Relations with the Wider Europe

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Introduction

For the majority of the year, the European Union’s neighbourhood exhibited a high degree of stability and stasis with a significant degree of continuity in the situation that prevailed in 2009 (Whitman and Juncos, 2010). This countered the expectation that the wider neighbourhood was to be the region in which the Lisbon Treaty’s foreign policy innovations, and the drawing together of external relations and the common foreign and security policy, were anticipated to have impact. However, the High Representative’s preoccupation with the creation of the External Action Service (EEAS) left no room for new policy initiatives or innovation.

The Union has now faced two years in which there has been a ‘bedding down’ of the Eastern Partnership and the Union for the Mediterranean, with neither exhibiting a substantive change in the Union’s relationship with its neighbours. Rather, those neighbours largely exhibited familiar traits in their relationships with the Union, with no breakthroughs in relations with the most problematic neighbours or improvement of the neighbourhood’s most intractable problems. The situation between Georgia and Russia over Abkhazia and South Ossetia remained in stalemate, the conflict between Hamas and Israel persisted and the government of Belarus resisted political reforms. By the end of 2010, the Union had not faced a replication of gas supply interruptions that had marked the preceding two winters. However, the hangover from the global financial and economic crisis meant that governments and political
systems in the neighbourhood remained under severe pressure. This situation was exacerbated by rising global food prices and especially the southern neighbours struggling to hold down prices of subsidized basic foodstuffs. Advances in the Union’s policy objectives, albeit modest, were to be found in its enlargement portfolio.

I. Enlargement

General Developments

The ratification of the Lisbon Treaty in December 2009 was expected to inject new life into the enlargement process, which had suffered badly in previous years from the uncertainties surrounding institutional reform and issues of absorption capacity. Speaking in November, Enlargement Commissioner Štefan Füle argued that:

> With the Lisbon Treaty in force, we removed the institutional bottlenecks in our decision-making, facilitating our ambition to remain a relevant global player. The second effect is that we can now combine forces with HR/VP Catherine Ashton in the enlargement area, while making full use of the entire CFSP [common foreign and security policy] and community toolbox to effectively address the key issues of the region. (European Union, 2010g)

However, the ratification of the Lisbon Treaty and the appointment of a new Commission and a new High Representative had little impact on the conduct of the enlargement policy during 2010. The enlargement policy continued to suffer from ‘enlargement fatigue’, a ‘creeping nationalization’ (Hillion, 2010) and credibility problems – all of which have undermined the power of conditionality.

Support for enlargement within the EU remained low in 2010. According to a recent Eurobarometer survey, a higher percentage of respondents within the EU is now against further enlargement (46 per cent) compared to those supporting enlargement (40 per cent) (Eurobarometer, 2010a, p. 234). As in previous surveys, respondents from new Member States remained more supportive of enlargement (64 per cent in favour) than those from the old EU-15 (34 per cent in favour) (Eurobarometer, 2010a, p. 235). Support for EU membership varied in the candidate countries. While Macedonian citizens were largely pro-EU membership (59 per cent considered EU membership a ‘good thing’), support for membership continued to decline in Turkey where 48 per cent considered accession to the EU a ‘good thing’ as opposed to 36 per cent of respondents that believed it would be a ‘bad thing’. Only a
minority of respondents in Iceland (28 per cent) and Croatia (27 per cent) considered membership to be a positive thing (Eurobarometer, 2010b, p. 35).

In recent years, we have also witnessed a strengthening of Member States’ control over the EU’s enlargement policy as they sought to keep tighter control during the intergovernmental stages of the process, insisting on the use of benchmarks before the negotiation of chapters can be opened and the inclusion of new conditions in every step of the process. For example, in the case of Serbia, the Netherlands managed to include compliance with the International Criminal Tribunal for the former Yugoslavia (ICTY) in the October Council Conclusion (see below). The rising number of bilateral disputes holding up the enlargement process constitutes another indication of this ‘nationalization’ shift (Hillion, 2010). Such developments might help increase the credibility of enlargement from the viewpoint of the Member States that have long argued for the application of ‘rigorous conditionality’ (European Union, 2010g). However, from the perspective of the candidate countries, the enlargement policy is increasingly being perceived as a politicized process, where the ‘rules of the game’ change to suit the interests of the Member States.

Judging from the number of applications being considered by the Commission in 2010, it would seem that the process of enlargement remained in good health. Formal progress was recorded in the case of Croatia (which entered the final stages of accession negotiations); Iceland began accession negotiations in July; Montenegro was awarded candidate status; and Serbia’s application was forwarded to the Commission for an opinion. Some progress was also achieved regarding bilateral issues, including the Croatian–Slovenian dispute; the negotiation of a new repayment agreement between Iceland and the Netherlands and the United Kingdom; and the prospect of a new round of negotiations between Serbia and Kosovo. Bosnia and Albania, which had failed to comply fully with the Commission’s ‘roadmap’ in the previous year, joined the EU’s visa-free regime in December. The Commission recommended in May 2010 that citizens of these two countries were allowed to enter the Schengen area without a visa. The European Parliament (EP) and the Council voted in favour of visa liberalization for Albania and Bosnia in the autumn. However, following concerns expressed by some Member States about a sharp increase in the number of asylum applications from the Balkans,1 the Commission decided to establish a follow-up mechanism to monitor the situation (Commission, 2010b). Thus, Kosovo became the only country in the region without free visa access to the Schengen area.

