

The Future of EU Neighbourhood Policies

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To start with the obvious - we have a neighbourhood, and the neighbourhood has us.

But two important observations should be added to that.

First, that the neighbourhood is far from uniform. Indeed, it is even less so than when the ENP was launched in 2003.

There is obviously the difference between the South and the East.

And this has since 2008 its more concrete manifestations in the separate approaches of the Eastern Partnership and the Union of the Mediterranean.

While the first is wholly integrated into our institutional structure, and that was certainly the intention when it was set up, the Union of the Mediterranean was designed as being something somewhat apart.

The countries of the East are, that should be remembered, European countries, and as such Article 49 of the treaties applies to them.

Not everyone likes this - but even if not everyone likes everything in the treaties they remain the cornerstone of our Union.

And in their different ways all these countries see themselves as having some sort of European perspective.

The countries of the South certainly don't see themselves as Europeans, and neither do they strive to be part of some sort of wider European family.

It's not only that differentiation between the East and the South has become more profound since 2003 - it is also of course that there has been more differentiation within the two groups.

In the South Syria has been suspended for obvious reasons, Libya is hovering on the brink of total state failure, dominating Egypt has returned to a reinforced repressive regime and only Tunisia keeps the hope of a democratic and reforming path for our immediate South alive.

And in the East we have seen the people of Ukraine more committed to a European path of integration and reform of their country than practically anyone could have envisaged, while Belarus remains on a different trajectory, and the differences have widened also between the three countries of the Southern Caucasus.

One obvious consequence of this first observation is that we need a more differentiated policy. If you observe things from the moon there might indeed be one European neighbourhood, but the closer you get to the reality the more obvious it is that there are numerous very different European neighbourhoods.

Brussels, I guess, is somewhere in between the moon and reality.

The second observation is that although the neighbourhood impacts on us, we should recognise that we impact far more on the neighbourhood.

The European Union is a true giant in our wider part of the world.

We are 500 million people versus app 75 million in the Eastern Partnership - more than half of which is Ukraine - and app 200 million in the Southern partnership countries - of which nearly half is Egypt.

And when we look at the economies it's of course even more striking.

With all the reservations for the fact that recent currency movements are messing up the figures, the EU is a 13 trillion Euro economy, while the Eastern Partnership would be something like a 0,6 trillion and the South something like a 0,9 trillion Euro economy.

Thus, relationship in terms of trade and capital flows with the EU are far more important to them than to us. They are marginal to us in these terms, but absolutely crucial to them.

And if we look at GDP per capita things are even more striking. On average I think we can say that we are dealing with regions with GDP per capita less than 10% of the average of the EU. No wonder that there are many millions around our Union dreaming of becoming like us - sometimes even by coming to us.

From this flows the fact that our policies does influence them far more than I think we are often aware of.

We thus have strong neighbourhood policies either by design or by default - the more design with perhaps predictable results the less default with almost certainly unpredictable outcomes.

The task for our neighbourhood policy is rather ambitiously set out in Article 8 of the treaties which states that "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".

By this very high standard, it is not entirely easy to say that the policy has been an immediate success.

Indeed, if the ambition in 2003 was to seek to create, in the words that were used at the time, a "ring of friends", we now rather seem to be surrounded by a "ring of fire".

In the East we have seen the rise of an explicitly revisionist Russia challenging the very basis of the rules-based European order we gave sought to promote.

It's a contest of rules versus power that is now played out over Ukraine. And it goes without saying that if a rules-based order loses out, and naked power triumphs, we have taken a profoundly dangerous step backward.

The consequences will be there for all of our efforts.

In the South we have seen the rise of fundamentalist philosophies questioning the very values our Western world has been based on, but we have also seen the return of repressive policies in the belief that only repression can keep these forces at bay.

It's a return of a contest between open and closed societies. Of going forward towards more open societies and economies, or lurching backwards towards mythical and tribal pasts.

There is no denying that EU often looks somewhat at loss in handling these new and rising dangers.

And it could be said that it took some time for everyone to wake up to the new realities, and that we are still in the early stages of formulating the strategic policy responses.

The task that the European Council has given the High Representative in proposing a new global security strategy for the Union is critical in this respect. We can't meet the new challenges with mental models anchored in the past.

There are those that, in view of these developments, seem inclined to scrap the entire neighbourhood policy. It didn't produce what we wanted - then throw it out.

But that would be a fatal mistake.

As I said, by our size and importance, we have neighbourhood policies whether we want it or not, be design of by default.

History sometimes accelerates and jumps forward. Many of us vividly remember the events of now a quarter of a century ago.

But sometimes it moves somewhat slower.

And while the EU might not be that agile and powerful in shaping or influencing the short-term developments, we could be very powerful in the somewhat longer perspective.

I come yesterday from some days in Barcelona with the gigantic Mobile World Congress. There, we discussed the shape, challenges and possibilities of the emerging world of hyper-connectivity.

Not that long ago, Spain was ruled by a fascist dictator that emerged victorious from the brutal civil war in the 1930's.

The slogan of his regime was get "Spain is different". That it did not need Europe. That by its history it should shape another future.

