THE EUROPEAN NEIGHBOURHOOD POLICY AND THE SOUTHERN MEDITERRANEAN

Michele Comelli
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Drawing from the Lessons of Enlargement

Boş Sayfa

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edited by

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**The European Neighbourhood Policy
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While there are myriad studies that enquire into the lessons that the ENP towards Eastern partners can draw from enlargement, very little has been analysed regarding the lessons that the ENP towards Southern partners can draw from enlargement. The book starts from examining the specific content and the evolution of the ENP in the Southern Mediterranean countries, in particular evaluating the perceptions of the Southern Mediterranean countries along with those of the Northern ones. Then, it looks at the link between enlargement and the ENP's Southern dimension, examining both the opportunities presented by Turkey's accession process in bolstering the potential of the ENP as well as the challenges posed to the ENP's Southern dimension by Turkey's tortuous path to Europe on the ENP's Southern dimension.

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ABBREVIATIONS

Action Plan - **AP**
Broader Middle East and North Africa – **BMENA**
Central and Eastern European Countries – **CEECs**
Common Foreign and Security Policy – **CFSP**
Competitiveness and Innovation Framework Programme – **CIP**
Deeper Free Trade Area – **DFTA**
Democracy Assistance Dialogue – **DAD**
Economic Research Forum for Arab Countries, Iran and Turkey –**ERF**
Euro-Israeli Partnership – **EIP**
Euro-Mediterranean Free Trade Areas – **EMFTA**
Euro-Mediterranean Parliamentary Assembly – **EMPA**
Euro-Mediterranean Partnership – **EMP**
European Economic Community – **EEC**
European Instrument for Democracy and Human Rights – **EIDHR**
Euro-Mediterranean Association Agreements – **Aas**
Euro-Mediterranean Study Commission – Euro**MeSCo**
European Court of Justice – **ECJ**
European Economic Area – **EEA**
European Neighbourhood Policy – **ENP**
European Neighbourhood and Partnership Instrument – **ENPI**
European People's Party – **EPP**
European Security and Defence Policy – **ESDP**
European Security Strategy – **ESS**
European Union – **EU**
EU Border Assistance Mission – **EU BAM**

Foreign Direct Investments – **FDI**
Forum des Chefs d'Entreprises – **FCE**
Gulf Cooperation Council – **GCC**
International Monetary Fund – **IMF**
Islamic Action Front – **IAF**
Justice and Development Party – **PJD**
Kurdistan Regional Government – **KRG**
Kurdistan Workers' Party – **PKK**
Middle East and North Africa – **MENA**
Middle East Peace Process – **MEPP**
Mouvement des Entreprises de France – **MEDEF**
National Democratic Rally – **RND**
National Indicative Programme – **NIP**
National Initiative for Human Development – **NIHD**
National Liberation Front – **FLN**
Non-Governmental Organisation – **NGO**
North Atlantic Treaty Organisation – **NATO**
Office of Legal Policy – **OLP**
Organization of the Islamic Conference – **OIC**
Organization for Security and Co-operation in Europe – **OSCE**
Palestinian Authority – **PA**
Sahrawi Arab Democratic Republic – **SADR**
Sanitary and Phytosaintary – **SPS**
Small and Medium-Sized Enterprises – **SMEs**
Southern Mediterranean – **SM**
South Mediterranean Countries – **SMCs**
Treaty Establishing the European Community **– TEC**
Treaty on the Functioning of the European Union – **TFEU**
Union for the Mediterranean – **UfM**
United Nations **– UN**
United Nations Development Programme – **UNDP**
United Nations Interim Force in Lebanon **– UNIFIL**
Western European Union – **WEU**
Weapons of Mass Destruction **– WMD**
World Bank – **WB**
World Intellectual Property Organization **–WIPO**
World Trade Organization – **WTO**

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Boş Sayfa

INTRODUCTION:

Atila Eralp, Çiğdem Üstün

The EU's neighbourhood policies can be considered, as a whole, among its most important foreign policies since the early 1990s. Through its neighbourhood policies, the EU has tried to create a ring of friends around its borders, where good governance, democratization and respect for human rights have been emphasized. In this framework, the EU focussed on economic aid, infrastructure, environmental protection, and the promotion of mutual free trade. It should be emphasized that the policies of the EU have been both bilateral and multilateral, with an aim to increase regional and sub-regional multilateral relations first in the Mediterranean, and later in the Black Sea and Caucasus regions.

For over a decade the European Union (EU) has been working towards establishing a credible policy towards the Mediterranean Region and trying to take an active role in efforts to resolve the Israeli-Palestinian conflict and contributing to the Middle East Peace Process (MEPP) as a member of the socalled Middle East Quartet (the US, the EU, Russia and the UN). It is argued that it is in the EU's self-interest to invest in stability and cooperation around its neighbourhood,[1] and especially in the Mediterranean region due to its strategically essential position in creating a ring of friends. Therefore, the EU is engaged in various agreements with its neighbours in the region, i.e. accession associations, neighbourhood association and development cooperation.

In this framework, the EU initiated the Euro-Mediterranean Partnership (EMP) (better known as the Barcelona Process) with its Mediterranean neighbours in 1995, with the aim to create an area of dialogue, co-

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[1] W. Wallace, "Looking After the Neighbourhood: Responsibilities for the EU-25", *Notre Europe Policy Paper*, No. 4, July 2003, 19.

operation, peace and stability between the EU and its Southern Mediterranean partners, namely Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Libya, Malta Mauritania, Morocco, Palestinian Authority (PA), Syria, Tunisia, Albania[2] and Turkey in the political area (political and security basket), economic/financial area (economic and financial basket), cultural/social sector (social, cultural and human basket) and migration (added as a fourth area in 2005). With this initiative the EU aimed at strengthening north-south relations as well as fostering south-south in teraction while assisting Mediterranean countries to become more aware of the opportunities in their region.[3] However, after the Barcelona Proc ess was initiated, the end of the 1990s saw an increase in conflicting relations throughout the Mediterranean region while fault lines along a north-south and south-south axis have become more apparent[4], developments the EU has failed to react to. Besides the problems rising in the region, the civil war in the Balkans diverted the EU's attention from the Mediterranean region.

In the year 2000, the EU put an effort in injecting dynamism into the Barcelona Process, thus a Common Strategy for the Mediterranean Region[5] was adopted with the aim to reinvigorate the EMP and revitalize the Barcelona Process.[6] Afterwards, in view of the 2004 and 2007 enlarge ment waves, the EU was faced with the prospect of sharing a border with new countries (Belarus, Moldova, Russia, Ukraine) that posed unprecedented security challenges to the EU. Therefore, the EU decided to launch a new political initiative, the European Neighbourhood Policy (ENP), in order to contribute to export stability and welfare to these countries, which was extended also to Southern Mediterranean countries The ENP brought new elements to the EU's relationship with Southern Mediterranean countries. In comparison with the Barcelona Process, it aimed to differentiate more among the Mediterranean states and increase the possibilities of cooperation in political and economic spheres, taking

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[2] Albania joined the Barcelona Process only in 2007, while Cyprus and Malta changed their "role" within it, following their accession to the EU.

[3] S. C. Calleya, "Is the Barcelona Process Working? EU Policy in the Mediterranean", *ZEI Discussion Paper*, C 75, 2000, 8.

[4] Ibid, 5.

[5] European Council, *Common Strategy of the European Council of 19 June 2000 on the Mediterranean Region*, 2000, http://consilium.europa.eu/uedocs/cmsUpload/mediE N.pdf accessed on 09.03.-2009.

[6] R. Gillespie, "PROFILE-The Valencia Conference: Reinvigorating the Barcelona Process?", *Mediterranean Politics*, Vol. 7, No. 2, 2002, 106.

on the model of the accession process in order to offer its neighbours a deeper involvement in EU policies.[7] Even though the ENP did not foresee EU membership perspective, it offered "everything but the institutions".[8] Similar to the accession process, the policies towards the partner countries were differentiated according to the ambitions and capabilities of the countries and specific Action Plans were drawn up for each partner country. Action Plans have been formally adopted jointly by the EU and its neighbours and they are often linked to domestic reform programmes of the partner countries and to the EU policy norms and standards all[9] in order to achieve an effective and efficient application of these plans.

The EU aimed at developing a comprehensive partnership between Europe and the Southern Mediterranean, with the Barcelona Process providing the multilateral element and the ENP the bilateral one. In this process therefore, the Barcelona Process and the ENP have been inextricable policies of the EU in bringing bilateral and multilateral policies together. Policies included in the Barcelona Process and the ENP were based on the support programmes in which political, economic, and social reforms, regulatory trade and reforms, liberalization of some sectors, policy areas such as justice and home affairs, energy, transport, information society, environment, and development of trade were included.

In 2005, as the EU was celebrating the 10th anniversary of the Barcelona Process, it was being criticized by the Southern Mediterranean countries - as well as the policy makers, practitioners, academicians, intellectuals and the civil society organizations in the EU - for not being effective and capable of reacting to events in the region. However, by the year 2005 several Mediterranean countries had signed Euro-Mediterranean association agreements with the EU within the framework of the Euro-Mediterranean Partnership and started implementing trade-enhancing legal reforms (i.e. import liberalization measures, customs regulations, intellectual property rights laws, harmonized commodity de-

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[7] R. Youngs, "Ten Years of the Barcelona Process: A Model for Supporting Arab Reform?", *FRIDE Working Paper*, No. 2, January 2005, 10.

[8] R. Prodi, 'A Wider Europe -A Proximity Policy as the Key to Stability', Sixth ECSA-World Conference. Jean Monnet Project, Brussels, 5-6 December 2002, http://europa.eu/rapid/pressReleasesAction.do?refrence=SPEECH/02/619&format=HTML&aged=0&language=EN&guiLanguage=en

[9] M. Emerson and G. Noutcheva, "Ten Years After the Barcelona Process: Assessment and Perspectives From Barcelona Process to Neighbourhood Policy", *Med. 2005 Dossier*, 95.

scription coding and so on), reforms aimed at administrative efficiency, decentralization, recognition of civil society and better law enforcement.[10] It has been noted that the inadequacy in the financial disbursement[11], asymmetrical trade liberalization, collapse of the MEPP, inadequate encouragement for political reforms, ambiguity of the action plans and limited funding allocated for promotion of human rights[12] prevented the successful implementation of the policies towards the Mediterranean region. Besides, it has been argued that the prospect of formal integration into some of the single market regulations did not address the Mediterranean partners' complaints against the EU protectionism in agriculture and textiles.[13] Therefore, the efforts put into the agreements with the Mediterranean countries failed to meet both the EU's and Mediterranean countries' hopes.

Consequently, in order to revitalize the Mediterranean Policy and answer the criticism, the EU published a five-year work programme emphasizing measures that extend political pluralism and participation by citizens, increase the freedom of expression and association, enhance the neighbourhood action plans, establish substantial financial facility, implement code of conduct on countering terrorism, and liberalize the financial sector while increasing the north-south and south-south regional or sub-regional cooperation. In this work programme the EU also paid attention to policies that would increase educational and socio-cultural exchanges and to issues such as migration, social integration, justice and security.[14] On that occasion, the EU presented to its Mediterranean partners the ENP, but it failed to clarify what its real benefit was and how it would co-ordinate with the Barcelona Process.

Two years after the publication of this programme, in October 2007, French President Nicolas Sarkozy invited Mediterranean leaders to a summit to take place in July 2008 with an aim to "lay the foundations of a

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[10] S. Radwan, "Ten Years After the Barcelona Process: Assessment and Perspectives Assessment of the Barcelona Process from the Mediterranean Partners' Perspective", *Med. 2005 Dossier*, 81.

[11] W. Wallace, "Looking After the Neighbourhood: Responsibilities for the EU-25", *Notre Europe Policy Paper*, No. 4, July 2003, 17.

[12] R. Youngs, "Ten Years of the Barcelona Process: A Model for Supporting Arab Reform?", *FRIDE Working Paper*, No. 2, January 2005, 8.

[13] Ibid,12.

[14] Council of the European Union, *10th Anniversary Euro-Mediterranean Summit, Barcelona 27th and 28th November 2005, Five Year Work Programme*, 28.11. 2005, Brussels, http://ec.europa.eu/external_relations/euromed/summit1105/five_years_en.pdf accessed on 08.03.2009.

political, economic and cultural union founded on the principles of strict equality."[15] At the time, Sarkozy was criticized regarding the relationship between the proposed intra-Mediterranean union and the Barcelona Process. Some of the Mediterranean countries and EU member states criticized the new union emphasizing on the risk of reducing the effectiveness of the already established policies in the region. The other actors involved in the Mediterranean policies of the Union for over a decade were drawing attention to the possibility of duplication[16] and undermining the work of Barcelona Process.[17]

Nicolas Sarkozy first launched the idea of the Mediterranean Union during his presidential election campaign in 2007, with the aim to create a Union bringing together only countries from the (northern and southern) Mediterranean basin. The group would be led by a rotating presidency dealing with issues such as energy, security, counter-terrorism, immigration and trade. However, the resemblance of the Mediterranean Union to the European Union was heavily criticized by Turkey since the idea of Turkey's inclusion in the Mediterranean Union was perceived as an alternative to the EU membership for Turkey. Sarkozy's statements, such as "Turkey would instead form the backbone of the new Mediterranean Union", especially created discomfort and disappointment on the Turkish side.[18]

The debate on the Mediterranean Union and Turkey's membership to this new union coincided with the debates on a possible "privileged membership" between Turkey and the European Union, which increased the scepticism in Turkey towards the new initiative and resulted in the Turkish Foreign Ministry's reaction. Abdullah Gul, then Foreign Minister said:

Turkey is a country that has started [accession] negotiations with the European Union. The negotiations started on the basis of a [EU] decision which was taken unanimously, including France. Putting obstacles to the

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[15] R. Goldirova, "France muddies waters with 'Mediterranean Union' idea", *EU Observer*, 25.10.2007.

[16] T. Behr and R. H. Santini, "Comment: Sarkazy's Mediterranean union plans should worry Brussels", *EU Observer,* 12.11.2007.

[17] R. Aliboni et.al., Putting the Mediterranean Union in Perspective, *EuroMesco Paper* No. 68, June 2008.

[18] "Sarkozy: Turkey could be the backbone of a Mediterranean Union", *Turkish Press Review,* 28.02.2007.

progress of the negotiation process would amount to violating signatures and promises made in the past, which I do not think will happen.[19]

After the reactions of policy makers, practitioners, civil society organizations and countries like Turkey, as well as the reactions emanating within the EU and particularly from Germany, France modified its original idea, which was to include only the countries bordering the Mediterranean, and accepted German Chancellor Merkel's request to include all EU Member States and to bring the new initiative within the existing EU structures and policies in the region.[20] This solution was first accepted by the March 2009 European Council, that requested the Commission with a formal proposal. The Commission document was published on May 20th, 2008. Subsequently, EU member states and Mediterranean partners ag reed that the initiative, finally renamed "Union for the Mediterranean" and launched in a summit that took place in Paris on July 13th, 2008, be built upon the existing Barcelona Process.

This new initiative's main objective has been increasing the co-ownership of the process while complementing the EU bilateral relations with these countries which will continue under existing policy frameworks such as the European Neighbourhood Policy as well as the regional dimension of the EU enlargement policy and to the EU-Africa strategy[21] The "Union for the Mediterranean" emphasises three main chapters of cooperation already envisaged by the Barcelona process; a) political dialogue, b) economic cooperation and free trade and c) Human, social and cultural dialogue among the EU member states and the following Southern Mediterranean countries. Algeria, Egypt, Israel, Jordan, Lebanon, Morocco PA, Syria, Tunisia and Turkey, while Libya refused to participate. Finally, some other countries, not originally included within the Barcelona Process were included in the new initiative: Albania, Bosnia and Herzegovina, Croatia, Mauritania, Monaco and Montenegro.

Although Nicolas Sarkozy's original idea has been altered immensely and was turned into an initiative complementing the already exist-

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[19] R. Goldirova, "Turkey Slams Sarko's Mediterranean Union", *EU Observer*, 18.05.-2008.

[20] E. Vucheva, "France says it has no preferred EU president candidate", *EU Obser ver*, 27.02.2007. For further reading, see also: P. Harrman and A. Tausch, *Dar Al Islam, The Mediterranean, the World System and the Wider Europe, The "Cultural Enlargement" of the EU and Europe's Identity*, New York: Nova Science Publishers, 2006.

[21] Commission of the European Communities, *Communication from the Commission to the European Parliament and the Council Barcelona Process: Union for the Mediterranean COM (2008) 319 (Final)*, 20.05.2008, Brussels, 4.

ing policies of the EU, the Union for the Mediterranean has introduced some crucial mechanisms to ensure the co-ownership of the policy in the southern Mediterranean, such as the co-presidency system between the EU and the partner countries. Also, the institutional structure of the UfM includes a Secretariat with the task of examining project initiatives, a Brussels-based Joint Permanent Committee with the task of assisting and preparing the meetings of the Senior Officials and ensuring the appropriate follow-up, as well as acting as a mechanism created under this new initiative to help the EU and the partner countries to react rapidly if a crisis situation arises in the region. Institutions set up by the Barcelona Process such as the Euro-Mediterranean Parliamentary Assembly, created with an aim to provide a framework of debate, open dialogue and free exchange of views[22] were maintained. Furthermore, the "Union for the Mediterranean" attributes special emphasis to the projects with a) regional, sub-regional and transnational character, b) an aim of creating balanced and sustainable development and c) an aim of maximization of private sector financing and participation.[23]

Despite the changes to Sarkozy's original idea and the creation of a new initiative based on co-ownership, critiques of the "Union for the Mediterranean" continued. First of all, this initiative is criticized for not bringing an added value to the existing policies. It has been stated that the issues that have been included in the Union for Mediterranean were already in the three baskets of the Barcelona Process of 1995.[24] The new Union was also criticized for lacking substance, especially on the issues such as the MEPP and the role for the Arab League.[25] It has been argued that it is important to foster cooperation in cultural exchange programmes in order to respond to the issues such as migration, terrorism, religious intolerance and protection of human rights[26] which did not find any substantial place in the Union for the Mediterranean. It is believed that too much emphasis has been put on the low politics, business and

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[22] Ibid, 5.

[23] Ibid, 8.

[24] Interview conducted by C. Cornet with T. Schumacher, *Putting the Mediterranean Union in Perspective*,
http://www.euromesco.net/index.php?option=com_content&task=view&id=973&It underline emid=71&lang=en accessed on 08.03.2009.

[25] *Israel PM: peace closer than ever*, BBC, 14.07.2008, http://news.bbc.co.uk/2/hi/euro pe/7503838.stm accessed on 08.03.2009.

[26] S. C. Calleya, "Is the Barcelona Process Working? EU Policy in the Mediterranean", *ZEI Discussion Paper*, C 75, 2000, 37.

projects rather than vital issues and problems of the region. Furthermore, it is argued that, because new Union is a project-oriented initiative, it may decreases the emphasis put on the democracy, human rights and rule of law by the EU, and therefore the idea of conditionality has lost its importance in the relations between the EU and the southern Mediterranean.

The second most important criticism focuses on the non-availability of the funds to be released under the UfM initiative. The initiative has been criticized as naïve to think that Gulf countries and the private companies in these countries will release money for the EU. It has been argued that they do not need the EU to release their financial assistance.[27]

Furthermore, there have been criticisms regarding the institutional aspect of the new initiative; that the intervention of the third countries in EU domains through copresidency would create a legal problem and a clash between Barcelona *acquis* and *acquis communutaire*.[28]

Another important criticism is focussed on public opinion and the scepticism of the southern part of the Mediterranean towards the northern part.[29] In recent years the interest of the Southern Mediterranean countries in the EU and the credibility of the EU in the eyes of neighbouring countries have been questioned. Therefore, some criticism emphasized the importance of examining the lack of interest and the decrease in the credibility instead of finding "new ways for throwing billions of Euros southwards across the Mediterranean".[30]

And finally, involved states' lukewarm stance towards the Union for Mediterranean is believed to constitute a risk for the Union's future.[31]

All these developments in the Mediterranean region drew attention once more to the importance of the debate on neighbourhood policies in the framework of widening and deepening which is specifically emphasized by the project entitled "EU CONSENT Constructing Europe Net-

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[27] Interview conducted by C. Cornet with T. Schumacher, *Putting the Mediterranean Union in Perspective*,
http://www.euromesco.net/index.php?option=com_content&task=view&id=973&Itemid=71&lang=en accessed on 08.03.2009.
[28] Ibid.
[29] J. York, "Union for the Mediterranean: a dividing project for divided countries", *Shift MAG, Knowledge, research and society*, No. 7, 21.10.2008.
[30] *M. Dülffer*, "The Union for the Mediterranean: a fixation?", *euro/topics, 24.04.2008,* **http://www.eurotopics.net/en/magazin/politik-verteilerseite/mittelmeer-union-2008-04/debatte-mittelmeer-union-2008-04/** *accessed on 08.03.2008.*
[31] C. Mutus, "Towards the Union for Mediterranean", *Journal of Turkish Weekly*, 10.11.2008.

work" (Wider Europe, Deeper Integration? Research and education on EU reform and enlargement). In this framework, this conference was one of the research meetings organized under the Work Package VII–Team 25 of the EU CONSENT project.

Overview of the Book

This book is the product of an international conference, entitled *"The European Neighbourhood Policy and the Southern Mediterranean: Drawing from the Lessons of Enlargement"*, that was co-organized by the Center for European Studies at the Middle East Technical University (CES-METU), Ankara and the Istituto Affari Internazionali (IAI), Rome in Ankara in November, 2007. It was the belief of the EU CONSENT project team that Ankara as the capital of Turkey, having a crucial role in enlargement and neighbourhood policies of the EU and her regional orientations would be the most suitable place to discuss the Mediterranean issues at hand.

EU CONSENT (www.eu-consent.net) is a network of excellence for joint research and education financed by the European Commission within the framework of the 7th Framework Programme that aims to address the question of the mutually reinforcing effects of deepening and widening in the European integration project. Specifically, the project aims to: a) develop a comprehensive, sustainable and open network for research and teaching on the interrelationship of EU deepening and widening and b) explore contrasting sets of expectations (the "virtuous spiral", the "vicious spiral" and a new system and polity).

Fifty-four member institutions (Universities and think tanks) participate in this project, forming a consortium led by Prof. Dr. Wolfgang Wessels from the Jean Monnet Centre of Excellence of the University of Cologne. Within the EU-Consent project, the thematic group (work package) VII, led by Prof. Gianni Bonvicini, Executive Vice President of the Istituto Affari Internazionali (IAI) mainly deals with the impact of enlargement on the different aspects of European foreign and security policy. Within WP VII, team 25 "EU Widening and the European Neigh bourhood Policy" deals specifically with the EU's relations with its Eastern and Southern neighbours.

After focussing in 2005-2006 on the impact and expectations of the ENP in the Eastern Neighbours, in 2007 the EU-CONSENT network (WP VII-Team 25 and Cross Cutting Working Group on Widening: Enlargements and ENP) shifted its focus of attention to the south, which, as frequently noted in academic and policy debates, presents radically different chal-

lenges and opportunities. In addition, the lessons and parallels drawn between the ENP and enlargement are considerably different when applied to the south. In the case of the southern Mediterranean, the relevant connection between the ENP and enlargement principally relates to Turkey's accession process, for evident geographical as well as political reasons. Yet unlike the Central and Eastern European countries, not only has Turkey not entered the Union yet, but its accession process is considerably more long-term, uncertain and riddled with challenges on both the EU and Turkey sides.

It is with these premises in mind that Ankara EU-CONSENT conference on the ENP tackled the specificities of the ENP in the southern Mediterranean, analysing the content and evolution of the ENP in these countries, as well as evaluating the perceptions of several Southern Mediterranean countries of the ENP. Specifically, the first of the three sessions focused on the evaluation of the agreed Action Plans with Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority and Tunisia while the prospects, opportunities and the limits of these Action Plans are questioned. The second session of the conference attempted to answer the question "How do the southern neighbours evaluate the ENP, its objectives, its implementation and its future prospects?" Finally, the conference turned to the linkages between enlargement and the ENP's southern dimension, examining both the opportunities presented by Turkey's accession process in bolstering the potential of the ENP as well as the challenges posed by Turkey's tortuous path to Europe on the ENP's southern dimension.

In this session questions such as "What are the implications of Turkey's accession process for the ENP's southern dimension?" and "What are the potential synergies between Turkey and the EU in bolstering the ENP's southern dimension?" were raised.

The conference received positive feedback mainly for two reasons: it brought together researchers from both the Northern and Southern shores of the Mediterranean, who exchanged their partly converging and partly diverging views on the ENP and linked this topic to enlargement, bringing up the specific and interesting example of Turkey, at a time in which Turkish foreign policy towards the Mediterranean and Middle East gets at the same time Europeanised and more active. This feedback led the organizers of the conference to decide to compile the papers of the conference, revise and update them, and so the idea for this edited book came to life.

There are seven chapters in this book. The book begins with Prof. Roberto Aliboni's chapter entitled "The ENP in the Mediterranean: Evaluating the Political and Strategic Dimensions". His chapter evaluates the political and strategic dimensions of the ENP while considering the ENP as a tool to promote domestic political reform and conflict resolution from the political point of view. Also, from the strategic point of view, the chapter lists a set of factors which prevent the ENP from enjoying any coherent and valuable strategic perspective.

In the second chapter, entitled "The European Neighbourhood Policy: The Southern Dimension", Prof. Roderick Pace analyses the Action Plans around three fundamental questions: a) what are the prospects, the opportunities and the limits of these Plans? b) How can their implementation be evaluated? and c) what are the prospects and obstacles in the materialisation of the ENP for the three Mediterranean countries –namely Algeria, Libya and Syria– which have not as yet concluded an Action Plan with the EU.

The third chapter of the book, written by Michele Comelli and Maria Cristina Paciello, seeks to provide an overview of the political, economic and social costs and benefits for the neighbouring countries in adapting their policies in the areas suggested by the ENP as well as to highlight the main constraints and factors favourable to pursuit of ENP objectives in such societies with a special focus on Morocco, Jordan and Egypt in order to take account of both Maghreb and Mashreq countries.

In the fourth chapter Ahmed Ghoneim focuses on the changes in EU's regional trade policy, arguing that the changes made in order to initiate the European Neighbourhood Policy in 2003 and the Union for the Mediterranean in 2008 are creating a lot of confusion for countries in the South Mediterranean, with special emphasis on Egypt. This chapter focusing on Egypt, emphasizes concerns regarding the institutional setup of the European Neighbourhood Policy, Action Plans, and the newly born Union for the Mediterranean.

The fifth chapter by Amel Boubekeur focuses on the relations between the EU and Algeria starting with the Barcelona Process. After illustrating the details of Association Agreement and the use of funds in light of this agreement, the chapter focuses on the critics of the ENP in Algeria, explaining why this country decided not to sign an Action Plan with the EU. Therefore, the chapter aims to illustrate the Algerian perspectives on the shortcomings of EU policies within the EMP, the ENP and the UfM while putting forward a number of policy recommendations on how to improve the partnership between the EU and Algeria.

In the sixth chapter, entitled "Partnership without Membership: What the EU can offer Israel within the Framework of the European Neighbourhood Policy", Sharon Pardo addresses the Euro-Israeli relations in light of developments such as the establishment of a 'Reflection group' while a new model aligning Israel with the EU below the level of full EU membership is proposed with the name of 'Euro-Israeli Partnership' (EIP).

Finally, the seventh chapter Prof. Meliha Benli Altunışık's, addressing the changes in Turkish foreign policy towards the Middle East within the context of Turkey's relations with the European Union, is entitled "Turkey-EU Relations: Creating New Synergies in the Middle East". In her analysis, she emphasizes the impact of developing Turkey-EU relations on the Middle East, in terms of its impact on Turkey's foreign policy behaviour towards the region, specifically whether "Europeanisation" of Turkish foreign policy is taking place or not and its impact on how the Middle East, particularly the Arab Middle East, perceives Turkey.

This edited book aims to pave the way for a better informed debate on the EU's impact on the southern Mediterranean countries in relation to its policies included in the Barcelona Process, the EMP, the ENP and the UfM while presenting experiences of some of the regional countries such as Algeria, Egypt, Jordan, Libya, Morocco, and Syria. The organizers of the conference and the editors of this book attach special importance to Turkey-EU relations in the framework of the enlargement as well as in that of the ENP. Besides, the book aims to highlight the transformation that Turkish foreign policy and Turkey's relations with the EU have gone through after the 1999 Helsinki European Council decision on Turkey's candidacy and the Brussels European Council decision in 2004 to open EU accession negotiations with Turkey. And finally, this book places Turkey at the centre of the debates on enlargement and the ENP, while illustrating the experiences of the other Mediterranean countries in the region.

The ENP in the Mediterranean: Evaluating the Political and Strategic Dimensions

Roberto Aliboni

Launched in 2003, the European Neighbourhood Policy (ENP) is now five years old. Like other recent analyses, this chapter tries to evaluate the ENP's results and prospects. It focuses on the "Mediterranean" segment of the ENP and its political and strategic dimension. After sketching out the state of play of the ENP in the Mediterranean, the chapter devotes its first section to comment on its political achievements and the second one to its strategic perspectives before coming to a few conclusions.

The ENP's state of play in the Mediterranean

According to official information from the European Commission,[32] the state of play regarding ENP's Action Plans in the Southern dimension covers:

1. Seven agreed Action Plans with Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Tunisia;

2. Three Action Plans on "stand-by"–with Algeria, Libya, Syria.

It must be noted that the seven countries having agreed to respective Action Plans with the EU are also party to a contractual relation with the EU in the shape of Association Agreements (an Interim Association Agreement in the case of the Palestinian Authority).

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[32] Communication from the Commission to the Parliament and the Council, *Implementation of the European Neighbourhood Policy in 2007*, Brussels, 3 April 2008, COM (2008) 164.

Algeria is also part to an Association Agreement, yet negotiations did not bring about any agreed Action Plan so far. According to the April 2008 Commission's report, "At the Association Council of March 2008 it was decided to establish a joint work programme to set priorities for the implementation of the Association Agreement", which means that EU and Algeria may still have a long way to go before being able to work out their Action Plan.

In the first part of 2008, the EU institutions set out their platform to negotiate with Libya. Broad talks began in November 2008. EU-Libya relations[33] have a poor historical background compared to other Southern Mediterranean countries. In the Euro-Mediterranean Partnership (EMP) framework, Libya did not agree to become a full member of the Partnership and decided to confine its role to one of observer. Developments suggest that it is unlikely that Libya will change its mind. Ultimately, Libya refused to become a member of the Union for the Mediterranean (UfM) and, in fact, it did not attend the 13 July 2008 summit in Paris where the UfM was launched. In this sense, negotiations with Libya's have in fact to do less with its role within the ENP than with the general profile of what this country's relations with the EU would be. In any case, relations with Libya, if any, will be somehow atypical and strictly bilateral in their character.

As for Syria, after withholding the initialling of the 2004 draft Association Agreement for political reasons linked to Syria's hesitation to underwrite the non-proliferation clause the EU wishes to include in all its contractual relations and, most of all, because of the Syrian role in Lebanon and the Israeli-Palestinian conflict[34], the EU initialled a new Association Agreement with Syria on December 14, 2008, with a view to signing it in 2009. Therefore, since having in force an Association Agreement is a condition for agreeing to an ENP Action Plan, it will take some time before Syria agrees to an Action Plan with the EU.

In conclusion, with the exception of Algeria, Association Agreements and Action Plans are going hand-in-hand. Out of ten Mediterranean partners, seven are actually involved in the ENP and are party to working Action Plans.

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[33] I. Werenfels, *Qadhafi's Libya. Infinitely Stable and Reform-Resistant?*, SWP Research Paper 2008/RP 05, July 2008; Dana Moss, "Libya and the European Union: How Far Can relations Go?", *Arab Reform Bulletin*, February 2008.

[34] See R. H. Santini, "Policies Towards Syria: Realpolitik Unintended", in N. Tocci (ed.), *Who is a Normative Foreign Policy Actor? The European Union and its Global Partners*, CEPS, Brussels, 2008.

In the fifth year of its implementation, the ENP's record is uneven. Active ENP partners –the seven countries having adopted Action Plans– have reacted in different ways. Morocco, as unsatisfied as it may be with a number of aspects (e.g. cooperation on migration), looks at the ENP as one important channel to achieve the "advanced status" it seeks in its broad relations with the EU.

Israel considers the ENP the most convenient path to develop its high potential of bilateral relations with the EU, without being encumbered by the collective goals of the EMP.[35] Lebanon rushed in signing the Association Agreement in 2006 and its Action Plan in 2007 due to the then-incumbent government's willingness to stay close to its Western supporters while fighting domestic and external foes and their coalitions. Should significant alterations in the country's domestic balance of power occur, Lebanon might easily turn out to be a less willing partner than it has been so far. The other countries actually involved in the ENP have pragmatically accepted the policy as a framework they cannot escape in order to pursue their objectively important relations with the EU. They manage their participation in the ENP with a view to extracting the best possible benefit from it, without any special enthusiasm and in a framework of large differentiation.

Adding to the picture, the 13 July 2008 Summit launched the Union for the Mediterranean (UfM). According to the Paris Declaration, approved by the Summit, the UfM will have to be "complementary" to both the EMP and the ENP and in general to the Barcelona process' "*acquis*". How such complementary relations between the three policies will be achieved remains to be seen.

Academic literature, especially the analyses devoted to political aspects, is in general critical with respect to ENP achievements as well as its perspectives.[36] Political aspects have been rather extensively research

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[35] See Sharon Pardo's chapter.

[36] The literature on the ENP is rather extended; for the most recently published works, see K. Weber, M. E. Smith and M. Braun (eds.), *Governing Europe's Neigh bourhood. Partners or Periphery?*, Manchester University Press, 2008; K.O. Lang and J. Varwick (eds.), *European Neighbourhood Policy. Challenges for the EU Policy Towards the New Neighbours*, Opladen/Farmington Hills, 2007; M. Cremona and G. Meloni (eds.), *The European Neighbourhood Policy: A Framework for Modernisation?*, EUI Working Papers, Law 2007/21. This author concentrated its attention mostly on the following works: E. Barbé and E. Johansson-Nogués, "The EU as a modest 'force for good': the European Neighbourhood Policy", *International Affairs*, Vol. 84, No. 1, 2008, 81-96; A. Bendiek, *The ENP. Visibility and Perceptions in the Partner Countries*, SWP, Working Paper FG2, 2008/01, January 2008, Berlin; Barbara Lippert, "La Politique européenne

hed, still this chapter devotes the next section to their consideration. Strategic aspects have been much less studied. They are examined in the subsequent section.

The political dimension

The ENP aims to influence the political and economic state of affairs in neighbouring countries in order to enhance EU security. Though different from the EMP and enlargement, the ENP aims at the same policy goals.

   Background-With the end of the Cold War, EU security ceased to be affected by hard factors and began to be shaped by soft security factors. It ceased to be influenced by distant factors and got exposed to factors stemming from the arc of crisis adjoining Europe, i.e. its neighbourhood in the East as well in the South. In this situation, the EU felt that disorders caused by the collapse of the Soviet Empire could threaten its own "*acquis communautaire*" of political freedom, social stability and economic prosperity. In consideration of the risks that the disorder in Central and Eastern Europe posed to its political and economic status, the EU securitised its own *acquis*. To that purpose, however, the EU provided a response in terms of de-securitisation[37], by providing Eastern European countries with the chance to become members of the EU, on a number of strict political conditions, with a view to rendering those countries able to sustain their own development and reform their political institutions democratically.

   The EU could not provide the same response to the Mediterranean countries-the other branch of the arc of crisis. They were offered a similar response, though: in the Mediterranean the EMP is intended to reinforce EU security by fostering political and economic reforms in exchange for

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de voisinage. Perspectives internes et externes", *Politique Etrangère*, No. 1, 2008, 39-50; M. E. Smith and M. Webber, "Political Dialogue and Security in the European Neighbourhood", *European Foreign Affairs Review*, Vol. 13, No. 1, Spring 2008, 73-95; N. Tocci, *Can the EU Pro mote Democracy and Human Rights Through the ENP? The Case of Refocusing on the Rule of Law*, paper presented at the Workshop on "The European Neighbourhood Policy: A Framework for Modernisation?" organized by Profs. M. Cremona and W. Sadurski at the European University Institute, 1-2 December 2006, Badia Fie solana, Florence.
[37] For securitization and de-securitization, see Ole Wæver, *Securitizarion and Desecuritization*, Centre for Peace and Conflict Research, Working Papers, No. 5, 1993, Copenhagen. For the specific argument developed in the above, see Roberto Aliboni,

enhanced cooperation and resources. However, it does it through an incentive structure which, while contemplating forms of inclusion, does not contemplate membership of the EU.

When the EU felt it had to stop including further Eastern European countries as members, it launched the ENP, comprising the Eastern European countries with no membership perspective and the Mediterranean ones in the same circle, i.e. neighbouring countries being offered everything except institutions–to use the known expression employed by the then President of the Commission, Romano Prodi. In sum, worked out at first as an alternative to Eastern European membership in the EU, the ENP became a wider umbrella for all neighbouring countries that received not a membership but an inclusive response from the EU in the framework of the EU's paramount goal of sheltering its political stability and economic prosperity from near disorder.

So, both the EMP and the ENP are policy responses to the securitization of EU's stability and prosperity. Contrary to enlargement, they do not contemplate membership. However, they are far from being exclusive. EMP and ENP are de-securitizing, integrative and cooperative responses to the securitization of EU's stability and prosperity. The EU goals in carrying out the EMP and the ENP certainly belong to what Arnold Wolfers would call "milieu goals",[38] in other words they are policies aimed at shaping the environment in an integrative perspective by establishing shared norms with a view to assuring cooperative international relations as well as stability and prosperity for all parties concerned.

Recently, European security perceptions have been affected by the 11 September attack on the United States by anti-Western Islamic terrorists and, subsequently, by similar attacks against objectives in Europe itself. These developments led to a change in the balance between soft and hard security undercutting EU perceptions by emphasising hard over soft security components. As a result, the EU and EU members' response has been the securitization of a set of transversal international issues such as international crime, trafficking, terrorism and immigration.[39]

"Security, Securitization and reform: Back to Integrative Partnership", *EuroMeSCo* (newsletter), No. 26, July 2008.

[38] A. Wolfers, *Discord and Collaboration: Essays on International Politics*, Baltimore, Johns Hopkins University Press, 1962.

[39] S. Collinson, "Security or Securitisation? Migration and the Pursuit of Freedom, Security and Justice in the Euro-Mediterranean Area", *EuroMeSCo*, No. 19, November 2007; F. Galli, The Legal and Political Implications of the Securitisation of Counter-

These issues are not only perceived by the Europeans as enhanced risks or quasi-threats individually, but also as factors tending to link to one another, thus giving way to a very dangerous cluster of threats. The response is a set of policies aimed at asserting, when not imposing, EU security interests by pursuing what Wolfers would call "possession goals", i.e. goals asserting unilateral and national-like interests, such as limitations to immigration and police cooperation with government on the other side of the Mediterranean Sea despite their perceived authoritarian character. In this framework, EU members' national policies tend to prevail on and, at the same time, take advantage of EU policies for their own national purposes.

In sum, the ENP developed in the wake of EU policies aiming at asserting "milieu goals". It remains basically a policy intended to shape neighbouring environment in the framework of early Barcelona's EU security concepts. ENP, however, has been affected by the change of security perception undergone by the EU in the 2000s and is partly acting as one channel whereby the EU, beside its mostly traditional "milieu goals", is asserting its recently espoused "possession goals".

In the following, we consider the two faces of the ENP separately with a view to assessing the impact of ENP's political dimension in its Mediterranean sub-regional space.