1 WAZ.EUobserver, 21 October 2010.
and without a contractual relationship with the Union as it is not recognized by all the Member States.

Problems regarding the rule of law and public administration continued to plague the implementation of EU reforms in these countries – with the exception of Iceland. Freedom of expression also remained a concern. According to the Press Freedom Index 2010, Macedonia (ranked 68), Serbia (85), Kosovo (92) and Montenegro (104) fell compared to the previous year, despite freedom of the press being one political criterion monitored by the Commission as part of the accession process. The situation in Turkey was even more worrying, with the country being ranked 138, down from 122nd in 2009 (Reporters without Borders, 2010).

Bilateral issues also continued to hold up the accession process: the opening of accession negotiations with Macedonia was delayed by the name dispute with Greece; the Turkish-Cypriot conflict affected the membership prospects of Turkey; the rejection of the Icesave referendum in Iceland also complicated matters regarding that country’s negotiations; and the Kosovo issue got in the way of regional co-operation on trade and energy matters. The effects of the economic crisis were still noticeable across the Western Balkans, where the crisis added pressure to already overburdened domestic budgets and high unemployment rates, and Iceland, which was heavily affected by the collapse of its banking system. Turkey seemed to have escaped from the worst of the effects of the economic crisis as its economy continued to grow in 2010.

Candidate Countries

Croatia

Croatia made considerable progress towards accession in 2010, entering the final stage of negotiations. The Commission’s annual report on Croatia presented a very positive assessment regarding compliance with the Copenhagen criteria and the implementation of the acquis communautaire. As of December 2010, Croatia had opened 34 chapters, and 28 had been provisionally closed. It is expected that Croatia will finalize negotiations in 2011 with a view to joining the EU in 2013–14. There were, however, a few issues of concern. First, there are outstanding issues regarding respect for fundamental rights, the protection of minorities and refugee return. Second, in the area of competition, Croatia has to adopt restructuring plans for its shipyards. Third, the Commission repeatedly stressed the need for an independent and efficient
judiciary and progress regarding the fight against organized crime and corruption. Regarding the latter issue, the new prime minister, Jadranka Kosor, stepped up the government’s track record in the fight against corruption and throughout the year several high-profile cases were brought to justice, including those involving a deputy prime minister and a former minister. At the end of the year, the Croatian parliament also voted to lift the diplomatic immunity of former prime minister Ivo Sanader regarding charges of corruption during his term in office (2003–09). Sanader, who fled the country the same day as the parliament’s vote, was arrested in Austria, where at the time of writing he is awaiting extradition to Croatia.3 These developments suggest a willingness on the part of the Croatian government to fulfil EU demands regarding judicial matters. Thus, despite some indications that a monitoring mechanism such as the one established for Romania and Bulgaria was being considered for Croatia, Commissioner Štefan Füle (2010) stated that the progress in meeting benchmarks achieved so far had removed ‘the need for the EU to consider a co-operation and verification mechanism after accession’.

Another obstacle that was removed from Croatia’s path towards the EU was the bilateral border dispute with Slovenia. Although the dispute itself has yet to be resolved, the two countries agreed to submit the resolution of their dispute on the Bay of Piran to an international arbitration commission following an agreement reached in November 2009 and mediated by the Swedish Presidency. While Croatia ratified the agreement the same month, in Slovenia the opposition parties took the case to the Constitutional Court, which declared the agreement in accordance with the Constitution in March. Despite the ruling, the opposition successfully managed to organize a referendum on the Croat–Slovenian agreement held on 6 June 2010. The ‘yes’ vote won narrowly, allowing the Slovenian government to submit the dispute to the arbitration commission.

Some progress was achieved regarding regional co-operation with Serbia. While the year began with tensions among the two governments concerning a case at the International Court of Justice (ICJ) on Serbian genocide claims filed by Croatia in 1999, the election of Croatian President Ivo Josipović led to an improvement in the relations between the two countries. The Croatian president and his Serbian counterpart Boric Tadić met on several occasions to discuss an out-of-court settlement of the case (WEU, 2010, p. 10). An extradition agreement on co-operation in criminal matters was also signed between the two countries. Regarding co-operation with the ICTY and in particular the access to documents, the ICTY prosecutor complained in his November report that: ‘None of the outstanding military documents were provided to the

OTP [Office of the Prosecutor] and no information was given regarding their possible whereabouts during the reporting period.4

