Regional and Bilateral Relations of the European Union

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REGIONAL AND BILATERAL RELATIONS OF THE EUROPEAN UNION

Edited by
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Introduction

In our book we intend to analyse the different bilateral and regional relations of the European Union which is a unique (sui generis) organisation. The duality of inter-governmental and super-national natures has influenced the external actions and foreign relations of the EU since the beginning.

In the first chapter Zoltán Gálik attempts to analyse the complex and sometimes volatile relationship of the European Union and the United States of America. The two economic giants possess the largest trade blocks in the world, they account for about 40% of global trade. At the world stage they are fierce competitors and at the same time strategic partners to each other. The chapter tries to highlight the multi-layer relationship from the economic dimensions to the security related partnership agreements. It invites the reader to understand the main causes of the huge trade wars between the two giants, the common sanctions systems, the basic pillars of their security cooperation and it describes their attempts towards the establishment of the Transatlantic Trade and Investment Partnership.

The next chapter elaborated by Anna Molnár describes the historical background of the relations between the Mediterranean region and the EU. The Mediterranean region is composed of 22 countries around the coastal areas of the Mediterranean Sea, and covers portions of three continents Africa, Asia, and Europe. The aim of the Euro–Mediterranean cooperation was to connect the Northern and Southern shores on the Mediterranean Sea. After a brief introduction to the development of the Euro–Med relations, the author describes the contemporary institutional relations and the budget and the financial tools, and the results and challenges of the cooperation.

In the third chapter Tibor Ördögh will present the relationships of the European Communities and Yugoslavia and Turkey, which meant a cooperation of economic proportions. Further on, he will examine the role played by the European Union during the Balkan Wars, and the progress of the Turkish Government towards the Union. He will continue with the development of relations, covering the creation of the policy of the EU regarding the Balkan Region, and the Stabilization and Association Agreement of the states, discussing the present relations, namely the brief introduction of gaining candidate status and the respective negotiations.

In her chapter Mariann Vecsey introduces EU–Africa relations from the beginning of their partnership in 1963 and follows their cooperation from the Yaoundé Convention until the launch of the EU missions in Africa. It discusses the institutions and the financial background of the partnership; Africa receives more aid than any other continent, and the EU is the most enthusiastic donor. The chapter also examines achievements of this partnership of nearly 60 years, and the challenges ahead. It also introduces the new EU Global Strategy and how it refers to Africa.

After the 2004 enlargement, many new countries became neighbours of the EU. The chapter elaborated by Ágnes Tuka introduces the EU role in the region of Eastern

Partnership from the historical background through the concept of the New European Neighbourhood Policy to the new generation of Association Agreements. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine all try to negotiate the closest possible deal with the EU. Although Russia's influence is unquestionable, the stabilising function of the EU is getting more and more obvious in this region. In a separate chapter she examines the EU–Russia relations. Russia clearly became the most controversial player in the Eastern relations of the EU. The annexation of the Crimea and the destabilisation of Eastern Ukraine lead to the introduction of sanctions of the EU and the U.S. As the author argues, the once comprehensive collaboration is now heavily burdened and complicated.

Dániel Harangozó will present the relationship of the EU with the region of Central Asia. After a "late start" in the early 2000s, EU relations with the countries of post-Soviet Central Asia, newly independent in 1991, developed significantly in the last fifteen years. European strategy towards the region lacks focus nonetheless, and the EU's influence pales in comparison with that of both traditionally dominant Russia and newly resurgent China. Moreover, EU policy in Central Asia faces three fundamental tensions: these are tensions between security or stability and human rights; between "ambitions" and "conditions"; and between regional and bilateral cooperation. To make an impact, the EU needs to develop a focused strategy that better recognizes its strengths and limitations, as well as the local realities.

