

The EU External Policies in its vicinity: Turkey, the Western Balkans and other neighbours

Conference organised by Notre Europe and the European Stability Initiative on Wednesday, 30th November 2011 at the Representation of the European Parliament in France.

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Notre Europe and the European Stability Initiative co-organised a conference in Paris entitled 'The EU External Policies in its vicinity: Turkey, the Western Balkans and the other neighbours'. This issue was addressed by a panel comprising the following experts: Pierre Beckouche (Scientific adviser, *Institut de Prospective Economique du Monde Méditerranéen* - IPEMED), Gerald Knaus (President, European Stability Initiative - ESI), Terkel Petersen (Desk Officer, European External Action Service - EEAS), and Nicu Popescu (Senior Research Fellow, European Council on Foreign Relations - ECFR). Sami Andoura (Senior Research Fellow, *Notre Europe*) acted as moderator. The debate was held under the Chatham House Rule. The issues which were raised in this debate and appear summed up in this paper cannot be attributed to one or another participant, but reflect the comprehensive discussion that took place with both speakers and participants.

Introduction

The European Union's (EU) vicinity has often been mentioned as the litmus test for the EU's foreign affairs capabilities. It is indeed in the strategic interest of any actor on the international stage to have good relations with its neighbours. But for the EU it was more than that. The EU since its origins has progressively integrated all its neighbours. In this respect, the EU gave a concrete substance to its foreign policy in its neighbourhood through the enlargement process. This process is still on track vis-à-vis the countries in the Balkans as well as with Turkey, but we see a certain fatigue on both sides, and the absorption capacity of the EU is again questioned.

With the successive waves of enlargement, new neighbours appeared both on the east and the south. It was never planned that they should be integrated within the EU, but rather that they be associated in a larger pole of stability and prosperity. The results of what is called the European Neighbourhood Policy (ENP) are ambivalent. It is in many aspects inspired by the enlargement process, but with less leverage and fewer means. The Arab awakening has again jolted the EU into a further revision of its policy.

The aim of this conference was to assess the performance of the EU two years after the Lisbon Treaty entered into force and following the Arab Spring, and to address the following issues: What are the Union's goals in Turkey, the Western Balkans, its East and its South, and

are they being reached? Do the foreign policy tools, such as enlargement, the ENP, the Union for the Mediterranean and the Eastern Partnership meet the expectations of the neighbouring countries?

1. Closer integration, but less enthusiasm

In 1999, in the aftermath of the war in Kosovo, the European Council summit in Helsinki presented an ambitious EU vision of a united and enlarged European continent of 600 million people as a global pole of influence. This promise is still on the table today, but the enthusiasm for the enlargement process has ebbed considerably on both sides. It is not currently a top priority within the EU, much more concerned with its internal economic crisis. Indeed, the economic crisis is directly affecting the EU's capacity to pursue its foreign policy in its neighbourhood.

Furthermore, scepticism over enlargement has been growing within the EU. The same applies to the EU candidates, where there is less support for EU integration in the public opinion. This is the case in Turkey and several countries from the Balkans, where reforms have not stopped, but enthusiasm for accession has disappeared.

But in retrospect, the enlargement process has always had ups and downs, and often progressed after crises. In a long-term perspective, relations between the EU and candidate countries are destined to progress to a higher plateau, stall there, before making another leap forward.

2. Greater interdependence, but less effectiveness

What remains of EU soft power in 2011? The ability of Europe to shape its neighbourhood is to a certain extent questioned. The golden era of the nineties and early 2000s when the EU was full of ambition and highly influential in its neighbourhood seems far away.

We have witnessed in the last ten years a growing presence of the EU in its neighbourhood, both in the east and in the south. The EU is above all its neighbouring countries' biggest trading partner. It also continues to invest a lot, and has developed integration in various industrial or economic fields, with energy as one of the most important areas of cooperation. However, this presence has not become power, i.e. the ability to directly shape its neighbourhood according to its vision and strategy, or even decisively influence its partner-countries, be it in the southern Mediterranean countries, Ukraine, the south Caucasus, etc.

