European Neighbourhood Policy: Strategy or Placebo?

Michael Emerson

Abstract

The EU now faces an existential dilemma in the apparent choice to be made between over-extending the enlargement process to the point of destroying its own governability, versus denying one of its founding values to be open to all European democracies and possibly generating negative effects from the exclusion of countries in its neighbourhood. The newly emerging European Neighbourhood Policy (ENP) seeks a way out of the dilemma. This policy seems to pass through a familiar three-stage process for major EU initiatives: first the important idea enters political discourse, second the EU institutions take modest initial actions that are not up to the task and third, the EU accepts the need for credible action at a level commensurate with the challenge. The ENP has passed rapidly from the first to the second stage, with potential to move to the third stage, without it yet being clear whether the institutions will now go on to sufficiently develop their proposals. This issue presents itself as one of the most precise and significant challenges facing the new Commission presided by Mr Barroso. The new member states represent the EU's newest resource, which could greatly contribute to a successful ENP.

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Thinking ahead for Europe

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European Neighbourhood Policy: Strategy or Placebo?

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1.   The dilemma

No sooner had the EU completed its huge enlargement of 1 May 2004 than it faced an existential dilemma, victim of its own success. The dilemma is about how the EU should define the nature and extent of its future frontiers, which means defining its very essence and identity.

The long travail of accession to the EU has become a hugely effective mechanism of political and economic conditionality for extending European values beyond old 'core Europe'. We call it 'Europeanisation' for short.

Yet to those outside the process in the European periphery – from the rest of Europe to the Mediterranean basin and on into the Middle East – the perception and reality are those of exclusion.

The EU's enlargement could continue, and indeed is virtually certain to do so for at least a few more neighbours. However the EU's absorptive capacity for continued expansion has been stretched to the breaking point.

One horn of the dilemma would then see the EU over-expanding to the point that its effectiveness as a union is fatally damaged. Its capacity to sustain and extend the process of Europeanisation is destroyed.

The other horn of the dilemma is that the EU stops expanding, which would mean denying one of its founding principles: to be open to all European democracies. It could also have the unintended effect of undermining reform processes in the periphery, to the point of provoking or aggravating political and societal instability in these regions, connecting with the menu of security hazards that are already so real (terrorism, trafficking, weapons of mass destruction, trans-border crime, illegal migration, etc.).

Could the dilemma be overcome? There seem to be only two possible escape routes from it.

One route is to accelerate the Union's powers and institutional development to the point that it enhances its capacity to accept further enlargement over a politically relevant time horizon. As attractive as this route is, however, we should not count on it. The recent negotiation of the new Constitution was itself pushing at the political limits. And the hazards of the ratification process may still reveal that the Constitution is a step too far for some, and the unity of the Union may already be threatened.

The second route is to do something really significant under the name of the new European Neighbourhood Policy, blurring the frontiers between 'in' and 'out', to the point that the Union might achieve beneficial leverage on developments in the periphery without rushing ahead with further accession negotiations.

The speed with which the new vocabulary – first the 'wider Europe' and then the 'neighbourhood policy' – has swept into the discourse of Europe's foreign ministers, of both the EU member states and the neighbours, testifies to the intuition that this is indeed a matter of strategic importance.

However a weak neighbourhood policy, or one offering slight incentives in relation to heavy obligations, could be worse than nothing. It could create scepticism over the real intentions of the EU. Is this a real proposal, or just a thin diplomatic gesture to placate the excluded, which actually risks alienating the neighbour: a strategy or just a *placebo*? Could the EU develop a neighbourhood policy that would be up to the task?

2.   'Europeanisation' defined

The term 'Europeanisation' has gained currency in political science literature over the past decade or so, as scholars have tried to understand the politico-economic-societal transformation involved in European integration.[1]

This started first to be observed with the accession of the three southern member states – Greece, Portugal and Spain – as they switched out of their authoritarian regimes of the colonels, Salazar and Franco, into modern Europe.

Interest in the European transformation process has of course heightened with the EU accession of the former communist states of Central and Eastern Europe.

Portugal was unique in experimenting successively with both fascism and communism, and the Maoist period in the curriculum vitae of the president-elect of the Commission has hinted how intriguing that experience could be.

Europeanisation may be seen as working through three kinds of mechanisms, which interact synergetically:

- *legal obligations* in political and economic domains flowing from the requirements for accession to the EU, and/or from Council of Europe membership and accession to its Convention on Human Rights and Fundamental Freedom;

- *objective changes* in economic structures and the interests of individuals as a result of integration with Europe; and

- *subjective changes* in the beliefs, expectations and identity of the individual, feeding political will to adopt European norms of business, politics and civil society.

The mechanisms of Europeanisation can be otherwise described as combining rational institutionalism through policies of *conditionality,* and sociological institutionalism through norm diffusion and *social learning*.

Changes through policies of conditionality may occur in the short to medium run. The more deep-rooted changes, which occur through the actual transformation of identity and interests, may only be expected as a result of socialisation in the longer run. There may be early change in political discourse, which over time is internalised and results in genuine change in identity and interests.[2]

The values and systemic features underlying Europeanisation are partly defined in the official texts of the EU and Council of Europe, but a more extensive interpretation is offered in Box 1. Among these '10 Commandments' are admittedly still some controversial items, and the list is therefore up to a point a personal view. Nevertheless, at least it may offer a reference for the ongoing debate about European values, and can serve for comparison with the apparent values of others, such as the US, Russia and China.

These questions of values are operationally relevant where the United States and Russia also have important geo-strategic interests in parts of the European periphery. The United States and the European Union can, for example, work together fairly comfortably with the same normative rule-book and complementarity of roles in the Balkans and Caucasus, since here Europeanisation and Westernisation are perceived to be one and the same thing. However, there are manifest differences across the Middle East over the just or unjust war in Iraq, as well as the old Israel-Palestine conflict. For its part, Russia, while a Council of Europe member state, is experiencing a slide away from

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[1] These issues are discussed in-depth in B. Coppieters, M. Emerson, T. Kovziridse, G. Noutcheva, N. Tocci and M. Vahl, *Europeanisation and Conflict Resolution: Case Studies from the European Periphery*, Ghent: Academia Press, 2004.

[2] See G. Noutcheva, N. Tocci, T. Kovziridze et al., "Europeanisation and Conflict Resolution: Theories and Paradigms", in Chapter 2 of B. Coppieters et al., ibid.

democratic practice internally and a return to old-fashioned *realpolitik* in its near abroad. It seems to have no interest in promoting democratic and human rights values, and props up some highly dubious secessionist entities such as Transnistria, Abkhazia and Southern Ossetia in the name of Russian national interests.

Box 1. Europe's 10 Commandments - Values and systemic features of the European model

1. ***Democracy and human rights -*** as codified legally in the European Conventions and Court of Human Rights of the Council of Europe, adopted also in the European Constitution and the EU's political Copenhagen criteria for accession to the EU.

2. ***A common legal basis for the four freedoms -*** for the single economic market and space for the freedom of movement, residence and employment of EU citizens.

3. ***Social model -*** basic social insurance and public health care.

4. ***Multi-nationality and rejection of nationalism*** – with society acquiring multiple identities, often regional, national and European.

5. ***Secular multi-culturalism*** – Europe's existing Muslim minorities impose multi-culturalism, but Turkey poses the bigger test.

6. ***Multi-tier governance*** – frequently with a three-tier federative system (EU, national and sub-state entity), with a supranational EU tier in any case.

7. ***Multilateralism*** – as a preference for the international order, as well as for internal European affairs.

8. ***Anti-hegemony & anti-militarism*** – both internally and externally, without pacifism.

9. ***Openness*** – to all European democracies.

10. ***Graduated and evolutionary frontiers for the EU*** – rather than a fixed binary Europe of 'in' or 'out', or the EU as a neo-Westphalian federal state.