Turkey

The pace of progress in Turkey’s accession to the EU was very slow in 2010 because of the country’s continued refusal to implement the Additional Protocol to the Association Agreement regarding access of Cypriot vessels and planes to Turkish ports and airports. As a consequence, more than half of the negotiating chapters have been blocked by Cyprus, France or the EU as a whole. During the second half of 2010, not a single chapter was opened for negotiation as the Belgian Presidency failed to open the one on competition – one of the few chapters that are still available for negotiation.5

Only a few signs of progress were reported in 2010. A reform of the Turkish constitution was adopted via referendum in September. The majority of the 26 amendments were supported by the EU as part of the process of political reform necessary to comply with the Copenhagen criteria. However, two of the amendments were criticized by the opposition as a strategy by the AKP government to increase their control over the judiciary.6 The Commission also expressed the view that this reform should be followed by others in the areas of freedom of expression and freedom of religion. It also went on to say that ‘a new civilian Constitution would provide a solid base for a sustained development of democracy in Turkey, in line with European standards and the EU accession criteria’ (European Union, 2010f). Some progress was also reported in the area of migration. Turkey and Greece announced bilateral co-operation to deal with the high numbers of migrants crossing the Greek borders from Turkey; the EU also deployed armed patrols at the border to deal with the problem. At the end of the year, Turkey agreed to sign a readmission agreement with the EU. Turkey has also asked the EU to conclude a visa-free agreement, although to no avail.

With one of the few growing economies in the region and a renewed assertiveness in its neighbourhood, Turkey’s role as a regional power has also become more significant in recent years. Throughout the year, Turkey continued to play an important role as a mediator between Syria and Israel and in the Middle East peace process. It also led the establishment of a new framework of co-operation with Syria, Jordan and Lebanon – a Quadripartite High Level Co-operation Council, with the view of establishing a zone of free movement of goods and persons among the countries. However, Turkey’s role

4 WAZ.EUobserver, 19 November 2010.
5 European Voice, 9 December 2010. On the Belgian Presidency, see Drieskens in this volume.
6 BBC News, 12 October 2010.
during the Flotilla affair, the crisis in Kyrgyzstan, its rapprochement to Iran and the disagreements with other Nato allies before the Nato summit in Lisbon raised concerns among EU Member States (Emerson, 2010). Hence, in its December Conclusions, the Council ‘encouraged Turkey to develop its foreign policy as a complement to and in co-ordination with the EU, and to progressively align with EU policies and positions’ (Council, 2010d).

Macedonia

Despite the Commission’s recommendation to open accession negotiations with Macedonia in autumn 2009, progress in EU–Macedonia relations continued to be blocked by the unresolved name issue with Greece. Talks between Macedonia and Greece under United Nations sponsorship continued during 2010, but with no concrete results despite some indications of progress at the beginning of the year.7 The economic crisis meant that the Greek government had to turn its attention to domestic issues. The Commission, also frustrated by the lack of progress, called on the parties to resolve the dispute on several occasions (European Union, 2010e; Commission, 2010c). Yet, in its December Conclusions, the Council reiterated the point that ‘[m]aintaining good neighbourly relations, including a negotiated and mutually accepted solution to the name issue, under the auspices of the UN, is essential’ and that it was ‘ready to return to the matter during the next Presidency’ (Council, 2010d). Regarding compliance with EU criteria, the Commission noted satisfactory conformance with political criteria, but pointed to the need to continue with reform of the police, the judiciary and public administration, as well as the fight against organized crime and corruption. Concerns regarding freedom of expression were also raised by the Commission and the Council.

Iceland

Iceland made formal progress towards EU accession in 2010. In February, the Commission recommended to the Council opening accession negotiations with Iceland, and they officially opened on 27 July. While some in Iceland had argued for an accelerated negotiation process covering only key sensitive issues rather than all the negotiating chapters, prior to a referendum,8 the EU has repeatedly argued that: ‘Negotiations will be aimed at Iceland integrally adopting the EU acquis and ensuring its full implementation and enforcement’ (Council, 2010d). This position also seeks to alleviate concerns about preferential treatment expressed by other candidate and potential candidate countries.

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7 EUobserver, 6 April 2010.
8 EUobserver, 18 November 2010.
The enlargement package presented by the Commission in the autumn contained the first progress report on Iceland. The report confirmed the low degree of misfit between Iceland’s political and economic institutions and EU requirements, and the good level of preparedness of the country since it had been a long-standing member of the European Economic Area (EEA) and the Schengen Agreement. However, the Commission’s report also pointed out some weaknesses in Iceland’s bid. Some problems that were mentioned in the Commission’s Opinion in February were the close links between business and political interests, the financing of political parties, the need to adopt a new code of conduct for MPs and the need to ensure the independence of the judiciary. Progress was reported in these areas.

Another sticky issue was the Icesave dispute with the Netherlands and the United Kingdom, especially after President Olafur Grimsson refused to sign a bill adopted by the Icelandic parliament to compensate British and Dutch account holders which forced a referendum on 6 March 2010. However, as the voters went to the polls, the Icelandic government was already renegotiating the terms of repayment with the British and Dutch governments, making the referendum pointless. Not surprisingly, an overwhelming majority of the voters rejected the deal.9 At the end of 2010 the new bill had yet to be adopted by the parliament.