Given the stalemates in the enlargement process, the EU is also losing its influence and has less leverage over candidate countries - for instance Turkey, which is much more assertive than in the past and is progressively going its own way. Debates about the effectiveness of EU-conditionality take place both in Turkey and the Balkans. In the Balkans this is largely owing to the fact that there has been no new opening of accession talks since those concerning Croatia. With respect to the latter, we may observe that EU conditionality continues to have an impact as all the dramatic reforms undertaken by Croatia were directly linked to the EU accession process.

However, the picture should not be too excessively negative. Indeed, these processes of closer integration - either through the enlargement process or the ENP - have created such a degree of interdependence that it seems today irreversible. The reforms that have taken

place in candidate countries or other neighbours are destined to stay. Over the last twenty years, contacts and cooperation between governments, institutions, administrations, etc. between the EU and its neighbours have also increasingly developed. Economic cooperation has allowed macro-economic stabilisation in the whole region in terms of inflation, debt, etc. Trade liberalisation has also allowed many neighbours to abandon economic autarchy, and be more open to foreign direct investments and international trade. A progressive integration in several sectors, such as energy, education, and convergence of norms in other technical areas has also taken place, both in the east and in the south.

3. A more demanding EU, but with less to offer

The EU seems more cautious as well as more demanding vis-à-vis its neighbours. This is the case in the context of the enlargement process, for instance with the Balkans, where no accession talks have been opened since Croatia although candidate countries such as Montenegro have made impressive reforms and progress on their way to fulfilling the requirements for opening accession negotiations. This trend is also reflected in the European Neighbourhood Policy, where the EU is setting daunting conditions to be fulfilled by neighbouring countries before they can open negotiations for new association agreements, as has been the case for a long time with Ukraine and Georgia. Neighbours are much more critical vis-à-vis the EU accusing it of resorting to double standards by not applying equal conditions to all of them.

At the same time, it seems that the EU has less to offer its neighbours, and is therefore in a way losing leverage. The problem is that the EU does not have the same financial capacity it had in the past, as a result of the economic and financial crisis. Budget restrictions in absolute and relative terms will thwart its foreign policy efforts in the future. This is a bigger problem for the EU than for anyone else. Indeed, for the last ten to twenty years the EU's foreign policy with respect to its neighbourhood has rested mainly on soft power - as opposed to hard power - wielded chiefly through its promises of financial assistance and access to its markets.

This structural change calls for the EU to rethink its approach and find new innovative ways and means to finance its policies in its neighbourhood. The role of the European Investment Bank (EIB) as well as the European Bank for Reconstruction and Development (EBRD) should be further developed. The EU will also need to develop cooperation with other influential actors active in its neighbourhood. Other emerging powers such as China, Russia or the Gulf states have money and are ready to spend it, but without conditionality.

The way money is spent is also problematic. Much of it goes to fund governments rather than the private sector or the civil society at large, which both badly need financial support.

In addition, the EU has other important sectoral policies to offer to its neighbours, such as visa liberalisation, requested by almost all its neighbours. For instance, Turkish policy makers see visa liberalisation with the EU as one of their top priorities, and ask to be fairly and equally treated. Here again, the EU could exercise influence on Turkey if it showed Turkey that it is not discriminated against, and that the kind of conditionality the EU is applying with the other countries also applies to Turkey. Visa liberalisation would be an attractive goal for Turkey, so conditionality would be operable and credible, whilst fostering further national reforms, as the strict visa-roadmap contains very strict security requirements with regards to passport security, border security, police cooperation and the reinforcement of the institutional framework to fight organised crime and corruption. A positive example was set

in the Balkans where all countries responded to these requirements and within two years an impressive range of reforms were carried out. Visa liberalisation would be the next plateau in the EU-Turkey relation. EU conditionality is credible provided it operates in the EU's interest. The EU's main interest in this case is for Turkey to become a vital partner in stabilising the EU's borders, since 80 percent of its illegal immigrants have passed the border between Greece and Turkey.

Visa facilitation, at least for members of certain professional networks as well as students could also be offered to the southern neighbours, such as Tunisia, Morocco or Egypt.

In addition, the EU has also many other things to offer, such as civil society support, cultural exchanges, business integration, socialisation of actors, macroeconomic stabilisation, openness to Foreign Direct Investment (FDI) and trade, or the adaptation to the Bologna process. These are all important positive factors which the EU has to offer to its neighbours.

