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**THE EUROPEAN NEIGHBOURHOOD POLICY:  
THE EUROPEAN UNION'S NEW ENGAGEMENT  
TOWARDS WIDER EUROPE**

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**Abstract**

*The European Neighbourhood Policy (ENP) is the newest foreign policy tool and the key geo-political project of the European Union (EU) after enlargement. The ENP aims to develop a privileged partnership with the old Southern and the new Eastern neighbours of the enlarged Union which is based on economic integration and security and political cooperation short of EU membership. Central to this new relationship is the neighbours' commitment to shared liberal values and core EU foreign policy and security objectives. Even though the ENP has drawn on the methodology of EU enlargement, it emerges as a new strategy of Europeanization without accession. The lack of strict conditionality, weaker incentives and internal tensions of the ENP, however, raises doubts about the Union's ability to spur reforms and transition in wider Europe. The ENP carries the risk of generating a new "capability-expectation gap" in the international relations of the EU.*

**Keywords**

European Neighbourhood Policy, Wider Europe, Stabilization, Transition, Partnership, Shared Values

**Introduction**

The ENP is a strategy that the EU has framed to share the benefits of enlargement with the neighbouring countries and to jointly handle the challenges

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resulting from the post-enlargement context. Although the ENP has been modelled on the EU's existing policies towards outsiders, including enlargement, it signifies the Union's new approach and engagement towards wide neighbourhood. It is a new policy in the sense that it aims at combining the traditional EU approaches of stabilization and integration towards neighbourhood. On the one hand, it is a policy for encouraging stability, security and prosperity beyond the borders of the EU by means of regional cooperation. On the other hand, it offers a privileged partnership for the neighbours, old and new, in exchange for their commitment to shared values. Seeing the neighbours as a ring of friends rather than third countries, the ENP seeks to enhance the strategic presence of the enlarged Union in wider Europe and beyond. Thus, as the EU's newest foreign policy tool, the ENP remains a test case for the implementation of an effective and coherent foreign and security policy towards changing neighbourhood and will have significant implications for the international actorness of the Union.

The aim of this paper is to explore whether or not the ENP that has been modelled on the existing EU policies would evolve into a sustainable form of relationship with the neighbours, promoting their political and economic reforms in the medium term without offering a prospect of accession in the long run. An overview of the major incentives, the stated objectives and the methodology and the instruments of the ENP leads 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 external relations and policies 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 Commission President Romano Prodi. The most appealing reason for the EU to launch a policy in a critical stage of 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 new security challenges;

-the 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 could not enlarge forever. Continuing to view neighbourhood from an enlargement perspective is no longer sustainable because any further expansion of this strategy beyond the existing candidates might jeopardize the accomplishments of the EU and the need for the consolidation of the ongoing enlargement process. The key task for 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. The new policy could anchor the neighbouring countries to a comprehensive framework of relations through which to pursue both development and stabilisation;<sup>1</sup>

-the need to achieve convergence between the internal and external agenda of the enlarged Union-while new members add to the complexities of EU system of governance, they will bring new visions to the external relations of the Union. It is particularly important for the enlarged Union to set out clear and uniform policies in relations with its neighbours; old and new, eastern and southern.

2004 enlargement has changed the meaning and scope of the EU's near abroad as well as the policies to be pursued. Previously, EU approaches

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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.

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were categorized as approaches for promoting stabilization and regionalism, and approaches aiming at integration into the EU through political conditionality.<sup>2</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 with the Newly Independent States. A decade later, the definition of "near abroad" changed so did the categorization of the neighbourhood region. Besides the group of non-EU European countries and the potential candidates in the Western Balkans is a third group of countries which are already, or will soon become the neighbours of the enlarged Union, namely, Russia, Ukraine, Belarus, Moldova and the Mediterranean states. For them, the EU has adopted a stabilization approach based on region-building, progressive economic integration and closer political cooperation, while excluding the prospect of membership. Thus, the ENP may be characterized as a "Stabilization, Transition and Partnership Process".

The logic of stabilization central to the ENP reflects the member states' interest in the security challenges of the neighbourhood. In the East where the enlarged EU shares a land border with the new neighbours, the Union is faced with many soft security challenges ranging from illegal trafficking of various kinds, organized crime, terrorism, nuclear proliferation to environmental degradation, hence the need for managing its external boundaries.<sup>3</sup> Realizing that it would not be possible to seal off instability behind ever tighter borders, EU leaders had to make a choice: whether to export stability and security to its near neighbours, or risk importing instability from them.<sup>4</sup> The condition of security interdependence with the neighbours and the task of extending the zone of security, stability and prosperity across Europe were explicitly acknowledged by the High Representative Javier Solana in his recent paper on the European Security Strategy (ESS).

Indeed, enlargement will have a dual impact for the neighbours: it will increase the EU's power of attraction in its relationship with outsiders.

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<sup>2</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>3</sup> Roberto Aliboni, "The Geopolitical Implications of the European Neighborhood Policy", *European Foreign Affairs Review*, Vol.1, No. 16, (2005), p.1.

<sup>4</sup> Marise Cremona, "The European Neighborhood Policy: Legal and Institutional Issues", *CDDRL Working Papers No 25*, 2 November 2004, p. 3.

The EU shares with its neighbours a relationship of asymmetrical interdependence and the level of asymmetry has always been an important source of the EU's presence 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 Union to frame the conditions for peace for the incomers and outsiders.<sup>5</sup> Enlargement would, however, aggravate the insider/outsider paradox for the neighbours through such exclusionary processes as the 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". There appears a dual emphasis in the EU's official discourse on the ENP: the need for jointly tackling security threats and sharing the benefits of enlargement with neighbours.