Tensions regarding fishing quotas also rose in the second half of the year after EU–Iceland talks broke up without agreement and Iceland decided to increase its mackerel catches unilaterally, prompting fears of a ‘mackerel war’.

Another significant problem refers to the low levels of support for EU membership among the Icelandic public. A Eurobarometer Survey conducted in December 2010 found that only 30 per cent of respondents agreed that Iceland’s future should be as part of the EU, while 54 per cent disagreed (Eurobarometer, 2011, p. 7). Not even a majority of Icelanders agreed that the euro would help their economy (40 per cent agreed, 46 per cent disagreed) (Eurobarometer, 2011, p. 8).

Potential Candidate Countries

Serbia and Kosovo

Serbia made some progress towards EU membership during the year. In particular, headway was made regarding regional reconciliation with Croatia (see above) and Bosnia. In March, the Serbian parliament adopted a resolution condemning the Srebrenica massacre of July 1995 and extending

9 The Guardian, 8 March 2010.
‘condolences and apologies to the families of the victims’. However, the debate in the parliament also showed how divisive the issue remained in the country. Moreover, the fact that another resolution condemning crimes committed against Serbs in the territory of the former Yugoslavia was adopted a couple of days later created some controversy.10 Despite some efforts on the part of the Serbian government, co-operation with the ICTY was still problematic regarding the apprehension of the two remaining fugitives Ratko Mladić and Goran Hadžić (WEU Assembly, 2010, p. 15). This remains a key condition for progressing towards candidate status.11

At its meeting of 25 October, the Council decided to invite the Commission to submit its opinion on Serbia’s application for EU membership. However, the Council Conclusions stressed that ‘at each stage of Serbia’s path towards EU accession, [...] further steps will be taken when the Council unanimously decides that full co-operation with the ICTY exists or continues to exist’ (Council, 2010a). Reform of public administration, the judiciary (in particular, the procedure for the appointment of judges and prosecutors), the fight against organized crime and corruption, and the discrimination of minorities also remained problematic, according to the Commission (2010c).

As far as Serbia–Kosovo relations were concerned, Serbian refusal to accept the participation of Kosovo’s representatives in regional initiatives hindered regional co-operation. The dispute also affected the functioning of EULEX in the areas north of the Ibar River, where parallel structures have been set up by the Serb majority (WEU Assembly, 2010, p. 17). The year 2010 was marked by the reactions to the ruling of the International Court of Justice (ICJ) on the independence of Kosovo. The Court ruled that Kosovo’s declaration of independence did not violate either international law or United Nations Security Council Resolution 1244. After the ruling and with a view to helping its application for EU membership, Serbia became more pragmatic regarding the Kosovo issue, agreeing to co-sponsor with the EU a UN General Assembly Resolution. The Resolution ‘[w]elcome[d] the readiness of the EU to facilitate the process of dialogue between the parties. [...] The process of dialogue by itself would be a factor of peace, security and stability in the region’ (UN General Assembly, 2010). While the Resolution did not imply the recognition of independence of Kosovo by Serbia or by those EU Member States that had yet to recognize Kosovo, it cleared the way for a new round of negotiations between Kosovo and Serbia, which is due to take place in 2011.

11 At time of going to press (May 2011), Mladić was captured.
Kosovo made some progress regarding the decentralization process and the establishment of functional institutions with the set-up of a Ministry for European Integration. However, as noted in the Commission’s report and the Council Conclusions in December, many challenges remain in the areas of the rule of law, the fight against organized crime and corruption, public administration and minority rights. With the decision to grant visa-free access to Bosnia and Albania, Kosovo remains the only country in the region that does not have a visa-free agreement with the EU.

Early elections to Kosovo’s parliament were held on 12 December, the first parliamentary elections since the declaration of independence, and were won by Hashim Thaçi’s party, the Democratic Party of Kosovo (PDK). Despite some reports of electoral fraud, the Enlargement Commissioner Štefan Füle and High Representative Catherine Ashton congratulated Kosovo authorities for ‘the calm and orderly manner in which the majority of the voting took place’ (European Union, 2010h). Once again, the elections were marred by the boycott of the majority of the Serbian population in the north of Kosovo.

The year ended with the scandal over the involvement of Prime Minister Thaçi in human organs trafficking and drug smuggling during and after the Kosovo war. The allegations were made in a Council of Europe report presented by Dick Marty on 16 December. The report caused turmoil within western circles as it suggested that several intelligence services and the Nato mission in Kosovo (KFOR) had long known about the alleged accusations. As the year came to an end, the pressure mounted for EULEX to open an investigation into the claims laid out in the report.

