

The EU and Its Neighbours

A Second Chance to Marry Democratisation and Stability

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Times are changing. While the EU's neighbours in the South are on the move, the East is stagnating or rolling back. The EU is reconsidering its strategy and policy towards its neighbours and is trying to make a second attempt to marry democratisation and stability in the South and East. The point of departure is a revision and update of the European Neighbourhood Policy.

Along its eastern and southern peripheries, the EU shares borders with regions that are unsettled and sometimes exhibit precarious political, social, and economic circumstances. To make these adjacent countries consolidated and predictable partners, the EU has developed the European Neighbourhood Policy (ENP), a framework for enhanced multidimensional cooperation that addresses a variety of countries – from Morocco to Ukraine and Belarus. After initial hopes that the ENP might serve as catalysts for reform, scepticism emerged as the outcomes were rather modest, especially developments in the Eastern Partnership countries, where coloured revolutions had sparked hopes for far-reaching change. Following the growing frustration concerning developments in Ukraine and Belarus, the upheavals of the Arab Spring came as a positive development. However, where as the antiauthoritarian movements in

Tunisia, Egypt, and Libya were good news in terms of European values, they brought into question the traditional mode of co-operation also applied by the ENP: In spite of the declared wish to support change, “ENP South” was more about stabilising states, and thus stabilising regimes. While the EU seems unable to develop transformative power in the East, the unexpected “opportunity to mould” in the South poses problems, too. Awareness of this problem led to a thorough review of the ENP to find “a new response to a changing neighbourhood.” Part of this process was a commitment to reinforce the relevance of compliance with EU norms, especially democratic reforms. However, the adaptation of the ENP did not establish a primacy of an active policy of value-based transformation and risks a continuation of an ENP that combines both negligent pragmatism and a lack of effectiveness.

Reinvigorating democratic conditionality: A missed chance?

The EU has an overarching goal to make its immediate neighbourhoods similar to itself in terms of economic orders, political systems, and basic societal and political values. To attain this, they developed a system of attractive offers within the ENP to benefit partner countries if they met certain conditions. The criteria included reforms of the economy, improvements in governance, and the acceptance of key principles and norms, especially the rules of democracy and the rule of law. Already in its May 2004 ENP Strategy Paper, the European Commission had stipulated that “the ambition and the pace of development of the EU’s relationship with each partner country will depend on its degree of commitment to common values, as well as its will and capacity to implement agreed priorities.” Issues related to foreign and security policy – namely the frozen conflicts in Eastern Europe and the Israel-Palestine conflict – were not explicitly addressed. Within the ENP framework, components of the CFSP were weak and merely treated as an addendum to the ENP agenda. While democratic conditionality was a cornerstone of the ENP’s self-concept from the beginning, the ENP – inconsistently – refrained from taking up geopolitical issues.

In practice, a different *modus operandi* appeared. Conditionality was watered down, and when applied, it did not necessarily include the democracy component, at the heart of cooperation. Efforts to upgrade the idea of conditionality were usually quite modest. A telling example of this is the ENP governance facility, an instrument which was supposed to be “an additional recognition for efforts” concerning good governance and related reforms. This top-up of country assistance was to represent “a substantial addition to the baseline annual allocation and therefore constitute a significant political signal” (Note of the European Commission, “Principles for the Implementation of a Governance Facility under ENPI”, February 2008). However, due

to pressures from neighbours and some member states, the substance of this instrument was significantly reduced. Some Mediterranean member states especially were bothered that more conditionality would mean fewer funds for partners in the South, which were used to an issue- or policy-oriented cooperation that did not primarily depend on the fulfilment of democratic standards. Regarding this aspect of ENP, traditionally security and (regime) stability were the guiding principles for EU cooperation. Moreover, these objectives were to be reached through interaction with existing political systems rather than isolation or punishment. The combination of the rhetoric for democracy promotion with the security and migration agenda of the EU sent the (wrong) message that the EU will turn a blind eye to bad governance and violation of human rights.

Also on the eastern flank, the principles of democratic conditionality were mitigated, namely due to the core incentive: Enhanced contractual relations, called Association Agreements, were made available to almost all partner countries of the Eastern Partnership – the multilateral framework that includes partners from Eastern Europe and the southern Caucasus, with authoritarian Belarus being the only exception. In spite of the EU’s clear declaration that “a sufficient level of progress in terms of democracy, the rule of law and human rights, and in particular evidence that the electoral legislative framework and practice are in compliance with international standards, and full cooperation with the Council of Europe, OSCE/ODIHR and UN human rights bodies will be a precondition for starting negotiations and for deepening relations thereafter” (2008 Communication on Eastern Partnership), negotiations of Association Agreements have also been launched with countries that have questionable democracy track records

The changes in the Arab world would seem to pave the way for a new opportunity for the EU to apply a norm- and value-based

neighbourhood policy. And on paper, the EU carried out a reorientation accordingly. In its May 2011 review of the ENP, High Representative Catherine Ashton and the Commission promised a new approach based on stronger differentiation and the principle of “more for more”. The new ENP is to “provide greater support to partners engaged in building deep democracy” (Joint Communication by the High Representative and the European Commission, “A New Response to a Changing Neighbourhood”). But whereas the document presents a new approach, in practice the old ENP philosophy is evident and it seems the de-conditionalisation of neighbourhood policy will continue.

