The theory and practice of a stable and prospering neighbourhood

The famous phrase of Goethe – “All theory, dear friend, is grey, but the golden tree of life springs ever green” – comes to mind when studying the EU’s Global Strategy (EUGS, June 2016) as well as all the related work the EU has recently presented in this context, be it the Review of the European Neighbourhood Policy (ENP, November 2015), the Joint Report on the Implementation of the European Neighbourhood Policy Review (17 May 2017) or the Joint Communication on “A Strategic Approach to Resilience in the EU’s External Action” (7 June 2017), to name just a few.

All these documents reveal a profound understanding of the causes and effects of state fragility. They point out how weak governance, unaccountable and corrupt administrations, the absence of democracy, and a lack of respect for human rights and basic freedoms not only bar the way to any sustainable economic and societal development, but are also the drivers of crises and violent conflicts that, in turn, have led to further destabilisation. Conversely, the analyses permit no other conclusion than that the quality of governance and public administration is decisive for any stabilisation efforts, and that these factors determine how successfully a country can deliver on economic prosperity, social peace and territorial cohesion.
There is yet another realization gaining prominence in these EU considerations, namely, how important good governance is when it comes to successfully coping with the ever-more-rapidly evolving challenges and threats the world is facing. Whether it is from overpopulation, climate change, environmental degradation, migration, economic and financial crises, the erosion of societal cohesion, conflict, violent extremism or the return of power politics, all these developments put enormous pressure on the resilience of states and societies. In particular, they exacerbate the pre-existing vulnerability and fragility in Europe’s wider neighbourhood. While hampering the development of the entire region, the repercussions of these conflicts and crises have now come to be felt in the heart of Europe itself, as millions of refugees and migrants have been seeking shelter in the EU.

Given these insights, the EU does not seem to have a problem of knowledge. But why is it then that, when it comes to practice, the EU runs into such great difficulties in its efforts to foster stability, security and prosperity in the countries closest to its borders?

Admittedly, the European Neighbourhood Policy (ENP), as established in 2004, was too optimistic regarding what it could achieve and how quickly – especially since the carrot of eventual EU membership was not on offer. Rather than framing the ENP agenda (of promoting democracy and implementing social market economies) as an undertaking that would take at least a generation, high expectations of swift progress were raised, which led to frustration and irritation within both ENP and EU countries. Moreover, ENP countries never came close to receiving the significant financial support that accession countries were offered so as to partially cushion the costs of making deep structural reforms or to adopting the EU’s regulatory framework (acquis communautaire), which is required to gain access to the European single market. Furthermore, the EU’s policy approach was overly technocratic and failed to take sufficient account of two things: first, the opposing interests of other state and non-state actors in the neighbourhood countries who would only lose their grip on power in the wake of reforms; and, even more so, the aspirations of the neighbours’ neighbours. For example, the EU underestimated how much a successful transformation of its eastern neighbourhood was and continues to be seen by Russia as a threat, and how efforts to foster such change would provoke counter-reactions. Indeed, even before Putin unleashed the conflict in Ukraine, he severely interfered with the territorial integrity and sovereignty of the Eastern Partnership (EaP) countries. With the exception of Belarus, all other EaP members have seen Russian military involvement on their territory, and Russia is supporting the separatist and secessionist movements in Georgia and Moldova. What is more, Moscow has sided with Armenia in the latter’s conflict with Azerbaijan over Nagorno-Karabakh.

To the south, the Middle East conflict has long been undermining all EU efforts to promote economic development and thereby stability through regional cooperation. Moreover, the power struggle between Saudi Arabia and Iran – which is fuelling conflict and civil war in Iraq, Lebanon, Libya, Syria and Yemen – impedes, if not thwarts many of the well-intentioned EU programmes that aim to foster long-term stability, such as by promoting good governance, justice and security-sector reform. A sobering case in point of just how much (or little) leverage the EU has to positively influence developments is undoubtedly Turkey. Although Turkey is an EU accession candidate, this fact has not prevented President Erdogan installing autocratic rule and engaging – to the detriment of the EU – in a persistently destabilising policy towards Armenia, Syria, Iraq and the Balkans.

The 2015 Review of the Neighbourhood Policy, which was already the second overhaul of this policy since its inception, responded to the poor track record of transitioning to democracy and market economies, to the growing instability and deteriorating security situation, and to the low degree of respect for human rights and fundamental freedoms. Yet, instead of tightening conditionality, raising the stakes by making significant funds available or offering the prospects of EU membership to the EaP countries, the EU cut back on its transformational agenda.
A striking feature of this is that the idea of “a Europe whole and free”, which inspired and guided the strategy of European integration over the last 60 years, seems to have been dropped. Instead, a more modest and cautious approach – some are calling it “realpolitik” or “hybrid geopolitics” – was chosen to become the new EU foreign policy doctrine in order to close the gap between the ENP’s ambitious goals to establish a “ring of well-governed countries” around itself, on the one hand, and its rather poor performance, on the other. Whereas good governance, democracy, rule of law and human rights are still key priorities of EU action on paper, the new policy agenda now brings cooperation in the areas of conflict prevention, border protection, and efforts related to anti-radicalisation efforts, terrorism and organised crime to the forefront.