Bosnia and Herzegovina, Albania and Montenegro

Bosnia’s political instability continued during 2010, especially prior to the 3 October general elections. Republika Srpska Prime Minister Miroslav Dodik kept on challenging the legitimacy of the Office of the High Representative (OHR) and the Bosnian state. In February, he managed to get a law on referendums adopted by the Republika Srpska Assembly, which would allow Republika Srpska to organize referendums on decisions by the High Representative and on independence. In April, a new EU–United States initiative involving the visit of Spanish Foreign Minister Miguel Angel Moratinos and American Deputy Secretary of State James Steinberg failed to reach an agreement among the political parties (WEU Assembly, 2010, p. 13). This constituted a new setback to the EU’s plans to replace the OHR with a

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reinforced EU Special Representative. In August, the mandate of Valentin Inzko, the double-hatted High Representative/EUSR, was extended for another year until August 2011.

The October elections saw the rise of the non-nationalist Social Democratic Party. Soon after the elections, it became clear that an agreement among the main political parties to form the new government at the state and entity level was going to be elusive. At the end of 2010, three months after the elections, no agreement had been reached. Worryingly, the divide between the Bosnian Serb and Bosnian Croat parties, on the one hand, and the Bosniak Party and the Social Democratic Party, on the other, seemed to become wider. Bosnian Croats, in particular, have become more vocal about their desire to establish a third entity, openly challenging the Dayton Agreement. This political instability has developed in the backdrop of a severe economic crisis which has required the introduction of cuts to social benefits (including cuts to income support for war veterans) and caused social unrest.

In its annual report about the country’s progress, the Commission stressed the need for the country to align its constitution with the European Convention of Human Rights, to improve the functioning of its political institutions and to comply with the conditions set for the closure of the OHR (Commission, 2010c). In January 2010, EUFOR Althea’s mandate was amended to include non-executive capacity-building and training tasks as part of the EU’s contribution to security sector reform in the country. UN Security Council Resolution 1948 of 2010 extended the mandate of the operation until November 2011. Given the unstable political situation in the country, a final date for withdrawal has not been agreed by the Member States.

Albania’s progress toward membership remained sluggish due to the political crisis affecting the country’s political institutions, which deepened in 2010. The crisis started when the results of the 2009 general elections, won narrowly by Sali Berisha’s Democratic Party of Albania, were challenged by the main contender, the Socialist Party led by Edi Rama, on grounds of electoral fraud. This was followed by a boycott of the parliament in the autumn. In fact, the opposition did not return to the legislature until mid-2010, and only after the mediation efforts of MEPs Joseph Daul and Martin Schulz, supported by the High Representative and the Enlargement Commissioner (European Union, 2010a). However, tensions among the government and the main opposition party remained throughout the year, having a negative impact on the reform process. This problem was identified as one of the key obstacles in the country’s path towards EU integration and motivated the Commission’s decision not to grant Albania the status of candidate country in its Opinion published in the autumn enlargement package. The Commission pointed to the need to ‘ensure the proper functioning of Parliament on the basis of a
constructive and sustained political dialogue among all political parties’ as one of the key priorities; other priorities referred to the rule of law, public administration and minority rights, among others (Commission, 2010c, pp. 27–8). The Opinion stated that ‘negotiations for accession to the European Union should be opened once the country has achieved the necessary degree of compliance with the membership criteria, and in particular the Copenhagen political criteria requiring the stability of institutions guaranteeing notably democracy and the rule of law’ (Commission, 2010c, p. 27).

For its part, Montenegro was granted candidate status by the Council in December following a recommendation by the Commission. However, in order to open accession negotiations, the Commission recommended the fulfilment of some key priorities – particularly in the area of rule of law (Commission, 2010c, pp. 25–6). High levels of corruption and organized crime continue to be a concern (Commission, 2010c, p. 28). The government survived a no-confidence vote in April organized by the opposition which had accused the Democratic Party of Socialists government of failing to deal with these problems (WEU Assembly, 2010, p. 20). A few days after the Council’s decision to grant candidate status, Montenegro’s prime minister Milo Đukanović resigned, after almost 20 years serving the country either as president or prime minister. His successor, former deputy prime minister Igor Luksić, announced that his main priority would be to ‘implement measures for Montenegro to open accession talks with the European Union’.14

II. European Neighbourhood Policy

General Developments

The European Commission published its most recent assessment of the implementation of the European neighbourhood policy (ENP) in May 2010, replicating the processes conducted in 2006 and 2009 (Commission, 2010a). As with previous reports, the Commission offered an overall assessment of policy implementation and specific analysis by sectors and by countries. The Commission was candid in highlighting that corruption remains pervasive across much of the region and that democratic reforms have slowed and human rights standards have slipped. Furthermore, the EU – as a joint initiative of Ashton and Füle – launched a Strategic Review of the ENP in summer 2010 with a view to reporting on its findings in spring 2011.

The Union for the Mediterranean

The two strands of the ENP continued to exhibit their distinctive characteristics in 2010. The Union for the Mediterranean (UfM) atrophied as a largely failed exercise in relaunching the Union’s multilateral policy towards the Mediterranean basin. As with its predecessor, the Euro-Mediterranean Policy, the UfM has been stymied by a lack of progress in the Middle East peace process. This was clearly demonstrated in the decision to cancel the second summit of the UfM, which was due to be hosted by the Spanish Presidency of the EU in June 2010. Although it was cancelled by the UfM’s joint Egyptian–French Presidency, ostensibly to allow for unencumbered talks between Palestine and Israel, press reporting suggested that the real cause was an Arab threat to boycott the summit if Israel’s foreign minister attended.

