

DIFFERENTIATION IN EU-NEIGHBOURHOOD RELATIONS

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The Ontology of Differentiation in EU-Neighbourhood Relations

After two review processes destined to give differentiation greater salience, it seems obvious that much has gone wrong, or at least not the way policy-makers in the Commission had expected.

Throughout the years, analysts, policy-makers and observers alike have been regularly calling upon the EU to practise greater differentiation in its relations with its southern and eastern neighbours. Formally introduced with much fanfare in the framework of the publication of the European Commission's Wider Europe 2003 Communication (Commission, 2003), differentiation – the practice of developing and pursuing tailor-made EU policies that distinguish between the political, socio-economic, cultural, regional and geo-political specificities and needs of the recipient countries and societies in the EU's neighbourhood – was supposed to be at the core of the European Neighbourhood Policy (ENP) when it was launched some 12 years ago. As the EU's Southern and Eastern Neighbourhood looks increasingly like a “ring of fire”¹ rather than a “ring of friends”, and after two quite lengthy review processes in 2010/2011 and 2015, destined to make the ENP more effective and give differentiation greater salience, it seems obvious that much has gone wrong, or at least not the way policy-makers in the Commission had expected when they developed the policy.

The principle of differentiation was formally introduced in the European Commission's wider Europe Communication 2003.

Back in 2003, when the Commission presented mainly to the EU's southern neighbours and, initially, Ukraine, Moldova and Belarus, the new differentiated approach, it was hailed by the Commission and EU Member States, as well as by the neighbours – old and new – as a means to advance EU-neighbourhood relations in post-enlargement times. After the sobering experience with multilateral cooperation efforts in the context of the Euro-Mediterranean Partnership (EMP) – also called the Barcelona Process – and the failure to induce democratic reforms in the EU's Southern Neighbourhood, differentiated bilateralism was thus considered to be a tool to dynamise relations and incentivise autocratic regimes to engage in lasting and wide-ranging political and economic reform. However, strictly speaking, differentiation had already been – at least on the declaratory level – part of the EMP's “DNA” and thus of the EU's relations with its “near abroad”. The founding document of the Barcelona Process, i.e. the Barcelona Declaration, adopted on 27/28 November 1995 by the EU, its Member States and the then 12 partner countries from the southern Mediterranean, already contained one direct reference to differentiation. In the section on migration cooperation, the declaration stipulated explicitly “the need for a differentiated approach that takes into account the diversity of the situation in each country” (Barcelona Declaration, 1995). While this was the only direct reference to the principle of differentiation, the declaration is noteworthy for its many indirect references. For example, the section on economic cooperation calls for the EU and its southern neighbours to take “into account their respective needs and levels of development” and the section outlining Euro-Mediterranean financial cooperation states that “effective financial cooperation” must take “into account the special characteristics of each of the partners” (ibid.). Moreover, and most important, the Barcelona Declaration recognised the right of each partner involved in the EMP “to choose and freely develop its own political, socio-cultural, economic and judicial system” (ibid.). This is remarkable for two reasons: first, it demonstrates that the EU, already eight years before the ENP was initiated, acknowledged publicly that diverging views existed in EU-neighbourhood relations in what regards democratic governance and the

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1. Charlemagne (2014, 20th September). “Europe's ring of fire”. *The Economist*.

