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European Neighbourhood Policy: How to Reconcile EU's Offer with Neighbour's Expectations?

Since its launch in 2004, the ENP has succeeded in bringing about a strengthening of economic relations, especially trade, between the EU and its neighbours. However, the political record of the seven-year implementation of this policy is relatively poor. The violent, unprecedented socio-political changes in North Africa and the Middle East, which started in January 2011, revealed weaknesses and problems in the European policy towards its southern neighbours as developed in the framework of the Barcelona Process and the Union for the Mediterranean. Arab spring has shown that the EU support to introduce political reforms and to build and consolidate democracy in the southern neighbouring countries has yielded very limited results. The Eastern Partnership seems to be one of the few positive manifestations of the European Neighbourhood Policy's evolution in recent years but is not free from problems. The most tell-tale sign of the Eastern Partnership's deficiencies is a palpable relapse in democratisation.

The revised ENP of May 2011 demonstrates the EU's ambition to adapt its policies and operational mechanisms to the new strategic realities around the EU's eastern and southern borders. At the heart of the new ENP lies the idea of democratisation and the recognition that civil society is an important player in developing democracy in neighbouring countries. Stronger conditionality—emphasised in the EU proposal and understood as “more for more” and “less for

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less”—is expected to lead to a stronger commitment by the EU’s neighbours to the values of human dignity, fundamental rights, democracy and the rule of law. At the same time, the differentiation principle should allow each partner to develop its links with the EU as far as its own aspirations, needs and capacities allow. There will be no “one-size-fits-all” model, and the aim of the EU is to properly address the problems of each partner state through the development of the Eastern Partnership and the Partnership for Democracy and Shared Prosperity with the Southern Mediterranean in their bilateral and regional dimensions.

The implementation of the revised ENP is a great challenge for the EU, which needs to provide inspiration, structures and political and economic lifelines both for the populations of countries where the development of closer relations with the EU enjoys popular support and for those societies and individuals living under autocratic or semi-autocratic regimes that have testy relations with the EU. Stronger conditionality and enhanced differentiation, combined with an attractive and generous offer, should be the EU’s response to the recent developments taking place in the neighbourhood.

Problems and Dilemmas of the New ENP

The revised concept of the ENP will not lead automatically to an increase in the effectiveness of European policies and the democratization of the neighbourhood. The performance of the new EU policy towards the ENP countries can be assessed only in a long-term perspective and depends on both the EU’s capabilities and the willingness of its neighbours.

There are several problems and dilemmas with the EU’s policy towards its neighbours that can seriously hamper the implementation of the new ENP, as was the case with the previous ENP. The intergovernmental character of the CFSP maintained in the Lisbon Treaty and the need to combine the diverse interests of the member states condemn the EU to react late and slowly and limit its ability to pursue a more ambitious foreign policy. Furthermore, the EU has so far been taking too technocratic an approach to cooperation with its neighbours, ignoring the relevance of the political dimension connected to democracy and human rights and has even been cooperating with authoritarian regimes. Despite the revision of the ENP, it may not be ruled out that member states would—in return for cooperation in controlling

illegal migration and energy supplies and an assurance of stability—give up promoting democracy and, as before, “tacitly condone” the functioning of sham democracies in North Africa and the Middle East or continue a double-standards policy towards some eastern countries. Last, despite the importance of the neighbourhood, the EU is mainly focused on its own internal problems caused by the financial crisis. Although the EU aims to have stable neighbours for the sake of its own security and in order to ensure a safe environment for economic relations with these countries, highly cautious political engagement by the EU and its limited financial resources are not helping achieve the ENP’s goals.

The ability to fill in the framework defined by the ENP with concrete action will depend to a much larger degree on the states to which it is addressed, including their political willingness, readiness and progress in strengthening ties with the EU. However, it is not clear whether Egypt, Tunisia and Libya in particular will follow through with democratic changes. The transformation process has only just begun. A key obstacle in achieving the main goals of the ENP in relation to the eastern partners is a decrease in democratic reforms (save for Moldova). Add to that the conflicts and tensions in the neighbourhood that inhibit political and economic cooperation in the Mediterranean region and within the EaP states (e.g., Israel-Palestine, West Sahara, South Caucasus, Transnistria). Unfortunately, the EU’s ability to counteract such conflicts is limited, both in the east, where Russia’s influence is significant and often contradicts EU intentions, and in the south, where the Middle East conflict defines the political reality of the region. Moreover, arguably the most important obstacle in EU relations with its neighbours is that EU policy does not fulfil partners’ expectations, which are primarily focused on the economic aspects of cooperation (establishment of trade relations, bolstering business cooperation) as well as security issues and greater mobility. According to opinion polls¹, the neighbours expect more EU assistance in economic development, EU engagement in conflict resolution and easier travel to the EU. Some of them aspire to integration with the EU. Quite tellingly, the majority of eastern and southern partners do not expect the EU to push for democracy promotion.