In 1958 the then European Economic Community entered a free trade agreement with Spain. And I would argue that the effects of this during the decades that come gradually created a new, more modern and European oriented Spain. The fascist regime melted away as a more European Spain emerged.

When Turkey entered into her customs union with the EU in 1995 it was a very different country.

A highly regulated and state-dominated economy. An authoritarian mind-set still dominating many of the policies. A "deep state" that would never have allowed a single word of Kurdish wherever it could be prevented.

Since then we have seen a remarkable economic transformation of Turkey. For all its challenges, there is no denying that it is now an economic powerhouse of significance to the overall European economy.

And while its policies in important respects at the moment leaves much to be desired, there is little doubt that European reforms have created a more open society. The Kurdish peace process that we now see what literally unthinkable just a few years ago.

So, we have the powers of economic transformation, although they operate with somewhat longer time perspectives.

And for all the differences between the East and the South, as well as within them, they operate everywhere.

Trade transforms economies. Emerging middle classes change societies. Rule of law pushes for democracy.

Thus, we should sharpen our trade and economic integration policies in all directions and in all fields. And we should not unnecessarily attach political conditionality to them.

We should learn from history, and see their transformational potential in the longer perspective.

The DCFTA's with Ukraine, Moldova and Georgia are breaking new ground. And we should make clear that agreements along these lines are available to all - although they must be ready to live up to the ambitions of them.

This, of course, applies equally to the South and to the East.

We must not be shy in promoting human rights, the rule of law and representative and open governance to all of the different countries in our neighbourhood.

Their regimes might sometimes say that they are different in the way we once heard it from the fascists in Madrid.

But what we saw in Maidan did once again demonstrate that aspirations for human rights, rule of law and open and representative governance are universal. And while the present reality of Egypt is very different, the days of Tharir should not be forgotten.

If we with DCFTA has added a new economic instrument in the last few years, there has also emerged the new instruments of the European Endowment for Democracy as well as the European Institute of Peace, and it goes without saying that they should seek their fields of activity primarily in our more immediate neighbourhood.

It's often said that neighbourhood policy is different and distinct from enlargement policies. And in a technical sense that is of course correct.

But in a political sense, in all of Europe outside the EU, they are part of the same process of moving step by step towards what they see as more prosperous and more open societies.

And this is profoundly in our interest. We must retain the hope that one day we can really return to talking about a "ring of friends".

But then it is important to keep the door to our Union open. We might realistically know, and they might know it as well, that it will take a long time until they are ready to step through that door.

But where we to skim it shut, right in their faces, we deprive them of the hope, and we open up doors for other developments that could be most undesirable also from our point of view.

Societies need a direction of development. If we say to them that our Europe of integration and cooperation can't be their destination, they will be forced into other directions. And there are certainly those arguing for more authoritarian and nationalistic models of development. I need not spell out the dangers that this entails.

Finally a world about the "neighbourhoods of the neighbourhood" as mentioned also in the communication from the Commission yesterday.

Increasingly this must be taken into account.

We see clearly the interaction between some of the developments in North Africa and what is happening in the Sahel.

And of the 12 countries between us and China only half are in the Eastern Partnership, with the complex history of the Soviet Union having left its own traces.

Russia was of course offered to be part of the neighbourhood policy when it was launched in 2003, but made it clear it was not interested. Instead, we developed the concept of the Common Spaces and sought to deepen the cooperation along those lines.

Now, Russia is somewhat desperately trying to build up its Eurasian Economic Union, although these are strange days with customs controls being reintroduced between its countries and trade conducted in dollars again.

Every country has the right to choose its own path.

But the Eurasian Economic Union today is a high-tariff and somewhat unpredictably protectionist exercise that unfortunately makes the goal of free trade between Vladivostok and Lisbon even more distant.

Nevertheless, we should retain our vision of an "integration of the integrations" for the day when Russia and its partners in the Eurasian Economic Union are ready for it.

Membership of the WTO as well as respect for the obligations that this entails is of course a basis for any move in this direction.

For the foreseeable future, Russia is likely to be far more of a strategic problem than of a strategic partner, and in some respects have turned itself even into a strategic adversary adversary.

Of course we must have relations with the Russia that de facto exists. But the more we care for Russia and its future in Europe, the more critical must we be of the direction its policies have taken during the last few years.

To neglect, and be silent about, the trends in Russia today is to show disrespect and lack of commitment to the country, its people and its future.

And the same, with some differences, must be said about Egypt.

In some decades, according to UN estimates, there will be more people living along that river through the desert that is Egypt as in the vastness of the eleven time zones of Russia.

And to move forward, and bring hope to its growing millions, based also on proud traditions going back thousands of years in time, Egypt must steer a democratic path between fundamentalism and repression, either of which will bring catastrophe to the country.

Europe has a voice, and our voice must be clear also in this case.

Our neighbourhood policies are important.

They are not only key to our security and important to our prosperity but, I would argue, also crucial for our global credibility.

We want our Union to be a strong partner to meet also the global challenges we face.

But let's be clear on one thing: a union that is failing and faltering in its own part of the world will never be credible in the world's more distant regions.