With the refugee crisis overwhelming many of the southern neighbouring countries – and avowedly more so than the EU – a new focus has been placed on migration and security. This “securitisation” of the ENP has already drawn criticism from civil society organisations, which are asking these questions: Has the EU matured when it comes to recognising the different aspirations and needs of each country? Or, against the background of the migration crisis, is the EU imposing an agenda that is more advantageous to itself than to the MENA region? Furthermore, the EU’s new preference for stabilisation over reform is also being criticised on the grounds that it supposedly betrays the fundamental values of human rights and basic freedoms, and plays into the hands of the many autocratic regimes in the region. Furthermore, the tacit acceptance – as seems to be the case – of the EaP countries as a “middle land” between the EU and Russia is seen as undermining the EU’s credibility and leverage to encourage reform.

Regardless of how the EU’s new policies are to be evaluated, they still cannot obscure the fact that the EU is not a hard security provider that would be able to intervene militarily, for example, to safeguard the territorial integrity of Ukraine or to fight warlords on the ground in Libya. The EU’s “hard power” problem is also highlighted in its aspirations to promote a cooperative regional order in the Middle East and North Africa. Here, the EU still seems to be the least important player when it comes to diffusing the long-standing power struggles between Israel and the Arab world as well as between Iran and Saudi Arabia within the Arab world.

In the area of economic development, association agreements – combined, whenever possible, with deep and comprehensive free trade agreements (DCFTAs) – continue to be the method of choice. There is little doubt that the successful implementation of a wide range of reforms enhancing trade relations and facilitating convergence to EU standards in multiple areas (e.g. food safety, public procurement and improved institutions) will ultimately produce positive outcomes in the neighbourhood and lead these economies to catch up. However, the EU evidently does not sufficiently factor in the adjustment costs and challenges associated with such deep structural reforms that accrue in the short term. Without abandoning convergence, the EU might gain better and quicker results on jobs and growth in the neighbourhood if it granted exporters from the region much better access to the EU market, remove import duties and, in particular, do away with import quotas for the agricultural products that form the very backbone of most of the economies in the neighbourhood.

What has changed, however, is that much-needed macro-financial assistance is being better coordinated with the other international financial institutions. More money is being made available by different trust funds, and the newly established European External Investment Plan, which will promote participation of the private sector, is expected to mobilise at least an extra €44 billion in private investment. And, just as importantly, more attention is being given to supporting SMEs and creating new job opportunities at the local and regional levels, especially to address youth unemployment.

Among the noticeable characteristics of the new approach are how it shifts support from the national to the subnational level, and how it attempts to strengthen ties with non-governmental and civil society actors. At the same time, support for women’s rights, empowerment and gender balance is reflected in all new programmes as cross-cutting concerns.
Last but not least, more and more EU actions and programmes are directly reaching out to citizens to address youth employability (EU4Youth) and to further people-to-people contacts (e.g. ERASMUS+, Young Mediterranean Voices) in addition to reaching out to professional networks. Nevertheless, for the time being, visa liberalisation only seems to be at hand for EaP countries.

What some have called the “new strategic realism” of the ENP is based on stabilisation and resilience. It accordingly puts the two strands of its strategy into a global perspective that pays regard to various challenges (e.g. the energy supply, water scarcity, climate change and demography) while at the same time widening its geographical horizons to include the neighbours of neighbours.

The concept of resilience, in particular – which was introduced with the EUGS and is also an integral part of the new European Consensus on Development (May 2017) – is taking centre stage in the EU’s new foreign and security framework. Here, resilience is being defined as “the ability of an individual, a household, a community, a country or a region to withstand, adapt and quickly recover from stresses and shocks”. Accordingly, the EU’s new strategic approach will build up this adaptability on all state and societal levels. More than anything, it will strengthen a state’s capacity to build, maintain or restore core state functions in the face of significant challenges, albeit “in a manner that ensures respect for democracy, rule of law, human and fundamental rights and fosters inclusive long-term security and progress”. Likewise, it will strengthen the capacity of societies, communities and individuals “to manage opportunities and risks in a peaceful and stable manner, and to build, maintain or restore livelihoods in the face of major pressures”.

Granted, the new global lenses applied by the ENP and the widening of its geographic scope are welcome new features. Nevertheless, there is an inherent danger that focusing on the bigger picture will ultimately distract the EU from paying the proper amount of attention to the specific traits and sensitivities of each of the neighbouring countries. Moreover, as much as the EU is right to concede that democratic change has to come from within, the growing support for sub-national entities and civil society actors does not come without its own problems, either. A strong civil society and a weak, fragile state are not an easy fit. On top of that, what can we really expect from the EU once such a strengthened civil society takes its destiny into its own hands and tries to do away with autocratic rule and corrupt elites?

Torn between a value-based and an interest-based EU policy

Although it is still too early to judge whether the EU’s new policy framework for its external action will achieve better results in terms of easing conflicts and tensions in its neighbourhood, it is not too early to address the following questions:

1. Is the ENP’s de facto focus on stabilisation and resilience the right way to go forward?
2. Should the EU do more, or should it set different priorities?
3. Is the coordination and cooperation between the European External Action Service, the European Commission and the European Council working?
4. What about the involvement of individual EU member states? Should they do more?
5. How do southern and eastern neighbouring countries view the ENP’s newly adopted course?