

From the Editor

Dear Readers,

The EU Convention has concluded its work. The result is a comprehensive draft for a European Constitution. After 17 months of difficult wrestling, the Convention's 105 members and their alternates have in 465 articles laid the foundation for governing an enlarged European Union. What may be quantitatively impressive must still be able to pass hard qualitative tests. The benchmark for judging the draft Constitution is the task set in Laeken: to address the urgent questions of the European Union's democracy, transparency and acceptance. While the Convention was able to make progress in important aspects, such as the integration of the Charter of Fundamental Rights or the conceptualization of a division of competences, in other key areas, such as the Union's future institutional architecture, it was not able to fulfill the high expectations. The process of European reform is presently taking a break at halftime. On October 4, 2003 the beginning of the intergovernmental conference will end the break and start the second phase of the current reform. We will see suspenseful negotiations, as participants work to bring national and European interests into an effective balance.

The Bertelsmann Foundation and the Center for Applied Policy Research (C·A·P) will also accompany this decisive stage of reform. The "Convention Spotlight" will continue, in its regular format, as "Reform Spotlight." The publication will reflect our work as a think tank that ties academic knowledge in depth with strategic concepts that are relevant to policy decisions. In this spirit, we will continue our tradition of accompanying the important rounds of EU reform with conceptual work. I hope that we will be able to engage your interest with the concrete strategy recommendations presented in the Reform Spotlight.

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Enlarged Europe's Neighborhood Policy

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The goal of the European Convention was to provide the enlarged European Union with the long-term capability to act. While the current round of enlargement has already confronted the EU with a number of questions that it can barely solve, the Union's formal association with Turkey, its close connections with the states of the Western Balkans, and the drive toward EU membership by Ukraine and Moldova all present a qualitatively different level of challenge. In particular, the desire for accession expressed by states of the former Soviet Union has pushed the EU to the limits of both its willingness and ability to integrate new members. Enlargement's success cannot automatically be extended to creating pan-European security and stability.

On one hand, accession to the European Union is an important foreign policy goal for Ukraine and Moldova, while on the other, the EU is presently neither willing nor able to provide such integration. As an alternative, the EU is seeking to develop a capable neighborhood policy to prevent new dividing lines from developing along the Union's future external borders. For example, Article 56 of the European Convention's draft Constitution provides for special relations between the Union and its neighbors. Further, in March 2003 the European Commission presented a communication to the Council and Parliament on the organization of relations with the EU's southern and eastern neighbors.

Neighborhood Policy as a Challenge for the EU

In Article 56, the Convention codified two principles: The EU should develop special relations with the states in its neighborhood, and it should build a "ring of friends." To implement these principles, the Union may conclude special treaties with the countries in question, treaties that incorporate mutual rights and duties, and that incorporate possibilities for common actions. The Article foresees regular consultations to implement the treaties.

The debates within the Convention that have resulted from the draft treaty have made clear how difficult it will be to conceive a neighborhood policy that will be as attractive as it is realistic. The first topic of debate was whether neighborhood policy should be mentioned in the Constitution at all, and if so in what form. Some members of the Convention proposed treating neighborhood policy as part of European external relations more generally, rather than as a constitutional article in its own right. Furthermore, there were calls to differentiate more clearly among individual neighboring states and their efforts at reform. Although these suggestions were not incorporated in the

Constitution's text, the notion of explicitly obligating neighboring states to observe European norms and basic values was included in the Constitution.

As a result, the draft text creates a loose but coherent framework for developing neighborly relations with individual countries or groups of states. It establishes no new commitments, but does formally recognize, for the first time, the importance that the neighboring states have for the Union. The text refers to mutual rights and obligations, and the expectation of regular consultations on cooperation is established in the article's final sentence. Both elements are reminiscent of the processes already been developed for association treaties, even though the EU did not use this passage to formally offer the neighboring states association with the Union.

