public opinion will further accept”.<sup>110</sup> The priority of the EU must be to maintain the momentum of European integration. While strictly insisting on its own absorption capacity, the Union must fulfill the promises it has already made to the candidates, both actual and potential.

The fact that the ENP should be seen as separate from the question of possible EU accession, has meant that the policy does not promise membership but it does not preclude it either. Instead, the Union has simply disassociated itself from the question of membership and the challenging task of drawing the boundaries of the Union (and arguably of Europe) at a time when there is an apparent need for the consolidation of the ongoing enlargement process and for continuing with the processes of internal consolidation and deepening. With its neutrality towards membership and with the incentives it offers, the ENP is said to be modelled on the EEA. The ultimate political offer would be an enhanced relationship with the EU based on the EEA model that would be ‘as close to the Union as can be without being a member’ However, in much the same way as the EEA dissatisfied the membership aspirations of the EFTA states, the ENP might give rise to a decline in the willingness of the neighbouring countries to conform to the requirements of Europeanization.

Despite the absence of a perspective of EU membership, the ENP shares an important goal with enlargement: to induce partners to embark on the process of “Europeanization” that is the adoption of European values, standards, laws and administrative practices as part of the process of transformation and rapprochement with the EU. Simply said, the ENP is a policy of Europeanization or even EU-ization without accession. It, thus, constitutes a crucial test case for measuring the ability of the EU to leverage the reforms in its neighbourhood and to transform wider Europe into a zone of prosperity, stability and security beyond the confines of enlargement as such.

While achieving its objectives and promoting democratic and economic reforms in particular, the ENP will draw on the instruments, methods and incentives of the proven transition methodology in Central and Southeastern Europe.<sup>111</sup> At the outset of the process, the Commission prepares Country Reports assessing the political and economic situation and deciding when and how it is possible to deepen relations with that country. The next stage is the development of ENP Action Plans which are negotiated with each country, based on their needs and capacities, as well as their and the EU’s interests. Action Plans define an agenda of political and economic reforms by means of short and

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<sup>110</sup> Eneko Landaburu, “From Neighbourhood to Integration Policy. Are There Concrete Alternatives to Enlargement?”, *CEPS Policy Brief* No. 95/March 2006, p. 1.

<sup>111</sup> Cremona, *op cit.*, p. 1.

medium-term (3-5 year) priorities. They cover political dialogue and reform, economic and social cooperation and development, trade-related issues and market and regulatory reform, cooperation in justice and home affairs, sectoral issues and a human dimension.

The implementation of the mutual commitments and objectives contained in the Action Plans is regularly monitored through sub-committees.<sup>112</sup> The Commission will also issue periodic reports on areas requiring further progress. When monitoring demonstrates significant progress in meeting the priorities, EU incentives may be reviewed, the Action Plans may be adapted, or bilateral agreements may be replaced with new and comprehensive European Neighbourhood Agreements. According to Cremona, “although not specifically designed to prepare these countries for EU membership, the fulfilment of the targets set in the Action Plans is likely to enhance the readiness of those countries to submit membership applications, should they eventually decide to do so”.<sup>113</sup>

By setting clear and specific priorities in Action Plans, and carefully monitoring their implementation, the EU will provide focus and encourage reforms in the partner countries. The implementation of the first round of ENP Action Plans began in 2004. Action Plans were agreed with seven partners whose Agreements were in force at that time (Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine). The implementation stage will be monitored through sub-committees and the Commission will report on progress in early 2007. Work has already begun with two more countries whose Association Agreements are now taking effect (Egypt and Lebanon) and with the three countries which already had PCAs in force but were only included in the ENP in 2004 (Armenia, Azerbaijan and Georgia).<sup>114</sup>

The ENP goes beyond existing neighbourhood relationships and offers, in return for progress on reforms, increased assistance, enhanced market access and greater participation into EU programs and networks. Even though reform and modernization in both Eastern and Southern neighbourhood aims at similar goals, differentiation between partner countries is a central element of the ENP. The ENP is offering the Southern partners bilateral incentives in addition to the multilateral nature of the Barcelona Process. By contrast, deeper integration of trade and economic relations is not foreseen for the eastern partners. Instead, the priorities are either the full implementation of the trade-related provisions of the existing PCA, accession to the WTO or full

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<sup>112</sup> These sub-committees will be set up under the EU's respective agreement with each country and would bring together the representatives of partner countries, the member states, the European Commission and the Council Secretariat, and would therefore reinforce the nature of the Action Plans as a “negotiated order” between the EU and its partners.

