

➤ Is the European Neighbourhood Policy a substitute for enlargement?

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The European Neighbourhood Policy (ENP) has its roots in the successes and consequences of enlargement but it developed in a context where membership seemed less and less available for countries of the periphery. One might therefore ask whether the ENP has been a substitute for enlargement. Reviewing the origins, content, achievements and evolutions of the policy, this contribution argues that whilst the ENP was not necessarily designed as an alternative for accession it certainly constituted an attempt to replicate the kind of transformative power generated in the framework of enlargement policy; an attempt that was ultimately without success. The ENP should instead move away from the ghost of enlargement and be constituted as more coherent and more assertive foreign policy instrument.

The ENP is the framework through which the EU approaches – and hopes to influence – the countries of its periphery. Organised around two regional groupings (Southern and Eastern neighbourhoods), it encompasses 16 countries as diverse in their political and economic situations as Moldova, Egypt, Belarus, Israel, Azerbaijan and Algeria.¹ In the official wording of the European Commission, the ENP aims to foster the ‘political association and economic integration’ of the neighbouring countries around a body of ‘shared values’ (rule of law, democracy, human rights and social cohesion). More concretely, it consists of a series of bilateral agreements and regional frameworks through which the EU offers financial aid, market access and visa facilitations to these countries in exchange for the conduct of domestic reforms in the political, economic, and administrative spheres.

In many ways, the ENP has its roots in the enlargement dynamic and in particular in the successes and consequences of the fifth round of 2004. The EU has long sought to capitalise on what is often dubbed its greatest foreign policy success, namely the successful transition of Central European countries encouraged by the prospects of accession and by conditionality incentives. The ENP flows from a similar logic of attempting to foster peace, stability, and prosperity at the EU’s borders by exporting its internal model. The launch of the ENP is also a consequence of the 2004 enlargement, in the sense that by integrating Central European countries, the EU was gaining new borders with a region with which it had few formalised links.

Beyond the fact that the two were coterminous, one can ask whether the set-up of the ENP was a consequence of the 2004 enlargement since the latter was completed in a European context of ‘enlargement fatigue’, marked by debates about EU’s ‘absorption capacity’ and the need to ‘deepen’ rather than ‘widen’ the scope of the European project. Is the ENP a substitute for enlargement? Two questions are contained in this broader question. First, has the ENP been designed to replace membership for countries on the periphery of the EU? Second, can the ENP replicate some of the transformative power that the EU generated through enlargement policy?

¹ The 16 ENP countries are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine.

The countries of the European peripheries can be divided between those for which enlargement is a question of time (the Balkan countries), those for which it is out of the question (North Africa and Near East) and those for which it is a question (Eastern Europe).² This contribution will focus on the last category, the countries of the Eastern neighbourhood, precisely because they were in the 'grey zone' in terms of enlargement at the time of the creation of the ENP. An analysis of the content, achievements and evolution of the ENP can shed light on their ambiguous status.

ORIGINS AND RATIONALE OF THE ENP: THE INSTITUTIONALISATION OF AMBIGUITY

Capturing the underlying purpose of the ENP requires reflection on the context of its origins. The idea of developing a policy to reach out to countries of the peripheries took root in the regional context of the early 2000s. The 9/11 attacks had placed at the top of the political agenda novel threats that are diffuse, transnational and non-state in nature. The realisation that the fate of the EU was interdependent with that of its bordering regions led to the following objective: to stabilise the periphery rather than running the risk of seeing the periphery destabilise the EU. In parallel, there was a growing will to establish the EU as a foreign policy actor and to find a means of influence other than enlargement. These two objectives are implicit in the first document calling for a distinct and durable policy toward neighbouring countries.³ In other words, the original rationale behind the creation of the ENP was ultimately derived from geopolitical considerations.