Three leagues for EU neighbours

For this reason, the EU should consider a re-conditionalisation of the ENP. This does not imply supplanting the basic architecture of the ENP and its regional and bilateral components. On the contrary, the existing frameworks and instruments should be maintained, but they should be applied consistently and in line with the ideas of democracy evolution and a clear *quid pro quo*. A way to attain this is to develop the ENP into a system of three leagues. By qualifying the “individual” success of particular countries and placing them into one of three leagues for normative and democratic compliance with EU standards, the ENP would make its policies more effective and transparent.

Taking the EU’s plea for “deep and sustainable democracy” seriously, the model of three leagues would spell out different principles of cooperation (integration, cooperation, or contact), depending on the degree of democratic change in the neighbouring country. The state of democratisation would be the key criterion that determines the quality, the contractual framework of the relationship, as well as the EU’s offers (see table, p. 4). In the eyes of the EU, the essentials of political reform and democratisation are: “free and fair

elections; freedom of association, expression and assembly and a free press and media; the rule of law administered by an independent judiciary and right to a fair trial; fighting against corruption; security and law enforcement sector reform [including the police] and the establishment of democratic control over armed and security forces” (Joint Communication on ENP, May 2011). Many of these demands concern good or better governance. Other parameters – the quality of the health system or education or the degree of political participation – could be added to the catalogue of virtues. However, the EU then risks losing sight of its key demands.

Premium partners in League A show manifest progress in emulating and responding to the EU’s understanding of and standards for democracy (e.g. Israel), while the bulk of countries would qualify as stagnatory neighbours that only partly, inconsistently, or formally meet the gold standard. They would differ from authoritarian countries (e.g. Azerbaijan, Belarus, or Algeria in League C) in that they are open to reforms in principle. Translating the “more for more” and “less for less” slogans into practical policy means that countries are not grouped in one league forever, but that they can move within and between the three leagues according to their performance. Therefore, the EU would need to explicitly define the core demands and benchmarks against which it measures progress and failure.

Considerations concerning a system of three leagues are as follows: Developments in the two neighbourhoods are not only unpredictable, but often change rapidly. If the EU wants to strengthen a merit-based approach towards particular partners, the system of incentives has to respond swiftly. What are the mechanisms for a quick and efficient down- or upgrading of cooperation? Safeguard clauses and topping-up schemes might be useful in this context, but in any case a permanent and thorough monitoring and assessment process is necessary. In a regime of reinforced evalua-

The ENP as a System of Three Leagues

	<i>Degree of democratic change</i>	<i>Elements of the offer</i>	<i>Contractual relations</i>	<i>Principles of cooperation</i>
A-League (premium-partners)	Free elections; freedom of opinion and press; protection of human rights; separation of powers	High level bilateral political dialogue; bilateral cohesion facilities; partnerships for modernization; “freedom packages” (mobility, visa liberalisation)	Association Agreements with DCFTA and prospect for agreement of new type	“ <i>integration</i> ”; broad range of cooperation; substantial financial assistance
B-League (stagnatory neighbours)	Competitive elections; freedom of expression; independent judiciary	Sporadic summits and permanent policy dialogues; opening markets according to principles of DCFTA; socio-economic partnerships for reform	Association Agreements with DCFTA	“ <i>cooperation</i> ”; modest political dialogue; economic interdependence; focus on selected policies; limited financial assistance for good governance and sectorial agreements
C-League (resistant neighbours)	Authoritarian regimes; minimal level of cooperation	Technical cooperation in some areas (border protection; disaster relief; environment; education); knowledge-transfer for SME; case-by-case inclusion in multilateral frameworks	No contractual relations or continuation of existing agreements	“ <i>contact</i> ”; selective cooperation; dialogue and cooperation limited to working level

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tion, the relevant actors have to be set: Should the EEAS play a bigger role in defining benchmarks and monitoring implementation? Or should civil society groups be included more extensively? Moreover, it is important to define the yardsticks for measuring success of reforms: Is democratisation the dominant criterion or are there other relevant policy areas where progress should also pay off for “delivering partners”, for example social inclusion, education, or environment? Irrespective of the weight that the ENP gives to the principle of “more for more” and democratisation rewards, the EU will also have to deal with situations or with specific bilateral relations where democratic conditionality does not work. So, conditionality should not be dogma, and the Union should be aware of cases where realism is required, for example for geo-strategic reasons or when the EU has no instruments to exert

influence because a country does not need EU assistance.

These considerations are neither theoretical nor about abstract principles and the EU will have to take them into account when handling practical matters, for example: the next steps in EU-Ukraine relations (with an Association Agreement that has been finalised in technical terms but has not been signed for political reasons); the specification of the Eastern Partnership roadmap up to 2013 (according to the Warsaw Eastern Partnership Summit); and the further cooperation with MENA countries (as with Egypt after the 2011 parliamentary elections). It will be up to the EU to marry both objectives: stability that allows for processes that move towards democratisation. This will demand the commitment of all EU actors in Brussels and EU capitals.