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European foreign policy begins with the neighbours

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*The new narrative in Brussels is that the EU should be more assertive internationally and must help shape globalisation. **Loukas Tsoukalis** looks at Europe's track record so far, particularly in the Mediterranean region, and draws some lessons for the future.*

In a rapidly changing world where size matters, Europeans have yet to take hard decisions about how best to represent and defend their international interests, and their values.

European unity means global influence, providing of course that common interests and values prevail over Europeans' divergences. This has increasingly been the case over such global issues as the environment, although it may not yet be equally true of energy or migration. Institutional inertia places a heavy burden on EU-level policymaking, while illusions of national power die hard in some of Europe's capitals.

Defending common interests and values, shaping globalisation and strengthening multilateral institutions constitute the new official narrative in Brussels, even though there is still a considerable gap between words and deeds. A new global role for Europe could nevertheless be a project that mobilises many Europeans.

We certainly have common interests and values to defend, and these can only be defended effectively if we invest in our own unity. The way Europe developed its trade policies is a good example of this. We also have long experience in jointly managing interdependence through common rules and institutions; it's experience that Europe could usefully export to an increasingly multi-polar world.

Foreign policy begins, of course, with the neighbours, and our own neighbourhood is mostly poor and unstable. Enlargement has so far been the Union's most successful foreign policy, and has done much to extend *Pax Europaeae* to the more unstable parts of the old continent. It has also acted as a convergence machine for the benefit of less developed countries.

The two latest enlargement rounds may, however, prove more difficult to digest. We are, after all, talking about 12 new EU member states that in most cases are formerly communist countries that start from low levels of economic development, and still bear wounds of totalitarianism that will take time to heal.

With the exception of Croatia, further enlargement is likely to proceed at a slow pace. There is little appetite for it in the EU at present, while candidate countries are far from able to meet the criteria for accession. While it is important at this stage not to shut the door in the face of candidates, we should also try to narrow the distance between membership and non-membership, by gradually offering better access to the European market and policies, without prejudice to the final outcome of what may prove to be a long process of initiation for the countries of the western Balkans and Turkey. As others may in due course be joining them in the EU's waiting room, an exercise of this sort will demand a high degree of flexibility and generosity from the Union.

There is also the EU's wider neighbourhood to the east and the south. Can Europe export democracy, stability and prosperity to countries that have no prospect of becoming members in the foreseeable future, and others that have no prospect at all? This is precisely the aim of the European neighbourhood policy, but as any seasoned observer might reasonably comment, so far it's been a triumph of hope over experience.

There are lessons to be drawn from the longer established Barcelona process, which brings together the EU-27 and the countries of the Mediterranean region. Grand designs and ambitious unifying principles are difficult to apply to so diverse a group of countries with such little sense of common purpose. A regional approach may be a noble aim for the EU, but bilateralism is likely to remain the name of the game. It's what most of our partners actually want from us. There is also little mileage to be made out of 'shared values' with autocratic regimes that have no intention of bowing to political conditionality from Brussels.

The carrots we offer are not alluring enough, and the sticks we wield don't have much clout. Access to the European internal market demands too much of our neighbours in terms of regulatory harmonisation, the common agricultural policy is still too restrictive, and a good deal of foreign aid is wasted.

The frustrations of trying to exercise the EU's vaunted 'soft power' are as great as ever; ask anyone who has had to negotiate with the Israelis and Palestinians. Everybody in the Middle East knows that power lies elsewhere, even if the European Union usually foots a large part of the bill. The creation of a viable Palestinian state as an integral part of an Arab-Israeli peace deal would do much to stabilise the whole region and would do much to deprive Islamic fundamentalism of its legitimacy. But Europe would be unable to deliver such a miracle on its own and without active American involvement.

We Europeans need to scale down our rhetoric and try to be as monophonic as possible. Our neighbourhood policy suffers from a lack of internal coherence because EU member countries regularly undermine common principles and policies agreed in Brussels. We also need to adopt a much more differentiated approach to individual countries. And we need a common policy on energy and migration, before we are able to talk effectively with our partners in the Mediterranean. The same thing, of course, applies to our relations with countries in eastern Europe.

We should apply more generosity and efficiency to foreign aid, while strengthening conditionality and linking it directly to reform in partner countries. Internal reform is, after all, the determining factor for economic development and political stability. This is precisely what has been in short supply so far in several of our neighbours, and most notably along the southern shores of the Mediterranean. Grand schemes and international agreements are no substitute for internal reform and modernisation in the Arab world. This is the hard lesson to draw from earlier European initiatives.

France's President Nicolas Sarkozy has further stirred the troubled waters of the Barcelona process by calling for a Mediterranean Union (or a Union for the Mediterranean in the updated version of his proposal). We now have a clearer idea as to who will be invited to join, although there are still many questions concerning its potential added value, its relationship with the EU, not to mention the amount and source of new financial resources needed and the conditions under which they will be dispensed in what would purportedly be a project-oriented Union.

Sarkozy's proposal could provide a catalyst for reshaping Europe's neighbourhood policy, including most notably relations with our Mediterranean neighbours. It's something the EU urgently needs, and it's likely to feature high on the agenda when France takes over the revolving six-month presidency of the EU in mid-year. And perhaps there is a good case to be made for more regional differentiation within the EU, so long as it doesn't undermine the Union's common institutions and core policies. Such differentiation would make sense in a large and diverse Union that has an even more diverse 'neighbourhood' to contend with. Most important of all, Europe should try to make its soft power more effective and also add hard tools to it whenever possible. The rest of the world will not wait forever for Europe to get its act together.