The chapter elaborated by András Bartók gives an overview of the EU's relationship with East Asia by looking at bilateral relations with important partners, namely the People's Republic of China, the Republic of Korea, Japan, and ASEAN. The chance for the EU to become an important factor in the region is increasing; the current territorial and security tensions, while obviously posing significant risks for stability, might warrant deeper EU ties with the region to provide a stabilizing force. With regard to the foreign policy of the European Union, East Asia and sub-regional groupings have gone through a steady evolutionary process, increasingly becoming major partners for the EU. While the EU–China relationship obviously dominates the EU's Asia Pacific considerations – simply by the sheer size of the People's Republic of China (PRC) and its trade with the European Union – a look at the development of an EU global and regional policy shows how other states and organizations have also become important partners.

"Latin America" is an expression of French origin from the 19th century. It designates countries on the American continent that belonged to mother states with neo-Latin languages in the colonial era; that is, they were either Spanish, Portuguese, or French colonies. The EU–Latin America relations are divided into two chapters in this book. In his chapter István Szilágyi deals with the EU–South America nexus, while Mónika Szente-Varga focuses on links between the European Union and states situated south of the United States and north of Colombia.

In his chapter Zoltán Gálik will consider how the European Union and its predecessors related to some of the major global and regional institutions, the United Nations, International Monetary Fund and the World Bank, the World Trade Organisation, the Organisation for Economic Co-operation and Development, the North Atlantic Treaty Organisation, and the Organisation for Security and Co-operation in Europe.

Tamás Hoffmann will analyse the relationship between the European Union and the United Nations. The cooperation of the European Union and the United Nations is

riddled with difficulties arising from often clashing national interests and the lack of adequate representation in many UN bodies. Nevertheless, despite all the current uncertainties, the EU will continue to be a dedicated supporter of the United Nations.

The chapter of András István Türke, beyond giving an outline of the frameworks of EU–NATO relations, is to draft by some examples that behind the scenes which fault lines make internal cooperation difficult, with a strong emphasis on French opinions, as a key state of European integration. It presents firstly the historical and legal background, then the most important political steps of EU–NATO cooperation during the period 1990–2016 and finally a history of police-military cooperation and rivalry in the operational field.

The contribution of Balázs Szent-Iványi discusses the EU's common international development policy. First, it provides some details about the international development system, the broader context in which this policy operates. This is followed by a brief history of the common international development policy, discussing its origins, evolution, and the significant changes the policy went through after the turn of the millennium. The most important features of the policy, including the main principles and norms, funding, institutional set-up, and the allocation of EU aid are discussed, as are three key challenges: the diversion of aid from poverty reduction to other goals; the impact of the EU on the bilateral development policies of the member states; and the challenges associated with measuring the impact of aid.

The case study on the V4 (Visegrád Group or Visegrád Cooperation) is special in a book dealing with the EU's regional and bilateral cooperation. This is because the group went through a fundamental transformation since its foundation in 1991. This chapter elaborated by Alex Etl explores how the EU–V4 relations have changed through the course of transformation from an external, regional domain to an internal partnership.

The V4 (Visegrád Group or Visegrád Cooperation) is at once a subregional, intergovernmental group and an integral part of the European Union. The analysis begins with a historical and institutional background of the EU–V4 relations. The second part compares the success of the "Visegrád brand" with political, economic and social circumstances that detracted from the V4 solidarity and cooperation. The chapter suggests that enhanced Visegrád cooperation is only feasible in certain policy areas, whereas internal divisions inhibit the Group from deeper cooperation in the long run.

The Editors

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The European Union and the United States of America

Zoltán Gálik

The European Union and the United States of America have developed a very close but at the same time very controversial relationship from the end of the Second World War until nowadays. The process of the European integration was closely followed by the U.S. as the American and European political and economic elite always looked at each other as their primary allies during and after the Cold War. On the other hand, Europe and the U.S. possess the largest trade blocks in the world, they account for about 40% of world trade. From the beginning of the European integration they were competing at the global stage. Beyond the trade relations they also have developed a very profound and efficient security, defence and political relationship during the last decades. As the European External Action Service declares, the partnership relies on a *"solid foundation of common values, including a commitment to the rule of law, the democratic process, free enterprise, respect for human rights, and alleviating poverty".* (EEAS 2017) The partnership was formalised only after 1990 when both parties engaged in a joint discussion on a comprehensive future trade deal.