¹ More about opinion polls in the ENP countries in “Perceptions of the EU in Neighbourhood Partner Countries” within the project “Opinion Polling and Research” (OPPOL), financed by ENPI, www.enpi-info.eu.

Diversities and Similarities Among the ENP Countries

The EU neighbours can be divided into at least four groups of countries with particular problems and expectations in their relations with the EU. The first one is composed of Egypt, Tunisia and Libya. After the collapse of long-term authoritarian regimes, these countries are in the process of a democratic transition characterised by weak state institutions, a political party system under construction and economic insecurity. These three **countries** are **looking for help in democratic transition** and should now be the EU's main priority in the southern neighbourhood. The EU should aim to consolidate the results of the peoples' revolutions that have taken place in North Africa, namely through supporting constitutional reforms, encouraging the development of a political party system, strengthening civil society organisations as well as promoting civilian control of the security forces. In its dealings with these countries in the throes of transition, the EU needs to focus on the consolidation of new democratic actors, i.e., it should be active in funding training courses for local institutions and NGOs, but cannot forget about helping to restore confidence in the economy.

Special attention must be paid to the second group of ENP countries that are characterised by the **authoritarian** nature of their **regimes**, particularly Syria, Belarus and Azerbaijan. So far, the EU has treated them with a certain degree of indulgency. Democracy and protection of human rights must become the priorities in EU policy regarding authoritarian regimes in the neighbourhood and it should strictly apply a "more for more" and "less for less" rule. Any actions by the EU towards authoritarian regimes should have a particular intensity, given that the observance of human rights and democratic principles in these countries is usually illusory. Together with representatives of civil societies, the EU should propose the scope of reforms necessary to implement protection of human rights (despite the fact that such reforms primarily require mental changes). It is a "long journey home", but one definitely worth taking, especially since the EU can encourage reforms and positive changes in authoritarian states through enhanced conditionality or, in the worst-case scenario, by imposing sanctions.

While concentrating on supporting democratic transitions and trying to change authoritarian regimes, we cannot "lose" those **countries** that are **looking for**

cooperation with the EU, the third group. They deserve a tailor-made approach that responds to their expectations, from simple development cooperation, the enhancement of economic relations, increased mobility and EU support in conflict resolution to the establishment of an advanced status in their relations with the EU. In Morocco and Jordan, where free elections took place and there is a certain degree of openness, freedom of expression and association, the EU should help in the process of political reform, including strengthening the role of both parliament and government. A more active contribution to the Middle East Peace Process, combined with the EU's work towards the twin goals of democratisation and reconciliation is recommended in the case of Palestine and Lebanon, since Israel is a special partner in this process. A more complex country and one usually reluctant to adhere to EU policy, Algeria probably needs to be approached in a very careful way. Last, as Armenia is developing its relations with the EU in the framework of the EaP, it should be encouraged to pursue democratisation in a more active and sustainable manner.

Finally, among the ENP partner countries there are some for which the development of closer relations with the EU and even integration enjoys popular support. As European states with a visible European identity, Moldova, Ukraine and Georgia can be generally described as **countries willing to integrate with the EU**. In the current political and economic situation of the EU and with unfavourable developments in some of them, it is difficult to imagine a constructive debate on an enlargement policy for Eastern Europe. The participants of the Warsaw summit this fall recognized a particular role for the Eastern Partnership to support those countries with European aspirations that seek an ever closer relationship with the EU. However, there is no doubt that the EU should come up with a special offer for the eastern partners that are willing to integrate.

Improving the EU's Response

It is imperative for the EU to increase the presence of democratisation and civil society-building themes in bilateral relations between the EU and its neighbours. This is the angle from which an update of the action plans towards the neighbourhood states and the bolstering of the EU's bilateral dialogue with its neighbours on democracy and human rights should be pursued. Also, the EU should be a more active partner, supporting the neighbouring states' transformation process with

expertise and funds. The EU could provide the necessary know-how in all critical areas of the democratisation process, in particular with a view to the consolidation of democratic political parties, security-sector reforms and the creation of free media. Technical expertise, consultancy and training courses could be delivered through local NGOs.