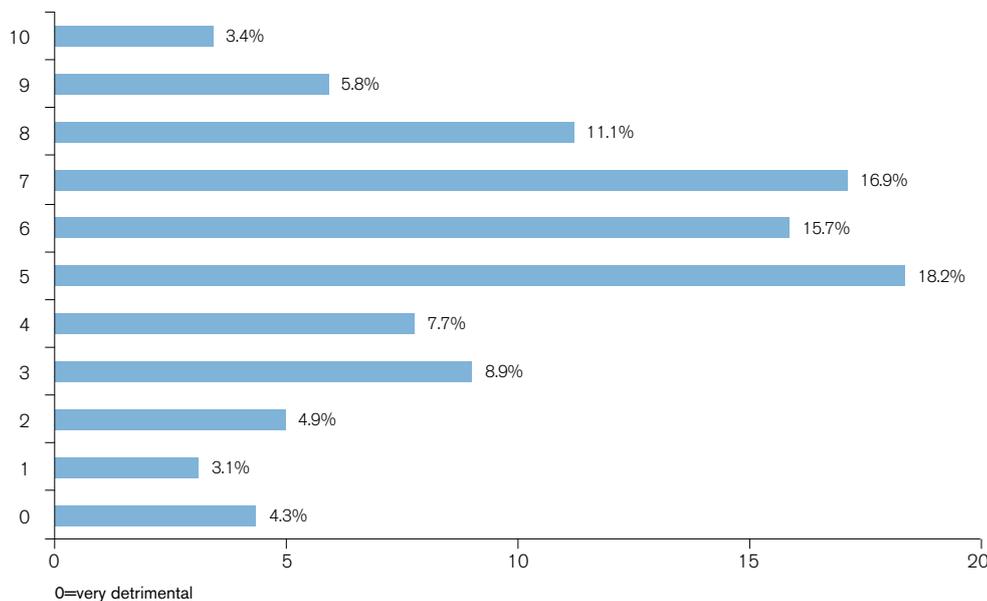
rule of law; secondly, by explicitly recognising the right of each neighbour “to choose and freely develop its own political, socio-cultural, economic and judicial system,” the EU, while emphasising differentiation, conditionality and thus democratic reform, de facto undermined these principles from the beginning.

The Empty Promise of Differentiation

In the framework of the ENP, and in particular after its first revision in 2010/2011, the EU showed greater determination to no longer tolerate neighbours' divergent views. By adopting the much discussed “more for more” and “less for less” principles (European Commission and EEAS, 2011), it went beyond past discourses and in fact the principle of negative conditionality that – strictly speaking – only applies to the rather narrow contents of the bilaterally concluded Euro-Mediterranean Association Agreements (AAs). This was facilitated by the outbreak of the Arab Spring in early 2011 and the premature belief that democratic change was under way in the southern neighbourhood, as well as by the Lisbon Treaty and thus the EU's self-imposed ambition to act as a norms promoter beyond its borders. Yet, even though differentiation was suddenly more than ever before linked to conditionality, the past four years visibly demonstrated that the EU's initial determination was once more confined to mere rhetoric and did not alter the pattern of past practices: regardless of whether regimes in the EU's southern neighbourhood – and in the eastern neighbourhood for that matter – displayed reform orientation or reform aversion, the EU abstained from utilising (the threat of) negative conditionality or the principle of “less-for-less” and thus continued to de-legitimize differentiation as a structuring and sanctioning tool. Against this backdrop, it is not surprising that – as graph 1 shows – a considerable number of respondents of past surveys increasingly regarded differentiation sceptically or even questioned its utility.

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Graph 1: Do you think that the development of differentiation and reinforced cooperation (including Advanced Status and other types of preferential partnerships) are detrimental or beneficial to the Euro-Mediterranean Partnership and the European Neighbourhood Policy?



Source: Compiled by the IEMed based on the results of the 1st Euromed Survey (2009)

In recent years, the de facto absence of differentiation in EU-neighbourhood relations also came to the fore in the Action Plans (APs) with both southern and eastern neighbours.

