From EMP to ENP: What's at Stake with the European Neighbourhood Policy towards the Southern Mediterranean?

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I Introduction

For almost a decade, the Euro-Mediterranean Partnership (EMP) has been the main venue for the EU's relations to its southern periphery. Involving most countries on the southern shore of the Mediterranean sea, the EMP covers different aspects of regional and bilateral cooperation in the realms of politics and security, economics, and social and cultural affairs (Barcelona Declaration, 1995).\(^1\) Compared to the overly ambitious aim of the Partnership of creating an area of peace, prosperity, and stability, the achievements have been modest, and the EMP has been criticized on different accounts.\(^2\) In the literature, there may be some disagreement on what constitutes the most serious flaw of the EMP. However, most observers would agree that the EMP did not live up to the expectations the initiative raised when it was launched in November 1995. This also implies that the EMP's contribution to economic...
and social development and stability in the Mediterranean have been rather modest.3

There is no doubt that over the years, the Euro-Mediterranean Partnership, or Barcelona Process, has come under serious reform pressure.4 To a large extent, this is due to the altered regional and global parameters within which EU policy towards the Mediterranean takes place. Indeed, when the EMP started in 1995, peace-talking characterized the Middle East, multilateralism was the sign of the times, ‘9/11’ was a pernicious movie scenario at best, the EU had 15 Member States, and Saddam Hussein was still in power in Iraq. Almost ten years later, the Middle East peace process has collapsed, and violence characterizes relations between Israel and the Palestinians. Whether real impediment or diversion,5 the demise of the peace process has undoubtedly put a strain on the region-building efforts of the EMP. The events of 11 September 2001, on the other hand, have lent fame to Huntington’s undifferentiated thesis on the ‘clash of civilizations’,6 while the focus of attention has obviously shifted to the issues of terrorism and Islamist extremism. Particularly in the Euro-Mediterranean context, this development recurrently went at the expense of democracy promotion in the southern Mediterranean.7 Moreover, the 2003 US-led invasion of Iraq has contributed to a further destabilization of the Middle East – besides provoking an EU internal rift and a growing divide between (most of) ‘Europe’ and the USA.8

But even more important for the future of EU–Mediterranean relations is the enlargement process that the EU is currently undergoing. As immediate effect, the 2004 EU accession of Malta and Cyprus – along with Turkey’s ‘waiting room’ position – has changed the composition of the EMP’s southern partners.9 Combined with the collapse of the Middle East peace process,

8 See C.-P. Hanelt, G. Luciani, and F. Neugart (eds), Regime Change in Iraq: The Transatlantic and Regional Dimension (Florence, RSCAS Press, 2004).
9 See R. Del Sarto, ‘Turkey’s EU Membership: An Asset for the EU’s Policy towards the Mediterranean/Middle East?’ in N. Tocci and A. Evin (eds), Towards Accession Negotiations: Turkey’s Domestic and Foreign Policy Challenges Ahead (Florence, RSCAS Press, 2004), pp. 137–156.
this development has seriously undermined the EMP's regional and sub-regional dimension. Indeed, regional cooperation between the remaining eight (and, if Libya joins the EMP, nine) Arab Mediterranean partners and Israel is almost non-existent. However, the recent round of EU enlargement is having a much deeper impact on EU external relations in general, and EU-Mediterranean relations in particular. Indeed, enlargement has prompted the EU to reconsider relations to those countries on the EU’s southern and eastern borders that will not enter the EU in the foreseeable future. The EU’s ‘wider Europe’ scheme, first proposed by the Commission in March 2003, and the ‘European Neighbourhood Policy’ into which the scheme developed may be read as an attempt to offer a ‘consolation prize’ to the EU’s neighbours, new and old. But the new policy approach is also a clear response to the changing composition, shifting borders, and altered geopolitical outlook of the EU that enlargement evidently implies. Based on a benchmarking approach, ‘wider Europe’ and the ‘European Neighbourhood Policy’ propose the substantial upgrading of political and economic relations, going as far as offering ‘a stake’ in the EU’s internal market.

This article argues that as far as the Mediterranean is concerned, the EU’s Neighbourhood Policy constitutes an important policy shift within EU policy towards the south, particularly if it is compared to the Euro-Mediterranean Partnership. The concept of ‘wider Europe’ and the European Neighbourhood Policy (ENP) are a clear result – and a reflection – of the EU’s internal dynamics. In this vein, the objective of establishing a ‘ring of friends’ may be read as an attempt to buffer, and with it to blur, the EU’s external borders. Thus, considering this distinct logic and motivation, the ‘wider Europe – Neighbourhood’ policy was not designed to address socio-economic problems in the EU’s periphery in the first place. As far as the Mediterranean is concerned, the EU’s new policy approach does however correct a number of shortcomings of the EMP – probably rather unintentionally than deliberately. However, the instruments of the ENP and the alleged incentives it offers are ill-defined and inadequate for reaching the explicit and implicit policy


11 At present, Libya has an observer status with regard to the Barcelona Process. It was invited to become a full member as soon as the sanctions of the UN Security Council have been lifted (which occurred in the meantime) and once Libya has fully accepted the ‘Barcelona acquis’.


objectives. In fact, tools and incentives of the ‘wider Europe’ policy are surrounded by a number of myths which do not hold up against a realistic investigation. Thus, it is unlikely that the ENP will contribute consistently to the socio-economic development of the southern Mediterranean or be helpful in connecting the EU’s neighbours to the centre in a sustainable way.

The article is organized as follows: The first section discusses the shifts that have been taking place in the EU’s policy towards the countries of the southern Mediterranean in the context of EU enlargement. Arguing that the ‘wider Europe – Neighbourhood’ policy constitutes a policy shift with regard to the EU’s southern periphery, the second section will investigate the origins, motivation, and underlying reasons of the ENP. In light of this analysis, the ENP’s potential, incentives, and instruments will be highlighted, while identifying diverging interests and positions within and among EU institutions. What is at stake with the offer of ‘a stake’ in the EU’s internal market and which incentives does the ‘wider Europe’ scheme offer? The article will conclude with some remarks regarding the evolving nature of the ENP and its linkage to other recent initiatives, such as Javier Solana’s European Security Strategy and the EU’s Strategic Partnership Initiative for the Mediterranean and the Middle East.

