“Is the EU’s strategy for dealing with its neighbours efficient?”

Marie-José Rinaldi-Larribe, Ph.D.
International University of Monaco, IUM

Abstract: In 2004, the European Union launched the European Neighbourhood Policy (ENP) which is a bilateral and differentiated form of cooperation, directed towards its Eastern and Southern neighbours, with the aim of ensuring political stability and economic prosperity beyond the borders. But the ENP, instead of being seen as an interesting policy by some of its members, suffers from a lack of attractiveness; the paper argues that the ENP should become more appealing and should not appear as a poor substitute to an accession, a second category type of association; instead it must be seen as a positive and interesting integration instrument, leading to better growth and development prospect in the countries that belong to the “EN club”. Moreover this paper tries to analyse whether the new Union for the Mediterranean (UMed) which offers a multilateral framework for the cooperation between the EU and Mediterranean countries, following the Barcelona Process, can be viewed as complementary to the ENP, and whether it really brings additional value for Mediterranean countries; finally, we seek to define the possible articulation between the existing structures, and wonder whether the new Eastern Partnership may as well complement the ENP for the EU’s Eastern neighbours; besides, we show that, by combining a reinforced ENP with the goals set by the UMed, we can address the problems encountered by the EU’s Southern neighbours, and create an integrated Mediterranean area.

1. Introduction

All countries of the Western Balkans, issued from the former Yugoslavia, are likely to join the European Union (EU) in the near future. The EU has new borders, notably with Russia and Ukraine. Entering the EU is not an objective for the moment for Russia. As to Ukraine, it has repeated several times that it was looking forward to becoming an EU candidate; however, the EU has for the moment ruled out membership for Ukraine, which is part of the European Neighbourhood Policy (ENP) framework and which benefits from a Partnership and Cooperation Agreement (PCA), one of the main instruments of the ENP.

The ENP is a new approach designed by the EU in 2004 for its neighbour countries; it represents a more differentiated form of cooperation, aimed at creating bilateral cooperation relationships in order to export political stability and economic prosperity beyond the borders of the EU. It is sometimes viewed by some countries as an intermediate stage before joining the EU,
not as a real valuable tool that enables cooperation and encourages reform, and can thereby lead to huge benefits in terms of economic growth. But this useful instrument should on the contrary be developed in a way that would really suit both parties, the EU and neighbour countries. This policy should be seen as a new and interesting form of integration by all actors. Concerning the Mediterranean countries, the Euro-Mediterranean Partnership, also called Barcelona Process, was launched in 1995; Mediterranean countries were thus engaged in two forms of partnership with the EU: the Barcelona Process and then the ENP. But a third path has been engaged recently, to deepen the relationship between the EU and these countries, the Union for the Mediterranean, following a proposal from the French President, Nicolas Sarkozy, in May 2007. Concerning Eastern European neighbours, an Eastern Partnership has been created in 2009, in order to complement the ENP for these countries. A Black Sea Synergy also exists, which concerns countries located around the Black Sea. But what is the added value of these partnerships, for the EU and for those neighbouring countries? What benefits does the Union for the Mediterranean (UfM) provide its members? What is the articulation or complementarity between the UfM and the other partnerships, and the ENP? Do these partnerships bring added value to the ENP? Moreover, this article will try to determine whether by combining a reinforced ENP with the goals set by the UMed, the problems encountered by the EU’s Southern neighbours can be addressed in a better way. But the first question tackled is the following: how can we make the ENP more attractive for members? The ENP suffers from a lack of image, and there is a confusion between this policy and the different partnerships, in people’s minds. Finally, is it possible to reform this policy in order to make it more appropriate and adapted to each geographical area, depending on the characteristics, the historical links and on the goals of each of them?

2. The European Neighbourhood Policy: a true alternative

Robert Schuman, one of the father founders of the European Economic Community, said in 1959: "We should not build Europe only in the interest of the free people. We must be able to welcome the populations of the East on the day that they ask us to". In May 2004, this objective has been achieved: the European continent has been reconciled, and in 2007, the EU again welcomed two new members. But now a consensus seems to have been found among Member States on the need to make a break in the enlargement process, after the accession of the Western Balkans, and of Iceland and possibly of Turkey; populations and governments clearly express their wish to digest the last accession before going on with a potential new enlargement. In this perspective, the European Neighbourhood Policy seems to be a good alternative to further
accessions. The idea is not very popular in European circles but why should a country like Turkey, which is on the European continent for 3% of its territory only, become a member of the EU? Of course, the relation between Turkey and the EU is unique; since 1963, Turkey has benefited from a specific treatment: at first, the country concluded a free trade area (FTA) agreement with the EU, that was eventually transformed in a customs union in 1996; then the country was granted a candidate status. Certainly the accession of Turkey is seen as a strategic move for some of the EU members; but the growing population of the country would have a strong political implication, in particular as decision making mechanisms are concerned, because the country would probably benefit from voting rights that would exceed, as the time of its accession, those of other old Member states... Besides, many Turks live in countries that reach from Azerbaijan to the Western part of Iran, from Central Asia to the South of Oural (Tatarstan) and to the Western part of China: Turkey’s EU accession would facilitate the immigration of Turkish-speaking people coming from these far away countries, which would have an even greater impact on the EU, in terms of population. Besides, there still are concerns in terms of human rights, freedom of religion for non Muslims, freedom of expression and the non-recognition of the southern part of Cyprus, an EU member state; in addition, Turkey may be a democracy, nevertheless the democratically elected government still coexists with a strong military presence. Besides, the entry of this huge country in the EU may have severe consequences on the administration of common policies. However, it has made huge efforts in order to comply with European norms, changing entire parts of its constitution. Giuliani (2003) stated that “the European perspective obliged Turkey to adopt our rules, values and laws”; according to him, the EU has played the “role of a democratic catalyst” its neighbours, in particular with Turkey.

Of course, it is very difficult to take a step back now, since the country has been waiting for so long for this accession status. Still, it would perhaps be more realistic to propose an alliance, other than a strict membership, which would still be appealing to the Turkish population and authorities. A specific partnership could be envisaged, with some financial support, as well as the satisfaction of having entered a club; this model of partnership is laid down in the European Neighbourhood Policy, as we shall see now, but it could be developed further.