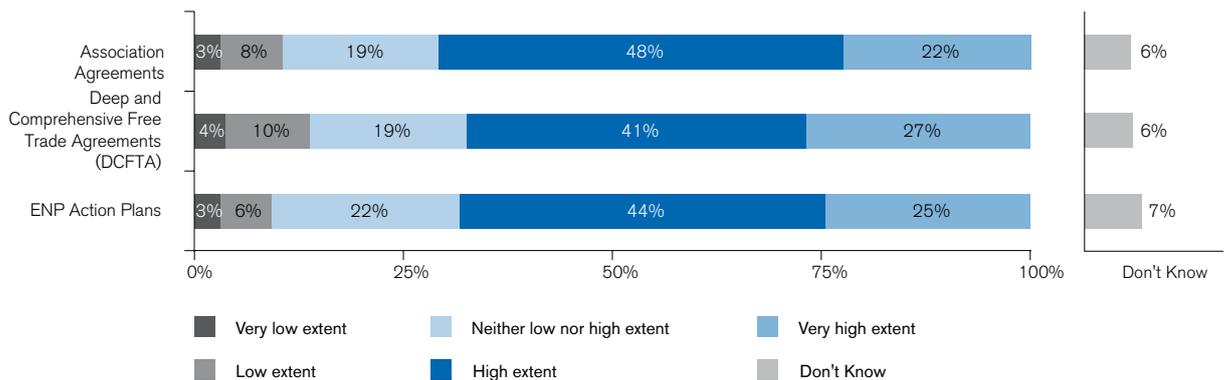
Interestingly, in spite of the DCFTA's inherently problematic potential, as well as the AP's and in particular the AA's lack of differentiation, this year's Euromed Survey shows broad support for all three instruments.

In recent years, the de facto absence of differentiation in EU-neighbourhood relations also came to the fore in the Action Plans (APs) with both southern and eastern neighbours and most recently in the newly concluded AAs with Ukraine, Georgia and Moldova and thus the corresponding chapters that relate to the creation of Deep and Comprehensive Free Trade Areas (DCFTAs). While several APs are rather similar as regards their reform demands and objectives and have in common that they lack clear-cut benchmarks (Del Sarto et al., 2006; Del Sarto & Schumacher, 2011), the new generation of neighbourhood AAs and in particular their DCFTA stipulations all seem to follow one template as they are marked only by a few distinctions and differences.

From an economic perspective, though the majority of southern and eastern neighbours have in common that they suffer from an insufficient integration into world economic structures, their economic systems and micro- and macro-economic development differ considerably from one another. Yet, formal negotiating directives were also put in place in December 2011 for Morocco, Tunisia, Egypt and Jordan and while none of them has shown particular enthusiasm towards engaging in the (costly and time consuming) establishment of DCFTAs with the EU and its Member States, Morocco and Tunisia are currently in the midst of negotiations (Holden, 2016). These take place in spite of the fact that the corresponding liberalisation of trade and services and thus the opening up of neighbourhood partner countries' markets expose local businesses to fierce competition by resource and capital rich European enterprises, many of which, operating in the agricultural industry, even benefit from EU sponsored subsidies.²

Interestingly, in spite of the DCFTA's inherently problematic potential, as well as the AP's and in particular the AA's lack of differentiation, the 2015 Euromed Survey showed broad support for all three instruments.

Graph 2: In developing formats, instruments and criteria of cooperation with partner countries, to what extent should the following be privileged?



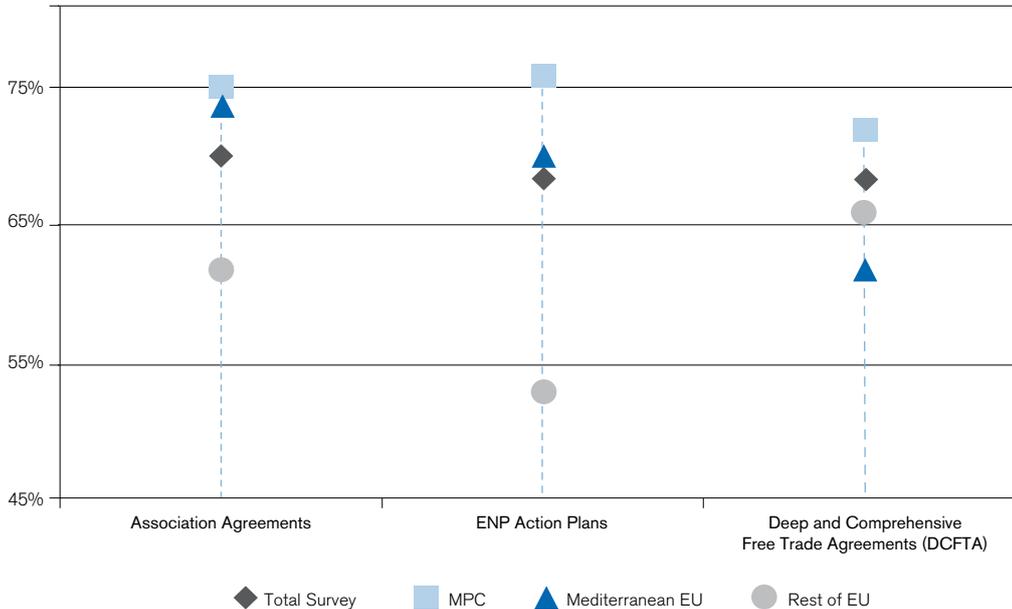
Source: Compiled by the IEMed based on the results of the 6th Euromed Survey/Question 14

