

## PROS AND CONS OF THE EUROPEAN NEIGHBOURHOOD POLICY

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*Looking at the extreme diversity of conditions and the wide geographic spread of European Union (EU)'s neighbours one has to admire the courage of EU policy makers to design a single set of policy with similar objectives, tools and methodology. Through the European Neighbourhood Policy (ENP) the EU wishes to encourage modernization and reforms in its neighbourhood and to establish a 'ring of friends'. Implicitly it also hopes to dampen the 'membership zeal' of its Eastern neighbours. The more successful a neighbour country will be in implementing a comprehensive political and economic reform agenda, the closer will it come to EU standards. Why should neighbour countries therefore abstain from pursuing membership as the ultimate objective? Why should they be satisfied with an alignment on EU legislation and EU foreign policy without having a say in EU decisions? Having in mind the above-mentioned, this paper analyses the pros and the cons aspects of the ENP implementation.*

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### **Introduction**

Right from the start the European Communities (EC) have followed a two-track approach: cultivate close neighbourly relations with those countries that are not eager or fit to join, while being open to those wanting to join. In 1973 the EC succeeded in a perfect symbiosis of the dual track approach: three European countries – UK, Ireland and Denmark – joined the Community, after a 10-year negotiation process. In parallel, the EC 9 established a “European Free Trade Area” with five countries (Austria, Switzerland, Sweden, Finland, Iceland and Norway) that felt unwilling to ask for full EU membership. From 1973 to 1995 EU-EFTA relations symbolized a highly successful model of European Neighbourhood Policy. It contained already the basic ingredients of its 2004 version: free trade, approximation of regulations and political dialogue. The abolition of essentially all intra-European trade barriers made EFTA the first trading partner for the EC9. Several EFTA countries aligned themselves of EC legislation, especially that relating to the internal market, thereby promoting European-wide approximation of rules and regulations. Last but not least, the EC engaged in an increasingly close political dialogue with its EFTA partners, both bilaterally and multilaterally.

When the European map was redrawn in 1989, the EU quite naturally pursued its traditional tracks – free trade relations and close cooperation in areas of common interest – with its new Eastern neighbours. As early as January 1990, the European Commission proposed to build the future relations with the countries of Central Europe upon Article 238 of the Treaty, i.e. free trade, financial assistance, and political dialogue. Very wisely, the Commission proposed not to prejudge eventual EU membership. The nature and intensity of future relations would depend on the progress of new neighbours would make in critical areas like rule of law, respect of fundamental human rights, multiparty systems, free elections and market economy that were include in the “Copenhagen Criteria” in 1993.

The period from 1990 to 2003 resembles the one from 1960 to 1972. It opened a new chapter of EU neighbourhood relations: for Central Europe, accession very rapidly became the preferred option. Only the duration and the final shape of that process were uncertain. With its Mediterranean neighbours, the EU reinforced its neighbourhood relations. In 1995 it launched the “Barcelona Process” with a view to transforming the

Mediterranean into an “area of peace, stability and prosperity”. Again the EU relied on familiar instruments: free trade, financial and technical cooperation, dialogue. With Central Europe enlargement completed in 2007, the EU finds itself confronted with familiar challenges as 15 years ago after the implosion of the Soviet Empire.

The European Neighbourhood Policy, conceived and developed even before enlargement had taken place, was designed “to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union”<sup>264</sup>. Obviously, these goals raise questions about the means for and prospects of success of such an ambitious endeavour. In the words of former Commission President Romano Prodi, the new neighbourhood policy is to offer “more than partnership and less than membership” to partner countries on the basis of “sharing everything with the Union but institutions”<sup>265</sup>.

### **Pros aspects of the European Neighborhood Policy**

Starting from the two quotes: “[...] the ENP has the potential to foster economic growth in neighbouring countries,<sup>266</sup> but [...] it seems clear that incentives seem likely to be the ENP’s weak point.”, we can take the key theme of poverty, which has been playing in the background throughout. The best remedy for poverty is economic growth, as long as this growth is distributed relatively evenly. And the best instruments to boost growth are an effective trade policy and improvement of property rights, the regulatory framework and macroeconomic policy. The EU pays close attention to both instruments, at least in its communications on Neighbourhood Policy. It is much more difficult to turn these words into deeds, however, especially because the neighbouring countries will have to do most of the work themselves.