Through the ENP, the EU seeks to spread values for promoting reforms in its neighbourhood and expanding the zone of prosperity, stability and security. However, the eventual success of the strategy in providing stability and in promoting democracy 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. Much will depend on the ability of the Union to exercise conditionality on a differentiated but discriminatory basis in the wide neighbourhood and to contribute to democracy and human rights improvements as long as membership incentives are absent or uncertain.

Before examining the innovative features of the ENP, it is important to place the origins and development of the ENP in a historical context. The next section overviews the previous and present neighbourhood policies of the Union towards wider Europe and seeks continuities and similarities between these policies and the new initiative.

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<sup>5</sup> George Christou, *European Union and Enlargement, The Case of Cyprus*, New York, Palgrave/Macmillan, 2004, p. 2.

### **Earlier EU Policies towards the Neighbours**

The ending of the Cold War launched an intensive debate on the new security architecture for Europe. Was there a leading role in this strategic transformation for the European Community? The shared view within the Community was that a hasty commitment to enlargement would endanger the renewed deepening process. Several ideas were floated to frame relations with the CEECs, as an alternative to 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>6</sup> Alternatively, Commission President Delors put forward his vision of a Europe of concentric circles, of which the innermost were to be the CEECs and the Soviet Union. To differentiate the CEECs from the EFTA countries, Delors proposed the European Economic Area (EEA) as a new form of economic partnership with the latter. Nonetheless, the Community was soon to begin negotiating Europe agreements with the CEECs. The formula of “Europe association” went beyond economic objectives and included a framework for political dialogue on foreign policy matters. To strengthen political relations, External Relations Commissioner Andriessen advanced the idea of a “European Political Area” and affiliate membership as a form of partial integration in April 1991. Affiliate members would have 'a seat at the Council table on a par with full members in specified areas, together with appropriate representation in other institutions'.<sup>7</sup> This proposal was dismissed by many within the Community and was conceived as an unacceptable offer of 'second class' membership by the CEECs.

At the Essen Summit in December 1994, EU leaders approved a pre-accession strategy with two components: an enhanced structured relationship with EU institutions and progressive integration into the single market. The structured dialogue was a response to the excessive bilateralism of the Europe agreements and thus aimed at reinforcing regular multilateral meetings that would cover each of the three pillars.<sup>8</sup> The pre-accession strategy was important in placing emphasis on “good neighbourly relations” as a precondition

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<sup>6</sup> Simon Nuttall, *European Foreign Policy*, Oxford, Oxford University Press, 2000, pp. 39-44.

<sup>7</sup> Karen Smith, *The Making of EU Foreign Policy, : The Case of Eastern Europe*, London, Macmillan, 1999, p. 111.

<sup>8</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.

for accession. This emphasis reflected the Union's concern not to import any instability via enlargement. The EU sought to minimize the security risks of enlargement by encouraging the applicant countries to resolve border and minority conflicts with their neighbours prior to accession. Acting on a proposal from the French Prime Minister Balladur, the EU launched in March 1995 a multilateral diplomatic process that led to the signing of a Pact on Stability in Europe. Attached to the Pact were a series of good neighbour and cooperation agreements concluded between the applicant countries and between them and their non-EU neighbours.

1996 was a critical period for the EU in terms answering the question of with whom to begin membership negotiations and when. In its Agenda 2000 document, the European Commission recommended an inclusive enlargement process with three components which was formally endorsed at the Luxembourg European Council (December 1997): a single accession process involving 11 countries; the opening of accession negotiations with the six CEECs and Cyprus and a European Conference.<sup>9</sup> The last formula would bring the EU and all those European countries aspiring to membership in a single multilateral framework and would act as a forum for political cooperation on matters of external and internal security. The emphasis on the conference partners' commitment to shared values including the settlement of disputes by peaceful means implied that, the EU's offer was specially addressed to Turkey. The European Conference would serve as a multilateral framework for Turkey to negotiate bilateral disputes with Greece, and might also provide a means of including it in the enlargement process but outside accession. Ankara's counter-response which led to the suspension of the political dialogue and a refusal to attend the Conference indicated the ineffectiveness of imposing the condition of good neighbourliness upon a non-EU country outside the context of (pre)accession. Furthermore, the Turkish case demonstrated the difficulty of pursuing EU conflict resolution initiatives within a multilateral framework.

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<sup>9</sup> Graham Avery and Fraser Cameron, *The Enlargement of the European Union*, Sheffield, Sheffield Academic Press, 1998, p. 135.

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The prospect of membership and the use of conditionality are the key examples of the EU's bilateral and differentiated approach to the CEECs. Multilateralism and regional cooperation were not predominant in the enlargement process. But the EU has developed regional strategies with the rest of Europe which could serve as a potential model for the post-2004 neighbourhood policy.

### **The European Economic Area**

The European Economic Area (EEA) agreement is the most advanced multilateral arrangement the EU has concluded with European Free Trade Association (EFTA) countries (Norway, Iceland and Liechtenstein at present), reflecting both their proximity to and their long-standing ties with the Union.<sup>10</sup> The EEA agreement enables the three countries to participate in the single market, with the partial exception of the common policies on trade, agriculture and fisheries. Institutionalization in the EEA is well advanced not only in terms of the existence of some unique bodies such as an EFTA Court, but in terms of the EFTA countries' role in shaping EEA-relevant legislation. Through the double impact of this decision shaping role and increased integration into the Community acquis, the EEA states are the most closely linked to the EU.<sup>11</sup>

The EEA agreement foresaw the creation of a European economic space between the EU and the EFTA states as an alternative to membership. Notwithstanding this, the EEA was regarded as unsatisfactory for the members of Austria, Finland and Sweden due to the contradiction between participation in the single market regime without any voice in the decision-making process. Far from acting as an alternative to membership, the EEA has accelerated their entry into the Union.