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3. Political and economic gravity models

Democracy and human rights are indisputably 'number one' among Europe's 10 commandments. Until recently landmark contributions by political scientists theorising about the processes of global democratisation were positive in message. From the late 1980s and early 1990s, there were writings about a 'Third Wave' of democratisation in the late twentieth century, with the paradigm of Democratic Transition following the collapse of communism.[3] These visions were taken up with alacrity by Western aid agencies, and boosted dramatically upon the collapse of the Soviet Union. But more recently the contributions have turned in a decidedly negative direction, with writings about the End of the Third Wave, and the End of the Transition Paradigm.[4]

What was going on here? Samuel Huntington's thesis all along was that advance of democracy in the world, from a first wave in the 19th century, to a second wave after the Second World War, and a third wave since the mid-1970s, was about a succession of long cycles of advances and partial reversals. Yet Larry Diamond concluded in 1996 that "liberal democracy has stopped expanding in the world".

Indeed the average score – from quantitative ratings of the quality of democracy from 30 post-communist European and central Asian states – suggests a picture of the region stuck in transition with steady average scores of nearly 4 (see Table 1 and Figure 1). This is a perfect example of nonsensical empiricism. There is no meaningful story in the average, since it hides two stories, as the three groups

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[3] Sam Huntington, *The Third Wave: Democratisation in the Late Twentieth Century*, University of Oklahoma Press, 1991; Guillermo O'Donnell and Philippe Schmitter, *Transitions from Authoritarian Regimes: Tentative Conclusions about Uncertain Democracies*, Baltimore, MD: Johns Hopkins University Press, 1986.

[4] Larry Diamond, "Is the Third Wave Over?", *Journal of Democracy,* 7.3, 1996; Thomas Caruthers, "The End of the Transition Paradigm", *Journal of Democracy*, 13.1, 2002.

integrating with the EU (new member states, remaining candidates and Balkans) achieve high or rising scores, whereas the two other groups of CIS (European and central Asian CIS states) reveal poor and deteriorating trends. The 'end of transition' is indeed the story among these five groups of countries, but with some making the grade as real democracies, while others are back, or trending back into real authoritarianism, with no group left in transition limbo. Testifying to the alleged failure of the transition paradigm, there has been a proliferation of terminology, as political scientists tried to capture the essence of regimes that were neither full democracies, nor in transition, and were variously named to be 'qualified', or 'semi-', or 'weak', or 'illiberal', or 'façade', or 'pseudo', or 'delegative' democracies.

Table 1. Explanation of Scorecard

Democracy score	Regime type
1-2	Consolidated democracy
3	Semi-consolidated democracy
4	Transitional government or hybrid type
5	Semi-consolidated authoritarian regime
6-7	Consolidated authoritarian regime

Source: Freedom House (http://www.freedomhouse.org).

Figure 1. Democracy scores in Europe and Central Asia
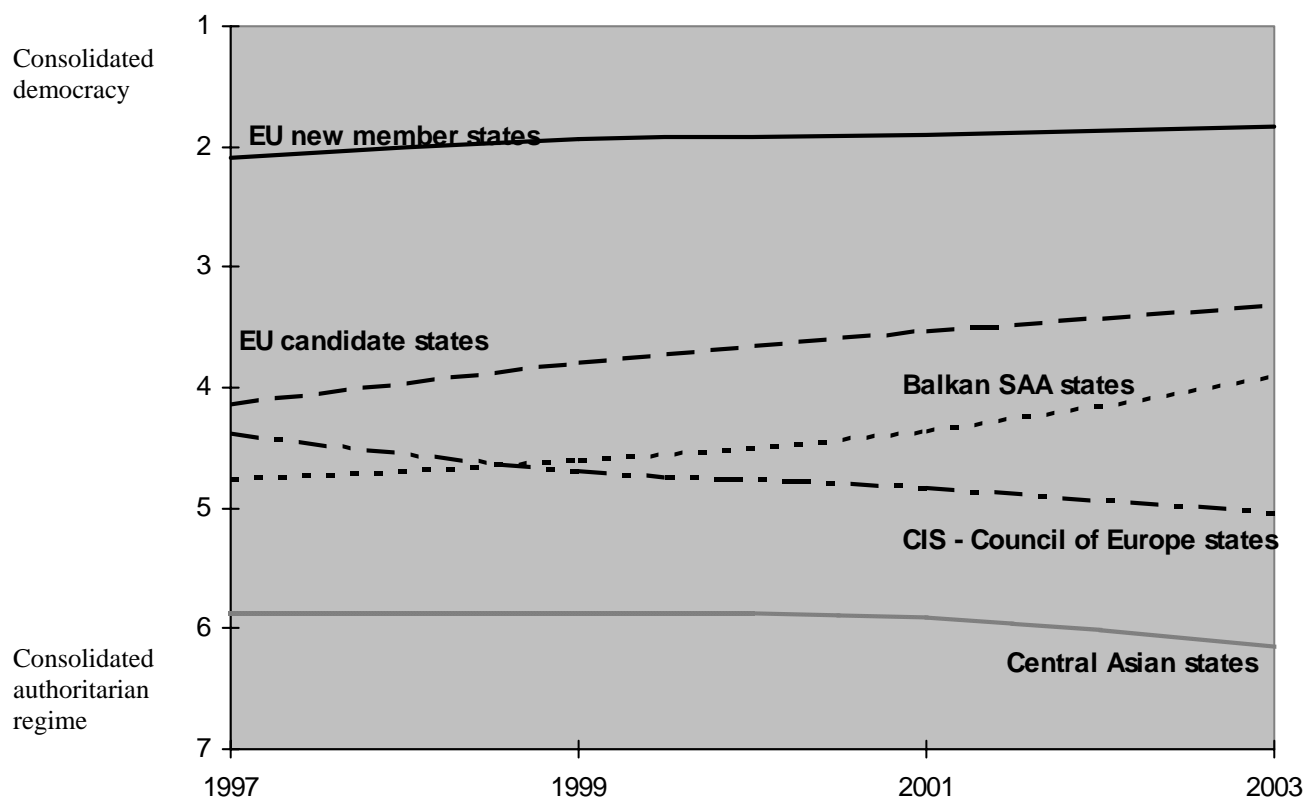
These writers were then singularly disarmed on the question of what the policy-maker should now do. Yet these writings from the US are missing an important explanatory variable, with strategic policy implications, both as a matter of theory and empirical evidence. The theory is the gravity model, and the empirical evidence is Europe. This is not to suggest extrapolating the European model to the rest of

the world, which is hardly feasible. But it is to suggest that the European gravity model of democratisation captures an essential feature of *fast track democratisation*. Its presence or absence in the different continents of the world goes far in explaining success or failure in securing fast, deep and lasting democratisation. In the absence of the gravity model factor, the processes of democratisation are not lost or hopeless. They just take longer, maybe decades or generations, with indeed the now observable cycles and learning experiences of advance and retreat.

The gravity model is a very simple and basic idea, and draws on its cousin theory in economics, which is already well established. In trade theory the gravity model explains different intensities of trade integration as a function of the size of GDP and proximity of the trade partners.[5] These trade intensities can be either actual or potential. The actual and potential come close to each other when markets are entirely open, and indeed integrated into a single market. But if the markets are relatively closed, it is possible to show how much potential trade is foregone. There are a few major centres of trade gravity in the world, such as the EU and US.