II From EMP to ENP

According to the Commission, the declared aim of the ENP is ‘to share the benefits of the EU’s 2004 enlargement with neighbouring countries in strengthening stability, security, and well-being’.

The Commission also stresses that the ENP is ‘designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbours’, while offering them the ‘chance to participate in various EU activities, through greater political, security, economic and cultural cooperation’.

Thus, at first sight, the Neighbourhood Policy is very much in line with the principles of EU external policies, as it aims at increased stability, security, and stability through cooperation in various policy fields. However, range and scope of the envisaged cooperation, which is to involve ‘a significant measure of economic and political integration’, as the Commission puts it, somewhat represents a novelty – together with the geopolitical vision of a creating a ‘ring of friends’, ranging from the Ukraine to Morocco.

As far as the Mediterranean is concerned, the Commission has repeatedly claimed that the ‘wider Europe’ scheme is compatible with, and complementary

14 Ibid., p. 3.
15 Ibid.
16 Ibid., p. 5.
to the Barcelona Process. Thus, the Commission stated that the ENP ‘should not override the existing framework of EU relations with ... the southern Mediterranean Partners. Instead, “wider Europe” would supplement and build on existing policies and arrangements’.17 On another occasion, the Commission declared that regarding the Mediterranean, the ENP ‘will be implemented through the Barcelona Process and the Association Agreements with each partner country’.18 But is the ‘wider Europe – Neighbourhood’ policy really a further development of the EMP in the Mediterranean, as the Commission would have it? How compatible are the two policy approaches with regard to the Mediterranean? It can be argued that the ENP considerably differs from the EMP in at least four important points with regard to the Mediterranean:

First, the ENP abandons the prevalence of the principle of regionality that was inherent in the Barcelona Process, and replaces it with differentiated bilateralism.19 Certainly, the EMP already incorporated a bilateral dimension, but it was based on rather similar association agreements with the individual Mediterranean partner countries. Displaying a region-building approach to Euro-Mediterranean security,20 the EMP, inspired by the positive developments in the Middle East peace process of the early 1990s, maintained a strong regional focus, which the Commission considered ‘one of the most innovative aspects’.21 Conversely, the ‘wider Europe’ scheme is an explicitly differentiated and bilateral approach. Indeed, operating on an individual basis, the Neighbourhood Policy offers to upgrade relations to those neighbours that are politically and economically most advanced and/or show commitment to undertake serious political and economic reforms.22

21 European Commission, Europe and the Mediterranean: Towards a Closer Partnership. An Overview over the Barcelona Process in 2002 (Office for Official Publications of the European Communities, Luxembourg, 2004), p. 5. Of course, it can be argued that the bilateral dimension was predominant given that approximately 80% of all MEDA payments during 1995–2003 were committed to bilateral projects (see <europa.eu.int/comm/europeaid/projects/med/financial/1995-2003.pdf>). Yet such an argumentation disregards the fact that the EMP, for the very first time in Euro-Mediterranean relations, provided all partners with both a platform for multilateral dialogue and a track for multilateral projects.
22 Among others, the following incentives are proposed by the Commission: integration into the internal market and extension of the regulatory structures, preferential trade relations and
As far as the Mediterranean is concerned, the Commission declares that the regional dimension of the EMP shall be maintained to promote sub-regional cooperation in the south. But ‘wider Europe’ no longer relies on the EMP’s idea of an encompassing Euro-Mediterranean region. If the EU claimed in 2000 that in its Mediterranean policy ‘[m]ultilateralism is now as common as, and even prevalent over, traditional bilateral approaches’, the Commission now acknowledges that the regional dimension of the Barcelona Process is only a complementary element, which is limited to the promotion of intra-regional trade and sub-regional cooperation in the southern periphery at best.

Second, the transition from the EMP to the ENP seems to imply a ‘shift of gears’ regarding the principle of conditionality. Thus, while the Barcelona Process introduced (theoretically) the principle of ‘negative conditionality’, the Neighbourhood Policy is explicitly based on the principle of positive conditionality. This principle goes hand in hand with the differentiated policy approach of ‘wider Europe’. Indeed, in the framework of the Barcelona Process, Euro-Mediterranean Association Agreements contained the clause that the agreements may be suspended if the respective partner state violated the respect for human rights. However, the EU never made any use of this principle in practice, not even in the notorious Sa’ad Eddin Ibrahim case in Egypt. In general, the EU’s lack of will and/or capability to effectively follow up on human rights issues has been widely criticized. At the same time, the progress of some Mediterranean partner states in the stipulated reform process did not translate into any additional funding. With it, reform-willing states did not receive any significant incentives to proceed further in the reform process. Conversely, irrespective of the Commission’s claim that opening of markets, integration into the transport, telecommunications, and energy networks as well as the European Research Area, new instruments for promoting and protecting foreign investments, support for integration into the global trading system, enhanced financial and technical assistance, and perspectives for lawful immigration and movement of people.


See T. Schumacher, note 4 above, pp. 91–93.

The EU did not suspend bilateral funding when the Egyptian authorities imprisoned the sociology professor Sa’ad Eddin Ibrahim who was conducting a MEDA-sponsored human rights project. Among other things, the professor was accused of embezzling EU funds (which the EU denies) and besmirching Egypt’s name internationally. On this issue, see for example M.A. Weaver, ‘Egypt on Trial’, New York Times Magazine, 17 June 2001, pp. 46–55.