The ENP as an instrument to attain "milieu goals"–If security is the basic concern of the ENP, as well as other EU frameworks of regional cooperation, which factors are more specifically affecting security? By the mid-1990s, these factors were listed by the then Relex Director General, Eberhard Rhein, as follows:

"Europe wishes to see at its southern rim a group of countries that will not:

- be at war with each other;
- be destabilized by socio-political conflicts;
- export terrorism or drugs to Europe;
- threaten Europe's social stability by continued or even sharply increased flows of illegal immigration."[40]

Terrorism Measures across the Mediterranean, *EuroMeSCo Papers*, No. 71, September 2008; T. Balzacq, S. Carrera, "The EU's Fight against International Terrorism: Security Problems, Insecure Solutions", *CEPS Policy Brief*, No. 80, July 2005.

[40] E. Rhein, "Europe and the Mediterranean. A Newly Emerging Geopolitical Area?", *European Foreign Affairs Review*, Vol. 1, No. 1, July 1996, 79-86.

These factors were set out by the 2003 European Security Strategy[41] in a more systemic and sophisticated way, still they remain the fundamental risks or threats perceived by the EU which motivate its initiatives towards the Mediterranean. Responses are guided by the expected ability of policy frameworks such as the EMP and the ENP to promote regional economic integration and individual countries' sustained development; conflict resolution; and domestic political reform. To attain these objectives the EU engages itself in contractual relations that are intended to shape the environment by establishing shared norms. The security policies of the EU are, in sum, predicated on contractual relations and normative actions with a view to removing factors of insecurity primarily in its neighbourhood.

Here again, the ENP employs different instruments and approaches, still, in a broad perspective, it proceeds in the wake of its predecessors, the enlargement and the EMP. How is the ENP pursuing its objectives? As this chapter concentrates on its political dimension, let us focus on the ENP's contribution to domestic political reform and conflict resolution. How successful is the ENP in pursuing these two broad objectives in the Mediterranean? We will comment more extensively on political reform and only briefly on conflict resolution.

When it comes to political reform, ENP policy framework is, first of all, predicated on the assumption of "shared values" on both banks of the Mediterranean Sea, in particular democracy and respect for human rights. Thus, Parties start from such an assumed common ground ("shared values") to negotiate sets of reforms tailored to individual countries by means of a process of bilateral talks. This process generates a common work programme-the Action Plan-which reflects reforms and policies co-owned by the parties. Reforms, if any, are implemented through the Action Plans. In sum, the process goes from shared values to the implementation of more or less specific reforms based on those same values and co-owned by Parties.

This constitutes a strong departure from the EMP. In the Barcelona Declaration, the existence of such common ground was not an assumption at all; it was a Partners' political commitment, whose implementation had to be negotiated. The process was supposed to go from successful negotiations to eventual implementation. In fact, between 1996 and

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[41] *A Secure Europe in a Better World. European Security Strategy*, Brussels, 12 December 2003. http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf

2000 EMP Partners negotiated but failed to find any common ground. Consequently, no reform was implemented.

One may wonder whether the ENP, thanks to its fresh rationale, is working instead. Is it generating reforms? The mid-2008 Commission's assessment confirms the general impression of a new failure.[42] The reason for such repeated failure is very simple: the "shared values" assumption is completely invented. The Southern Mediterranean governments do not share democracy and respect for human rights neither ideologically nor politically. They are opposed to reforming their regimes within the EMP framework and continue to do so in the ENP. As the general situation in the region has become tenser because of the conflicts unleashed by the US intervention in Iraq, governments are opposing reforms even more firmly.

On this lingering backdrop of-today as yesterday-unshared political values, the Southern Mediterranean governments' response to EU initiatives of governance and cooperation in its Southern approaches has always been ambivalent and continues to be so. EU initiatives have never been accepted by the Southern Mediterranean governments with a view to being implemented but only to being managed, in order to maximise assets and minimise liabilities in their relations with the EU.

Today, ENP facilitates such Southern management thanks to co-ownership. While values are nominally shared, the Action Plans and their implementation are subjected to any exception the Southern regimes may advance in the name of ownership. Three kinds of Southern management seem to emerge from the brief experience we have with Action Plans: (a) the need for gradualism and incrementalism; (b) adaptation of reforms' contents and orientations to different cultural and moral environments (this is particularly the case with human rights); (c) the inclusion in the Action Plans of specific reforms being initiated anyway by the regimes independently of their substantive significance in terms of political change.

This latter kind of management policy fits well with the much-currently-analysed regimes' ability to restructure their authoritarianism to respond to international pressure on reforms. In this perspective, reforms, unless embedded in a coherent strategy of substantive social and political change, are functional to stability and may even reinforce such stability rather than work as a vehicle of change.

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[42] Communication from the Commission to the Parliament and the Council, *Implementation of the European Neighbourhood Policy in 2007*, cit., 3.

In the next few years, benchmarks (both co-owned and unilateral) will tell us where the ENP is actually going from here. If they suggest that reforms are being avoided, there will not be much to do. Both the overall and sectoral assessments made by the Commission and its staff and released in 2008 suggest an incoherent and poor catch of measures. While progress is to be noted in the economic and sectoral chapters, the Commission notes that "political reform is slow-moving."[43]

All in all, there are few reasons to believe that the ENP will be more conducive to reforms than the EMP. What the ENP can achieve is an improvement in good governance. This would be an important achievement, though not coinciding with expected political reform. Reforms are not to be ruled out, yet their implementation will essentially depend on the Southern regimes. The ENP will be able to assist but only if and where reforms will be owned by Southern Parties. No doubt, very few Southern Mediterranean regimes, if any, will do that. The quest for a strategy to actually promote reforms is still open.

Besides domestic political change, solving regional conflicts, i.e. conflict resolution, is regarded as the other principal input to ensure EU security. Both the European Security Strategy and the ENP contemplate this point and the ENP, in particular, at least since the 2006 Commission Communication emphasizes conflict resolution among its various tasks. Domestic change is in itself an important component in conflict resolution. This, though, while depending, in a more distant perspective, on the implementation of domestic reforms, in the short-middle run is based on instruments and policies generally stemming from EU foreign policy, such as the CFSP and the ESDP, as well as the Justice and Home Affairs policy etc.

The impact of the ENP on conflict resolution has been extensively analysed by Nathalie Tocci.[44] In her conceptual framework, the EU employs three main channels of influence in order to impact the incentive structures undercutting conflicts: conditionality, social learning and the passive enforcement of contractual relations by the application of shared rules. These channels of influence are more or less effective according to:

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[43] The already quoted Communication from the Commission is coupled by a Commission Staff Working Document, *Sectoral progress report*, Brussels, 3 April 2008, SEC(2008) 403.

[44] See "Comparing the EU's Role in Neighbourhood Conflict", in M. Cremona (ed.), *Developments in EU External Relations Law*, OUP, Oxford, 2008; the same author has more extensively analysed the argument in *The EU and Conflict Resolution: Promoting Peace in the Backyard*, Routledge, London, 2007.

the EU's success in projecting credibility; the EU's ability to balance what it offers and the different perceptions of its offer by stakeholders; the way the EU actually manages its offer politically amidst the crisis' dynamics. After examining a number of conflicts, she concludes that the ENP's conflict resolutions are poor.

A large part of the ENP's ineffectiveness in resolving conflicts is the result of poor diplomatic management, that is, the EU's inability to use its instruments properly and adroitly. One should not overlook, though, that the ENP cannot be more effective than basic EU foreign policy capabilities may allow. Nor can it live up the contradictions stirred by the growing importance of "possession goals" with respect to "milieu goals" in dictating EU's foreign and security policy finalities. The lingering weakness of the CFSP makes political management erratic and uncertain when it comes to concrete conflict resolution and crisis management. Moreover, the pursuit of restrictive policies, as for instance in the realm of immigration, raises contradictions with respect to its claimed openings on ideological ground. Both factors affect the ENP's credibility and diminish its impact.

In conclusion, the ENP seems as ineffective as the EMP. It gives more importance, and more explicitly, than the EMP to both domestic change through reforms and conflict resolution, but its performance and several inherent flaws in its conceptual framework suggest it is not sufficiently capable to fulfil its promises.

ENP and "possession goals"-The ENP contemplates many dimensions. The Action Plans' structure includes normally the following sections: political dialogue and reform, economic and social cooperation and development, trade related issues, cooperation in justice and security matters, economic sectoral issues (trade, energy, etc.), education and other human/social related issues. Where is the ENP more particularly involved in supporting the EU's emerging securitization approaches?

The dimension involved in asserting "possession goals" stemming from the upcoming EU securitization approach regards essentially justice and security, an area which from the point of view of the EU is related to the implementation of its own "Justice, Freedom and Security" policy framework. It is worth noting that this is somehow disappointing, as–on the one hand-the early concept of the "Justice, Freedom and Security" approach made the search for justice and security functional to freedom both internally and externally and–on the other-ENP predicates its policy action (and its positive conditionality capabilities) on the im-

plementation of the ENP's "four liberties" in relations with Partners, among which free movement of people should have been prominent.[45]

In the field of immigration EU member states tend to strongly retain control and give preference to national over communitarian policy. Common EU policies, to the rather limited extent they are endorsed, tend to lean towards restrictive rather than open policies, as has recently been the case with asylum. In any case, EU policies in this field tend to be functional to national objectives rather than act as a liberal incentive with respect to national policies. When it comes to securitized areas, in particular immigration, EU policy is also leaning less towards multilateral than bilateral approaches. The ENP and its Action Plan, along with the Association Agreements, are therefore a privileged and most significant channel for securitized policies. For example, the EU negotiates bilateral readmission agreements in the ENP framework. From the Commission's mid-2008 assessment of ENP trends in 2007, we learn that neither Morocco nor Algeria wanted to sign the readmission agreement put forward by the Commission.[46] All in all, the ENP is employed by the Commission to attain, contrary to its basic normative approach, "possession goals", this being very much in tune with its member states' policies.

Is the ENP effective as a channel of securitized policies? The already quoted mid-2008 report by the Commission and its twin staff paper show a very mixed picture, not only because the records of the different countries are very different from one another (and, in a sense, this corresponds to expectations) but also because individual countries' records apparently escape whichever logic.

In conclusion, it would be unfair to blame the ENP for the shortcomings of securitization as well as reform's promotion. These shortcomings stem primarily from the EU and its member states, widespread trends to re-nationalization and the lack of success in moving towards a more coherent, cohesive and powerful Union. In any case, the ENP does not seem an improvement with respect to the EMP in the Mediterranean, nor is the expected division of labour between the two clearly working. At the end of the day, both are geared to attain milieu goals, but, whereas the EMP has almost ceased to attain any significant goal, the ENP seems

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[45] Communication from the Commission, *European Neighbourhood Policy Strategy Paper*, Brussels 12 May 2004, COM (2004) 373 final.

[46] Morocco does not agree to readmit illegal migrants just because they crossed its territory. See E. Barbé and E. Johansson-Nogués, *cit*.

to lend itself –and certainly beyond the Commission's will- to attaining possession goals more than milieu goals, that is, to be more the instrument of the EU members than the EU itself.

The strategic dimension

The ENP, along with other EU Mediterranean policies, has also to be taken into consideration from a wider strategic perspective. What is its value and relevance from this point of view?

The non-strategic side of the ENP-The 2003 European Security Strategy has enshrined the concept of neighbourhood and its relevance for the EU providing it a strategic flavour. However, one can wonder how really strategic the EU neighbourhood is. The European Security Strategy, by asserting the importance of neighbourhood for EU security and the need to promote "a ring of well-governed countries to the East of the EU and the borders of the Mediterranean", has confirmed a longstanding EU security perception. While the identification of the arc of crisis stretching from the Mediterranean to the European East comes from the kind of strategic perspectives that emerged with the end of the Cold War, the focus on neighbours –even before their conceptualization as Neighbourhood– is inherent to EU regional perspective throughout its entire evolution, from the early EEC to today's enlarged EU. The EU paid attention to its neighbours since its very beginning. However, while during the Cold War EU neighbourhood had a strategic meaning, subsequently this has been much less the case.

During the Cold War the regional perspective concerned the management of "détente" and human rights with respect to Eastern European countries and the development of good trade and diplomatic relations with respect to the Mediterranean area. At that time, EU policy towards its neighbours was highly complementary to NATO and, more in general, to the global interests of the American ally. In other words, the regional policy of the EU was embedded in the global strategic perspective of the US and the Atlantic Alliance and drew from that its strategic substance. Therefore, with the end of the East-West confrontation, while the EU has broadly failed to work out a global approach of its own, its neighbourhood policy has become strictly regional and reflects a strategic deficit.

For the concept of "neighbourhood" to acquire a strategic significance, it should be coupled by parallel policies with regard to more distant political realities, if not the global setting. There is a point in the

European Security Strategy in which it considers that "With the new threats, the first line of defence will often be abroad", which certainly alludes, beside neighbourhood, to more distant factors. And it seems to corroborate this view when it says: "In an era of globalisation, distant threats may be as much a concern as those that are near at hand." In fact, these passages have been interpreted as openings by the EU to more globalising foreign policy approaches.[47] However, the CFSP, rather than widening its strategic perspective, has subsequently focused on neighbourhood even more than in the past, in particular by setting out the ENP. The latter is not embedded in any global strategy. Consequently, it lacks strategic value.

ENP as a strategic factor: the risk of fragmentation-However, if one considers the EU less as a big stakeholder in the world's community than as a soft power mostly concerned with preserving its internal cohesion, its prosperity and its high life-style, then neighbourhood becomes a strategic factor. The strategic aim is to gain security by a process encompassing inclusion, cooperation as well as control, i.e. aiming at both milieu and possession goals. This is the point we discussed in previous section and we will not go back to it. What we would like to point out here is whether the ENP fits EU strategic goals of shaping and controlling its neighbourhood. The differentiation which characterises the notion of ENP may affect its strategic perspective in a negative way. If in the next five years we will have a situation in which a couple of "willing" countries are offset by a majority of "hesitating" or *de facto* "marginalized" countries, would this differentiation be regarded as success or a failure? Differentiation being an expected outcome, this would be considered less as a failure than a missed opportunity. However, it is clear that this would not be a success. What would it mean from a strategic point of view for the EU security?

The risk differentiation may bring about is fragmentation. A fragmented "ring of friends" would hardly allow for regional governance (i.e. control/inclusion or possession/milieu) and would fail to bring in the security the EU is seeking. Because of differentiation, the EU, sooner or later, will confront a state of affairs rather than a well-organised regional framework. For instance, from an economic point of view –a point of

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[47] A. J.K. Bailes, "US and EU Strategy Concepts. A Mirror for Partnership and Defence?", *The International Spectator*, Vol. 49, No. 1, January-March 2004, 19-33;R. E. Hunter, "The US and the European Union. Bridging the Strategic Gap?", *Ibidem*, 35-50; also, "The European Security Strategy. Towards a Muscular Foreign Policy?, *IISS Strategic Comments*, Vol. 9, No. 9, November 2003.

view we did not take up in this chapter– the EU neighbourhood would not benefit from all the economies of scale an integrated regional approach would. In sum, a pronounced differentiation would be a strategic failure, although such failure could be attenuated in the near future by parallel diplomatic success in the EMP/UfM framework.

In this perspective, one can clearly understand the importance of having a policy framework in which multilateral/plurilateral components are well integrated with bilateral ones, in other words a framework in which ENP is complementary to EMP/UfM. Complementary relations between the two tiers of policy frameworks are officially advocated, still the state of the different frameworks is rather uneven and hardly mutually supportive, despite the efforts of the Commission. The ENP is on a lonely course of action, while the UfM entails a difficult and uncertain process of adaptation between itself and the EMP.[48] As a matter of fact, whether the UfM will be complementary to the EMP, and in which sense, is difficult to figure out. On the other hand, the ENP is only poorly complementary to the EMP and so seems to be with respect to the UfM. Poor complementary relations add to the risk of fragmentation.

The pluralism of policy frameworks in a strategic perspective-The pluralism of EU-initiated policy frameworks may also be detrimental in a strategic perspective. Apart from their poor interconnections, these frameworks reflect quite different ideological backgrounds, especially the couple ENP/EMP with respect to the incoming UfM. The political objectives and *modus operandi* of the UfM are substantially different from those of the ENP and EMP. As already pointed out, while securitization trends have introduced contradictory goals in the ENP and the EMP–more in the former than in the latter–both of them are sons of a normative foreign policy based on the nexus between EU security on one hand, and domestic and international reform in the neighbourhood on the other. The UfM was not born with the idea of strengthening ENP and EMP capabilities. The UfM stems from the serious difficulties encountered by the EU approach, based on contractual relations, engagements, norms and regional integration, if not its failure, with the task to replace that approach by going back to an inter-state multilateral approach, based on realism and traditional diplomacy. The G-Med, the gathering of heads of State and Government expected to run the UfM, is anything but a top inter-state

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[48] R. Aliboni, A. Driss, T. Schumacher, A. Tovias, "Putting the Mediterranean Union in Perspective", *EuroMeSCo Papers*, No. 68, Lisbon, June 2008.

body and it will do what the heads of states and governments usually do in the framework of their inter-state relations: they will look for balance and strive for respective national interests to prevail.

This lack of homogeneity will not help the set of EU policy frameworks to act effectively. From a strategic point of view, it will add to fragmentation and make any governance impervious.

It must be added that the ENP–unlike the EMP and the UfM–encompasses more than the Mediterranean. The differences between the Eastern European and the Mediterranean partners in the ENP increases differentiation, with the consequences we have already pointed out. Furthermore, the two branches have not shown any inclination to homogenise. On the contrary, they perceive themselves as fundamentally separated and only forced to cohabitate. This stems from the inescapable different strategic perspective in Eastern Europe, where inclusion in the EU is not ruled out, and the Mediterranean, where it is undoubtedly ruled out. This is not only a significant difference. It is a strategic difference which strongly suggests the necessity to make a clearer distinction between the two areas.

Linking the Mediterranean and the Gulf–When it comes to strategic perspectives, a last point deserves attention: the need to link the Mediterranean and the Gulf. There are strong links between countries and conflicts in the South of the Mediterranean (North Africa and the Levant) and countries and conflicts in the Gulf (and even beyond: Pakistan, Afghanistan and Central Asia). Leaving apart the Greater Middle East notion, no EU Mediterranean policy can succeed by compartmentalising the Mediterranean and the Gulf. While there may be reasons for the EU to have a Mediterranean policy distinct from policies towards the Gulf, there should be effective policies and instruments to make connections between the two frameworks work.

The ENP, thanks to its differentiation, may lend itself to be extended to Gulf countries, although the Gulf Cooperation Council (GCC) has meanwhile strengthened and there are no apparent reasons for its members to make individual deals with the EU on top of existing EU-GCC agreements. However, if Libya enters the ENP, no doubt its agreement may serve as a blueprint for engaging other oil exporting countries from the Gulf. On the other hand, while there were talks to include Iraq in the EMP, probably it would make more sense to think of its inclusion in the ENP framework.

However, strategically the linked Mediterranean-Gulf needs to complement the differentiated approach of the ENP with some holistic form

of cooperation. The 17–18 June 2004 European Council in Brussels endorsed an "EU Strategic Partnership with the Mediterranean and the Middle East",[49] explaining that the host of differentiated policies the EU is conducting towards Middle East and North Africa (MENA) areas and countries (ENP, EMP, agreements with the GCC, Yemen and Iran) should certainly be harmonised but that individual policies nonetheless constitute, as they stand, more or less the right EU response. Harmonisation, though, was on the condition that no new policy instrument or framework should be added to the existing ones. This made the new strategy doomed, and as a matter of fact it did not work and seems, for the time being, completely sidelined. A homogeneous strategy going "east of Jordan" has been hard to envisage since the beginning. It should be prepared by more pragmatic proposals[50] and some efforts by the EU in order to set up concrete links, as modest as they may initially be (working groups, common gatherings on functional issues, etc.).

Finally, a strategic consideration of the ENP suggests the following: (a) first of all, the ENP–as other policy frameworks regarding the Mediterranean–suffers for not being embedded in a global strategy; the ENP is strategic only as an instrument to preserve EU domestic security by shaping the milieu and, more and more, by asserting EU egoistic interests in the area; (b) the differentiation pursued by the ENP entails risks of fragmentation and, for this reason, may be strategically detrimental: (c) the ENP is part of an incoherent package of policy frameworks aiming at the same region, which may prove to be strategically detrimental as well; (d) it includes under the same umbrella two distinct strategies of inclusion and cooperation, respectively geared to Eastern Europe and the Mediterranean, which can hardly be integrated; (e) the ENP is part of an inhomogeneous package of policy frameworks which does not account for the strong strategic links existing between the Mediterranean and the Gulf; so a comprehensive strategy including the two areas is needed and the ENP could be a way to start linking up the two areas in a single though solid framework.

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[49] For document see *Euro-Med Report*, No. 78, 23 June 2004.

[50] See the proposals of "concentric circles" put forward in F. Neugart and T. Schumacher, "Thinking about the EU's Future Neighbourhood Policy in the Middle East: From the Barcelona Process to a Euro-Middle East Partnership" in C. P. Hanelt, G. Luciani and F. Neugart (eds), *Regime Change in Iraq*, RSCAS Press, Florence, 2004, 169–92.

Conclusions

When it comes to its political dimension, the ENP gives more importance, and more explicitly, than the EMP to domestic change through reforms and conflict resolution. But its performance and several inherent flaws in its conceptual framework suggest it is not sufficiently capable to fulfil its promises. On the other hand, it would be unfair to blame the ENP for the shortcomings of securitization and reform's promotion. These shortcomings stem primarily from the EU and its member states, from their trend towards re-nationalization and the lack of success in moving towards a more coherent, cohesive and powerful Union.

The ENP does not look to be an improvement with respect to the EMP in the Mediterranean, nor is the expected division of labour between the two clearly working. At the end of the day, both are geared to attain milieu goals, but, whereas the EMP has almost ceased to attain any significant goal, the ENP seems to lend itself to attaining more possession than milieu goals, to be more the instrument of the EU members than the EU itself.

From a strategic point of view, the ENP, first of all, suffers–like other policy frameworks for the Mediterranean–or not being embedded in a global strategy; the ENP is strategic only as an instrument to preserve EU domestic security by shaping the milieu and, more and more, by asserting EU egoistic interests in the area. Second, the differentiation pursued by the ENP entails risks of fragmentation and, for this reason, may be strategically detrimental. Third, the ENP is part of an incoherent package of policy frameworks aiming at the same region, which may eventually prove strategically detrimental as well. Fourth, it includes under the sa me umbrella two distinct strategies of inclusion and cooperation, respectively geared to Eastern Europe and the Mediterranean, which can hardly be integrated. Finally, the ENP is part of an inhomogeneous pac kage of policy frameworks which does not account for the strong strategic links existing between the Mediterranean and the Gulf; a comprehensive strategy including the two areas is needed and the ENP co uld be a way to start linking the two areas in a single though solid/comprehensive framework.

Boş Sayfa

The European Neighbourhood Policy: The Southern Dimension

Roderick Pace

In the run up to the historic 2004 enlargement, the European Union (EU) began to re-focus on its role in the world and its security following enlargement. The launching of the *European Neighbourhood Policy* (ENP) and the *European Security Strategy* (ESS) and incremental developments in the field of defence, within the *European Security and Defence Policy* (ESDP) in the wake of the 1998 Franco-British St-Malo Declaration, were the main elements of this effort. The ESS, currently under review, and mostly relevant to the Common Foreign and Security Policy (CFSP) under the intergovernmental second pillar of the EU Treaty, is a strategy with a 'global' focus encompassing the role to be played by other EU policies such as the ENP. The ENP, mainly under the first pillar, was restricted to the 'near abroad', the states in the regions bordering the EU. This policy is separate from EU enlargement and officially it does not prejudge any future accession for any of its European participants. It is primarily a "Civilian Power" approach, as such a pivotal element in the Union's foreign policy. Indeed, the High Representative of the CFSP helps the EU Commission draw up the political objectives of the ENP *Action Plans* (on the basis of the ESS). At the heart of both the ENP and ESS (more emphatically in the latter case) lies the notion that with the combined resources of 27 member states, the EU has the potential to do more in international affairs to face up to the challenges confronting it. The Union recognises that to do this successfully, it needs to develop an array of instruments comprising both military and civilian means.

The launching of the ENP provoked controversies on how it would interface with existing policies such as the Euro-Mediterranean Partnership (EMP, a.k.a. the Barcelona Process) whether it was meant to replace them and how it would affect the EMP's multilateral/regional dimension. This issue has now become even more complicated by the launching of the Union for the Mediterranean (UfM). In the initial stages of the ENP, an attempt was made to skirt this dilemma by presenting the ENP as an initiative to add value to existing policies. One of its main features is to give participating states a stake in the Union's internal market depending on the progress they achieve in their individual *Action Plans*. The *Action Plans* are the central policy instruments of the ENP. But they are not unilateral EU instruments. They are negotiated and signed between the EU and willing partner countries, which limits the extent to which the EU can use them as its sole policy instruments. What is perhaps more relevant is the fact that whether the ENP adds value to the UfM/-Barcelona Process or not depends a lot on the objectives, design and implementation of these bilateral *Action Plans*. The ENP's emphasis on bilateralism, self-differentiated flexibility and performance of the individual partner countries is criticised for obscuring the multilateral aims or regionalism of the Barcelona Process which the EU considers as the cornerstone of its relations with the Mediterranean countries. But flexibility and the fact that the *Action Plans* are tailor-made to the partners' needs has the advantage of avoiding the pitfalls of 'one size fits all', deals better with heterogeneity and the different levels of economic development, responds to the diversity of cultures and economic structures and could in theory provide incentives for individual partners to determine the momentum of their reforms.

On the other hand, the benefits of regionalism must not be overlooked. Multilateral aid programmes involving groups of countries are much more effective in promoting development than scattered bilateral initiatives. A qualitative difference may also be achieved if national and multilateral aid (including EU, US, World Bank and IMF) is better coordinated to eliminate wasteful duplication. This makes even more sense in the current world recession. In theory, regional integration on a south-south basis enhances the economic performance of the partners by promoting a more efficient allocation of economic resources with the potential of positive social and political ramifications. The European Commission thus stresses that while the Euro-Mediterranean cooperation framework provides the regional context for enhancing regional co-operation, the bilateral framework of the ENP is better suited to promoting internal re-

forms.[51] But to do this efficiently the multilateral and bilateral processes have to be well synchronized. In this context, it is also important to keep in sight the latter object when assessing the impact on the Union for the Mediterranean, the main question being here whether it will succeed in gradually encouraging stronger regional bonds.

The *Action Plans* aim to strengthen the partners' commitments to specific actions which reinforce their adherence to certain (much debated) 'shared' values and objectives, align their foreign and security policies closer with those of the EU and encourage them to adopt measures which draw them closer to the EU in a number of priority fields.[52] The *Action Plans* cover six principle reform areas: political, economic, market and regulatory structures, justice and home affairs, infrastructural networks and people-to-people contact. The 'shared values' to which reference is frequently made comprise democratic principles and human rights (since all the Union's neighbours have signed international and UN conventions covering such rights). But the ENP partners also agree to improve 'good governance' and to implement a deeper free trade area (DFTA) comprising the adoption of EU regulatory frameworks. A DFTA goes beyond the demands of the classical free trade area. In the Mediterranean context, while a DFTA imposes a number of adjustment costs on the EU partners it denies them compensatory advantages such as freer labour movement and agricultural trade.

Cooperation also covers security issues such as the fight against terrorism, the proliferation of weapons of mass destruction (WMD), abidance by international law and efforts to achieve conflict resolution. Other measures in the *Action Plans* are intended to close the poverty gap and strengthen social cohesion. The *Action Plans* concluded so far with the Mediterranean Partners are very generic and vague in what they tie the signatories to and there is no clear *end* or *telos* in sight other than the promise of 'deeper integration' in the EU's internal market. In the implementation of the *Action Plans* the EU finds itself caught in the nexus of the contradictory demands made by the promotion of its "interests" and "values". On the one hand, the EU says that it wants to promote democracy and respect for human rights. But at the same time the EU and its member states want to promote their economic interests and secure the

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[51] Com (2007) 774 final, 05.12.2007, 3.

[52] *Action Plans* have been concluded with Egypt (March 2007), Israel (April 2005), Jordan (January 2005), Lebanon (January 2007), Morocco (July 2005), Tunisia (July 2005) and the Occupied Palestinian Territories (May 2005).

collaboration of the region's regimes in the fight against terrorism, illegal immigration (and thus they are less keen on applying the negative conditionality in case human rights are violated) and energy security. This explains why, as Richard Youngs has pointed out several times, the EU has been soft on Arab political reform.[53] This assessment is shared by many other analysts who perceive the most touted Arab reform processes (e.g. Jordan and Morocco) as excellent examples of regime adaptation and survival rather than genuine reforms.[54]

The analysis in this chapter begins with a background note on the ENP followed by a brief discussion of the meaning of "Civilian Power" and the ENP. The argument in this case is that the ENP has an important role in the projection of the EU as a "Civilian Power". Hence its success or failure is crucial for the EU, representing more than just the success/failure of 'just another EU policy'. The *Action Plans* are the central policy instruments of the ENP and these are discussed in the next sections which dwell on the plans' strengths and weaknesses such as the exclusion of regional conflicts, the EU's leverage in trying to encourage the Mediterranean partner countries to comply with them and the lack of democratic scrutiny. The analysis then turns to the results by asking the question "is there evidence to show that the ENP is influencing long-term trends in the Mediterranean?" The focus in this discussion is on governance. Another question discussed in the text turns on the prospects and obstacles in the materialisation of the ENP for the three Mediterranean countries – namely Algeria, Libya and Syria – which have not as yet concluded an *Action Plan* with the EU.

Background

The ENP covers a heterogeneous geographic area stretching from the north-easternmost tip of Finland bordering on Russia, down to the western Black Sea coast and the Mediterranean, prompting suggestions that the ENP would function better if it were to differentiate between its Mediterranean and Central-Eastern European subregions.[55] In the past these turbulent regions on the frontiers of the EU used to be referred to as an

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[53] R. Youngs, "Europe's Flawed Approach to Arab Democracy", *Centre for Europea Reform*, October 2006, http://www.cer.org.uk/pdf/essay_youngs_arab_democracy.pdf
[54] M. Ottaway and J. Choucair-Vizoso (ed.), *Beyond the Façade: Political Reform in the Arab World*, Carnegie Endowment for International Peace, 2008.
[55] C. Tannock and R. Obiols i Germà, "Report on strengthening the European Neighbourhood Policy" (2007/2088(INI)), Committee on Foreign Affairs, European Parliament, 26.10.2007.

"arc of instability" or "arc of crisis".[56] The shift to the much more positive metaphors such as "neighbourhood" or "ring of friends" marks a significant change in the EU's perception of its role in its neighbourhood. This change could yet prove to be more than just semantic if the ENP is implemented successfully. However, there is no denying that behind this rhetoric there are more hardnosed realist objectives as shall be argued below.

Of the sixteen ENP partners, ten (one of which is the Palestinian Authority) are located in the Mediterranean region. Of these, Libya has not joined the Barcelona Process and is unlikely to do so though negotiations have already started towards the conclusion of a bilateral agreement. Libya, together with Syria and Algeria, are the only three Mediterranean countries which have not concluded an *Action Plan*. Syria has not even ratified a Euro-Mediterranean Partnership agreement, which is the precondition for signing an ENP Action Plan.

Key EU ENP documents are couched in conciliatory terms such as "mutual interest", a "shared neighbourhood" "common interests", "political and economic interdependence", the EU's "duty" towards its own citizens and those of the neighbouring states.[57] But the EU's Mediterranean partners have different perceptions of these "common interests". In contrast to the ENP, the ESS dispenses with rhetoric and blatantly makes the neorealist statement that "It is in the European interest that countries on our borders are well-governed. Neighbours who are engaged in violent conflict, weak states where organised crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe."[58] "Co-ownership" is another halloed goal of the ENP but reality uncompromisingly slices through the rhetoric and the EU remains the only agenda setter and paymaster of the process. Andreas Marchetti's judgement captures it quite succinctly: the ENP is not altruistic; on the contrary, it follows a very concise geopolitical logic.[59]

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[56] The metaphor "arc of crisis" was originally coined by Z. Brzezinski in 1981 to depict a region of instability stretching from Bangladesh to Aden but was subsequently applied by many to different regions around the globe.

[57] Communication from the Commission to the Council and the European Parliament, "Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", Com (2003) 104 final, Brussels 11.03.2003.

[58] European Security Strategy, 7.

[59] A. Marchetti , "The European Neighbourhood Policy: Foreign Policy at the EU's Periphery", *Discussion Paper,* C158, Centre for European Integration Studies (ZEI), Rheinische Friedrich-Willhelms-Universität, Bonn, 2006.

The ENP and Civilian Power Europe

The ENP epitomises the EU's 'soft' power approach which is fundamental to its role as a "Civilian Power" a much debated issue within the EU and often in the wider trans-Atlantic space. The success or otherwise of the ENP has a determining effect on the EU's character in international affairs and hence the success or failure of the *Action Plans* has to be seen in the wider context of EU's "Civilian Power" approach.[60]

The end of the Cold War and the proclamation of the short-lived "New World Order" led to a renewed interest in soft power, though as Simon Duke observed the end of the East-West confrontation hardly changed the anarchical nature of the international system.[61] Joseph S. Nye defined "soft power" as an "aspect of power–which occurs when one country in duces other countries to *want* what it wants–(which) might be called co-optive or soft power in contrast with the hard or command power of *or dering* others to do what it wants…"[62] In 2007, Nye urged the USA to be a *smarter superpower* and criticized it for spending about 500 times more on the military than it does on 'soft' policies.[63] In January 2009, in the course of her testimony before the Senate Foreign Relations Committee, Secretary of State Hilary Clinton said "We must use what has been called "smart power," the full range of tools at our disposal–diplomatic, eco-

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[60] "Civilian Power" was applied to the EC by François Duchêne in the early 1970s, stressing that the lack of military power was no longer a handicap in exercising influence in world affairs. In contrast, for Johan Galtung (*The European Community: A Superpower in the Making*, Universiretsforlaget, Oslo and George Allen and Unwin Ltd., London, 1973) the EC was a 'superpower in the making', 'soft power' being a potent substitute for military force. Hedley Bull ("Civilian Power Europe: A Contradiction in Terms?" *Journal of Common Market Studies*, Volume 21, No. 2, 1982, 149-164) declared that "Europe is not an actor in international affairs and does not seem likely to become one", favouring a stronger Western European alliance within NATO. Panayiotis Ifestos (*European Political Cooperation: Towards a Framework of Supranational Diplomacy?*, Avebury, 1987) lamented the lack of a European defence component as the most serious obstacle to the emergence of a Community foreign policy for it deprived it of credibility. The EU was constrained to be a "Civilian Power", synonymous with a failed superpower. This was echoed by Robert Kagan ("Power and Weakness," *Policy Review*, No. 113, June and July 2002) in the heat of trans-Atlantic debate on the USA's invasion of Iraq: "When the European great powers were strong, they believed in strength and martial glory. Now, they see the world through the eyes of weaker powers."

[61] S. Duke, *The New European Security Disorder*, The MacMillan Press, 1994, 6-7.

[62] J. S. Nye (1990), *Bound to Lead: The Changing Nature of American Power*, Basic Books, New York.

[63] J. S. Nye, "A Smarter Superpower", *Foreign Policy*, May-June 2007, 46-47.

nomic, military, political, legal and cultural–picking the right tool or combination of tools for each situation. With smart power, diplomacy will be the vanguard of our foreign policy."[64] This testifies to the enduring attractiveness of "soft power".

The proposal to develop the EU's military capabilities has been criticized for devaluing the Union's Civilian Power status. Karen Smith argued that "by acquiring a defence dimension, the EU repudiates civilian power"[65] adding that the EU should continue to deal with the long term causes of insecurity for which she is more equipped. This does not imply that European states should or would not cooperate on defence matters but the EU does not have to be the organization that does the intervening.[66] It could continue to act through the UN, the OSCE and the WEU. Ian Manners argues that the EU's "normative role", (norm setter in international affairs) needs to be given greater prominence[67] and that EU militarization dramatically undermines the EU as "normative power" leading to the implosion of its normative status in world politics.[68]

Hans W. Maull makes the very relevant observation that when Duchêne referred to "Civilian power" he was not saying that military power was irrelevant but that "civilian power" had a transformative role of changing international relations from their supposedly natural state of anarchy to world politics pursued through global institutions.[69] Hence military force becomes a policy tool of last and not of first resort, employed with measure when absolutely necessary and when "civilian means" become ineffective or require it.[70] Stelios Stavridis makes the

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[64] Secretary of State-Designate Hillary Rodham Clinton Nomination Hearings to Be Secretary of State, Testimony (13.01.2009, Senate Foreign Relations Committee, Washington, DC,
http://www.state.gov/secretary/rm/2009a/01/115196.htm (acces sed 23.01.2009).

[65] K. E. Smith, "The End of Civilian Power EU: A Welcome Demise or Cause of Concern?", *The International Spectator,* Vol. 35, No. 2, April-June 2000, 16.

[66] Ibid., 25.

[67] I. Manners, "Normative Power Europe: A Contradiction in Terms?" *Journal of Com mon Market Studies,* Vol. 40, No. 2, 2002, 235–258, see 239.

[68] Manners (2004) op. cit., 13, 18.

[69] H. W. Maull , "European and the New Balance of Global Order", *International Affairs* Vol.81, No.4, 2005, 775-799.

[70] Nye favoured a policy mix of military and civilian means, as did Francis Fukuyama ("US Must Balance Hard Power With Soft Power", *New Perspectives Quarterly,* Vol. 21, No. 3, July 2004; *State Building: Governance and World Order in the Twenty-First Century*, Profile Books, 2005) who recognized the limitation of over-reliance on traditional military power underlining that "the Europeans are right that there are forms of soft power, like nation-building, that count." The EU and USA have often been

further point that in the right circumstances democracy promotion by force is not impossible.[71] Stavridis contrasts situations where the use of military force by a "Civilian Power" could be more commonly used and others where stricter rules should apply. In both types of situations coercion should be used under democratic scrutiny.[72]

The EU's role and effectiveness as a "Civilian Power" hangs on the success of its key non-military foreign policies such as the ENP and the EMP/MU as much as it does on its ability to project a credible military force to enable it to carry out the Petersberg Tasks. Hence the *Action Plans*, which are the central instruments in the implementation of the ENP must be assessed in the context of EU's main paradigm for the conduct of foreign policy, the "civilian power" approach. Thus an analysis of the strengths and weaknesses of the *Action Plans* takes on a more significant role.

Evaluating the Action Plans

In 2008, the European Commission admitted to the need of a "realistic stock-taking of the extent of *Action Plan* implementation" which indicates that it is unsatisfied with current assessments.[73] *Action Plans* can be evaluated from several angles but two of them standout. One can assess the various projects proposed under each *Action Plan* and see whether they have been properly implemented. This is the approach taken by the Commission and Partner countries in what can be described as a "self

dubbed to be diametrically opposed on "soft" or "civilian power" though it often boils down to a question of emphasis. Kalypso Nicolaidis "The Power of the Super-powerless", in Tod Lindberg (ed.) *Beyond Paradise and Power: Europe, America, and the Future of a Troubled Partnership*, Routledge, 2005) points out that the EU and the USA labour under different though not irreconcilable 'world visions' and that a European strategy must be inspired by the imperative of avoiding the double pitfalls of destructive rivalry and hegemonic arrogance. She argues that the EU's Kantian approach is voluntary, that the EU could become a microcosmos of how states can relate to one another in the wider world and the use of force by the EU must be treated as one of "a panoply of means…in fact a derivative" confined to the Petersberg Tasks.