The EEA arrangement with its distinctive features does not seem to be a relevant model for the EU's close neighbours. EEA is a special arrangement for those European neighbours which enjoy a higher level of political and economic development. By contrast, almost all ENP countries are faced

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<sup>10</sup> Smith, "The Outsiders: The European Neighbourhood Policy", *International Affairs*, Vol. 81, No. 4, p. 5.

<sup>11</sup> Fraser Cameron, "EEA Plus? Possible Institutional Arrangements for the European Neighbourhood Policy?", *EPC Commentary*, 19.04.2005, p. 2.



with huge challenges of transition similar to the former and current candidates.<sup>12</sup> Nor will they be able to adopt and implement the Union *acquis* in the short to medium term. Finally, the fact that EU membership is not on the agenda of the existing EEA states distinguishes them from those Eastern neighbours which are committed to EU membership. Although the ENP partners would be given an opportunity of partial economic integration-short of four freedoms-in return for domestic reform, this objective remains a long term commitment of the EU. The proclaimed linkage between integration and reform in the ENP might necessitate a strategy which would be closer to the pre-accession strategy and its instruments rather than the EEA model. The modesty of the ENP in terms of CFSP/JHA cooperation and political dialogue, has led Marius Vahl to conclude that the ENP- even if supported by a political component- falls far short of the EEA agreement.<sup>13</sup> Instead of an “EEA plus” formula, Europe Agreements and Stability and Association Agreements seem to provide models for the ENP, if only the perspective of an EU membership will be added to the agreements with the neighbours. The absence of it might undermine the effectiveness of a differentiated conditionality which remains central to bilateral relations with the neighbours.

### **The Euro-Mediterranean Partnership**

The Euro-Mediterranean Partnership (EMP) is a well-established example of the EU's regional approach to the Mediterranean and inspired the Northern Dimension.<sup>14</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 to provide a single and coordinated framework for the existing bilateral trade and cooperation agreements, supplemented with the Euro-Arab Dialogue in 1974, a modest example of group-to group diplomacy.

With the end of the Cold War, there was a growing need to stabilize the EU's Eastern and Southern periphery and to launch new policies towards these regions: while the EU-CEEC relations were dealt within the context of

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<sup>12</sup> Marius Vahl, “Models for the European Neighbourhood Policy: The EEA and the Northern Dimension”, *CEPS Working Document*, No.218/February 2005, p 10.

<sup>13</sup> *Ibid.*, p. 11.

<sup>14</sup> Lipponen quoted in *ibid.*, p. 5.

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integration/accession, the Union opted for a partnership approach towards South, aiming at both stabilization and transition<sup>15</sup>

The EMP launched in 1995, did not only symbolize the EU's strategic approach to the Mediterranean but also reflected the Union's commitment to the promotion of liberal values. The objective of the EMP was to create a zone of peace, stability and prosperity. The EMP was innovative with its scope of three baskets: political and security, economic and financial and social, cultural and human. The combination of two dimensions; bilateral/economic and multilateral/ political and security was another innovation. These two features of the EMP were interrelated for the promotion of development and reforms through Association Agreements and financial aid and for the establishment of a multilateral regional dialogue and conflict resolution throughout the region.<sup>16</sup> The "imported" problems from the Arab-Israeli conflict however, made it impossible to achieve progress on the multilateral political and security dialogue, notably the confidence building measures and the proclaimed Charter.<sup>17</sup>

Besides the limited utility of the EMP for conflict resolution in a multilateral framework, political dialogue has not been successful in the promotion of democracy and human rights in the region.<sup>18</sup> Barcelona partners, including the EU countries have adhered to conditionality at a declaratory level and conceived it mainly in economic and governance terms rather than as a democratic principle.<sup>19</sup>

When conceived as a process of transforming the EU from a civilian power into a strategic actor aiming at reconstituting the Mediterranean region and promoting conflict resolution through multilateralism, the EMP has not been successful. According to Fred Tanner, the key problem with the Barcelona process was not only a gap between EU rhetoric and action, but also the contradiction between the ideal of a Euro-Mediterranean zone of peace,

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<sup>15</sup> The fact that both the pre-accession strategy and the EMP were endorsed at the 1994 Essen European Council reflected the need for rebalancing EU's policies and assistance towards the East and the South.

<sup>16</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 No.63*, September 2003, EU Institute for Security Studies, p. 88.

<sup>17</sup> *Ibid.*, p. 92.

<sup>18</sup> *Ibid.*, p. 92.

<sup>19</sup> Fred Tanner, "North Africa, Partnership, Exceptionalism and Neglect" in Danreuther (ed), "European Union Foreign and Security Policy: *Towards a Neighbourhood Strategy*", p. 141.

stability and prosperity and the embedded “Fortress Europe” approach of the Union.<sup>20</sup> This contradiction imposed limits to political conditionality and the partners' sincere interest in reforms.<sup>21</sup> The lack of effective use of conditionality constitutes an important difference between the EMP as an example of stabilisation approach through partnership and enlargement as an approach of integration and accession.