The democracy gravity model may be described as follows.[6] There are some centres of democratic gravity, meaning some big democracies that are references in the world. Again the EU and US are the examples. The tendency for other states to converge on the democratic model of the centre depends on the reputational quality and attractiveness of that democracy, its geographic and cultural-historical proximity and its openness to the periphery. Openness may be defined first in terms of freedom for the movement of persons as determined by visa and migration rules, and, second and more deeply, by the opportunities for political integration of the periphery into the centre. When political integration is in principle possible, the process can become one of conditionality. When the incentive is one of full political integration, the transitional conditionality can become extremely strong and intrusive, yet still democratically legitimate and therefore acceptable. The frontiers between the external and internal are being broken down, and the conclusion of the process – with recognition of full compliance with high standards of liberal democracy and full inclusion in the institutions of democratic governance – will be ratified, for example by popular referendum. Beyond such voting mechanisms is the underlying sense of common identity, relying on emotive, historical and cultural fields of gravitational attraction, where to be 'joining Europe', or 'rejoining Europe' means something fundamental.

The economic and democracy gravity models can plausibly be set in motion to work alongside each other, and in the ideal case generate synergetic benefits. Gains from trade and inward investment may ease the politics of the democratic transition. The credibility of the ongoing democratic transition should enhance the quality and perceived reliability of the investment climate. This becomes then a double, interactive, politico-economic gravity model. The concept of transition is validated here, because it is a voyage to a known destination, and further strengthened by the notion of anchorage.

Something like this has manifestly been happening in contemporary Europe, and it concerns a significant number of states and mass of populations. Operations lying clearly within the European gravity field have so far been involving a group of 20 states with a total population of 250 million,[7] which is to count only states that have either acceded to the EU from prior conditions of non-democracy or have the prospect of doing so. A further 16 states with a total population of 400 million people are being embraced by the European Neighbourhood Policy, which seeks to extend the logic of

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[5] The gravity model of trade theory is capable of formal specification and econometric estimation, as for example done for European transition countries in Daniel Gros and Alfred Steinherr, *Economic Transition in Central and Eastern Europe*, Cambridge: Cambridge University Press, 2004.

[6] A more detailed presentation is given in M. Emerson and G. Noutcheva, *Europeanisation as a Gravity Model of Democratisation,* CEPS Working Document No. 214, originally prepared for a conference at Stanford University, organised by the Centre for Democracy, Development and the Rule of Law, 4-5 October 2004.

[7] Greece, Portugal, Spain, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Bulgaria, Romania, Turkey, Croatia, Albania, Bosnia, Macedonia, Serbia & Montenegro and Kosovo.

Europeanisation without the prospect of EU accession.[8] (Summary statistics for the whole of the greater European neighbourhood are given in Table 2.)

Whether the Neighbourhood Policy can succeed in democratising the outer European periphery is the important but unanswered question. However by comparison with these intermediate cases in the wider Europe, other continents seem to be light years away. Africa has no democratic political centre of gravity, and the only references are the former colonial powers, who can hardly offer a base for integration. The only conceivable partial exception is in North Africa, and indeed here the European Neighbourhood Policy tries to refreshen the Barcelona Process. Countries such as Morocco could conceivably find encouragement, if not anchorage, for progressive democratic reform from Europe.

Table 2. Summary statistics of Wider Europe and its neighbourhood, 2001 data

	Number of states	**Population (millions)**	**National income ($ billions)**
Wider Europe			
EU	25	450	8,500
EEA/EFTA & micro-states	8	12	433
EU candidates	3	96	219
Other South-East Europe, SAA states	5	24	43
European states of CIS	7	225	313
Non-recognised secessionist entities	4	3	
Total, Wider Europe	**52**	**810**	**9,508**
Greater Middle East			
Mediterranean	10	174	255
Gulf (GCC), Iraq, Iran	9	135	590
Central Asia, Afghanistan	6	83	41
Total, Greater Middle East	**25**	**392**	**886**
Total, Wider Europe and Greater Middle East	**78**	**1,202**	**10,394**

The Arab-Islamic Greater Middle East is the most dramatic example of a vast region that has no reference beyond the Koran and Shari'a law, nor a field of democratic gravity to enter. On the contrary, in fact, the magnetic impulses towards the West these days are more negative than positive. It has no leader amongst its midst. The US has been the most powerful external actor, and is attempting now to promote the democratisation of the region in the wake of the Iraq war, but as we know all too well, its reputation for this purpose has been seriously damaged. Europe edges into the Middle East with the accession candidature of Turkey and the Neighbourhood Policy. But it is nowhere near getting leverage on the Gulf.

4.   Enter the European Neighbourhood Policy

A familiar model of policy and systemic development in the EU is a three-stage process.

In a *first stage* an important idea emerges for a new EU policy. It enters political discourse and has resonance.

In a *second stage* the Commission responds to the invitation to make proposals in this new field. But there are inertial resistances in member states and the institutions limit the scope of these proposals to little more than gestures and wishful thinking.

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[8] Armenia, Azerbaijan, Belarus, Georgia, Moldova, Russia, Ukraine, Morocco, Algeria, Libya, Egypt, Israel, Palestine, Lebanon, Syria and Jordan.

However, since the original idea was important, it does not go away, and in due course the inadequacy of the first proposals becomes obvious and the political ground becomes ripe for a major initiative in the *third stage*.

Such was the experience of the EU with the single market, the monetary union and the regional and structural funds in the 1970s, 1980s and 1990s, until all of these cases matured into major actions, becoming part of the system.

The European Neighbourhood Policy (ENP), like much of the would-be common foreign and security policy is presently stuck in stage two at the level of actions lacking in critical mass.

The ENP began as the 'Wider Europe', when some northern member states asked the Commission to make proposals to mitigate the exclusion effects of the imminent enlargement for Ukraine, Moldova and Belarus. The Commission produced a first White Paper in May 2003[9], but not before some southern member states had argued that the Mediterranean neighbours should not be relatively disadvantaged by the new initiative. Therefore, Morocco, Tunisia, Jordan, Israel and the Palestinian territories were also included as target states. The substance of the proposal however was very thin. Russia was half in and half out, since its spokesmen had been stressing Russia's uniqueness and more precisely its own ambitions for its near abroad.

Nevertheless, the proposals were enough to make those excluded from the selected new neighbours feel even more excluded than before, especially the three South Caucasus states. The Commission's position became untenable after Saakashvili's 'rose revolution' in Georgia. In its second White Paper in May 2004, the territorial coverage was therefore extended to include not only the South Caucasus but also the remainder of the Mediterranean Arab states of the Barcelona Process. Russia remained half in and half out, with its foreign ministry now making explicitly negative speeches dismissing the whole idea as misconceived, saying in effect that it did not welcome this prospect of intensified competition for influence in the European CIS states.

The Commission's proposals of May 2004 announced forthcoming bilateral Action Plans for each partner country, with however an identical structure adopted for all the preliminary country reports, in which democracy and human rights were given first place. This structure would mean something significant of course for the Arab states. In September 2004, there followed proposals for a new European Neighbourhood and Partnership Instrument (ENPI), which will finance cross-border projects between member states and the neighbours (see further below).

The first of the Action Plans are due to be published in November 2004. The outgoing Commission brought these draft plans to an advanced stage of preparation, but the new Barroso Commission will take the responsibility for their finalisation. The draft documents for Ukraine and Moldova have been in circulation for some months in both the neighbouring states and EU circles. They are of about 25 pages, listing hundreds of actions that the neighbour is expected to undertake – 300 bulleted points in the case of Ukraine. Those familiar with the enlargement negotiations and the regular monitoring reports drawn up by the Commission will recognise the origins of these Action Plans, with the same huge list of requirements to meet the Copenhagen political and economic criteria and much of the *acquis* of EU law. The work was indeed done by the Commission's Enlargement department.