The EU logically drew inspiration from its most efficient instrument in transforming its environment, namely enlargement policy. In 2003, the European Commission prepared a concept paper outlining a policy towards the European periphery, one that, in the words of Romano Prodi would 'create a ring of friends' to which 'everything but the institutions' would be promised.⁴ In this document, the perspective of accession in the long term is not excluded. Quite significantly however, after inputs from the Member States and in the context of 'enlargement fatigue', the foundational document launching the ENP contains important semantic nuances. The countries of the peripheries are referred to as 'neighbours', rather than 'friends', and the question of membership is conspicuously avoided.⁵

Such ambiguity around the content and purposes of the ENP was to become its trademark, cultivated by necessity with regard to the neighbours. To foster change at its borders, the EU was trying to reproduce the recipe for enlargement (conditionality incentives) even though the main ingredient (accession perspective) was missing. Membership could not be promised to neighbouring countries but was not be excluded either – the ENP was set up as being 'distinct' from the enlargement process. The portfolio was given to the EU Commissioner in charge of the latter, but states even slightly engaged in the accession process – such as the Balkan countries and Turkey – were not included in the ENP.

Second, ambiguity was also needed with regard to internal EU politics: the ENP had to be designed leaving sufficient room for interpretation so that each member state could articulate the policy's rationale with its own preferences. For several member states, notably some of the founding ones, the accession of the Eastern neighbours could not be envisaged since those countries stand beyond what they regarded as the historical, geographical, and political borders of the EU's 'imagined community'. In contrast, new member states from Central Europe were keen to see a country like Ukraine join the EU in the medium to long term. These states have important economic, energy and historical ties with Eastern Europe. More generally, and just as Germany supported their own accession to the EU, Central European countries have a critical interest

2 See: Jacques Rupnik (ed.), *Les Banlieues de l'Europe*, Paris : Presses de Sciences Po, 2007.

3 Javier Solana & Chris Patten, 'Wider Europe', Joint Letter to the Danish Presidency, 07/08/2002.

4 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

5 European Commission, *Communication from the Commission, European Neighbourhood Policy Strategy Paper*, COM(2004), 373.

in the stability and prosperity of the Eastern neighbourhood as they stand in its immediate vicinity. Thus new member states have been among the staunchest supporters of the development of the Eastern dimension of the ENP; for example, Poland was the main instigator behind the Eastern Partnership (EaP) initiative launched in 2009. Despite rarely stating it publicly in EU forums, Central European diplomats privately admit that, at least initially, they regarded this Eastern dimension as a way to prepare the countries of the neighbourhood for future accession. In other words, it cannot be said that the ENP was originally designed as an alternative to enlargement; it was sufficiently vague for some member states to see it as a *voie de garage* and others an antechamber to accession. The ENP was not solving the enlargement question, but avoiding it.

In the second half of the 2000s, however, this question started losing its salience. The prospects of accession for countries of the Eastern neighbourhood appear, even in the long term, extremely remote. This partly stems from difficulties encountered with the latest rounds of enlargement. Integrating Cyprus while the territorial conflict with Turkey hasn't been solved has led to an institutional deadlock in EU's relations with its most important regional partner, NATO. Several countries of the Eastern neighbourhood are themselves embroiled in separatist conflicts (in Moldova and Georgia) or territorial disputes (between Azerbaijan and Armenia). Similarly, many believe that Bulgaria and Romania have been too hastily integrated into the EU with the reform of their state structures not fully completed – the Commission's suspension of its aid to Sofia just a few months after accession is usually cited as an example.⁶ Corruption is also a major structural problem in most of the EaP countries: Ukraine, Azerbaijan and Belarus obtained the worst scores in continental Europe in Transparency International's 2012 Corruption Perceptions Index (scoring respectively 144th, 139th and 123rd globally).⁷

More importantly, support for enlargement has also been fading among the Central European member states.⁸ The tribulations of Ukrainian domestic politics in particular convinced them that a rapid transition was not readily available. Last but not least, enthusiasm for accession is also limited on the part of Eastern neighbours: Moldova and Georgia have been consistently exhibiting their will to join the EU one day but Ukraine and Armenia have been much less straightforward while Belarus and Azerbaijan have shown very little interest in membership.