4. A process of differentiation, but without regionalisation

The EU is increasingly considering each country individually rather than looking at the regions or sub-regions globally. This is reflected in the EU's aim to foster differentiation amongst its neighbours and develop as many tailor-made policies as it has individual neighbours, and therefore reflect their individual needs and expectations. However, an attractive common goal and a regional race have been the ingredients for EU success in the past. Each country wanted to catch-up with those who were making progress.

Globalisation makes regionalisation an important stake. On the one hand, it is crucial for the EU to create a global pole of influence comprising its entire neighbourhood. On the other hand, it is crucial for the neighbours themselves to integrate deeper amongst them at regional level, both in the south and in the east. In this respect, the countries outside Europe make much more progress towards regionalisation, be it in Asia or both North and South America. The attempts to translate economic integration in the south or the east into a political and institutional process such as the Union for the Mediterranean or the Eastern partnership have failed. It appears that regionalisation will not be easily achieved if it depends too much on politics, rather than economics. It is through economic and market integration that regionalisation can effectively take place in the EU's neighbouring countries.

5. A comprehensive neighbourhood, but without a comprehensive strategy

Finally, the EU is a global player which cannot ignore its neighbourhood. This neighbourhood is comprehensive and heterogeneous. Various issues and countries, addressed under different policies from an EU angle, are in fact closely interlinked and require a comprehensive strategy. For instance, the bilateral disputes between neighbours in some cases have directly impacted the EU, such as the Israeli-Palestinian conflict or the successive energy conflicts between Ukraine and Russia.

Russia remains the most divisive issue within the EU. Member States remain too divided on whether Russia should be treated as a small China (with whom you just want to trade but you don't want to change) or a big Poland (progressively modernising and integrating with the EU).

The lack of a comprehensive approach reflects in a way the lack of consensus within the EU on the global strategy to be developed vis-à-vis its neighbouring countries. It is however

important that the EU develops a balanced approach to its neighbours, and avoids unnecessary competition between them - as for instance between north and south - but rather provide parity.

One way such a comprehensive strategy may be achieved is through enhanced coordination within the EU of its various external policies vis-à-vis its neighbours. The new institutional set-up of the High Representative for Foreign Affairs and the European External Action Service (EEAS) has an important role to play in this respect. It should be more active in bringing positions, policies and strategies together. It might be frustrating to monitor the EU due to its complexity, but with its pool of working capacities the EU is equipped to address challenges in its neighbourhood. For instance, Turkey is a key country in the neighbourhood - particularly in the Mediterranean as well as increasingly in the Balkans - yet it remains squeezed in its enlargement process and cannot develop with the EU the needed common actions and policies with respect to the neighbourhood.

Conclusion

The EU is facing a complex and heterogeneous neighbourhood. This is reflected in the various policies it has developed, be it the enlargement process, the ENP, the Union for the Mediterranean, the Eastern Partnership, or the strategic partnership with Russia. However, the EU lacks a global strategy to address the future of its neighbourhood.

The EU is pursuing its process of integration with its neighbours, some with a membership perspective, others not, but we can note a certain fatigue. On both sides, the absorption capacity is at stake. On the EU side, this process of *rapprochement* is not at the moment a top priority, as it is much more concerned with its internal economic crisis which directly affects its capacity to pursue its foreign policy in its neighbourhood. On the side of the neighbours, their capacity to absorb the huge conditions for closer integration set by the EU is also questioned. The process of integration remains also highly dependent on the neighbours themselves, the pace of change they are ready to embrace, and their willingness to reform. Moreover, many of the neighbouring countries are in a critical phase of transition, and facing to a certain extent a crisis of identity.

Last but not least, it appears that the EU is most influential and able to push for reforms where there is the prospect of an EU accession. However, the EU's soft power is still a powerful and attractive tool in its neighbourhood, affording the EU the capacity to push for reforms. To this end, the EU's soft power should be wielded in a credible manner, tied to an attractive and tangible goal, such as visa facilitation or market access, and supported by a credible process of assessing compliance. Moreover, it would have a jolting effect on the other countries in the region.

The EU does not have to look that far for the key to revive its soft power. It needs only to consider the conditionality examples that have worked, define strict conditions that embody credible mechanisms of assessment, apply the same conditions to all countries and rest assured that once these countries embark on reforms, they are very unlikely to reverse them, even if afterwards there are periods of less speedier approximations.