[71] S. Stelios, "Strengthening the Continued Relevance of 'Civilian Power Europe': the need to re-visit its democratic Scrutiny Dimension", Hellenic Centre for European Studies (EKEM), paper 6, July 2006, 15

[72] Ibid., 30-33.

[73] Communication from the Commission to the Parliament and the Council, "Implementation of the European Neighbourhood Policy in 2007", Com (2008) 164, Brussels 03.04.2008.

assessment" within the committees established by the Association Agreements. But the main issue here is whether the projects chosen help achieve the ENP's grander objectives and whether they are organically linked in the sense that the actions under the plans' many sub-headings are mutually reinforcing and holistically coherent. "Self-Assessment" is also an odd way of evaluating the success of a policy and had better be entrusted to a more independent "assessor".

Alternatively, one can scour the regional data for signs of significant progress in those variables that form the core objectives of the *Action Plans* and multilateral initiatives to try and gauge the performance of the ENP as shall be done further on in this chapter Until new tools are developed to provide benchmarks and criteria for carrying out this task, this exercise is useful. This approach is also used in some of the Commission's assessments. The major drawback here is to avoid the fallacy of the *post hoc ergo propter hoc*: the negative or for that matter positive developments in the region may not necessarily be connected to the work of the ENP per se.

For the *Action Plans* to have a positive impact on the effectiveness of the ENP and the broader Union's foreign policy, the plans' political objectives must be strongly linked with their other objectives, particularly the economic ones. Thus progress in the economic and other domains must be made conditional with progress in the political one to encourage compliance and change. Clearly, there is no hint of such a linkage in the current *Action Plans* while the EU, ever so sensitive to criticism of trying to impose its values on its neighbours, refrains from punishing recalcitrant partners say by withholding the economic benefits. There is also a technical difficulty here, in the sense that if economic aid is to be used as a tool of persuasion, a mechanism will have to be devised whereby it can be turned on and off when partner states are not honouring their commitments under the Association Agreements and the Action Plans. Apart from establishing clear criteria for determining what kind of misbehaviour would trigger off such "withdrawal of aid" mechanisms, they are difficult to implement because aid and projects are long-term commitments and once the commitment of funds has been made and work started, it is very difficult to turn them on and off according to the requirements of political exigencies–apart from the fact that the interests of EU firms are also affected.

Under the ENP the stress is laid on positive conditionality as opposed to negative conditionality purportedly applied under the EMP. But the negative conditionality was never really invoked under the EMP while

the positive conditionality of the ENP does not appear to be working wonders. This is partly due to the fact that political and other aims of the *Action Plans* were left disconnected as explained earlier, and also because the EU has tended to be rather protectionist where concessions were required of it such as in the domain of agricultural trade liberalisation and the free movement of persons and other concessions, with the result that the economic enticement to reform is weak. This is what prompted the idea of an "ENP+" a term coined by Michael Emerson et al. and used by the German 2007 presidency.[74] In line with this thinking the Commission has also proposed increasing economic and trade integration, easier visa regulation, increased access to the EU educational and R&D programmes, enhanced political cooperation and additional financial aid.[75] Two other difficulties need however to be overcome. As long as the *Action Plans* are jointly owned and negotiated by both sides, it is impossible to envisage the Mediterranean partners agreeing to the insertion of penalties for non-compliance in the plans. The second issue is that in an ideal world, both "negative" and "positive" conditionality are useful and the two should not be juxtaposed as alternative approaches.

As a result of these inherent weaknesses of the *Action Plans*, the bilateral relationships have progressed reasonably well in the economic domain while the political goals have been circumvented. This does not bode well for the future of the EU's foreign policy, for if one of the main advantages of the 'civilian power' approach is that it is capable of positively influencing long-term trends by non-military means, then failure to make substantive progress on the political goals is a serious policy failure. This issue will be discussed with reference to the Mediterranean's "frozen conflicts" and the issue of political reforms in the southern neighbours. But before turning to these, a closer look at the amount of leverage enjoyed by the EU is worth expanding further.

The EU's Leverage

Mention has been made in this chapter to the often competing political and economic interests which the EU member states pursue with the Mediterranean partners. Divergences also surface with respect to the

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[74] M. Emerson, G. Noutcheva and N. Popescu, "The European Neighbourhood Policy Two years On: Time Indeed for an 'ENP Plus'", *CEPS Policy Brief*, No. 126, Brussels, 2007.

[75] Communication from the Commission, "A Strong European Neighbourhood Policy", Com (2007) 774 final, Brussels, 05.12.2007.

'world vision' underpinning their policies as well as questions of national rivalries and prestige. The French proposal for a "Mediterranean Union", apart from worrying some Mediterranean partners,[76] irked Spain because it appeared to be displacing the Barcelona Process as the centre piece of the EU's policies in the Mediterranean. This obstacle has been overcome by linking the two initiatives under the title of "Barcelona Process–Union for the Mediterranean", commonly referred to just as the "Union for the Mediterranean". Germany, which has extensive Mediterranean interests and is the main contributor to the EU budget, was troubled by the initial drafts of the proposal which excluded non-Mediterranean EU member states.

The Mediterranean partners are aware of the divisions amongst the principals or the owners of the EU policies and are ready to exploit them to the full where its suits their interests, just as they are ready to exploit EU-USA differences in the region. There is a widespread belief that the EU's bark is louder than its bite in the sense that the 27 EU member sta tes will find it difficult to agree on a common position let alone in the in dividual national foreign policies which each pursues in the region.

The amount of leverage which the EU enjoys vis-à-vis its partners also varies from time to time and depends on a number of factors beyond its control. Oil rich countries such as Algeria and Libya are most impermeable to external influence when they are realising windfall revenues from high world oil prices and possibly more flexible when the opposite is true. Algeria has virtually wiped out all its external debt and at the same time it is conscious of its strategic importance for the EU as an important gas supplier together with Russia and Norway. Improved relations with Washington together with increased oil revenues allow Libya to sustain its traditional 'independent' stance from the EU. Economic success such as that experienced by reforming economies, e.g. Tunisia, Morocco and Jordan, saps the willingness of these countries to maintain the momentum of political reform. Furthermore, authoritarian governments tend to be less though not completely insensitive to economic pressures since mo re often than not they can still maintain control of their countries despite adverse socio-economic conditions. A case in point is Syria and better

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[76] Turkey worried that this might be offered to it as an alternative to EU membership, Libya criticised it because it would undermine Arab and African unity, though Libya has resisted all formal relations with the EU so far. Syria rejected the proposal but later tagged on, Algeria was hesitant, while Egypt, Morocco and Tunisia were more enthusiastic about it.

still Libya during the UN imposed sanctions which lasted from 1992 to 2003 without loosening Ghadaffi's grip on power.

The Exclusion of Regional Conflicts

A 2007 Commission Communication identified regional conflict resolution as one of the areas where more progress needs to be achieved in the ENP. The ENP plays little or no direct part in any of the Mediterranean's "frozen conflicts". The Middle East problem is tackled by *The Quartet* which also includes the EU, but the most trusted interlocutor is the USA, and what little initiative occurs now takes place under the aegis of the fading US-led Annapolis process; the Western Sahara issue is left entirely in the hands of the UN; the Cyprus Question involves the UN as well as ongoing contacts and negotiations between the governments of Turkey, Greece, Cyprus and representatives of the Turkish-Cypriot community. The UK is also involved. The problem hardly features in the ENP or EMP and is considered within the broader aims of EU enlargement. The problem of the Western Sahara uncovers one of the major flaws of the ENP: of the two main protagonists involved in the conflict, Algeria has no ENP *Action Plan* but the EU wishes to negotiate with it a "Strategic Energy Partnership"[77], while Morocco is negotiating for an 'advanced status' ENP agreement demonstrating amongst other things that despite its reticence on the issue and the lack of progress made, the deepening of its relations with the EU is in the realm of possibilities. The Western Saharan Conflict has poisoned Maghrebian relations for more than two decades and its shock waves have been felt in the EMP and the "5+5" Dialogue in the Western Mediterranean–quite a negative contribution to the EU's regional objectives.

   Lack of coherence between member states, particularly France and Spain, has also played a role in the Western Sahara issue and in 2007 Germany called for improved coherence between the member states and the EU in the neighbourhood through better coordination and information sharing both "in headquarters and on the ground".[78]

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[77] Presidency Progress Report, "Strengthening the European Neighbourhood Policy", GAERC, 18/19 June 2007. The discussions with Algeria continue and the EU and Algeria reached an agreement on territorial restrictions and alternative clauses in gas supply contracts in July 2007, a step which deepened the strategic energy relations between Algeria and the EU. Algeria has also accepted that a pipeline transporting gas from Nigeria to Europe pass over its territory.

[78] Ibid., point 4.

The effects of the Middle East Problem are even more discouraging: the EMP is touted as the only multilateral initiative where the Israelis and the Palestinians meet under the same roof. However, those familiar with the proceedings of the Barcelona Process at its various levels are aware that dialogue between the belligerent parties is absent and most meetings commence and end in disagreement, acrimony and finally paralysis. The sorry tale of the *Euro-Mediterranean Charter for Peace and Stability*[79] epitomises the EMP's failure. Peace initiatives must for this reason seek alternative routes to the EMP. Israel, whose policies in the West Bank and Gaza are often criticised by the EU is–similarly to Morocco - discussing upgrading its relations with the EU.[80]

Democratic Scrutiny

Within the realm of the ENP and democracy we encounter two main issues, the role of democracy within the ENP itself and democracy promotion, the latter being the field where the ENP and existing *Action Plans* have stumbled most.

Regarding democracy in the ENP, Germany has expressed concern about the lack of a parliamentary dimension in the ENP.[81] In the context of the Mediterranean region there is already the Euro-Mediterranean Parliamentary Assembly (EMPA) established on the basis of the 1995 Barcelona Declaration. The EMPA has so far limited itself to the EMP but the resolution of its Political Committee approved in Athens in March 2007 calls for a clearer definition of the EMP's relationship to the ENP and for the latter to strengthen the EMP. This was however omitted from the final declaration of the plenary assembly.[82] Also, the European Parliament has a number of delegations linking it with all the national parliaments of the EMP countries as do many of the parliaments of the

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[79] The Euro-Mediterranean Charter for Peace and Stability, which was to be adopted at the 4th Ministerial Conference in Marseille, November 15-16, 2000, was postponed indefinitely, since the Arab Partners have not considered the matter urgent because the Euro-Mediterranean Partnership has not facilitated the Middle East Peace Process

[80] See Sharon Pardo's chapter.

[81] Presidency Progress Report, "Strengthening the European Neighbourhood Policy", GAERC, 18-19 June 2007, point 4.

[82] For the resolution of the Political Committee see the text on the EMPA website at www.europarl.europa.eu/intcoop/empa/plenary_sessions/athens_march_2008/political_committee_en.pdf and for the resolution of the plenary see www.europarl. Europa.eu/intcoop/empa/plenary_sessions/athens_march_2008/final_declaration_en. pdf (accessed 17.08.2008).

European and Mediterranean states. Hence a parliamentary dimension already exists in the southern segment of the ENP though whether this is working to the optimum or not in promoting the benefits of parliamentary diplomacy is a much discussed question.[83]

Notwithstanding this, parliamentary involvement in the *Action Plans* remains elusive despite the fact that this could improve the implementation quality in the long-term particularly if parliamentary bodies are also involved in the negotiation of the *Action Plans* (see Ghoneim's chapter) and evaluate their results with a critical eye as to whether the ENP objectives are being met. The main issue in this case is to whom to entrust this parliamentary scrutiny–to the European Parliament, the national parliaments or the regional parliamentary assemblies such as the EMPA. All alternatives have their strengths and weaknesses. In 2007 the European Parliament approved a resolution in which amongst other things it regretted that it had not been consulted on the ENP *Action Plans*, the assessment of their implementation or on progress in the discussions within the human rights subcommittees.[84]

Improving Good Governance

The Commission claims that the governance field is perhaps the most difficult in which to achieve and measure progress. With different cultures and challenges, and different levels of commitment, each partner has addressed governance issues in its own way. One of the major aims of the ENP and the European Neighbourhood Policy Instrument (ENPI) is to improve governance in the partner countries and funds above the normal allocations have been earmarked towards reaching this objective for the period 2007-2010. The Commission's definition of governance is very broad: respect of human rights and fundamental freedom, support for democratization processes, respect for the rule of law and access for all to an independent justice system, access to information; a government

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[83] R. Pace, S. Stavridis, and D. K. Xenakis "Parliaments and Civil Society Cooperation in the Euro-Mediterranean Partnership", *Mediterranean Quarterly*, Winter 2004; I. Seimenis and M. Makriyannis, "Reinvigorating the Parliamentary Dimension of the Barcelona Process: The Establishment of the Euro-Mediterranean Parliamentary Assembly" *Mediterranean Quarterly*, Spring 2005; S. Stavridis and R. Pace, "The EM PA and parliamentary diplomacy in the Mediterranean: a preliminary assessment" in S. Stavridis, N. Fernández Sola (eds), *Factores políticos y de seguridad en el área euro-mediterránea*, Servicio de Publicaciones de la Universidad de Zaragoza, Zaragoza, 2009.

[84] Ibid. Charles Tannock and Obiols i Germà Report, 2007, op.cit.

that governs transparently and is accountable to the relevant institutions and electorate; human security; management of migratory flows; effective institutions; access to basic social services; sustainable management of natural and energy resources and of the environment; and the promotion of sustainable economic growth and social cohesion in a climate conducive to private investment.[85] This represents nothing less than a wholesale democratization process. But to achieve these objectives the EU and its neighbours must enter into the detailed steps required to ac hieve them. The *Action Plans* have clearly failed to catalyse action in this respect.

The effectiveness of the ENP *Action Plans* in encouraging improvements in governance in the partner countries encounters a number of obstacles which are briefly set out below. First of all the EU institutions, particularly the Commission, have tended to focus on formal, legal and political reform without delving deeper into the implementation and effects of such reforms. As we know from the EU's own experience, it is one thing to pass laws and another to implement them fully. Marina Ottaway poses a searching question about Arab reform that ought to be placed at the heart of any serious evaluation of the performance of the *Action Plans*: "Are they meaningful reforms as the governments claim, or are they simply placebos offered by authoritarian regimes in an attempt to pacify domestic and international public opinion as the opposition often argues?"[86]. In the reform processes which occurred in Europe prior to EU enlargement this question was often asked by the Commission when assessing the preparations for membership by the applicant states. Lack of meaningful progress led to delays in the temporary closure of a negotiating chapter until reforms were implemented satisfactorily or a time-table agreed for their eventual implementation. The dispensation gi ven to Bulgaria on corruption by allowing it to join the Union before completing the necessary reforms has returned to haunt the EU. But does the EU enjoy the same leverage vis-à-vis its partners as it had enjoyed with the Central and Eastern European Countries (CEECs)? And if not, what can be done to gain leverage?

Benchmarking becomes important in this respect. The *Action Plans* are too generically worded to offer clear and binding targets or strong linkages between the economic benefits on offer and the political changes

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[85] COM (2006) 421, 30.08.06.
[86] M. Ottaway and J. Choucair-Vizoso, 2008, op. cit. 2.

which the Mediterranean partners need to achieve. It is important to de
vice the means in agreement with the partners by which to measure ac-
tual progress. Indices can also be constructed to help in the assessment of
Action Plans' progress.

Some Empirical Evidence

It is impossible to analyse the whole gamut of data from the region so
the task in this section is limited to the more essential elements. Al-
though there are some signs of progress in the Mediterranean region
such as allowing more political contestation at local level in some coun-
tries and strengthening gender rights, progress on the key democratic is
sues such as democratic and transparent elections, the control of corrup-
tion and full media freedom remains elusive. Besides, the progress
achieved so far is uneven and varies from state to state. It can also be a
case of cosmetic change in one sector and regress in others. For example,
in March 2007, President Hosni Mubarak of Egypt introduced several
constitutional amendments that would increase presidential powers and,
more significantly, ban any political parties based on religion, race, or
ethnicity. The amendments were put to a popular referendum and, de-
spite low voter turnout and boycotts by opposition groups, passed with
75.9% approval. The state of emergency which has been imposed on the
country since 1967 and which was to be lifted by July 2008 was renewed
for another two years.[87]

The empirical evidence on progress in the region's areas of most con-
cern to the EU is extremely negative. One of the arguments that is often
advanced to excuse the lack of impact of the ENP is that this has only
been in force only since 200 However, the main political and economic
objectives of the ENP which also find their way in the *Action Plans* are
similar to those of the Barcelona Process which was launched in 1995.
The Freedom House index published since 1972 (controversial and open
to a technical debate as it may be) indicates the extent of the lack of pro-
gress on the democracy front in the Mediterranean region. The informa-
tion reproduced here is corroborated by the Commission's own ENP
country reports and the UNDP Arab Human Development Reports, rein-
forcing doubts on the effectiveness of the ENP in democracy promotion.
The inclusion of Cyprus and Malta in the Table below is done for com-
parative purposes to show the performance levels which the Mediterra-
nean partners need to reach to catch up with EU Member States.

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[87] See Michele Comelli and Maria Paciello's chapter.

FREEDOM HOUSE FREEDOM INDEX											
	2004			2005			2006			2007	
	PR	CL	Status	PR	CL	Status	PR	CL	Status	PR	CL	Status
Algeria	6	5	NF	6	5	NF	6	5	NF	6	5	NF
Egypt	6	5	NF	6	5	NF	6	5	NF	6	5	NF
Israel	1	3	F	1	2	F	1	2	F	1	2	F
Jordan	5	4	PF	5	4	PF	5	4	PF	5	4	PF
Lebanon	6	5	NF	5	4	PF	5	4	PF	5	4	PF
Libya	7	7	NF	7	7	NF	7	7	NF	7	7	NF
Morocco	5	4	PF	5	4	PF	5	4	PF	5	4	PF
Syria	7	7	NF	7	7	NF	7	6	NF	7	6	NF
Tunisia	6	5	NF	6	5	NF	6	5	NF	7	5	NF
Turkey	3	3	PF	3	3	PF	3	3	PF	3	3	PF
Malta	1	1	F	1	1	F	1	1	F	1	1	F
Cyprus	1	1	F	1	1	F	1	1	F	1	1	F
PR = Political Rights; NF = Not Free; F = Free; CL = Civil Liberties; PF = Partly Free; Scale: 1 = most free, 7 = least free; **Source**: FREEDOM HOUSE											

Governance indicators follow a similar negative pattern of the Freedom House assessment. In this case use can be made of the data provided by Kaufmann D. et al. on six main governance indicators.[88] The gap separating the EU Mediterranean partners from the new EU member states and Turkey is not only staggering but shows the extent of the effort still requ ired to make any meaningful progress on governance. It is also significant (notwithstanding that the causal link between improvement in governance and economic performance should be analyzed more carefully) that the more economically successful partners are the ones which have advanced most on the governance front, namely Israel, Tunisia, Jordan and Morocco even though the latter three are still doing badly on the crucial issue of "Voice and Accountability" (democracy).

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[88] World wide governance indicators can be consulted at http://web.worldbank.org/WBSITE/EXTERNAL/WBI/EXTWBIGOVANTCOR/0, ctentMDK:20771165~menuPK:1866365~pagePK:64168445~piPK:64168309~theSitePK: 1740530,00.html. The analysis by Kaufmann D., A. Kraay, and M. Mastruzzi (2007): *Governance Matters VI: Governance Indicators for 1996-2007,* http://papers.ssrn.com-/sol3/papers.cfm?abstract_id=1148386 (accessed 15.08.2008). Indicators can also be followed using the link http://info.worldbank.org/-governance/wgi/index.asp.

Governance Indictors (2007) in the Mediterranean Partners, Turkey and New EU Member States						
2007	**Voice &**	**Political**	**Gov**	**Regulatory**	**Rule of**	**Control of**
	Account.	**Stability**	**Effectiveness**	**Quality**	**Law**	**Corruption**
Governance score -2.5 to +2.5						
Algeria	-1.01	-1.18	-0.52	-0.66	-0.72	-0.47
Egypt	-1.24	-0.77	-0.44	-0.31	-0.13	-0.58
Israel	0.78	-1.2	1.18	1.04	0.76	0.79
Jordan	-0.64	-0.29	0.27	0.35	0.51	0.32
Lebanon	-0.45	-2.09	-0.61	-0.21	-0.66	-0.65
Libya	-1.94	0.47	-1.07	-0.98	-0.62	-0.83
Morocco	-0.62	-0.52	-0.07	-0.11	-0.15	-0.24
Syria	-1.77	-0.61	-0.88	-1.22	-0.55	-0.88
Tunisia	-1.22	0.1	0.46	0.15	0.32	0.08
Malta	1.18	1.31	1.3	1.29	1.55	1.2
Cyprus	1.08	0.49	1.37	1.3	0.96	0.78
Turkey	-0.19	-0.78	0.24	0.23	0	0.04
Bulgaria	0.65	0.42	0.1	0.61	-0.14	-0.22
Czech Rep	0.98	0.83	0.99	0.96	0.77	0.26
Estonia	1.05	0.68	1.19	1.5	1	0.94
Hungary	1.1	0.65	0.7	1.15	0.74	0.44
Latvia	0.86	0.72	0.55	1.06	0.57	0.31
Lithuania	0.93	0.81	0.78	1.12	0.49	0.17
Poland	0.81	0.58	0.38	0.71	0.28	0.14
Romania	0.47	0.19	-0.09	0.48	-0.17	-0.19
Slovakia	0.98	0.94	0.76	0.99	0.35	0.28
Slovenia	1.08	1.01	1.08	0.81	0.84	0.9

Source: World Bank Governance Data 2008, http://info.worldbank.org /governance/wgi/sc_country.asp

On the economic front one other indicator of the magnitude of the task confronting the EU's Mediterranean partners is the regulatory quality for doing business which is also one of the main determinants of investment. A casual glance at the world rankings out of a total of 178 economies, of the EU member states, the Mediterranean Partners and Turkey indicates once again the gap that still separates the EU group from the Mediterranean ones in terms of regulatory quality. Only two Mediterranean countries, namely Israel and Turkey, significantly outperform their Mediterranean Partners as well as at least two EU states in the case of Turkey and thirteen in the case of Israel. The rankings are based on ten stages of regulations affecting a business's life, namely: starting a business, deal-

ing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.[89] In this case it is amply clear that as a group the Mediterranean partner countries need to accelerate their reform processes if they wish to enhance their global competitiveness.

EASE OF DOING BUSINESS IN 2008			
EU Member States		Mediterranean Partners and Turkey	
Country	**World Ranking**	**Country**	**World Ranking**
Denmark	5	Israel	29
UK	6	Turkey	57
Ireland	8	Jordan	80
Finland	13	Lebanon	85
Sweden	14	Tunisia	88
Estonia	17	West Bank	117
Belgium	19	Algeria	125
Germany	20	Egypt	126
Netherlands	21	Morocco	129
Latvia	22	Syria	137
Austria	25	Libya	Na
Lithuania	26		
France	31		
Slovakia	32		
Portugal	37		
Spain	38		
Luxembourg	42		
Hungary	45		
Bulgaria	46		
Romania	48		
Italy	53		
Slovenia	55		
Czech Rep	56		
Poland	74		
Greece	100		
Cyprus	na		
Malta	na		

Source: *Doing Business in 2008*, World Bank 2008

[89] *Doing Business 2008*, a copublication of the World Bank and the International Finance Corporation, Washington, 2007.

Conclusion

The analysis in this chapter leads to a number of conclusions. The most obvious one is that southern dimension of the ENP is not yielding optimal results. This is in part due to the bad policy design of the ENP itself and its *Action Plans* and most of all to the reticence of most of the southern governments to reform. Nevertheless modest advances on the back of the EMP association agreements in the economic field contrast sharply with the lack of meaningful progress in the political domain as characterised by the uneven and slow pace of democratic reform, governance issues and the reform of the business environment as well as the inability for the ENP to influence the peaceful resolution of the region's 'frozen conflicts'.[90] This evidence seems to show that the EU's ability to influence events in the region is very weak. The EU continues to be an important economic power in the Mediterranean region, one with which it is in the southern partners' interest to cooperate, not only in trade and economic matters but also in other domains such as environmental protection, energy security, illegal immigration and combating terrorism. The EU can also help its partners improve their education systems and improve human resources making the countries more globally competitive. Hence there is no doubt that the EU possesses a plethora of policy instruments with which it can enhance constructive relations in the region notwithstanding the drawbacks of the ENP. However, improvements in the implementation of the ENP will certainly enhance the Union's effectiveness.

  It is also very problematic that the ENP, a central plank in the EU's "Civilian Power" approach–or should we say its chosen vocation–is not performing optimally. This is serious for many reasons but primarily because it undermines the EU's effectiveness in the region and injects serious doubt into the efficacy of civilian means. A failure of the ENP should strengthen the hand of those who wish the EU to build up its military power and weakens the EU's ability to act as a restraining force on powers in its vicinity such as Russia and USA. The EU has always insisted, though not all its member states agree, that soft power, diplomacy, dialogue and multilateralism are more effective than the use of force in resolving conflicts. Hence if its chosen policy instruments are seen by other powers to be ineffective, it would be more difficult for the EU to persuade such powers to follow its example. Of course, as the situations in

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[90] It is not the conflicts themselves that are frozen but the efforts to resolve them because they have reached stalemate.

Iraq and Afghanistan have shown, the use of force also has its limitations.

The failure of the ENP has long term negative effects in the bid to enhance the Mediterranean region's overall stability. Hence by defining an "ENP+" the EU would be encouraging partners to accelerate reforms while increasing the cost of non-compliance. Regionalising the ENP also enhances the EU's ability to deal with sub-groups of similar countries. Last but not least there is a strong need to improve policy effectiveness by enhancing member states' coherence and cooperation in their policies towards the region and in upholding EU initiatives.

The *Action Plans,* the focus of this chapter, need to be tightened further by first of all ensuring that their various objectives are organically linked and that progress in one domain cannot be jeopardised by lack of progress on the most salient objectives for the EU such as political reforms. The economic effectiveness of EU measures can be magnified by a better co-ordination with other aid donors such as the EU member states themselves, the USA, the World Bank and the IMF to avoid duplication. The design, negotiation and assessment of the *Action Plans* should be changed. Benchmarks have become necessary to establish goals and assess performance. The European Parliament and other bodies such as the Committee of the Regions, many of whose members are forging links with southern shore regions, ought to be more involved in the negotiation of the *Action Plans* and their assessment. There is also an urgent need to increase the Commission's capacity to assess the implementation of the *Action Plans* to ensure that implementation on the ground is taking place as agreed. Implementation can also be enhanced by building stronger ties with civil society. In the EU member states, inadequate implementation of EU Directives is often exposed by organizations of civil society. The EU Commission and the European Parliament possess no counterpart in the southern states similar to civil society in the EU member states to help them uncover 'façade' implementation.

Differentiated and tailor-made, negotiated *Action Plans* which are coherent with national development plans are important to ensure that partners cultivate a stronger sense of ownership of these plans. It avoids the pitfalls of 'one size fits all' and could generate better outcomes. There is no need for all the *Action Plans* to be of the same intensity and there is some sense in the idea of an "ENP Light" as distinguished from an "ENP+" for recalcitrant partners. The regional aspect must not however be overlooked, and regional action plans apart from the bilateral *Action*

Plans on specific issues can be negotiated between the EU and all the partners in a regional multilateral setting.

The ENP has reached a crucial juncture where it is time to take stock of its strengths and weaknesses, a process already started in 2007, to enable it and its Mediterranean Partners to construct a more effective policy – and make the EU a more credible "Civilian Power".

The ENP's potential for reform in the Southern Mediterranean: a Cost/Benefit Analysis

Michele Comelli, Maria Cristina Paciello[91]

Introduction

The aim of this paper is to provide an overview of the political, economic and social costs and benefits for the Southern neighbouring countries, and specifically for Egypt, Jordan and Morocco, in adapting their policies in the areas suggested by the European Neighbourhood Policy (ENP) Action Plans. The paper also aims to highlight the main constraints and factors favourable to pursuit of ENP objectives in such societies. First of all, Southern Neighbours should be divided into those that have agreed to an Action Plan (AP) with the European Union (Morocco, Tunisia, Egypt, Israel, the Palestinian Authority, Jordan and Lebanon) and those that have not, either because they are not interested in it (Algeria) or because they are not eligible to do so–not yet part of the Barcelona process (Libya) or not yet signatories of an Euro-Mediterranean Association Agreement (Syria). The paper focuses on Morocco, Jordan and Egypt in order to take account of both Maghreb and Mashreq countries. The first two countries signed an AP in 2005, while the third finalised an AP in 2007. The cases of the Palestinian Authority and Israel will not be dis-

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[91] This paper is a revised and updated version of M. Comelli and M.C. Paciello, "A Cost/Benefit Analysis of the ENP for the EU's Southern Neighbours" in G. Avery and Y. Nasshoven, *The European Neighbourhood Policy: Challenges and Prospects*", Trans European Policy Studies Association (TEPSA), Brussels, 2008, 59-78, based on a study conducted by the authors for the Committee for Foreign Affairs of the European Parliament in October 2007.

cussed here because they are special cases: they have a political system and relationship with the European Union (EU) that are not comparable to relationships of the Arab countries within the ENP. In addition, they face different domestic reform challenges, as well as being involved in a conflict with each other. A similar reasoning applies to Lebanon, which experienced a conflict in 2006, just after negotiations on an ENP Action Plan were concluded, the effects of which are still felt. Tunisia was not chosen because it presents too many similarities with Morocco.

Political Costs and Benefits

In its founding documents as well as in the APs, the ENP places explicit emphasis on democracy and human rights. The bilateral 'joint owner-ship' - approach could contribute to legitimate political reforms in so far as this kind of political change may be perceived as not being imposed from the outside; in these countries all political and social actors, albeit to different extents, tend to reject any external demands for democratisa-tion as an intrusion into their internal affairs.[92]

Over the last years, the governments of Morocco and Jordan have adopted a number of reforms that are in line with the priority actions listed in their respective APs.[93] In Morocco, for example, King Moham-med VI took further steps in 2005 to bring the country's laws in line with international conventions, by amending the penal code to abolish tor-ture. An anti-corruption law and a new legislative framework on politi-cal parties were also approved, and the UN Convention Against Corrup-tion entered into force in May 2007. In 2008, a national anti-corruption authority was created with the aim to investigate corruption claims and coordinate anti-corruption policies.[94] Some reservations against interna-tional conventions have been lifted, in particular the conventions on ra-cial discrimination, children's rights and torture. In December 2008, Prime Minister Abbas al-Fasi launched a new national plan for the im-

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[92] S. Şenyücel, S. Güner, and S. Faath, and H. Mattes, *Factors and Perceptions Influenc-ing the Implementation of the European Neighbourhood Policy in Selected Southern Mediter-ranean Partner Countries*, EuroMeSCo research project, 2006, www.euromesco.net/-images/tesev_giga%20final%20eng.pdf, consulted on Septem-ber 2007.

[93] See Commission of the European Communities, *ENP Progress Report–Morocco, Brussels, 2006,* http://ec.europa.eu/world/enp/documents_en.htm consulted on Sep tember 2007; Commission of the European Communities, *ENP Progress Report Jordan*, Brussels, 2006.

http://ec.europa.eu/world/enp/documents_en.htm, consul ted on September 2007.

[94] Carnegie Endowment, *Arab Reform Bulletin,* September 2008.

plementation of human rights and national democracy, called the "Plan d'Action en matière de Démocratie et des Droits de l'Homme au Maroc". The Plan was drafted by a commission including representatives from the government, private sector, civil society and the media, in partnership with the European Union.[95] In Jordan, the rapid adoption of the ENP's AP in January 2005 certainly underlines the willingness of the King and government to cooperate with the EU. In 2005, among other things in line with the AP, Jordan published its National Agenda, a long-term social and political programme that, according to the EU progress report, "gives high priority to political and administrative reform". [96] Legislation aimed at fighting corruption such as the law on financial disclosure and the law on the establishment of the anti-corruption commission was adopted in December 2006.[97] Good progress has also been made to increase women's participation in public life. Jordanian women now can obtain their passport without the authorization of their husbands and legal age of marriage for women was increased to 18. A new Municipalities Law provides a 20% quota for women in municipal council seats.[98]

However, as shown by all cases below, although the governments have implemented a number of reforms in line with the APs, they have at the same time reduced liberties and rights. This suggests that the governments' support for the measures listed in the APs has not been matched by real action to further political reform. Moreover, the political and legal measures implemented so far in Morocco, Jordan and Egypt, continue neither to benefit the majority of citizens nor to trigger a genuine substantive political transformation. In particular, the balance of power within the society has remained unchanged; elections for the parliament or presidential positions continue to be formal exercises rather than open political competitions; and human rights violations seem to have in creased in recent years. In the APs, support for real political reform is still tenuous since the measures aimed at promoting democracy are limited to rather technical governance issues, such as strengthening domestic

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[95] Carnegie Endowment, "Human Rights Plan Drafted", *Arab Reform Bulletin*, December 2008.

[96] Commission of the European Communities, *ENP Progress Report-Jordan*, Brussels, 2006, 3, http://ec.europa.eu/world/enp/documents_en.htm consulted on September 2007.

[97] Commission of the European Communities, *ENP Progress Report-Jordan*, Brussels, 2008.

[98] Ibid.

and international dialogues on democratization, and legislative reform. In other words, the APs do not tackle the three major obstacles to political liberalization in Southern Mediterranean (SM) countries, which are the lack of a separation of powers, the oppression of civil society and political parties, and flaws in electoral procedures.[99]

The above-mentioned positive developments are coupled with a number of more disappointing setbacks for Morocco. For example, the political and human rights situation, particularly freedoms of association and expression, has strongly deteriorated since the terrorist attacks on September 11, 2001 and, even more significantly after the Casablanca bombings of May 2003.[100] Most importantly, in spite of the range of measures implemented so far, the distribution of power within the Moroccan society remains unchanged, with all the power centralised in the King's hands. [101] The King has actually been the main driver of the reform process, so all new measures have actually been introduced from the top. Thus, even though the first EU progress report argues that "the changes made to the legislative framework in the area of freedom of association and assembly have led to the emergence of a more active and dynamic civil society"[102] it is noteworthy that civil society organizations have been successful in bringing about change only when they have worked toward goals supported by the palace, as indicated, for example, by the approval of a more progressive version of the family code in 2004.[103] Moreover, although the adoption of an anti-corruption law and the creation of an anti-corruption body are positive steps, the fight against corruption is unlikely to go far because real progress would inevitably implicate people who are part of the ruling elite.[104] In addition, while the new legislative framework for political parties adopted in 2005 has led to

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[99] E. Baracani, "From the EMP to the ENP: A new European Pressure for Democratization? The Case of Morocco", The Centre for the Study of European Politics and Society, 2005,

http://hsf.bgu.ac.il/europe/uploadDocs/csepspeb.pdf, consulted on September 20-07.

[100] For details, see Freedom House, *Morocco's Country Report*, 2007,

http://www.freed-omhouse.org/template.cfm?page=363&year=2007&country=7235 ,consulted on Sep-tember 2007.

[101] E. Baracani, op. cit.

[102] Commission of the European Communities, *ENP Progress Report - Morocco*, 2006, 4.

[103] M. Ottaway and M. Riley, "Morocco: From Top-down Reform to Democratic Transition?", *Carnegie Papers*, Washington, No. 71, September 2006, www.CarnegieEndowment.org, consulted on September 2007.

[104] Ibid.

some improvements, several provisions have actually tightened controls on party registration in an attempt to limit the activity of opposition parties.[105] The weakness and lack of independence of the judiciary–which is not recognised as an independent power by the constitution–impede the effective enforcement of existing democratic laws. The AP, unfortunately, does not push for substantive political reform. For example, regarding the issue of political parties, the only priority is "the exchange of experiences and expertises in the framework of the evolution of the regulation on the political parties".[106] With regard to justice, the priority action includes "efforts to facilitate access to justice and the law", which do not guarantee judicial independence.[107]

Jordan continues to oscillate between cautious political reform and repression. The general perception is that the current political measures, including the call for the above-mentioned National Agenda, are purely cosmetic initiatives, involving little substantive change and aimed solely at maintaining a positive international image.[108] Also, none of the implemented reforms actually target the distribution of political power: the monarchy retains its monopoly on power in the country and major decisions are still made by institutions not accountable to the electorate.[109] With regard to the law to fight corruption approved in 2006, for example, parliament endorsed a last-minute amendment to allow the Prime Minister to appoint the six-member commission tasked with investigating corruption. Moreover, as the last EU Progress Report published in April 2008 states, the Anti-Corruption Commission is not yet operational and lacks the resources to become functional.[110] In addition, although advances have been made in the realm of political party legislation with a new political party law adopted in March 2007, this is unlikely to strengthen the parties unless the electoral law is also changed.[111] The

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[105] Ibid.

[106] *EU/Morocco Action Plan*, 4, http://ec.europa.eu/world/enp/documents_en.htm, consulted on September 2007.

[107] Ibid, 5.

[108] C. Ryan, "Reform Retreats Amid Jordan's Political Storms", *Middle East Report On line*, June, 2005,

http://www.merip.org/mero/mero061005.html, consulted on September 2007.

[109] J. Choucair, "Illusive Reform: Jordan's Stubborn Stability", *Carnegie Papers*, Washington No. 76, December 2006, www.CarnegieEndowment.org, consulted on September 2007.

[110] Commission of the European Communities, *ENP Progress Report-Jordan*, Brussels, 2008.

[111] Ibid.

"one vote" law[112] used in parliamentary elections since 1993 puts political parties at a disadvantage and favours tribal and family ties. At the parliamentary elections held in November 2007, because of the electoral law, the majority of the parliament's seats went to pro-government candidates,[113] and the seats were unevenly allocated in relation to population among electoral districts.[114] Significant electoral irregularities including vote buying, breaching the secrecy of voting and the use of improper identification by voters were also reported, while no international electoral observation was accepted.[115] Although Jordan is the only country whose AP envisages reform of the electoral law, chances for real reform are hampered by the fact that the content of the reform is unclear, reflecting the deep divergences among different political actors. With regard to freedom of expression, although in March 2007 the parliament amended the press and publications law abolishing imprisonment as a penalty for press offenses, reporters still face fines of up to $40,000.[116] And in August of 2006 the Parliament approved new anti-terrorism legislation that curtails political and civil liberties.

In recent years, Egypt's approach to political reform has been even more cautious than Morocco's and Jordan's. This is also reflected in the fact that negotiations on the AP went on for more than 15 months and were only finalised in 2007. It is noteworthy that the AP was actually adopted in a context of serious political deterioration.[117] In 2006, the regime postponed local elections, extended the state of emergency for two years, cracked down on popular protests and launched a severe repression against the Muslim Brotherhood. In 2007, Egypt's ruling National Democratic Party used its majority in the parliament to adopt a series of

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[112] The system allows each voter one vote regardless of how many parliamentary seats represent the voter's district. It puts political parties at a disadvantage, as they effectively cannot run slates or lists of candidates in each district because voters only get one choice.

[113] Carnegie Endowment for International Peace, "Jordan: Parliamentary Election Results; New Cabinet", *Arab Reform Bulletin*, December 2007, . 5-10.

[114] Commission of the European Communities, *ENP Progress Report-Jordan*, Brussels, 2008.

[115] Carnegie Endowment for International Peace, op.cit. 2007.

[116] Freedom House, *Jordan's Country Report*, 2008, www.freedomhouse.org/template.-cfm?page=22&year=2008, consulted on April 20-09.

