Executive Summary

Neighborhood – Fighting a Ring of Fire or Creating a Ring of Friends

The number of wars and armed conflicts has increased since World War II, and the crises that countries and today’s societies are confronted with seem to be constantly increasing and becoming more complex: from the conflict in Ukraine, to the North Korean crisis, to territorial disputes in the South China Sea, to the Israeli-Palestinian conflict, to the war against ISIS in Iraq, to sectarian violence in Myanmar, to the Syrian civil war, to the Uyghurs conflict in China, to the Kurdish struggle, to the conflict between Pakistan and India and the seemingly ubiquitous attacks and killing sprees of terrorists in the US and Europe.

According to the Bertelsmann Transformation Index, the core area of deterioration is centered in the Middle East, Northern Africa and Asia, whereas the Americas remain comparatively stable and in consolidation, with the major exception of Venezuela. But even in relatively stable countries, many governments are faced with political and social conflicts.

If a crisis occurs in neighboring states, chances are high that there will be at least some kind of spillover effects, be it in the form of refugees, the need for humanitarian and/or economic support, or even armed conflicts.

Dealing with neighbors is not always easy. As with family members, you cannot choose your neighbors. But you have to live with them anyway. Neighborhood is not a static concept; neighborhoods can shift and develop, deteriorate and decline, or completely change their
character – gradually over time or suddenly due to massive intervention or other events. Due to the immediate impact that any variation in the political or economic system of a country has, it is necessary to rethink policies with regard to neighboring countries.

Especially for Europe, the situation has changed dramatically during the last ten years. What was supposed to become a ring of friends surrounding Europe has turned into a ring of fire – with dire consequences for the EU in terms of migration and terrorism, consequences that are carrying “sparks” of instability to the heart of the Union. What was envisioned as a gradually positively transforming region in the South and East has turned into a ring of fire. 12 out of 16 European Neighborhood Policy countries are exposed to frozen conflicts, civil wars, territorial occupation and interstate war.

Europe’s Ring of Fire

The development of the countries along the EU’s borders is only one example of the dynamics that are inherent to neighborly relations. These relations can substantially change according to developments in
relative economic weight;
relative political weight;
political direction;
relative military weight;
security concerns and external interventions;
the regional or supra-regional framework;
the extent of bilateral interdependences;
religious, ethnic or cultural identities in the respective neighboring countries;
the welfare gap between the neighboring countries;
historically disputed areas and territorial claims.

The spectrum of relations between neighboring countries encompasses various approaches ranging from visa-free travel agreements, free-trade zones, regional business institutions and development programs, to border protection and border patrols, sanctions, appeals to international institutions to resolve disputes, and military intervention.

The rise of global interconnectedness due to the internet and digitization during the last 20 years might have led to the perception that the world as a whole is a “global village” and that the concept of neighborhood has lost importance as boundaries can now easily be overcome and communication can instantly reach people around the globe. This interconnectedness, however, has also brought with it a much greater interdependence, in particular with regard to each country’s immediate neighbors. Climate change, natural and man-made disasters (think: nuclear accidents), migration and terrorism all demand international alliances if they are to be tackled efficiently; they cannot be mastered on a nation-state level. Thus, geographic closeness is generally an indicator of the importance of a relationship.

The economic-security quandary observed in various relationships worldwide among neighboring countries also seems to be a crucial balance for nation-states when it comes to defining their approach to foreign and neighborhood policy. Two different narratives can evolve out of that, depending on which side gains the upper hand. The “liberal dream,” inspired by the Enlightenment and its traditions, promotes freedom and openness – and, consequentially, globalization, free trade and (controlled) migration. The “authoritarian dream” restores a sense of place and identity. It manifests in evocations of national pride (and superiority) and “the good old days”; thus, it is a retreat from modernity. The strong focus on identity implies that migration cannot be beneficial as it would alter the configuration of a society and bring about change in its culture and traditions. One could watch these two opposing camps in full swing in the run-up to the British referendum on leaving or remaining in the European Union. The disturbing dominance of the “authoritarian dream” has also been apparent following the failed coup in Turkey.
**Recommendations**

An evaluation of the historical and present relationships that the three global players – the US, China and the European Union – entertain with their neighbors provides some valuable suggestions as to how a fruitful neighborhood policy could and should be developed:

**Use an individual approach within a regional context.**

Neighboring countries tend to be rather unique and have individual interests and needs. Therefore, a “one-size-fits-it-all” approach (as applied with the ENP, for example) will not work. The European Union and China both have a diverse and large neighborhood and thus need to address their neighboring countries on a more individual basis without neglecting the regional context.

**Define strategic priorities first.**

Depending on the current state of bilateral relations, there will be pressing issues that a neighborhood policy needs to focus on. Be it migration or be it rule of law to secure economic investments, any given priorities must be defined first in order to reconcile them if possible with the neighbor’s priorities and to create programs and policies that are beneficial for both.

**Improve and enlarge the toolbox.**

Bilateral trade agreements and security measures have so far been the main tools used to shape neighborhood relations. Cultural exchange, cooperation in education, joint commissions convened to overcome historical disputes, exchanges of students/experts, joint development programs, etc., should be considered as means for broadening mutual understanding.

**Follow developments closely, be prepared for change.**

During recent years, many political observers were taken by surprise by certain developments, such as the Arab Spring, the massive influx of migrants and refugees into Europe, the vote for Brexit, and the terrorist attacks in European capitals. Obviously, there is a need to get more deeply involved in the developments taking place in neighboring countries in order to spot signs of fundamental change early on.

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