<sup>113</sup> Cremona, *op cit.*, p.8-9.

<sup>114</sup> Since the ENP builds upon existing agreements; PCAs or Association Agreements or the Barcelona Process, the ENP is not yet ‘activated’ for Belarus, Libya or Syria, since no such Agreements are yet in force. Now that the Association Agreement with Algeria has entered into force, an ENP Action Plan could also be prepared.

implementation of the WTO accession agreement, along with continued economic reform.

The Commission underlines the seriousness of the EU's offers, and believes that these incentives can help to meet the challenges ahead. The main reason for the optimism of the Commission is that the ENP was specifically designed in the context of the ongoing EU enlargement, it is based on the lessons drawn from the previous pre-accession process in Central and Eastern Europe, and from the Stabilization and Association process in the Western Balkans. The ENP reflects the EU's intention to share the "benefits of enlargement" with the new and old neighbours, yet it also demonstrates the reluctance of the Union and its member states to offer the same exact end-goal incentive to these countries; the prospect of membership. The ENP does not provide a specific accession prospect hence it is not an enlargement policy. It stands as a concrete alternative to enlargement: it is a policy of transition and a condition of closer and privileged relationship. However, building of such a partnership is made conditional to the neighbours' commitment to shared values in principle and in action. "The further a partner is ready to go in taking practical steps to implement common values, the further the EU will be ready to go in strengthening our links with them." As Cremona has succinctly noted: "is this talk of shared values a substitute for a more concrete offer, or is it a sign of the political conditionality that will underpin the relationship?"<sup>115</sup> The answer to both questions seems an affirmative one. Yet, while the EU is quite explicit that the ENP "is designed to offer a privileged form of partnership now, irrespective of the exact nature of the future relationship with the EU", it is doubtful as to what extent the ENP "is based on the same kind of positive conditionality underpinning the enlargement process". As Balfour and Rotta have aptly pointed out a fundamental shortcoming of the incentive-based ENP is the EU's lack of a strategy with regard to those countries which are not willing to comply or cooperate.<sup>116</sup> A key question that remains is: will a flexible and differentiated conditionality envisaged in the ENP be as effective as the political conditionality present in the enlargement process?

### Conclusion

As stated in the Introduction, the aim of this paper is to explore whether or not the ENP, that has been modelled on the existing EU policies would develop into a totally new form of relationship with the neighbours, hence offering a tangible alternative to the membership in the long run. Answering this question depends on seeking an answer to another fundamental question: How innovative and coherent is the ENP as the single and comprehensive policy initiative of the EU towards a diverse neighbourhood?

A close look into the stated objectives of the ENP reveals that the EU is pursuing two different but interrelated logics in its new framework for relations between the EU

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<sup>115</sup> Cremona, *op cit.*, p. 409.

<sup>116</sup> Balfour and Rotta, *op cit.*, p.14-15.



and its neighbours. The first is the logic of stabilization, which stems from the need for the EU to stabilize its borders, and the second one is the logic of promotion and transition. While the former is more internally driven in the sense that, increased cooperation and intensified common activities within the scope of fighting against trans-border threats is a major concern for the EU and its citizens, the latter indicates the enlarged Union's willingness to enhance its strategic engagement in wider Europe. The EU has basically chosen to rely on its civilian power attributes for promoting economic and political reforms and transition in those countries. However, the EU will no longer act as a transformative power in the context of enlargement. The new policy symbolizes the official abandonment of applying enlargement as a foreign policy tool to relations with the countries in Europe's new periphery. Instead, the Union is working on "Europeanization without membership" as the new foreign policy tool directed towards the neighbours. As such, the EU is committed to support political reform and economic development of these countries.