[117] For details, see M. Dunne, A. Hamzawy and N. Brown,, "Egypt – Don't Give up on Democracy Promotion", *Policy Brief*, Carnegie Endowment for International Peace, No. 52, June 2007, www.CarnegieEndowment.org, consulted on September 2007.

constitutional amendments that diminished judicial supervision of elections, banned political activity based on religion and gave the executive authority, specifically the president and the security forces, unprecedented powers. It is striking that, in a country where a series of laws pose obstacles to the emergence of any significant political force, the AP mentions only the need to "strengthen participation in political life, including the promotion of public awareness and participation in elections" or "to exchange experience in the field of elections and jointly develop cooperation in areas of shared interest including through providing assistance on registering electors and capacity building", [118] omitting any mention of changing such authoritarian laws. The elections for the Shura Council, the upper chamber of the Egyptian Parliament, held in June 2007 did not improve the country's political context: while the ruling National Democratic Party emerged victorious, there were reportedly widespread irregularities, acts of violence and a wave of arrests of political opposition activists. An EU Presidency statement called on Egypt to investigate allegations of irregularities and acts of violence, but there is no indication that such an investigation has so far taken place.[119] Freedom of expression continues to be severely restricted[120] and, in May 2008, the state of emergency in place since 1981 was extended for an additional two year-period.

The scope for the ENP process to promote a real democratic transformation in Southern Mediterranean (SM) countries is hindered primarily by the fact that ruling elites in Morocco, Egypt and Jordan are undoubtedly more interested in improving their trade and economic co-operation with the EU than in engaging in a real political dialogue. Since their main aim is to ensure their survival, the regimes have not discussed the ENP reform agenda with opposition parties and civil society groups, and have agreed to adopt only the reform policies that do not threaten the status quo and internal security. This certainly weakens the chances for

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[118] *EU/Egypt Action Plan*, 5-6, http://ec.europa.eu/world/enp/documents_en.htm, consulted on September 2007.

[119] Commission of the European Communities, *ENP Progress Report-Egypt,* Brussels, 2008.

[120] For details and examples, see Freedom House, *Egypt's Country Report*, 2008, www.freedomhouse.org/template.cfm?page=22&year=2008, consulted on April 20-09; Carnegie Endowment for International Peace, "Media and Human Rights Crackdown; Brotherhood Leaders Released", *Arab Reform Bulletin*, October 2007; Carnegie Endowment for International Peace, "State of Emergency Extended; Bread Riots Resurface; Anti-Monopoly Law", *Arab Reform Bulletin*, June 2008.

the ENP process to contribute to real political improvements in SM countries since the implementation of its objectives requires both the willingness of governments to reform and the acceptance of the majority of society. For example, the main recommendations made by some Egyptian NGOs with regard to the Egypt's AP, include, among other things, the lifting of the state of emergency, the independence of the judiciary, and free and fair elections, which are not contemplated in the AP.[121] Similar demands were put forth by Jordanian activists.[122]

The current geopolitical context also affects the willingness of the regimes to promote political reform and may hinder the process of political transformation, including the ENP, especially in Mashreq countries. In Jordan, where external factors count more than in Morocco and Egypt, deep political reform has been hindered particularly by the Israeli-Palestinian conflict and the Iraqi conflict, which have placed security considerations above all others. For example, as long as the Palestinian-Israeli conflict is unresolved, the monarchy will avoid reforming the electoral law and settling the question of Palestinian Jordanian representation in the kingdom: although the majority of the Jordanian population is of Palestinian origin, the current electoral law is designed to disfavour them and over-represent segments of the population allied with the regime.[123]

The chance for the ENP process to foster a real democratic transformation in SM countries is also heavily constrained by the fact that opposition parties, particularly the secular ones, are weak and co-opted. Although there are differences from country to country, opposition parties generally suffer from elitism, are based on feudalised structures and have been careful not to antagonize those in power.[124] The opposition in Jordan and Egypt is even weaker and more fragmented than in Morocco. In Egypt, for example, the new protest movements such as Kifaya and various networks of human rights activists have failed to mobilize sig-

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[121] Moataz El Fegiery, Erwan Lannon *European Neighbourhood Policy: Human Rights in EU-Egypt Relations, Recommendations of Egyptian Non Governmental Organizations for the EU-Egypt Action Plan*, Seminar organized by the Euro-Mediterranean Human Rights Network in cooperation with the Cairo Institute for Human Rights Studies in Cairo, January on 26-27, 2006, www.euromedrights.net/usr/00000020/00000055/000 00 751. pdf consulted on Sep-tember 2007.
[122] See J. Choucair, op.cit.
[123] Ibid.
[124] For Morocco, see M. Ottaway and M. Riley, op.cit; for Egypt, N. Brown, M. Dunne, and A. Hamzawy, op. cit; for Jordan, J. Choucair, op.cit.

nificant popular support for their prodemocracy platforms since they are primarily a movement of students, intellectuals and middle-class professionals. Moreover, the marginal role of parliament in the political process, several laws that pose obstacles to the emergence of any significant political force, and a strong security apparatus also hinder the opposition's ability to promote its goals in SM countries. In addition, in all three countries reviewed here, secular parties have not succeeded in exerting sufficient pressure on the regimes, partly because, in order to stop the rise of the more popular Islamist organisations, they have preferred to renounce a vigorous political reform. [125]

The only opposition that poses some challenge to the regimes' monopoly on power are the moderate Islamist movements, although they are still unable to challenge the regimes.[126] For example, in Morocco, the Justice and Development Party (PJD) has gained power and influence, thanks to the country's socio-economic problems and to the foreign policy context created by the aftermath of September 11th, 2001. However, the current electoral law poses obstacles to a strong electoral victory of the PJD, as confirmed by the recent parliamentary elections held on September 7th, 2007 and won by the Istiqlal party, a member of the governing coalition. Similarly, in Jordan, in the November 2007 parliamentary elections, only 6 out of 22 candidates of the Islamic Action Front (IAF) won seats,[127] while in Egypt no candidate backed by the Muslim Brotherhood was elected in the 2007 elections.[128]

The fact that the strongest opposition to the governments comes from the moderate Islamic movements may be a challenge to a real democratic transformation, in general, and to the ENP process, in particular. In fact, Islamist groups reject outside interference in internal affairs, especially in the political domain, more strongly than the other political and social actors.[129] The ambiguous approach of many Islamist groups to some crucial issues such as human rights, universal citizenship, women's issues and legal matters, may raise doubts about their real commitment to

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[125] Ibid.

[126] For the Jordanian Islamic Action Front (IAF) and the Egyptian Muslim Brotherhood, which are not discussed here for reasons of space, see, respectively, J. Choucair, op.cit. and N. Brown, M. Dunne, and A. Hamzawy, op.cit.

[127] Freedom House, *Jordan's Country Report*, 2008, op.cit.

[128] Inter-parliamentary Union, *Egypt: Shoura Assembly*, http://www.ipu.org/parline/reports/2374.htm#last, consulted on April 2009.

[129] S. Şenyücel, S. Güner, and S. Faath, and H. Mattes, op.cit.

democracy.[130] There are risks to excluding non-violent Islamists from the political sphere as well. Since they represent a large section of the population, their exclusion from political life is likely to weaken the chances of democratic transformation in the region and to alienate the population further from the political process. As noted by Haddad and Pogodda[131] "by engaging with Islamists in countries such as Egypt, Jordan, Morocco and Tunisia, the EU might not only develop a mutual understanding between itself and a real 'other', but it will also give credence to an alternative discourse to that of the ruling government, and invite a third party into negotiations that may in fact be more representative of the partner countries than the current". Moreover, in countries where governments treat moderate Islamist movements with hostility and use violence against them, more conservative and potentially violent Islamist factions can rise, as is in the case of Egypt, where a new wave of politically-oriented Salafism, more dogmatic than other Islamist factions, is gaining support particularly among the lower classes of northern cities.[132]

However, there are also promising developments underway. The cases of Morocco, Jordan and Egypt indicate that moderate Islamists have accepted the current rules of the game governing their participation in politics and have not destabilised the countries. For example, the PJD in Morocco has claimed that "the establishment and strengthening of democracy in Moroccan political life depends on the existence of democratic political parties which have clear visions and programs capable of enhancing the people's representation in all public institutions".[133] Moreover, although differences between secular groups and Islamists remain relevant, the degree of convergence over national priorities is growing. For example, in 2005 in Egypt, a coalition of eleven political parties and groupings, covering virtually the whole of the opposition, including the Muslim Brotherhood, formed the United National Front for Change calling for comprehensive constitutional reform, an end to corruption and

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[130] See A. Hamzawy, "The Key to Arab Reform: Moderate Islamists", *Policy Brief*, Carnegie Endowment, No. 40, July 2005, www.carnegieendowment, consulted on September 2007.

[131] S. Haddad and S. Poggoda, "The European Neighbourhood Policy: A View from the South", *GO-Euro Med Working Paper*, No. 0614, 2006, 16, www.goeuromed.org, consulted on September 2007.

[132] N. Field, and A. Hamem, 'Salafism making inroads', *Arab Reform Bulletin*, March 2009.

[133] A. Hamzawy, op.cit.

authoritarianism including the annulment of emergency laws, equality between the sexes and the bolstering of national unity. [134]

In conclusion, support for real political reform is urgent as long as the worsening economic situation and the regimes' loss of political legitimation are determining a loss of political consensus, especially in those social strata marginalised by recent economic reforms. Based on the APs negotiated by the EU with Morocco, Jordan and Egypt so far, it seems unlikely that the ENP will be able to yield the expected benefits to promote substantive democratic change. Yet, the ENP process should attempt to push for substantive political reforms that introduce a fairer electoral system, strengthen parliament powers and guarantee judicial independence. Similarly, successful implementation of the ENP requires a wider constituency for the reform agenda and the involvement of a broad spectrum of actors. Ways should be found to build up the consensus for reforms in all political parties, including Islamic groups. The key challenge is to balance leadership from above with demands from below in order to create public pressure and support for real reforms. Finally, the EU should engage in supporting a real process of internal reform of political parties.

Economic Costs and Benefits

Within the ENP framework, the SM countries are expected to benefit greatly from a stable macro-economic framework and market-oriented reforms. For example, with more trade and foreign direct investment (FDI), SM countries are assumed to achieve higher rates of growth, create more jobs, and improve the knowledge, skills and productivity of their labour force. The potential benefits offered by the liberalisation of trade in the area of services are regarded as being even higher than those offered by free trade.[135]

In recent years, economic reforms in Morocco, Jordan and Egypt have proceeded faster than political reforms. The priority actions included in the APs reflect the usual set of macro-economic and structural reforms

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[134] F. Farag, "Cracks in the Façade: How Much Unity is there in the United National Front for Change", *Al-Ahram Weekly*, 2-9 November 2005, http://weekly.ah ram. org. eg/2005/767/eg6.htm, consulted on September 2007. For examples on Morocco, see A. Hamzawy, op.cit.

[135] D. Müller-Jentsch, *Deeper Integration and Trade in Services in the Euro-Mediterranean Region: Southern Dimensions of the European Neighbourhood Policy*, World Bank and European Commission, 2005, http://trade.ec.europa.eu/doclib/docs/2005/july/tra doc_124235.pdf

that Morocco, Jordan and Egypt have been committed to implementing since the adoption of their first structural adjustment programs in conjunction with the International Monetary Fund (IMF) and the World Bank (WB), respectively in 1983, 1989 and 1991. However, even though the three countries have succeeded in improving their macro-economic performance and have engaged in a gradual process of liberalization and privatization, such policies have been unable to deliver the expected benefits of long-term growth, increased investment, strong productivity, competitiveness, and employment. On the whole, economic reforms have favoured the economic interests of the elite group, while the benefits for the rest of the population have not yet materialised.

Progress on the macro-economic front remains vulnerable in so far as the economic reforms have not addressed the structural causes of fragile growth: the economies of SM countries continue to be barely diversified, vulnerable to natural and external shocks and highly dependent on external rents. For example, Jordan still confronts high dependency on various types of rents, including aid, remittances and loans. Moreover, although governments claim to be strongly committed to economic reforms, structural reforms continue to be slow, selective or incomplete, particularly in Jordan and Egypt. In addition, economic reforms such as trade liberalisation and privatisation are not, by themselves, sufficient to provide long-lasting solutions to the countries' economic challenges. Most local enterprises are small in size and have difficulty accessing essentials factors of production, and are therefore incapable of competing on the EU and other foreign markets.[136] Indeed, despite the fact that the three countries have signed numerous international trade agreements, FDI and export of manufacturing goods have neither increased nor stimulated local production capacity and supply as expected.[137] Moreover, the current global financial crisis is likely to hinder meaningful and inclusive economic reforms in many Southern Mediterranean countries. Although most SM countries, including Morocco, Jordan and Egypt, have remained so far relatively immune vis-à-vis the current financial crisis, the impact on the real economy is likely to be felt heavily, especially in those countries with strong linkages with Europe in trade and tourism. These SM countries will feel the negative impact of the financial

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[136] A. Hemal, "Enhancing Neighbourhood Policy through FDI", in F. Attinà and R. Rosa, (eds*.), European Neighbourhood Policy: Political, Economic and Social Issue*, The Jean Monnet Centre "Euro-Med" Department of Political Studies, Catania, 2004.
[137] Ibid.

crisis through the depressed European demand for imports and tourism spending and will also receive less FDI and financial aid from Europe.

The evidence provided above suggests that promoting a stable macro-economic context and market-oriented economic reforms are not sufficient conditions to boost economic growth, development and employment in the region. There are indeed serious political economy constraints to economic reforms that need to be addressed. For example, while the ruling elites are currently putting higher priority on economic reforms than on political reforms, they have shown a marked preference so far for a gradual pace of economic reform. This is for two main reasons: first, established elites have resisted deep structural reforms such as privatisation, administrative reform and trade liberalisation out of concern that they would harm their economic or political interests; second, they fear that full-scale economic reforms could entail social dislocations and politically destabilise the country. In Jordan, for example, structural reforms in key areas are now proceeding slowly because the policies the King must adopt to face the challenge of economic development - particularly administrative reform and privatization - threaten the monarchy's traditional support base, namely the citizens of Transjordanian origin who dominate the public sector. [138] Moreover, economic reforms have been used by ruling elites as a strategic tool for maintaining and reorganising the system of privileges that has served them, allowing for the regime's survival. Privatisation programs are a case in point. In all three countries reviewed here, privatisation programs have benefited a few well-connected businessmen, friends and relatives of regime members (as well as the royal family in the case of Morocco and Jordan).[139]

There is evidence, at least in Egypt and Jordan, that most political actors outside the elite give priority to political over economic reforms and are critical of the government's continued emphasis on economic mat-

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[138] While Transjordanians have traditionally dominated the public sector, Jordan citizens of Palestinian origin have led private sector activities. See S. Alissa, "Rethinking Economic Reform in Jordan: Confronting Socio-Economic Realities", *Carnegie Paper*, No. 4, July 2007, www.CarnegieEndowement.org, consulted on September, 2007; Ryan, C., op.cit.

[139] B. Dillman, "Facing the Market in North Africa", *The Middle East Journal,* Vol. 55, No. 2, 198-215, 2001; S. Heydemann, *Networks of Privilege in the Middle East, The Politics of Economic Reform Revisited*, Palgrave, 2005. For Jordan, in particular, see C. Ryan, op.cit.

ters.[140] It seems, however, that opposition groups, including the moderate Islamist groups, question the validity of foreign initiatives in the field of democratisation, and are more inclined to accept cooperation with the EU in the economic field[141]. In Morocco, for example, even left-wing parties and trade unions appear to lend their support to cooperation with the EU in the field of economic and developmental policies. The Islamists of the PJD also share this view in their official declarations.

Finally, an essential pre-condition for any genuine economic reform is the existence of independent entrepreneurs. In recent years, in all three countries, the reform process has led to the emergence of a new oligarchy of young businessmen, who have become an important source of support for the regime beside the old support base. These new businessmen are more Western oriented, are prone to accelerate economic reforms and enjoy extensive support from the regime.[142] The tension between the old and the new elites is likely to affect economic reform efforts in the future. However, this new business class is unlikely to promote a real process of economic reform in so far as its success will continue to depend on its privileged and strong links to the regime. So far, in none of the three countries is there evidence of the emergence of a class of businessmen independent of the government. Because an autonomous private sector is still lacking, independent business interests cannot provide an effective lobby in favour of economic reforms. Corruption is widespread and only wealthy and well-connected businesspeople receive special treatment.

In conclusion, the economic prescriptions indicated in the APs will be unable to deliver the expected benefits to the majority of the population unless the ENP puts effort into addressing the political economy constraints that continue to hinder the implementation of effective and transparent economic reforms. This means that addressing political issues should be viewed as a crucial complement to economic reform programs. Progress is thus needed to improve effective governance, anti-

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[140] For Jordan see C. Ryan, op. cit; for Egypt see S. Gauch, "Egypt's Opposition Targets Reforms", *The Christian Monitor*, 23 March, 2006, http://www.csmonitor.com-/2006/0323/p07s02-wome.html, consulted on September 2006.

[141] For Jordan, see W. Abu-Dalbouh, "Jordan and the Euro-Mediterranean Partnership", in H. A. Fernandez, and R. Youngs, (eds*), The Euro-Mediterranean Partnership: Assessing the First Decade*, Real Instituto Elcano and FRIDE, October 2005, www. fride.org/eng/Publications/publication.aspx?item=832 consulted on September 20-07; for Morocco, see S. Şenyücel, S. Güner, and S. Faath, and H. Mattes, op.cit.

[142] For example, for Jordan, see S. Alissa, op.cit.

corruption enforcement mechanisms and, above all, political participation.

Social Costs and Benefits

Unemployment is considered one of the most important challenges facing SM countries: 20 million jobs would have to be created by 2010 to prevent the already high average unemployment rates of 15% of the working population from increasing.[143] Moreover, although poverty does not manifest itself with the same intensity as in other developing countries, living conditions are very poor in rural areas and the areas surrounding the big cities.[144]

While the EMP, since its inception, has not effectively contributed to creating employment or improving the socio-economic situation,[145] the ENP seems to introduce some positive changes with regard to social issues, offering an opportunity to redress this balance and contribute to promoting social development. In particular, the APs for Morocco, Jordan and Egypt entail the promotion of policies against poverty and unemployment as well as the enhancement of dialogue and cooperation with the EU on social matters.

Over the past years, the countries reviewed have taken a series of public initiatives to reduce unemployment and poverty.[146] This suggests that the governments feel increasingly pressed to deal with unemployment, job creation and poverty reduction. However, there is the risk that such initiatives are more cosmetic than real. With regard to Jordan, for example, the last EU progress report notes that the implementation of the employment and poverty reduction strategy inaugurated by the King in

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[143] H. Handoussa and J. L. Reiffers, *Femise 2003 Report on the Euro-Mediterranean Partnership*, Institut de la Méditerranée, Marseille, 2003, http://www.femise.org/Pub indic/an-03.html#gb, consulted on September 2007.

[144] See M. Karshenas and V. M. Moghadam. (eds), *Social Policy in the Middle East*, Palgrave Macmillan..

[145] See I. Barreñada and I. Martín, "Employment and Social Protection in the Euro-Mediterranean Partnership Status, Perspectives and Proposals for Action", paper presented for the "Barcelona + 10 Civil Event" organised by the EuroMed Non Governmental Platform, Malaga, 30 September and 1-2 October 2005, http://www. eco.uc3m.es/immartin/EmpleolargaEnglishrevisada.doc, consulted on September 2007.

[146] See Commission of the European Communities, *ENP Progress Report–Jordan*, 2006 and 2008; Commission of the European Communities, *ENP Progress Report–Morocco*, 2006 and 2008; Commission of the European Communities, *ENP Progress Report–Egypt, 2008*.

2006 suffered from a general lack of consistency and coordination, which led to the delay of the European Community assistance programme on poverty alleviation.[147] In Morocco, in spite of the approval of a regulatory framework on child labour, women's and workers' rights, its concrete application is still difficult. The fact that the action lines indicated in the APs remain too generic and are not translated into speci fic/ direct/concrete measures to boost employment and alleviate poverty may contribute to favouring rhetorical endorsement by countries' ruling elites. Another explanation is that, alongside the spread of public initiatives to address poverty and unemployment, the state is actually retreating from the provision of social services because of declining financial resources [148]. For example, the state is increasingly delegating its social welfare functions to private actors such as non-governmental organisations, while social spending is no longer sufficient to prevent the deterioration of the quality of health and educational services. This means that, in the long run, the social policies so widely publicised by SM governments are likely to turn out to be unsustainable. With regard to Morocco, for example, budget constraints are raising concerns about the sustainability of the National Initiative for Human Development (NIHD) launched in 2006,[149] which the first EU progress report considers "a key instrument for reducing social disparities and combating poverty". [150] In this regard, the European Commission has devoted € 60 million to supporting the implementation of the NIHD.[151] However, the global financial crisis of 2008-9 is likely to exacerbate budget constraints in most SM countries, including Morocco, Jordan and Egypt, through a reduction in international aid.

A second factor to be considered in the cost-benefit analysis is that the current employment and social policies implemented by SM countries,

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[147] Commission of the European Communities, *ENP Progress Report–Jordan,* 2008, 6.

[148] See M. C. Paciello, "Income Distribution in the Middle East and North Africa, 1960-2000", in J. Baudot and J. K. Sundaram (ed.), *Flat World, Big Gaps: Economic Liberalization, Globalization, Poverty and Inequality,* Zed Books, 2007; for Egypt, A. Bayat, "The Political Economy of Social Policy in Egypt", in M. Karshenas and V. M. Moghadam (eds), *Social Policy in the Middle East*, Palgrave Macmillan, 135-155.

[149] S. Radwan and N. El Oraby, "Poverty Reduction Strategies in North Africa Country Cases for Egypt, Morocco and Tunisia", Paper prepared for the United Nation's Economic Commission for Africa, June 14, 2006, www.uneca.org/prsp/cairo/documents/NA_Paper.pdf, consulted on September 2007.

[150] Commission of the European Communities, *ENP Progress Report–Morocco,* 2006, 7.

[151] Commission of the European Communities, *ENP Progress Report-Morocco*, Brussels, 2008.

and encouraged in the APs, seem to be rather ineffective in dealing with unemployment and poverty. Similarly, they fail to benefit the needy population. In Morocco, for which more information is available, despite the social security reform called for in the AP and launched in 2005, the system continues to be highly discriminatory in so far as it excludes the majority of workers, the self-employed, as well as wage earners in the informal sector.[152] As noted by the last EU progress report on Morocco [153], a health insurance for the poor has not been established yet although its creation was announced by the year 2006. [154] Although the reform of the Labour Code approved in 2004 and supported in the AP is indisputably a major contribution to the modernization of industrial relations in Morocco, nonetheless, it imposes restrictions on the right to strike, and introduces little flexibility regarding labour contracts [155]. SM countries, including the countries reviewed here, generally lack a coherent and comprehensive national employment strategy so that governments tend to deal with job creation through piecemeal measures [156]. In this regard, the lines of action indicated in the APs are still too generic and need to be translated into specific measures to effectively boost employment and alleviate poverty.

Finally, the outcome of many of the economic reforms envisaged in the AP will not produce positive results immediately and are likely to have high social costs in the short term. The economic policies implemented so far by Morocco, Jordan and Egypt, which are the same as those prescribed within the ENP framework, have been associated with lower living standards and labour market outcomes. In the coming years, as tariffs on the nationally produced consumer products that are most sensitive to competition from European products are dismantled, Southern

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[152] In 2005, the government established the *Assurance Maladie Obligatoire* (AMO) that consists in a compulsory health insurance system for public and private wage earners in the formal sector and for holders of pension.

[153] Commission of the European Communities, *ENP Progress Report-Morocco*, Brussels, 2008.

[154] The system of health assistance for the poor is called *Régime d'Assistance Médicale pour les Populations Démunies* (RAMED).

[155] I. Martin, "The Social Impact of Euro-Mediterranean Free Trade Areas: A First Approach with Special Reference to the Case of Morocco", *Mediterranean Politics*, Vol.9, No.3, 2004, 422-58.

[156] N. El-Megharbel, "The Impact of Recent Macro and Labor Market Policies on Job Creation in Egypt", *ECES Working Paper*, No. 123, May 2007. For Jordan, see *EU/ Jordan Strategic Paper, 2007-2013*, http://ec.europa. eu/world/enp/documents_en. htm#1, consulted on September 2007.

Mediterranean citizens will start to feel the negative effects of the Euro-Mediterranean Free Trade Areas (EMFTA).[157] Since many small- and medium-sized firms in SM countries are unable to compete with higher quality EU goods both within the EU and in their domestic markets, the problems of unemployment and labour market flexibility are likely to increase. In addition, since custom duties have traditionally been an important source of revenue for those countries' national budgets, trade policy reform will generate a drop in taxes on international transactions and therefore a reduction in state income. This could translate into further cuts in social spending. In spite of this, the APs–with the exception of the AP for Egypt – make no mention of adopting specific measures that compensate for the social costs of economic reforms.[158] Failure to adopt countermeasures against the possible negative effects of economic reforms could aggravate the social situation and generate serious costs in terms of social and political sustainability of reforms.

Up to now, civil society, unions and political parties have been too weak to resist or influence economic and social policies. They are unable to mobilise large sectors of the society and lack a popular constituency. The regimes have rarely involved the various social actors in the design of social and economic policies, including the EMP and ENP processes. However, in all three countries reviewed here, economic reforms have met with significant popular resistance because they have worsened people's standard of living. People seem to be more concerned with the negative implications of economic reforms for the labour market than for lack of political reforms. Islamic movements in the countries are gaining popular support thanks to deteriorating social and economic conditions. Recently, there have been signs of growing opposition to the negative social effects associated with economic reform, particularly with the acceleration of privatisation programs. For example, between 2006 and 2007, Egypt saw the longest and strongest wave of worker protest since the end of World War II, spreading throughout the major industrial centres of the Delta [159] to denounce privatisation programs.

If economic reforms continue to go ahead, while political reforms are postponed and benefits for the low-middle social strata do not material-

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[157] See A. Hemal, op.cit.; for Morocco, see I. Martin, op.cit.

[158] See *EU/Jordan Action Plan*, op. cit; *EU/Morocco Action Plan*, op. cit; *EU/Egypt Action Plan*, op. cit.

[159] J. Beinin and H. El Hamalawy, "Strikes in Egypt Spread from Center of Gravity", *Middle East Report*, May 9, 2007, http://www.merip.org/mero/mero050907.html consulted on September 2007.

ise, incumbent regimes could go through serious crises of legitimacy. This could bring about greater political instability and violent forms of resistance, halting both political and economic reform. As the impact of the global financial crisis in many SM countries will be directly felt on employment and household incomes, it could further undermine the legitimacy of incumbent regimes, unless adequate and coherent social policies are implemented. As a result, the EU should attempt to strengthen the social dimension of the ENP process as much as possible to avoid the risk of political and social instability in SM countries. Moreover, the whole society is likely to benefit from the implementation of fair and effective social policies. In addition, all actors, including the ruling elite, seem to agree on the importance of addressing the unemployment and poverty problems. As mentioned before, ruling elites fear the socially and politically destabilising effects of economic reforms, and therefore, in the name of security, may have a strong interest in dealing with the issue of the social costs of economic reforms. Similarly, they are aware that failing to respond to the unemployment and poverty problems through appropriate social policies could lead to social and political repercussions which they may not be able to control.

Overall Cost-Benefit Assessment

The ENP has the potential to deliver political, economic and social benefits to SM countries, but up to now it has not yielded any concrete positive results. At all levels, ruling elites have benefited the most, to the disadvantage of the majority of citizens.

As highlighted by the examples provided above and the literature on the ENP[160], there are a number of shortcomings in the APs that seem to hinder the effectiveness of the process and, therefore need to be redressed:

- APs are imprecise, cautious and not specific in policy-operational detail, particularly with regard to political and social issues, despite the fact that the initial objective of these Action Plans was to spell out the actions needed to implement specific goals based on the priorities of each country;

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[160] See, for example, S. Radwan, and J. L. Reiffers, FEMISE Report on the Euro-Mediterranean Partnership 2006: Analysis and Proposals of the Euro-Mediterranean Forum of Economic Institutes, September 2006, www.femise.net/PDF/Femise_-A2006gb.pdf consulted on September 2007; M. Emerson and G. Noutcheva, "From Barcelona Process to Neighbourhood Policy: Assessments and Open Issues", *CEPS Working Paper*, No. 220, Brussels, March, 2005

- APs are not supported by clear indications of the incentives offered to the partner states, and on what conditions;

- APs provide no specific dates or modalities for implementation. Their time dimension is lost when terms as "short term" and "medium term" are used without defining the length of time intended. The non-specification of the time frame in the AP could result in a slowdown of the whole process.

On the political front, the reforms envisaged in the ENP are unlikely to contribute to stimulating a real process of democratic transformation or to meeting and satisfying citizens' expectations.

To sum up, the major constraint to substantive political reforms in Southern Mediterranean countries such as Egypt, Jordan and Morocco is the fact that ruling elites in these countries are more interested in improving their economic cooperation with the EU than in engaging in a political dialogue for real democratic change. Their main concerns remain political stability and security, which are necessary for their survival. As for the opposition groups, particularly the secular ones lack popular constituency, are weak and co-opted by the regimes, and therefore unable to promote real political change. On the other hand, the moderate Islamic groups are the only real opposition to SM governments with a popular constituency. Their exclusion from political life is likely to weaken the chances of democratic transformation in the region and encourage the emergence of violent and radical Islamist movements. In addition, the ENP reform agenda was not discussed with major political actors and civil society organisations, but was instead negotiated by a select group of senior policy-makers who ensure that reforms do not destabilize their hold on power, and the EU has done little to promote local pro-reform voices, including moderate Islamic groups.[161] Last but certainly not least, an unfavourable geo-political context hinders political reforms, particularly in Jordan.

As far as the favourable factors for the implementation of reforms are concerned, it has to be recalled that some elements from trade unions, civil society groups and opposition parties are calling for a real political transformation, and seem inclined to cooperate with the EU in the economic field. Given that there has been very little public discussion of the ENP in SM countries, it is not clear to what extent these groups support

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[161] See R. Youngs, "Europe's Flawed Approach to Arab Democracy", *Centre for European Reform*, 2006.

the ENP process, but they favour political over economic reform, suggesting a favourable context for the ENP to address the political economy constraints to economic reforms and implement political reforms step by step alongside economic reforms. Also, moderate Islamic groups seem to have accepted the current rules of the game governing participation in legal politics and are calling for deep political reform.

Generally speaking, economic reforms have undoubtedly proceeded more quickly than political reforms. However, progress on the macroeconomic level remains vulnerable in so far as the structural causes of fragile growth have not been addressed. Structural reforms continue to be hesitant and unable to deliver the expected economic benefits to the majority of the population. The global financial crisis is likely to pose additional challenges to the economies of Southern Mediterranean countries in terms of declining economic growth and export performance.

As for the major constraints to effective, transparent and equitable economic reforms, there are first of all serious political economy obstacles that continue to stand behind the implementation of reforms: established elites resist reforms that will harm their economic or political interests, while they use reforms in a way that allows the existing regimes to survive and favours their economic interests. Secondly, a business sector independent of the government is still lacking and finally there is no dynamic and competitive business sector that is able to take advantage of trade and investment opportunities.

Unemployment and poverty remain the most important challenges facing Southern Mediterranean countries. The current financial crisis could worsen the labour market situation in most SM countries following the return of migrant workers from both Europe and Gulf countries. The ENP framework seems to introduce some positive changes with regard to social issues, offering an opportunity to contribute to promoting social development in SM countries. However, the ENP may fail to deliver real social benefits. First, the social initiatives launched by the governments seem to be more cosmetic than real. Second, social policies are hardly effective in dealing with unemployment and poverty. Third, the outcome of many of the economic reforms envisaged in the APs will not be immediately positive and are actually likely to have negative effects in the short term, especially in the low-middle social strata. Among the major constraints to delivering effective social benefits are the following:

- Because of budget constraints, the state is increasingly unable to support effective social policies; the ENP framework does not seriously take

into account the side-effects of implementing economic reforms; civil society, unions and political parties are still too weak to resist or influence economic and social policies and are rarely involved in social consultation, including in the ENP process

- As for the favourable factors, the majority of local actors including incumbent elites and opposition groups, agree, albeit for different reasons, that there is an urgent need to address the unemployment and poverty problems through appropriate social policies and that an acceleration of economic reforms will entail possible negative effects that need to be taken into account.

Finally, it is too early to assess what kind of impact the Union for the Mediterranean (UfM) may have on the implementation of the ENP-induced reforms in Southern Mediterranean countries. Not only was this initiative recently launched (July 2008), it is also having a very difficult start, following Israel's intervention in Gaza in December 2008-January 2009 and the reactions that action triggered in Arab countries.

Potential Suggestions for Other Incentives

This analysis shows that the EU is having difficulty in trying to adopt a conditionality strategy with Southern Neighbours. The most effective incentive that the EU ever devised to persuade third countries to reform their political, economic and social system was enlargement policy, notably the pre-accession strategy. These models have indeed influenced the ENP scheme, which was initially conceived for Eastern neighbours and was subsequently extended to Southern ones.[162] However, if the membership perspective is not present at all, not even in the long run, trying to apply conditionality to Southern Neighbours in a similar fashion as it was applied vis-à-vis candidate countries or even Eastern neighbours will not work. In addition, unlike their Eastern counterparts, Southern neighbours do not aim at upgrading their contractual relations with the EU, at least in the short run. They already have in force Association Agreements with the EU under Article 310 of the Treaty of the European Communities, which are for the moment the most advanced contractual agreements between the EU and third countries short of membership. Moreover, it is not yet clear whether the socalled "Neigh-

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[162] See M. Comelli, "The Challenges of the European Neighbourhood Policy", *TheInternational Spectator*, Vol. 39, No. 3, 2004, 99. R. Del Sarto and T. Schumacher, "From EMP to ENP: What's at Stake with the European Neighbourhood Policy towards the Southern Mediterranean?", *European Foreign Affairs Review,* Vol. 10, No. 1, 2005, 17-38

bourhood Agreements" will be stipulated and what their provisions will be. This is why other kind of incentives should be devised, such as: 1) relaxation of the visa regime; 2) more trade liberalisation for agricultural products; 3) more funds for the countries that show better performance in domestic reforms.

Improving the perspectives for lawful migration and movement of persons through, for example, establishing a more flexible visa system could be a possible incentive to persuade SM countries to carry out substantive reforms. More liberal migration policies and visa regimes are probably among the main desiderata of the SM states.[163] A possible facilitation of legal labour migration from the SM countries to the EU is seen by SM countries as a way of diminishing demographic pressures and, partly, alleviating the problem of unemployment. Offering substantial improvements on the visa side, particularly for some categories of people, such as students, by providing simpler and faster procedures, perhaps in exchange for a readmission agreement, could provide an incentive for reform in the partner countries and would result in a better knowledge and perception of the EU in the SM countries. However, the ENP has not yet allowed for significant progress in improving the movement of partner countries' citizens to the EU. In the APs, there is still very little that regards visa policy or legal migration. In the case of Jordan for example, the AP only includes the possibility of "examining the scope for visa facilitation for short stay for some categories of persons to be defined jointly"[164]. In Morocco, the negotiation rounds on visa facilitation and readmission agreement have been stuck since 2007.[165]

The second incentive that might prove effective in persuading SM countries to carry out substantive reforms is in the field of agriculture, which is an area of high economic potential and interest for SM countries. As most of the SM countries have a comparative advantage in agriculture, particularly fruit and vegetables, improved access to the EU agricultural markets is important to stimulate export growth, create jobs, and provide sustainable livelihoods to farmers in these countries. It is estimated that Egypt, Jordan, Lebanon, the Palestinian Territories and

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[163] S. Jones and M. Emerson, "European Neighbourhood Policy in the Mashreq Countries: Enhancing Prospects for Reform", *CEPS Working Document*, No. 229, September 2005, www.isn.ethz.ch/pubs/ph/details.cfm?lng= en&id=13877, consulted on September 2007.

[164] *EU/Jordan Action Plan*, op.cit, 3

[165] On the contrary, in June 2007 the EU concluded a visa facilitation agreement and a readmission agreement with Ukraine.

Syria could generate 119,000 new jobs, making a profit for producers of $498 million and adding $756 million to the value of their economies, just by meeting the EU's unmet demand for strawberries, grapes, dates, green beans, and sweet melons.[166] Access to EU markets, however, remains characterised by tariffs, quotas, exceptions and timetables. Also, the APs are still cautious with regard to extending freedom of movement of goods to agricultural products, even though there are differences between countries. In the case of Jordan, the AP only contemplates the "possibility for further liberalization of trade in agricultural products", without mentioning any concrete measures.[167] As for Morocco's AP, although agricultural reform is aimed at fostering conditions for the creation of a free trade area with the EU, most measures, while useful for promoting agriculture, are aimed at exchanging information on agricultural policies, not explicitly at liberalization.[168]

With regard to the funds aimed at rewarding the best-performing neighbouring countries, in 2006 the EU launched the so-called Governance Facility within the European Neighbourhood and Partnership Instrument (ENPI), the financial instrument aimed at the ENP countries. The point is that the funds allocated to the Governance Facility are only 300 million euro. This is insufficient if one considers that it covers the period from 2007 to 2013 and is potentially directed at all neighbouring countries. It should therefore be increased, but this appears to be particularly difficult at a time when the financing of the Union for the Mediterranean relies, among others, on ENP financial sources.[169] In addition, the funds of the Governance Facility will be allocated to reward governance reform rather than genuine democratic change.[170]

A related problem is that the governments of Southern Mediterranean countries have a kind of veto on granting money from the EU to third parties. In fact, the ENPI envisaged that the funding for non-govern mental organisations would receive the prior approval of the recipient's government, with the result that in Jordan, for example, much of the

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[166] Oxfam International, Euro-Med: Ensuring a Fair Deal, *Oxfam Briefing Note*, 26 November 2005.

[167] EU/Jordan Action Plan, op.cit, 3.

[168] EU/Morocco Action Plan, op.cit., 9-10.

[169] In particular, these sources are the ENPI Euro-Med envelope, the Neighbourhood Investment Facility and the cross-border cooperation instrument within the ENPO. *Joint Declaration of the Paris Summit for the Mediterranean*, Paris, 13 July 2008.

[170] R. Youngs, "Europe's flawed approach to democracy", *Centre for European Reform essays*, October 2006, 3.

MEDA 'civil society support' has been received by non-govern-mental organisations (NGOs) headed by members of the royal family. [171] A strong effort should be made to change this regulation and make it possible, at least to a certain extent, for non-governmental organisations to be able to receive funds without the government's approval, as is already the case with the main financial instrument aimed at promoting democracy worldwide, the European Instrument for Democracy and Human Rights (EIDHR).

The ENP should be communicated better to the Southern Neighbours, both at the elite and the popular level. First of all, the EU should explain more clearly the goals and instruments of the ENP to the governments of these countries, in order to avoid misunderstandings and reinforce the idea that the policy is jointly owned by the two counterparts, and it is not only an EU-led policy. Similarly, the main advantages should be stressed, and the new elements pointed out, also in relation to the Union for the Mediterranean, which has taken over from the Barcelona process: the relationship between the ENP and the UfM is yet to be clarified. More effective EU involvement in crisis management and conflict settlement, especially in the Middle East, would also give the EU a much more credible image in the eyes of the Southern Neighbours, both among the elites and among ordinary citizens. The above mentioned measures, such as relaxation of the visa regime, trade liberalisation for agricultural products being exported to the EU would, apart from their material effects, greatly help to improve the image and credibility of the EU in the Southern Mediterranean countries.

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[171] Ibid.

Boş Sayfa

From EU Association Agreements to EU Neighbourhood Policy and Union for the Mediterranean:
Does Egypt Need This Change in EU Regional Trade Policy?