The limitations of the EMP in terms of democracy promotion, conditionality and economic reform reveal a dilemma between EU interests and values.<sup>22</sup> Stability is preferred in the Mediterranean at the expense of democracy.<sup>23</sup> Despite its shortcomings, Martin Ortega has not proposed an abandonment of the EMP nor its replacement with the ENP. For him, the Barcelona process is still an appropriate framework for the South by virtue of its three basic characteristics: region building, diverse bilateral and multilateral relationships and a comprehensive dialogue.<sup>24</sup>

### **The Northern Dimension**

The 1995 enlargement to include Sweden and Finland increased the strategic impact of the Baltic Sea region for the EU and intensified the pressure on three Baltic countries to join. Their submission of the application for membership in late 1995 acted as a catalyst for Finland to launch a proposal for a Northern Dimension in 1997. The Finnish initiative could be seen as an embodiment of two factors: the EU's direct presence in Northern Europe post 1995, and the soft security challenges that direct neighbourhood with Russia presented, and the need for multilateral cooperation in combating them.<sup>25</sup>

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<sup>20</sup> *Ibid.*, p. 144, 147.

<sup>21</sup> *Ibid.*, p. 147.

<sup>22</sup> For the EU, Association Agreements would act as a catalyst to develop and restructure domestic economies. Far from contributing to development and integration into the global economic order, these agreements generated a negative impact for the Southern partners. See, 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.

<sup>23</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>24</sup> Ortega, “A New EU Policy on the Mediterranean?”, p. 100.

<sup>25</sup> Hiski Haukkala, “The Northern Dimension: A Presence and Four Liabilities”, in Dannreuther (ed), *European Union Foreign and Security Policy: Towards a Neighbourhood Strategy*, p. 99.

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Cross-border cooperation and involvement of the non-EU countries have been central to the Northern Dimension which made it a policy that contained elements of stabilization and integration. 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 towards Eastern neighbours.<sup>26</sup> While minimizing the exclusionary effects of enlargement as such, the initiative offered outsiders the option of having a voice in the framing of EU policies and a contribution to the drafting of the first Action Plan in 2000.<sup>27</sup> Another feature of the policy is the "added value" that could be brought with a better coordination of national, European and other existing policies and instruments. The Union's commitment to the initiative after enlargement has continued exemplified by the adoption of the Second Action Plan for the period 2003-2006. However, from 2004 onwards, the Northern Dimension has largely become a regional element of EU-Russia bilateral cooperation.<sup>28</sup>

The Finnish initiative linked the Northern Dimension with the idea of enhancing the strategic presence of the EU in the region. 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. Moreover, the Union's growing presence in wider Europe has made clearer the difficulty of advancing common interests in a diverse Union and the need for harmonizing goal prioritization within a three pillar structure. Developing a single framework of relations with the new and old neighbours can be viewed as an attempt of the EU to overcome those problems.

The regional focus and the inclusive nature of the Northern Dimension were acknowledged by the Commission in its subsequent papers on the ENP.<sup>29</sup> Poland's initiative of an Eastern Dimension in late 2002 was modelled on the Northern initiative. Poland called for a comprehensive strategy towards the new Eastern neighbours similar to the Action Plans of the Northern Dimension while holding out the prospect EU membership.<sup>30</sup>

<sup>26</sup> Vahl, "Models for the European Neighbourhood Policy", p. 4.

<sup>27</sup> Christopher Browning and Pertti Joenniemi, "The European Union's Two Dimensions: The Eastern and the Northern", *Security Dialogue*, Vol. 34, No. 4, (2003), p.469.

<sup>28</sup> See Haukkala, "The Northern Dimension: A Presence and Four Liabilities", p.113.

<sup>29</sup> Vahl, nonetheless, is aware of the utility of the regional multilateral approach in the ENP, in particular in the Black Sea region. 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>30</sup> Browning and Joenniemi, "The EU's Two Dimensions: The Eastern and the Northern Dimension", pp.472-476.

## **The Launch of the ENP**

The ENP as a single framework for relations with three Eastern neighbours (Ukraine, Moldova, Belarus) and ten Southern neighbours (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia) was officially launched in 2003 before the completion of the accession process. Yet, the origins of a new neighbourhood policy could be traced to the Agenda 2000 Document. In its paper, the Commission stressed 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 internal market and cooperation on JHA.<sup>31</sup> Since then, the Commission has increasingly moved on from managing enlargement to promoting a neighbourhood policy. Following a joint paper of Chris Patten and Javier Solana as well as President Prodi's speech on a Policy of Proximity, the Copenhagen European Council of December 2002 launched the new neighbourhood policy. In June 2003 the Thessaloniki European Council endorsed the Commission's “Conclusions on Wider Europe-New Neighbourhood”.

Although the policy focused originally on Ukraine, Moldova and Belarus, the Commission in Wider Europe Communication of March 2003 broadened the geographical scope of the policy to include the Barcelona partners. This decision was a response to the concerns of the Southern member states that 2004 enlargement would shift the balance Eastern neighbours at the expense of the Southern partners when a more intensive cooperation was deemed all the more necessary in the post 9/11 environment.

Following the official inclusion of Georgia, Armenia and Azerbaijan in June 2004, the ENP is turned into an attempt to fuse together neighbourhood

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<sup>31</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.

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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>32</sup>

Parallel to the geographical expansion of the ENP was a gradual shift in the emphasis from development to stability and security. The underlying concern of the Wider Europe Communication was no longer merely to assure the neighbours that enlargement would benefit them economically but that enlargement would not act as a divisive and destabilising factor. The security dimension of the ENP was explicitly recognized in the ESS. Solana's paper and the ENP together were to frame the new EU foreign policy. The Thessaloniki European Council focused more on the challenge of preventing and combating common security threats and securing cooperation in 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 economic incentives, particularly the extension of the internal market and regulatory structures.