By the end of 2000s, the question of a membership perspective having been for the most part discarded, member states were largely converging on the overarching purpose of the ENP. In the short run, the policy is intended to provide a framework for the financial, trade, and migratory flows to and from the neighbourhood; in the long run, the hope is to help transform the region by encouraging reforms. Where member states found themselves in disagreement was on *which* neighbourhood – South or East – to concentrate the bulk of the EU's efforts. The ENP comes with a series of financial endowments and as a consequence happens to direct the EU's institutional spotlight towards a specific geographical area – hence member states have been competing to tip it towards their respective region of historical and geopolitical interests. Just as France and Spain were the main initiators behind the Union for the Mediterranean (UfM), Poland and Germany have been the chief supporters of the Eastern Partnership initiative.⁹

A 'neighbourhoods quarrel' seemed to be emerging in EU politics: promoters of the Mediterranean pillar were pointing to the disparities in terms of financial aid allocations between the two neighbourhoods, while supporters of the Eastern dimension endeavoured to introduce a semantic differentiation between 'European neighbours' (East) and 'Neighbours of Europe' (South). This polarisation did not turn into a permanent and

6 'EU suspends funding for Bulgaria', *BBC News*, 23/07/2008.

7 Ranked 51st globally, Georgia stands out as an exception in the region and it should be noted that, in the 2012 edition, it obtained better scores than eight EU member states, including the Czech Republic (54th), Italy (72nd), Bulgaria (75th) or Greece (94th). Moldova is ranked 94th and Armenia 105th. See: <http://cpi.transparency.org/cpi2012>

8 Vladimír Bilčík, 'Foreign Policy in Post-Communist EU', *International Issues & Slovak Foreign Policy Affairs*, 2010, vol. 19, n° 4, p. 8.

9 After having gone through many different names, what was formerly known as the Union for the Mediterranean is now referred to as Euro-Mediterranean Partnership (EUROMED).

structuring competition, however. First, much more than through these regional frameworks, the core of ENP instruments – and thus of EU's means of influence – is above all bilateral anyway. Second, these two groupings lack internal coherence and thus differentiation is taking place not only between but also within them. Finally, the EU cannot claim success in fostering deep and resilient change through the ENP in either the South or the East.

THE LIMITS OF THE ENP'S TRANSFORMATIVE POWER

As far as the situation of neighbouring countries is concerned, the ENP cannot really be said to have been explicitly designed as an *alternative to membership*. When it comes to the EU itself, however, the ENP was certainly conceived as a *surrogate to enlargement* in the sense of attempting to reproduce the transformative power conferred by this policy. It has been falling short, however, of achieving the same degree of influence.

The ENP is directly modelled on the EU's enlargement policy. The underlying logic is the same: attempting to shape the EU's immediate environment by exporting its norms, values, and regulations. The European Commission, which conceived and implements both policies, thus endeavours to mobilise similar instruments: it relies on a combination of conditionality incentives and socialisation dynamics.

The European Commission negotiates with each neighbouring country a bilateral Association Agenda which sets out a roadmap for jointly agreed priorities in terms of political and economic reforms for the next three to five years.¹⁰ Once these priorities are met, an Association Agreement is to be signed.¹¹ The implementation of reforms is both jointly monitored by the two parties and unilaterally assessed by the European Commission in Progress Reports released each year – such evaluation mechanisms borrow directly from enlargement's 'country reports'. The modelling of the ENP on the enlargement process is a clear case of institutional path dependency – within the European Commission itself, the personnel, resources and know-how were often simply moved from one division to the other.¹² A major difference in the conditionality incentives of the two policies, however, is that the ENP is not endowed with such a prize as EU membership. What then has the ENP to offer neighbouring countries?