See for example Jünemann, note 2 above.
the ‘EU does not seek to impose conditions or priorities on its partners’, the ENP explicitly relies on a benchmarking approach: Only those states that share the EU’s political and economic values and/or commit themselves to engage in reforms will have anything to gain from the EU’s Neighbourhood Policy. While the single states will be actively involved in developing a country-specific ‘Action Plan’, as the Commission calls it, EU engagement will explicitly be conditional on the meeting of agreed targets for reform. This indicates that the EU intends to move from ‘passive engagement’, which characterized the EMP, to ‘active engagement’ with the ENP, as Emerson has put it.30

Third, and related to the previous point, in the framework of the ENP the EU is much more straightforward regarding the question of what its genuine interests are. The Barcelona Declaration was much more careful on this issue – although security and economic interests of the EU and of its Member States obviously motivated the EMP. But while the latter relied on the logic of region-building and recurrently referred to allegedly shared values, the ‘wider Europe – Neighbourhood’ policy is unmistakably framed in terms of ‘interests’. This is, for instance, close cooperation with the neighbours in order to enable the EU to provide security and welfare to its citizens as well as the effective control of borders, explicitly mentioned as a ‘common interest’.31 Regarding the challenges deriving from poverty, autocratic rule, and conflicts in its periphery, the 2003 document unambiguously states – even highlighted in bold – that ‘the EU has a clear interest in ensuring that these common challenges are addressed’.32 The EU also clearly expresses its interest in playing a greater role in conflict prevention and crisis management, explicitly mentioning the Palestine conflict and the dispute over the Western Sahara.33 The aim of adopting a far more active role is also reiterated in Javier Solana’s Security Strategy Paper of December 2003.34 At the same time, the ‘wider Europe – Neighbourhood’ policy, rather explicitly than not, expresses the aim of exporting the EU’s values to its immediate periphery. Thus, ‘concrete progress demonstrating shared values’ and ‘the respect for shared values’, as the Commission nicely puts it, are a key benchmark on which closer economic integration with the EU will depend.35 The Commission does not leave any doubts that the ‘commitment to shared values’ – such as democracy, liberty, rule of law, respect for human rights and human dignity – refers to the values

32 Ibid., p. 16.
33 Ibid., p. 12.
of the EU and its Member States. With it, the EU acknowledges its ambitions of acting as a ‘normative power’ in a surprisingly assertive way.

Fourth, the ENP’s individual benchmarking approach is most likely to compromise the EU’s traditional ambition of being an even-handed broker in the Middle East peace process. This is particularly the case in light of the probable development of EU–Israel relations. Indeed, in preliminary talks, EU officials presented Israel’s integration into the EU’s internal market as a top priority within the ‘wider Europe’ policy. In this vein, former Commissioner Günter Verheugen stated in front of an Israeli public:

I consider Israel to be a natural partner for the EU in the new neighbourhood policy. . . . Our relations will be tailor-made and can range from the status quo to the type of close interconnection that we have with countries like Norway or Iceland in the European Economic Area.37

Regardless of whether it is wise to put Israel in the same basket as the EEA countries, the EU’s Mediterranean policy has so far made the upgrading of bilateral EU–Israel relations dependent on progress in the peace process. However, at this point, the EU seems to soften its stance on this issue. With it, the EU shows signs of returning to the logic of the EU’s 1994 Essen Declaration, which conceded Israel a ‘special status’. In fact, the future of EU–Mediterranean bilateral relations at large are most likely to be disconnected from the fate of Middle East peacemaking, a point that is also made in the EU’s Strategic Partnership with the Mediterranean and Middle East of 2004:

Progress on the resolution of the Middle East conflict cannot be a precondition for confronting the urgent reform challenges facing the countries of the region, nor vice versa. But it is clear that it will not be possible to build a common zone of peace, prosperity and progress unless a just and lasting settlement to the conflict is in place.38

In light of the discussion so far, ‘wider Europe’ is a departure from the rationale and guiding principles of the EU’s Mediterranean policy maintained

38 7383/04 (Presse 80), 2572nd Council meeting – External Relations.
thus far. Most conspicuously, ‘wider Europe’ contradicts the regional design of the EMP and its inherent region-building logic. While it downgrades the regional dimension to a complementary, and in fact optional, element, the ENP incorporates a much stronger conditionality that goes hand in hand with the country-to-country approach that the policy implies. At the same time, the EU seems committed to play a greater role in world politics, including in the resolution of conflicts, which shall be part of the policy approach. One may argue that with regard to the Mediterranean, the EU’s new policy acknowledges the EMP’s failures and seeks to correct the latter. In particular, this point could be made with regard to the issue of conditionality and benchmarking. Similarly, it is possible to read the abandonment of the regional rationale in the Mediterranean in favour of a tailor-made approach as an indication of the EU’s new sense of reality. In fact, after four years of bloody Intifada and constantly worsening Arab-Israeli relations, this reality check could be labelled mieux vaut tard que jamais. However, the argument put forward here is that the EU’s new policy approach towards its neighbourhood, including the Mediterranean, is not so much the result of a thorough assessment and evaluation procedure with regard to previous policies. Neither is it a more or less linear development of the EU’s Mediterranean policy. Rather, resulting from internal dynamics that are linked to EU enlargement, the ENP and ‘wider Europe’ follow a different logic and address a distinct set of priorities, as will be discussed in the following section.

III Blurry Borders, Fading Out

The apparent contradictions between the EU’s Mediterranean policy thus far and the ‘wider Europe’ approach as far as the Mediterranean is concerned raise a number of questions. What explains the EU’s policy change and what are its implications in terms of expected policy outcome? And what is the logic of the ENP, what are its origins and underlying motivations? And what does this tell us about the (explicit and implicit) policy objectives?