In May 2004, the EU has in effect launched the European Neighbourhood Policy (ENP), proposing a new approach to its neighbours; it is a more differentiated and conditional, and therefore more progressive approach; the objective of this policy is to create cooperation

relationships in order to export political stability and economic prosperity beyond the borders of the EU: "the safety of the enlarged Union and more globally the integrity of the European single market do not depend only on the reinforcement of controls at the external borders of the European Union, even though they are essential, but also on a transition of the neighbour countries to the fundamental rules of democracy and of market economy practiced by the Union"\(^3\). But these countries are not likely to achieve this change if they are not helped by the EU. This assistance should, in the long term, take the form of a participation of neighbour countries in some of the common policies (research, education, health and environment), coupled with a progressive financial implication and an access to the domestic market (free movement of people being excluded); however they would not share the European institutions. That would tend to become a sort of improved free trade area, with, moreover, some assistance offered in certain fields. At first, this new policy concerned Ukraine, Moldova, Israel, Jordan, Morocco, Tunisia and the Palestinian Authority; then, in 2005, more countries were included in the framework of the ENP: Algeria, Egypt, Lebanon, Armenia, Azerbaijan and Georgia. Mediterranean (Med.) countries, as we shall see later on, already benefit from long standing Association Agreements, and the EU has clearly shown its will to further integrate with those countries, through the Barcelona process.

The EU neighbours of the East have concluded Partnership and Cooperation Agreements (PCA) with the EU that are almost equivalent to the association agreements concluded with Med. countries. The emphasis is put on the implementation of the State of law and on the respect of human rights in the country, as well as on the guarantee of democracy and safety and on the implementation of a market economy. These neighbourhood agreements are likely to lead to a more thorough integration, with in the long run the creation of a free trade area; some differentiation is introduced, but the ENP also comprises several common aspects:

- a gradual integration in the domestic market with adoption of the 'acquis communautaire' and a progressive convergence towards the European standards.
- the liberalization of trade and the creation of a free trade area.
- an active management of migratory flows.
- renewed cooperation in the fight against organised crime, corruption, money laundering.
- the assertion of common values such as democracy, human rights, respect of the minorities and of the media, as well as a closer cooperation in order to solve regional conflicts.
- the reinforcement of the legislative framework which will stimulate FDIs.

---

\(^3\)René André, 2003.
- the development of assistance programs and of financing projects operated by the European Investment Bank, in the field of equipment and infrastructures.

In short, the ENP proposes a much deeper integration with neighbour countries, offering closer cooperation and increased financial assistance, sharing of some EU programs and access to the Single Market, after a series of reforms to “bring laws and regulations in line with European standards.” Then National Action Plans were launched at the end of 2004, consisting in plans established for a three to five-years period that “set out precise steps agreed with each partner” under the ENP framework; they offer a tool for the EU to assess the progress made by the partners towards the achievement of the objectives set. Moreover, in 2007 a new fund was implemented by the European Commission, the European Neighbourhood Partnership Instrument (ENPI), which replaced the different financial measures that previously existed, in particular TACIS (Technical Assistance for the Commonwealth of Independent States), which had been created in 1992 in order to help countries of Eastern Europe as well as countries of Central Asia to implement reforms during the transition process, by providing them financial and technical assistance. The EU’s southern neighbours benefited from a similar instrument called MEDA.

A new form of cooperation is thus offered to neighbours of the EU through the ENP, a closer type of cooperation but which excludes à priori the idea of a traditional accession; besides, the new financial instrument, ENPI, has larger resources (+30%) and benefits mainly to southern countries, which receive approximately two-thirds of the funding. Two new facilities were also introduced in December 2006: the Governance Facility which gives additional support to countries that have fulfilled the governance objectives set in their action plans, in terms of democracy, human rights and the rule of law; this instrument has benefited Morocco and Ukraine already. The second one, the Neighbourhood Investment Facility, aims at encouraging cooperation in the sectors of energy, environment and transport.

The goal of the EU is clear: the ENP aims at promoting good governance and at creating a climate of safety and prosperity in countries with which it has a border. If they make substantial progress in terms of institutional, economic and political reforms, they will have access to the intrinsic advantages of the single market. But as Benita Ferrero-Waldner the former European Commissioner for external affairs pointed out, “the ENP is not an enlargement policy. It does not prejudice prospects for European countries that may at some future point wish to apply for

---

membership, but it does not provide for a specific accession prospect either. 
Furthermore, the ENP aims at assisting neighbour countries in their reform process, hence helping them achieve prosperity, security and stability, but “the EU’s offer through ENP is not a second-best option to enlargement, but rather a highly-desirable step-change in our relations offering substantive benefits to all involved. It is as a win-win policy, based on mutual interest and shared values.”

In December 2006, the European Commission has issued a proposal concerning the need to strengthen the ENP, idea that was discussed by the German presidency during spring 2007 and which lead to the expression “ENP plus”. The Commission points out its will to “strengthen the ENP in order to consolidate a ring of prosperity, stability and security based on human rights, democracy and the rule of law in the Union’s neighbourhood”; this statement reminds us of the Copenhagen Criteria, at least concerning political criteria… Lately, the European commission has expressed its satisfaction concerning the progress made by some ENP countries in terms of economic integration, democratic reforms and fight against corruption: Morocco, Ukraine, Moldova and Israel; it is seeking a deeper partnership with them.

Following the proposal of the Commission, Emerson, Noutcheva and Popescu presented their vision of an “ENP plus” or reinforced ENP, involving 15 interesting and concrete proposals, among which: the creation of an “advanced association agreement” offering a comprehensive and deep content, concerning “all 3 pillars of EU competences”, with those countries that are “willing and able to achieve high levels of political convergence and economic integration with the EU”; a higher participation in programs and agencies. But this “ENP plus” would also aim at: enhancing the promotion of democracy among political parties; creating a deep free trade area, developing energy and transport multilateral networks, facilitating granting of visas, enabling neighbour countries to participate in the Common Foreign and Security Policy, etc.