Ahmed Farouk Ghoneim

In 2003 the EU announced a new initiative, the European Neighbour-hood Policy (ENP) aimed at its Eastern and Southern neighbours. The future of the Euro-Mediterranean Association Agreements (AAs) that evolved out of the Barcelona Process of 1995 has since been open to several question marks. Would the ENP mark a departure from Association Agreements signed with South Mediterranean countries (SMCs[172]) including Egypt (even though AAs still constitute the legal basis for the EU's relations with SMCs)? Or would the ENP represent a continuation of the Association Agreements as far as the content of the cooperation is concerned? Or would the two initiatives work in tandem with each other? Moreover, and besides the unclear technicalities in the new ENP, including the big black box "stake in the market" which is supposed to be the carrot that EU would provide to cooperative SMCs, the Egyptian community has started to question how Egypt benefits from approving this new initiative.

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[172] SMCs include: Egypt, Morocco, Tunisia, Algeria, Lebanon, Syria, Jordan, Turkey, Cyprus, Malta, Israel, and the Palestinian Authority.

This article tries to evaluate the process of shifting from the Euro-Mediterranean Partnership (also known as the Barcelona Process) and its Association Agreement to the ENP and its Action Plan from an Egyptian perspective. While both the Euro-Mediterranean Association Agreement and the European Neighbourhood Policy Action Plan include many economic, political and social aspects, including security and cultural issues, the focus of our article is on the economic and specifically trade-oriented aspects. We adopt an analytical approach where we discuss the pros and cons of each alternative and try to reach some sort of objective opinion towards the best option for Egypt. We also provide a short ex-ante appraisal of what can be expected from the new Union for the Mediterranean from an Egyptian perspective.

In Section One we shortly review EU regional trade policy and raise the question of whether the changes of such policy are good or bad for EU trading partners. In Section Two we provide a comparison between the Association Agreement signed between EU and Egypt in 2002 and the elements included in the Action Plan of Egypt signed in 2007, within the ENP's framework. Section Three provides an assessment of the ENP and the Egyptian Action Plan in light of the Association Agreement. Section Four discusses what would have been best for Egypt, given its social, economic, and political status while reflecting on the elements included in the two initiatives. Section Five provides a short overview on the prospects of Union for the Mediterranean Initiative for Egypt. Section Six concludes with some important lessons.

Section One:
EU Regional Trade Policy Change: Good or Bad and for Whom?

In many cases the EU has announced that its regional trade policy needs to be revised to overcome its pitfalls. This has been the case with the EU policy towards SMCs under the context of the General Cooperation Agreements framework which started in the early 1970s and has since changed repeatedly as a result of recognition by the EU that a new policy should be adopted towards the SMCs.

The EU's regional trading partners have been obliged to adapt to such changes in EU regional trade policy. Such adaptation does not necessarily mean that they agreed to the changes, but their bargaining power with the EU did not allow them to challenge EU policies. Hence, the determining player in all relations has been the EU, which has chosen a specific way in its negotiations. The European Commission prefers to

deal with countries in regional contexts, however when it comes to negotiations it negotiates on a bilateral basis. For example, the Barcelona Process identified 12 Mediterranean countries which have been considered for a new policy by the European Commission, but each of the 12 countries has its own specific association agreement with the EU, in some cases similar (e.g. the Tunisia and Morocco Association Agreements), but in other countries[173] differing completely (e.g. the Israel Association Agreement compared to the Egypt agreement). Such policy (i.e. dealing with countries in two contexts, regional and bilateral) has its pros and cons. Its pros include ensuring a certain degree of harmony among the EU policies adopted towards a certain geographical region which helps to lessen the burden of huge diversification among different countries. Moreover, it provides the countries negotiating or dealing with the EU with precedents on certain issues during negotiations or implementation of certain trade commitments, which builds some sort of understanding among trade negotiators of what can and what cannot be achieved when dealing with the EU. Its cons include the absence of specificity for each country, which in turn can lead to negative consequences in the process of dealing with countries in a regional context as a result of the aggregation process.

In fact, in its regional trade policies the EU has always oscillated between the need to have some sort of harmonized regional policy and the need to consider the specifics of each country it is joining it in a regional trade agreement. As a result the EU has been always changing its policies towards the SMCs to emphasize one of the two aspects. The balance between achieving the two objectives is difficult and it seems that the EU is still trying to strike it.

Academic literature available on how the EU regional trading partners perceive such changes in policy is scarce. Most of the literature that is produced are official documents of the European Commission arguing that the EU has discovered there are pitfalls in its regional trade policy and hence has decided to shift to its new policy or that there is a need to strengthen the existing policy through an additional new mechanism. The academic and official literature produced on the other end by the regional partners cannot argue much as they confirm that there have been pitfalls in the old policy but cannot produce the same judgments as the European Commission regarding the new policy since they have not

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[173] R. Aliboni, A. Driss, T. Shcumacher, and A. Tovias, "Putting the Mediterranean Union in Perspective", *EuroMesco Paper,* No. 68, June 2008.

tested it, and hence any argument they use will have a subjective and not an objective basis. This implies that the EU has adopted an interesting intellectual approach in tackling the change of its regional trade policy by starting to criticize itself by arguing that such regional trade policy has not achieved its desired objectives and there is a need for a change. The EU has proposed such change and added influential wording in its documents such as sustainable development and enhancement of South-South cooperation. Such approach has its appealing comfort among the partners and the international community that the EU is admitting its mistakes and undertaking self-correction mechanisms. Examples include the announcements that the Barcelona Process did not fully achieve its expected results in 2003, as none of the Mediterranean countries that started to implement the Association Agreements have fully implemented it. The main reason behind announcing Barcelona was not achieving its expected results was to promote the new European Neighbourhood Policy and the associated Action Plans.

However, there are other ways to look at the change in the EU regional trade policy. The change in policy responds to specific EU interests which as we have argued above are dynamic. This implies that the interests of the regional partners are always a secondary priority. Though protecting the priorities of the EU is rather justifiable, we argue that the continuous change in the EU regional trade policy has created a high degree of uncertainty among the regional trading partners and in many cases this could lead to more costs than gains. So, contrary to the European Commission's argument in its documents that changes are undertaken to correct the pitfalls of a certain regional trade or financial system or arrangement, that has not been the case. For example, it was argued that the financial protocols system,[174] adopted in the era of Cooperation Agreements between the EU and the SMCs from the 1970s till the mid 1990s, causes many delays in disbursing the aid for beneficiaries and hence it was replaced by MEDA lines (accompanying the Association Agreements) which were supposed to overcome this problem, among others. The practice shows that the delay in disbursing aid has not been overcome under the MEDA lines system.[175] MEDA lines were just a

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[174] Financial Protocols were the system adopted by the European Union to provide funds for SMC during the period of Cooperation Agreement. The Financial Protocols were designed for five years each and each country was allocated a certain budget to be disbursed over the five years.

[175] A. F. Ghoneim , *Issues of Regional Trade Integration among Industrialized and Developing Countries: The Case of The Egyptian-European Partnership Agreement*, Unpublished

change in the title of the system used for disbursing aid, but did not change the content of the system itself. What we argue here is that the change is not always desirable especially if it does not add something positive and/or does not overcome something negative for the regional trading partners.

Section Two:
Differences and Similarities between the Euro-Mediterranean Association Agreements and the European Neighbourhood Policy

The Barcelona Process of 1995 announced the start of a new type of co-operation replacing the old forms where reciprocity in terms of market access was included, and political, security, cultural, and social dimensions were added to the list of cooperation, beside the traditional economic, trade and financial cooperation. The Association Agreements between the EU and the 12 SMCs were the new legal instruments within the Barcelona Process. They included elements of deep integration[176] where they embodied specific provisions on standards, conformity certification, competition rules, etc. In many cases the words "enhancing", "cooperating" and "developing" were used, but no specific dates to reach any form of deep integration were given, with the exception of setting dates to start negotiations on further liberalization of services and agriculture. It is relatively early to assess the impact of the Association Agreements as little time has elapsed since their entry into force and in many cases, they are experiencing their transitional period and hence it would be wrong to comment on the impact of the Association Agreements on the SMCs. For example, in the case of Egypt, implementation started in 2004 and the transitional period extends twelve years. However, some studies already exist that point out that there are a number of factors behind the modest role of the Association Agreements in boosting trade between the EU and the SMCs. These factors include long transitional periods, high propensity to agricultural protectionism in the EU and the modest levels of funds provided by the EU to the SMCs.[177]

PhD thesis submitted to Friedrich-Alexander-Univeristaet, Erlangen-Nuermberg, Germany, 2000

[176] Deep integration is a term coined by Lawrence (1996) which implies tackling "behind the border" issues in contrast to the shallow integration which deals only with tariffs at the boarders.

[177] M. Montanari, "The Barcelona Process and the Political Economy of the Euro-Mediterranean Trade Integration", *Journal of Common Market Studies*, Vol 45, No. 5, 2007, 1011 -1040

In 2003 the EU announced the adoption of the ENP, the official documents of which still emphasized the Barcelona Process.[178] In fact it was emphasized that the ENP would be implemented through the Barcelona Process and the Association Agreements with SMCs.[179] The ENP sets up Action Plans allowing the SMCs to define their own priorities where they can closely cooperate and deeply integrate with the EU. The European Commission emphasized that the ENP does not replace the Barcelona Process, but rather it builds upon it to deepen trade integration between the EU and the SMCs.

The Commission has emphasised in different documents that the ENP is not a substitute for the Association Agreements or the Barcelona Process in general. Yet in many documents reviewed (e.g. European Commission, 2004; European Commission, 2006), the reality is that the MEDA financial instruments, the financial resources provided within the framework of the Association Agreements, were replaced by the new European Neighbourhood and Partnership Instrument (ENPI). The change of the financial instrument, as well as other issues, is creating a lot of ambiguity regarding whether the ENP is a substitute or a complement to the Association Agreements.

Initially, the ENP proposed the carrot for its non-EU neighbours of a stake in its internal market and an extension of the four freedoms of the EU including goods, services, capital and labour. But are not the four freedoms given only to members of the EU and hence there is no way that a country like Egypt will have access to the EU internal market? As mentioned in the European Commission documents: the aim of the ENP is "to provide a framework for the development of a new relationship which would not, in the medium-term, include a perspective of membership or a role in the Union's institutions. A response to the practical issues posed by proximity and Neighbourhood should be seen as separate from the question of EU accession."

Whether ENP will bring much to SMCs is highly debatable. The reason is that it does not add much to the Barcelona Process and has no strong enforcing mechanism that can push forward the deep integration aspects. For example, as stated by the European Commission (2004) "In the

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[178] Commission of the European Communities, Communication from the Commission to the Council and the European Parliament *Wider Europe — Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours*, Brussels, 12.05.2004, 4.

[179] European Commission, "More unity and more diversity: The European Union's biggest enlargement", Brussels: European Commission, 2003

south, the ENP will also encourage the participants to reap the full bene-
fits of the Euro-Mediterranean Partnership (the Barcelona Process), to
promote infrastructure interconnections and networks, in particular en-
ergy, and to develop new forms of cooperation with their neighbours."
All such issues have been previously mentioned in the Barcelona Proc-
ess, besides being vague targets that include anything and everything.

The European Commission in its communication in 2006 realized the
vagueness of the phrase "stake in the internal market" and hence
eliminated it, emphasizing that the aim of the ENP is deepening trade.
Some experts think the ENP provides a way to deepen the existing As-
sociation Agreements. Given the criticisms against the Association Ag-
reements for their shallowness, the ENP offers the SMCs including Egypt
an opportunity to deepen their relationship with the EU. However, we
believe that the Association Agreements contained the necessary pro-
visions for such deep integration but these were rather postponed to the
future or worded vaguely.

The question that then follows is what are the additions in terms of
incentives for a country like Egypt to join the ENP? The deep integration
aspect could have been achieved without adopting the ENP and the
market access issues were already part of the built-in agenda of the
Association Agreement, however they were either vaguely mentioned or
postponed to future negotiations. Table 1 shows that the aspects of deep
integration that have been mentioned in the Association Agreement
were repeated without substantive changes in the Action Plan. The
substantive change has been establishing special committees and sub-
committees - provided by the Association Agreements themselves - as
stated below that oversee the priorities and follow the implementation of
programs agreed upon between Egypt and the EU, which is considered a
change in the mechanism of implementation, and hence can lead to more
effective integration between Egypt and the EU. The Action Plan indi-
cates that the mechanism established under the Association Agreement
will be responsible for the implementation and monitoring of commit-
ments under the Action Plan. These mechanisms are, first, the *Egyptian
European Association Council,* which was established as per article 74 of
the Association Agreement. It meets once a year at a ministerial level.
Second, *the Association Committee,* which was established as per article 77
of the Agreement and is composed of senior government officials. Third,
Sub-Committees were established as stipulated in article 80. In this regard,
both parties agreed to establish nine subcommittees, for example on
internal markets, industry, trade, services and investment, transport,

environment and energy, information society and audiovisual, research and innovation as well as on political matters (human rights and democracy), plus one working group on migration, social and consular affairs. Such committees and subcommittees are a reflection of the joint ownership concept that is a core element in what EU announces in its Barcelona Process and ENP.

Table 1. Aspects of Deep Integration in the Euro-Mediterranean Association Agreement and the ENP Action Plan* between Egypt and the EU

	Association Agreement	Action Plan
Tariffs / quotas	X	
Standards: (SPS, TBT)	X	X
Investment	X	XX
IPR	X	X
Trade facilitation (mainly transport)	X	X
Trade defence	X	X
Services	X	X
Network industries (mainly energy)	X	XX
Govt procurement	X	X
Comp. policy	X	X
Dispute settlement	X	X

* If one X is included in the Action Plan then it replicates to a large extent what has been mentioned under the AA. If XX is included, then this implies that there has been some kind of extra deepening efforts.

  Nevertheless what remains to be decided is the implementation method or answering the "how" question. We believe that the EU, building on the reservoir of experience it has accumulated in its integration and enlargement processes, is capable of handling each case following its specific nature. This can be done by defining milestones and guidelines for each SMC and each element of deep integration to be met, but most

importantly results should be measured and means to achieve those results should be made clear. Reviewing the EU documents shows that the vague wording of cooperation and harmonization in the field of customs and technical regulations still prevail. There has been emphasis on progressivity, however approaches adopted by the European Commission remain general and far from being country specific as has been announced by the European Commission in its communications. This could imply that the ENP and Action Plans do not add a significant value added to the provisions of the Association Agreements. The Action Plan of Egypt does not contain more details than the Association Agreement. It appears vague, including terms like working on harmonization or streamlining without specific dates set or deadlines. Moreover, it has filtered the provisions of the Association Agreements into a wide set of priorities that do not necessarily reflect the interests of Egypt. For example, it provides more details than what has been included in the Association Agreement on issues related to energy, environment and migration which are issues that tend to be more of a priority to the EU than to Egypt. Moreover, the specific bilateral relationship between the EU and each of the countries which signed Action Plans remained weak due to the "general size fits all" approach still embedded in the Action Plans which highly resemble each other. For example, in 2008 the European Commission commented in its evaluation of the progress of Action Plans implemented so far that "The experience gained so far during the implementation of the first generation of Action Plans suggests that future adaptations should lead to documents that are more closely calibrated to the partner countries' specific ambitions and capacities, reflecting the differentiated relations of the EU with its partners, whilst also promoting achievable steps towards regulatory convergence with EU legislation and standards."[180]

Section Three:
Assessing the ENP and its Action Plans in Light of the Association Agreements

Comparing the ENP's Action Plan with the Euro-Mediterranean Association Agreement in deepening the relations of Egypt with the EU requires indepth analysis. When compared to the Association Agreement, the Ac-

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[180] European Commission (2008), "Communication from the Commission to the Council and the European Parliament on Implementation of the European Neighbourhood Policy in 2007", Brussels, 3 April 2008.

tion Plan potentially enjoys a number of virtues including being a mutually agreed document between the EU and Egypt, being more detailed in terms of the Association Agreement, covering a wider range of topics and finally including a more comprehensive follow-up mechanism for monitoring the developments of Egyptian-EU relations.

Other scholars had a different view. They argued that the ENP process is ineffective in achieving deep integration.[181] The process adopted an excessively broad set of objectives which is considered to be a major obstacle. If few areas alone were targeted, progress would have certainly been faster. The process mobilizes a great number of countries, which inevitably leads to divergence of the interest of the EU away from SMCs towards other countries included in the ENP (as Eastern neighbours). Indeed, the logical interpretation is that the EU wants to extend the preferences provided to its Barcelona partners to other new neighbours which are potential members and hence it has replaced it reflecting the priorities of the EU and underestimating the priorities of the SMCs including Egypt. In addition, the commitments mentioned in the Action Plans are not clear, general, and do not specify the needed steps to work with or the levels of harmonization needed to close the gap between Egyptian regulations and laws and their international or European equivalents. So far enhanced cooperation as predicted between EU and the SMCs has not materialized. In addition, the implementation process is plagued with bureaucracy and complicated procedures.

Looking closely at the setup of the Action Plans, we do not observe the "deepness" aspect promised in European Commission communications and reports. It is true that the Action Plan includes a time dimension, stating that it ranges from 3 to 5 years, however no reference is made to any time element. Also, a closer look into the Action Plans reveals that priorities identified are so many to the extent that there is no priority. Table 2 shows that almost all aspects that were raised before in the Association Agreements were repeated for all countries, more or less using the same language in their Action Plans.

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[181] H. Kheir-El-Din and A. F. Ghoneim, "Trade relations Between the European Union and the Southern Mediterranean Countries: Prospects for Export Based on the Enlargement of the European Union, the New Neighbourhood Policy and the Barcelona Process in F. Praussello (ed.), *Sustainable Development and Adjustment in the Mediterranean Countries Following the EU Enlargement*. Franco Angeli, Milan, 2006, 540.

Table 2. Economic Related Areas of Priorities as Identified in the Action Plans

	Jordan	Israel	Morocco	Pales-tine	Tuni-sia	Lebanon	Egypt
Free Movement of Goods	Yes	Yes	Yes		Yes	Yes	Yes
Industrial goods	Yes	Yes	Yes	No	Yes	Yes	Yes
Agricultural, fisheries, & processed agricultural products	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Right of Establishment	Yes	Yes	Yes	No	Yes	Yes	Yes
Payments and capital movements	Yes		Yes	No	Yes	Yes	Yes
Economic cooperation	Yes (public finance)	Yes	Yes (public finance)	Yes (public finance)	Yes (public finance)	Yes (public finance)	Yes (named economic development)
Education	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Scientific & technological cooperation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Environment	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industrial cooperation	Yes	Yes	Yes		Yes	Yes	Yes
Standards & conformity assessment	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Approximation of laws	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Information & telecommunications	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Investment	Yes	Yes	Yes		Yes	Yes	Yes
Customs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer protection	No	Yes	Yes	No	Yes	Yes	Yes
Social matters	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Migration	Yes	Yes	Yes	No	Yes	Yes	Yes
Export potential	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Poverty reduction	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business climate	No	Yes	Yes	Yes	Yes	Yes	Yes
Competition law and policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Action Plans and Country Report of Lebanon

The European Commission (2006) pointed out the areas where deep integration should proceed. However, many of these areas were already mentioned by the Association Agreements. For example, the liberalization of services, which is essential for deep integration, cannot be viewed as an ENP initiative. It was already part of the Association Agreement (Articles 29 and 30 of the Egyptian Association Agreement). Moreover, the ENP has identified Sanitary and Phytosaintary (SPS) as a priority based on the European Commission (2007), arguing that SMCs should adopt EU standards for the market access of their agricultural exports in the EU market. However it is worth noting that this objective has already been mentioned in the Association Agreement (related Articles 45 and 50) though not as specifically as by the European Commission.[182] Moreover, there have been several new cooperation mechanisms that have been announced by the EU including for example "twinning" projects. The basic idea here is that the Action Plan was supposed to act as a device for deeper integration by enacting the provisions that came under the Association Agreement, but this has not taken place so far. The new implementation mechanisms in the form of committees and sub-committees could overcome such deficiency if they appropriately tackled the issue of vagueness of measures and lack of time dimension. However, since the system of committees and sub-committees has not yet yielded tangible outcomes, it is difficult to assess its role.[183]

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[182] European Commission (2007), "European Neighbourhood and Partnership Instrument (ENPI) Regional Strategy Paper (2007-2013) and Regional Indicative Programme (2007 -2010) for the Euro-Mediterranean Partnership".

[183] Ghoneim Ahmed Farouk , (coordinator and main author with M. El Garf, M. Gasiorek, and P. Holmes), "Examining the Deep Integration Aspects of the EU-South Mediterranean Countries: Comparing the Barcelona Process and Neighbourhood

Finally, among the virtues of deep integration as stated in the related literature is its ability to push and anchor reforms. However, the system of the ENP has acted so far on the policy/regulatory aspect of deep integration, setting and designing aims of cooperation through joint programs, whereas the infrastructure aspect (including labs, equipment, etc.) has been left un-tackled especially in light of absence or vagueness of concrete measures with exact dates to be implemented. Moreover, among the main challenges facing the Southern partners is that the EU programs to assist ENP Action Plan implementation are very slow to come due to internal procedures inside the EU institutions which could be a result of limited funding. The funding available to support the ENP reform agenda remains relatively modest, notwithstanding the ENP's ambition to address a very comprehensive reform agenda. For example, during the period 1995-1999, the EU allocations to Egypt under the MEDA (I) reached around 686 million Euros, which represents about 20% of the total funds allocated by the EU for the SMCs in the first phase of the program. During 2000-2006 and under the second phase of the program (MEDA II), the allocated amount of funds to Egypt reached 351 million Euros, which represented about 6.5% of the total funds under MEDA (II). Overall under the MEDA program (I & II) Egypt's share reached almost 12% of the total funds allocated by the EU under the two phases. The payments received by Egypt over the period 1995-2003 amounted to 328.5 million Euro as opposed to 879.7 million Euro committed by the EU over the same period. The disbursement rate (ratio of payments/commitments) for Egypt over the period 1995-2002 was nearly 40%, slightly above the average in the region. A total of 558 million Euros was allocated to Egypt under the 2007-2013 National Indicative Programme of Egypt (European Commission, 2007),[184] 8.8% of the total ENPI funds allocated by the EU to SMCs over the same period. Accessing and effectively using these funds is difficult for Egypt, because the majority of the ministries and different governmental or non-governmental entities that can benefit from these programs still have a

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Policy, the Case of Egypt", FEMISE Project No. FEM31-08, 2007 (financed by European Commission)

[184] See also <http://www.eu-delegation.org.eg/en/eu_funded_programmes/overv iew.htm>, http://www.eudelegation.org.eg/en/eu_funded_programmes/overview .htm, and the ENP country strategy paper for Egypt, and European Neighbou hood and Partnership Instrument (ENPI) FUNDING 2007-2013 from the EU commi sion website at: <http://www.ec.europa.eu/world/enp/pdf/country/0703_enpi_ figur es_ en.pdf>

worrying lack of knowledge about the EU, its norms, procedures and standards and developing such knowledge requires time and effort.[185]

Section Four:
The Optimal Mechanism for Egypt Given its Social, Political, and Economic Situation.[186]

The Association Agreements have been criticized for being shallow in their nature.[187] Though some commentators might argue that the Association Agreements have contained elements of deep integration (e.g. intention of approximation of laws and regulations, future negotiations on liberalization of services), we believe that they can be rather qualified as *quasi shallow agreements.*[188] On the other hand, deep integration such as those regional trade agreements (e.g. free trade areas) signed between developed countries such as the United States with several developing countries have been criticized by not fitting the developmental needs of such countries and stretching too thin their financial and technical capabilities.[189] The question that follows is how we classify the ENP. Is this a form of shallow or deep integration? In our view, the ENP provides a new model of *eclectic deep integration or an à la carte type of approach where the developing countries choose what is appropriate for them in terms of deepening their trade relationship with the EU.*

From a theoretical perspective, we cannot think of a better model for developing countries where such eclectic deep trade integration approach allows them to pick and choose from the deep aspects of the EU,

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[185] A. F. Ghoneim, 2007, op. cit., 12

[186] This section depends heavily on Ghoneim, Ahmed Farouk (2006), A Trial to Evaluate the Impact of the European Neighbourhood Policy (ENP) on the South Mediterranean Countries, background paper prepared for ERF on FEMISE Annual Report, 2006.

[187] R. Aliboni et. al, 2008 op. cit., 2.

[188] Shallow regional trade agreements do not include investment aspects among their provisions. Investment, competition, and harmonization of standards are among the issues considered as deep elements of integration.

[189] For example, the United States' rules on investment forced Chile, when a US-Chile free trade area, was signed to change its domestic laws and regulations to modify its controls on capital inflows that were designed to curtail destabilizing hot money inflows. The IMF claimed that such modifications were not to the benefit of Chile's macroeconomy (World Bank, 2005). In the Middle East North Africa (MENA) region, both Qatar and United Arab Emirates have stopped their negotiation talks with the US, declaring that the US regulations and demands in the proposed free trade areas with them would not benefit their countries (ITC, 2006).

hence preserving their developmental requirements, and at the same time allowing them to have a better market access for their exports in the EU market. The problem is how such model can be implemented in reality. What are the modalities for implementation, what type of policies and measures can be adopted, and how can the monitoring mechanism be put in place? Such questions imply that despite the good intentions of the EU in respecting the developmental aspects of developing countries, the problematic implementation of such intentions might end up being a rhetorical approach that sounds great from the outside but is rather pre-empted when it comes to implementation due to an absence of clear modalities that can be adopted.

From a theoretical point of view the ENP serves as a first best option for Egypt. Reasons include that it gives Egypt the option to harmonize on what it sees better and affordable from the EU norms and regulations and accordingly Egypt will be appraised by the EU with extra finance and/or a stake in the internal market. Moreover, from the EU perspective it has solved its historical problem of striking the balance between countries as groups in its regional trade initiatives and the specificities of each individual country. Hence the approach adopted under the ENP seems to be the best for both Egypt and the EU from a developmental perspective.

However, life is not as rosy as it seems to be in theory. On the contrary, application shows that there is "devil in the details". First of all the EU has thought of the Action Plans in theory as if they were a democratic process (co-designed between the EU and the concerned countries on a bilateral basis) and documents where both partners (the EU and Egypt) would agree on the items of the Action Plan. However, after reviewing the Action Plan available and the Country Report, it is difficult to call the process democratic. On the contrary it is a one-sided track developed by the Commission with predetermined priorities. The room for changes to be undertaken by Egypt or any other similar country is minimized. If this is the case in reality, then the practice contradicts the theory and the flexible deep integration supposedly brought by the ENP appears to be a myth rather than a reality.

What is best for Egypt is a consistent approach, incremental and realistic, necessary to avoid backlashes and negative social and political disturbances. One fault that should be avoided is comparing SMCs with each other when it comes to deep integration issues, as such issues are different between countries and hence using one country as a yardstick for the other is completely irrelevant in this case. Hence, arguing that

Morocco or Jordan has agreed upon a certain definition for human rights or democracy does not give the EU leverage that Egypt should agree on the same definition. This simply reminds us of an evident problem that used to prevail between France and Germany when it came to deep integration, regarding some friction about the percentage of alcohol allowed in the beer till the Single Market Act came into force and solved the problem via mutual recognition. If we agree on room for disagreement on the percentage of alcohol in beer, which is rather a trivial issue, shouldn't we give more room for more serious issues such as political and social priorities?

Section Five:
Union for the Mediterranean: Implications for Egypt

President Sarkozy's initiative in 2007 of creating a Union for the Mediterranean generated a lot of debate and skepticism among both EU members as well as SMCs.[190] The basic idea was to create some kind of special relations between a set of EU's Southern member states which are concerned about the SMCs and SMCs themselves.[191] President Sarkozy saw the initiative as a way of promoting peace between Israel and its Arab neighbours, as well as pushing forward the Barcelona Process in a number of fields including energy and migration. However, Sarkozy's initiative did not differ much from what has been included under the Barcelona process as it included a large variety of issues (political, cultural, economic), and too many countries were involved which was expected to cause a divergence of opinions and delays in taking decisions and implementation. After a series of political meetings, the EU decided to adopt Sarkozy's initiative under a new setup called first "Barcelona Process: Union for the Mediterranean" and then only 'Union for the Mediterranean' (UfM), which was officially launched in Paris on the 13th of July 2008. In the European Commission communication[21] the main features of UfM were set. Again the emphasis was to enhance the Barcelona Process.

It is too early to evaluate what are the main advantages and disadvantages from an Egyptian perspective of so new an initiative. But one of the main advantages at the outset that seems to be on the positive track is

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[190] F. V. Joachim, "The Sarkozy's Mystery", Spotlight Europe 2/2008, Berstelmann Stiftung, February 2008 http://www.bertelsmann-stiftung.de/cps/rde/xbcr/ SID0A 000F140B8C8005/bst/spotlight_02_2008_Sarkozy_ Mystery.pdf

[191] R. Aliboni et. al, 2008 op. cit., 2.

the new institutional setup designed to govern this initiative. The new institutional setup includes a co-presidency, a joint permanent committee, and a secretariat. However, the main pitfall of the ENP, the dilution of the Barcelona Process due to the inclusion of many stakeholders, was not overcome. The UfM diluted the Barcelona Process in another way. The large number of partners involved in it, 44 countries including all EU member states in addition to SMCs and Libya, Mauritania, Albania, Croatia, Bosnia and Herzegovina, Montenegro and Monaco, implied that there is a new element of dilution in the specific nature of Barcelona.[192] Moreover, after reviewing the European Commission communication[193], it is not clear whether there is additional funding allocated for such a new initiative or not. The document only identifies that funding for the initiative will come from existing resources such as the ENPI and other sources. In our view, UfM is just another layer of changes in the EU policy which just add vagueness and complexity to EU-SMC relations, specifically in the case of Egypt. The advantage of the new institutional setup could have been easily included in the existing functioning setup of the Barcelona Process (through enforcing the existing provisions by setting joint programs for implementation and specific deadlines), without a new initiative that remains vague in terms of objectives, means of implementation and funding.

Conclusion and Policy Implications:

This article showed that the EU regional trade policy needs to be restructured, putting the priorities of its regional partners, on an individual basis, at the core of any new policy it adopts. The main problem with the EU is that its revision of its regional initiatives has always been guided by EU priorities without allowing the regional partners' priorities to play an explicit role in its decision. This is not to say that the EU should neglect its priorities, but rather we advocate that more emphasis should be put on the regional partners' priorities looked at from the regional partners' view. Moreover, the fast changes adopted in changing EU regional trade policy should be slowed, and changes, if needed, should be based on an objective assessment.

ENP might in theory look perfect at the outset as a form of flexible deep integration, but reality and practice reveal that this is not the case as many practical issues show that the policy is far from being well-

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[192] Ibid.

[193] European Commission, 2008 op. cit., 21.

implemented to reap the benefits of flexible deep integration. The design of the ENP, with Action Plans that are far from concrete, don't reflect the priorities of the SMCs and have lax time tables and ineffective method of evaluating performance, entail the failure of this mechanism even before it is implemented. The Association Agreement, on the other hand, was never fully implemented, was not given the chance to be examined and needed more time to assess its results. This is not to say that the Barcelona Process is a success or a failure, it is just premature to determine its real effect.

Also, as stated by the Council,[194] "The level of ambition of the relationship with each neighbour will depend on the degree of the partner's commitment to common values as well as its capacity to implement jointly agreed priorities". Hence, a modest Action Plan would imply fewer resources. As a result, neighbouring countries would negotiate ambitious Action Plans that might be beyond their capacity of implementation in order to have more assistance, or might negotiate modest Action Plans due to their limited ability of implementation and hence the end result will be getting less assistance than they need. Linking Action Plans to level of assistance provided as the sole variable is definitely wrong, however it should be considered among and other factors that help to upgrade the level of development in the neighbouring countries should be considered.

Action Plans, even before they start being implemented in other SMCs than Egypt, are falling short of expectations, as they do not represent any form of real action plans. They use the same words that have been used in the Association Agreements, such as enhancing and developing, etc., without specific dates. They do not identify the means of implementation and modes of cooperation. Although they were mainly thought of to identify priorities, the list of priorities for all countries became so long that the priority aspect was either lost or generalized. Time dimension was lost when words such as medium and long-term were set without identifying what is meant by such terms. Means of implementation were rather absent whether in type of cooperation or in means of financial and/or technical assistance. The joint ownership or rather the setting of priorities from SMCs is just rhetoric, as the Action Plans echo the Country Reports that were prepared by the Commission staff and hence many

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[194] European Commission, "European Neigbourhood Policy Strategy Paper Communication from the Commission to the Council and the European Parliament on Strengthening the European Neighborhood Policy", COM(2004) 373 final.

crucial priorities for SMCs were left out (e.g. unemployment) whereas the priorities were set based on the wish list of the EU.

The word "stake" in the internal market which was often used as the prize for the SMCs whenever they implement their Action Plans is vague (it has been finally deleted in the Communication of the European Commission in December 2006). No single document of the European Commission identifies what is meant by stake. Stake is definitely not a synonym to market access, since theoretically SMCs already have market access to the EU, and stake is not membership in the EU. Hence, vagueness of terminology used, absence of time dimension in specific terms, generalization of targets and means of implementation are all signals that Action Plan are devices that lack all means of achieving tangible results.

As mentioned by the Commission, the only binding aspect set ex ante in the trade relations between the EU and SMCs is the *institutional and contractual arrangements* of the Association Agreements. The ENP is an additional channel to further integrate deeply with the EU, which remains optional. However, the Commission has introduced a wave of changes: as an example, the ENPI financial instrument is replacing MEDA.

Regarding replacing ENP for the Barcelona Process, better than falling into the trap and comparing them, we should take a step back and ask why are we doing this and why the EU has introduced the ENP in the presence of the Association Agreement. Wouldn't it have been wiser to have a new mechanism for the Eastern neighbours and leave the Association Agreement ongoing without the need for the ENP? A cost benefit analysis by the EU should have been undertaken prior to the announcement of the enacting of the ENP to identify the benefits of the new mechanism and the vivid pitfalls of the old one before embarking on the new initiative. Finally, the newly launched UfM is not likely to return the specific nature of the Barcelona Process and effectively activate Association Agreements due to the large number of countries included in it and its vague objectives and mechanisms, despite the positive aspects related to the improvement in its institutional setup.

Boş Sayfa

Energy supplier or political partner? Algeria's marginalization and opportunities in EU policies

Amel Boubekeur[195]

Introduction

Algeria is the only « neighbour » in the Maghreb which has officially refused to be part of the European Neighbourhood Policy (ENP) despite or even because of its strategic position in the region. Being a founding member among the other Arab countries of the Euro Mediterranean Partnership (EMP) in 1995, Algeria always argued that its priority would be given to the completion of this process. Algerian leaders put the emphasis on the EMP as they engaged in this partnership at a time where they were suffering from political isolation. The suspension of the electoral process in 1992 and the violent conflict that ensued for most of the decade weakened the Algerian leaders' credibility and reliability among the international community. This painful history with European partners, perceived as indifferent to the suffering of the Algerian people at that time, may also be considered a reason why Algeria has refused to conduct negotiations on the ENP in 2004. According to publicly-made

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arguments by President Bouteflika in 2007, the EU is now willing to open negotiations with a recovering and affluent Algeria while no real support has been provided when his country "*fought terrorism alone*" and "*faced a violence which blocked its process of reform and democratization*" while "*Europe welcomed and supported its violent opponents.*"[196]

Algeria's colonial history is also creating difficulties for the country to consider cooperation as a balanced process. Furthermore, any tentative EU inquiries into the lack of political pluralism that has been instituted by the army's ruling élite and the historical National Liberation Front (FLN) single party has often been presented as neo-colonial interference. In that respect, the ENP's main concept of "sharing values" is understood as sharing control over the country.

Although there is a lot of criticism of Algeria's attitude on the EU side, targeting mainly Algeria's lack of involvement, one should also question to what extent the EU is offering a true inclusive political partnership to Algeria, including constructive negotiations on duties and rights between equal partners.

So far, EU priorities toward Algeria have not given such a political role to the country and have mainly been:

- Energy: The EU's main priority in its dealings with Algeria revolves largely around energy security. Algeria is a key supplier of oil and gas to the EU and as such is treated differently than the other Euro Med countries.

- Security: The EU focus on security and the Islamist threat leads also to a vision of a neighbourhood which is a place for conflict and instability and which should be domesticated by the ENP.

- Migration control: The EU has mainly asked Maghreb countries such as Morocco, Algeria and Libya to be migration control partners acting as a buffer zone between Europe and Africa.[197]

The EU and Algeria have tacitly agreed on not having a political demanding partnership. This chapter will put forward that this current political status quo is not sustainable in the long-term. The status quo will generate structural problems in Algeria which will have severe repercussions on the EU. Currently the EU and Algeria focus on the Association Agreement (AA) of the EMP and appear in the short-term to be

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[196] Public statement made on television by the President Bouteflika in March 2007.

[197] It should be noted however that these countries have recently refused to resign the agreement obliging them to readmit illegal immigrants from Europe. *See Le Maroc, l'Algérie et la Libye refusent les accords de réadmission avec l'UE*, African Manager, March 12 2009.

benefiting from it. However, the missing genuine exchange of views that the ENP should have as a central element as well as the lack of a real new and important role for Algeria put forward by the recently formed Union for the Mediterranean (UfM) make an EU-Algerian long-term involvement difficult. This chapter will illustrate the Algerian perspectives on the shortcomings of EU policies within the EMP, the ENP and the UfM in developing a more constructive partnership, and by extension it will put forward a variety of recommendations on how the partnership can be improved.

Algeria and the Barcelona Process

Algeria decided to sign up to the Euro-Mediterranean Partnership, or the Barcelona Process as it is more commonly known, at a time of great civil unrest. The 1990s were marked by a bloody civil war and regional political isolation. Algeria was also heavily indebted and the Barcelona Process provided an opportunity for the country to receive support for some debt relief and focus on increasing its trade relations with its Northern neighbours. After some hesitations on the Association Agreement, Bouteflika, who was elected in 1999, assured the EU that he was in favour of a free-market system and supported liberal economic policies in addition to exploiting Algeria's vast energy resources. It has been argued that in that context Algeria's commitment to the Barcelona Process and its Association Agreement can be best explained by pointing to opportunistic reasons rather than to a genuine interest in EU-Mediterranean relations.[198] At the time, this all but strategically negotiated political partnership was beneficial to Algeria. It allowed the country to regain credibility on the international scene as an energy supplier without being obliged to act as an accountable partner on the national situation of blocked pluralism. Because it was seen as a weakened neighbour, Algeria also refrained from condemning the EU's security policy and controlled migration demands, despite their being designed for only the EU's benefit instead of a balanced partnership. It should also be mentioned that Algeria's attachment to the EMP in 1995 was also an opportunity to provide a counterbalance to the US' growing influence in the region, especially following the Gulf War. The counterbalance was generally welcomed by the Arab states and Algeria implicitly saw itself as

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[198] I. Stein, "EU energy policy vis-à-vis Algeria: challenges and opportunities", *Bologna Center Journal of International Affairs*, fall 2008, http://bcjournal.org/2008/eu energy-policy-vis-a-vis-algeria

mandated to represent Arab interests and particularly those of the Palestinian people, especially because of its long "third world leader" history and historical support to the OLP since the 1970s. Because of that very specific type of partnership, Algeria considers itself to have a relatively important place within the EMP, which they are afraid they may lose if they choose to sign up to the ENP.

With a markedly changed internal situation in 2009 and a regained international credibility, is Algeria still happy with this weak political partnership with the EU?