However this comprehensive list of would-be obligations is not accompanied by the prospect of EU membership, even for the long term, which Ukraine has been asking for. The language of the EU's commitments is very vague and soft, such as working towards 'an increasingly close relationship' and 'further integration into European economic and social structures'. The Action Plans are to be jointly agreed documents. In the case of Ukraine, the Ukrainian side requested more forthcoming language on a possible future free trade agreement and visa facilitation. Ukraine was looking for a new contractual relationship, but only got as far as 'the advisability of any new contractual arrangements [could] be

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[9] For a complete listing of official documents of the European Commission on European Neighbourhood Policy see *http://europa.eu.int/comm/world/enp/document_en.htm*.

considered in due course'. The whole package is hardly looking like a plausible balance of obligations and incentives, or as leverage for a credible conditionality process.

For Moldova, Georgia and Armenia, however, the gap between expectations and prospects seems to be less wide. Moldova's first objective seems to be to gain recognition as a full partner in the regional mechanisms of South East Europe. Georgia for its part is busy re-branding itself as a Black Sea state and therefore more European and less Caucasian. Armenia is interested in the same idea. For the Mediterranean states the proposed Action Plans for Morocco and Tunisia seem likely to be differentiated yet structurally similar. These countries are attracted to the idea of converging more closely on European standards, norms and even identity in a Euro-Mediterranean area. For Egypt on the other hand this approach seems less plausible.

The ENP is today lingering in the realm of stage two of the model described above. A big idea is supported by much paper diplomacy, extensive commitments expected of the partner states, yet only modest or vague ones from the EU side. This hardly looks like the motor of transformation and Europeanisation. However the new Commission has the opportunity to recalibrate the proposals, and it not impossible to sketch a plausible design for how the ENP package might be given greater force.

5. The Wider Europe Matrix

How might one conceive a more credible ENP, or one that could graduate from stage two to stage three? Success would have to come through creating a sufficiently dense web of political, economic and societal links to gain leverage on the transformation of the partner states. How might one model or structure such a process? Figure 2 portrays a number of images of how the centre may relate to the neighbourhood.[10]

- *Hub-and-spoke model*: the centre works out its relations with its neighbours bilaterally.

- *Cobweb model* (or concentric circle model): the centre seeks to simplify and order the system with the neighbours grouped according to their shorter or longer geographic/political distance from the centre, with elements of multilateralism or standardisation for each group.

- *Matrix model*: this aligns in one axis the numerous policies that the centre may project into the neighbourhood, together with the listing of states or regional groups in the other axis.

- *Rubik cube model:* still these images are incomplete for the case where there is more than one powerful external actor. The situation where two or more external actors are present, each with its own external policy matrices, calls for the Rubik cube image. This is a complex puzzle that can be solved, but when the policy matrices are disordered or contradictory, solution is likely to be elusive.

In practice, the EU has tended towards the cobweb (or concentric circle) model, both internally, for example with the euro and Schengen core groups internally, and externally with the EEA, the Mediterranean, Balkan and CIS groups externally, and with the wider circles also of the Council of Europe and the OSCE (Organisation for Security and Cooperation in Europe).

As regards the policy domains of the matrix, these can be discussed at summary or detailed levels. Policy-makers have tended to frame international cooperation in terms of three summary dimensions (political/economic/security as in the OSCE baskets), but seven more specific policy areas emerge as being more operational where the EU attempts to develop common European policy spaces (listed in Box 2).

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[10] For a fuller presentation, see M. Emerson, *The Wider Europe Matrix*, CEPS Paperback, Centre for European Policy Studies, Brussels, 2004.

Figure 2. Model types for the organisation of a complex region

hub-and-spoke

cobweb

matrix

Rubik cube
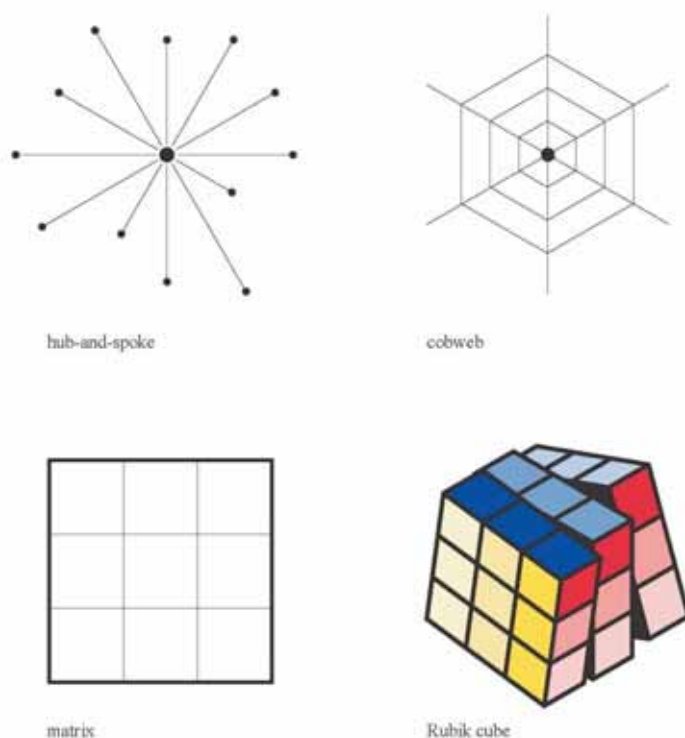
The US maintains a powerful hub-and-spoke system of bilateral relations in every world region, but with a lesser emphasis on the multilateral features of the cobweb model. Russia seeks to maintain its own cobweb model for the CIS states and some sub-groups of them. The EU and US matrices are reasonably in harmony in the wider Europe, but seriously discordant in the Greater Middle East. The Russian matrix in the CIS area is increasingly discordant with those of the EU and US. Of course where these matrices of the major powers are discordant, little success can be expected, unless one or the other withdraws from the arena, or changes its mind and decides to cooperate.

Box 2. Three common European policy 'dimensions' and seven 'spaces'

A. Political and human dimension
1. Democracy and human rights
2. Education, culture and research

B. Economic dimension
3. Economic area (for external trade and internal market regulations)
4. Monetary and macroeconomic area (euro and macroeconomic policy)
5. Economic infrastructure and network area (transport, telecommunications, energy and environment)

C. Security dimension
6. Justice and home affairs
7. External and security policies

These schemas offer a framework in which to reflect on how the ENP might be given stronger substance, structure and credibility. Each of the seven policy spaces offers possibilities for varying degrees of inclusion of the neighbours, or their association with the policies of the EU. These are now

reviewed briefly with an eye on how the offer of the EU to its neighbours might be strengthened. The matrix presented in Table A.1 in the annex gives an idea of the size and complexity of the task of fully specifying the neighbourhood policy in all its dimensions.

For *democracy and human rights*, the starting point is remarkably favourable at least for the European neighbours, given that they are all members of the Council of Europe and accept the jurisdiction of its Conventions and Court of Human Rights exist already for the whole of Europe. This means that fundamental values are officially shared and co-owned. The EU has developed cooperation programmes with the Council of Europe, yet it could help upgrade the prestige and work of the Council of Europe with more financial resources and more explicit political support. Also for the Mediterranean countries there could be possibilities for the most progressive states, such as Morocco, to begin to accede to the Council of Europe as an associate member, progressively signing on to the human rights Conventions. This is an idea that might be considered in May 2005 when the Council of Europe will hold a summit meeting, at which the future of the organisation will be under review in the new context of the enlarged EU and its ENP initiative.

For the *education, culture and research* sector, the starting point is also relatively favourable, since the EU has opened many of its programmes to non-member states. Here too the Council of Europe sponsors the Bologna process for the improvement and mutual recognition of educational standards in the whole of Europe. The education programmes of cooperation with the neighbours should in particular be unconditional (the young people of Belarus deserve all possible opportunities).

For the *economic area* (for external trade and internal market regulations), there is a well-established hierarchy of trade and market regimes relevant for the Wider Europe:
- membership of the world trade organisation (WTO)
- asymmetric trade preferences
- regional free trade, with zero tariffs and common rules of origin
- customs union, with common external tariffs
- single market, where internal market regulations are harmonised.