Unfortunately, the ENP suffers from a lack of reputation or credibility: to begin with, it should be made more visible; the image of the policy should be clearly highlighted within and outside Europe. In addition, the implementation of the ENP is too slow and the objectives are not very well defined; the objective of creating “far-reaching free-trade agreements” is remote. Progress has really been made with Morocco and Ukraine only. As mentioned in the Friedrich Ebert Stiftung paper, the ENP is “an elite-driven and –managed policy. As a result, it lacks

---

7 www.euractiv.com/en/enlargement/eu-new-neighbours/article-129625
10 “EU to intensify relations with most ambitious neighbours”, Euractiv.com, April 4, 2008.
11 Ibid.
sufficient grounding in society, in both the partner states and in parts of the EU itself”. Moreover, there should be a higher differentiation between southern and eastern neighbours, because “linking these historically, culturally and strategically different geographical regions under a uniform approach (...) hinders the effectiveness and attraction of the Neighbourhood Policy in Eastern Europe”. One size doesn’t fit all situations. I shall come back to this point later on in the paper, since it should lead according to me to an effective differentiation, a separation of the ENP in two parts, one which would complement the Union for the Mediterranean, and the other which would reinforce the new “Eastern Partnership”, as well as the “Black Sea Synergy” Initiative too, which has been created in 2007 and comprises Turkey and Russia.

Another problem that affects the ENP’s credibility, according to Weber and Lavenex, is the fact that the “everything but institutions” characteristic of the ENP introduces “flexible horizontal integration as a process oriented mode of policy making (...) in between the top-down Monnet method, promoting the transfer of the predetermined acquis communautaire ‘hard law’ and loose intergovernmental cooperation”\(^\text{13}\). Weber insists on the need for the adoption of a pragmatic approach that takes into account the existence of huge differences not only among participating countries but also and mostly between southern countries on the one hand and eastern countries on the other hand. These two groups are very different from a political and socio-economic point of view. Besides, the perspective of membership in some eastern countries is conceivable whereas it is not, at least at the moment, for southern countries.

On the contrary, according to the Commission, the ENP constitutes a force of attraction providing positive incentives based on the fact that it is a performance-based, differentiated policy. This is why some countries would like a “formal upgrading of their relations with the EU, (...) that would institutionalise and increase political exchanges, intensify the country’s participation in the EU economic area, and bring about greater integration in various policy areas”\(^\text{14}\).

3. The Barcelona Process: promises undelivered

Concerning the relations with Mediterranean countries, the attitude of the EU is different: European association agreements promoting free trade (except in the agricultural and textile


sectors) and political reforms, were signed at the end of the 70’s, with Maghreb countries, Morocco, Tunisia and Algeria (the latter benefiting from specific conditions due to its situation of colonized country at the time of the signature of the EEC Treaty). Then, the Conference of Barcelona in 1995 provided the foundations of a reinforced cooperation system supposed to lead to the creation of a global free trade area, by 2010. The aim of the Barcelona process (BP), also called Euro-Mediterranean Partnership (EMP) or Euro-Med, was also to establish sub-regional cooperation relations between Southern countries, knowing that they do not trade much among themselves (approximately 5% of their foreign trade is done within the area). Other goals related to the definition of an area of peace and security through the strengthening of cooperation in terms of security, and to the creation of a cultural and social bridge between populations. At first, the BP consisted of the fifteen EU Member States and of twelve Mediterranean countries (Morocco, Tunisia, Algeria, Egypt, Israel, Jordan, Lebanon, the Palestinian Authority, Syria, Turkey, Cyprus and Malta, which were not in the EU at that time). Then in April 1997, at the Euro-Mediterranean Conference of Malta, the BP countries decided to reinforce their partnership in order to enhance political stability and security, as well as economic and social development, in the area. Unfortunately, the progress has been very limited; thus, in 2005, ten years after the BP, new initiatives were taken such as the creation of the Euro-Mediterranean Committee, which became the central body of the BP, meeting twice a month, with the European Commission holding its secretariat. A Euro-Mediterranean Parliamentary Assembly has also been created, in December 2003 with 240 members from each side of the Mediterranean Sea.

Two Mediterranean islands, Cyprus and Malta, have joined the EU in May 2004, but the accession of other Med. countries to the EU is not considered as an option at the moment, for political, social and economical reasons; rather, Med. countries have been oriented towards another kind of association, a free trade area project coupled with financial assistance and cooperation in some domains. This seems to support the thesis of a differentiated integration process with several levels of integration, in which Med. countries would benefit from a lesser level of integration while Central and Eastern European Countries (CEECs) have been included into the EU and while Western Balkans and Turkey have a perspective of accession. Each one of these geographical areas thus appear to be on a circle characterizing a "variable geometry" EU, according to the expression of J. Pisani-Ferry. But is this acceptable? Why should countries that have strong historical links with some EU countries be considered less “worthy” than Turkey, to whom potential membership was proposed? Why is Turkey not part of the ENP, as any other neighbour country? The ENP can be strengthened, adapted, assorted of funds that can enable

---

countries to really have the means to develop their economy. Since the 2004 enlargement, for understandable reasons, Med. countries fear an increasing disaffection from the EU, due to an Eastward displacement of the EU gravity centre. The promotion and completion of the BP, through the new Union for the Mediterranean, as we shall see later on, is likely to make them feel more secure. The EU must indeed reinforce the economic ties with these Med. neighbours; between some EU countries and the Maghreb area, historical bonds exist and association agreements have been concluded long ago; ties can be strengthened, through a deeper form of cooperation, in between the association agreement and a pure accession, which takes into account the specificities of the area. This form of cooperation can be put in place through a combination between the ENP and the new Union for the Mediterranean (UfM). In addition, as explained by Ould Aoudia and Tubiana (2000), "beyond security considerations, Europe can in the long run find an economic interest in the constitution of an integrated economic area. In the world stakes with the two other poles of the triad, the United States and Japan, Europe can give itself as ambition to constitute, with its immediate peripheries, a widened regional space as the United States did with Mexico and Latin America, and as Japan did with Southeast Asia, by instituting a game with positive sum between North and South, and by simply using the differences in development within the area". The construction of a free trade area together with common standards (competition rules, public markets...) could represent this new regional form of cooperation between the EU and Med. countries, along with financing facilities, participation to common policies, exchange of students and professors, etc. However in parallel with this continuing integration process between the EU and Mediterranean countries, regional integration must go on between Med. countries themselves; the EU ought to encourage them to further integrate economically while tackling political issues. Unfortunately, the BP has not experienced a great success, due to a low commitment from the EU and perhaps from Med. countries themselves. Besides, in terms of political rights, civil liberties, corruption and press freedom, Med. countries are not doing as well as CEECs. As Emerson (2008) mentions, in terms of economic growth, they are also lagging behind other regions that are much more dynamic (Asia, CEE, and Sub-Saharan Africa): some southern countries are still “locked in closed systems of economic privilege, with pervasive links between major corporation and the personal interest of government leaders”; moreover, EU members enjoy trading with Med. countries, in particular in the industrial and services sectors in which they are stronger, while denying them free access to the EU market for agricultural products for which they would have the advantage. In this respect the Council of the EU has reaffirmed its will to grant access to the internal market to neighbour countries, in the framework of the ENP. In June 2007, it stated that improved market access for
partners was needed, focusing on their comparative advantages and instituting “elements of asymmetry in their favour”\textsuperscript{16}, but that, in return, partner countries were also expected to open their markets. This enhanced economic integration will be realised through the creation of bilateral deep free trade agreements, and with the partial adoption of the \textit{acquis communautaire}. Another interesting step would then be to envisage a customs union between the EU and Med. countries…