The spectrum of ENP incentives offered in exchange for the approximation of EU standards and values can be summed to the so-called 'three Ms': Money, Markets, and Mobility. The first is financial aid allocated for the implementation of reforms: the European Commission provides support through grants while the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) offer specific loans to partners. For the 2011-2013 period, the total amount of grants available to ENP partners is €6.5 billion. Second – and this probably represents greater economic potentials in the long run – the EU offers privileged access to certain shares of its markets by removing tariff and custom barriers. The ultimate price in this regard is the signing of a Deep and Comprehensive Free Trade Agreement (DCFTA), which opens up EU's internal market to the partner but requires enormous efforts in terms of legislative and technical harmonisation with EU norms and standards (*acquis communautaire*). Moldova and Georgia should be the first EaP countries to sign DCFTAs as part of the broader Association Agreements mentioned above. A third category of incentives pertains to people's mobility and concerns the adoption of incremental steps towards visa liberalisation.

¹⁰ All of the 16 ENP partners but Algeria, Belarus, Libya and Syria have signed such an agreement.

¹¹ No partner has yet reached that stage. Ukraine was set to be first EaP country to do so: a draft Association Agreement approved by both parties was ready to be signed at the Eastern Partnership Summit in Vilnius on the 28-29 November 2013. Yet, in a spectacular political move explained in part by a reluctance to reform and by Russia's economic pressure, the Ukrainian government announced one week before the Summit that it would not sign the Agreement. At the Summit, Moldova and Georgia have initialled Association Agreements with the EU, which means they could be signed in the second half of 2014. See 'Eastern Partnership: The Way Ahead', *Joint Declaration of the Eastern Partnership Summit, Vilnius, 28-29 September 2013*. Available at: www.eu2013.lt

¹² Judith Kelley, 'New Wine in Old Wineskins: Policy Adaptation in The European Neighborhood policy', *Journal of Common Market Studies*, 44 (1): 29-55, 2006.

None of the ENP countries have reached the stage of visa-free regimes but several intermediary bilateral agreements facilitating visa procedures have been established with Moldova, Ukraine, Georgia and Armenia. In 2012, 3.2 million Schengen visas were issued to citizens of the European Neighbourhood.

In parallel to these instruments relying on the logic of conditionality, the ENP also endeavours to encourage reforms through socialisation dynamics. Several platforms have been set up to enhance political cooperation and foster dialogue. This process is built around the values that the EU wishes to promote through the ENP – primarily democracy, the rule of law, and human rights – and thus these frameworks are not just directed at governments but also towards civil society. The Civil Society Forum, the Business Forum and the EURONEAST inter-parliamentary Assembly could all be cited as examples in the case of the EaP.

Have these enlargement-inspired conditionality and socialisation mechanisms managed to replicate the transformative power of enlargement? In many ways, the record of the ENP appears rather bleak. The EU did have some successes on the economic front: the overall volume of trade with the countries of the neighbourhood has increased since the creation of the ENP, and the establishment of the first DCFTAs would be a significant step forward. Yet on the political front, if we evaluate the record of the ENP by its stated goal of strengthening democracy, rule of law, and good governance, we can talk of a quasi-failure. The EU did not manage to foster political change in its Eastern Neighbourhood. On the contrary, according to *Freedom House* indicators, political rights, civil liberties and media freedom have regressed in every EaP country except Moldova between 2006 and 2011.¹³ Furthermore, the interest in political and economic association with the EU seems to be fading on the part of Eastern partners – Armenia recently announced its desire to join Belarus in Russia's Customs Union, and such a move would jeopardise the possibility of establishing a DCFTA with the EU.¹⁴ Although it is beyond the geographical focus of this article, it should also be noted that in the Southern Neighbourhood, in spite of a profusion of ENP programmes, the EU was caught unprepared in the face of the Arab Revolts of 2011.¹⁵

Several factors account for the ENP's shortcomings in fostering political change. Some are linked to its original design. As previously emphasised, the ENP has been marked by ambivalence from its very inception. This engendered discrepancies in expectations, which have not been reconciled. Countries of the neighbourhood were originally hoping for some signs of an 'EU membership light' at the end of the 'ENP tunnel', while the EU was hoping to see deep and sustainable political reforms implemented – but neither party could readily offer what the other wished for. The question of visa agreements exemplifies this divergence in expectations: while the ENP countries regard them as a means to provide greater mobility for their citizens, the EU sees them as a device to better handle illegal migratory flows.