However there is presently a huge confusion of concepts, terminology and policies. The existing European Economic Area (EEA) adds Norway, Iceland and Liechtenstein to the EU single market. The European Free Trade Area (EFTA) is today reduced to EU-Swiss bilateral trade, with Switzerland having negotiated also a set of sectoral agreements giving partial access to the EU's single market. Turkey and the EU have gone further ahead in forming a customs union. This model could be of interest to other trade partners, especially the states of South-East Europe, ahead of EU accession, which for the time being are negotiating together a matrix of bilateral free trade agreements. The Common European Economic Space (CEES) is the name given to bilateral discussions between the EU and Russia over a loosely defined agenda of trade and market policy issues, without even mentioning the idea of tariff-free trade. Yet at a CIS summit in Yalta in September 2003, Russia also announced a new Single Economic Space, consisting of Belarus, Kazakhstan, Russia and Ukraine. The EU has embarked on free trade agreements with the Mediterranean partner states of the Barcelona process, and is also negotiating a multilateral free trade agreement with the six states of the Gulf Cooperation Council (GCC), which have themselves created a customs union.

How might these multiple systems and ideas be rationalised? One proposition could be to design a Pan-European Free Trade Area (PEFTA). This would couple multilateral tariff-free trade with common adoption of the pan-European rules of origin, and could be an open-ended option for any country of the neighbourhood to join at some stage. For non-tariff barriers and single market regulation the EU could propose a long-term process of progressive extension of the EU single market for ENP partners. Official documents of the EU already talk vaguely of this, but the possible options are not yet worked out at all concretely. In essence the task would be to design a modular and multi-stage approach to single market harmonisation and mutual recognition, identifying steps that would initially deliver advantages without excessive burdens of harmonisation. There is here a choice of policy to be made, at least for a number of years ahead, between prioritising a multilateral pan-

European system, versus offering incentives for trade liberalisation on a bilateral basis. For example Commissioner Lamy ended his term of office at the Commission in October 2004 by offering to developing countries an augmented system of trade preferences conditioned on commitments to political, social and environmental standards. The EU maintains still serious hindrances to certain exports from neighbouring countries, notably for agricultural produce and through severe anti-dumping measures. It could here make some 'quick start' proposals for liberalisation.

Economic aid and the euro. The euro could become one of the most potent unifying factors of the Wider Europe, progressively displacing the dollar as parallel currency for trade and private savings, apart from widening euro-isation. The euro the as predominant and completely convertible currency of Europe will know no frontiers in the European neighbourhood, at least in the private sector. There is already a well-identified hierarchy of monetary regimes relative to the euro: currencies floating freely against the euro, currencies semi-pegged against the euro, currencies rigidly pegged to the euro with the aid of currency board regimes (Estonia, Bulgaria, Bosnia), micro-states that are fully euroised (Andorra, Monaco, San Marino and Vatican) and some sub-state entities that are also fully euroised (Montenegro and Kosovo). Some of the micro states (Monaco, San Marino) have also been authorised by the EU to issue their own euro coins as collectors' items, compensating for the loss of bank note seigniorage. In the Americas there have been some positive examples of dollarisation, including Panama and Ecuador.

Yet EU finance ministers (in euro formation) as well as the European Central Bank could become more open and constructive in the positions they adopt towards the newly acceding member states as well as to ENP partners. The EU has for the moment adopted an 'exclusive' rather than 'inclusive' doctrine. The argument about the optimal timing for accession to the eurozone remains a matter of balancing costs and benefits. There is no presumption that all of Europe should adopt the Euro as fast as possible, especially during the transition process of the former communist economies, but nor is it necessary to adopt a policy of exclusivity.

Economic aid. The EU has a comprehensive set of economic aid instruments, which it now proposes to simplify into four main instruments, one of which will be the European Neighbourhood and Partnership Instrument (ENPI). This would replace the existing aid programmes for the Mediterranean and CIS states (Meda and Tacis).[11] A detailed legislative proposal for the ENPI has been published.[12]

The statistics of aid commitments over the period 1995 to 2002 speak for the relative prioritisation of the various regions of the neighbourhood, as summarised in Table 3 for the several regional groups identified for policy purposes:

Table 3. Development assistance receipts per capita in the European Neighbourhood, 1995-2002

Region	Aid per capita
Balkans (SAA states of former Yugoslavia and Albania)	€246
Mediterranean (South and East Mediterranean)	€23
European CIS	€9
Central Asian CIS	€4
Gulf states	€0

Two explanatory factors seem to stand out: first the proximity of the region to the core of the EU, and second to need for post-conflict reconstruction and rehabilitation. Thus the former Yugoslavia scores extremely high with €246. The Mediterranean partners receive on average only one-tenth this amount,

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[11] Commission Communication on the Instruments for External Assistance under the Future Financial Perspective 2007-2013, COM(2004)626 final, 29 September 2004.

[12] Commission proposal for a Regulation laying down general provisions establishing a European neighbourhood and partnership Instrument, COM(2004)628 final, 29 September 2004.

the European CIS states half as much again, and the Central Asian CIS, a further half as much again, with the rich Gulf states coming unsurprisingly last at absolute zero.

For the ENPI the Commission is proposing a total commitment of budgetary grant funds of €14,029 million for the period 2007 to 2013. For perspective, this total amount is planned to be distributed over time with a progressive increase from a starting point, which would be what the Meda and Tacis programmes are planned to be spending in 2006. This total for ENPI would rise to an amount in 2013 that would represent the double of the 2006 starting point. Additional loan funds would be available from the European Investment Bank. While the volume of EIB lending is not quantified in advance, one may note that in various regions of its operations the EIB contributes loan amounts on about the same scale as the EU budget grants. While the amounts proposed for the ENPI are much less than for accession candidate states, they are for more than token amounts. However these are still only Commission proposals. Hard negotiations with member states over the entire EU budget for the period 2007 to 2013 are in prospect for the next two years, with several member states setting out to reduce the Commission's proposals substantially. Yet the EU could already make a 'quick start' proposal, by inviting the neighbours already to start preparing cross-border cooperative projects for feasibility studies with a view to future financing.

Infrastructure networks. Planning is already underway for the Pan-European Transport Network, sponsored by the Pan-European Conference of Transport Ministers. This has resulted in a coherent transport map of the Wider Europe with 10 corridors for road and/or rail routes. These corridors extend to the east from the EU-15, though the new member states to Russia, Ukraine, Belarus, Moldova and the Balkans. The planning maps link also across the Black Sea to the Traceca network that through the Caucasus to Central Asia. Once identified in the planning maps, work goes ahead with detailed project preparation with the participation of the EU, EIB and EBRD for investment financing. EU financing for these corridors come from a host of different EU instruments, all with different rules, which makes coordination difficult. The ENPI usefully aims to rationalise these administrative complications.

The Transport Department of the Commission has recently initiated consultations with the neighbourhood states on how to best to extend the pan-European corridors beyond the EU member and candidate states into the neighbourhood states. These consultations are being organised by five sub-regions of the neighbourhood: Eastern Europe, Black Sea, Balkans, West and East Mediterranean. Coupled to the proposed funding from the ENPI and the European Investment Bank resources, this initiative could be a model case for several departments of the Commission – on how to fill out the cells of the matrix.