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

Even though the ENP is the newest EU foreign policy tool, the Union's engagement with its neighbourhood represented more than a sum of challenges and opportunities. The ENP is linked to the evolving self-definition of Europe's borders, identity and purpose. The key question is whether the EU is developing into a Westphalian state with a rigid demarcation between insiders and outsiders, or into a post-modern entity in which divisions are increasingly blurred.<sup>33</sup> The debate on Wider Europe complements the draft Constitutional Treaty for Europe together they define what the EU is likely to be. While the Treaty constitutes an attempt from the inside-albeit with public reservations about the pace of European integration-the wider Europe debate seeks to define the Union's outer edges and wider neighbourhood.

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<sup>32</sup> Dov Lynch, "The New Eastern Dimension of the Enlarged EU", in Judy Batt *et al.*, *Partners and Neighbours, A CFSP for a Wider Europe, Chaillot Paper*, No. 63, September 2003, EU-Institute for Security Studies, p. 50.

<sup>33</sup> Jan Zielonka, "How New Enlarged Borders Will Reshape the European Union", *Journal of Common Market Studies*, Vol .39, No .3, (2001), pp.507-36.

Through the ENP, the Union seeks to tackle the governance of the wider Europe. Arguably, the enlarged EU is experiencing a shift from the “politics of exclusion” towards a “politics of inclusion” in wider Europe.<sup>34</sup> In this sense, the ENP can be seen as part of an external agenda of the enlarged EU for managing its new interdependence across Europe.<sup>35</sup> The Union is expanding its governance beyond the member states to the immediate neighbourhood. For this reason, the ENP should not be taken as just an EU foreign policy tool it is the deepening of European integration process outward by means other than accession. As will be seen below, the objectives, methodology, instruments as well as the implementation and the monitoring of the ENP clearly reflect this line of reasoning.

One of the key objectives of the ENP is to improve security at the borders of the enlarged EU and to promote stability and prosperity beyond. To this end, the Union offers 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 policies and programmes to their participation. Thus, a balance is sought between the extent of a partner's progress on the basis of common values and the openness of the Union. The contents of the bargain will vary from one country to another reflecting domestic conditions and existing relationships with the EU. The core of these commitments and offers is the Action Plans with agreed reform targets, timetables, benchmarks and an element of conditionality.<sup>36</sup> Action Plans serve as a point of reference for providing EU assistance and 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 European Neighbourhood agreements.

Effective implementation of the policy is closely related to EU's adequate funding. For the next budgetary period (2007-2013), the Commission

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<sup>34</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>35</sup> Sandra Lavenex, “EU External Governance in Wider Europe”, *Journal of European Public Policy*, Vol. 11, No. 4, (2004), pp. 680-700.

<sup>36</sup> Action Plans agreed in 2004 cover a number of key areas 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.

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proposed a gradual increase in funding to double the present level by 2013, amounting to \_14.93 billion. From 2007 onwards, as part of the reform of the external assistance instruments, financial support for the ENP will be provided through a new European Neighbourhood and Partnership Instrument (ENPI).<sup>37</sup> The ENPI will support the implementation of the Action Plans and will target sustainable development and approximation to EU's policies. The Commission adopted a two-step approach to create this instrument: increasing coordination between EU structural funds and external funds with a special emphasis on cross-border facility, and a single regulation for EU external assistance, including the ENPI, for the next period.<sup>38</sup>

The ENPI is innovative not only in its proposal for a single new regulation but also in bringing together regions of the member states and of the partners sharing a common border under joint programmes. In that way, the new borders will no longer be seen as a barrier but as an opportunity for cross-border cooperation.<sup>39</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 the gradual extension of the internal market and regulatory structures to the new partners. The Wider Europe Communication was more explicit in the notion of an ENP partnership based on offers and incentives. The Communication laid down further integration and liberalization to promote the free movement of persons, goods, services and capital as the main incentive and added that "if a country has reached this level, it has come as

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<sup>37</sup> The ENPI will replace CARDS and MEDA and will provide a single financial framework for neighbours; albeit with different regional priorities. In the East, drawing on the experience of the Northern Dimension, cross-border regional cooperation will be promoted. In the Mediterranean where land borders are less significant, maritime borders and cooperation will be prioritized.

<sup>38</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>39</sup> Balfour and Rotta, "Beyond Enlargement. The European Neighbourhood Policy and Its Tools", p.19. The authors also draw attention to the EU's support for strengthening local democratic governance via partnerships between national, regional and local authorities on a cross-border basis.



close to the Union as it can without being a member”.<sup>40</sup> Subsequent Council Presidency Conclusions transformed this stronger incentive into a long-term and imprecise perspective for participation in the internal market and regulatory structures. Furthermore, the Council identified some new possible incentives in line with the renewed emphasis on security-building and regional cooperation.<sup>41</sup> The change in the priorities and incentives of the ENP might indicate the EU leaders' shared interest in and a stronger commitment to the goal of a secure and stable neighbourhood instead of supporting transition 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 has emphasised the principles of partnership and shared values than the principle of conditionality and strong incentives.<sup>42</sup> In its 2004 Strategy Paper, the Commission maintained the 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>43</sup> The Strategy Paper further noted that: “the ambition and the pace of the 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 lays at the basis of the ENP

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<sup>40</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, cultural cooperation and enhanced mutual understanding.