In fact, almost 70% of all respondents regard these three instruments to be of particular importance and assess them generally rather positively. Variation could have been expected as regards the views of respondents from within the EU as opposed to those from the Southern Neighbourhood, not least as a result of different degrees of familiarity.

2. In 2013 and 2014, the EU commissioned several studies to assess the impact of DCFTAs on the economies of Morocco, Tunisia, Egypt and Jordan. All studies have in common that they predict positive effects as regards GDP growth, GDP per capita, and their respective export industries. See more at <http://ec.europa.eu/trade/policy/policy-making/analysis/sustainability-impact-assessments/assessments/>. However, these predictions stand in sharp contrast to studies by Arab civil society organisations. See for example: Arab NGO Network for Development, Civil Society Reaction to the Joint Communication "A Partnership for Democracy and Shared Prosperity". Available at: http://www.eurostep.org/wcm/dmdocuments/es_internal/Civil_Society_Reaction_to_the_Joint_Communication_on_MENA_partnership_final_version-1.pdf

Yet, it is noteworthy that the general approval rates, by and large, are quite similar, though respondents from the South, in contrast to their northern counterparts, consider that the three instruments should be given even more salience in EU-neighbourhood relations³ (see graph 3).

Graph 3: In developing formats, instruments and criteria of cooperation with partner countries, to what extent should the following be privileged? (the graph below displays the % answers considering high or very high extent)



Source: Compiled by the IEMed based on the results of the 6th Euromed Survey/Question 14

In order to take into account the insufficient consideration and implementation of differentiation throughout the last 12 years, and with a view to addressing the many critical voices, as reflected in graph 1 above, the most recent review of the ENP paid particular attention to the revitalisation of differentiation. In fact, the Joint Commission/EEAS Task Force in charge of drafting the “new ENP” set up one working group that focused exclusively on differentiation. The final communication, published on 18 November 2015, reflecting the working group’s recommendations, echoed past communications in so far as it stipulated that “differentiation and greater mutual ownership will be the hallmark of the new ENP” (European Commission and High Representative, 2015, p. 2). However, it went beyond past communications as it recognises “that not all partners aspire to EU rules and standards” and that the new policy thus needs to reflect “the wishes of each country concerning the nature and focus of its partnership with the EU” (ibid.). While this is in line with the findings of the 2015 Euromed Survey, which clearly demonstrates broad support in favour of providing neighbours with cooperation offers that are more issue-focused and that accommodate shifting interests in the region⁴ (see graph 4), such an announcement is equally problematic: the EU implicitly acknowledges the failure of the “less for less” principle and subordinates the promotion of democracy, good governance, rule of law, and human rights – policy fields that autocratic regimes have been least favourable to in the past – to those issue areas and policy fields that are less sensitive and that do not pose a potential challenge to authoritarian rule in the southern neighbourhood.