Another flaw inherent in the ENP's original design is that it overstretched an institutional model (enlargement) that was not only conceived for a different end (accession) but also for a different region (Central Europe). Whether in political or economic terms, the respective situations of Central European countries entering the enlargement process and of the ENP countries at the time of the creation of the policy differ quite markedly. For instance, while the Central European Countries had on average a GDP per capita of \$4333 in 1993, in 2003 the same indicator was standing at \$839 in the Caucasus and at \$1300 in Eastern Europe (i.e. Belarus, Ukraine, Moldova).

13 Kerry Longhurst & Beata Wojna, 'Asserting the EU's Mission in the Neighbourhood: Ten Recommendations for an effective Eastern Partnership', Polish Institute for International Affairs, September 2011, p. 10-12.

14 In private as well as in public, EU officials point to the legal incompatibility between the DCFTA and Customs Union membership as one implies a decrease in customs tariffs while the other requires to increase them.

15 These events called the Southern dimension of the ENP into question for its prioritisation of short-term stability and for its 'emphasis on economic cooperation and migration management at the expense of democracy and sustainable development'. Nathalie Tocci & Jean-Pierre Cassarino, 'Rethinking the EU's Mediterranean Policies Post-1/11', *IAI Working Papers 11.06*, Istituto Affari Internazionali, March 2011.

Furthermore, the two regions also significantly differ in terms of the complexity of problems confronting the EU. The issue of separatist conflicts and unresolved territorial disputes is perhaps the most telling example. Four of the six EaP countries are embroiled in such disputes, and the Russo-Georgian war over South Ossetia in 2008 demonstrated the potential for these 'frozen conflicts' to turn hot.¹⁶ These conflicts represent black holes that considerably hamper political, economic, and administrative reforms. Beyond the issue of frozen conflicts, the Russia variable ought also to be taken into account in the ENP equation. Moscow regards the region as its privileged zone of interest and has been attempting to offer alternative integration models through the Customs Union and the nascent Eurasian Union. In addition, Russian military personnel are stationed on the soil of every EaP country except Azerbaijan (in military bases or through peace-keeping contingents). The region is also an energy transit zone vital to several member states – Slovakia and Bulgaria were literally out of gas for several weeks in the winter of 2009 due to the Russo-Ukrainian price dispute. Finally, over the past ten years several countries of the Eastern neighbourhood have been shaken by political upheavals. The political repression in Belarus following the December 2010 elections was undeniably a critical test for the ENP.

Beyond its original design, the shortcomings of the ENP in fostering political change can also be traced to the scope and allocation of its incentives. The efficiency of the conditionality logic ultimately rests on a cost-benefit calculation made by the governing elites of the ENP countries. The deep structural reforms required to comply with the *acquis communautaire* represent enormous domestic costs; the elites of the region seem to gauge the benefits offered in return as too meagre. To take but a simple and extreme example, for autocratic leaders, implementing democratising reforms often means losing powers. Regardless of the unavailability of the accession prize, the resources of the European Commission in terms of financial and mobility incentives are limited. For instance, while visa liberalisation probably represents the greatest lever at the disposal of the EU in its periphery, migration is at the same time a catalyst for tensions in political debates in many member states and, ultimately, the power of decision when it comes to visas rests with them. Finally, the EU has also been accused of a lack of rigour and consistency in the conditional attribution of its rewards, at times letting particular interests take precedence over the values that the ENP is supposed to uphold.¹⁷