<sup>41</sup> For a brief comparison of the Commission's and Council's priorities, see Balfour and Rotta, “Beyond Enlargement. The European Neighbourhood Policy and Its Tools”, pp. 12-15.

<sup>42</sup> Nathalie Tocci, “Does the ENP Respond to the EU's Post-Enlargement Challenges?”, *International Spectator*, Vol. 1, No. 2, (2005), pp. 25-27.

<sup>43</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.

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partnership; the more a country conforms to EU values the closer it can cooperate with the EU.<sup>44</sup>

The key elements of the ENP approach are differentiation, gradualism and benchmarks. Although the Commission wished to develop a coherent policy, it recognised the special circumstances of the neighbours, the need for different speeds and timetables, or differentiation in progress and the conditionality applied.<sup>45</sup> Differentiation is to be accompanied by the logic of gradualism tied to partners' own willingness to proceed with reform. Political and economic benchmarks will be used to evaluate progress in agreed areas. Marise Cremona has identified benchmarks as being concrete and objectively testable, hence offering greater predictability and certainty than "traditional conditionality".<sup>46</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 will and capability to move forward.<sup>47</sup> Not all ENP commentators shared the complementary character of differentiation and bilateralism. Some have noted an imbalance between the cooperative and transformative baskets of the ENP: whereas regional cooperation could be strengthened through partnership, it is highly doubtful whether an eventual transition of the ENP partners could be realized through partial inclusion or "virtual membership", none of which is conducive to the exercise of strict conditionality.<sup>48</sup>

Another criticism levelled against ENP differentiation is the implication that the bilateral dimension is privileged over regionalism.<sup>49</sup> This assumption is supported by the prevalence of bilateral over regional dialogue.<sup>50</sup> While the 2003 Communication emphasised regional cooperation as a precondition for

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<sup>44</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. 10.

<sup>45</sup> *Ibid.*, p. 10.

<sup>46</sup> Marise Cremona, "Enlargement: A Successful Instrument of Foreign Policy?", in Takis Tridimas and Paolisa Nebbia, (eds), *European Union Law for the 21st Century, Rethinking the New Legal Order*, Vol I, London, Hart Publishing, 2004, p. 410.

<sup>47</sup> Tocci, "Does the ENP Respond to the EU's Post-Enlargement Challenges?", p.24.

<sup>48</sup> Balfour and Rotta, "Beyond Enlargement. The European Neighbourhood Policy and Its Tools", pp. 19-20.

<sup>49</sup> *Ibid.*, p. 11.

<sup>50</sup> Manuela Moschella, "EU's Regional Approach Towards Its Neighbours: the ENP vis a vis the EMP" in Fulvio Attina and Rosa Rossi (ed), *European Neighbourhood Policy: Political, Economic and Social Issues*, Jean Monnet Centre "Euro-Med", University of Catania, 2004, p. 31.

political stability and economic development, the Strategy Paper of 2004 referred to institutions of the existing policies, notably those of the EMP, as a means of strengthening the regional dimension. Regionalism is characterised by a minimum level of institutionalisation: there will be no new institutions responsible for the implementation of the ENP other than the joint bodies of the existing agreements.

Given the inadequate instruments of regionalism in the ENP, it will be difficult for some neighbours to assert their “Europeanness” through a sense of joint ownership. The lack of a sense of common identity might induce neighbours to negatively perceive their asymmetrical relations with the Union and challenge their view of the ENP as a partnership of shared values. Built on the idea of increasing security through closer integration, the European neighbourhood project is not just about sharing material benefits but is also a far-reaching project of a shared future.<sup>51</sup> As such, the ENP should not forget the lessons of the EMP as a process of region-building: “despite the limited concrete results, Barcelona's main attainment has been the awareness for reducing asymmetrical perceptions and developing a common identity between the two shores of the Mediterranean.”<sup>52</sup> While there is a continuing need for developing regional cooperation in the South, a bilateral approach looks more promising in the East which is different in the challenges involved and the level of domestic political development attained. One of the challenges for the EU is to combine the ENP and the EMP to generate positive effects in the Mediterranean area: regional co-operation through the latter and political and economic reforms through the former.<sup>53</sup> Another challenge is to achieve a balance between EU security concerns and mutual interests and identities that will eventually be shared with the neighbours.

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<sup>51</sup> *Ibid.*, p 65.

<sup>52</sup> *Ibid.*, p. 64.

<sup>53</sup> Michele Comelli, “The approach of the European Neighbourhood Policy: Distinctive Features and Differences with the Euro-Mediterranean Partnership”, *Paper presented at the IGC Net Conference* in Brussels on 17 November 2005, p. 3.

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

The predominance of the logic of stabilization in the ENP necessitated an emphasis on the notion of partnership based on mutual concerns and shared values. In order to mitigate the consequences of “Europeanization without accession” for the neighbours, the EU stresses the notion of “shared values” including the rule of law, good governance, respect for human rights, promotion of good neighbourly relations as well as the principles of market economy and sustainable development.

Through the ENP, the EU seeks to spread core liberal values to increase its neighbours' prosperity, stability and security, and to promote reforms in its neighbourhood. Much will depend on the ability of the EU to exercise political conditionality towards the ENP countries and contribute to democracy and human rights improvements as long as membership incentives are absent. According to Frank Schimmelfennig, “since ENP countries are generally governed by authoritarian regimes for which the domestic costs of complying with democratic and human rights rules is high, there is no guarantee of the EU's significant political impact in those countries”.<sup>54</sup>

The lack of effectiveness of the ENP conditionality holds true not only for the neighbours but for the Union as well. In its relations with countries that are not considered as would-be members, the Union is less normatively constrained and can treat democracy and human rights more expediently.<sup>55</sup> Thus, outside of the accession context, not only the EU's incentives for supporting democratic conditionality but its normative engagement is likely to be compromised with intra-EU politics and bargaining.