The European Endowment for Democracy (EED) has a special role to play in this process. It is expected to be a lightly structured, flexible, inclusive and non-bureaucratic funding tool created to reach goals that are not achievable under the existing EU democratization instruments such as the European Instrument for Democracy and Human Rights (EIDHR), the Civil Society Facility (CSF) or the Non-State Actors and Local Authorities program (NSA-LA). The EED could start by supporting emerging actors in the political field (such as political parties, democracy activists, dissidents, registered or unregistered civil-society organizations, trade unions and independent media and think-tanks). The division of the EED aid into three phases—pre-transformation, transformation and the consolidation of democracy—would help it respond directly to local needs and would make its actions visible. In this context, the experiences of those member states—including Poland, the Czech Republic, Slovakia and Hungary—that went through their transitions at the beginning of the 1990s are worth drawing on. The European Commission shared this view when it pronounced “transition management” an added value from the new member states to European development cooperation and started the preparation of its own analysis of transition experiences, the European Transition Compendium, which describes changes in the 12 new member states and sets examples of best practices.

Stronger conditionality and enhanced differentiation seem to be the only response the EU can give today to its neighbours, which are more and more disillusioned by the EU’s activity so far. To be really effective, the EU’s performance in the neighbourhood should be combined with an offer that will be better targeted and even more generous than in the new ENP. Although democratisation is the dominant issue in current EU policy towards the southern and the eastern neighbourhoods, it is the EU’s offer to its neighbours rather than its democratisation efforts that represents the principal problem of European policy. Paradoxically, with the new ENP on track, the EU needs even more urgently—within the next few years—a serious debate about the benefits that would be accrued with the neighbours’ approximation

to EU standards. In practice, a detailed discussion is needed about migration and the facilitation of the movement of persons as well as the opening of the EU market to such things as agricultural products from neighbourhood countries. These two areas will be a test of the EU's credibility.

As for mobility, the ENP aims to develop a mutually beneficial approach in which economic development in the EU and its partner countries, well-managed legal migration, capacity-building on border management, asylum and effective law-enforcement cooperation proceed in lockstep. Nevertheless, there are still serious difficulties in this respect for both the EU and its partners. To eliminate these difficulties, all neighbours will have to harmonize visa legislation, including technical conditions for border controls as well as face the EU's concerns associated with illegal immigration (especially towards the south).

The inclusion of the concept of a mobility partnership in the Eastern Partnership as well as the ensuing first action plans on visa liberalisation that have been signed with the eastern neighbours seem to be a step in the right direction. As a result of progress in this area, the final declaration of the second EaP summit features a statement indicating the possibility for partner countries "to take gradual steps towards visa-free regimes in due course on a case-by-case basis provided that conditions for well managed and secure mobility set out in two-phase action plans for visa liberalisation are in place." It means in practice that the full abolition of visas for the eastern neighbours could be possible in a short/medium perspective for citizens of countries that have fulfilled all the EU's requirements. It is important to emphasize that the southern neighbours should not be denied the same prospect of facilitations for the movement of persons, and the new ENP should really be followed by the establishment of similar mobility partnerships with countries from the south.

The immediate objective in neighbour countries is to promote sustainable economic growth, job creation and improvement of social protection. It is essential to establish with each of the partners beneficial and ambitious trade arrangements matching mutual needs and capacities. In this context, the opening of the EU market to agricultural products from the neighbouring countries could deliver some much-needed results. However, it is unlikely to move forward in the near future. Also, sector cooperation that provides opportunities for progress in economic integration

with the EU's internal market should be pursued. Specific examples of development and EU cooperation with its partners should include promoting direct investment from the EU's small and medium enterprises and micro-credit, building on regional development pilot programmes to eliminate economic disparities between regions (in both the south and the east) and launching pilot programmes to support agricultural and rural development.

Economic integration is a crucial component for political association; however, experience shows that economic support through establishing trade ties may not necessarily and unconditionally result in bolstering the democratisation process. It is also very difficult to assess if trade relations combined with harmonising laws (by entering into DCFTAs) will produce positive results in this regard. As the establishment of democracy in the neighbourhood is in fact the principal goal for the EU, we should be careful when evaluating in the future benefits coming from increased economic links and the quality of political changes taking place in neighbouring countries.