It should be stated that the EMP still represents a privileged position for negotiations with the EU. After September 2001, the EU was more interested in cooperating on matters such as security, terrorism issues and immigration within the EMP; this gave Algeria the opportunity to be a key partner. In this framework the then Minister of Foreign Affairs Bedjaoui even proposed in 2005 to adopt the EuroMediterranean Charter on immigration to rely on the EU's interest for the issue. However, and following Algerian officials and civil society statements, Algeria has recently become more and more disappointed by the outcomes of the EMP. After his re-election in 2004 Bouteflika has continued to implement economic reforms, even if he has been slow in initiating crucial judicial and governmental reform. The country's relative stability compared to the 1990s made it able to diversify its export markets by forging closer economic links with other countries. Algeria has gradually tried to become economically less dependent on the EU, by strengthening its economic ties with countries such as India, Turkey and Russia,[199] thereby improving its negotiating position with the EU on painful concessions towards political reform, good governance and democratization. Algeria is also pursuing a strategy of developing closer relations with some Mediterranean EU member states such as Italy, Spain and Portugal, again using its energy resources as a key incentive.

The way the Association Agreement of the EMP has been negotiated and implemented is illustrating Algeria's strategy of trying to profit from both its political marginalization and economic opportunities provided by its partnerships with the EU.

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[199] India-Algeria Economic and Commercial Relations, Federation of Indian Chambers of Commerce; http://www.ficci.com/international/countries/algeria/algeria commercialreltions.htm

The Association Agreement: Toward a trade, security, and non-political partnership

Algeria signed the Association Agreement with the EU in 2002 in Valencia and the Algerian parliament ratified it in March 2005. It came into force in September 2005. The AA replaced the original Cooperation Agreement that dated back to 1976. The Association Agreement includes demands such as adherence to human rights, good governance and political reform that the signatories have to live up to. In exchange for commitment to these principles, the EU offers access to its internal markets and a variety of aid programs. AA's are from the legal point of view international treaties and are therefore legally-binding. Their focus is mainly on political, judicial and economic reform issues and theoretically the EU can apply negative conditionality to pressure signatories to fulfill their commitments through the so-called human rights clause.[200]

Algerian reactions to this Agreement have been diverse but in the majority of cases the added value was often overlooked. The political parties that are part of the presidential alliance (the former single party National Liberation Front (FLN), the right-wing National Democratic Rally (RND) and the Islamist Hamas have predictably considered it as an important means to enhance the country's economy. Others have been quite skeptical. The more critical has been the oldest opposition party FFS, which argued that the Article 2 of the Agreement focusing on human rights is not even respected by the Algerian ruling élite. The FFS also criticized the fact that the Agreement has been accepted with no public debate among Algerian citizens. The opposition Islamist party al Islah voted for the Agreement in the parliament. To its leaders, the opportunity to profit from the EU's technical knowledge was the real benefit of the Agreement, rather than a genuine sign of shared values. Finally the PT, the Trotskyist party, voted against, fearing that Algeria would only become a market for European products. [201] Other political actors were underlining the necessity to ensure political pluralism in the country in order to make the Agreement successful.

Civil society groups have been the more critical actors and have accused the EU of neglecting its supposed adherence to its own human

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[200] The EU-Algeria Association Agreement; EU External Relations
http://ec.europa. eu/external_relations/algeria/agreement/index_en.htm
[201] M. Ait Ouarabi, Accord d'association Algérie-union européenne, La classe politique partagée, *El watan*, 16 March 2005.

rights clauses,[202] especially regarding the freedom of association and expression, ban on torture and disappearances that are overshadowed in the Agreement by greater priority accorded to economic, energy and security integration.

It is true that so far, the reinforcement of security in Algeria has been the crucial point in negotiations.[203] On the EU side, the way the AA played down the need for political pluralism, the lack of free movement of Algerian people in Europe and the reinforcement of human rights can be understood through the EU's fears of 1990s Algerian history. The fear of terrorism and of radicalization of Islamist parties seemed indeed to be the key reasons for negotiations of this kind.[204] The EU considers the prioritisation of security in cooperation with Algeria as also linked to other problems than the political exclusion of Islamists. In order to tackle the "security threat" it encourages Algerian Islamists to get involved in intercultural dialogue initiatives carried out by the EMP's non-political institutions and which do not oblige the Algerian ruling élite to enlarge its political scene. New initiatives have been introduced in the last five years, presented by the EU as part of its strategy for the promotion of democracy in the region. These include: the Dialogue between Cultures and Civilizations, the Euro-Mediterranean Parliamentary Assembly, the Euro-Mediterranean Nongovernmental Platform, Euromed economic networks, the Euromed Youth Platform, the Ana Lindh Foundation and the Euromed Heritage programme. We are therefore witnessing the shunning of the political treatment of democratisation and political pluralism issues in favor of economic integration and security cooperation, and the absence of an autonomous democratisation programme outside the intercultural dynamic in the Barcelona process.

In that context, this pre-eminence of security and trade issues allowed Algeria to use the post-11 September security situation as a tool for negotiating with the EU, particularly to obtain more funds.[205] The AA has

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[202] Amnesty International Country Report Algeria 2008; http://www.amnesty.org/en/region/algeria/report-2008

[203] The EU as a modest 'force for good': The European Neighbourhood Policy, Esther Barbe and Elisabeth Johansson-Nogues in International Affairs, Chatham House, Vol. 84, No.1, January 2008.

[204] A. Boubekeur, "Political Islam in Algeria", *CEPS Working Document,* No. 268/May 2007.

[205] See A. Jünemann, "Support for democracy or fear of Islamism? Europe and Algeria" in: Hafez Kai (ed.), The Islamic World and the West: An Introduction to Political Cultures and International Relations, London, Brill Academic Publishers, 2000. O. Lamloum, "L'enjeu de l'islamisme au coeur du processus de Barcelone", Critique

mainly helped Algeria to recover from the terrorist violence of the 1990s, not to become a political and equal partner able to discuss and negotiate with its interlocutors (on foreign policy and national politics levels), but rather a security and energy supplier. Rather than using the EU partnership to define new political objectives, Algerian policy makers have decided to fit in this security framework, underlining its objective for the "completion of national reconciliation" as implemented in the AA. The way EU funds have been used in Algeria either to perpetuate the use of the oil rent or to reinforce Algerian security identity are signs of that shift.

The National Indicative Programme (NIP), which is outlined in the Algeria strategy paper, focuses on the European Commission's operational response, setting out the objectives and priorities in the mutual areas of cooperation. The NIP for the period 2007-2013 has been allocated around 220 million EUR. Between 1997 and 2005, Algeria has received a total of 436 million EUR. In the period of 2002-2004 the NIP for Algeria was allocated 150 million EUR and for the 2005-2006 period the allocation amounted to 106 million EUR.[206] For the 2007-2013 period major axes are the reform of justice, economic growth and employment and reinforcement of public services. The two programs for 2007, namely the PME II and the JUSTICE II, were aimed at upgrading Algerian companies and encouraging international standards for the judicial system and the reintegration of former prisoners (mainly former Islamists or terrorists who have benefited from the national reconciliation). One of the key missions in 2008 focused on strengthening and diversifying the economy. For 2009 the National Labor Agency is expected to go through a modernization process. Finally for 2010 the projects include waste water sanitization and reinforcing the institutions that are contributing to the implementation of the Association Agreement.[207] Cooperation between Algeria and the EU has improved considerably, with the rate of payments reaching 28% of the amounts committed under MEDA at the end of 2003, compared to only 14% at end 2001[208]. From 1995 to 2003, Alge-

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Internationale, No.18, January 2003. Euromed Report, "Conséquences économiques éventuelles des évènements du 11 septembre 2001. Eléments d'appréciation pourla Méditerranée", No. 50, 26 June 2002.

[206] National Indicative Programme Algeria, ENPI.
http://ec.europa.eu/world/enp/ pdf/country/enpi_csp_nip_algeria_en.pdf
[207]Ibid.
[208] European Commission, Europe Aid Cooperation Office, Mediterranean Program (statistics).

ria received MEDA funding to the amount of 345.8 million EUR. In spite of the absence of new instruments, the EU declares in 2004 its intention to reinforce programmes in Algeria promoting good governance, the rule of law and civil society, such as the Justice, NGO and Media programmes, which remain however on a modest scale. While it is not declared officially, the EU's determination to step up the development of programmes of this type is also linked to the future of Islamism and terrorism, particularly in the context of the Civil Concord: "The development of civil society, still fragile in Algeria, is essential for sustaining dialogue and reconciliation mechanisms. The Commission supports the institutional strengthening of a number of development associations under MEDA. The activities of local NGOs can also be strengthened, particularly in the areas of human rights, the effects of terrorism and democratisation (specific budget heading).[209]

Another opinion among Algerian observers is that the Agreement served nothing but to allow Algeria to exit from its political isolation. It has not materialized in any valuable incentives for change.[210] Economic analysts have criticized the imbalance between the two sides within the agreement and referred to the obvious advantages the EU enjoys by achieving a level of energy security without insisting on structural reform of the Algerian economy. The main complaint of Algerian citizens is that these programmes are not implemented in a good governance environment and thus are doomed to fail. For example, the EU was characteristically silent when in November 2008 President Bouteflika amended the constitution to allow himself to run for a third term. Despite the worrying indicators of deteriorating levels of pluralism in Algeria, trade with the EU has gradually increased, and Algeria is actually one of the few countries that boasts a trade surplus with the EU, although it is above all due to still comfortable oil prices, despite the global financial crisis. Algeria is vital to EU energy needs, not only in terms of supply, but also as a potential transit route for energy resources coming from African countries such as Nigeria. Algerian gas alone accounts for 30% of

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http://www.europa.eu.int/comm/europeaid/projects/med/financial/1995-2003.pdf

[209] http://ec.europa.eu/comm/external_relations/algeria/csp/02_06_fr.pdf

[210] Union pour la Méditerranée: scepticisme autourdu projet à Bruxelles, Smaira Ima dalou, http://www.algeriawatch.org/fr/article/pol/union_mediterranee/scepticisme.htm, April 2008

EU gas imports.[211] Vice versa, the hydrocarbon sector accounts for 95% of Algeria's exports, thus forming the backbone of its economy.[212] Energy is thus an important factor in EU-Algerian relations. The EU does not appear very willing to broaden those relations by implementing the democracy and human rights clauses in the Association Agreement. Again neither the EU nor Algeria are willing to focus on politics in their partnerships but rather on the advantages that trade and security are giving to them.

The Algerian private sector views on the free trade zone agreement

Another major point of concern is the lack of protection of Algerian companies in view of the free trade zone that the Association Agreement is setting out for 2012, while at the same time international companies are given more freedom to operate. For many Algerians this is a matter of great concern, that their country is such a successful but undemanding trade partner to the EU, not able to "join the party".[213]

On the Algerian side, officials have made it clear that the pursuit of privatizing public companies will involve importing an economic élite from European countries, including those from the Algerian diaspora, but without coupling this with the real objective of a long-term development of the Algerian managerial competencies. In the Algerian private sector view, foreign companies are not helping to build a transparent environment to invest in Algeria. Profiting from the reluctance of many foreign companies to invest in the country, which is seen as unstable, they are themselves enhancing corruption in order to obtain good markets from the government or from Algerian companies which import their products.

Many private Algerian entrepreneurs believe that the political élite did not negotiate the Association Agreement in their favour. They complained that economic growth between the EU and Algeria without consolidating good political governance has been the main threat to the official goals of the Association Agreement. Concerning the lifting of custom rights with regards to European products imported into the Algerian

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[211] http://www.euractiv.com/en/energy/geopolitics-eu-energy-supply/article14266 5

[212] https://www.cia.gov/library/publications/the-world-factbook/geos/AG.html

[213] Menaces sur les entreprises algériennes', El Watan, Norredine Grim, http://www. algeri a-watch.org /fr/article/pol/dz_ue/menaces_entreprises.htm, September 20-07

market, Benslim Zouhir, president of the Association of Algerian Exporters, stated that "the dismantlement of the tariff system will benefit Europe, so we shouldn't be lured in. Our non-hydrocarbon exports are insignificant".[214] Because it is mainly based on Algerian importations from European companies and energy supply to Europe, the political economy between Europe and Algeria does not favour the emergence of private operators capable of accumulating capital thanks to their production. The few large companies that are trying to participate in civil society and join the public debate on employment and citizens participation in politics (this sentence is not clear) such as CEVITAL, directed by Issad Rebrab, see their dependence on imports increase, while their weight as human resource creators decreases. [215]

Euro Development PME, the European program that supports small to medium sized businesses for the Algerian private industrial sector, recorded average results for those companies (300) that were subscribed to the program.

Nevertheless, this programme hurts itself in the absence of a political will to clean up the climate of affairs, and even the Minister of small to medium businesses, Mustapha Benbada, evokes the apprehension of Algerian operators to join the programme for diagnostics of their businesses.[216]

Even Foreign Direct Investments (FDI) remains very low due to the weak infrastructure and institutions, the increased transaction costs and the weak state of the market. [217] In addition, it is very difficult for Algerian businessmen to obtain visas to Europe. This has led to a trend over the last ten years of Algerian businessmen looking towards places such as the US, China or the Persian Gulf instead.

Therefore, the relative marginalization of the Algerian economic élite within the EU-Algeria partnership shows that political reform cannot be separated from economic reform.

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[214] *H. Guemache*, "A qui profite le démantèlement tarifaire ?", *Le Quotidien d'Oran*, 2 *September 2007.*

[215] M. Akli Achabou and S.Tozanli, "Mise en application de l'accord d'association UE-Algérie: les conséquences sur l'industrie sucrière algérienne", No. 9408, presented at 103ème séminaire de l'European Association of Agricultural Economists, Barcelona, Spain, 23-25 April 2007.
http://ageconsearch.umn.edu/bitstream/9408/1/sp 07ac01. pdf

[216] "*La mise à niveau des entreprises en Algérie piétine* ", Liberté, 8 May 2008.

[217] P. Hugon, Les accords de libre-échange entre l'UE et les PSEM ont-ils favorisé un développement et un partenariat durables conformes au projet de Barcelone ? *Communication au Colloque International "Barcelone, dix ans après"*, Le Caire, May 2005.

The partnership that Algeria has with the EU is more and more seen by Algerian officials as not that advantageous. Is Algeria able to overcome the following contradiction? : the AA has allowed the Algerians to maintain their limited model of pluralism through the security channel but could not be economically sustainable in the long term as the need to diversify the rent is more and more understood to ensure their survival. Under the pressure of such a choice, more and more Algerian officials are realizing the need to negotiate their foreign policies in a strategic and political way and exit from the energy supplier role.

Recent arguments from the Algerian leaders' perspectives have begun to emerge in order to reorient the AA. Critics focus on the centralization of the decision making in the hands of Europeans, and particularly of funding mechanisms, foreign direct investments, legal migration and free circulation of people.[218]

Algeria and the ENP

The European Neighbourhood Policy was proposed by the EU to Algeria in 2004 in order to reduce the failure of the Euro-Med Partnership. Its methodology, which differs from that of the EMP, nonetheless also seems to evade the issue of political reforms, focusing on other areas instead. For example, the ENP offers neighbouring countries the possibility to establish a common bilateral market, to share civil society standards etc., but without access to shared institutions, giving preeminence to economic questions rather than democratic reform. Algeria has since 2004 officially stated that it is not interested in the ENP. However, the EU officially still states that there is a future for Algeria in the ENP, as the European Ambassador in Algiers recently said: "It is not correct to say that Algeria is not part of the European Neighbourhood Policy…Algeria benefits from the financial component of the ENP, and it's up to Algeria to choose how the neighbourhood relationship should be established."[219] Also, since the launch of the ENP, the European Commission was supposed to draft the ENP action plan for Algeria which is officially reported to still be a work in progress and due to be published soon, despite the disinterest in the ENP process officially displayed by Algeria.[220]

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[218] A. Boubekeur personal interviews with Algerian officials in Algiers, October 2007, March and May 2008.

[219] UPM : l'impasse, Le Jeune Indépendant, 17 February 2009.

[220] L'Algérie et la dictée européenne", Le Quotidien d'Oran, 12 November 2006.

As illustrated above, under the Euro-Med Partnership, democratization and good governance programmes concentrated far more on training for government officials (police, judges, etc.) than on the inclusion of civil society associations and NGOs. This situation does not seem to have evolved under the new ENP, which seems to prioritize the 'stable' nature of this good governance rather than real political reforms. Contrary to the negative political conditionality of the EMP, that foresaw economic and political sanctions where human rights were not respected in partner countries (although never applied), the European Neighbourhood Policy instead gave prominence to the principle of "positive conditionality", meaning granting neighbouring countries rewards in exchange for political and economic reforms. The "positive conditionality" foreseen by the Neighbourhood Policy allows greater access to markets where "good results" in terms of respecting human rights and democratic principles are achieved by member countries.[221] But is the ENP (and the reforms that it foresees) really in the interest of Algeria and the EU partnership? Some analysts underlined that the EU simply "lacked determination'"[222] in implementing its conditionality with Algeria. What is behind this lack of determination? Algeria is not an eastern European country. If the possibility of accession to Europe was a motivation for reform in Eastern Europe, such a perspective cannot be offered to Algeria, which is not a European country and therefore is not eligible for an EU membership perspective. Even more, the view of Algerians officials is that reforms undertaken will not lead to a greater integration into EU markets but on the contrary could threaten the restricted control of the Algerian ruling élite on market agreements with the EU. It is clear that the EU will not implement reforms or positive conditionality because it runs the risk of destabilizing the status quo especially with regards to the energy markets, which appears to be beneficial to both sides.

On the Algerian side, a formal commitment to the ENP is rejected, as it will also entail an obligation to produce specific results that Algeria is not ready to assume. One of the main advantages of the ENP is sup-

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[221] See European Commission, "Wider Europe-Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", *Communication from the Commission to the Council and the European Parliament*, 11 March 2003. Neighbourhood Policy–Strategy Paper, (Communication from the Commission to the Council and the European Parliament) COM, 2004, 373, 12 May 2004.

[222] A. Güney and A. Çelenk, 'The European Union's democracy Promotion Policies in Algeria: Success or Failure?' *The Journal of North African Studies,* Vol. 12, No 1, March 2007.

posed to be found in shared objectives for reforms designed by the country itself. Is Algeria able to take on such a commitment? Another explanation is that it is due to the "authoritarian nature" of the Algerian regime which in principle rejects joint negotiations on reform. However, the authoritarian aspects of some Moroccan and Tunisian policies have not prevented these countries from engaging in the ENP. Getting involved as a political partner, accountable and able to design reforms in a coherent way, also means an obligation to good political results for the country. Since 1999, Algeria has not recovered its leadership capabilities. Another point often raised by critics is that there is no need for more reform programs to be introduced, instead better management is required of existing ones and can be facilitated by spreading appropriate training skills.

The lack of consensus among the ruling élite, and the failed efforts to design a new type of political leadership and a coherent vision for new policies, both nationally and regionally, has confined Algeria to the role of energy and security supplier, and made it unable to answer the ENP challenge as a political actor.

Algeria's economy has gradually improved since the early 2000s and has been performing better than expected.[223] As mentioned before, Algeria has been diversifying its export markets, making it less dependent on the EU. After it ratified the Association Agreement in 2005, it passed measures to liberalize its internal markets to facilitate foreign companies doing business in Algeria. However, limited leadership skills are still an important driving element to understand why it is changing its policies that often. Over the last few years, for example, it has combined incentives for European Foreign Direct Investments together with a legislation that limits these foreign investments when they prove not to be in favour of the country in transferring technology and reinvestment of the benefits. Due to the lack of confidence in its leadership skills, especially when facing the EU, Algeria fears to be overcome by its foreign partners. Algeria is also trying to gain membership in the WTO, but according to the former EU trade commissioner Peter Mandelson, it still needs to go further in its reforms.[224] Algeria would need to drop its double pricing sche-

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[223] Algeria Country Report, Oxford Business Group;
http://www.oxfordbusiness group.com/country.asp?country=10
[224] WTO in brief: Energy, services, holding back Algeria's WTO accession talks;
http://ictsd.net/i/news/bridgesweekly/66 22/

me between the internal and the external gas market as a precondition for WTO accession.

Is this focus on energy marginalizing Algeria as a regional political and economic force? It is true that the free market policies that the EU promotes within the Mediterranean Partnership or the Neighbourhood Policy do not necessarily lead to reforms, especially not in Algeria Neither does the concept of positive conditionality in terms of financial incentives, considering Algeria's current financial reserves. Algeria's lack of clear policies on most reform issues except for energy is costing the Algerian private sector dearly. If the integration of Algerian companies in the internal EU market with as little obstacles as possible is presented by Algerian officials as one Association Agreement advantage, they also know that there are only a couple of Algerian companies that are capable of operating in the EU market, namely energy companies Sonatrach and Sonelgaz.

To justify their lack of interest toward the ENP, Algerian officials also underlined that the government has only been given permission by the Algerian parliament to negotiate the EMP Association Agreement accord, not an ENP accord. They also object that they were not even consulted before the launch of the ENP. In any case there is a strong feeling not only within policy circles but also amongst Algerians that the ENP project still involves a level of subordination to the EU as its "neighbour" and not its equal partner. To underline this, they sometimes reject the ENP and claim that they would have also liked to see more emphasis on addressing the problems that Algerians face within Europe, such as racism or Islamophobia.

The problem with the neighbourhood dimension

The reasons for Algeria to refuse the ENP are also linked to the rejection of the concept of new 'neighbourhood' politics.

First, there is a feeling in Algeria that while trying to impose a view for its neighbourhood, Europe is itself suffering a regression of a common European policy in favour of national politics promoted by its State Members. It is relevant to Algeria, which is receiving different policies from various member states such as France or Spain. To Algerians, this new neighbourhood dimension is more an opportunity for Europe to dodge the idea of a reconfiguration of borders?, which is a very sensitive issue with regards to the competition in the region. Algerians feel particularly strong about the fact that the ENP seems to benefit the countries

east of the EU as opposed to the southern Mediterranean countries. By labelling the signatories to the ENP merely as neighbours, Algerians feel that it does not represent an intention of equal partnerships. Full bilateral relations are considered much more important than just restricting the relationship to issues such as trade. Ultimately, Algeria still considers the ENP to be too Euro-centric, especially considering the fact that its content did not go through a consultation process, and that conditions were placed on Euro Med countries to qualify as neighbours.

Second, the ENP ignores the current difficulties Algeria has in thinking of itself as part of a Maghreb neighbourhood mainly because of its competitive dynamics with Morocco. How can Algeria represent a unified region together with the other Maghreb countries if it cannot solve the question of the south-south cooperation, which has already led Morocco to quit the African Union after the Sahrawi Arab Democratic Republic (SADR) was accepted into the process in 1984? Moreover, the borders between Morocco and Algeria have been closed since 1994. The real construction of a Maghrebi space seems a crucial prerequisite to a successful implementation of the ENP. One of the main obstacles in inter-Maghreb or inter-Arab relations is the relatively low trade between the various countries. For example, trade with Morocco and Egypt makes up no more than 0.6% and 0.8% of Algeria's total trade respectively.[225] The Maghreb Union has so far been unsuccessful in seriously addressing the low inter-Maghreb trade and it has also been hampered by existing disputes between its members, most prominently the Algeria-Morocco dispute over the status of Western Sahara.

The latest development:
The Union for the Mediterranean

Since 2008, a new initiative, the Union for the Mediterranean (UfM), has been added to the EU–Algeria cooperation framework. This initiative inherited and exploited even further the vision that the EU has put forward since 1995 for its policies towards the Southern Mediterranean and especially towards the Maghreb region, with a focus on economic outcomes rather than on genuine political exchanges.

Launched in July 2008 following the original idea by Nicolas Sarkozy, the UfM is not supposed to replace the EMP and the ENP but to "com-

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[225] Eurostat Algeria report 2007; http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113343.pdf

plement" them with new cooperation tools like a series of biannual summits, bilateral joint projects and shared institutions like a North-South joint secretariat. The projects of the Union for the Mediterranean will be able to benefit from funds from the European Neighbourhood and Partnership Instrument (ENPI), but on a very limited scale (a maximum of 50m EURO a year).[226]

Algeria, like other Arab countries, has not been consulted on the design and objectives of the project. In this UfM framework, Algeria has mainly been solicited by the French on three points: illegal immigration, struggle against terrorism and the gas market.

Morocco and Tunisia quickly supported the project, seeking a strategic role in the region and seeing the possibility to benefit from EU member state's investments. Algeria, which was not offered such interesting partnerships but mainly maintained its energy and security supplier role, has been less enthusiastic.

The first critique coming from Algerian officials highlighted the UfM as a unilateralist initiative. They explicitly asked for the priorities of the Union for the Mediterranean to be reoriented towards the construction of "a Mediterranean Schengen" and they expressed their discontent over the inclusion of Israel in the project. Some commentators have gone further and even claimed that the French diplomatic strategy seeks to isolate Algeria.[227]

Interestingly, some business actors have shown an interest in the initiative, like the Forum des Chefs d'Entreprises (FCE) who met with the French MEDEF during the initiative's brainstorming sessions. Usually marginalized by the focus on the exporting energy market, they found an opportunity to be more present on EU–Algerian trade niches. It should also be noticed that the problem of how to fund the UfM initiatives regarding the limited access to the ENP funds has favored the idea of other private funding channels in which Algerian entrepreneurs can then have a more important role in strategic decisions. Finally they also have been seduced by the UfM promise of more visas to be given to economic actors. However, the FCE explicitly expressed its willingness to

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[226] E. Soler i Lecha, Barcelona Process: Union for the Mediterranean Genesis, evolution and implications for Spain's Mediterranean Policy, *Documento de Trabajo*, CIDOB, 28,2008.

[227] See Projet de l'Union pour la Méditerrané, la vision discordante de l'Algérie, in *El Watan,* 30 March 2008 and L'algérie marque sa différence sur le projet d'union pour la Méditerranée, in *La Tribune,* 30 March 2008.

stay "far from any political turbulence that could slow down or impede the process.[228]

Algeria's participation in the UfM however is still unclear. Israel's participation in the process has particularly angered the Algerians, especially after the Gaza war in January 2009 and the EU's lacklustre response.

Conclusion:
Prospects for a renewed EU–Algerian partnership

Through its various partnerships with the EU, Algeria has mainly benefited from its energy market exchanges and a reinforced security role. However, these partnerships with the EU have not helped Algeria to renew its political leadership nor have pushed for political reforms. After the reelection of President Bouteflika for a third mandate in April 2009, Algeria is more than just a country focusing on economy and security without really being able to think about a new orientation in its foreign policies. In 2007, Mourad Medelci, former minister of finance, was appointed as Foreign Affairs minister. Nominating the person who negotiated the WTO accession the debt reimbursement with the Paris club, and is a former director of several public companies is also clearly a sign of Algeria's primary interest in economics exchange in its foreign policies. However, in times of a global economic crisis this may not be enough to ensure the country a favorable place on the international scene. Significant direct investments by the EU are still lacking and Bouteflika's early 2000s promise to favor Arab investments as an alternative to the cautious European investors has not achieved its goal. Despite a global Arab investor's market estimated at 500 billion USD,[229] the administrative and institutional weaknesses of the Algeria market have discouraged potential Arab investors as well.[230] With the prospect of a free trade zone by 2012, the risk for the Algerian public sector to disappear is high. It is doubtful that a renter state like Algeria will carry on and still be able to import products from Europe if it does not improve its capability to think about a new partnership with the EU. Algeria can be a strong po-

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[228] M. Rabhi, "Une délégation de 60 chefs d'entreprises du FCE à Paris", *El watan*, 26 June 2007.

[229] R. Madouni, "Investissements arabes en Algérie: entre mirage et réalité " in *Le soir d'Algérie,* 19 March 2008.

[230] M. Saadoune, "Capitaux arabes, tropismes européens" in *Le quotidien d'Oran,* 9 June 2007.

litical actor in its partnership with the EU but for that it needs first to rely on stable institutions and second to involve its private sector.

On its side, the EU has to renounce its illusive vision that it can count on politically inefficient but economically resourceful importing partners south of its borders. Good governance is obviously needed in markets, even if some European analysts have been recently trying to put China as a model for Arab countries.[231] To be realistic, one can argue that good governance will serve at better managing energy resources[232] not at changing in the short term the ruling élite. EU's offer to Algeria should seek political reform in the country's management, focus on a transparent and pluralistic use of institutions and implementation of regulations that already exists rather than continuing to talk about democratization at large[233].

For example, the EU has recently begun to consider the role of the economic élite as the new miracle recipe for democratization. But this economic élite is in any case deeply dependant on the political élite. The EU soft power vision, which consists of supporting categories of actors or regimes in place of supporting countries in their whole, should be revised. This search for influential partners[234] able to favour its interests outside any reinforcement of pluralistic and transparent institutions is not sustainable. Further, discourses on economic reforms without any focus on democratic institutions have favoured the redeployment of non-democratic practices in alternative crony and non-productive networks.[235] On the contrary to what the EU thought when launching the EuroMed partnership in 1995, the opening of markets and policies of

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[231] See "L'UE ne pratique pas une politique néo-impérialiste avec l'Algérie" in *Liberté,* 9 juin 2007. I. Martin, "Algeria's political economy (1999-2002): an economic solution to the crisis ?" *in The Journal of North African Studies*, Vol. 8, No. 2, Summer 2003. M. Timmerman, "Le mythe de la transition démocratique en Chine" in *La vie des idées*, 20 May 2008.

[232] R. Young, "Energy: A reinforced obstacle to democracy ?", *CEPS working document*, no 299, July 2008.

[233] E. Bellin, "The political–economic conundrum: The affinity of economic and political reform in the Middle East and North Africa", *Carnegie Papers, Democracy and Rule of Law project,* no 53, November 2004.

[234] Such as underlined in report made by a French policy group underdirection of the French Foreign affairs ministry "Maghreb–Moyen-Orient: Contribution pour une politique volontariste de la France", *Avicenne,* April 2007.

[235] D. Brumberg, "Authoritarian Legacies and Reform Strategies in the Arab World," in R. Brynen, B. Korany and P. Nobles (eds.), *Political Liberalization and Democratization in the Arab World*, Boulder: Lynne Reinner Publishers, 1995.

privatization have not led to a greater political stability but rather to a new design of renter networks unable to act as political and accountable partners in EU policies.[236]

Euro-Algerian partnerships cannot continue to be viewed as separate entities with on one side Algeria's interest in the rent and on the other the EU's interest in the exporting market, controlled migrations and fight against terrorism on Europe's doors. Common interests in the partnerships should be given priority in any policy. Both Algeria and the EU should calculate their losses in not having an accountable partnership. Interference should not be used as an excuse not to fight corruption for example because both partners need to live up to their political responsibilities.

Public debates on the agreements signed between the two parties and then the assessment of EU policies by the Algerian civil society and its involvement in institutional programs funded by the EU are crucial. Until now the EU has divided its vision for supporting Med countries between a satellite civil society that needs to get more involved in intercultural initiatives rather than make use of its national institutions on one hand, and a state élite that is reinforced in its security-related aspects (police, justice, prisons, etc) rather than being reinforced as an accountable actor. It is important for the EU to support the stability of a country as a whole process and not support only the stability of the ruling élite. This is also crucial for Algeria's international image and credibility. Making its partnership accountable and accompanying Algeria towards more pluralism provides a real benefit to Europe. If Algeria succeeded in diversifying its trade relationships, the EU's focus on economics could soon be appropriated by other emerging actors such as India, Iran or South America which won't hassle Algeria with obsessive security and migration demands.

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[236] E. Gobe, "Secteur privé et pouvoir politique en Égypte : entre réformes économiques, logiques rentières et autoritarisme néo-patrimonial" *in* Gérard D. Khoury & Nadine Méouchy (dir.), *États et sociétés de l'Orient arabe en quête d'avenir 1945-2005. Dynamiques et enjeux II*, Paris, Geuthner, 2007, 253-265.

Boş Sayfa

Partnership without Membership:
What the EU can offer Israel within the Framework of the European Neighbourhood Policy

Sharon Pardo[237]

Introduction

Historically, geographically and even religiously, it has been argued that "Israel is from Europe, but not in Europe",[238] and indeed the European Union (EU) is Israel's economic, cultural and, in many respects, political point of reference. Not only do Israel and the EU share common heritage, but they also share something more profound that was built in Israel by the survivors of the Holocaust who emigrated to Israel. Today, Israel enjoys a unique status in the EU, a status that grants Israel extensive rights in many areas such as research and development and economics. For all these reasons, one of Tzipi Livni's most important public state-ments on Europe, as Israel's foreign minister, was dedicated to declaring her belief in Israeli-European relations: "I truly believe that the road

[237] This chapter is an updated and condensed version of a EuroMeSCo Paper titled "Toward an Ever Closer Partnership: A Model for a New Euro-Israeli Partnership," *EuroMeSCo Paper* 72 (October 2008), http://www.euromesco.net/images/paper72-eng.pdf (accessed March 8, 2009).
[238] D. Diner, *Europa-Israel,* Tel-Aviv, Heinrich Böll Stiftung, 2007, 2.

should ultimately lead us to a significant participation of Israel in the European integration project. And here the sky is the limit".[239]

Yet for all its desire to partake in the European project, Israel is only now beginning to think thoroughly about its relationship with the EU and has not made yet a strategic determination as to its desired relations with the EU.[240] In December 2008 the EU External Relations Council adopted guidelines for strengthening the political dialogue structures with Israel. The success of this process, however, depends on Israel and the EU agreeing on how they want to craft a tailor-made model for their relations.

This chapter tries to address this Euro-Israeli need. The chapter first describes the bilateral relations between the EU and Israel and then turns to presenting a new model for an ever-closer partnership between Israel and the EU under the ENP. The 'Euro-Israeli Partnership' (EIP) is a new model of aligning Israel with the EU below the level of full EU member-ship. As a new form of association, the EIP should significantly upgrade Euro-Israeli relations, first and foremost in economic terms, but also in the political, security, joint-research, cultural and social/human fields. The chapter also proposes an institutional structure that includes common decision-making and management bodies.

The chapter begins from the assumption that following the June 2008 statement of the EU-Israel Association Council (the 'Luxembourg State-ment of 2008') to "mark a new phase" in Euro-Israeli relations and to "upgrade" them[241], as well as the December 2008 call of the EU Council for "the joint examination by the European Commission and Israel of the usefulness and modalities of closer involvement by Israel in the Com-munity's main measures and programmes"[242], the time has come to im-

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[239] T. Livni, "Israeli European Relations," *Newsletter of the Centre for the Study of Euro-pean Politics and Society*, 1 March 2007, 4.

[240] For a discussion on principles underlying a future Israeli strategy toward the EU, see Y. Dror and S. Pardo, "Approaches and Principles for an Israeli Grand Strategy towards the European Union," *European Foreign Affairs Review* , Vol.11, No. 1, 2006, 17-44.

[241] General Secretariat of the Council, *Eighth Meeting of the EU-Israel Association Coun-cil: Statement of the European Union 16 June 2008* (Luxembourg: General Secretariat of the Council, 2008) : 1, The European Commission's Delegation to Israel, http://www.delisr.ec.europa.eu/english/whatsnew.asp?id=1003 (accessed July 26, 2008).

[242] Council of the European Union, *Council Conclusions. Strengthening of the European Union's Bilateral Relations with its Mediterranean Partners* (Brussels: Council of the European Union, 2008) : 3, Council of the European Union, http://www.consilium.

plement the Essen Declaration of 1994. In this Declaration, the European Council stated that it "considers that Israel, on account of its high level of economic development, should enjoy special status in its relations with the European Union on the basis of reciprocity and common interest".[243] The proposed EIP model is based on the premise that a closer partnership between the EU and Israel would benefit both sides and would contribute to the improvement of mutual understanding and trust.

Finally, the chapter holds that the EIP model is also a prerequisite to success if the ENP is ever going to evolve into anything other than expressions of European noblesse oblige. The current proposals to beef-up the ENP are unlikely to suffice. The EIP could serve as model and as a springboard from which the consolidation process of the Euro-Mediterranean neighbourhood area can begin to take shape.

Israel-EU Relations

Israel and the EU first established diplomatic relations in 1959. The two share a long history, marked by growing interdependence and cooperation. In 1975 Israel and the EC signed their first Co-operation Agreement and since then, trade, economic, political and cultural cooperation have consolidated Israel-EU relations. The EU is Israel's most important trading partner. In 2007 35% of Israeli imports (except diamonds) came from the EU, and 35% of Israeli exports (except diamonds; totaling about EUR 11 billion) were directed to the European market. The EU ranks first in Israel's imports and second in its exports.[244] Israel, of course, is a much smaller trading partner for the EU, yet it is one of the EU's biggest trading partners in the Euro-Mediterranean area. In 2006, for example, Israel ranked 30th in the EU's imports and 22nd in the EU's exports.[245]

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europa.eu/ueDocs/cms_Data/docs/pressdata/en/gena/104571. pdf (accessed March 8, 2009).

[243] Council of the European Union, *European Council Meeting on 9 and 10 December 1994 in Essen. Presidency Conclusions,* Essen: Council of the European Union, 1994, 10, Council of the European Union,
http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/0030 0-1.EN4.htm (accessed, July 11, 2008).

[244] Central Bureau of Statistics, *Monthly Israeli-EU Trade Statistics*, Jerusalem: Central Bureau of Statistics, 2008.

[245] Approximately one percent of total EU trade; see Commission of the EC, DG Trade,
http://ec.europa.eu/trade/issues/bilateral/countries/israel/index_en.htm (accessed July 12, 2008).

To intensify their political, economic and technological-scientific relations Israel and the EU have established and implemented several contractual and political frameworks. These frameworks include:

The Euro-Mediterranean Partnership (EMP)/Union for the Mediterranean (UfM)

Israel is a full partner in the Euro-Mediterranean Partnership (EMP) and participates in all its programmes. Because of the state of its economy which is on par with that of many EU countries, Israel was not eligible for bilateral assistance under the MEDA Programme. It has, however, been involved in a wide variety of Euro-Mediterranean regional programmes initiated under the MEDA Programme.

As long as the Middle East Peace Process was proceeding, the Euro-Mediterranean Partnership positively affected EU-Israel bilateral relations, but as soon as the process started to derail, the Partnership negatively affected the bilateral relations.[246] Altogether, while the direct economic impact of the Partnership on Israel is negligible, politically it has enhanced Israel's regional legitimacy.

Israel is also a full partner in the Union for the Mediterranean (UfM) and, as agreed by the November 2008 Marseille Summit of Euro-Mediterranean foreign ministers, an Israeli representative will be one of the five UfM Deputy Secretaries General.[247] Israeli officials and academics remain sceptical as to what the added value of the UfM can be like and most of them treat it as a lot of hot air with very little substance. Yet there are some observers that believe that the UfM can be used to "relocate Israel—i.e., to redefine the relevant geostrategic environment and regional identity politics in terms of the rich mosaic of the Mediterranean instead of the 'Middle East'… or the 'Arab world'… in which Israel will always be … the continued target of hostility as a foreign insert."[248]

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[246] R. A. Del Sarto, *Contested State Identities and Regional Security in the Euro-Mediterranean Area* Basingstoke: Palgrave Macmillan, 2006, 111.

[247] For the first term of office, the four other Deputy Secretaries General will come from the following Euro-Mediterranean partners: Greece, Italy, Malta and the Palestinian Authority; Euro-Mediterranean Foreign Ministers, *Final Statement: Marseille, 3-4 November 2008*, Marseille: Euro-Mediterranean Summit of Foreign Ministers, 2008, 6. European Parliament Archive,
http://www.europarl.europa.eu/intcoop/empa/home/final_statement_marseille_04nov2008_en.pdf (accessed March 8, 2009).

[248] E. Lerman, *The Mediterranean Idea. Envisioning a Brighter Future for All the Peoples of the Mediterranean,* Jerusalem: American Jewish Committee, 2007, 2.