The Arab Revolts of 2011 shook the whole ENP edifice and led the European Union to attempt to re-install democracy more firmly at the core of the policy. The fact that Hosni Mubarak, one of the most autocratic leaders in the region, was co-President of the UfM at the time when the popular uprisings broke out, sent the worst possible signal. After this reality-check, the Commission vowed to condition more tightly the allocation of its financial aid to the implementation of democratic reforms as well as to introduce a greater differentiation between ENP countries according to their respective progress on the path of these reforms. This new stance became known as the 'more for more' approach and was sanctified in the 2011 ENP Review.¹⁸ This document also plans for a greater mobilisation of EU's Common Foreign and Security Policy (CFSP) instruments alongside those of the ENP. These two developments – tighter conditionality and greater strategic coherence – undeniably go in the right direction of what the ENP should be. So far it hasn't produced the expected results – in its latest Progress Report the European Commission acknowledges 'very limited progress' and emphasises that most of its recommendations 'remain valid'.¹⁹

16 See: Florent Parmentier, 'The ENP Facing a de facto State. Lessons from the Transnistrian Question', in E. Tulmets & L. Delcour (eds.), *Pioneer Europe? Testing EU Foreign Policy in the Neighbourhood*, p. 203-216.

17 Charles Grant, 'A New Neighborhood Policy for the EU', *Centre for European Reform*, March 2011.

18 European Commission and External Action Service, 'A New Response to a Changing Neighbourhood: A review of European Neighbourhood Policy', *Joint Communication by the High Representative of The Union For Foreign Affairs And Security Policy and the European Commission*, Brussels 25/05/2011.

19 European Commission, 'European Neighbourhood Policy: Working towards a Stronger Partnership', JOIN(2013) 4 final, Brussels 20/03/2013.

CONCLUSION: THE ENP AS A FOREIGN POLICY INSTRUMENT?

The ENP was not designed as a clear alternative to membership but as an indefinite, composite, and multidirectional policy that remained ambivalent about its ultimate purpose – in that sense, it might actually not fully deserve the label of ‘policy’.²⁰ The ENP went through different phases where various priorities successively took precedence. Originally a consequence of the realisation that the EU can be affected by instability on its periphery, it went from cultivating ambiguity over the enlargement question to an institutional spotlight that member states have been vying to direct toward their respective area of geopolitical interests. Today, it should attempt to gear itself toward becoming a more coherent and better focused foreign policy instrument.

Transforming one’s environment in light of one’s interests is the very definition of foreign policy. The EU will never be able to replicate in the ENP the transformative power it exerted in the past through the framework of the enlargement process. Nevertheless, its incentives in money, markets, and mobility are not negligible; and they can and should be beefed up and used more instrumentally. The EU also retains a significant share of soft power in its neighbourhood and thus ought to pursue its socialisation endeavour and continue reaching out to civil society. There is a need, however, to depart once and for all from the enlargement template. The ENP is not a substitute for enlargement and should not be. The EU should think strategically about its neighbourhood and need not have any complex about pursuing its interests in the area. The very nature of the challenges emanating from the region necessitates that the ENP be political; it cannot be limited to technical programmes. This should be facilitated by the fact that the newly created European External Action Service (EAS) is now associated with the Commission in the handling of the ENP – the EAS could ensure a better coordination with the other CFSP instruments.²¹ The neighbourhood is an area where the EU could affirm itself as a foreign policy actor. In the face an increasingly assertive Russia, it will probably have to. ■

20 Antonio Missiroli, ‘The ENP in Future Perspective’, in R. Whitman & S. Wolff (Eds.), *The European Neighbourhood Policy in Perspective: Context, Implementation and Impact*. p. 259-270

21 “EU’s neighbourhood policy becoming more political, say experts”, *Euractiv*, 02/04/2013