The operation of the UfM is largely encumbered by the consensus needed among its 48 members for projects to be agreed. Further, the lack of a secretariat for the UfM for over a year further held up agreements between the members. In contrast, the Eastern Partnership (EaP) continued to demonstrate a much greater degree of success with its structures and processes facilitating further development of the strands of its policy tailored to the EU’s neighbours to the east.

Eastern Partnership

The EaP continued to follow the mode of operation outlined in the previous assessment of the EU’s relationship with the wider Europe (see Whitman and Juncos, 2010). It replicates the ENP in having both bilateral and multilateral arrangements. Progress on the individual negotiation of the new-style Association agreements is noted country-by-country below.

The most visible element of the multilateral strand of the EaP was the annual meeting of Ministers of Foreign Affairs in December 2010 in Brussels. The meeting was chaired by High Representative Ashton ‘joined by’ Commissioner Füle, indicating that the EaP (alongside the ENP) remains a policy activity still divided between the Commission and the EEAS. At the meeting, the Commission presented an implementation report on the progress of the Partnership.

The organizing agenda for the multilateral strand of the EaP remains the four thematic platforms and their attendant work programmes covering the period 2009–11. The platforms, which are gatherings of senior officials, took place at least twice during 2010 and they reported to the annual Foreign Affairs Ministers meetings. The Flagship Initiatives established under the

15 On the Spanish Presidency, see Heywood in this volume.
EaP (on integrated border management; the small and medium size enterprise facility; prevention and preparedness for natural and man-made disasters; regional energy markets and energy efficiency; the southern energy corridor; promoting good environmental governance) have been rather less noteworthy in their achievements and with funding resources being a hindrance to their success.

The civil society dimension of the EaP – the Eastern Partnership Civil Society Forum (CSF) – met for its second gathering on 18–19 November. The participating organizations from both EU and EaP states produced a set of recommendations that was presented to the Foreign Ministers meeting. However, it is still not clear the extent to which the CSF has made an impact on functioning on the EaP or the issues on the agenda of the participating states. The EU–Neighbourhood East Parliamentary Assembly (Euronest), which brings together the EP and the parliaments of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – did not meet in 2010 as there was a failure of agreement regarding the composition of the Belarusian representation. It is now anticipated that Euronest will meet for the first time in spring 2011.

Bilateral Relations

Belarus

Belarus remained outside the EaP in 2010 and relations with the EU underwent a downturn in late 2010. In October, the EU suspended the travel ban and other restrictions on President Aleksander Lukashenko and 35 other named members of the regime which were originally introduced after undemocratic elections in 2006. The hope was that these would facilitate an improvement in the standards of the presidential elections scheduled for December.

The failure to improve democratic standards in the 19 December elections triggered large-scale public protests in Minsk’s Independence Square calling for the president’s resignation and a rerunning of the election. The use of riot police against the protesters followed, with opposition candidates among those assaulted. Many demonstrators were detained, including Vladimir Neklyayev – a 64-year-old opposition candidate who was beaten unconscious and then abducted from his hospital bed by plain clothes officers. The Organization for Security and Co-operation in Europe (OSCE) election observer mission subsequently confirmed the failings of the electoral process. The EU’s High Representative was initially criticized for what was seen as a tepid declaration on the election and the violence, but an unusual joint EU–US
A communiqué signed by Baroness Ashton and American Secretary of State Hillary Clinton, issued on 23 December, called for the release of all detained demonstrators and threatened unspecified action against Belarus for non-compliance. The year concluded with Member States divided on an appropriate response to the events in Belarus and with a concern in some quarters that punitive actions would drive the Belarusian regime even further into isolationism and further strengthening its relations with the Russian Federation to the EU’s disadvantage.

Moldova

EU–Moldova relations continued to be stymied by the political situation in Moldova in 2010. However, its May 2010 ENP Progress Report was positive and compliance with the EU–Moldova Action Plan was noted. The opening of negotiations for an Association Agreement on 12 January 2010 made progress during the year, but as it follows the model of that for Ukraine, negotiations can be anticipated to last several years.

General elections in November were inconclusive and with no party enjoying an overall majority. The eventual outcome was a three-party coalition agreement reached in December, which allowed the Alliance for European Integration, committed to furthering relations with the EU, and for Prime Minister Vlad Filat, to remain in power. However, the governing alliance’s parliamentary power still lacked the necessary three-fifths majority needed to appoint a replacement for President Vladimir Voronin, who resigned in September 2009, with the parliamentary Speaker continuing to conduct presidential duties.