The EU-Israel Association Agreement

The EU-Israel Association Agreement, governed by the EMP, signed in 1995 and entered into force in 2000, forms the legal basis for Israel-EU relations, replacing the 1975 EC-Israel Cooperation Agreement. It is much more than a free trade agreement and it enables continuing dialogue and cooperation between Israel and the EU in a wide variety of fields. The Agreement outlines the framework for regular political dialogue and aims at promoting peace, security and regional cooperation. It includes provisions for the strengthening of economic and socio-cultural cooperation on the widest possible basis, including freedom of establishment, liberalisation of services, unrestricted movement of capital, and free market competition. The Agreement reaffirms and strengthens the free trade arrangements for manufactured goods and other industrial products. In 2003, the parties signed a new agreement liberalising reciprocal trade for most agricultural products. Negotiations on the further liberalisation of trade in agricultural, processed agricultural and fishery products terminated in 2008 and a new agreement should be signed by both parties in 2009.

Israel-EU Agreements on Scientific and Technological Cooperation

Israel is the first of only two[249] non-European/EEA/candidate countries fully associated with the EU's Framework Programmes for Research and Technological Development (FP) since 1996. Israel is an active member in the EU's FP and has proved to be a source of innovation in both basic and market-oriented research conducted in Europe. The EU is now Israel's second biggest source of research funding, after the Israel Science Foundation, and under the EU's Sixth Research Framework Programme (FP6) Israeli research bodies participated in over 600 research projects in consortia with their European counterparts. Israeli researchers participated in all activities under FP6 and were strongest in the information society technologies. Israel will contribute approximately EUR 440 million to the EU's Seventh Research Framework Programme (FP7) over the period 2007-2013.[250]

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[249] Switzerland is the second country.
[250] By 16 June 2008, over 1,300 proposals involving Israeli researchers were received under FP7. Of these 267 were accepted with EU contribution of over EUR 51 million.

The EU-Israel Action Plan

Following the launch of the ENP, the EU and Israel adopted the EU-Israel Action Plan in April 2005 for a period of three years, which was extended for another year until April 2009.[251] According to the Action Plan, the two parties are to intensify political and security cooperation, introduce a significant element of economic integration, boost socio-cultural and scientific cooperation and share responsibility in conflict prevention and resolution. The Action Plan stipulates that the EU-Israel political dialogue should also focus on the adoption of measures to combat antisemitism, and on non-proliferation of weapons of mass destruction. Furthermore, the economic dialogue focuses on actions to promote further liberalisation of investment and trade between Israel and the EU.

According to Oded Eran, Israel's former ambassador to the EU, the Action Plan is "rich and comprehensive and [it] led to what can be described as a civilised dialogue".[252] The Action Plan "reflects a different starting point for Euro-Israeli relations and it is also indicative of the well-developed bilateral political and economic relations".[253]

The Action Plan paved the way for Israel's participation in a number of EU initiatives, with Israel being among the front-runners in making use of the new possibilities for ENP partner countries to participate in Community programmes.[254] Thus, Israel is the first ENP partner country to participate in the Competitiveness and Innovation Framework Programme (CIP) under which the EU promotes innovation, entrepreneurship and growth of small and medium-sized enterprises (SMEs).

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[251] Following the February 2009 general elections in Israel and the formation of a new Israeli government the following month, it is clear that the EU and Israel will not be able to finish negotiations on a new instrument by April 2009. Therefore, there are two options for the two parties: 1. to extend the Action Plan for another period; 2. the Action Plan will come to an end.

[252] House Committee on Foreign Affairs Archive, "Statement by Oded Eran, Director General of the World Jewish Congress Office in Jerusalem at the Joint Hearing 'Europe and Israel: Strengthening the Partnership' held by the House Foreign Affairs Subcommittees on Europe and the Middle East and South Asia, July 9, 2008", Washington DC: HCFA-A, 9 July 2008, http://foreignaffairs.house.gov/110/era070908.pdf (accessed July 27, 2008).

[253] R. A. Del Sarto and others. *Benchmarking Democratic Development in the Euro-Mediterranean Area: Conceptualising Ends, Means and Strategies*, Lisbon: EuroMeSCo Secretariat, 2007, 43.

[254] General Secretariat of the Council, op. cit., 3.

All in all, the Action Plan has provided the platform for developing Euro-Israeli cooperation across various fields[255], and the ENP has acted as a catalyst in boosting Euro-Israeli relations and putting them on a new and higher level.

The November 2005 Israeli-Palestinian Agreement on Movement and Access to and from the Gaza Strip

Following the Israeli withdrawal from the Gaza Strip in August 2005 and the November 2005 Israeli-Palestinian Agreement on Movement and Access to and from the Gaza Strip, Israel and the Palestinian Authority invited the EU to be the third-party at Rafah Crossing Point on the Gaza-Egyptian border. In response, the EU decided to launch the EU Border Assistance Mission (EU BAM Rafah), to monitor the operations of the Rafah border crossing point. The operational phase of the Mission began on 30 November 2005 for a duration of 12 months.[256]

The Mission actively monitored, verified and evaluated the performance of the Palestinian border control, specifically the security and customs officials working at the Rafah Terminal. The Mission was viewed as a significant step forward for Israeli-EU relations, since it marked the first time that Israel agreed to give the EU a responsibility in the 'hard security' sphere.

In the wake of the Hamas takeover of the Gaza Strip in June 2007, EU BAM Head of Mission declared a temporary suspension of operations at Rafah Crossing Point; the EU monitors are now inactive, having withdrawn their observers back to Israel. Following the January 2009 Israeli-Hamas war, High Representative Solana declared that the EU is "ready to return to Rafah and even to extend the mission if that is agreed by the

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[255] Commission of the EC, *Commission Staff Working Document. Accompanying the Communication from the Commission to the Council and the European Parliament. Implementation of the European Neighbourhood Policy in 2007. Progress Report Israel*, *SEC (2008) 394*, Brussels: Commission of the EC, 2008, Commission of the EC, (accessed July 12, 2008).

[256] In May 2007 the mandate of the Mission was extended until May 2008 and has since been extended again until 24 November 2008. On 10 November 2008, the EU Council extended the mandate of the Mission by a further year, until 24 November 2009.

parties and we are asked to do it… We are willing to do whatever is necessary in that direction, with monitors in Rafah and in other places."[257]

United Nations Interim Force in Lebanon ('UNIFIL II')

UN Security Council Resolution 1701 of August 2006 ended 34 days of a war between Israel and Hizbollah. The Resolution called for a full cessation of hostilities, strengthened UNIFIL's mandate and increased the number of UNIFIL troops in southern Lebanon from 2,000 to 15,000 (UNIFIL II). Resolution 1701 further called on 'UNIFIL II' troops to assist the Lebanese military in taking steps toward the disarmament of armed groups. EU Member States have provided more than 7,000 soldiers to UNIFIL II.

Although UNIFIL II is not an EU operation, the European participation in the mission is the backbone of this new force. The remarkable and impressive contribution of EU Member States to UNIFIL II clearly strengthens the EU relations with Israel and is a testimony to the EU's growing involvement in the Middle East in the field of hard security. For the first time European troops exert operational control in the Middle East conflict. It remains to be seen whether the strong European component within UNIFIL II will also open a new chapter in the Middle East peace process.

The 'Luxembourg Statement' of June 2008

In March 2007 Israel and the EU established the so-called 'Reflection Group', which was charged with examining areas in which cooperation between Israel and the EU could be enhanced. Based on the preliminary work of this Reflection Group, the EU-Israel Association Council convened in Luxembourg on 16 June 2008, and expressed the political will to intensify Euro-Israeli relations as well as agreed to develop these relations gradually within the framework of the ENP. The upgrade of relations is to be carried out in three areas: increased diplomatic cooperation, Israeli participation in European agencies, working groups and programmes, and Israel's integration into the European Single Market.[258]

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[257] Council of the European Union, *Summary of Remarks to the Press by Javier Solana EU High Representative for the CFSP on the Gaza Crisis,* Brussels: Council of the European Union, 2009, 2, Council of the European Union,
http://ue.int/uedocs/cmsUpload/090121%20Gaza.remarks%20to%20press.pdf (accessed March 11, 2009).
[258] General Secretariat of the Council, op. cit., 3.

In order to implement this political decision, the EU and Israel started negotiations reviewing the content of the EU-Israel Action Plan. The process of identification of concrete actions in each area is carried out jointly. Meetings of all joint subcommittees are tasked to develop the content of the upgrade in each field, which is to be included in a document that will guide Euro-Israeli relations past April 2009.[259]

Strengthening EU-Israel Political Dialogue Structures: The December 2008 Council Guidelines

In December 2008 the EU reaffirmed its determination to upgrade bilateral relations and issued guidelines for strengthening the political dialogue structures with Israel. These guidelines call for the following: convening ad hoc summits at the level of Heads of State and Government as well as three meetings a year at the Foreign Minister level; allowing for each EU Presidency to invite, on an ad hoc basis, the Director General of Israel's Ministry of Foreign Affairs to one of the meetings held during its term of office; providing for hearings of Israeli experts by Council working parties and committees; organising systematic and broader informal strategic consultations; intensifying exchanges on human rights and antisemitism; encouraging Israel to remain in line with Common Foreign and Security Policy (CFSP) positions; enabling cooperation in the context of the European Security and Defence Policy (ESDP); encouraging Israeli integration and involvement in multilateral forums; and intensifying inter-parliamentary dialogue.[260]

The Luxembourg Statement is now awaiting concrete translation into action, and the success of this process, requires that Israel and the EU both agree on how they want to craft a tailor-made model for their relations.

Now, after the 2004 accession of Cyprus to the EU, Israel and the EU are closer even in geographic terms. The fifth enlargement and the Union for the Mediterranean (UfM), alongside the upgrade process of Euro-Israeli relations within the framework of the ENP, offer the EU and Israel the opportunity to develop an ever closer relationship, going beyond past levels of cooperation to gradual economic integration and deeper political cooperation.

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[259] General Secretariat of the Council, op. cit., 2-3.
[260] Council of the European Union (2008), op. cit., 2, 4-5.

Some Principles for the 'Euro-Israeli Partnership' (EIP)

The EIP would open new economic integration and cooperation perspectives for Israel, and it would support Israel's aspiration to further integration into European economic and social structures. The EIP would deepen the process of approximation of Israeli legislation, norms and standards to those of the EU. In other words, the EIP is a new model of aligning Israel with the EU below the level of full EU membership. It should be emphasised that the EIP is not a stepping-stone to Israeli membership in the EU. Rather, it is a new form of association and cooperation, and should significantly upgrade Euro-Israeli relations, first and foremost in economic terms, but also in political, security as well as research, cultural and social/human. As such, the EIP provides an alternative to EU membership.[261]

The Legal Basis of the EIP

The EIP finds its roots in the Barcelona Process, the UfM, the EU-Israel Association Agreement, the ENP, the EU-Israel Action Plan, the Luxembourg Statement of June 2008 and the December 2008 Council Guidelines, and should be seen as the result of the long maturation of Euro-Israeli relations. Therefore, from the point of view of both the EU and Israel, the EIP would fall within the legal category of an 'association'.

   The key article in the EU Treaties is Article 188 M of the Treaty of Lisbon (Article 310 of the Treaty Establishing the European Community [TEC]; Article 217 of the Treaty on the Functioning of the European Union [TFEU]), offers the fundamental legal basis of the EIP. Article 188 M states that:

   "The Community may conclude with one or more third countries or international organisations agreements establishing an association involving reciprocal rights and obligations, common action and special procedure."

   Another legal source for the EIP is Article 7a of the Treaty of Lisbon (new Article 8 in the consolidated version of the Treaty on European

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[261] In a survey from February 2007, which was conducted by the Konrad-Adenauer-Stiftung together with the author of this chapter, an overwhelming majority of 75 percent of the Israeli public either strongly supported, somewhat supported or tended to support the idea that Israel should join the EU. In addition, following the January 2007 EU enlargement, about 42 percent of the Israelis were identified as eligible for EU citizenship; see S. Pardo, *Measuring the Attitudes of Israelis towards the EU and its Member States*, Jerusalem: Konrad-Adenauer-Stiftung, 2007, 20.

Union [TEU]). This article calls for the development of a 'special relationship' with neighbouring countries of the EU, including Israel. Although Article 7a uses different terms from Article 188 M, it has almost the same legal consequences. It states that:

1. The Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.

2. For the purposes of paragraph 1, the Union may conclude specific agreements with the countries concerned. These agreements may contain reciprocal rights and obligations as well as the possibility of undertaking activities jointly."

Both Articles 188 M and 7a are intentionally vague and they allow the development of an 'association' or a 'special relationship' that involves reciprocal rights and obligations as well as joint/common actions and special procedures. The articles leave open the actual content of the 'association' or the 'special relationship'.

The EIP is legally based on the vagueness of Articles 188 M and 7a and on the flexibility that they allow for the development of Euro-Israeli relations. A tailor-made partnership, the EIP might suit the interests and the needs of both parties. Since EU membership is restricted only to 'European states', the EIP model would entail less than full EU membership but more than the current EU-Israel Association Agreement.

Since its establishment, the European Economic Community searched for models for developing closer relations with non-EU Member States. Referring to this issue, Walter Hallstein, the first President of the European Commission, stated on many occasions that the links with a non-member country "can be anything between full membership minus one percent and a trade and cooperation agreement plus one percent".[262]

In like manner, in a June 2008 report[263], MEP Brok argued that the EU needed to develop "something between the European Neighbourhood

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[262] D. Phinnemore, *Association: Stepping-Stone or Alternative to EU Membership?*, Sheffield: Sheffield Academic Press, 1999, 23.

[263] Parliament of the European Union, *Report on the Commission's 2007 Enlargement Strategy Paper* Brussels: Committee on Foreign Affairs, 2008, European Parliament Archive,
http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+
REPORT+A6-2008-0266+0+DOC+PDF+V0//EN (accessed July 27, 2008).

Policy and full-fledged membership".[264] On this basis, in July 2008 the European Parliament adopted a resolution in which the Parliament takes the view that "the conceptual, political and legal gap existing between the EU's Enlargement Strategy and its Neighbourhood Policy needs to be filled" in order to respond to the expectations of the Union's neighbours. The resolution further provides that with regards to those neighbours that at present do not enjoy membership prospects but at the same time fulfil certain democratic and economic conditions:

> "the EU should establish an area based on common policies … [that] … should be shaped jointly with the participating countries on the basis of specific decision-making mechanisms … as a first step, these relations should translate themselves into the establishment of a Free Trade Area, to be followed by closer relations along the lines of a European Economic Area Plus (EEA +), of a European Common-wealth or of specific regional cooperation frameworks."[265]

The 'special closer relations' with non-EU Member States have also been inferred by a ruling of the European Court of Justice (ECJ). In its Meryem Demirel Case[266] the ECJ observed that the Community may conclude "an agreement creating special, privileged links with a non-member country".[267] While the ECJ refrained from any elaboration on the substance of these 'privileged links' with the non-member country, the Court's statement suggests that the relations should be based on more than just a regular trade agreement.

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[264] EurActiv.com, "Close Relations' More Fashionable than Enlargement," *EurActiv. com*, July 10, 2008,

http://www.euractiv.com/en/enlargement/close-relations-fashionable-enlargement/article-174112 (accessed July 13, 2008).

[265] Parliament of the European Union, *European Parliament Resolution of 10 July on the Commission's 2007 Enlargement Strategy Paper (2007/2271(INI)* (Strasbourg: Parliament of the European Union, 2008): Paragraphs18-20, European Parliament Archive,

http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P62 008-0363+0+DOC+XML+V0//EN&language=EN (accessed July 19, 2008).

[266] The case involved a Turkish woman who came to Germany and was ordered to leave the country when her visa expired. The ECJ ruled that, at that time, the rights to family reunification were not covered by the EC-Turkey Association Agreement. Commentators argued that the Court was seeking to increase its jurisdiction to promote its own conception of Community fundamental rights in the face of conflicting Member State conceptions of national fundamental principles and rights; P. Craig and G. De Búrca, *EU Law: Text, Cases and Materials* (Oxford: Oxford University Press, 2003), 343.

[267] Court of Justice of the European Communities, *Case 12/86, Meryem Demirel v. Stadt Schwäbisch Gmünd*, ECR 1987: 3719-55: Paragraph 9.

Certainly, a chief component of the EIP is its permanence, and both Articles 188 M and 7a allow and imply a long-term relationship. This is further implied by Article 188 L(2) of the Treaty of Lisbon (Article 300(7) of the TEC; Article 216 of the TFEU) which stipulates that all international agreements concluded between the EU and one or more third countries or international organisations "are binding upon the institutions of the Union and on its Member States." And indeed, in practice all the Association Agreements and Partnership and Cooperation Agreements between the Union and non-EU Member States were concluded for unlimited or for renewable periods.

Another major component of the EIP is 'common action' or 'joint activities' (Articles 188 M and 7a). In the Meryem Demirel Case the ECJ affirmed that in the context of the "special, privileged links" with the EU, the non-member country "must, at least to a certain extent, take part in the Community system".[268] It follows then, that any 'common action' or 'joint activities' should be in line with the EU's objectives. These actions can cover any area under the competence of the Community and above all they must depend on the interests of the two partners. In the Union's jargon, the Partnership would be of a 'mixed agreement' nature, namely a partnership that covers areas under Community external competences and Member States competences.[269]

A third component of the EIP is its institutional framework. By using the term 'special procedures', Article 188 M implies the creation of an institutional apparatus for the implementation of the agreement. It also follows that the 'special procedure' should be an extraordinary one.[270] And indeed, the EIP would be equipped with its own institutional system and decision-making mechanism.

The Partnership would extend the internal market and some EU policies to Israel. In particular, the EIP would be based on the *acquis communautaire* concerning the Four Freedoms. That said, it is expected that the 'freedom of movement of persons' would touch a raw nerve both in the EU and in Israel and that the partners would therefore prefer not to implement this freedom in the short term. Accordingly, the EIP should stipulate that this freedom would be extended to the Partnership subject to adjustments in the EU and to a favourable change in the political situation in the region.

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[268] Ibid.

[269] D. Phinnemore, op. cit.

[270] Ibid.

From the economic point of view, the EIP would not be of a customs union nature and it would not cover all the products and fields of the Union's activities. In addition, the institutional framework of the EIP would monitor and manage the Partnership.

Objectives and Means

The principal objective of the EIP is to develop an ever closer relationship between the EU and Israel, going beyond past levels of cooperation to gradual economic integration and deeper political cooperation. The EIP would promote continuous strengthening of economic trade and political relations between the two parties with a view of creating a 'homogenous partnership economic area'. The homogeneity objective is a cornerstone of the EIP and means that Israel would follow closely the *acquis* and its monitoring system.

The fundamental means to achieve the Partnership's objectives would be the Four Freedoms, competition rules, and Euro-Israeli cooperation in several key areas. Thus the economic objective of the Partnership should be achieved through the extension of the Community's common market rules to Israel. The creation of a 'homogenous partnership economic area' would be achieved through the application of common rules and the updating of new Community rules.

It follows, then, that the EIP would be a very dynamic partnership as it would follow closely major developments in the EU, and on a periodical basis would integrate relevant Community legislation. In other words, Israel would face a cardinal challenge of incorporating the relevant parts of the *acquis* which the Partnership would incorporate. In view of Israel's existential concerns, the Partnership would allow Israel the freedom to make hard security decisions.

The Institutional Framework of the EIP

Currently, the Euro-Israeli relationship does not reflect the notion of an ever closer partnership. Thus, under the EIP, the Euro-Israeli relationship must achieve new levels of integration by strengthening the sense of close partnership. Moreover, given the recent institutional structures proposed by the Euro-Mediterranean leaders in the Paris summit of the

Union for the Mediterranean,[271] the 'special procedures' under Article 188 M of the Treaty of Lisbon and given the dynamism and wide scope of the EIP, it would be impossible to rely only on the current loose institutional framework of EU-Israeli relations—namely, the Association Council, the Association Committee and its subcommittees and working groups. For its full implementation and for its future development, the EIP would have to upgrade the current loose institutional framework and there would be a need to establish a new institutional system.

In order to become a proactive partnership that would engage the EU and Israel in an equitable manner, the institutional framework of the EIP should be based on two pillars: the EU institutions, and the light institutional framework of the ENP.

Yet, some new common institutions are needed, in particular for joint –decision-making and dispute settlement. The hope is that the EIP institutional framework would reflect the Partnership's principle of cooperation, would strengthen EU-Israel relations, would turn the EIP into a mechanism for consultations and negotiations and would limit the EU-centric character of the EU-Israel economic and trade relations.[272]

The EIP Council

Meeting at the ministerial level twice a year, the EIP Council would be the highest political body of the Partnership and would consist of members of the EU Council, the EU Commission and the relevant minister of the Israeli government. Based on the current Association Council, the new EIP Council would be responsible for giving the political impetus in the implementation of the EIP objectives, and would lay the guidelines for the work of the EIP Joint Monitoring Committee. The EIP Council would be chaired by a rotating presidency for a set period of time (for example, twelve months) by a member of the European Council and a member of the Israeli government. Decisions by the EIP Council would be taken by agreement between the Union and Israel.

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[271] Council of the European Union, *Joint Declaration of the Paris Summit for the Mediterranean. Paris, 13 July 2008, 11887/08* (Brussels: Council of the European Union, 2008): 13-16, Council of the European Union,
http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/er/101847.pdf (accessed July 27, 2008).

[272] The following sections draw on Thérèse Blanchet, Risto Piipponen and Maria Westman-Clément, *The Agreement on the European Economic Area (EEA). A Guide to the Free Movement of Goods and Competition Rules* (Oxford: Clarendon Press, 1994).

The EIP Council would fully reflect the equality, the negotiating, decision-making and decision-shaping character of the Partnership.

The EIP Joint Monitoring Committee

Based on the work of the current Association Committee, the new EIP Joint Monitoring Committee would be an independent committee charged with administering the day-to-day business of the Partnership and ensuring that the parties fulfil their EIP commitments. The establishment of the Committee will develop Euro-Israeli relations to a genuine and an equal partnership.

The Committee would decide on new legislation to be incorporated into the Partnership. It would meet once a month and would consist of an equal number of high officials and senior diplomats from the EU Commission and the Israeli government (for example, 5+5). The Committee would also be able to convene informal meetings to respond to urgent situations. As in the case of the EIP Council, the Committee would be chaired by the rotating presidency and decisions would be taken by agreement between the Union and Israel. To assist in its task, the Committee would be able to establish subcommittees and working groups.

The EIP Parliamentary Committee

The parliamentary dimension[273] is also an important feature to be taken into consideration when analysing the possible structure of the EIP. The EIP Parliamentary Committee would be based on the current European Parliament (EP) Delegation for Relations with Israel and the Knesset Delegation for Relations with the EP, and would be composed of an equal number of members of the EP and the Knesset (for example, 10 + 10). The Committee would act through dialogue and debate to ensure better understanding between the Union and Israel in the areas covered by the Partnership. The Committee would express its views on all matters relating to the EIP and in particular would monitor the 'homogenous partnership economic area'. The Committee would not have any decision-making powers but would be able to adopt resolutions and submit reports and recommendations to the EIP Council with a view to achieving the objectives of the EIP.

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[273] See chapter by Roderick Pace.

The EIP Court of Conciliation and Arbitration

In order to settle disputes that may arise between the EU and Israel in the framework of the EIP, the partners would establish a Court. The EIP Court would act by means of conciliation and, where appropriate, arbitration. Its rulings would be binding. To cut the Court's expenses, the Court would not be a permanent tribunal but rather a roster of conciliators and arbitrators from both sides. Accordingly, the Court would act as an *ad hoc* Conciliation Commission or an *ad hoc* Arbitral Tribunal, convening only when a dispute is submitted to it. In addition, Israeli courts would be allowed to ask the EIP Court for an advisory opinion on the interpretation of the Partnership. National courts of EU Member States would be allowed to ask for preliminary rulings from the ECJ.

The EIP would establish an obligatory conciliation procedure leading to a non-binding concluding report. If within thirty days the partners decide not to accept the report's conclusions, the report would be forwarded to the Arbitral Tribunal and its ruling would be binding.

Finally, if a dispute in question concerns the interpretation of Community legislation relevant to the EIP, it would be possible to ask the ECJ to rule on the interpretation of the relevant legislation. The ECJ ruling would be binding.

The Israeli Standing Committee

For its internal procedures, Israel would establish a Standing Committee responsible for decision-making procedures, administration and management of the Partnership, as well as inter-ministerial coordination and consultation. The Committee would also facilitate the elaboration of decisions to be taken on the EIP level.

The Israeli Standing Committee would consist of representatives of all Israeli ministries, including representatives of all relevant institutions and agencies.[274] Normally (and as often as on a monthly basis), the Standing Committee would meet at the level of high officials. In addition, and as necessary, the Committee would meet at a ministerial level. The Committee might set up subcommittees and working groups to assist it in all its tasks. The decisions and recommendations of the Standing Com-

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[274] Such as the National Economic Council, the Standards Institution of Israel, the Council on Higher Education, Israel Securities Authority, Israel Security Agency, the Mossad, Israel National Security Council on National Security and others.

mittee would be taken by a majority vote and in some cases would also need the approval of the Israeli government.

Decision-Shaping and Decision-Making Processes
Decision-Shaping

As the EIP is based on the Union's legislation, the Union would continue to legislate using its own internal procedures. Any new Community legislation relevant to the EIP would be incorporated into the Partnership upon a joint decision of both the Union and Israel. Israel would be able to take part in 'decision-shaping' when the EU judges the Community legislation to be relevant for the EIP. In such a case, Israel would only participate in the preparatory stages of the Union legislative process.

Under this process, once the European Commission drafts a new legislation in an area the EU judges to be relevant to the EIP, the Commission would notify Israel and would send it a copy of the draft proposal. If Israel wishes to discuss the proposal, a preliminary exchange of views would take place in the EIP Joint Monitoring Committee. Furthermore, the European Commission would ensure participation of Israeli experts in the '*Comitology* Committees'. The Commission may submit to the EU Council the views of the Israeli experts as well.

Decision-Making

Once a relevant Community legislation has been formally adopted by the Union's institutions, the EIP Joint Monitoring Committee would decide on the incorporation of the legislation into the Partnership. The Committee would also examine whether there is a need for technical amendments, transitional periods or derogations. Such incorporation is needed in order to guarantee the homogeneity of the EIP. The EIP Joint Monitoring Committee would make its decisions as soon as possible in order to allow a simultaneous application in the EU and in Israel. .

A decision by the EIP Joint Monitoring Committee would be taken within a short period of time (for example, six months) following the referral to it or from the date of entry into force of the relevant Community legislation.

All decisions to extend Community legislation also to the EIP would be published in a special EIP Section of the Official Journal of the European Union. Translation into Hebrew would be published in a special EIP Series of the Official Gazette of the State of Israel ('*Reshumot*').

Maintaining Homogeneity

The homogeneity objective is a cornerstone of the EIP and both partners would have to maintain uniform interpretation of the relevant provisions of the Community legislation. This means that the Partnership would follow the EEA model, and would have its own limited legal system which would be based on Community law. For the sake of homogeneity, all the relevant Community legislation would have to be interpreted in conformity with the relevant rulings of the ECJ without prejudice to the independence of all EIP institutions, including of course the EIP Court of Conciliation and Arbitration. Both the EIP Joint Monitoring Committee and the EIP Court of Conciliation and Arbitration would pay due account to the principles laid down by the relevant rulings of the ECJ. Finally, it is recalled that Israeli courts would be allowed to ask the EIP Court of Conciliation and Arbitration for an advisory opinion on the interpretation of the Partnership.

For safeguarding the uniformity of implementation and application of the Partnership rules, the European Commission and the Israeli Standing Committee would cooperate, exchange information and consult each other on surveillance policy issues and on individual cases. Both bodies would also be in charge of handling complaints from individuals. In case of a disagreement in relation to a complaint, each institution can refer the matter to the EIP Joint Monitoring Committee.[275]

Implementing the Partnership

The EU and Israel would have to take all possible measures to ensure the fulfilment of the obligations arising out of the EIP. After the long process of negotiating the EIP Agreement, both partners would have to adopt the agreement and to set up the new institutions of the Partnership. It is clear that Israel would have to adapt its domestic legislation as well as take measures necessary to put the Israeli legal system in conformity with its EIP obligations. This would require a long transitional period and a heavy load of implementation work, mainly on the Israeli side, before the EIP Agreement can enter into force. As for the Union itself, it seems that, thanks to Article 188 L(2) of the Treaty of Lisbon, the Union would not have to amend the *acquis* in order to comply with the EIP ob-

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[275] The homogeneity objective will very much resemble the more classical approach and monitoring system adopted in the EEA. It is against this background that the EIP negotiators will secure as far as possible the homogeneity which is considered to be the cornerstone of the EIP.

ligations, as international agreements concluded by means of the procedure set out in Article 188 M of the Treaty of Lisbon are binding on the institutions of the Community and its Member States. As the ECJ has put it: "The provisions of such agreements and measures adopted by the institutions set up by such agreements become an integral part of the Community legal order when they enter into force".[276]

Support of the New Israeli Government for the EIP Model

This chapter was concluded immediately after the January 2009 war between Israel and Hamas and just before the February general elections. While the EIP model has not yet been approved as such by the new Israeli government, there is ample evidence supporting its underlying logic. In the past, Benjamin Netanyahu expressed great interest in Israeli integration in the EU. In 2002, in his capacity as the Minister of Foreign Affairs, he said in an interview that Israel was considering joining the EU and that it would ask Italy to help Israel achieve this goal.[277] In his capacity as Minister of Finance, Netanyahu stated in 2003 that Israel might consider joining the Eurozone.

The second largest coalition party, Yisrael Beitenu, publicly announced its plans to support Israel's accession to the EU and NATO. Party chairman and presumable incoming Foreign Minister Avigdor Lieberman declared in his capacity as Minister for Strategic Affairs in 2007 that "Israel's diplomatic and security goal ... must be clear: joining NATO and entering the EU".[278] In June 2007, Lieberman also declared that his party is examining the possibility of joining the European People's Party (EPP).

Be that as it may, the pace of the upgrade in Euro-Israeli relations must depend also on developments in the Middle East Peace Process, and on the new Israeli government's plans and outlook toward the peace process. When deciding to implement the EIP, the EU should specifically mention the Israeli-Palestinian context. Positive progress in this context should speed up negotiations on the implementation of the EIP, while negative developments would slow down or even freeze the upgrade process.

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[276] Court of Justice of the European Communities, *Opinion 1/91 of Dec. 1991* [1991] ECR I-6079: Ch. I, n. 11.

[277] "Israel Should Join the European Union," *Galatz-IDF Radio*, 9 November 2002

[278] "Avigdor Liberman: Israel Should Press to Join NATO, EU," *Haaretz*, 1 January 2007.

Conclusions

In line with Jean Monnet's statement that "great ideas and principles either take firm shape in the form of institutions, or disappear into rhetoric and finally die", fourteen years after the Barcelona conference, five years after the launch of the European Neighbourhood Policy and almost one year after the first summit of the Union for the Mediterranean, this chapter holds that for the establishment of a genuine Euro-Mediterranean neighbourhood area, there is a need to further strengthen the institutional foundation and structure of EU-neighbours relations in general and the Euro-Israeli relationship in particular. In order to be effective the ENP should not be left to politicians and diplomats alone, a tattered flag to be waved during the meetings of the Association Councils and or Association Committees. There is a real risk that without solid institutional expression, the ENP will disintegrate into relatively meaningless political exercises rather than a true Neighbourhood Policy. Eventually, like its predecessors, it would die.

The characteristics of the relations between the EU and its ENP partners must be altered, if the ENP is to attain its objectives. The EU-centric character of these relations, their decision-making mechanism and their current institutional structure, do not reflect an ever-closer partnership between the EU and its neighbours under the ENP. The relations between the EU and its neighbours should be urgently reshaped and institutionally restructured to more effectively identify and cultivate common interests and potential synergies.

As for Israel, this chapter rests on the assumption that following the June 2008 decision of the EU-Israel Association Council to "mark a new phase" in Euro-Israeli relations, the time has come to implement the 1994 Essen Declaration, in which the European Council declared that Israel "should enjoy special status" in its relations with the EU.

Designed to meet European and Israeli stated wishes to enhance their relations, this chapter presents a new model for an ever-closer partnership between the Union and Israel. Called the Euro-Israeli Partnership (EIP), the proposed model is based on the logic of the ENP and draws on its aim to remain sufficiently flexible to allow individual partners to self-differentiate according to their political situation, level of ambition with

regard to the EU, reform agenda and achievements, and level of socio-economic development.[279]

The proposed model would align Israel with the EU below the level of full EU membership. The Partnership would significantly upgrade Euro-Israeli relations, providing an active institutional apparatus with common decision-making and management bodies. This Partnership would benefit both partners and aim at contributing to the improvement of mutual understanding and trust.

Likewise, the EIP would provide the ENP with a mechanism to propel the Policy forward from the arena of declarations to one of implementation. It would equip both the ENP and Euro-Israeli relations with partnership-building tools necessary to execute political, commercial and functional tasks. Successful implementation of the EIP is admittedly a daring and immense challenge for both partners and one which should not be underestimated.

If the EU and all its Member States are committed to the existence, survival and prosperity of Israel, if the Middle East is indeed vital to the EU and if Israel truly wishes, as Foreign Minister Livni has stated, to "participate in the European integration process"[280], then strengthening Euro-Israeli relations along the lines outlined in this chapter must be seriously considered.

The proposed model is also a prerequisite to success if the ENP is ever going to evolve into anything other than expressions of European noblesse oblige. The current proposals to beef-up the ENP are unlikely to suffice. The unique partnership proposed in this chapter could serve as a model and as a springboard from which the consolidation process of the "ring of friends surrounding the Union"[281] can begin to take shape.

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[279] Commission of the EC, *Communication from the Commission: A Strong European Neighbourhood Policy, COM (2007) 774 final* (Brussels: Commission of the EC, 2007), Commission of the EC,

http://ec.europa.eu/world/enp/pdf/com07_774_en.pdf (accessed 27 June 2008).

[280] T. Livni, op. cit., 4.

[281] R. Prodi, *A Wider Europe - A Proximity Policy as the Key to Stability* (Brussels: Commission of the EC, 2002): 3, Commission of the EC,

http://ec.europa.eu/external_relations/news/prodi/sp02_619.htm (accessed July 6 2008).

Turkey-EU Relations: Creating New Synergies in the Middle East

Meliha Benli Altunışık

Turkey's relations with the Middle East have started to change since the late 1990s. Turkey has moved to a more consensual and less confrontational approach, starting to put more emphasis on coalition-building initiatives and becoming more eager to play third party roles in regional conflicts. Overall, Turkey has started to move away from zero-sum mentality to a positive-sum game and has adopted a much more confident foreign policy which emphasizes opportunities more than threats. This article discusses the changes in Turkish foreign policy towards the Middle East within the context of Turkey's relations with the European Union (EU).

Turkey-EU relations have entered a new era since the Helsinki European Council decision in 1999 on Turkey's candidacy and the Brussels European Council decision in 2004 to open EU accession negotiations with Turkey. Despite the difficulties that have been part of the process since then, the improvement of Turkey-EU relations has created new synergies in the Middle East. This article probes the question of to what extent developments in Turkey-EU relations have been influential in Turkey-Middle East relations. The study analyses the impact of developing Turkey-EU relations on the Middle East: first, in terms of its impact on Turkey's foreign policy behaviour towards the region, specifically whether "Europeanisation" of Turkish foreign policy is taking place or

not; second, as regards to its impact on how the Middle East, particularly the Arab Middle East countries, perceive Turkey, or specifically whether developing relations between Ankara and Brussels have had any impact on the perception of Turkey in the region.

The "Europeanisation" of Turkish Foreign Policy in the Middle East

The concept of "Europeanisation"[282] is widely used and yet is still quite problematic. First, there are problems of definition. Although there are different dimensions of what is meant by "Europeanisation", here the concept is used to broadly refer to the impact of the EU on the policies of member and candidate countries.[283] In the case of Turkey as a candidate country, the impact is defined to mean: (1) increasing harmonisation of Turkey's policies towards the region with the EU (2) internalisation of EU foreign policy norms, methods and practices.

There are also practical problems in the discussion of Europeanisation. This concept has been largely applied to policy areas in the first supranational pillar. Applying it to a policy area in the second intergovernmental pillar of the EU, where Common Foreign and Security Policy is located, is problematic: foreign and security policy is not only 'directly and insolubly linked to the preservation of national sovereignty,' but it is also very much affected by 'the constraining international foreign and security settings.'[284] As a result, it is sometimes argued that the EU has

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[282] K. Featherstone and C. Radaelli, eds. *The Politics of Europeanisation* (Oxford: Oxford University Press, 2003); Claudio Radaelli, "Whither Europeanisation? Concept Stretching and Substantive Change." *European Integration Online Papers (EIoP)* Vol. 4, No.8, 2000 *http://eiop.or.at/eiop/texte/2000-008a.htm*; B. Tonra, *The Europeanisation of National Foreign Policy: Dutch, Danish and Irish Foreign Policy in the European Union* (Aldershot: Ashgate, 2001).

[283] The concept of Europeanisation has largely been applied to member countries. For an early study that applied it to Central and Eastern European countries that were still candidates see H. Grabbe. "How does Europeanization affect CEE governments? Conditionality, diffusion and diversity." *Journal of European Public Policy*, 8, No. 4 (2001), 1013-31. There have also been several studies that applied the concept to Turkish foreign policy. See, for instance, M. Aydın and S. Açıkmeşe. "Europeanization through the EU conditionality: understanding the new era in Turkish foreign policy." *Journal of Southern Europe and the Balkans* Vol.9, No. 3 (2007), 263-74 K. Ulusoy. "The Europeanization of Turkey and its impact on the Cyprus problem." *Journal of Southern Europe and the Balkans* Vol. 10, No. 3 (December 2008), 309-329.

[284] C. Major, "EU and Foreign and Security Policy-Undermining or Rescuing the Nation State?" Politics Vol.25, No. 3(2005), 175-90.

not been able to develop a real "common" foreign and security policy.[285] Nevertheless, despite continuing problems I would argue that the EU has come a long way in this direction. As Rieker[286] argues, since the mid-1990s, 'the EU has developed a foreign and security discourse independent of its member states.' In the case of the Middle East policy, for instance, it has been able –to a certain extent– to turn common positions on issues like the Arab-Israeli conflict, Iranian nuclear crisis and relations with Southern Mediterranean countries into concrete policies. Furthermore, the EU has been associated with a certain set of policy tools and strategies. In this regard it is possible to discuss the compatibility of Turkish foreign policy towards the Middle East with that of the EU.

Finally, there are methodological challenges in dealing with "Europeanisation." As Major argues, there is the 'risk of overestimating Europeanization as an "all explaining" factor, forgetting the importance of other endogenous or exogenous influences.'[287] Thus, demonstrating EU influences that cause modifications in the foreign and security policy at the national level can be a difficult task. Domestic developments and global factors clearly have had an impact on Turkey's Middle East policy since Turkey got the candidate status. The policies of the coalition government led by then Prime Minister Bülent Ecevit (1999-2002) as well as the current government of Justice and Development Party (Adalet ve Kalkınma Partisi-henceforth AKP) (2003-to present) influenced new openings in Turkey's foreign policy towards the Middle East. Similarly, regional and global changes, such as the evolutions in the international system, particularly the September 11th attacks on the US as well as the Iraq War of 2003, have had a profound impact on Turkey's foreign policy towards the region. Yet, this article argues that the EU process has also been influential, without disregarding the impact of these other factors. Thus, by acknowledging these challenges and also accepting that Europeanisation is more a gradual transformation than a sudden change, one can try to tackle the question of whether Europeanisation of Turkish foreign policy towards the Middle East has indeed been taking place, particularly since 1999.

In fact, since the late 1990s, Turkey's relations with the Middle East have started to change in terms of both its guiding principles and practices.

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[285] P. H. Gordon, "Europe's Uncommon Foreign Policy." *International Security* Vol.22, No.3 (1997), 74–100.