It is argued that the ‘wider Europe – Neighbourhood’ policy is, first of all, the result of a process in which the EU was primarily concerned with itself – and not with the realities in its (southern) periphery. To put it differently, reflecting a quite self-absorbed attitude, ‘wider Europe’ was mainly motivated by the EU’s internal dynamics, and not external factors. More specifically, the ENP is a result of the EU’s changed composition and geostrategic outlook in view of the last round of enlargement. In this vein, it can be maintained that the ENP is ill-designed to contribute to the socio-economic development of the EU’s periphery, the latter not being the primary policy objective of the ENP. Rather, the ‘wider Europe – Neighbourhood’ policy aims at blurring the EU’s
external borders, while moving possible new 'dividing lines' farther away. Within this buffering logic, 'wider Europe' aims at tying the EU's old and new neighbours closer to itself, while interconnecting the neighbourhood in terms of trade and political relations, energy, infrastructure, and telecommunication networks. The different degrees of integration into the EU's internal market of the old and new neighbours that the ENP proposes somewhat convey the image of an EU that will be 'fading out' towards its external borders. Thus, depending on the trade regime in place between the EU and single partner states, there will be different types of virtual, subject-specific 'borders' in the EU's periphery. The planned financial instruments in the framework of the ENP additionally suggest that 'wider Europe' aims at blurring the EU's external borders. Thus, the Commission for instance proposes to reform the INTERREG programme, which so far supported cross-border cooperation among regions within the EU. In the framework of 'wider Europe', this programme shall now also cover EU-external activities, that is, cross-border cooperation both within the EU and across the neighbourhood.\(^1\)

Certainly, the socio-economic development of the EU's neighbourhood may be a byproduct of the implementation of 'wider Europe'. But not corresponding to the objective of the ENP, this is by no means self-evident or automatic. It is certainly no secret that the 2003 EU enlargement motivated the 'wider Europe – Neighbourhood' policy, and the Commission widely acknowledges this fact.\(^2\) Hence, enlargement also determined the underlying logic and guiding principles of the ENP. Viewed from the enlargement logic, 'wider Europe' represents a reassessment of the EU's external relations in view of the fundamental changes that have been taking place within the EU itself. The enlarged EU has not only become larger in terms of population and territory – and thus more powerful in economic and political terms, but it also finds itself bordering new states. As the Commission asserts straightforwardly, the 'European Neighbourhood Policy is a response to this new situation'.\(^3\)

Internally, the considerations of what the new Europe is and what it should be are reflected in the fervent discussions on the constitution that the EU is to adopt. In the realm of foreign policy, enlargement has resulted in the re-evaluation of relations to the old and new bordering states, along with a reassessment of the EU's qualities and capabilities.

In this context, it should be kept in mind that the 'wider Europe' scheme

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\(^{3}\) Ibid.
was concocted in the DG for Enlargement under the aegis of former Enlargement Commissioner Verheugen. The DG for External Relations, and here in particular the desks in charge of Mediterranean and Middle Eastern affairs, were initially not involved in the formulation of the ENP. This is not surprising considering that the ‘wider Europe’ scheme was conceived in order to primarily deal with the EU’s new eastern neighbours after enlargement, and here most notably Russia, as EU Commission officials admit. Thus, the ‘wider Europe’ scheme was not meant to address the EU’s Mediterranean neighbours, let alone the problems related to socio-economic development, stability, or regional security in the area. Until the present, enlargement officials have been dominating the process of elaborating and concretizing the ENP. This is visible, for instance, in the composition of the Commission’s internal ‘Wider Europe Task Force’, which so far reported to Verheugen and was strongly dominated by DG Enlargement officials. Thus, the ‘wider Europe – Neighbourhood’ policy also physically originates in the enlargement department – and it has been dominated by the latter. However, according to EU officials, this is supposed to change. With the new Commission, the DG for External Relations shall become the main body responsible for the ENP. Yet it remains to be seen whether this shift of competences will really take place and, if so, what the consequences will be.

Still in the framework of the EU’s enlargement logic, ‘wider Europe’ and the ENP also reflect a shift within the EU’s perspective and self-perception. To put it differently, the principles of the Neighbourhood Policy reveal a new dimension of how the EU considers itself and looks at the world. This is particularly the case if the ‘wider Europe – Neighbourhood’ policy is compared to the EMP. Although there was undoubtedly a discrepancy between theory and practice, the EMP stressed the importance of north–south and south–south cooperation, along with the notion of partnership, ‘Wider Europe’, conversely, explicitly conveys a centre–periphery approach – with the EU obviously standing at the centre. In this context, the ENP’s aim of creating ‘a ring of friends’, as Romano Prodi has put it, is as much telling as the concept of ‘wider Europe’ and the idea of ‘neighbourhood’ themselves.

Thus, with the ENP, the EU is not only moving towards a greater assertiveness, but it also displays a new self-confidence regarding its role in regional and international politics. The essence of EU foreign policy towards its periphery may still be predominantly soft, civilian, or normative. However,

42 Private communication. Russia, however, did not react in a particularly enthusiastic way to the ‘wider Europe’ scheme. Therefore, after the EU–Russia Summit in May 2003, Russia is no longer a target country of the ENP.

43 While reporting to Verheugen, so far the task force was headed by the Deputy Director General of the DG for External Relations. However, it comprised 18 officials from the DG Enlargement, and only 10 officials from the DG External Relations. For the composition of the Task Force, see <europa.eu.int/comm/world/enp/task_force_en.htm>, accessed 21 June 2004.
it seems that, with the ENP, the EU openly acknowledges the unequal power relations between itself and its neighbours, while displaying the willingness to use this power for pursuing its foreign policy interests. At the same time, an enlarged EU is obviously first and foremost interested in securing itself. In view of previous experiences, enlargement is indeed likely to create new diving lines as trade and investments are diverted towards the new Member States. Seeking to establish a cushion of new neighbours, some of whom will enjoy a virtual EU membership, may be read as an attempt of preventing the emergence of new fault lines and zones of instability – at least in the EU’s immediate periphery.

In light of the discussion thus far, EU internal dynamics lie at the heart of the ‘wider Europe’ approach, determining its logic, principles, and objectives. External factors were secondary at best within the formulation of the ENP, while the specificities and developments of the Mediterranean probably found only scant attention, if at all. At the same time, ‘wider Europe’, arguably because it is intrinsically linked to questions of EU identity, came to overwrite the policy that the EU maintained thus far towards the Mediterranean. Certainly, seeking to blur the EU’s borders, and/or pushing them farther away, may be advantageous for the EU. But it hardly seems an adequate recipe for soothing socio-economic problems in the EU’s periphery, particularly in the Mediterranean area. More than that, however, it remains questionable whether the incentives that the EU proposes have the potential at all of creating a ‘ring of friends’ around the EU. Thus, in view of the very specific logic of the ENP, it is particularly questionable whether the policy incorporates the adequate instruments and incentives in order to meet its objectives. This is even more the case as far as the Mediterranean is concerned.