The challenge lies with the neighbouring countries, then. They will also benefit the most in economic terms. More openness between the EU and its neighbouring countries will benefit above all the trade performance of the neighbouring countries; the impact on the EU will be small. And better institutions are an economic necessity above all for the neighbouring countries themselves; the EU’s interest lies in the greater stability on its external borders.

But the EU can certainly help its neighbouring countries to take up the challenge. Firstly by identifying and then giving practical support to good initiatives launched by the neighbouring countries. There is some scope for providing financial assistance for changes in institutions, but its effect will be limited. The EU applies the most efficient instrument, trade liberalisation, very cautiously, however. It is offering the neighbouring countries only very limited access to the internal market for goods, services, capital and people. And it is certainly not offering the neighbouring countries the prospect of membership at this stage. With its neighbourhood policy the EU looks beyond its borders, but it still wants to maintain these borders or even reinforce them, as is evident from the restriction of migration from Ukraine following the recent enlargement of the Schengen Area and the restriction of trade with Moldova following Romania’s accession to the EU.

Despite the considerable wave of critics towards the newest EU’s foreign policy tool, both from academics and politicians, it would be a partial approach to neglect all of the positive results that

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264 European Commission (2003): Communication from the Commission to the Council and the European Parliament. Wider Europe – Neighborhood: a New Framework for Relations with our Eastern and Southern Neighbours, COM (2003) 104 final, available at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0104:FIN:EN:PDF>

265 Romano Prodi - A Wider Europe - A Proximity Policy as the key to stability "Peace, Security And Stability International Dialogue and the Role of the EU" Sixth ECSA-World Conference. SPEECH/02/619 Jean Monnet Project. Brussels, 5-6 December 2002, p. 5, available at:

<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/02/619&format=HTML&aged=0&language=EN&guiLanguage=en>

266 Dodoni and Fantini (2006) and Milcher and Slay (2005).

brought the ENP's implementation. The European Commission in its press release from November 2005 have already pointed out several achievements of ENP: negotiation and adoption of seven Action Plans; progress with Ukraine on Market Economy status, visa facilitation and energy issues, setting up a border assistance mission on the Moldova – Ukraine border; expanding political dialogue with Mediterranean partners, including, for the first time, the creation of sub-committees to launch regular discussions on democracy, human rights and governance; fact that international financial institutions (IFIs) are beginning to take the ENP Action Plans as the basis of their strategic agenda for operations with partner countries<sup>267</sup>.

ENP is often criticized for its blurred perspectives and its generality. Nevertheless some authors like N.Hayoz, F.Kehl and S.Kuster in "The Potential Flexibility of Deliberate Ambiguity – The EU's Relations with the Regimes in its Eastern Neighborhood", argue that: "In its potential ambiguity the ENP can be used flexibly according to the different challenges faced and posed by the regimes present in the countries it cove. [...] It can take account of the local situation, the specific needs as well as potential for mutual benefit. [...] EU can react quicker to changes within countries, which previous cooperation models were sometimes slow to grasp."

The expected advantage of ENP's flexibility is its possibility to adapt itself to changing circumstances and evolving challenges. The first time when ENP indeed "reformed" itself was when it included the Southern Caucasus states, previously not considered to be EU's neighbors. Due to the Georgian "Rose Revolution" this approach has instantly changed. Finally importance and position of this Region was recognized and by the decision of the Council adopted on June 14, 2004, the three countries of Southern Caucasus were included in the EU's European Neighborhood Initiative.