What seems further paradoxical is the EU's acknowledgement of the partners' lack of ability and/or will to commit themselves to common values

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<sup>54</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>55</sup> 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.

on the one hand and linking its receptiveness in offers to their actual performance in promoting values on the other. The 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 promoting them together”. Isn't the Union going too far when it expects the same commitments of membership from both the European and non-European neighbours? Isn't it too idealistic to expect all these in a relationship of partnership rather than a relationship based on candidacy”.<sup>56</sup>

Arguably, the view that a shared neighbourhood implies burden-sharing and joint responsibility for addressing threats stresses the Union's priorities than the shared objectives. The incentive of economic integration and political cooperation is offered in order to achieve the EU's own security objectives.<sup>57</sup> Instead of “joint ownership” of the Action Plans, the relationship will remain one in which the performance of the partners are judged by the Union. Neighbours will benefit from progressive integration only if they develop the capacity and readiness to adhere the EU foreign policy objectives. Thus, the real mutuality of partnership is somehow missing.<sup>58</sup>

In stressing the commitment of the partners to shared values, the EU aims to engage them in its internal and external security policies and to build a broad network of support beyond its borders.<sup>59</sup> Hence, the ENP aims to construct a new pan-European space where it could be used to make the CFSP/ESDP a success. Increased integration between the EU and neighbours could provide structural stability in the long run, but in the meantime, it would bring crises and conflicts closer to the EU. For Roberto Aliboni, “the EU would face an alternative between acting effectively to defuse crises and solve conflicts in the political co-sphere it wants to stabilize for its security or looking on as the co-sphere weakens and its security is enfeebled”.<sup>60</sup> The eventual success of the new initiative would depend on the joint commitment of the EU governments to strengthen the security and defence dimension of European integration.<sup>61</sup>

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<sup>56</sup> Cremona, “The European Neighborhood Policy: Legal and Institutional Issues”, pp. 22-23.

<sup>57</sup> *Ibid.*, p. 23.

<sup>58</sup> *Ibid.*, p. 7.

<sup>59</sup> Cremona, “Enlargement: A Successful Instrument of Foreign Policy?”, p. 406.

<sup>60</sup> Aliboni, “The Geopolitical Implications of the European Neighbourhood Policy”, p. 5 .

<sup>61</sup> *Ibid.*, p. 6.

### **The ENP and the Experience with Enlargement**

The Commission's approach to neighbourhood is 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”.<sup>62</sup> As Judith Kelley aptly points out, the ENP has been shaped by a logic of path-dependency, policy learning and adaptation from the past enlargement experiences.<sup>63</sup> The EU clearly hopes to repeat the success of the enlargement strategy by setting some of the same targets and by using similar instruments and methodologies, including conditionality, differentiation and monitoring.

However, the ENP can be viewed as the continuation of the logic of enlargement with similar tools and instruments but different political ends. The ENP differs from the EU enlargement process 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 reforms, before they could be ready to assume the responsibilities of (pre)accession. The ENP will bring these countries closer to the EU, by offering in-depth economic integration and closer 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 weaknesses in the neighbourhood are left aside, it will still be unrealistic of the Union to embark on further commitments when “the pace and scale of enlargement is approaching the limits of what European public opinion will further accept. The priority of the EU must be to maintain the momentum of European integration. While insisting on its own absorption capacity, the Union must fulfill the promises it has already made to the candidates, current and potential.

The fact that the ENP is viewed as separate from the question of accession has meant that the policy does not promise membership but it does

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<sup>62</sup> Balfour and Rotta, “Beyond Enlargement. The European Neighbourhood Policy and Its Tools”, p. 9.

<sup>63</sup> Kelley, “New Wines in Old Wineskins”, p. 4-10.

not preclude it either. Instead, the Union has simply disassociated itself from this question and the task of drawing the boundaries of the Union when there is a need for the consolidation of the processes of ongoing enlargement and deepening. With its neutrality towards membership and weaker incentives, the ENP seems closer to the EEA model than enlargement. The ultimate political offer would be an enhanced relationship with the EU 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 decline the interest of the neighbours to conform to the requirements of Europeanization.

Despite the absence of a perspective of membership, the ENP shares an important goal with enlargement: to induce partners embark on the process of "Europeanization" which is defined as a multi-dimensional political, economic and societal transformation. Simply said, the ENP is a policy of Europeanization without or before full 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 promoting cooperation and reforms, the ENP will draw on the instruments of the proven transition methodology in East-Central and Southeastern Europe.<sup>64</sup> At the outset of the process, the Commission prepares country reports assessing the political and economic situation and decides when and how it is possible to deepen relations with that country. The next stage is the development of Action Plans which are negotiated with each country and define the agenda of reforms by means of short and medium-term priorities for action. While the scope Action Plans is comprehensive, "priorities for action" focus on political reforms similar to those stressed towards accession countries.

The implementation stage will be regularly monitored through joint sub-committees and the annual reports of the Commission, similar to progress reports for accession countries. When monitoring demonstrates significant

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<sup>64</sup> Cremona, "The European Neighborhood Policy: Legal and Institutional Issues", p. 1.