Was the BP weakened by the creation of the ENP in 2004? Or was it reinforced on the contrary? It may be seen as a way of diluting this Med. partnership into a more global cooperation process, since the ENP is also designed for many countries from Eastern Europe. But we can also perceive this absorption as an improvement, because it was wrapped up in a more thorough and precise relation and enriched with several features: in addition of a partnership, Med. Countries also benefit from a real EU policy, with a financing instrument; but at the same time, we might think that the process has become more global and that their specific needs are not necessarily taken into account by the ENP; besides, a financing measure already existed although it had a different name. In fact, these two processes are really complementary, as Med. countries are concerned, as we shall see later on. As mentioned by Attina (2007), the ENP “changed important aspects of the EMP, such as the multidimensional and multilateral dimension, in favour of the asymmetrical model that had marked past relations between the EU and its southern partners”. In terms of regional integration theory, there are two main streams (Vayrinen, 2003): the traditional regionalist view shows that regional cooperation comes from the existence of common political, social and cultural traditions between countries in a region, whereas the new theory of regionalism points out that cooperation in a region stems from strategic decisions taken by governments in order to face issues linked to globalisation in various sectors (economy, environment, migration, crime, health, etc.). In the case of the Med. area, it is not clear as to which approach should be taken into account; besides, as Attina (2007) indicates, “EU action in the Mediterranean is interpreted as the European attempt to hegemonise the (…) area. On the other hand, EMP is seen as Med-partners’ socialisation to the globalised economy in order to make the Euro-Mediterranean space an effective economic block”. Both views are not incompatible and the BP has in effect been seen by Med. countries as a way to enter the globalised world. Moschella (2004) notes that the BP is a “complex of mechanisms, agreements and institutions drawn to address the strategic objective of building security throughout European neighbourhood” and is thus a specific aspect of ENP used to embody the relations with Med.

countries. But the BP is much more extensive than the ENP, in that the approach is supposed to be symmetric by making partners “feel as equal”. The BP’s great success is that it has enabled participants to understand the significance of promoting sub-regional collaboration in order to build a common identity and the importance of creating a true regional dimension in the area. The ENP on the contrary is by definition asymmetrical with the EU at the centre of the system surrounded by economically dependant neighbours. Although it shares the same general objectives with the ENP, the BP tends to emphasize a multilateral framework complementing the bilateral agreements concluded with each Med. partner. Another difference consists of the principle of differentiation that lies behind the ENP, according to which “each partner decides the degree of association with the Union based on its institutional and political capabilities (…) suggesting a policy with variable geometry”\(^\text{17}\); in other words, the nature of the relationship depends on the level of the institutional and political capacity of the partners, and not on the extent to which those institutions are reformed. Finally, as shown by Moschella, the ENP in not very innovative in that it “reflects European traditional foreign policy objectives – the promotion of security, stability, and common values – and adopts EU traditional foreign policy instruments – promise of aid and economic integration (…). Nevertheless, it is its emphasis on differentiation that makes the ENP distinctive from past experiences”\(^\text{18}\). This principle was reaffirmed in the last communication from the Commission, in December 2007, in which it stated that “the EU offer of deeper relations is the same for all partners. However, the country-specific approach within the ENP provides for flexibility and differentiation”\(^\text{19}\). Besides, this differentiation will tend to increase with time, with a deepening of bilateral relationships; a reference is made by the Commission to the BP, which provides the regional context, and “remains a cornerstone for the EU’s interaction with its southern neighbours”. Differentiation may also be the expression of the “Europe à la carte”, according to which some countries can decide to go on with further integration while other countries choose, perhaps momentarily, to stay outside the process. As mentioned by Cameron (2005), “a multi-speed Europe already exists in several main policy areas (single currency, Schengen, defence)”.

In terms of trade, the BP has enabled Med. countries to liberalise their economies, as mentioned by Souli (2006) who notes that almost all of them have signed association agreements with the EU since 1995 aiming at the gradual removal of tariffs for industrial goods and at the elimination of non-tariff barriers. Unfortunately, the Med. countries are still “relatively inflexible

\(^\text{17}\) Moschella, 2007.
and overregulated, and in need of educational and labour market reforms to contribute to more rapid productivity growth”, and there has been too modest regional integration in the Med. area; nevertheless, a free trade agreement has been concluded in 2004 between Morocco, Tunisia, Jordan and Egypt, named the Agadir agreement. Souli suggests that the lack of progress made by some countries may originate from the fact that individual efforts are not rewarded; in the ENP on the contrary, and this is why the two processes complement each other well, the national action plans comprise a positive conditionality, through which more integration is proposed as a counterpart for market reform, which tends to reward countries that go through more ambitious reform procedures.

4. The Union for the Mediterranean, the Black Sea Synergy and the Eastern Partnership: a multilateral approach.

The Union for the Mediterranean, which was at first called “Mediterranean Union” by the French President Nicolas Sarkozy, is the continuation and deepening of the Barcelona Process: this is the reason why it was officially named “Barcelona Process: the Union for the Mediterranean”. But what is it exactly? Does it improve the integration process between the EU and Med. countries really? If we focus on the words that were used, this prospect goes well beyond the objectives and scope of the Barcelona process.