Increasing pressure on the EU to find pan-European solutions for the challenges in its neighborhood prompted the Commission to prepare a strategic approach to neighborhood policy. The declared goal of the Commission's suggestion, entitled "Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern & Southern Neighbours," is to avoid new dividing lines. The future direct neighbors in Eastern Europe, as well as the states of the Mediterranean littoral, should form a ring of friendly states around the European Union. States from Russia and Ukraine to Israel and Egypt can all receive wide-ranging offers of cooperation. As an alternative to accession, the paper proposes the possibility of incorporating the four basic freedoms — the free movement of goods, services, capital and labor — in relations with the neighboring states. Along the way to this maximal goal, the Commission foresees a differentiated, step-by-step process guided by specific criteria. In addition, the Commission intends to reach agreements on action plans with individual countries, which would be reviewed annually and could become bilateral neighborhood treaties.

The draft paragraphs of the future neighborhood policy contain important potential means for engaging the coming political challenges adequately. If there were implemented completely, they would offer ambitious possibilities, such as visa-free travel from Vladivostok to Tel Aviv, or a common European economic space without customs or trade barriers. Because the proposal provides for bilateral neighborhood treaties, the Union will also be able to tailor agreements to suit regional characteristics.

Despite its innovations, which should not be underestimated, the Commission's communication was received skeptically by the neighboring states, particularly Ukraine. The general formulations presented in the proposal are not sufficiently attractive to offer a real alternative to accession. The approach of placing the new neighbors and the Mediterranean states in the same strategic basket corresponds much more with internal EU balances than with pan-European challenges. In fact, the current agendas of Europe's relations with the Mediterranean states and with the eastern neighbors are significantly different. In one region, the central question is a reordering of the Middle East as a result of the war in Iraq. In the other, the task is to limit the possible negative side effects that eastern enlargement could have for the states that will soon share a direct border with the EU. Because of its generalized formulation, the approach in the

Commission's communication courts the danger of not being able to solve either of the regional problems sustainably in Europe's interest.

Anchoring neighborhood policy in the European Constitution and the Commission's communication shows that the EU has recognized it as a European challenge. However, the European Union has not yet succeeded in putting its own claims into political actions.

Realistic and Effective Neighborhood Policy

The agenda for neighborhood policy must move beyond lip service to goal-oriented cooperation. Functional cooperation is an area particularly worth attention. Generally, the EU should signal its openness to all states that are willing and able to join the Union, while simultaneously avoiding unrealistic expectations and the frustrations that result from them. For both sides, it must be clear that accession can only take place along with a successful and sustainable transformation of the state in question. The EU should, as a matter of principle, take its neighbors' European orientation, as a key part of their foreign policies, very seriously. The Union's strategy should be able to work with Ukraine's strong westward orientation as well as with Belarus' (official) anti-western position and with Russia's status as a serious actor in European security policy.

To reach the intended goal of avoiding new dividing lines, overcoming individual neighborhood problems is more important than ambitious, overarching strategies. Concretely, the following issues are key:

1. The EU and its future neighboring states should make **functional cooperation** the main mechanism of neighborhood policy. In this respect, fields such as energy and the development of pan-European infrastructure are particularly apt. Even without prospects for membership in the Union, spillover effects from cooperation can give rise to a dense net of cooperation, a net that may extend as far as a European free-trade zone. Such a zone is already addressed as a possibility in the partnership and cooperation treaties, but this vague promise has yet to be implemented in political actions.
2. As the Commission's communication on neighborhood policy has already proposed, the EU should establish a **monitoring** process for neighborhood policy, one with two-pronged goals. First, the neighborhood policy monitoring should evaluate the processes of transformation. With an appropriate evaluation the EU can adjust its policies to regional conditions. Simultaneously, the results will set up a framework for cooperation that is understood by the neighboring countries. Conceptually, the neighborhood monitoring should conform to the specific requirements of good neighborly relations. Both sides should work out an appropriate list of criteria.
3. The Polish and Lithuanian introduction of visas that conform to Schengen regulations in advance of their accession will be a touchstone for avoiding new dividing lines. Kiev and Warsaw have both sent important signals for smooth implementation

of the EU's visa requirements. Accordingly, Polish citizens will continue to be able to travel to Ukraine without a visa, and in return Polish visas for Ukrainian citizens will be issued free of charge. Given the neighboring countries' high sensitivity to the issue, the European Union should also develop a **visa strategy**. This strategy should contain measures that will strengthen the administrative capabilities of the consular sections that will be affected by changing rules. At the same time, the population as a whole should be informed about the procedures and requirements for issuing visas. The more transparent the procedures, the fewer opportunities for abuse will exist. At the end of the day, only rapid and simple issuance of visas will combat the image of a new Iron Curtain.