Energy. The main attempt to create a pan-European energy organisation has been the European Energy Charter initiative, resulting in the Energy Charter Treaty of 2000. This was initially an ambitious yet vague idea, launched in 1995 by the then Dutch Prime Minister R. Lubbers. The general idea was to cement together the interests of the EU and Russia in the energy sector. At the level of policy content, the Energy Charter Treaty largely defers to the WTO for the rules of trade. However it seeks to improve the conditions for investment and transit of oil and gas. The draft transit protocol seeks to regulate the conditions for pipeline transit, with major examples being the routing of Russian supplies through Ukraine, Caspian supplies through the Caucasus, and of Gulf supplies across to Mediterranean or Red Sea ports. Russia is expected to sign the transit protocol after long hesitations and internal divisions of interest, which would become however legally binding only after ratification of the Energy Charter Treaty itself. Ukraine and the Caucasus states have ratified the treaty and will sign the transit protocol.

Major gas and oil pipeline investments are currently underway or planned, both from North-West Russia and in the Caspian, Black Sea and Middle East regions, which together have a significant

bearing on the security of energy supplies of the EU.[13] The Commission could well convene working groups of interested parties along the lines of the Transport model, and without prejudicing the main decision-making responsibilities of the oil and gas enterprises, consider implications for policy objectives and possibilities for supporting actions. This is already the kind of activity engaged under the EU-Russia energy dialogue, but this is lacking for other regions such as the Black Sea and Caspian Sea.

Regional energy networks, for example for electricity, also figure on the agenda of the natural geographic regions. The Baltic Sea and Black Seas have agendas for electricity ring integration, which the Baltic states have advanced faster so far than the Black Sea states.

Environment. On global warming the EU's main concern has been to draw Russia into the Kyoto Protocol, since Russia is both a major polluter by global standards, and also banker of very large CO_2 savings accumulated during the 1990s, which can enter into global emissions trading schemes. In fact Russia has announced in October 2004 that it intends to ratify Kyoto. Ukraine is the next most important partner for the same reasons. Similarly for nuclear safety Russia holds the largest stock of dangerous materials, including the rusting nuclear submarines of the Murmansk area. A major cooperation agreement in this field was signed in May 2003 between Russia, the EU, Norway and the US.

Environmental policy has also its natural regional aspects, notably for river basins and regional seas that know no political borders. The Barents, Baltic, Black, Caspian and Mediterranean Seas thus all see significant environmental programmes, as also do some major river basins, for example the Danube and Rhine.

Justice and home affairs. This complex agenda is already prominent in all ENP policy documents and action plans, with rules for visas, asylum, migration, re-admission, cooperation over cross-border crime etc. The open question is whether the EU and its neighbours are going to find constructive solutions to the inherent contradiction between open and secure borders. Visa regimes are one of the acid tests. Two case examples offer insights into the issue of compliance with Schengen rules – by Poland and Turkey.

Initially, when Poland introduced visas for Ukrainian visitors in 2002 the number of border crossings was literally decimated. Since then Poland has improved its consular facilities in Ukraine and exploits degrees of flexibility allowed within Schengen rules. Apparently this has led to a great improvement. However it is not clear whether Poland would under present Schengen policies be able to maintain this facilitated regime when it becomes fully part of the Schengen area, i.e. with suppression of the German-Polish border controls.

For Turkey, assuming that accession negotiations open in 2005, there will be the question how and when it becomes Schengen-compliant with respect to the huge number of Russian, Ukrainian and other CIS nationals that enter Turkey each year (currently about 2 million). As argued in detail elsewhere,[14] there is a serious case for Turkey retaining a variant of its present facilitated regime of granting visas at the port of entry, rather than heavy procedures through Turkish consulates, at least until Turkey's full accession to the EU and the Schengen system. For the EU to push Turkey into early rigid Schengen compliance would have a highly negative impact in relation to the objectives of the ENP.

There is also the problem of extraordinarily heavy visa procedures on the part of some original Schengen states, where access to the EU for even the most obviously desirable visitors such as academics for conferences and students for internships becomes a costly and humiliating bureaucratic

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[13] For a detailed review of oil and gas pipeline plans and options, see J. Roberts, *The Turkish Gate – Energy Transit and Security Issues*, EU-Turkey Working Paper No. 11, Centre for European Policy Studies, Brussels, 2004 (available at www.ceps.be).

[14] K. Dervis, M. Emerson, D. Gros and S. Ulgen*, The European Transformation of Modern Turkey,* CEPS Paperback, Centre for European Policy Studies, Brussels, 2004 (available at www.ceps.be).

nightmare. The widespread comment of many visitors to the EU from neighbouring countries is that Belgium has acquired a reputation for being among the most difficult Schengen states for the issue of visas. This is a serious matter, given Brussels' role as capital state and hub of EU activity, and integral part of the political reputation of the EU. Glaring failures of intra-Schengen cooperation remain to be corrected, such as the apparent impossibility of Moldovan citizens to obtain a visa to visit Belgium without travelling to Bucharest several times, since Belgium has no consulate in Moldova, and is apparently unable so far to make a cooperation agreement with a Schengen state such as Germany that does have a consulate there. The ENP initiative should be reason enough to review these shortcomings.

A major challenge for the EU policy maker is to work out an operational schema of incentives and conditions for neighbouring states for progressing in relaxation of visa restrictions. Here too there should be offered a 'quick start' package of visa facilitation measures for certain categories of applicants such as students and participants in European programmes. A more fundamental issue is whether the time may now be approaching for an easing of immigration rules, motivated both by the looming demographic deficit and the case for open neighbourly relations.

External security. The EU and Russia have drawn up a reasonable sounding agenda together for their so-called common space for external security: cross-border crime, terrorism, weapons of mass destruction, crisis management and conflict prevention/resolution. This can equally well be the agenda for the ENP. The EU does progress in the organisation and operating experience of its military and policing missions. However politically the EU still fails to act at the level of its rhetoric, especially regarding the unresolved secessionist conflicts of its neighbourhood in the Caucasus, Moldova and even at home in Cyprus. The EU appoints various special representatives, as for the Caucasus, but does not at the same time rationalise its participation in (enduringly unsuccessful) mediation missions of the UN and OSCE, where various member states are the would-be actors. The EU could do a lot for the credibility of its role as conflict solving actor if it showed more resolve on the substance and clearer representation, rather than being mostly just a doctrinal commentator on the sides.[15]

Regional dimensions. Standard doctrine of the EU favours regional cooperation, and explicitly so in the context of the ENP where geographical and historical regions cross the borders of member and non-member states. Important regional initiatives have been undertaken in the Baltic Sea region and Northern Dimension as well as for the Mediterranean with the Barcelona process. However there is now one glaring region of neglect by the EU, the Black Sea. The time has manifestly come for a European Black Sea Dimension, given that all the littoral states are now either EU accession candidates or ENP target states. At issue is whether Russia would cooperate with an initiative to put EU resources and political energy behind the existing Black Sea Economic Cooperation organisation (BSEC). Russia seems to oppose such an idea, yet Russia was also initially unenthusiastic about the Northern Dimension when proposed by Finland. The EU could make a start by taking up an old proposal for it to accept observer status or full membership in BSEC, and by inviting the preparation of proposals from either or both Black Sea states or BSEC for financing by its future new neighbourhood financial instrument. Russia would then have to decide whether it preferred to block EU participation in BSEC, or see the development of Black Sea initiatives outside BSEC, which would further weaken the value of that organisation.

Institutional dimensions. President Prodi once said regarding Ukraine and neighbourhood policy "everything but the institutions". This position was unnecessarily categorical and restrictive. The ENP is all about political socialisation. The EU's capacity for further enlargement will remain stretched to the limit for many years. This makes it particularly relevant to consider whether or where there may be useful possibilities for partial inclusion of the most advanced neighbours in various institutional arrangements, starting with technical bodies such as some of the EU agencies (e.g. European Environment Agency, or standards bodies), which is in fact now suggested in the ENP policy

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[15] These issues are discussed in depth in B. Coppieters, M. Emerson et al., *Europeanisation and Conflict Resolution – Case Studies from the European Periphery*, Ghent: Academia Press, 2004.

documents, already correcting Prodi's unfortunately memorable phrase. Such ideas for partial institutional inclusion may be considered also for consultative and political institutions, such as for observer status in the Economic and Social Committee, the Committee of the Regions, and in the most advanced cases in foreign and security policy bodies and even the European Parliament. A menu and hierarchy of such possibilities could be established, amounting in the most advanced cases to a category of 'virtual membership' of the EU. A task for the Commission is to work out a schema of conditions that would govern the opening of various institutional links.