The term that was used in the first place of a Mediterranean Union (MU) was far-reaching: the term Union in itself indicates the goal of a much deeper integration level; moreover, it implicitly means that common institutions and common policies exist. By definition, an economic union cannot be envisaged without common institutions: it is more than a simple economic arrangement between several countries… Finally, the name of the process was changed into the Union for the Mediterranean, which was less confusing, and the process comprised all EU member states even those without an access to the Mediterranean Sea, instead of the few EU countries that were concerned in the first place: France, Spain, Italy, Portugal and Malta. At first, the accent was put on issues such as fight against terrorism and crime, energy security, illegal immigration, sustainable development and the definition of a common judicial space. Nicolas Sarkozy, during his visit to Tunisia and Algeria in July 2007, proposed the initiative with the creation of a permanent council, similar to the Council of Europe. This proposal created some discontent in Germany, with fears that the process would compete with the BP. Turkey also raised concerns about this project which is seen as a way to counter or at least to slow down its

---

accession process. Furthermore the Spanish General Secretary of Foreign Affairs M. A. Navarro and the German State Secretary for European Affairs G. Gloser insisted on the importance of the BP and of the ENP that engaged all EU countries. They also believed that issues arising in the Med. area were common challenges and needed to be tackled through the European Security and Defence Policy. Concerning the French initiative, the move was seen by Balfour and Schmid (2008) as revealing the desire “to re-brand France’s traditional politique arabe and to shake up the enlarged EU by giving new impetus to Paris’ traditional role in the European integration process”. They also pointed out that, because of negative reactions inside the EU, France has started to “scale down its grand vision”, and was trying ex post to improve the project (not having discussed it ex ante with its main partners) before it was officially presented in July 2008, at the beginning of the French presidency of the EU.

In November 2007, the French Minister for European Affairs, J-P. Jouyet, claimed that a certain degree of “flexible geometry” integration was possible, as it was reaffirmed in the Lisbon Treaty and that this experience might encourage the existence of light structures, for example a secretariat instead of an institution. Moreover, he added that the presence of American and Chinese investors in the area and on the whole African continent must encourage Europeans to develop closer relations with the Mediterranean. He also said that although financing means could be public and private (coming from the Gulf countries for instance) it may also involve the financing instruments used in the ENP. Besides the process would be opened to all EU countries willing to join, would include the European Commission and the European Parliament and would concern concrete projects in domains such as transport, energy, security, education, prevention of natural disasters, etc. The creation of a Mediterranean Bank has also been envisaged. M. Jouyet underlined that the initiative was crucial in order to relaunch the Barcelona process, which was lagging behind. However, Med. countries themselves did not show a strong enthusiasm towards this project, which they thought should clearly build upon the BP and the ENP: “all Mediterranean Partners consider the Barcelona Process to be the cornerstone of their collective relations with the EU”\(^\text{21}\). In April 2008, M. Jouyet explained that he wanted a close and balanced partnership between the EU and southern countries, which would be more of a Union of projects and would thus give a new impetus to the BP, in so far as this project was not distorted by the EU\(^\text{22}\). According to Riccardi, there can be no Union between some EU countries and third countries, because such a project necessarily has a European sense. Besides, North African countries themselves have different ambitions regarding cooperation with the EU: Morocco


\(^{22}\) « Bruxelles ne doit pas dénaturer le projet méditerranéen”, Interview given to Le Figaro, April 19-20, 2008.
prefers a closer bilateral relationship which would replace the present association agreement; Tunisia would like to become the first third country benefiting from a FTA agreement with the EU, without having to wait for the conclusion of a wider FTA between Med. countries. He also believes that Med. countries do not necessarily want to become more integrated with one another.23

France, Spain and Italy, that have a clear interest in the subject, have initiated “l’Appel de Rome”, in December 2007, hoping to realise the necessary progress together before July 2008. In January 2008, the Slovenian presidency has also stated that they did not enjoy the prospect of having “a duplication of institutions that would compete with EU institutions and that would cover part of the EU and part of the neighbourhood”.24 In March 2008, the German Chancellor A. Merkel and N. Sarkozy agreed that “the Union’s dealings with non-EU countries along the Mediterranean coast need a new basis”; A. Merkel recognized that the EU had a central role to play in the Med. area, and that it should be a “central element” in the European foreign policy, but she also noted that the process needed to involve all Member States. All parties recognised that the UMed would support and further the BP. For Emerson (2007) the French initiative could be seen as “an opportunity to rationalise and revitalise” the European policy towards the Med. countries. He also felt that these countries should not be included in the ENP because they have nothing in common with Eastern neighbours from a historical, cultural or religious point of view. For Emerson, the process should consist in an “open-troika” method, which would include only the countries that are interested in the process, such as the model that exists in the EU’s Northern maritime regions, and should focus on aspects that are essential for this area: promotion of democracy and human rights, economic development and common security issues. But as Emerson points out, there is a risk of confusion in the relations between the EU and the Med. countries, due to the future coexistence of three structures: the ENP, the BP and the UfM. He asked for a rationalisation and for a unification of “the EU’s Mediterranean policy into a single integrated whole”.25 Besides, there was an uncertainty at this stage as to how the creation of agencies in the fifteen domains that have been identified by the French government in January 2008 (see appendix nº1) in the UfM framework will fit with existing policies and agreements. In effect, a structure already exists in each of these sectors, under another banner, either the BP, or the ENP or under control of the European Investment Bank.

23 http://www.mouvement-europeen.eu/Debat-sur-l-Union-mediterranenne
26 Emerson, 2007.
Concerning the members of this UMed, Balfour and Schmid (2008) argued that it should encompass Med. countries plus the Balkans, Mauritania, Jordan, the EU countries, and the Arab League countries; this would result in a rather broad area. Moreover, Balfour and Schmid wondered whether it was a way for France, before its presidency of the EU, to try to restore its leadership in the region, or whether the goal was to enable European countries to reinforce their “presence, influence and visibility in the Mediterranean”. The risk however was to create “a further intersection and overlap between different EU policies towards the region”. Another risk was that of a regionalization of EU foreign policies, with tasks lead by some EU states in some Mediterranean countries. Whatever the initial motivation, our view is that this project must really be seen as a new driving force that will lead to a closer and essential cooperation between the EU and Med. Countries.