4. The European Union's **technical assistance** should be adapted, more strongly than at present, to the specific requirements of neighborhood policy. Conditionality can be created between the goals of neighborhood policy and the receipt of technical assistance. Cross-border cooperation as well as pilot projects for functional cooperation should be supported according to the agenda of the neighborhood policy. An Eastern Dimension of cross-border cooperation should be worked out with the assistance of European policy approaches and financial support. The Eastern Dimension can profit from the positive and negative experiences of the EU's Northern Dimension.

With the progress of the EU's eastern enlargement and increasing stabilization in the candidate countries, PHARE funds could be re-channeled to support the neighboring countries. The more the neighboring states converge toward the EU, the more important support through technical assistance will become.

Neighborhood policy contains a number of **regionally specific issues**.

1. The solution of the Kaliningrad transit question opens new strategic possibilities for cooperation. The goal must be to devise a joint EU-Russian approach for developing the area's infrastructure. Kaliningrad is a special challenge for the EU's ability to bring about modernization. In addition to other instruments, cross-border cooperation projects as well as cooperation with the directly neighboring states should be supported. For these aspects, the EU's Northern Dimension should be used more strongly than it has been to date. EU programs for the candidate states should also be made as compatible as possible with the programs for neighboring states. For its part, the Russian side must no longer view Kaliningrad as a strategic pillar against relations with the West; instead, the region should be used as an opportunity for cooperation. To this end, Russia must also provide an adequate framework. Because Russia does not have effective regional policies, both sides should join in founding a fund for regional development. Creating an international consortium with the same goal is also a conceivable solution.
2. Under present conditions, Belarus must be handled as a special case. It must be understood as a country whose elite has isolated itself from the West, but which

nevertheless remains a part of Europe. Relations with Belarus require a pinpoint strategy, one that incorporates directed cooperation with economic and political reformers, as well as dialogue with civil society and the opposition.

A Pan-European Debate About the Future

The questions of what Europe's future looks like and which actors will carry a future Europe have been posed, not only because the EU will soon reach the limits of its ability to enlarge but also because of Europe's failure to speak with one voice during the Iraq conflict. These questions can only be answered outside of institutional solutions limited to the European Union. The goal is to increase the Union's pan-European ability to act. This requires a debate about the future that includes Russia not just as a neighbor but also as an actor in foreign and security policy. This should take place in consultation with, and not in opposition to, the United States. In this debate, continental Europe, Russia and Turkey all play important roles as actors with reach beyond their immediate surroundings. For the present, the institutional questions are less important than defining Europe's goals and perceptions of risks, and implementing these definitions in concrete policies.

Conclusion

The debate on neighborhood policy at the European Convention and in the Commission emphasizes its importance for the future architecture of Europe. However, it is very questionable whether mentioning neighborhood policy in the Constitution will contribute to the desired solutions. The questions left open range from the definition of which countries are counted as neighboring states, through the problem of how specific regional characteristics can be taken into account, to setting out realistic and effective political approaches. As long as the EU is unable to master these questions, anchoring neighborhood policy in the Constitution is much more lip service than a contribution to avoiding new dividing lines. Thus, neighborhood policy remains an important topic for the debate about Europe's future.

Links:

Iris Kempe, Wim van Meurs: Toward a Multi-Layered Europe. Prospects and Risks Beyond EU Enlargement. C•A•P Working Paper, Munich 11/2002

http://www.cap.uni-muenchen.de/publikationen/cap/multi_europe.htm

Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern & Southern Neighbours. Communication from the Commission to the Council and the European Parliament. Brussels, 11.3.2003 - COM(2003) 104 final
http://europa.eu.int/comm/external_relations/w e/doc/com03_104_en.pdf