EU–Moldova policies did, however, advance in two areas in 2010. First, a dialogue opened in June is the starting point for visa-free travel. Furthermore, the Member States reached agreement in October to ask the European Commission to draw up an Action Plan for visa-free travel for Moldova along the lines of the model agreed for Ukraine and detailed below. This is also in line with the Commission’s preferred ‘regional approach’ to visa liberalization that envisages all EaP states developing a broadly similar relationship with the Union to a common timetable. Second, on 1 May, Moldova signed the treaty to join the Energy Community (Ukraine signed the accession protocol in September) which is open to states with direct physical links to the EU electricity and gas grids, thereby committing to accepting the EU energy market rules.

Ukraine

EU–Ukraine relations did not undergo the downturn that many commentators expected following the election of Viktor Yanukovych – an opponent of the
Orange Revolution – as president of Ukraine in February 2010, Yanukovych chose to make Brussels the location for his first overseas visit and outlined his intention to give priority to advancing the relationship with the EU. A key indicator of the relationship – the prolonged negotiations for an Association Agreement, which commenced in 2007 – continued throughout 2010. These were given impetus following a visit by Commissioner Füle to Kiev in April and the presentation of a ‘to-do’ list of 18 necessary reforms required to conclude the negotiations and covering political reforms, macro-financial stability, the business environment, the energy sector, the environment and civil aviation. Füle described this list as a ‘political steering’ instrument intended to guide the Ukrainian government in the priorities for reform and to facilitate the conclusion of the Association Agreement.16

A significant proportion of the negotiations have now been concluded and substantive areas of agreement reached as outlined in the fourth progress report on the negotiations produced in November (EEAS, 2010). A key element of complexity in the ongoing negotiations is the Deep and Comprehensive Free Trade Area (DCFTA) intended to be at the core of the agreement and for which the 14th round of negotiations were concluded in early December. Separately the EU agreed to supplement Ukraine’s International Monetary Fund Standby Loan of July with a macro-financial assistance package of €610 million.

The EU–Ukraine summit in November 2010 was largely notable for the agreement on an Action Plan for visa-free liberalization for short-stay Ukrainian visitors to the EU (Council, 2010b). The Action Plan sets out in significant detail the precise improvements needed in border control, migration and asylum policies, and the protection of travel documents to facilitate visa-free travel. The details of the Plan make clear that such travel is a longer-term objective, rather than one to be anticipated in the near future.

South Caucasus – Georgia, Armenia and Azerbaijan
The EU continued to struggle to have a discernible impact in the South Caucasus in 2010. Despite the creation of a common framework for three states through the EaP, each state’s relationship with the EU is essentially conducted bilaterally. The EU’s aspirations for a greater role in stimulating a greater degree of economic and political interdependence between the states of the South Caucasus are hostage to the resolution of the ongoing Armenia and Azerbaijan dispute over Nagorno-Karabakh and with the outcome of the 2008 Georgia–Russia war remaining in stalemate. With the EEAS in the

16 EUObserver.com, 28 April 2011.
process of being established in 2010, the Union’s key conflict management instruments in the region remained the EU Monitoring Mission (EUMM) and the EU Special Representatives.

The EU’s attempt to treat the states as a grouping was indicated by the opening of negotiations for an Association Agreement with all three states in mid-July. However, as the Commission’s own ENP monitoring reports on Action Plans indicate, the states continue to suffer from weak political systems and underperforming economies. However, it is noteworthy that the rise in world oil prices, and the consequent benefit to Azerbaijan, also indicates that the Union needs to pursue a policy in the region that takes into account the specific circumstances of each of the three states.

North Africa

The continuity and stability in the EU’s relationship with North Africa in 2010 offered no indication as to the challenges to Union policy that were to emerge in early 2011. As noted above, the UfM was a largely insignificant vehicle for the conduct of relations and the predominant structure of the relationship was under the auspices of the Action Plans under the ENP and the European Neighbourhood and Partnership Instrument (ENPI). The first EU–Morocco summit in Granada, under the Spanish Presidency, on 7 March 2010 was the first summit the EU and a Mediterranean state held under the new arrangements for foreign policy representation introduced under the Lisbon Treaty. The occasion confirmed the status of Morocco as primus inter pares among the North African states. Tunisia’s and Egypt’s relationships with the EU fall into a second category and are conducted via the ENP Action Plans and the ENPI.

Libya remained outside the scope of the ENP and the UfM. Negotiations between the EU and Libya, on a Framework Agreement, which commenced in November 2008 (and intended to open the way for the first substantive agreement between the two parties), were not concluded in 2010. However, relations did move forward in a number of respects. During a visit to Tripoli between 4 and 5 October, Cecilia Malmström, European Commissioner for Home Affairs, and Štefan Füle signed an agreement on a migration cooperation border surveillance system, mobility-related issues, smuggling and trafficking in human beings, and dialogue on refugees and international protection. In 2010, the EU also agreed with the Libyan government to provide €60 million in financial support across 2011–13 for Libya’s health sector, to support economic development (primarily for small and medium enterprises) and assist the Libyan administration in modernization. A further agreement was reached to open an EU Office in Tripoli.
Middle East