The great novelty with the UfM is that it involves private funding, which is not the case of traditional European policies. And we know that the combination of public or EU funding with private funding (FDIs in particular) can lead to huge benefits in terms of growth and development of the recipient country. If we think of Ireland, that has benefited both from funding through regional policies and from private investment, it is a very good example of the gains that a country can reap, in terms of convergence; on the contrary, Portugal and Greece, which have also received EU funding, but have attracted less FDIs have experienced a much slower convergence of their economies. As J. Solana mentions, the Mediterranean states cannot be considered only as simple neighbours; it is part of the EU, since seven Member States are located on its coast. Besides the Treaty of Rome did already comprise a Mediterranean component in the sense that Tunisia and Morocco were offered a specific economic relationship. Moreover, although the BP has not been a true success, it has offered a framework for exchange in several domains (culture, education) and it has enabled discussions on diverse issues such as migration, security and water management. It also had the ambitious project of helping to solve the Israeli conflict as well as to restore peace in Lebanon²⁷. In line with the ENP and the BP, the FEMIP (Facility for Euro-Mediterranean Investment and Partnership) has been created in 2002 by the European Investment Bank in order to promote economic development in Med. countries by encouraging the opening up and modernisation of the economies, in particular by the financing of projects that lead to the development of the private sector. In 2006, the FEMIP had already financed projects for a total of 6 billion euros; during the period 2007-2013, this amount should represent 8.7 billion euros, allocated in various sectors: energy, transport, telecom, environment, human and social capital.

industry, tourism and services. The financing consists of loans and risk capital and represents 50% of the total cost of the project.

The Barcelona Process comprised twelve Med. countries: Morocco, Tunisia, Algeria, Egypt, Lebanon, Syria, Israel, the Palestinian Authority, Jordan, Turkey, as well as Mauritania and Albania that have joined more recently (Mauritania and Albania are not part of the ENP). The Union for the Mediterranean also concerns other countries that are close to the Adriatic Sea: Croatia, Bosnia-Herzegovina, Montenegro and Monaco which did not belong to the BP but are likely to become EU members in the near future, for some of them, making it even more confusing... The UfM is hence much larger (43 countries in total: 27 + 16) than was the Barcelona Process, in terms of participants, some of them which are not included in the ENP as we mentioned, which makes it particularly complex. Besides, countries are rather heterogeneous from an economic point of view. Disparities between the north and south banks of the Med. Sea are important: the average GDP per capita is 26000 dollars in the North, whereas it barely reaches 7000 dollars in the south; the EU countries represent 86% of the UfM’s total GDP.

During the conference on the Union for the Mediterranean that has taken place early July 2008, in Paris, just before the first European summit held by the French presidency, that has brought together 43 Heads of State and Government, the Union for the Mediterranean was officially launched and six projects were precised: the de-pollution of the Mediterranean Sea ("Horizon 2020" initiative, estimated at 2 billion euros), the creation of sea and land highways for a development of maritime exchanges, the increase in civil security, a Mediterranean solar energy plan, a Euro-Mediterranean university and Med. corporate or firm development initiative. Slovenia has proposed to welcome the euro-med. university. Even though financing instruments such as the FEMIP (European Investment Bank) or the IEVP (BP) will enable these projects to be implemented, the private sector will represent the greatest part of the financing. The EIB has already mentioned that three of these projects would be financed in priority: the solar plan, the depollution of the Mediterranean and SMEs financing. But as expressed by D. Schmid, despite the political involvement of all the participants, there still is some uncertainty in the way these projects will be financed; concerning the financing agency of SMEs that will be put in place, it is essential of course although much less ambitious than the Mediterranean bank that had been envisaged in the first place. One thing is sure: no more than 10% of the European funding will be

---

30 “Union pour la Méditerranée: le financement des projets reste flou”, Euractiv.fr, July 14, 2008
made available for these new projects. Concerning private funding it is difficult to know precisely whether investors will be willing to invest in the long-run on such structural projects.

The Paris Summit of July 13, 2008 has given birth to a common declaration entitled “the Barcelona Process: the Union for the Mediterranean”, which is aimed at giving a new “breath” to the Euro-Mediterranean relations, thereby expressing and reinforcing solidarity among people; institutions were created such as a two-year co-presidency shared by the EU and a partner country in the Mediterranean space (France and Egypt at first), a summit scheduled every two years, a secretary which will identify, select and promote the projects, choosing the right partners, and a permanent committee based in Brussels which will prepare meetings and summits.

Then, in November 2008, a Summit took place in Marseille, which clarified some of the institutional aspects that had been left aside in Paris: the Arab League was given an observer status in all meetings; Barcelona was granted the location for the headquarters; the secretariat general would come from a Southern Med. Country (not an EU one), etc. By the way the process became once again officially the “Union for the Mediterranean”31. The domains in which the UfM needed to undertake some concrete actions were redefined: political and security dialogue, maritime safety, energy, transport, agriculture, urban development, water, environment, information society, tourism, economic dialogue, industrial cooperation, social issues, human development, health, education, research, justice, etc. and the necessary establishment of a Euro-Mediterranean Free Trade Area. Additionally, the priority remained in some domains such as de-pollution of the Mediterranean Sea, maritime and land highways, civil protection, alternative energies, development of the Euro-Med University (launched in Slovenia in June 2008), and the Med. Business Development Initiative focusing on financial assistance to SMEs32.

Unfortunately the intentions and goals set in Marseille were then quickly blocked by the Israeli military intervention in Gaza at the end of 2008, and the whole process was freezed. The main problem which hinders the development of the UfM remains of course the Israeli Palestinian conflict. But even though the political process seems to stand at a halt, some projects can nevertheless be implemented by a few countries that seek to create jobs or that are less affected by the economic crisis. As Robert Del Picchia a French senator and member of the Euro-Mediterranean Parliamentary Assembly believes, “if north and south are able to achieve concrete projects, we will be able to think about a political solution”33. The Union for the Mediterranean

31 Sénat - Réunion de la commission des affaires européennes du mardi 31 mars 2009.
32 Final statement, Union for the Mediterranean, Marseille, November 3-4, 2008.
finally opened its new headquarters in Barcelona, on March 4, 2010, with at its head the Jordanian Ahmad Masa’deh.

The question remains that the appropriate articulation needs to be found between those different instruments or policies for an optimisation of the overall integration process between Med. countries and EU countries, some of them being also Mediterranean. This will be the objective of the next chapter.