[286] P. Reiker. *Europeanization of National Security Identity: The EU and the Changing Security Identities of the Nordic State* (London: Routledge, 2006).

[287] Ibid.:183.

During most of the Cold War Turkey was not engaged strongly with the Middle East. With the end of the Cold War and following the developments after the Gulf War of 1991, Turkey returned to the region. Its engagement was mainly driven by a narrowly-defined security focus. The main Turkish interest was related to the developments in northern Iraq, that regionalized and internationalized Turkey's Kurdish problem and presented a very complex challenge to Turkey. On the one hand, the PKK, the Kurdish organization fighting against Turkey since 1984, gai ned more strength as it started to use northern Iraq as a safe heaven. On the other hand, the creation of Iraqi Kurdish autonomy after the Gulf War led to fears of a possible break up of Iraq and the establishment of an irredentist Kurdish state.

The Kurdish issue also dominated Turkey's relations with Syria in most of the 1990s. The Syrian regime's support to the PKK led to a deterioration of the relations between the two countries that culminated in an all-out crisis in October 1998. Turkey threatened Syria with the use of force unless Damascus cut its ties with the PKK[288] and sent its leader Abdullah Ocalan out of the country. Syria's acceptance of Turkey's terms led to the resolution of the issue and to an agreement between the two sides.

Finally, Turkey's relations with Iran in most of the 1990s were also quite problematic. Several crises erupted between the two countries and the relationship started to be best characterised by constant ups and downs. One area of open contestation after the end of the Cold War was the Caucasus and Central Asia: with the emergence of newly independent states in this region, the two countries found themselves in a competition for influence. Both Iran and Turkey were trying to re-establish the ir ties with a region from which they had unnaturally been cut off du ring the Soviet era. This rivalry was most clear over the issues surround-

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[288] For Syria, supporting the PKK had become a trump card to be used in its water conflict with Turkey, which had emerged in the mid-1980s over the utilization of the waters of Euphrates and Tigris Rivers, both originating in Turkey. Syria felt threatened by the launching of Turkey's multi-billion dollar ambitious South eastern Anatolian Project (GAP), which consisted of a network of dams and irrigation schemes, and was determined to challenge what it perceived as Turkey's attempts to control Syria by controlling these rivers. To make matters worse for Turkey, Syria was able to turn its conflict with Turkey into a pan-Arab issue, bringing it regularly onto the agenda of the Arab League meetings. M. B. Altunışık and Ö. Tur. "From Distant Neighbours to Partners? Changing Syrian-Turkish Relations." *Security Dialogue* Vol. 37, No. 2 (June 2006), 232-9.

ing the Caspian oil, since it combined political, economic and strategic concerns.

Furthermore, as Iranian economic reliance on Turkey ended with the conclusion of the Iran-Iraq war in 1988, ideological rivalry started to be a part of their relationship. From Iran's perspective, Turkey's relations with the US and increasing military ties with Israel were also particularly problematic. From time to time, the two countries accused each other of intervening in each other's internal affairs. Finally, the Kurdish problem with its extensions in northern Iraq demonstrated the complex character of Turkish-Iranian relations. Iran did not refrain from using the PKK at times to exploit Turkey's vulnerabilities on this issue. Ankara claimed that Iran was supplying the PKK with logistical and financial support and training. Similarly, Tehran and Ankara independently sought to increase their influence in northern Iraq and they perceived each other's interventions as undesirable.

In the 1990s Turkey tried to tackle these challenges through a traditional power politics approach. Ankara redefined its national security strategy in 1995 and identified the Middle East as the first source of threat. Defining the issue as one of an existential threat, Ankara called for an increased use of military means towards the region. Turkey's new policies led to a general deterioration of Turkey's relations with the region. Thus, for most of 1990s Turkey had problems with its Middle Eastern neigh-bours. Ankara perceived only threats from the region and tried to deal with those threats through the use of hard power. Turkey threatened to use force against Syria in 1998, militarily intervened in northern Iraq several times to deal with the PKK problem and developed its military ties with Israel in the mid-1990s. As such, Turkey's policies differed from EU positions. In fact, EU officials were quite critical of Turkey's Middle East policy at that time.

However, Turkey's relations with the Middle East have started to change for the better since the late 1990s. Turkey improved its ties with its immediate neighbours. After the resolution of its conflict with Damascus in 1998, Ankara made a strong effort to improve Turkish-Syrian relations beyond normalisation. Turkish-Iranian relations also improved through enhanced security cooperation and deepened economic relations. Turkey has also been able to develop more cooperative relationships with all the communities in Iraq, including with the Kurdistan Re-

gional Government (KRG).[289] In general, Turkey's relations with –and its image in– the Arab world have improved significantly. In 2008 Turkey established the Turkish-Arab Cooperation Forum with the Arab League. Turkey also got the post of Secretary-General in the Organization of the Islamic Conference (OIC) in March 2008.[290]

In addition, Turkey has become more eager to play third party roles, has promoted networks of economic and political relations, and has engaged more in coalition building activities. In sum, Turkey has increasingly begun to favour engagement as a form of dealing with the challenges in the region. In the context of bipolar regional system that emerged in the Middle East in recent years between the US, Israel, Egypt, Jordan and Saudi Arabia on the one hand, and Iran, Syria and sub-state actors like Hizbullah and Hamas on the other, Turkey has defined itself as a constructive power willing and able to talk to both blocs.

Europeanisation, though perhaps not the only factor, has contributed to the transformation of Turkey's policies towards the Middle East. Progress in Turkey-EU relations boosted confidence in Turkey and this was positively reflected in Turkish foreign policy. The Helsinki European Council decision in December 1999 increased certainty in Turkey-EU relations. Previously feeling encircled by hostile countries and pushed away by Europe, especially after the Luxembourg European Council decision in December 1997 to exclude Turkey from the enlargement process in 1997, Turkey now felt reaffirmed in terms of its principal regional identity as part of Europe.

While a country's EU-related domestic reforms undoubtedly have their impact largely on the domestic sphere, they also had foreign policy implications in the case of Turkey. Positive developments in relations with the EU contributed to the de-securitisation of Turkish foreign policy. This development increased governments' room for manoeuvre and allowed for more non-military means to be deployed in Turkey's foreign policy towards the Middle East. Especially the economy bureaucracy developed projects to improve Turkey's relations with neighbouring countries, including those of the Middle East). Furthermore, the consolidation of the democratic process in Turkey seemed to contribute to the

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[289] The KRG is the regional government that was established in the predominantly Kurdish northern region of Iraq after 2003 according to the Iraqi constitution.
[290] This was the first time that the Secretary General was determined through election in the organization. Ekmelleddin Ihsanoglu was re-elected in March 2008.

further resolution of Turkey's internal problems and thus decreased the vulnerabilities in that respect.

In terms of the actual substance of the policies, after the decision of the Helsinki European Council in December 1999 to accept Turkey's candidate status a need arose to harmonize Turkey's policies with the EU's external relations. This meant not only conditionality through the Common Foreign and Security Policy (CFSP) *acquis,* that is, increasing the harmonization of Turkey's policies towards the region with those of the EU, but also the internalization of EU foreign policy norms, methods, and practices. The Progress Reports of the European Commission, especially since 2003, have discussed in more detail how 'Turkey has continued to position its foreign and security policy in line with that of the EU.'[291] Particularly important in this respect has been the principle of good neighbourly relations. Unlike during most of the 1990s, Turkey started to improve its relations with its Middle Eastern neighbours. The norm of good neighbourly relations was adopted by the AKP government through its policy of "zero problem with neighbours".[292] Particularly the improvements in Turkish-Syrian and Turkish-Iranian relations were noted in the Progress Reports as positive developments. Turkey's constructive efforts in Iraq, such as Iraq's Neighbours' Initiative and convincing Sunni Iraqi leaders to participate in the political process, were also mentioned. In addition, the EU Commission noted several times that Turkey has aligned itself with all the EU declarations in the case of the Iranian nuclear crisis.[293] In the Arab-Israeli issues, Progress Reports have contended that Turkey has been supportive of the Road Map which was put forward by the Quartet that included the EU. In fact, Turkey's support has gone much beyond the level of discourse on this

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[291] Commission of the European Communities, 2003 Regular Report on Turkey's Progress towards Accession, Brussels, http://ec.europa.eu/enlargement/archives/pdf/key_docu ments/2003/rr_tk_final_en.pdf (acess ed January 15, 2009), 124.

[292] A. Murinson. "The Strategic Depth Doctrine: A New Paradigm of Turkish Foreign Policy", *Middle Eastern Studies* Vol.42, No. 6 (November 2002), 945-94.

[293] Commission of the European Communities, 2003 Regular Report on Turkey's Progress towards Accession, Brussels, *http://ec.europa.eu/enlargement/archives/pdf/key_docu ments/2003/rr_tk_final_en.pdf* (accessed January 15, 2009), 123 and Commission of the European Communities, 20-04 Regular Report on Turkey's Progress towards Accession, SEC(2004)1201, {COM (2004) 656 final} Brussels (October 2004) available at http://ec.europa.eu/enlargement/archives/pdf/key_documents/2004/rr_tr_2004_ en.pdf (acces sed January 15, 2009), 152.

issue. Ankara has 'taken an active stance in contributing to the efforts to achieve peace.'²⁹⁴

Turkey has also been in harmony with the EU in promoting a reform agenda in the Middle East. In this context Turkey used its participation in the Barcelona Process to 'encourage political stability, reinforce the solution of the human right issues and support democratic development.'²⁹⁵ Moreover, Turkey became a partner in the Broader Middle East and North Africa Initiative and 'assumed the cochairmanship, along with Italy and Yemen, of the Democracy Assistance Dialogue' (DAD), one of the mechanisms created within that context.²⁹⁶ The program is designed to foster productive dialogue between civil societies, governments and parliamentarians of the BMENA region to share experiences and best practices. Turkey has taken the leadership in two areas; the participation of women in public life and political pluralism and electoral processes. However, these efforts remained largely limited to a few conferences²⁹⁷ as the G-8 did not provide enough funds for the BMENA Initiative. The Initiative finally died when increased concerns over possible and real Islamist electoral victories in the Arab world put the democratization agenda into the backburner in the US and the EU.

An important mechanism in Turkey-EU relations after the start of accession negotiations has been the regular enhanced political dialogue which was initiated as part of the accession strategy. This mechanism, which has created an arena for exchange of views between the two sides including on foreign policy issues, not only contributed to further harmonisation but also to norm diffusion.²⁹⁸ Through norm diffusion, the

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²⁹⁴ Commission of the European Communities, Turkey- 2007 Progress Report, SEC (2007) 1436, {COM (2007) 663 final} Brussels (November 2007),
http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/turkey_progress _reports_en. pdf (accessed January 15, 2009), 153.

²⁹⁵ Commission of the European Communities, 2004 Regular Report on Turkey's Pro gress towards Accession, SEC(2004)1201, {COM (2004) 656 final} Brussels (October 20 04)
http://ec.europa.eu/enlargement/archives/pdf/key_documents/2004/rr_tr_2004_en.pdf (acess ed January 15, 2009), 152.

²⁹⁶ Ibid. 153.

²⁹⁷ One such conference titled "Empowering Women in Public Life and democratic Development in the BMENA Region" was held in Istanbul in June 2005.

²⁹⁸ Harmonisation refers to a formal process where the EU *acquis* in a given area is adopted. Norm diffusion refers to a more extensive process where compliance is ensured through adaptation and institutionalisation. For the concept of norm diffusion see Thomas Risse, Stephen C. Ropp and Kathryn Sikkink. eds. *The Power of Hu-*

EU accession process also helped to alter the domestic political balance at times as far as discussions on different policy issues were concerned. In issues such as Iraq the EU process empowered those who favoured more liberal approaches to the challenges Turkey was facing. Thus, policy positions that emphasised diplomatic engagement, dialogue with the Iraqi Kurds, and increased economic engagement with northern Iraq were framed and justified as being in line with Turkey-EU relations. Although EU influence in Turkish foreign policy has entailed mostly an enabling dimension,[299] in the case of Iraq there was also a constraining dimension. During the discussions in 2003 on whether Turkey should support the US attack on Iraq, the opposition to the war of two of the major EU powers enabled those who were against any Turkish involvement. Later, however, whenever tensions mounted in Turkey as a result of PKK attacks and the demands for unilateral intervention in northern Iraq increased, the EU process played a constraining role. Foreign and security policy makers had to take into consideration the possible impact of such a unilateral military move on Turkey-EU relations.

Another important element of the EU impact on Turkish foreign policy has been the dissemination of EU policy philosophy? and norms of appropriate behaviour and common practices. EU foreign policy norms, such as multilateral diplomacy, soft power, functionalism, conflict management and resolution roles have been increasingly used by Turkey in its Middle East policy. The 2003 Progress Reports stressed that 'Turkey is an important actor in promoting stability and security in its region and has taken a number of initiatives within this role.'[300] This became even clearer on the issue of Iraq, where Turkey has direct interests. Turkey 'has deployed sustained diplomatic efforts at multilateral level to try to find a peaceful solution to the Iraqi crisis.'[301] More significantly, Turkey initiated Iraq's Neighbours' meetings, which organized meetings at the level of foreign and interior ministers. This initiative aims to create the beginnings of a limited security framework to bring regional countries

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man *Rights: International Norms and Domestic Change* (UK: Cambridge University Press, 1999).

[299] C. Major. "EU and Foreign and Security Policy-Undermining or Rescuing the Nation State?" *Politics* Vol. 25, No. 3(2005), 178.

[300] Commission of the European Communities, 2003 Regular Report on Turkey's Progress towards Accession, Brussels,
http://ec.europa.eu/enlargement/archives/pdf/key_documents/2003/rr_tk _final_ en.pdf (acessed January 15, 2009), 124.

[301] Ibid.

and Iraq together to work for peace and stability in Iraq. The UN and the EU have also been participating in some of the meetings.

Turkey has also been more eager to play third party roles in the resolution of conflicts in the region. Ankara helped to restart indirect negotiations between Israel and Syria in 2008. Although the talks were suspended due to the government crisis in Israel and later the Israeli attacks on Gaza (December 2008), the two sides noted significant progress. Turkey has also been actively involved in the Palestinian track and has come forward with several initiatives. In addition to providing development and humanitarian aid for Palestinians, Turkey has been involved in capacity and institution-building activities, such as supporting political re form processes and conducting the Young Palestinian Diplomats' Training Program. Turkish Chambers and Commodity Exchanges initiated the TOBB-BIS Industry for Peace Initiative. Part of this initiative is the Ankara Forum, consisting of the representatives from the Chambers of Commerce of Israel, Palestine and Turkey and based on the understanding that private sector dialogue is good for confidence building. The Forum has so far had six meetings. Another aspect of this initiative is the focus on the specific project of building an Industrial Zone, first planned in Gaza, then, after Hamas' takeover of Gaza in 2007, moved to the West Bank. This project is based on the understanding that there is a close correlation between economic development and peace and thus aimed to contribute to the Palestinian economy by creating up to 7,000 jobs.[302] The project also offers profit for the Turkish companies and security for Israel on its borders. Thus, it is presented as a win-win project for all the parties involved, very much in the spirit of the EU approach. However, the implementation of the project has been slow due first to the worsening security situation in the area and now to the problems of signing a security protocol with Israel. In addition to the TOBB Initiative, projects abo ut pipelines for energy, water and power supply are also under discussion.

Turkey has also been involved in the management of the Lebanese conflict. The Turkish Parliament took the decision to send forces to UNIFIL II, which was established with the consent of all the parties concerned after the 2006 Lebanese War. This was a novel policy, considering the traditional Turkish policy of non-involvement in Middle East conflicts. Since UNIFIL II is largely an EU force, Turkey's contribution also

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[302] For more information on the Initiative see. www.tepav.org.tr/eng/admin/dosya-bul/upload/PIFZv05.ppt

highlighted the possibility of cooperation between Turkey and the EU in the Middle East. Turkey also helped Qatar in brokering the Doha agreement in 2008 which ended the domestic political crisis in Lebanon.

Turkey's ability to use soft power

In recent years Turkey has also shown an increasing ability to use its soft power. Due to its political and economic transformation, strongly linked to the EU accession process, Turkey has become an object of attraction especially for reformers in the Arab Middle East. Especially the AKP government has been eager to project Turkey as a soft power in the Arab and Muslim world. In their speeches at different meetings, both Prime Minister Erdoğan and then Foreign Minister Abdullah Gül stressed the compatibility between Islam and democracy; the necessity of political and economic reform in the Islamic world; and the promotion of harmony between different cultures and civilizations. Turkey, from this perspective, was an example of all that. In his speech at the Council on Foreign Relations in New York in 2004 Prime Minister Erdoğan stated that

> as a stable country with a successful development model, its place wit hin the Western world, its rich historical heritage and identity Turkey will become a symbol of harmony of cultures and civilizations in the 21st century. Turkey will achieve this not only through economic and military power, but with its capability to contribute to universal values and to facilitate the interaction of these values among different regions. In this regard, Turkey will be a reliable power for the maintenance of security, a partner for economic development, and an ally in overcoming existing instabilities in its vicinity, primarily in the Middle East. Thus, Turkey will become a source of inspiration for the countries in its region in taking steps which will prevent them from becoming failed states.[303]

Similarly, Abdullah Gül, former Foreign Affairs Minister, in his spe eches at the Organization of Islamic Conference (OIC) foreign ministers meeting in Tehran in May 2003 and the World Economic Forum meeting in Jordan in June 2003 emphasised the importance for the Islamic world

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[303] R. T. Erdoğan. "Turkish Foreign Policy for the 21st Century." Council on Foreign Relations, January 26, www.cfr.org/publication.html?id=6717 (accessed September 22, 2008).

of achieving good governance, transparency, accountability, respect for human rights and integration with the rest of the world.[304]

In the discourse of the AKP these ideas that emphasise Turkey's Muslim and democratic identity as "an inspiration" to the Islamic world have clearly been tied to Turkey's quest for EU membership. As Gül stated:

> Turkey's EU membership will mean that Europe has achieved such maturity and that it can incorporate a major Muslim country into its fold and demonstrate that the EU stands for common values and institutions rather than common religion... For the world, this would be evidence that civilizations line up in terms of their democratic traditions, and not on the basis of religion. The message of reform, modernity, moderation, and integration represented by Turkey's EU membership will be spread to the wider international community.[305]

Thus, there has been an important degree of convergence between the EU and Turkey regarding their approach to the Middle East issues. Both are committed to pursuing a resolution of the Israeli-Palestinian conflict; to promoting political and economic reform in the region; to working toward peaceful stabilization and reconstruction in Iraq; and to finding a diplomatic solution to the Iranian nuclear crisis. An important level of convergence had already been achieved before Turkey started accession negotiations.[306] Since then, Turkey has continued to adopt and to implement the CFSP *acquis*. According to the Turkish Foreign Ministry, by 2007 Turkey has achieved a 95% alignment with CFSP declarations. This assertion was supported by the EU Commission, which stated in the 2007 Progress Report that 'Turkey aligned itself with 45 of 46 Common Foreign and Security Policy declarations and supported attempts for a peaceful solution to the problems in Iraq, Iran, Lebanon and Middle East Peace Process.'[307]

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[304] A. Gül. "Turkey's Role in a Changing Middle East Environment.", *Mediterranean Quarterly* (Winter 2004).

[305] Ibid.: 2.

[306] M. Emerson and N. Tocci. "Turkey as a Bridgehead and Spearhead: Integrating EU and Turkish Foreign Policy." *EU-Turkey Working Paper* (Brussels: Centre for European Policy Studies, 2004).

[307] Commission of the European Communities, Turkey- 2007 Progress Report, SEC (2007) 1436, {COM (2007) 663 final} Brussels (November 2007), http://ec.europa.eu/enlargement/pdf/key_documents/2007/nov/turkey_progress _reports_en. pdf (accessed January 15, 2009).

Changing Perceptions of Turkey in the Middle East

The second impact of developing Turkey-EU relations has been on how the Arab Middle East countries perceive Turkey. For a long time Turkey's attempt to become a member of the EU was considered a 'dream', largely because many in the Arab world believed that the EU would never accept a Muslim nation as a member. The Helsinki decision and the developments since then, particularly the decision to start accession negotiations, began to change that perception, though they have not totally altered it.

Parallel to the developments in Turkey-EU relations, Turkey launched an extensive political and economic reform process. Increasingly, the apparent transformation of Turkey began to be closely watched especially by the reformers in the Arab world. The reform process that deepened in Turkey led to a discussion among the intellectuals as to whether this transformation of Turkey could act as a stimulus to political reform in the Arab world as well. An editorial in Lebanese daily *The Daily Star* published on October 8, 2004 entitled "A European Turkey Stands to Be a Guiding Light for the Muslim World" stated:

> the ball is finally rolling on Turkey's EU membership after forty years of wavering talks. . . . Turkey will now be undergoing major changes, which will eventually, inevitably, affect the region, Syria and Iraq in particular. Besides help from Europe, Turkey will also need help from the region, and the best way the Arab and Islamic worlds can help—and benefit themselves—is to participate in Turkey's economic, social, and political transformation. How Turkey develops as an incubator of Islam in the modern Western world will be one of the most fascinating aspects of the ten-year transition period to full EU membership—presuming the accession process is carried through to a successful conclusion.[308]

The discussion in the Arab world also identified several other impacts of progress in Turkey-EU relations as it is reflected on the region. One common theme has been the importance of Turkey's membership in undermining Samuel Huntington's argument of the "clash of civilizations."[309] Secondly, some analysts in the Arab world argued that the de-

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[308] See http://www.dailystar.com.lb/archives.asp

[309] A similar argument was made by Israeli veteran politician Shimon Peres who said: "If Europe wishes to end conflicts between Islam and Christianity then accepting Turkey into the EU would be a monumental first step." *Today's Zaman*, 18 February 2004. Also see A. Mahir. *Today's Zaman*, 12 December 2004. For an academic discus-

velopment of Turkey-EU relations would make Turkey more influential in the Middle East and 'would turn Turkey into a bridge and mediator between the East and the West or between Europe and the Arab/Islamic worlds.'[310] Similarly, a Turkey anchored to the EU was expected to be a constructive contributor to the stability and peace in the region. Finally, the process of accession talks is also being seen from an economic point of view. Speaking at the Turkish-Arab Economic Forum held in May 2005, Faysal Abou Zaki, director of al-Iktisad wal-Aaamal Group, summarized this view: 'Turkey's accession to the EU is very important and this perspective makes Turkey a door for Arab countries to open on the EU'.[311] In fact, growing prospects of Turkey's EU membership increased interest especially in the Gulf to invest in Turkey.

By way of conclusion

In discussing the impact of the progress in Turkey-EU relations on Turkish foreign policy in the Middle East it is possible to identify a substantive level of policy convergence as well as a positive impact on how Turkey is perceived in the region. However, it is also clear that the EU impact is contingent on several variables which ultimately contribute to explaining its variation over time and issue area. In the case of Turkey, from the beginning there has been some degree of divergence, particularly on issues related to Turkey's defined national interests. The issues related to Iraq, relations with Syria and Iran entailed elements that were not in total convergence with the EU policies. Being a neighbour of these states, Turkey had its own particular concerns.

Furthermore, one can identify variations in terms of time as well. The EU impact on foreign policy in general and Middle East policy in particular was at its apex between 1999-2004. Paradoxically it has declined after the Brussels Summit, where the decision to start accession negotiations with Turkey was made. One reason is related to the general deterioration of Turkey-EU relations since 2004. The explanations as to why this has happened are varied. Some put the blame on the EU for coming up with new conditions once the accession negotiations started as well as on individual EU members, particularly new governments in France and

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sion of the issue see E. Podeh. "The Final Fall of the Ottoman Empire: Arab Discourse over Turkey's Accession to the European Union." *Turkish Studies*, No. 3 (September 2007), 320-21.

[310] Ibid. 321.

[311] *Journal of Turkish Weekly*.

Germany, for not wanting Turkish membership and thus making things difficult for Turkey. Others focused on domestic reasons. Especially the AKP government, which was so instrumental in getting the accession negotiations started in 2004 through extensive reform measures, is criticized for dropping the EU agenda for several reasons. Still others blamed the legal and political difficulties that the AKP government faced domestically for the government's inability to carry out the reform process. Whatever the reasons, there has been a general cooling off period in Turkey-EU relations which has weakened the intensity of the EU impact in general.

There is a second reason which is directly related to Middle East policy, however. The AKP has developed a quite distinct Middle East policy vision.[312] This vision not only advocates more Turkish involvement in the Middle East, for strategic, historical and cultural reasons, but it also frames such an involvement as Ankara-centred. Thus, this vision is less concerned with to what extent Turkey's policy is in harmony with the EU, but advocates the development of such a policy within the context of promoting Turkey as a central actor itself. This is after all normal from this perspective as the Middle East is one of Turkey's regional identities. When asked about concerns that Turkey's new activism in the Middle East is happening at the expense of relations with the EU, Professor Ahmet Davutoğlu, the chief advisor to the Prime Minister on foreign affairs and chief architect of Middle East policy, responded by saying that the EU itself does not hang on forcefully to Middle East issues.[313] In recent years there is less reference to the EU process as an asset in Turkey's relations with the Middle East. The divergence between the EU and Turkey has become most pronounced in policy towards Hamas. Turkey's response to Hamas victory in Palestinian elections in 2006 was to invite Khaled Mashal, one of the leaders of Hamas residing in Damascus, to Ankara.

The EU on the other hand acted together with the US to impose sanctions on Hamas government as long as it did not denounce the use of force and recognize Israel. Similarly, in response to Israeli attacks on Gaza in December 2008, the Turkish government has been more vocal than many other governments in the world, and the EU, in harshly criti-

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[312] For more on this new vision and its comparison with other visions see M. B. Altunışık. "Worldviews and Turkish Foreign Policy in the Middle East.' Special Issue on Turkish Foreign Policy, *New Perspectives on Turkey*, forthcoming.
[313] Interview with the CNNTürk, Eğrisi Doğrusu, 28 December 2006.

cizing Israel and taking it upon itself to publicize Hamas's perspective on the issues involved in international fora.[314] Although this position may have given it some influence over Hamas[315], it also clearly signalled that Turkish foreign policy in the Middle East has become more assertive and that Turkey, if it ever becomes an EU member, it would be not only "downloading" EU policies and norms but "uploading" its own perspectives as well.[316]

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[314] S. Özel. "Beyond Davos." German Marshall Fund, Analysis, 18 February 2009 http://www.gmfus.org//doc/Soli_Analysis_Turkey_021709_Final.pdf

[315] *Hürriyet*, 19 January 2009.

There is a growing literature on the interaction between the various levels of European, national, and subnational governance. Recent studies have argued that Europeanization should be seen as a reciprocal process. Thus in addition to the traditional conceptualization where the European norms and policies are adopted by the member states, it is argued that there can also be a process where member states may successfully transfer their preferences and norms to the EU level. T. Börzel and T. Risse. "Conceptualising the Domestic Impact of Europe' in K. Featherstone and C. Radaelli. *The Politics of Europeanisation: Theory and Analysis,* (Oxford: Oxford University Press, 2003).

Conclusions

Michele Comelli

The rationale basis of this book has been to analyse the Southern dimension of the European Neighbourhood Policy (ENP) which, as frequently noted in academic and policy debates, presents radically different challenges and opportunities than the Eastern dimension. In addition, the lessons and parallels drawn between the ENP and enlargement are considerably different when applied to the south. The analysis that this book seeks to provide is twofold: first and foremost, to examine the specific content and the evolution of the ENP in the Southern Mediterranean countries, in particular evaluating the perceptions of the Southern Mediterranean countries along with those of the Northern ones. The second is to look at the link between enlargement and the ENP's Southern dimension, examining both the opportunities presented by Turkey's accession process in bolstering the potential of the ENP as well as the challenges posed to the ENP's Southern dimension by Turkey's tortuous path to Europe on the ENP's Southern dimension. In fact, while there are myriad studies that enquire into the lessons that the ENP towards Eastern partners can draw from enlargement, very little has been analysed regarding the lessons that the ENP towards Southern partners can draw from enlargement, and even less about the role that Turkey can play in this triangle.

In order to evaluate the Southern dimension of the European Neighbourhood Policy a premise has to be made: this policy does not come out of the blue but has been conceived within the broader framework of a developing European foreign policy in which the concept of civilian power is central.[316] The ENP is in fact based on the prominence given to non-military and non-hard security policies and on the trans-

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[316] See the chapter by R. Pace in this volume.

formational civilian power that the EU displayed with success in the stabilisation of Central and Eastern Europe through the enlargement process. The following questions stand out among the ones that the book has tried to answer: whether the ENP was underpinned by an effective political strategy; whether the ENP represents a real and effective partnership between the EU and Southern Mediterranean countries; whether the EU has been able to transform the political and economic systems of its Southern Mediterranean partners; and finally, whether some lessons can be drawn from the Europeanisation process of Turkey that can be applied to the EU's relations with Southern Mediterranean countries. In particular, with regard to the political strategy underpinning the European Neighbourhood Policy Roberto Aliboni noted that from a strategic point of view, the ENP, first of all, suffers– like other policy frameworks for the Mediterranean–for not being embedded in a global strateg[317]. Also, according to Aliboni the ENP can be considered strategic only as an instrument to preserve EU domestic security by shaping the milieu and, more and more, by asserting EU's egoistic interests in the area. This view is echoed by Amel Boubekeur, who in analysing the specific case of Algeria-EU relations warns about the risk of this partnership being viewed as unbalanced, with on one side Algeria's interest in the rent and on the other EU's interest in the export market, controlled migrations and the fight against terrorism on Europe's doorstep[318]. Therefore, not all of this book's contributors share the view of the ENP as a classical example of a civilian power initiative, as some of them emphasise the extent to which the EU's relations with Southern Mediterranean countries has been securitised[319].

Another critique of the ENP is that it is not at all clear why this policy has been extended to Southern Mediterranean countries and how it relates interacts with the Barcelona Process and the Euro-Mediterranean Association Agreements. In particular, Ghoneim argues that when the ENP was launched for Mediterranean countries it was definitely too early to assess the outcome of the Barcelona Process and the Association Agreement[320]. In his view, this attitude is typical of EU initiatives, in particular in the field of external trade. The EU tends to launch new initiatives with the aim of reinvigorating existing ones, but without having

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[317] See the chapter by R. Aliboni in this volume.
[318] See the chapter by A. Boubekeur in this volume.
[319] See the chapters by A. Boubekeur and R. Aliboni in this volume.
[320] See the chapter by A. Ghoneim in this volume.

any real indications that the latter were not working. The point is that the ENP was launched for reasons (both internal and having to do with relations with Eastern Europe) other than to address the needs of the Mediterranean partner countries. Referring to the latest developments, some papers also tried to evaluate whether the newly adopted Union for the Mediterranean (UfM) would have the potential to enhance the partnership between the two shores of the Mediterranean. However, the answer given is a negative one[321] for a number of reasons. First, the Union for the Mediterranean marks a discontinuity with regard to previous EU initiatives vis-à-vis the Southern Mediterranean. While both the ENP and the EMP belong to a normative foreign policy based on the nexus between EU security on one hand, and domestic and international reform in the neighbourhood on the other, the UfM stems instead from the serious difficulties encountered by the EU approach. The approach of both the EMP and ENP, based on contractual relations, engagements, norms and regional integration, seems to have been replaced in the UfM by an approach going back to an inter-state multilateral approach andbased on realism and traditional diplomacy[322]. Coordinating the ENP with the UfM and ensuring that the latter's takeover from the former be smooth and effective will therefore not be an easy task, and it is more likely that the new initiative will only add vagueness and complexity to the EU's relations with the Mediterranean. Things are complicated even further by the decision to include other countries (such as Croatia, Mauritania, Montenegro, etc.) into the UfM. Not only is the concept of the UfM problematic, but its mode of implementation is also likely to be problematic, if one considers that the new policy has not been provided with ad hoc funding and has to rely instead on existing funds allocated to other policies, such as the European Neighbourhood and Partnership Instrument (ENPI).

As to whether the ENP represents a true partnership between the EU and Southern Mediterranean countries, the answer is also negative. This critique is shared by most authors, in particular by contributors from Southern Mediterranean countries, who consider the ENP to be an EU-led initiative, not a partnership between equals. What emerged is rather a situation of marked asymmetry, with the EU as the policy maker and Southern Mediterranean countries as the policy takers. Not only does the EU decide to launch new policies to which Southern Mediterranean co-

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[321] See the chapters by R.Aliboni, A.Boubekeur and A. Ghoneim in this volume.
[322] See the chapter by R. Aliboni in this volume.

untries have to adapt, it also decides to change policy because of reasons that are neither clear to Southern partners nor shared by them, Ghoneim argues[323]. The idea of an unbalanced partnership is shared by Boubekeur, who focuses on the Algerian case. According to her, common interests in the partnerships should be given priority in any policy. However, so far EU priorities toward Algeria have not given a political role to the country and have mainly lied in energy, security and migration control, in line with the post-September 11 focus on securitisation in EU policies towards the Mediterranean, emphasised also by Aliboni. A stronger political partnership is therefore required in the EU's relations with Southern partners, instead of the current approach based only on economic and security cooperation. The ENP does not entail a real partnership also for other reasons: as Aliboni argues, for all the rhetoric about shared values, it is no news that most Southern partners are ruled by autocratic regimes that do not respect human rights. The gap between the rhetoric and the reality is well described by Pace, who argues that in the implementation of the Action Plans the EU finds itself caught in the nexus of the contradictory demands made by the promotion of its "interests" and "values"[324]. On the one hand, the EU says that it wants to promote democracy and respect for human rights. But at the same time the EU and its member states want to promote their economic interests and secure the collaboration of the region's regimes on the issues of terrorism, illegal immigration and energy security, and thus they are less keen on applying the negative conditionality in case of human rights violations.

As Comelli and Paciello argue, analysing the ENP shows that the EU is having difficulty adopting a conditionality strategy with Southern neighbours[325]. The most effective incentive that the EU ever devised to persuade third countries to reform their political, economic and social system was enlargement policy, notably the pre-accession strategy. These models have indeed influenced the ENP scheme, which was initially conceived for Eastern neighbours and was subsequently extended to Southern ones. However, if the membership perspective is not present at all, not even in the long run, trying to apply conditionality to Southern neighbours in a similar fashion as it was applied vis-à-vis candidate coun tries or even Eastern neighbours will not work. In addition, unlike their Eastern counterparts, Southern neighbours do not aim at upgrading their

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[323] See the chapter by A. Ghoneim in this volume.
[324] See the chapter by R. Pace in this volume.
[325] See the chapter by M. Comelli and M.C. Paciello in this volume.

contractual relations with the EU, at least in the short run. They already have in force Association Agreements with the EU under Article 310 of the Treaty of the European Communities, which are for the moment the most advanced contractual agreements between the EU and third countries short of membership.

The absence of a membership perspective and the related difficulty in using conditionality as a way to trigger reforms in Southern Mediterranean countries has been apparent in the case of Algeria, as Boubekeur maintains. Even more, Algerians officials believe that undertaking reforms will not lead to a greater integration into EU markets but on the contrary could threaten the restricted control of the Algerian élite on market agreements with the EU. Therefore, reforms are not implemented because to do so would run the risk of destabilizing the status quo, especially with regards to the energy markets, which appears to be beneficial to both sides. In this case, therefore, to be questioned is not only the effectiveness of the EU in transforming the economic and political systems in the Mediterranean, but also its willingness to do so. In other words, an EU focused on securitizing its relations with the Mediterranean would be more interested in maintaining the security status quo in the area rather than pushing for deep reforms that might alter this status quo. If conditionality – together with socialisation – was the most effective method through which the EU successfully transformed Central and Eastern countries, it follows that without the application of conditionality, the reforms envisaged by the ENP are doomed to fail. As Comelli and Paciello found out in their analysis of the costs and benefits for Southern Mediterranean countries to adapt their policies, the outcome of reforms is generally negative, but differentiated across areas. The most problematic reforms are the political; the major constraint to substantive political reforms in Southern Mediterranean countries such as Egypt, Jordan and Morocco is the fact that ruling elites in these countries are more interested in improving their economic cooperation with the EU than in engaging in a political dialogue for real democratic change. Their main concerns remain political stability and security, which are necessary for their survival. As for the opposition groups, particularly the secular ones lack popular constituency, are weak and co-opted by the regimes, and therefore unable to promote real political change. On the other hand, the moderate Islamic groups with a popular constituency are the only real opposition to SM governments. Their exclusion from political life is likely to weaken the chances of democratic transformation in the region and encourage the emergence of violent and

radical Islamist movements. On the other hand, economic reforms have undoubtedly proceeded more quickly than political reforms. However, progress on the macro-economic level remains vulnerable in so far as the structural causes of fragile growth have not been addressed. Structural reforms continue to be hesitant and unable to deliver the expected economic benefits to the majority of the population. The global financial crisis is likely to pose additional challenges to the economies of Southern Mediterranean countries in terms of declining economic growth and export performance.

A different picture emerges from the paper by Pardo that focuses on Israel, asthis country is much more advanced and prosperous than other Southern Mediterranean partners[326]. Israel is generally satisfied with the mainly bilateral approach of the ENP because it gives it the possibility to deepen cooperation with the EU regardless of the surrounding political and security situation. Taking stock of the progress in bilateral relations, the EU-Israeli Association Council decided in June 2008 to develop these relations gradually within the framework of the ENP. However, the recent developments in Gaza had a negative impact on the upgrading of bilateral relations, which are for the moment unlikely to develop along the lines suggested by Pardo, who puts forward a model of relations – called Euro-Israel Partnership (EIP) – similar to the one the EU has with the Single European Area: deeper than partnership but less than membership.

While the overall picture of the EU's potential for reform and change in the Mediterranean is not encouraging, the relations between Turkey and Southern Mediterranean as well as Middle East countries has seen positive developments, in particular since 1999. This may be accounted for by various factors, but according to Altunışık the main force behind this change is Europeanisation of Turkish foreign policy[327]. According to her, this has resulted in a more active –and less securitised– Turkish involvement in the region, accompanied by an improved perception of Turkey and its foreign policy among Arab countries. However, Altunışık maintains that Turkey, and particularly the ruling party AKP, has developed a quite distinct Middle East policy vision that not only advocates more Turkish involvement in the Middle East, for strategic, historical and cultural reasons, but also frames such an involvement as Ankara-centred. This vision is less concerned with to what extent Turkey's policy

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[326] See the chapter by S. Pardo in this volume.
[327] See the chapter by M. Altunışık in this volume.

is in harmony with the EU, but advocates the development of such a policy within the context of promoting Turkey as a central actor itself. Therefore, while a more active Turkish foreign policy towards the Mediterranean and Middle East was initially much linked with Europeanisation of Turkish foreign policy, it nowadays relates less to the European foreign policy. While lately Turkish foreign policy has not always been convergent with EU policy, one can argue that the EU can benefit from Turkish activism in the Mediterranean and Middle East countries. Therefore, the involvement of Turkey in regional initiatives in the Mediterranean-Middle East should be supported, provided that this would not prejudge or stand in the way of Turkish's EU enlargement process. Finally, the case of Turkey also shows us that the EU's potential for modernisation and reform is strong provided that EU offers are credible and are also perceived to be so.

As for the outlook of the EU's relations with Southern Mediterranean countries, it is not yet clear how the Union for the Mediterranean will be co-ordinated with the ENP. While it is definitely too early to assess how the two initiatives will relate to each other, it already seems unlikely that the UfM will be more effective than the ENP in encouraging Southern partners to reform their political and economic systems. Also, while the new initiative entails a more balanced approach between the Northern and Southern partners, it also enlarged the number of participants to 44, which makes cooperation more difficult and risks diluting the partnership between the EU and Southern partners in a larger but looser framework.

Boş Sayfa

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