The humanitarian situation in Gaza remained a source of concern during 2010. On several occasions, the EU called on Israel to open the Gaza crossings to humanitarian aid, commercial goods and persons (see, for instance, European Union, 2010c). The attention of the world turned again to the Israeli-Gaza conflict when nine activists were killed during a raid by Israeli commandos on a flotilla carrying aid to the Gaza Strip. The attack brought worldwide condemnation. In a declaration, the EU ‘condemned the use of violence that has produced a high number of victims among the members of the flotilla and demanded an immediate, full and impartial inquiry into the events and the circumstances surrounding them’ (European Union, 2010b). Following increasing international pressure, in June, Israel decided to ease the blockade of the Gaza Strip and to allow for more civilian goods to enter the territory.17 However, the December Council Conclusions recognized that ‘changes on the ground have been limited and insufficient so far’ (Council, 2010c). In August, Israel and the Palestinian Authority agreed to resume direct talks – a move welcomed by Baroness Ashton (European Union, 2010d). The Israeli decision in September not to extend the moratorium of settlements constituted a new setback to the peace process and was severely criticized by the EU. According to the December Council Conclusions, the EU’s ‘views on settlements, including in East Jerusalem, are clear: they are illegal under international law and an obstacle to peace’ (Council, 2010c).

Norway and Switzerland

Norway’s high degree of economic integration into the single market and with the eurozone meant the EU’s economic travails were of significant concern to the EU’s Nordic non-member – and the other European Economic Area (EEA) states – in 2010. The EU’s agreement on a new System of Financial Supervision with three supervisory authorities in the areas of banking, insurance and securities immediately had implications for all of the EEA Member States, who looked for clarification of the role of the supervisory authorities in the new European Systemic Risk Board (ESRB). The financial crisis also appeared to reduce levels of public support for possible future membership of the EU. This issue had been raised in the Norwegian press following Iceland’s shift of stance on accession. However, the governing coalition led by Jens Stoltenberg of the Labour Party offered no suggestion that they would alter their collective position on ruling out accession during their term of office.

Norway and the EU also reached two important agreements in 2010. In July 2010, there was the signing of the EEA financial mechanisms to provide financing of €1.789 million for the period 2009–14 for the EU’s 12 most recent members plus Portugal, Greece and Spain. This was used to support projects in the fields of environmental protection and climate change, green industry innovation, health, research and scholarship, cultural heritage, decent work and civil society, and justice and home affairs. Second, there was the signing of the Agreement on further improving market access for fish in the period 2009–14.

EU–Switzerland relations exhibited a chill in 2010. Early 2010 saw EU Member States being drawn into the bilateral dispute between Switzerland and Libya over the arrest of a son of Muammar Gaddafi. Switzerland’s membership of the Schengen Area had the consequence of temporarily extending the travel restrictions on Swiss nationals to EU Member States. In September, the Swiss Federal Council insisted that the bilateral, sectoral approach should remain the limit of relations between the two sides. This drew a riposte in December when the Union’s foreign ministers made clear that the existing relationship based on 120 sector-by-sector agreements was ‘unwieldy’, ‘inconsistent’ and ‘incoherent’, and had ‘clearly reached its limits’. The Swiss preference for another bespoke agreement – a ‘Bilateral III’ agreement – as against the EU’s preference for a new comprehensive agreement was scheduled for bilateral discussions in early 2011.

Conclusions

The EU’s policy towards its neighbourhood continues to demonstrate a high degree of policy stability through accession processes and with the ENP providing coherence in the strategic policies pursued by the EU. Although the current accession processes and accession partners present formidable challenges, there has not been the emergence of a competing vision for the neighbouring states that provides as compelling an incentive as EU membership. However, the region also exhibits a high degree of stasis in terms of the ‘frozen’ and unresolved conflicts within the neighbourhood – and the EU’s current policy offerings have not proved significant in mitigating or resolving conflict. Further, the EU appears to be making a minimal or indeterminate contribution to democratization processes within its neighbourhood.

The extended start-up phase of the EEAS (see Dinan in this volume) meant that the Lisbon Treaty’s foreign policy innovations made no appreciable impact on the neighbourhood in 2010. If this situation was to continue
once these new foreign policy arrangements are operational, this would represent a failure of Lisbon to deliver on its objectives to draw together the main strands of the EU’s foreign policy – dubbed ‘external action’ in the Treaty – and which are closely intermeshed in the policy responses needed by the Union in its neighbourhood.

Key Reading

A discussion of the dynamics of change and continuity in the EU’s enlargement policy, focusing on the supply side of enlargement, can be found in İçener et al. (2010). For an assessment of the EU’s Mediterranean policy, see articles in the special issue of Mediterranean Politics, Vol. 16, No. 1, edited by Federica Bicchi and Richard Gillespie. Musu (2010) provides a comprehensive analysis of the EU’s involvement in the Middle East peace process. A number of works have explored the role of the EU in its eastern neighbourhood: see, for instance, Bosse and Korosteleva-Polglase (2009); Browning and Christou (2010); and Whitman and Wolff (2010).

References


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