Concerning Eastern neighbours, the first meeting that led to a joint statement marking the creation of the Black Sea Synergy BSS, was held in February 2008, and actions to be taken in several fields were defined (see table 3 in appendices). In effect, countries around the Black Sea have expressed their will to deepen their cooperation with the EU in sectors such as energy, environment, transport, telecommunications, science and technology, justice, security, and to promote democracy, human rights and the rule of law. This enhanced cooperation will create political confidence in those countries, which in turn will certainly lead to economic benefits, through increased FDIs. Then in December 2008, the Eastern Partnership EaP communication was issued, as a complement to both the BSS, the UfM and of course the ENP. The EaP’s aim is to enable the EU’s Eastern neighbours to reach a higher stability and economic development, as well as better governance, introducing “cooperation platforms” these issues and on democracy and energy security. The Eastern Partnership was officially launched in May 2009, including Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Its goal is “to complete the EU’s foreign policy towards Eastern Europe and the South Caucasus by developing a specific Eastern dimension of the ENP”.

5. The ENP and the ‘UfM + EaP’: which articulation?

For the European commission, the Union for the Mediterranean, as well as the Eastern Partnership and the Black Sea Synergy are seen as “new frameworks to strengthen the ENP”.

In 2005, the European Commission states that “the ENP and the Barcelona Process will complete and mutually reinforce themselves”, and that it enables to strengthen the cooperation between countries in the framework of the BP and to promote regional and sub-regional cooperation in the area. They are in fact complementary.

---

35 Programme de travail de la Commission européenne, pour le dixième anniversaire du partenariat euro-méditerranéen, April 12, 2005.
The ENP “lies at the crossroads of the foreign, security, development, enlargement and trade policies of the EU”\textsuperscript{36}, although its first objective is to build stability and security outside the borders of the EU (or to maintain a “ring of well-governed states”). The EU also promotes its values concerning democracy, the rule of law, and social, political and economic reforms in countries without a candidate status. After the 2004 enlargement, a need to make a break in the enlargement process was felt in countries; therefore the ENP started to appear as a substitute to an accession procedure. As Lippert mentions, there exists a “cleavage between South and East that runs through all discussions on the ENP at the working and the political levels of the EU”, although the ENP is supposed to be a “single, inclusive and coherent policy framework”.

Why shouldn’t we make this cleavage an opportunity to clearly identify the two geographical areas, South and East, which have very different features, histories, objectives and aspirations, for which the EU might propose different tools adapted to the real needs of the respective areas? This distinction is already made in a way since we talk about Partnership and Cooperation agreements in the East, whereas Association agreements are concluded with Southern neighbours, but under a single banner which is the ENP.

We could conceive an Eastern European Neighbourhood Policy or EENP, linked to the EaP and BSS, and a Southern European Neighbourhood Policy or SENP, which would also comprise the features defined in the UfM; this integration scheme would thus be deeper, and clearer at the same time.

By dividing the ENP in two parts, we would create a two-speed ENP, with on the one hand the Mediterranean countries, for which integration would be stronger, and on the other hand the other neighbour countries. Once again, in this perspective, instead of harmonising the relations with neighbour countries, through a unique policy and financing instrument, we would on the contrary officialise a separation between two geographical areas, within the ENP. The recent tendency concerning relations with partner countries of the EU seemed to be the uniformisation of relations; at present, time has come for tailor-made agreements, concluded with partners that may have different goals and expectations. The financing instrument would be divided among the two parts or sub groups, according to the weight or to the GDP per capita of each group.

Our suggestion is that we could have several circles, corresponding to different integration stages, the first circle being the EU; around this first circle that would tend to get more and more deeply integrated, we can imagine a second circle with southern neighbours, that have strong links with the EU from a historical stand point (this second circle might then be called the

\textsuperscript{36} “The EU Neighbourhood Policy – Profile, potential, perspective”, B. Lippert, Intereconomics, July/August 2007.
UfM, under the framework of the SENP) and a third one with Eastern neighbours, under the umbrella of the EENP, with a different level of integration (slightly lower, since the EaP and the BSS are for the moment less advanced); all those satellite countries would nevertheless benefit from common features such as a free trade areas and access to some policies; these satellites would certainly all benefit from having close ties with the EU, even though they would not necessarily be part of the EU. The European values would be shared among the three circles, through common policies and EU programs (the enhancement of exchange possibilities of young students or scholars for example, or the exchange of government employees, environmental issues, security issues, transport, etc.).

These two cooperation frameworks can coexist and they can progress at a different pace, depending on the political, social and economic conditions prevalent in the two broad areas and depending on the objectives of the countries belonging to each area and on the progress already accomplished. This would really be the expression of the notion of flexible geometry that is more and more often used in terms of integration, inside but also outside the EU. The history of relationships between the EU and Med. countries explains the need to create this distinction between Southern and Eastern neighbours; these differences in terms of history, political governance, mentalities, expectations and culture require a specific type of relations between the EU and those two broad regions, which makes it totally conceivable and rather natural to dissociate the two parts above mentioned of the ENP.

This division is implicitly brought up by the European Commission itself in December 2006, in its communication on the strengthening of the ENP, in which it states that “building on the Euro-Mediterranean Partnership and the Association Agreements now in place with most Mediterranean partners, the ENP has given a real opportunity to strengthen our relations with our Mediterranean partners, acknowledging fully the different circumstances and interests of the partner countries”37. If we read this statement “between the lines”, we can understand that a differentiated approach depending on the geographical area and the country might be proposed. Besides, the Commission suggests that “synergies to support economic reforms and sustainable growth in the Mediterranean could be sought with other economic areas, such as the Gulf Cooperation Council, where resources and investment can be jointly mobilised for this purpose”. This idea has been reconsidered in the Union for the Mediterranean, in particular the aspect linked to financing from private sources.

---

Finally, instead of focusing on the idea of a pure accession, European institutions and
governments would thus be able to propose an attractive framework that would really fit the
countries’ needs. However this structure should not appear as a bad substitute to an accession; on
the contrary it should be viewed by neighbours as a privileged link with a leading economic area.
In this respect, the relations with Turkey would be considered as “valuable” from an EU
perspective as relations with Med. countries. Besides, if Turkey fails to meet the Copenhagen
criteria or does not want to pursue the reforms anymore, the solution may lie in a participation in
the ENP/BSS. The interest of the country may be that although it would not become a full-
fledged member of the EU, it could still rely on an interesting form of partnership, without having
to comply with the obligations or requirements attached to the Copenhagen criteria.