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progress in meeting the priorities, incentives may be reviewed, Action Plans may be adapted, or bilateral agreements may be replaced with 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>65</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 Action Plans began in 2004 with seven partners whose Agreements were in force at that time (Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine). Work has already begun with two more countries whose Association Agreements are now taking effect (Egypt and Lebanon) and with the three Caucasus countries which already had PCAs in force but were only included in the ENP in 2004.<sup>66</sup>

The ENP goes beyond existing policies and offers a move from cooperation to integration with a stake in internal market and a possibility to participate in EU programs. Even though reform and transition in the East and South aim at similar goals, differentiation among the partners is a central element of the ENP. While the policy offers Southern partners further bilateral incentives than the Barcelona process, deeper economic integration is not foreseen for the Eastern partners. Instead, full implementation of the trade provisions of the existing PCAs or the WTO accession agreement along with continued economic reform is envisaged.

The Commission has underlined the seriousness of EU's offers, and believes that these incentives could help to meet the challenges ahead. The main reason for the optimism of the Commission is that the ENP has been shaped in the context of enlargement through lessons drawn from the (pre)accession process and the Stabilization and Association process. The ENP reflects the EU's intention of sharing the benefits of European integration

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<sup>65</sup> *Ibid.*, pp. 8-9.

<sup>66</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 be prepared.



with the neighbours. Yet the aim of the ENP can also be seen as preventing dilution of the EU by putting a brake on enlargement. The ENP does not provide an accession prospect hence it is not an enlargement policy. It stands as a concrete alternative to enlargement: it is a policy of promotion and transition and a condition of closer and privileged relationship.<sup>67</sup> Building of such a partnership is conditional on the neighbours' commitment to shared values in principle and in action. "The further a partner is ready to take practical steps to implement common values, the further the Union will be ready to strengthen links with them." As Cremona rightly asks "is this talk of shared values a substitute for a more concrete offer, or is it a sign of political conditionality that will underpin the relationship?" 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 aptly point 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>68</sup> A key question that remains is: will a differentiated conditionality envisaged in the ENP be as effective as the political conditionality present in the enlargement process?

### **Conclusion**

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 new form of relationship with the neighbours and offering a tangible alternative to membership in the long run. Answering this question depends on answering another one: how innovative is the ENP as a policy towards a diverse neighbourhood?

An overview of the objectives of the ENP reveals that the EU is pursuing two separate but interrelated logics in its new framework for relations with

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<sup>67</sup> Cremona, "Enlargement: A Successful Instrument of Foreign Policy?", p. 409.

<sup>68</sup> Balfour and Rotta, "Beyond Enlargement. The European Neighbourhood Policy and Its Tools", p. 14-15.

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its neighbours. The first is the logic of stabilization associated with the need for secured and properly managed external EU borders the second one is the logic of promotion and transition that might reduce the socio-economic gap for the EU's outer frontiers. While the former is more internally driven in the sense that, increased cooperation for 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 chosen to rely on its civilian power attributes for promoting reforms. However, the Union will no longer act as a transformative power in the context of enlargement. The new policy symbolizes the official abandonment of enlargement as a foreign policy tool to Europe's new periphery. Alternatively the Union is working on "Europeanization without membership" as its newest tool.

One innovative feature of the ENP is that the Union seeks to promote transition with an integrative approach. While disassociating integration from accession, the Union seeks increased economic integration and closer political cooperation with neighbours which will be supported by financial and technical assistance and a new financial instrument. The outcome would be the creation of a new ring of privileged partners in the wide neighbourhood. Such a partnership, to be sustainable should be based on not only common interests but also shared values. The partners' commitment to and their progress in acting on the basis of values will be a decisive factor for the EU's openness in return.

As distinct from the strict conditionality applied in the context of enlargement, the Union has preferred a more flexible form of conditionality in the ENP. This conditionality will be a highly differentiated one and will 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 neighbours to move forward while leaving others to catch up. Such a 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 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 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 respond to the security concerns of EU citizens and might increase their commitment to and support for the integration process. On the basis of the analysis above, there could be a promising future for the Union in wider Europe and beyond.

However, the weaknesses of the ENP combined with fragile domestic and international circumstances prevailing in the region, brings an uncertain outlook for the future. The dual logic inherent in the ENP necessitated an adaptive methodology of enlargement towards the neighbouring states. Adaptation involves the abandonment of an eventual EU membership, the formulation of a differentiated conditionality and reliance on the partners' ability to undertake reforms. The replacement of strict conditionality and strong incentives with a flexible conditionality (or precise benchmarks) and weaker incentives in the ENP might be due to EU's preference of the logic of stabilization to the logic of transition. For the EU's part, this might give rise to compromises between the security objectives and core values underlining the ENP and might weaken the Union's role and credibility as a norm promoter in the wide neighbourhood. It is likely that the neighbouring states which are not on a path to membership do not have the same incentive to act on the basis of shared values. 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. The ENP has raised internal expectations about the transformative power of the EU without providing it with all the necessary capabilities to do so.

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 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 with low incentives and weaker conditionality could be effectively utilized to leverage

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reforms, privilege reformers and punish the non-compliant partners. The transformation of the differentiated conditionality into a discriminatory one in terms of creating competitiveness among the partners remains a key challenge for the EU.

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 Union 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. Partnering with neighbours, other key actors and organizations is an important feature of the EU's comprehensive and cooperative approach to security. Whether the EU can succeed in democratizing its wide neighbourhood outside the context of enlargement remains a big question for the Union and for its regional and global actorness. A stable and well-governed neighbouring region will not only add to the security of Europe as a whole but will consolidate the EU's distinctive approach to security advocated by the ESS.