IV The European Neighbourhood Policy in the Mediterranean: The Potential

With regard to the Mediterranean, the ENP corrects a number of deficiencies of the Euro-Mediterranean Partnership. At least theoretically, thus, the ‘wider Europe’ scheme has a number of potential assets as far as the EU’s policy towards the Mediterranean is concerned. Three aspects are particularly important here:

First, the bilateral and differentiated approach may be advantageous for both the EU and the Mediterranean partners. For the EU, dealing with each southern Mediterranean country on a one-by-one basis certainly allows a far greater opportunity of exerting its political and (already strong) economic influence in the neighbourhood. On the other hand, in view of the high incidence of particularistic attitudes of the political elites in the southern
Mediterranean, conducting relations on a bilateral and differentiated basis assumedly corresponds to the preference of most Mediterranean partners. Indeed, most of these states never really appreciated being put into the group of ‘southern Mediterranean states’, together with real or potential rivals or foes, and in disregard of the country’s special features or type of relations with the EU. These considerations particularly applied to Israel, which traditionally considered the EMP as a ‘straightjacket’, but they were also relevant for other states, such as Morocco or Egypt. For the southern partners, thus, the ENP’s bilateral and differentiated focus increases the opportunity of voicing their particular concerns. In addition, the one-by-one approach also reduces the influence of the fate of the peace process on EU–Mediterranean relations in general terms. In this vein, refraining from a regional approach promises to decouple peacemaking from the similarly crucial issue of political, social and economic reforms in the southern Mediterranean. In this context, however, it is far from being clear which role the EU will be able to play in Middle East peacemaking, particularly in view of the top priority that Israel enjoys in the ‘wider Europe’ framework.

Second, the introduction of the principle of ‘joint ownership’ is certainly a positive development. In the framework of the EMP, Mediterranean partners had repeatedly complained about the lack of sufficient consultation and involvement in the formulation of the country-specific priorities of MEDA funding. The ‘wider Europe – Neighbourhood’ policy apparently aims at correcting this flaw. Thus, it stipulates the intensive involvement of the partner states in the path to take and in the country-specific definition of priorities, termed ‘Action Plan’ by the Commission. It remains questionable, however, whether the principle of ‘joint ownership’ will be implemented, and if so, how it can be reconciled with the element of ‘positive conditionality’, as will be discussed in more detail below.

Finally, and related to the previous point, the EU’s ‘shift of gears’ as far as the principle of positive conditionality is concerned may be highly relevant. If implemented, it may encourage reform-willing states such as Morocco to further pursue their reform agenda. Conversely, according to this principle, reform-reluctant states would at least not benefit from increased aid or trade concessions. It should be noted, however, that comparing the 2003 with the 2004 document on the ‘wider Europe – Neighbourhood’ policy, there is a regress as far as the EU’s assertiveness in terms of conditionality is concerned. This raises some doubts about how serious the EU is in its intention of ‘shifting gears’ towards ‘active engagement’. But the real question is which incentives the EU is willing – and able – to offer in order to

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make a difference in the southern Mediterranean. Indeed, the alleged ‘carrots’
that the EU proposes in order to contribute to socio-economic development
and stability in the Mediterranean deserve a more thorough discussion. Thus,
the next section will discuss the two main shortcomings of the ‘wider Europe –
Neighbourhood’ policy. These comprise, first, the financial dimension of the
ENP, and second, the carrot of the free movement of people. Subsequently, the
discussion will focus on the question of what is at stake with ‘a stake’ in the
internal market that the Commission proposed.

V The Limits of Financial Resources and the Myth of the Free
Movement of People

As was already pointed out, the ENP’s underlying ‘everything-but-
membership’ approach, as former Commission President Romano Prodi
has called it, apparently conceives of a proactive strategy for the EU’s
future relations with its neighbours by offering reform-minded countries ‘a
stake in the EU’s Internal Market and further integration and liberalisation
to promote the free movement of persons, goods, services and capital (four
freedoms)’. Most of the EU’s new eastern neighbours can hardly be said
to have reacted enthusiastically to this prospect, particularly because it was
– and still is – seen as spoiling their chances for EU accession. Yet southern
Mediterranean neighbours such as Morocco, Tunisia and Israel, all of which
have strong trade relations with the EU, seem to consider the ENP as a major
step forwards in their relations with the EU. This is most prominent in the case
of Morocco which applied for EU membership already back in 1987 and, thus,
has been aiming at being fully integrated in the single market for almost two
decades. In a way, this enthusiasm can be understood since ‘wider Europe’ at
first glance seems to take into account the multifaceted interconnectedness
between particularly North African countries and their European interlocutors,
bordering the Northern shores of the western Mediterranean. Yet, a closer look
at the geographical scope of the ENP and at intra-EU interest constellations
reveals that it is far from being certain that the EU will eventually be able to
grant what it generously offers, and if so, that the offer is really favourable to
the southern Mediterranean partners.