Finally there remains the question of principle whether the EU is authorised to tell European countries that they have no perspectives of accession to the EU, when its own founding Treaties and future Constitution says that all European democracies are eligible. This is also a question of practical policy judgement, in view of the likely motivational effects on the neighbours. The Treaties and Constitution do not authorise the negative position presently being adopted by the Commission, which is backed on this by many but not all member states. The fact that the EU of 25 (or soon 27, 28 etc) member states is stretched to the limits of its absorptive capacity is hardly contested. It will take many years for the still enlarging EU to settle down. But if the institutions and member states do come to terms with decision making in such a large group it means that the EU will have transformed itself institutionally. It would have made the qualitative jump to viability on a new scale. In this case the further enlargement to a few more of the European neighbours may cease to be such an issue. In any case the absorptive capacity of the EU remains one of the Copenhagen criteria for agreeing further enlargement. In the meantime there is no reason to place a big political negative on the balance sheet of incentives versus obligations of the ENP.

Coordination and incentives. The foregoing review of policy, regional and institutional questions show that there is a rich potential for the ENP to become significantly operational. The instruments of possible action are in fact so numerous that they pose major issues of coordination, coherence and exploitation of potential synergies. How to proceed? The incoming Commission could decide that every department with responsibility for one or other of the policy spaces be instructed to draw up its own ENP white or green paper on possible offers for inclusion of the ENP states in their field of action. In fact this amounts to most of the major departments of the Commission, certainly including External Relations, Trade, Single Market, Economics and Finance, Justice and Home Affairs, Transport, Energy , Environment, Regional Policy, Education and Research. Already there are some initiatives that go in this direction (as in the case of transport, reported above).

Conditionality and socialization. It is so far unclear whether the EU intends to pursue a policy of conditionality with the ENP, and if so of what kind. The official documents are suggesting that the degree of integration with the EU ands its policies will depend on the capacities and behaviour of the individual neighbours. However the criteria and the related incentives are not clear at all. It has been suggested that there should be a policy of 'positive conditionality', meaning no penalties for poor performance but additional benefits for good performance. Key incentives that the EU could offer conditionally include trade concessions, financial aid and openness for the movement of people. But there remain open issues whether such offers would be conditioned specifically within the sector concerned (i.e. within the trade, economic policy or visa policy boxes) or more broadly in relation to political standards of democracy and human rights. The trends in both the EU and US seem now to head in the direction of positive conditionality that can up to a degree be 'out of the box', and relate to political objectives. The issue of coherence of EU and US policies in the neighbourhood becomes itself a major issue, most importantly for the Mediterranean and Middle East. Aside from the huge discord over Iraq, there seem to be increasing opportunities for coordination between the EU and US over the way in which trade and aid policies are now being framed. This could be vital for getting a critical and coherent mass of perceived incentives, sufficient to achieve 'transformative' leverage on the target states. However the idea of conditionality is extremely difficult to apply efficiently, and especially so with respect to political reforms and human rights, even in the most egregious cases of pariah states where sanctions may be decided. If conditionality is only weakly or hesitantly deployed the system has to rely on the alternative socialization paradigm, where changes in the behaviour of the partner state come voluntarily as a result of close proximity and interaction.

6. The EU's newest resources

Could the EU's new resources, in its new member states and peoples, become a real asset in developing an effective neighbourhood policy? Now that the new member states have achieved their priority goal of accession, there emerge signs of fresh political energies.

The first example to become noticeable has been Poland's support for an important neighbourhood policy towards the northern neighbours in general, and Ukraine in particular. Poland has voiced its view that the perspective of membership, albeit for the long term, should not be excluded, on the grounds that this is the only mega-incentive that the EU has to offer, which might have strategic leverage on Ukraine. Should the forthcoming presidential election yield a leadership credibly committed to European integration, unlike Kuchma's regime, this issue will be back on the table of the EU institutions. Or at least the kind of partial institutional possibilities sketched above would merit consideration, as part of a more vigorous ENP.

A second example has emerged in the shape of a 3+3 initiative between the three new Baltic member states and the three South Caucasus states. The idea has easily caught on, of two groups of comparably sized former Soviet republics, with much therefore in common including not least Russian language skills, yet a huge difference in experience. The one group has achieved its political and economic transition to European and Western standards with EU and NATO accession, the other is still mired in failed transition experiences without integration into the main Western structures. Reinforcing earlier meetings of foreign ministers, President Saakashvili visited the Baltic states in October 2004. A coordinating office is established in the Georgian embassy to Lithuania, implying a degree of leadership for the process by these two states. The three Baltic states have selected specialized fields of cooperation with Georgia: police cooperation for Estonia, transition strategy for Lithuania, and conflict resolution and prevention for Latvia.

A third example arises with Greece's forthcoming presidency of the Black Sea Economic Cooperation (BSEC) organisation from November 2004 to April 2005. Greece is announcing its intention to launch a new impetus for the EU to become more seriously engaged in the Black Sea, given the obvious momentum for this created by the forthcoming enlargement with Bulgaria and Romania, and negotiations with Turkey.

This leads to the fourth example, which concerns the potential role of Turkey as asset for the EU's foreign and security policies more generally. While the Black Sea is one obvious theatre of operation, looking ahead it is plausible that Turkey's own neighbourhood will come to be viewed as the EU's wider neighbourhood, thus embracing the whole of the Middle East and Central Asia as well. The huge importance and difficulties of these tormented regions for Europe's security prompt the idea that the EU should invite Turkey, as soon as its accession negotiations begin in 2005, to integrate with EU common foreign and security policies as a virtual member (e.g. participation in all the policy making bodies, yet without a vote before full membership).[16]

The pattern emerging is that the new member states become special friends and mentors of selected neighbourhood partner states or regions. The new member states have also of course their special historical relationship with Russia, and the activism of the new member states in the CIS states will not go unnoticed in Moscow. A collateral advantage of these foregoing initiatives would be if it helped forward the process of Russia coming to terms with the new realities in what it calls its near abroad, and to look for constructive cooperation, rather than competition with overtones of pressurisation. The Russian policy maker is essentially realistic and pragmatic, and may come to see the attractions of the old adage "if you can't beat them, join them".

In the end it is ideas that count. The new member states have taken to the idea of democracy and Europeanisation more widely. While Russia is currently de-democratising, the unease of the Russian

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[16] These ideas have been developed in some detail in M. Emerson and N. Tocci, *Turkey as Bridgehead and Spearhead – Integrating EU and Turkish Foreign Policy,* EU-Turkey Working Paper No. 1, Centre for European Policy Studies, Brussels (available on www.ceps.be or in *Turkish Political Quarterly*, Vol. 3, No. 3, Fall 2004).

people and intelligentsia becomes more vocal.[17] These tendencies have not gone unnoticed in the rest of the CIS area, and are surely part of the background to increasingly European tendencies in Moldova, Georgia and Armenia (but not Azerbaijan),[18] with the results of the Ukrainian election to provide a further observation in this regard. The message from the new member states of the EU thus has a rich resonance, and in turn feeds into the plausibility of an EU neighbourhood policy.