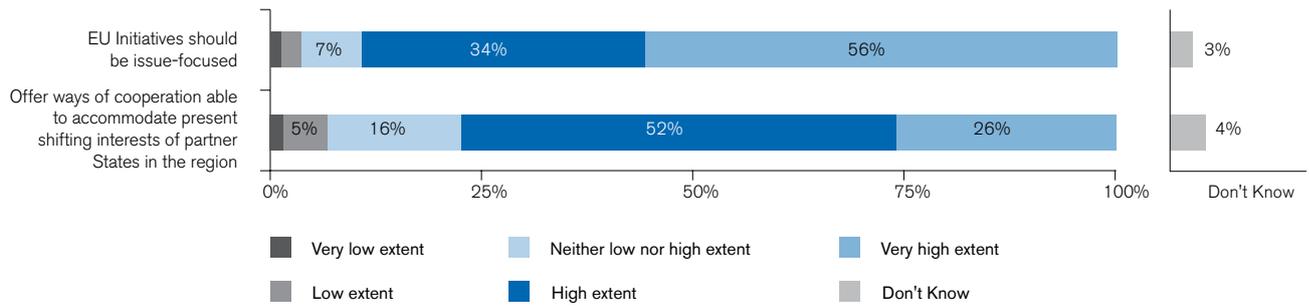
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3. See Euromed Survey Q.14. in developing formats, instruments and criteria of cooperation with partner countries, to what extent should the following be privileged? See in particular EU-28 graph and MPC graph.

4. See Euromed Survey, Q.12: to what extent do you agree with the following proposals to redefine the neighbourhood?.

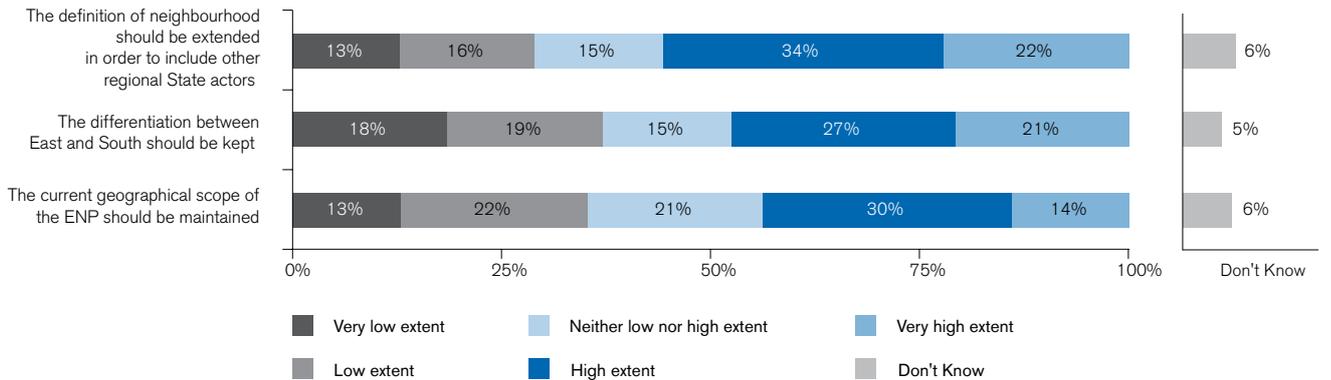
Graph 4: To what extent do you agree with the following proposals to redefine the neighbourhood?



Source: Compiled by the IEMed based on the results of the 6th Euromed Survey/Question 12

The geographical and geopolitical rationale that is underpinning EU-neighbourhood relations and that regards the 16 ENP partner countries as the constituent units of one space has throughout the last decade increasingly raised concerns among many. While several neighbours were rather quick to regard the idea of “one neighbourhood” with a considerable degree of scepticism, academic calls for reconceptualising Brussels’ notion of “neighbourhood” came in waves and originally targeted only the EU’s southern dimension. In recent years, though, several pundits advocated true and greater differentiation in the EU’s understanding of neighbourhood and a termination of the rather artificial disconnect between what the EU considers to be the “neighbours of the neighbours” (Gstöhl & Lannon, 2014). This is also reflected in this year’s Euromed Survey, as can be seen in graph 5.

Graph 5: Redefining the neighbourhood: To what extent do you agree with the following proposals?