With regard to the former, i.e. the provision of the four freedoms, it should
be noted that this is subject to EU-inter-institutional interest and position
divergences. First of all, it must be kept in mind that ‘wider Europe’ was
drafted exclusively by the European Commission, based on an initiative of

46 R. Prodi, ‘Sharing Stability and Prosperity’, speech delivered at the Tempus MEDA
regional conference at the Bibliotheca Alexandrina on 13 October 2003.
the governments of some Northern and Central European countries. Yet due to geographical, economic and socio-cultural reasons, ‘wider Europe’ and thus the inclusion of southern Mediterranean countries into the single market system is not likely to have a major effect on most of the countries of this part of Europe. In contrast, other EU Member States, in particular southern European countries that have large agricultural production capacities and important immigrant communities from the southern Mediterranean, would be much more sensitive to a full-fledged implementation of the four freedoms.48

Whereas the governments of some countries fear a massive increase of uncontrolled immigration once the free-movement-of-people regime is implemented, others are anxious about an influx of Islamist terrorist cells. Mainly these concerns provoked strong reservations on the part of some EU member states towards the proposition of extending the entire EU acquis to the southern Mediterranean partners. These reservations were already visible during the session of the General Affairs Council on 15 June 2003, i.e. only three months after the Commission published the ‘wider Europe’ scheme. In fact, since then, the offer to grant the free movement of people, seen by the Commission as a major cornerstone of its efforts to promote the human dimension in an emerging ‘wider Europe’, gradually disappeared from the EU’s list of carrots. Clearly, this runs counter to Romano Prodi’s ‘everything-but-membership’ approach and the ENP’s underlying notion of joint ownership. However, when seen in the light of the most recent debate, initiated by the German Minister of Interior, on the establishment of EU-financed ‘camps’ in North Africa for potential immigrants, and the somewhat positive response that this proposal received during the Justice and Home Affairs Council on 1 October 2004,49 this development is hardly surprising.

Diverging intra-EU preferences can also be detected with regards to the financial side of the ‘wider Europe – Neighbourhood’ policy. While the Commission, arguing that the ‘ambitions of the European Neighbourhood Policy must be matched by adequate financial and technical support’,50 is in favour of providing a sound financial component, intra-Council debates have been marked by rows over the extent of the development aid to be allocated. In particular, some of the new EU Member States in central and eastern Europe fear that the provision of generous financial resources – in addition to those that are already being allocated in the framework of the various assistance programmes such as MEDA, TACIS, PHARE and CARDS – will be to their disadvantage in so far as it might lead to a deviation and, thus, a cut-back of

49 See Frankfurter Allgemeine Zeitung, 2 October 2004. However, during the meeting of the four Interior Ministers of Italy, Germany, France and Spain in Florence on 17 October 2004, both the French and the Spanish Minister expressed their concern about such a plan.
financial transfers. By the same token, and on top of the budgetary constraints which the EU faces in the wake of the completion of its enlargement process, however, the old EU Member States are far from being united on the issue of EU development aid. As was already the case in the run-up to the Barcelona Conference in November 1995 and the intra-Council discussions related to the scope of the tariff preferences, those EU Member States that run the risk of losing their comparative advantages in certain economic sectors (agriculture, textiles, steel and services) once third countries are incorporated in the single market system, express a strong preference for ‘aid instead of trade’. Conversely, other EU Member States, such as for instance the non-agrarian Nordic countries, seem to acknowledge the limits of development aid and, thus, are outspoken supporters of the application of existent trade mechanisms.51

In addition to these incompatible tendencies, disagreement within the EU must be understood in light of the fear of some EU Member States regarding the geographical overstretch of ‘wider Europe’ and the limits of Europe’s general capacity to allocate finite material and non-material rewards to reform-willing neighbours. As ‘wider Europe’ does not only reach out to the southern Mediterranean area but to the Ukraine, Belarus, Moldova and, since the decision of the Brussels European Council of 17–18 June 2004, also to the Caucasian states of Armenia, Azerbaijan and Georgia, (limited) potential benefits would have to be allocated to a large number of countries which all have an enormous capital demand, and, as can be seen from Table 1, differ in terms of their socio-economic development.

Hence, at least as far as the current conception of financial benefits is concerned – according to the Commission, EUR955 million for the period 2004–200652 – ‘wider Europe’ does not only represent a zero-sum game of sorts which in turn could hamper the inclusion of additional countries and potential future EU neighbours, such as Iran and Iraq. What is more, as ‘wider Europe’ puts the Mediterranean partner countries and the successor states of the former Soviet Union in one basket, the EU’s somewhat ignorant attitude towards their extremely different political, cultural and historical legacies may even lead to discrimination instead of differentiated cooperation. In light of the Ukraine’s political and geographic weight in eastern Europe, it is more than possible that southern Mediterranean partners will be among those countries that will suffer from the side effect of discrimination in the ‘wider Europe’ framework.

52 Out of these EUR955 million, EUR700 million will be provided under the INTERREG programme, EUR45 million under MEDA, EUR75 million under TACIS, EUR90 million under PHARE, and EUR45 million under CARDS. See COM(2004) 373 final, p. 24.
Table 1. Main economic indicators of ‘Wider Europe’ Partner Countries, 2002