6. Conclusion

As explained by D. Vernet 38, all countries in the periphery of the EU want to join the
club, and “once Turkey is admitted on account of its long-standing agreement, or the Balkan
states in the interest of European stability, there is little ground for refusing the accession of
Ukraine or Moldova, or eventually Belarus or the Caucasian states” if they meet the criteria.
Would it be realistic then to talk about political integration or monetary unification, with so many
members? Rather than that, an appealing cooperation framework must be proposed to those
neighbour countries and even more urgently the EU’s Southern neighbours, in the continuation of
the BP, or UfM, with the tools of the ENP.

The promotion of stability, security and prosperity in neighbour countries is an important
task for the EU, and we have seen that the ENP was a very valuable instrument of cooperation
between the EU and its neighbours. Through the UfM, Southern countries will be more closely
associated to the EU, sharing additional common policies, values and interests, and with an
enhanced financial instrument in order to encourage development and reform, without necessarily
sharing the institutions. This accession to a sort of neighbourhood club would be attractive for the
countries that want to have access to the European Single Market, but would exclude a pure EU
accession; it would enable to keep good and strong relations with neighbour countries, that would
form a sort of circle or satellites united by the ENP, EENP in the East and SENP in the South; the
SENP would complement the UfM, and the EENP would complement the EaP and BSS.

The European Commission reminds us that “proposals concerning the creation of a
Mediterranean Union have the potential to mobilise renewed political will in Europe and in the

south of the Mediterranean for a stronger partnership” between them. Now, what needs to be defined exactly is how this new initiative will articulate with the existing policies and agreements. But we can really assert that the ENP is a very interesting instrument in that it encourages reforms in the immediate neighbourhood of the EU, in the political arena but also as the business environment is concerned. Moreover all these tools, the UfM, the EaP, the BSS and the ENP, offer a very complete set of bilateral and multilateral frameworks aimed at proposing new and enriching relations between the EU and its neighbours. They enable the EU to spread its values and standards in the political and social domains, and to benefit from better economic situations, without having to propose a pure accession. The Copenhagen criteria, which aim at encouraging a country to undertake the necessary reforms in order to join the EU, also appear in a way as a carrot in those structures, and the countries will tend to adapt their economies political systems accordingly, even though the process is very slow. Nevertheless, for clarity purposes, and because southern and eastern countries are different, we could imagine the splitting of the ENP in two policies, that would entail much more differentiation in the objectives, approaches, and common policies. In effect, if we want these SENP and EENP to become appealing instruments of cooperation, that can really replace a membership process, they need to become more exhaustive but also more “taylor-made” to the area. Mediterranean countries and Eastern countries, or Black Sea countries cannot benefit from the same common policies for reasons that are linked to their history, structure of population, of the economy and to their political situation. In the future, is this combination of bilateral and multilateral approaches, in each of these two geographical areas, going to resemble a simple free trade area, a customs union, or a common market? What is the degree of existence of common policies that EU members are willing to accept in each of these areas? Common policies may mean sharing the EU budget but is it possible and in which group of countries? Are countries able to contribute to the European budget as well, even slightly? What may be conceivable in the East may not be in the South. Many answers remain to be found; but surely the EU has interesting tools that can be exploited in order to deal with its neighbours in an efficient way.

References:

- W. Kok, Report conducted for the European Commission on The Enlargement of the European Union; Results and challenges, March 2003.
- “Programme de travail de la Commission européenne, pour le dixième anniversaire du partenariat euro-méditerranéen“, April 12, 2005, European Commission.
- “Germany and France reach agreement on Mediterranean Union”, Euractiv.com, published March 5, 2008.
- “EU to intensify relations with most ambitious neighbours”, Euractiv.com, April 4, 2008.
- “Union pour la Méditerranée: le financement des projets reste flou”, Euractiv.fr, July 14, 2008
- Final statement, Union for the Mediterranean, Marseille, November 3-4, 2008.
- Sénat - Réunion de la commission des affaires européennes du mardi 31 mars 2009.
Appendices:

Table 1: Domains in which agencies should be created according to the French proposal of January 19, 2008, in the framework of the UfM.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Environment</td>
</tr>
<tr>
<td>2.</td>
<td>Energy</td>
</tr>
<tr>
<td>3.</td>
<td>Transport</td>
</tr>
<tr>
<td>4.</td>
<td>University cooperation</td>
</tr>
<tr>
<td>5.</td>
<td>Research</td>
</tr>
<tr>
<td>6.</td>
<td>Culture</td>
</tr>
<tr>
<td>7.</td>
<td>Agriculture</td>
</tr>
<tr>
<td>8.</td>
<td>Public Health</td>
</tr>
<tr>
<td>9.</td>
<td>SME development</td>
</tr>
<tr>
<td>10.</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>11.</td>
<td>Financial innovation</td>
</tr>
<tr>
<td>12.</td>
<td>Economic cooperation</td>
</tr>
<tr>
<td>13.</td>
<td>Migration</td>
</tr>
<tr>
<td>14.</td>
<td>Judicial cooperation</td>
</tr>
<tr>
<td>15.</td>
<td>Civil protection</td>
</tr>
</tbody>
</table>

Source: Emerson, CEPS, March 2008.

Table 2: Simple representation of the UfM:

<table>
<thead>
<tr>
<th>Member Countries</th>
<th>EU 27 + 16 Med. Countries = 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>FTA (then CU) + Common policies and agencies</td>
</tr>
<tr>
<td>Means</td>
<td>Economic, political and social reforms</td>
</tr>
<tr>
<td>Financing Instrument</td>
<td>ENPI + FEMIP + Private Funding</td>
</tr>
<tr>
<td>Common policies</td>
<td>Security (fight against crime and terrorism), Illegal immigration, Health, Education, Environment, Energy, Transport, Judicial matters, etc.</td>
</tr>
</tbody>
</table>
Table 3: Domains covered by BSS

1. Energy
2. Transport
3. Communications
4. Trade
5. Environment
6. Maritime policy
7. Fisheries
8. Migration
9. Law enforcement
10. Fight against organized crime

Graph 4: Proposed articulation between the different structures: