

The European Neighborhood Policy: Which Way Forward?

Monday, March 2, 2015, 2:00 to 6:00 p.m.

Federal Ministry for Europe, Integration, and Foreign Affairs of the Republic of Austria

Event Report

Ten years after its launch, it is time to rethink the European Neighborhood Policy (ENP). Turmoil is erupting across the EU's neighboring regions, economic transitions are slowing down, and the ENP's original aspirations appear increasingly elusive. The ENP concept and methodology must be adjusted to this new situation. There is a need for greater differentiation and for more nimble and flexible instruments.

Carnegie Europe, in cooperation with the Austrian Federal Ministry for Europe, Integration, and Foreign Affairs, hosted a half-day conference in Vienna to make a substantial contribution to the ongoing review process. That process is led by EU Foreign Policy High Representative Federica Mogherini and European Commissioner for the European Neighborhood Policy and Enlargement Negotiations Johannes Hahn.

Sebastian Kurz, Austrian federal minister for Europe, integration, and foreign affairs, opened the event, and Johannes Hahn provided a keynote address.

Agenda

2:00 – 2:15 p.m. Opening Remarks

- Led by*
- Sebastian **Kurz**, federal minister for Europe, integration, and foreign affairs, Austria
 - Jan **Techau**, director, Carnegie Europe

2:15 – 2:30 p.m. Keynote Address

- Led by*
- Johannes **Hahn**, commissioner for European Neighborhood Policy and enlargement negotiations, European Commission

2:30 – 3:45 p.m. Session 1: MENA in Turmoil—Finding Viable EU Strategies to Help the Region Recover

- Panel*
- Michael **Köhler**, director, neighborhood South, Directorate General for Neighborhood and Enlargement Negotiations, European Commission
 - Florence **Gaub**, senior analyst, European Union Institute for Strategic Studies
 - Cengiz **Günay**, Austrian Institute for International Affairs
 - Gudrun **Harrer**, managing editor, *Der Standard*
 - Marc **Pierini**, visiting scholar, Carnegie Europe

Moderated by

- Jan **Techau**, director, Carnegie Europe

3:45 – 4:00 p.m. Break

4:00 – 5:15 p.m. Session 2: The Road to Riga—Developing a Neighborhood Policy for Europe's New East

- Panel*
- Nils **Jansons**, deputy head of division, Eastern Partnership, regional cooperation, and OSCE, European External Action Service
 - Alain **Délétrouz**, senior associate fellow, FRIDE
 - James **Roaf**, senior regional resident representative, Regional Office for Central and Eastern Europe, International Monetary Fund
 - Gwendolyn **Sasse**, nonresident associate, Carnegie Europe
 - Werner **Almhofer**, deputy director general for EU coordination and global economic governance, Federal Ministry for Europe, Integration, and Foreign Affairs, Republic of Austria

- Moderated by*
- Judy **Dempsey**, nonresident senior associate, Carnegie Europe; editor in chief, *Strategic Europe*

5:15 – 6:00 p.m. Conclusions

- Led by*
- Stefan **Lehne**, visiting scholar, Carnegie Europe
 - Ambassador Jan **Kickert**, political director, Ministry for Europe, Integration, and Foreign Affairs, Republic of Austria

Event Summary

Background

The concept of a European Neighborhood Policy (ENP) was conceived more than a decade ago, when the European Union (EU) was about to undertake its 2004 wave of enlargement. The policy's overarching goal was to foster stability, security, and prosperity in the region and to avoid creating new dividing lines in Europe. In addition, bringing the EU's transformational agenda to Central and Eastern European countries was supposed to enhance the attractiveness of the union for other countries without a direct EU perspective. The assumption was that the EU would support political and economic transformation processes allowing the countries concerned to move closer to the union.

Fast-forward ten years, and the EU's neighborhood is more unstable than it was in the past. The Eastern Partnership is facing growing challenges ranging from tensions in Georgia, Armenia, and Moldova to the ongoing conflict in Ukraine, all caused by an increasingly assertive Russian foreign policy. In the South, Syria has been afflicted by a civil war since 2011, Libya is a country in conflict, the Middle East peace process is stalled, and Egypt has undergone complex political change. A strong circle of partner countries still remains the ENP's primary objective, but it is obvious that the plan is failing and that the EU's offer is no longer irresistible.

This reduced attraction is due to diverging aspirations of the EU's partners. Some have chosen to move toward greater European integration; others, however, have remained ambivalent or have chosen another path. The ENP has not always been able to offer adequate responses to these shifting tendencies. And therefore, the EU's own interests have not been fully served either. Dramatic changes in the political and security landscape of Europe's Southern and Eastern neighbors clearly show that the EU has to review and reform its policy toward both regions.

Session 1: MENA in Turmoil—Finding Viable EU Strategies to Help the Region Recover

Over the past decade, the European perception of its Southern neighborhood has changed. While the EU previously saw the South as ambitious foreign policy field, it now regards it as a clear example of political failure. Despite the EU's strong potential as a trading partner, a recipient of immigrants, a donor, an investor, a mediator, and, occasionally, a military intervener, the Southern neighborhood is the region where the failures of the EU's transformative agenda are most visible.

For a long time, the region was viewed through the prism of development aid (managed at the European level). Events of recent years have added a strong security dimension to this perception (linked to the national level). Since many member states are traditionally reluctant to relegate security and defense issues to the EU, this internal confrontation poses conceptual and operational challenges to the ENP and its implementation. Despite a regular information exchange between the member states and the EU institutions, lack of political will and clearly fragmented national interests prevent these discussions from turning into actions—something that the new ENP must address. All member states should lead the ENP's opinion-shaping process.

Another challenge of the EU's relationship with its Southern neighborhood lies in how the two sides view each other. Europe's long and relatively recent history of colonialism in the region still has a strong—and often overlooked—impact on the local population. By trying to promote its often-overambitious transformative agenda, the EU is seen as overstepping its jurisdiction, which causes considerable resentment among Arab states. At the same time, as the EU's strategic interests are strongly intertwined with those of the United States, many Arab states do not perceive the EU separately from Washington. Nor do they differentiate between other political or military actors, be they the EU member states, NATO, or other intergovernmental organizations. Europe, for its part, is witnessing an acute case of growing anti-Islamic sentiment exacerbated by a rising number of returning foreign fighters, recent terrorist attacks by various radical groups, and insufficient domestic understanding of the ongoing developments in the Southern neighborhood.

Since the EU has only recently started looking at the Southern neighborhood from a security perspective, understanding the constantly changing multilevel security environment and engaging with its stakeholders can be challenging. It is important to clearly differentiate between various Islamist actors and their goals, objectives, and strategies and to respond to these actors' aspirations in a more flexible way instead of adopting a “one size fits all” approach. Flexibility should also be applied to the way the EU handles its entire Southern agenda. Instead of trying to cover a wide range of sectors with all involved partners through standardized bilateral agreements and frameworks, the ENP should establish where the real interests and priorities lie for each partner and focus on them separately, while developing its ability to adjust to rapidly evolving political environments.

Neither the EU institutions nor the member states take into account complex relationships between the partner countries and their neighbors or other international players active in the neighborhood. Conducting a review and reforming the ENP without involving important European partners, for instance Turkey, would be unreasonable and would have a negative impact on maintaining a healthy long-term multilateral dialogue.

A dialogue is also needed among the countries of the Southern neighborhood themselves, as they are quite reluctant to cooperate with each other. Keeping in mind its damaged reputation, the EU should aim

to approach the region humbly and facilitate internal communication without imposing its norms and values or overemphasizing its own role. The new ENP must equally reflect the diverse views, positions, and experience of all partners involved; this would create a sense of joint ownership for a policy instrument until now seen as more or less imposed by Europe, rather than sought by all parties.

Session 2: The Road to Riga—Developing a Neighborhood Policy for Europe’s New East

Similar to the EU’s South, the union’s Eastern neighborhood has faced important political developments, uprisings, state failures, and revolutions in the last ten years, culminating in the ongoing Ukraine crisis. The EU’s offer of a Deep and Comprehensive Free Trade Agreement for Ukraine at the Eastern Partnership summit in Vilnius in 2013 was rejected by Ukraine’s then president Viktor Yanukovich. That prompted a crisis that ousted the Yanukovich regime and triggered Russia’s annexation of Crimea and the conflict in Ukraine’s eastern Donbas region. Given the depth of the crisis and the attitude of the current Russian government, it is now obvious that the situation will not be resolved in the short term. The Eastern Partnership summit in Riga in May 2015 is unlikely to produce major substantive breakthroughs. The EU needs to use the occasion to reassure its Eastern partners of its continued engagement to safeguard their right to determine their future orientation. While difficult at present, the EU must continue its efforts to engage with Moscow and come to a longer-term accommodation. Regarding Ukraine, strong efforts to end the military conflict and massive help and robust conditionality to support reforms will be vital.

Although negotiations on EU association agreements are led by Brussels, the actual political agenda is being driven by the big three countries (France, Germany, and the UK), all of which have diverging foreign policy priorities. The commitment level of other member states is characterized by a clear geographical divide. For the ENP to start delivering better results, the EU has to become less bureaucratic and more politically active, and the member states need to put their weight behind the policy.

Finally, the 2014 Ukrainian revolution clearly showed that a transformation from within is possible. The EU’s approach should mirror the multidimensional nature of the region, prioritizing actions in environments where reform is possible, as imposing changes from outside can be challenging. The EU has to demonstrate that the ENP can be relevant to the partner countries regardless of whether there is a valid association agreement in place or not. One of the objectives of the Riga summit in May 2015 is to ensure that the new ENP is focused on issues that allow the most promising cooperation between the EU and its neighbors and offers the most attractive political and financial incentives for each individual partner. There are vast and multiple differences between the partners, and if the EU is unable to understand them and to adjust its policies accordingly, the ENP will never be sufficiently constructive and effective. For example, participation in the Moscow-led Eurasian Economic Union for those countries that desire such ties does not necessarily preclude them from parallel cooperation with the EU—although it does prevent them from concluding association agreements. By individualizing bilateral cooperation frameworks, the EU will avoid further fragmentation and will achieve stronger unity among the partners.

Conclusion

The crisis in Ukraine has deeply affected the EU’s understanding of its role in international relations and has forced the union to realize that its normative-transformational engagement needs to be complemented by a more strategic approach. Conceived as a program for the structural transformation of the sixteen neighboring countries, the ENP was overly ambitious in its aspirations. It did not reach its objectives, for three reasons:

- 1) The EU did not mobilize the necessary level of engagement.
- 2) For the most part, the partners did not accept the EU template as the model for their own development.
- 3) Other outside players pursued conflicting agendas.

There is already considerable agreement on the basic principles of a reformed ENP. It should become more political, focused, differentiated, and better integrated with the other components of EU foreign policy. At the same time, there are a lot of unanswered questions, such as whether the new ENP should be conceived as a shield against Russia's geopolitical advances or a more long-term vision aimed at bridging existing divides in the neighborhood. It is also unclear how the above recommendations can be translated into real, unanimously agreed external policies in an environment where the EU often struggles to maintain its internal coherence. Regardless of what the answers to these questions are, the prospect for change will be very limited no matter how intelligently the ENP reform is conceived unless the member states' political will increases significantly.