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (millions)</th>
<th>Gross National Income (USD billion)</th>
<th>Gross National Income (per capita in PPP in USD)</th>
<th>GDP Growth (annual %)</th>
<th>Inflation (annual average %)</th>
<th>Current Account Balance (in % of GDP)</th>
<th>Trade Volume with EU (EUR million)</th>
<th>EU Trade Balance (EUR million)</th>
<th>FDI (net inflows in USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>31.3</td>
<td>53.8</td>
<td>5530</td>
<td>4.1</td>
<td>1.4</td>
<td>7.7</td>
<td>22377</td>
<td>-6201</td>
<td>1100</td>
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<tr>
<td>Morocco</td>
<td>29.6</td>
<td>34.7</td>
<td>3730</td>
<td>3.2</td>
<td>2.8</td>
<td>2.9</td>
<td>13992</td>
<td>1402</td>
<td>428</td>
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<tr>
<td>Tunisia</td>
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<td>19.5</td>
<td>6440</td>
<td>1.7</td>
<td>-3.5</td>
<td>-3.5</td>
<td>13629</td>
<td>1539</td>
<td>794.8</td>
</tr>
<tr>
<td>Egypt</td>
<td>66.4</td>
<td>97.5</td>
<td>3940</td>
<td>3.0</td>
<td>2.7</td>
<td>0</td>
<td>9586</td>
<td>3097</td>
<td>647</td>
</tr>
<tr>
<td>Israel</td>
<td>6.6</td>
<td>105.2</td>
<td>19000</td>
<td>-0.8</td>
<td>0.7</td>
<td>-2.1</td>
<td>22002</td>
<td>4908</td>
<td>1600</td>
</tr>
<tr>
<td>Jordan</td>
<td>5.2</td>
<td>9.1</td>
<td>4180</td>
<td>4.9</td>
<td>3.5</td>
<td>4.9</td>
<td>2254</td>
<td>1665</td>
<td>55.9</td>
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<tr>
<td>Lebanon</td>
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<td>17.7</td>
<td>4600</td>
<td>1</td>
<td>1.8</td>
<td>-14.5</td>
<td>3162</td>
<td>2792</td>
<td>257</td>
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<tr>
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<td>3470</td>
<td>2.7</td>
<td>3</td>
<td>7</td>
<td>6153</td>
<td>-1959</td>
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<tr>
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<td></td>
<td>-</td>
<td>-0.2</td>
<td>-9.8</td>
<td>-1.2</td>
<td>12607</td>
<td>-6345</td>
<td>-</td>
</tr>
<tr>
<td>Ukraine</td>
<td>48.7</td>
<td>37.9</td>
<td>4800</td>
<td>4.8</td>
<td>0.8</td>
<td>7.7</td>
<td>9722</td>
<td>1332</td>
<td>693</td>
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<tr>
<td>Belarus</td>
<td>9.9</td>
<td>13.5</td>
<td>5500</td>
<td>4.7</td>
<td>42.6</td>
<td>-2.6</td>
<td>2372</td>
<td>-646</td>
<td>453</td>
</tr>
<tr>
<td>Moldova</td>
<td>4.3</td>
<td>1.7</td>
<td>1600</td>
<td>7.2</td>
<td>5.2</td>
<td>-6.1</td>
<td>666</td>
<td>137</td>
<td>117</td>
</tr>
</tbody>
</table>

Source: COM(2004) 373 final, 12.05.2004
VI What’s at Stake with ‘a Stake’ in the Internal Market?

Whilst this problem relates first and foremost to the financial dimension of the possible rewards to be offered under the ENP, a secondary issue is frequently overlooked. The Commission’s rather generous and somewhat superficial offer of ‘everything but membership’ and the ‘prospect of a stake in the EU’s Internal Market and further integration and liberalisation to promote the free movement of persons, goods, services and capital’\textsuperscript{53} is in fact a double-edged sword. Of course, as the Commission has pointed out itself, if a country reaches this level, it has come as close to the EU as is possible without being a member.\textsuperscript{54} Furthermore, this country can benefit from economic integration in the world’s most successful single market. For countries such as Morocco and Tunisia, this prospect is definitely highly attractive as their trade structures are directed almost entirely to the EU, as can be seen from Table 2. Eventually, it would entail that their agricultural and textile exports would no longer be exposed to the EU’s sophisticated system of export contingents, export calendars and reference prices.

Table 2. EU share of Moroccan and Tunisian exports and imports (in %)

<table>
<thead>
<tr>
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<tr>
<td><strong>Exports</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Morocco</td>
<td>62.5</td>
<td>64</td>
<td>62.4</td>
<td>64.4</td>
<td>62.1</td>
<td>61.4</td>
<td>60.7</td>
<td>72.9</td>
<td>74.1</td>
<td>74.3</td>
<td>76.1</td>
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<tr>
<td>Tunisia</td>
<td>76.9</td>
<td>78.2</td>
<td>78.6</td>
<td>80</td>
<td>79</td>
<td>80</td>
<td>78.3</td>
<td>80.2</td>
<td>80.1</td>
<td>80.1</td>
<td>89.2</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Morocco</td>
<td>55.8</td>
<td>53.9</td>
<td>54.5</td>
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<td>56.1</td>
<td>54.1</td>
<td>52.1</td>
<td>62.7</td>
<td>60.6</td>
<td>60.6</td>
<td>62.9</td>
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<tr>
<td>Tunisia</td>
<td>74</td>
<td>73.2</td>
<td>74.7</td>
<td>71.9</td>
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<td>72.3</td>
<td>72.9</td>
<td>75</td>
<td>71.3</td>
<td>71.6</td>
<td>77.9</td>
</tr>
</tbody>
</table>


But what are the costs of ‘aligning legislation with the acquis’,\textsuperscript{55} as the Commission calls this process? Does it lead to co-ownership and to a change of the asymmetric power structure in the EMP, as it has been demanded by southern Mediterranean partners for more than nine years? The answer is somewhat obvious: The size of the internal market acquis is enormous and its

\textsuperscript{53} COM(2003) 104 final, p. 10.

\textsuperscript{54} Ibid.

\textsuperscript{55} Ibid., p. 4.
adoption is as much an extremely time-consuming and costly task for those local producers that have to conform as it is in political and administrative terms. The majority of industrial enterprises in almost all southern Mediterranean countries are characterized as family-led manufacturing businesses with less than ten employees. What is more, as these local producers are marked by low capital provision, the use of family members as workforce, the rare use of technology-intensive means of production, a business management based on family structures and the phenomenon of informal borrowing, they are neither in possession of the relevant financial and technical resources nor do they have the relevant expertise to adjust their product standards to changing market conditions such as those that would occur in the wake of the adoption of the *acquis communautaire*.