In the same spirit ENP is going now through upgrading process, as we could seen on the example of the ENP strategy paper presented in December 2006 by the European Commission in which it proposed to strengthen the relations with EU Neighbors by offering them further going incentives. It emphasized need for: enhancing economic and trade development (including "behind the border" elements and liberalization of trade flows among partner countries, with a certain level of asymmetry if appropriate), facilitating mobility and managing migration (visa facilitation, removing obstacles to legitimate travel, e.g. for business, educational, tourism, official purposes), promoting people-to-people exchanges (educational, cultural, youth and research exchanges; civil society exchanges, and enhanced civil society participation in ENP; exchanges between regional and local authorities), building a thematic dimension of the ENP (enhanced multilateral and bilateral dialogue with ENP partners in key sectors, like energy and transport networks), strengthening political cooperation (more active EU role in regional or multilateral conflict-resolution efforts, including participation as appropriate in civil and military peace-keeping missions), enhancing regional cooperation<sup>268</sup>.

The eventual success of the ENP in terms of fulfilling its transformative aims partly depends on the attitude of the countries involved. EU's neighbours vary to a large extent both in terms of their Europeanness and in terms of their commitment in practice to the principles of democracy, rule of law, human rights and good governance. It is highly debatable whether the ENP can be effectively utilized to leverage reforms in those States. Besides their poor democratic credentials, a majority of the neighbouring countries have many priorities in their internal and external policies of which closes links with the EU are jus one. Both the EU and its neighbours need to

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267 European Neighborhood Policy: A year of progress, European Commission Press Release, Brussels, 24 November 2005, IP/05/1467, available at:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/05/1467&format=HTML&aged=1&language=EN&guiLanguage=en>

268 European Commission (2006): Communication on „Strengthening the European Neighborhood Policy”, Brussels, 4 December, COM(2006)726 final, available at:

[http://ec.europa.eu/world/enp/pdf/com06\\_726\\_en.pdf](http://ec.europa.eu/world/enp/pdf/com06_726_en.pdf)

maintain a working relationship with key players such as the US and Russia and with other international organizations such as the Council of Europe, the OSCE and even the UN. Whether the EU can succeed in democratizing its wide neighbourhood outside the context of enlargement therefore remains a big question for the Union and for its global actorness.

### **Cons aspects of the European Neighborhood Policy**

Many critical voices are referring to ENP's objectives. On the one hand we have a policy that aims to bring stability and prosperity within EU's neighborhood as European Security Strategy mentions: "It is in the European interest that countries on our borders are well-governed. Neighbors who are engaged in violent conflict, weak states where organized crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe".<sup>269</sup>

Evidently EU foreign policy is not based on purely altruistic principles, however, a balance should be present between EU's own interests and the interests of its direct Neighbors. The analysis of ENP's objectives defined in the European Commission Strategy Paper suggests, however, a different reality: "Since this policy was launched, the EU has emphasised that it offers a means to reinforce relations between the EU and partner countries, which is distinct from the possibilities available to European countries under Article 49 of the Treaty on European Union. The objective of the ENP is to share the benefits of the EU's 2004 enlargement with neighbouring countries in strengthening stability, security and wellbeing for all concerned. It is designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation."<sup>270</sup>

According to A. Primatorova the order in which the priorities are presented within ENP's Strategy Paper is a reflection of the actual objectives of EU: "The explanations start not with what the ENP is about but jump into what it is not about. It is quite odd to present a policy in this way- not through what it wants to achieve but through what it is eager to avoid."<sup>271</sup>

Furthermore, still referring to the ENP's objectives we should distinguish those who aim at providing security around EU's borders and those that concern economic relations with ENP partner states. The balance between the two is hard to be achieved since EU is more anxious about the security of its external borders than worried about increasing trade exchange with neighbours, who continue to remain negligible for EU's market (it is particularly true for Eastern European countries). This hypothesis can be as well applied to democracy promotion within ENP. For those states EU incentives are more likely to help to stabilize existing regimes than to influence a bottom-up reform process. The "common values" such as strengthening democracy and the rule of law, respect of human rights and fundamental freedoms or protection of minority rights, which have been so strongly articulated in Commission's official documents, remain empty declarations.

Other critics point out that ENP's geographical scope is over-extended and that it naturally creates a sort of competitiveness among Eastern and Southern EU's Neighbors. But what is more important and can be perceived as an obstacle to ENP's effective functioning, cleavages and misperceptions can be observed within EU's policy agenda as each member state naturally pursue its own interests regarding Neighborhood.