7. Conclusions

The EU's existential dilemma is the apparent choice between over-extending the enlargement process to the point of destroying its own governability, versus denying one of its founding values to be open to all European democracies, and risking generating negative effects from the exclusion of countries in its neighbourhood. These unintended effects could amount to the aggravation of political and societal instability, leading on into the menu of security hazards that are already so real (terrorism, trafficking, weapons of mass destruction, trans-border crime, illegal migration, etc.).

The emerging ENP seeks to find a way between the two horns of the dilemma. It draws inspiration form the impressive transformation of the new member states that have been under the influence of EU conditionality and socialisation processes. However it tries to replicate the comprehensive reform and harmonisation agenda of the enlargement negotiations with the new neighbours, while at the same time underlining that the ENP does not lead to membership perspectives, or the opening of accession negotiations.

As a result the ENP starts out with a conspicuous imbalance between the obligations and commitments of the two sides and therefore a lack of credibility. This is reminiscent of a familiar three-stage model of EU policy development. In the first stage an important idea is introduced into EU political discourse. This has been achieved for the ENP. In a second stage the Commission is induced to make policy proposals, but these are severely constrained by inertial factors in the EU's political and institutional structures, with the proposed instruments nowhere near matching the announced objectives. The ENP has now passed on to this second stage, but it remains to a degree only token or paper action and wishful thinking. However the underlying idea is still an important one, and so the ground may be prepared for realisation that a more powerful policy will be required, thus a stage three when the instruments of policy gain credibility in substance and in relation to the announced objectives.

It is suggested that a move to stage three could be made with action under seven headings:

- Articulation of a more substantial and comprehensive set of common European policy spaces, requiring strong direction and coordination across the many relevant departments of the Commission from the incoming President Barroso to assure;

- Further initiatives for natural regions overlapping member states and the neighbours, notably now for the Black Sea region which, unlike the Baltic and Mediterranean seas, has so far been neglected;

- Encouragement and support for emerging initiatives by new member states to 'mentor' chosen partners among the neighbours;

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[17] For example the debate now triggered in Russia by Elena Tregubova's new book *Proshanie Kremlievskovo Diggera* (Farewell of a Kremlin Digger), which mounts a devastating critique of the currently de-democratising regime and of the resulting political corruption and intellectual oppression of business leaders, public servants and journalists.

[18] A recent poll in Armenia gave 72% of the population declaring that their country's future lay with the EU (www.ankam.org). Azerbaijan meanwhile heads back into the Central Asian political model, with the high court on 22 October sentencing seven leaders of opposition political parties to imprisonment for 3 to 5 years (Ankam-Caucasus).

- Openings for partial institutional inclusion of the neighbours, going in the direction of 'virtual membership' for the most advanced cases;

- Confirmation that the EU remains in principle open to all European democracies; and

- Coordinated policies of positive conditionality in trade and aid policies of the EU and US, especially for the Mediterranean and (once violence subsides) the Middle East;

- A set of 'quick start' measures, for example in the fields of trade liberalisation, visa facilitation and the project preparation for the new financial instrument, in order to give greater credibility to the new policy.

These initiatives could complement the proposed Action Plans and render them more credible by correcting the imbalance so far between the obligations demanded of the neighbours on the one hand, compared to the commitments and incentives offered by the EU, on the other. To move in this direction offers an obvious opportunity for the new Commission led by Mr Barroso to take an early initiative. The recent deferral of publication of the Action Plans by the outgoing Commission to leave finalisation to its successor puts this opportunity right onto his plate. The new ENP is a relatively tractable policy domain for the Commission and EU institutions as a whole, and therefore attractive for real prioritisation. It compares favourably in this regard with the so-called 'Lisbon agenda' for improving the competitiveness of the EU economy, which has shown itself to offer only modest scope for action at the EU level.

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Annex

Table A.1 Simplified matrix of the Wider Europe and its neighbourhood

	Political & human dimension		Economic dimension			Security dimension	
	Democracy & human rights	Education, culture & research	European economic area	European monetary area	European infrastructure & network area	Freedom, security & justice	Cooperation in external security
Wider Europe							
1. EEA/EFTA							
2. Accession candidates							
3. Balkans (SAA states)							
4. European CIS states							
4a. Russia							
4b. Bel/Ukr/Mold							
4b. Caucasus							
Greater Middle East							
5. Mediterranean							
5a. Maghreb							
5b. Mashrek							
6. Gulf (GCC), Iraq, Iran							
7. Central Asia, Afghan.							
Pan-European areas							
8. Council of Europe							
9. OSCE, EBRD, NATO							
Overlapping regions							
10. Baltic Sea							
11. Black Sea							
12. Mediterranean Sea							

Stratagen - *Strategic Agenda for the Greater European Neighbourhood*

A Programme of the Centre for European Policy Studies (CEPS), for 2005-2010

Stratagen mission statement

- To define a vision for a Wider European order and the relationship between the enlarged EU and its Arab/Muslim neighbourhood;
- To develop these proposals in-depth and in policy-operational terms;
- To combine in-house research capacity with networks of individuals from leading research institutes in the EU and the neighbourhood, and to disseminate and advocate proposals throughout the region;
- To work independently from the EU institutions but in close interaction with them; and
- To decide on the sequencing and selection of priority topics with core stakeholders.

Over the last five years, CEPS has developed an exceptional expertise in European Union policies in the area often called the Wider Europe. This has been reflected in publications that have been both regional and thematic: *CEPS Plan for the Balkans* (1999), *Stability Pact for the Caucasus* (2000), *The Elephant and the Bear – EU, Russia and their Near Abroads* (2001), *Cyprus as Lighthouse of the East Mediterranean* (2002), *Norway, the European Economic Area and the European Union* (2002), *Europe's Black Sea Dimension* (2002), *The Rubic Cube of the Greater Middle East* (2003), *The Wider Europe Matrix* (2004), *Economic Transition in Central and Eastern Europe* (2004), *Europeanisation and Conflict Resolution* (2004), *Readings in European Security*, Vols. I (2002) and II (2004). These publications and related working papers are available from the CEPS' on-line bookshop, at http://shop.ceps.be

CEPS has decided to build on and strengthen its work in this broad area through the **Stratagen** programme over the five-year period 2005-2010. The rationale for this initiative follows from both the EU's historic enlargement on 1 May 2004, which now leads the EU to define a new neighbourhood policy, and the unprecedented turmoil in the Middle East in the aftermath of September 11th and the Iraq war, with its consequences for transatlantic relations.

The **Stratagen** programme will be organised under the following broad geographic areas:

- Northern neighbourhood policy, covering CIS states targeted by EU neighbourhood policy
- EU-Russian relations
- Southern neighbourhood policy, covering Mediterranean states, but reaching also into what is now officially called the Broader Middle East and North Africa (BMENA)
- Implications for transatlantic relations will be considered for all three regions above.

The analytical methodology will be multi-disciplinary: political science, international relations and European studies, economics and law.

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- To achieve high standards of academic excellence and maintain unqualified independence.
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- To build collaborative networks of researchers, policy-makers and business across the whole of Europe.
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- Complete independence to set its own priorities and freedom from any outside influence.
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- Formation of seven different research networks, comprising some 140 research institutes from throughout Europe and beyond, to complement and consolidate our research expertise and to greatly extend our reach in a wide range of areas from agricultural and security policy to climate change, JHA and economic analysis.
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European Credit Research Institute (ECRI)	Caucasus & Black Sea
Trade Developments & Policy	EU-Russian/Ukraine Relations
Energy, Environment & Climate Change	Mediterranean & Middle East
Agricultural Policy	CEPS-IISS European Security Forum

In addition to these two sets of research programmes, the Centre organises a variety of activities within the CEPS Policy Forum. These include CEPS task forces, lunchtime membership meetings, network meetings abroad, board-level briefings for CEPS corporate members, conferences, training seminars, major annual events (e.g. the CEPS Annual Conference) and internet and media relations.