In the process of implementing the new ENP, attention should be paid to maintaining a balance and exchange of good experiences between the southern and eastern dimensions of the European Neighbourhood Policy. The member states must move away from a perception of the two dimensions of the ENP as vying for political attention and funding. Despite different political realities, both EU's eastern and southern neighbours face common democratisation problems and similar economic challenges. Changes in the Arab states, as well as developments in the eastern neighbourhood in recent years—the Russia–Georgia war, the gas crises, the persistence of authoritarian regimes—point to the need to strengthen the entire European Neighbourhood Policy in its southern and eastern dimensions alike. Unless this is understood, neither an effective policy towards the southern neighbours nor an attractive offer for the eastern ones can be developed. What is more, in several years' time we will have reasons to be as critical of the Eastern Partnership as we have been of the EU's Mediterranean policy and, possibly, similar problems to deal with at the eastern borders of the Union. Moreover, the interest in the promotion of democratic norms and political, institutional and good management standards in the EU neighbourhood through the ENP—very high on the agenda at the moment, but not necessarily for a long time—is the common denominator of a very select group of

member states that should join their limited forces and “care” for the neighbourhood, lest they witness the financial and political collapse of EU policy towards neighbours in the near future determined by the financial crisis.

The events in North Africa have prompted the European Commission to propose an overall increase in financial resources devoted to the EU neighbourhood in the multiannual financial framework 2014–2020. The challenge now—with the economic crisis in the background—is to transform the EC proposal into financial reality. The existing arrangement in which funding amounts are allocated to individual states for seven-year periods as determined by the current EU financial perspective should be replaced with a flexible model, with the level of financial support dependent on a given state’s progress in implementing the agreed reforms, in particular in advancing democracy and civil society-building.

Although there are some possibilities for a more generous financial offer for the new ENP, let’s face it: the EU resources for this policy are unlikely to be significantly increased from 2014. Hence the implementation of the new ENP should also invite synergies between the EU’s financial resources, international financial institutions (European Investment Bank and the European Bank for Reconstruction and Development as well as the World Bank), EU member state development policies and non-EU countries interested in the region. More coordinated and coherent cooperation amongst these actors—very limited so far, although with existing good examples from international financial institutions and some EU member states—would no doubt enhance the implementation of the new ENP in a significant way.

Future of the ENP: Much to Loose, Much to Gain

There is probably no other option for the EU than to engage more actively in a region where fundamental EU political and socio-economic interests lie. The successful stabilisation of the neighbourhood and resolution of conflicts in the immediate environment will be the best tests of the EU’s credibility and effectiveness, while a failure to show tangible results will sentence the EU to marginalisation in regional and global relations. Due to the structural weaknesses of the EU’s foreign policy, political and economic problems in the neighbourhood and the expectations of the EU’s partners, the implementation of the new ENP will be a great challenge to the EU. Especially since the implementation of the EU’s

neighbourhood policy is closely linked to the Union's most important internal problems (financial crisis) and is likely to remain dependent on the member states, their policies and economic interests.

In order to succeed, the European Union should firmly implement the decision to pursue democratisation of the neighbours, particularly by effectively supporting the creation of civil society. At the same time, the authentication of the EU's offer to the neighbours requires at least several steps to be taken with respect to migration (facilitation and even visa-free regime) and trade (liberalisation of agricultural products). The secured financing for the implementation of the ENP throughout the entire neighbourhood is also fundamental.

Should it turn out that the EU and member states are incapable of coming up with an attractive offer for the neighbours or creating effective mechanisms encouraging them to introduce changes, then perhaps the sweeping "all-inclusive" European Neighbourhood Policy should be reconsidered and funds currently spent on this policy re-targeted to the "most promising" states, while the focus for other neighbours should be on civil society-building and the promotion of mobility in conjunction with educating the younger generation. The recent reorientation of the EU policy towards North Africa and the ambitious declaration issued at the second Eastern Partnership summit held in Warsaw indicate that it is probably still too early to forecast negative scenarios for the EU's neighbourhood policy. Since the implementation of the new ENP has only just started, we have approximately two years before the next EaP summit, the first serious evaluation of the democratic transition process in the south (it probably can be done no sooner than in two years) and the beginning of the new multiannual financial framework to make EU policy towards its neighbours more credible or at least slightly more effective than it has so far proved to be.