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269 European Security Strategy (2003): A Secure Europe in a Better World, 12 December 2003, Brussels, pp.7

270 European Commission (2004): Communication from the Commission. European Neighborhood Policy. Strategy Paper, COM (2004) 373 final, available at: [http://europa.eu.int/comm/world/enp/pdf/strategy/Strategy\\_Paper\\_EN.pdf](http://europa.eu.int/comm/world/enp/pdf/strategy/Strategy_Paper_EN.pdf)

271 Primatarova A. (2005), pp. 34

Other critical views state that ENP embraces countries which differ too strongly one from another. M. Emerson divides EU's Neighbourhood into two groups: those countries that have already concluded Action Plans with EU and those that for various reasons lack this legal instrument. Among countries with Action Plans he distinguishes the "willing" partner states (like Moldova or Ukraine) and "passive" ones (example of Azerbaijan). On the other hand, countries with which Action Plans are not yet signed are either "reluctant" (like Algeria) or explicitly "excluded" (Belarus). The author suggests that ENP toward countries that really want cooperation is not being upgraded and remains at the same level as towards reluctant or excluded ones. Indeed, sharing a border with EU is one of the most important denominators within ENP. EU imposes the same policy to all of the countries even though they fundamentally differ in terms of political regimes, economic systems and cultural particularities, consequently it may fail to face all the challenges posed in those various regions by applying a "one-size fit all" policy.

In most of the official documents and public statements European Commission is strongly arguing that ENP is based on ownership and partnership principles. However, EU is both politically and economically much stronger, this means that there is no place for an equal partnership. ENP is therefore on the path dependency towards the enlargement policy and is often conceived as a pre-stage for future accession. Nevertheless, it leaves membership question without a clear answer.

The question of membership perspective should be mentioned again. Why should partner state agree to align on EU legislation and EU foreign policy without having an influence on EU decisions and without benefiting from EU budget founding? As the example of European Free Trade Association (EFTA) shows, economic integration with EU has been successful for countries that weren't member states and it was their own choice. States like Norway or Liechtenstein refused to integrate with EU politically, but they searched for economic integration that would only benefit their already well-functioning economies. ENP countries, on the contrary, in most cases do not represent strong market economies, therefore it is at the core of their interest to follow the EU integration model that would give them a say in decision making process of EU's market regulations. Taking into account these massive waves of critics it is more possible for the Commission to continue making propositions that aims at restructuring of the ENP.

The innovative features of the ENP seem to offer a promising future for the EU and its neighbourhood policy in wider Europe. However, the weakness of the ENP combined with the domestic and international circumstances prevailing in this broader area brings about an uncertain outlook for the future.

## **Conclusions**

Is the ENP adequate to deal with the outsiders? Will it foster a friendly neighbourhood and a 'ring of friends'? The challenge is enormous, given the problems faced by the neighbours, and requires an ambitious policy response, that the ENP certainly is. But the ENP requires much of the neighbours, and offers only vague incentives in return. The hovering ghost of enlargement will not vanish if 'all but institutions' proves to be meaningless, and fostering reform—much less conflict resolution—will be an uphill struggle. The member states will need to be more serious about setting clear benchmarks (and standing by them consistently) and offering concrete incentives (even when they perceive these to be costly to themselves) if the ENP is to meet its core objectives.

A clearer incentive structure, attached to clearer and well-ordered priorities, would give the EU better tools for fostering fundamental reform in the neighbours. And while there is an undeniable need for reform in the neighbours, there is also an undeniable need for all the neighbours to cooperate with one another. Strengthening the multilateral and/or regional elements in the ENP would help to tackle not just the cross-border problems that affect the EU but also those that affect all of the neighbours.



We should be aware of the new situation that EU is facing both internally and externally. This is no longer community of 15 states but 27, and its borders don't finish at Odra River but around 1000 km further to the East. The strong voices of New Member States toward revising ENP will only intensify and it should not be taken by Westerns as impudence, but recognized as a legitimate defense of the national as well as EU interests. It seems unacceptable to leave other Europeans that have made an effort and proved their commitment to the democratization process, outside EU borders without any perspective of joining the "European family".

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