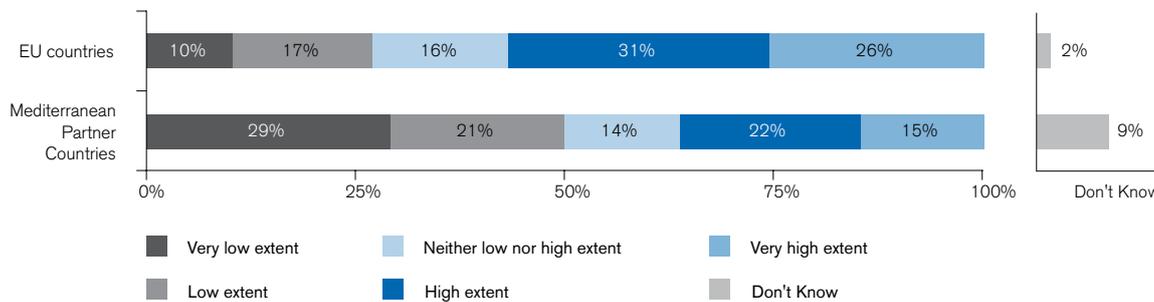


Source: Compiled by the IEMed based on the results of the 6th Euromed Survey/Question 10

Not only do the majority of respondents from both the EU and the southern neighbourhood agree that the current geographical scope of the ENP should be changed, but they also agree that the definition of neighbourhood should be extended in order to include other state actors that are of relevance to the EU's neighbours. However, different views exist with respect to maintaining the formal distinction between the Eastern and Southern Neighbourhood. While 57% of respondents from EU Member States support the existing formula, which, at least formally, differentiates between the Eastern and Southern Neighbourhood, only 37% of their southern Mediterranean counterparts consider this to be appropriate (see graph 6). These findings are striking, as they seem to imply that the majority of southern respondents perceive the ENP to be discriminating against them. In practice, though, the southern neighbours were the first to receive fully fledged AAs in the mid-late 1990s and early 2000s and they also benefit from greater amounts of EU financial assistance. Nonetheless, this perception can be explained by the rather widespread belief among both governmental and non-governmental actors from within the southern neighbourhood that the EU's eastern neighbours, as a result of being located on the European continent, are invariably in a comparatively more favourable position.

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Graph 6: Redefining the neighbourhood: To what extent do you agree the differentiation between East and South should be kept?



Source: Compiled by the IEMed based on the results of the 6th Euromed Survey/Question 10

While the EU in its 2015 review has left untouched the financial assistance ratio of 2:1 (South vs. East), as well as the geographical parameters of the ENP, it has given geopolitical differentiation greater accentuation to the extent that it promises a new “outreach beyond the boundaries of the ENP area” in those cases where “connections and interdependencies with other partners require broader formats of cooperation” (European Commission and HR/VP, 2015, p. 18). Thus, the 2015 review of the ENP reflects the opinion of a large number of respondents to this year’s Euromed Survey, the majority of whom believe that the EU’s, as well as the neighbours’, long-term multilateral and bilateral relations with Gulf countries, the Sahel and the Horn of Africa should be revitalised.⁵

5. See *ibid.*

Conclusions

Though differentiation has also been put at the core of the newly revised ENP of 2015, doubts as to how seriously it will be implemented in practice are in order. Given the way the EU and its Member States have pursued the ENP throughout the last 12 years, systematically undermining the principle of differentiation, it is difficult to see this seemingly established practice change in the near future. In fact, the emphasis of the 2015 ENP on transactional cooperation and its objective to focus on thematic frameworks in policy areas such as migration, energy and security, in conjunction with its explicit recognition that for some neighbours past editions of the ENP have been “too prescriptive” (ibid., pp. 2-3), indicate that the democratic governance and human rights acquis in EU-neighbourhood relations is bound to degenerate further. This is a severe blow to neighbourhood societies’ quest for democratic change, as well as to all those who have been arguing for years that, after all, the EU is complicit in the stabilisation of autocratic rule in its neighbourhood (Barbé & Johansson-Nogués, 2008; Pace & Seeberg, 2010). Also, and equally important, such a development is detrimental to the EU’s ambition to enhance its credibility as a foreign policy actor in, as well as beyond, its southern and eastern neighbourhood in times of crisis, radicalisation, violence, and territorial conflict. If the EU is to have at least some relevance in its neighbourhood, it cannot continue undermining its foreign policy objectives by diluting the ENP any further. However, the 2015 review shows that apparently this view is not shared by all stakeholders in Brussels and Member States’ capitals.

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