Although the Commission in principle seems to be prepared to reduce the size of the *acquis* by a quarter, any southern Mediterranean partner wishing to participate in the single market must bring its entire regulatory system in line with the Commission’s requirements. To name but a few measures, this means the full harmonization of standards for goods and services, the implementation of Community policies in the fields of agriculture, industry, transportation, telecommunication, energy and the environment, the adoption of the EC’s common competition policy, and the establishment of surveillance and enforcement mechanisms. The list of tasks and obligations is endless and its fulfilment requires the full support of all major political and economic actors but also of the societies concerned. However, with regard to the former, i.e. the support of the main political actors, resistance is likely to occur. In the past, the ruling elites have displayed a general reluctance to undertake wide-reaching reforms as they fear that economic liberalization may generate spill-overs to the political sphere that could undermine their power status. Eventually, the experience with the colonialist rule of European countries in the Maghreb and Mashrek, the likelihood that the task of aligning legislation with the *acquis* will be associated with prescribed EU economic policies, and particularly the deteriorating socio-economic conditions and also the massive budgetary constraints in almost all southern Mediterranean countries, make this task appear a ‘mission impossible’. Certainly, massive financial and technical assistance to the partner states in the transformation process could contribute to overcome the various impediments, and so could an EU membership perspective. However, membership is ruled out. Moreover,

56 Of all southern Mediterranean partner countries, family-led manufacturing enterprises with less than ten employees amount to 42% in Tunisia, 50% in Morocco and Israel, 88% in Lebanon, 89% in the Occupied Territories, 93% in Jordan and to 95% in Egypt. They absorb between 20% and 45% of the overall workforce and produce 10%–25% of the GDP.

it seems that precisely the EU’s willingness – and capacity – to commit and disburse massive financial resources to the neighbourhood is unlikely, particularly considering the financial burden of EU enlargement.

At any rate, as full approximation to EU norms does not mean membership, the participation in the internal market may at least strengthen the ability of a Mediterranean partner state to influence the EU’s internal decision-shaping process as regards the four freedoms. But, as EEA states have experienced, membership in the internal market does not comprise any relevant influence over the exclusive decision-making process within and among EU institutions. Therefore, even those Mediterranean partners that eventually comply with the benchmarking criteria – currently still to be defined in the Action Plans – and that participate in the single market will remain dependent on the good will of the EU and its member states. As an alternative, as Tovias has argued, some southern Mediterranean countries might be tempted to follow the Swiss approach and negotiate strictly bilateral sectorial agreements. However, apart from the fact that the European Commission has always been opposed to such a ‘cherry-picking’ approach, it is not viable for a number of reasons. For instance, this scenario would require constant (re)negotiations given the permanently evolving nature of the Single Market.

VII Conclusions

By way of conclusion, the adoption of ‘wider Europe’ and the ENP gave rise to some hopes in the southern Mediterranean that the EU would eventually pay more attention to the individual needs of each partner country and, thus, take the EMP’s original objective of contributing to social and economic stability in its southern neighbourhood more seriously. Indeed, the decision to draft so-called Action Plans seems to be a first step in that direction. At the same time, it may be viewed as an acknowledgement that ‘one-size-fits-all’ solutions are no longer successful. However, ‘wider Europe’ is first and foremost a response to the changing composition, shifting borders, and altered geopolitical outlook of the EU that eastern enlargement unmistakably implies. Therefore, it is hardly surprising that the policy does not seem to address sufficiently the socio-economic realities in the southern Mediterranean nor, more specifically, the many shortcomings of the EMP.

58 A. Tovias, Mapping Israel’s Policy Options Regarding its Future Institutionalised Relations with the European Union (CEPS, Brussels 2003).
At the same time, 'wider Europe' follows the enlargement logic in the sense that it seems to rely on the same instruments, incentives, and normative underpinnings as towards potential EU members. However, since the 'wider Europe – Neighbourhood' policy rules out this option, the cost–benefit ratio is not the same as in the case of prospective EU membership.

Hence, it is unlikely that 'wider Europe', at least in its current design and structure, will serve as a viable tool for the improvement of the stagnating micro- and macroeconomic conditions in the southern Mediterranean. Similarly, in its present form, the ENP does not provide relevant and adequate incentives for the political elites and the societies concerned to tackle far-reaching economic and political reforms.

Looking ahead, it is worth stressing that 'wider Europe' and the European neighbourhood policy are still evolving and thus very much 'work in progress'. Certainly, these considerations also apply to the questions of what Europe is and where it ends. As the history of European integration has shown, there have never been definite answers to these questions. But even the temporarily valid delineation of Europe and its neighbours that is emerging after the last round of enlargement is far from being final. It should come to no surprise, then, that the 'wider Europe – Neighbourhood' policy is marked by many uncertainties and open questions. At the same time, the current process of re-defining, fine-tuning, and re-balancing the ENP can be expected to continue for the time being.

In this context, the evolving nature of the ENP also impacts on the coherence of the EU’s Mediterranean policy. In fact, it is likely that the latter will continue to be characterized by a lack of coordination and compatibility of the different initiatives it comprises. Thus, whilst 'wider Europe' does not elaborate on the relationship with the Strategic Partnership for the Mediterranean and the Middle East which was presented by the Irish EU Presidency, the Council Secretariat and the Commission in early 2004. In a way, this can be explained by the fact that 'wider Europe' was presented to the European Parliament and the Council of Ministers before the war on Iraq broke out. On the other hand, this missing link gives the impression that the Strategic Partnership was not foreseen at the time 'wider Europe' was published, suggesting that it was instead simply borne out of the objective to complement – or counterbalance – the US-led Greater Middle East Initiative with a separate European policy approach. Although its authors dedicate an entire paragraph to the linkage with the ENP, this account remains disappointing as it simply assumes that southern Mediterranean states will benefit from both policies, without specifying why and in which way. Thus, the document

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61 The interim report on the Strategic Partnership for the Mediterranean and the Middle East can be found in the Council of Minister’s press release 7383/04 (Presse 80), 2572nd Council meeting – External Relations.
vaguely states that the ENP, ‘based on country differentiation, represents an essential plank in the implementation of the strategic partnership as it relates to the Mediterranean countries’. Hence, the strategic outlook that both the ‘wider Europe-Neighbourhood’ policy and the Strategic Partnership claim to put forward is compromised by the very fact that neither initiative seriously engages with the other or with the Barcelona process, for that matter. Neither is the relationship between these initiatives and Javier Solana’s European Security Strategy evident. It remains questionable, thus, whether the EU will be able to develop a coherent, coordinated, and realistic policy towards the Mediterranean in the years to come.

Ibid.