Arguably, one innovative feature of the ENP is that the EU seeks to promote transition by means of an approach of integration. While disassociating integration from accession, the Union offers a higher level of economic integration and closer political cooperation with the neighbours which will be supported by EU financial and technical assistance and a new financial instrument in the future. The outcome of this process of integration in wider Europe would be the creation of a new ring of privileged partners in the Eastern and Southern neighbourhood. Such a partnership to be sustainable has to be based on not only common interests but also shared values. The partners' commitment to and real progress in acting on the basis of shared values will be the key decisive factor for the EU's openness and receptiveness towards the partners. It may therefore be assumed that as distinct from the strict political conditionality applied in the context of enlargement, the Union has preferred a more flexible form of conditionality towards the neighbouring countries. Moreover, this conditionality would be a highly differentiated one and would allow the EU to reward those partners achieving more progress. Differentiated conditionality as another innovative feature of the ENP might give rise to a "multi-speed wider Europe" which would enable more reformist (and Europeanizing) neighbours to move forward while leaving others to catch up later. Such a flexible and differentiated model of wider Europe as distinct from a Europe of concentric circles would help to alleviate fears of exclusion of the European neighbours, without permanently eliminating them. In this context, the possibility of opening EU programmes to the participation of neighbours for the purpose of promoting cross-border and trans-regional cooperation is another innovative feature of the ENP. The cross-border component would add to the dynamic nature of the EU's transactional boundaries and would ease the insider/outsider paradox of the neighbours.

The effect of reconstructing the wider neighbourhood by deeper economic and political integration for the EU would be the consolidation of its internal and external commitments before the next enlargement. The cooperative approach to common security threats in the ENP, if effectively implemented, would also respond to the

security concerns of the EU citizens and might lead to an increase in their commitment to and support for the integration process.

The innovative features of the ENP seem to offer a promising future for the EU and its neighbourhood policy in wider Europe. However, the weaknesses of the ENP combined with the domestic and international circumstances prevailing in this broader area brings about a cautious and uncertain outlook for the future.

The dual logic inherent in the ENP necessitated an adaptive methodology of enlargement towards the neighbouring countries. Adaptation involves the abandonment of an eventual EU membership, the formulation of a differentiated form of conditionality and an increasing reliance on the partners' own dedication to undertake the necessary reforms. It is highly probable that neighbouring countries which are not on a path to membership do not have the same strongest incentive to act on the basis of shared values. The main question is whether the process of Europeanization can be effective in the countries neighbouring the EU, in the absence of a perspective of membership. After all, the credibility of the ENP will depend very much on the extent to which it promotes transition and integration in the EU's neighbourhood. It is far from certain whether the ENP as an adaptive form of enlargement would induce the partners to embark on the process of Europeanization. Instead it seems that the ENP has raised internal expectations about the transformative power of the EU in its new neighbourhood without providing the Union with all the necessary capabilities to achieve this.

The eventual success of the ENP in terms of fulfilling its transformative aims partly depends on the attitude of the countries involved. EU's neighbours vary to a large extent both in terms of their Europeanness and in terms of their commitment in practice to the principles of democracy, rule of law, human rights and good governance. It is highly debatable whether the ENP can be effectively utilized to leverage reforms in those states. Besides their poor democratic credentials, a majority of the neighbouring countries have many priorities in their internal and external policies of which closer links with the EU are just one. Both the EU and its neighbours need to maintain a working relationship with key players such as the US and Russia and with other international organizations such as the Council of Europe, the OSCE and even the UN. Whether the EU can succeed in democratizing its wide neighbourhood outside the context of enlargement therefore remains a big question for the Union and for its global actorness.