Changes at the World Stage

The economic, political and military hegemony of the European continent and within primarily that of the United Kingdom which lasted for centuries was challenged by the U.S. in the first half of the twentieth century. The monetary and trade hegemony of the U.K. collapsed after the First World War and the U.S. built up its own global hegemony with the creation of the Bretton Woods institutions, the dollar standard system and with the creations of its nuclear arsenal. The major powers of the European continent struggled to gain back their political importance. They became weak and relatively incapable to perform at the global stage, their global influence declined and the hostility between the U.S. and the Soviet Union determined the political and military landscape for the next four decades.

The U.S. always looked at the European partners as her primary political allies although she considered them very different from the beginning. The U.S. and the U.K. built up a very "special relationship" since the middle of the Second World War, West Germany tied its foreign policy towards the U.S. at the constitutional level, and the French relations were also close during the dawn of the European integration. The U.S. was not selective when economic or military interests were at stake: they opted to cooperate even with Franco's Spain during the hardest dictatorship years. The U.S. needed a strong and economically active European continent which is capable to rebuild world trade, absorb the American goods and services and able to stabilise the new world economy.

Western European countries remained very vulnerable in the face of the Soviet threat but the U.S. hesitated to decide the appropriate form of cooperation with them. Although the U.K., France, the Benelux countries began to create the regional security architecture with the creation of the Brussels Treaty in 1948, a new transatlantic security framework was also created with the establishment of the North Atlantic Treaty Organisation in 1949.

The U.S. also provided the necessary liquidity and investment level to the Western European countries with the Marshall plan (about USD 13 billion in current vale about USD 140 billion) and private and public loans, credits, grants and – they supported the establishment of the first intergovernmental institution among them with the creation of the Organisation of European Economic Cooperation in 1947.

The U.S. and European Integration

The 1950s was undoubtedly a decade of unprecedented economic growth for the U.S. and for the Western European countries. The U.S. was interested in the economic stabilisation and success of the Europeans and supported the creation of the first successful (e.g. European Coal and Steel Community, Western European Union) and also the failed institutions (European Defence Community, European Political Community) of the integration. The U.S. was interested in the creation of the ECSC providing a 100 million USD loan to the organisation and by naming a representative to the Authority with the rank of Ambassador.

The creation of the European Economic Community (EEC) and the EURATOM were much controversial from the U.S. perspective. The process itself was accompanied by profound changes between the once closely allied states. The Suez crisis was clearly a turning point in the break between the U.K., France and the U.S., and de Gaulle later further distanced the country from the U.S. political and military influence.

From the first time of its creation the EEC did not seem particularly well suited to the American interests. Although the free trade area helped the economic growth and stabilisation to go on a new level, the creation of the customs union threatened the liberal world economic order and the free market access of the U.S. goods. The establishment of the first huge common economic policy, the Common Agricultural Policy (CAP) clearly went against the interests of the U.S. The EEC member states wanted to become a dominant agricultural producer at the world stage and with the creation of the CAP they created an artificial economic system in which free market access seemed almost impossible from the outside. It is therefore reasonable that the U.S. pushed the U.K. hardly to join the EEC during the first attempts in 1961–63 and in 1967, since it hoped that the Brits could be the "backdoor" for the European markets.

With the establishment of the EURATOM, the Europeans created an international organisation which is responsible for the creation of a common market for the development of the peaceful use of atomic energy. Nuclear energy played an important role not just from a military perspective but also it was seen as a key factor in strategic and economic terms. The McMahon Act, enacted by Congress in 1946, restricted the access to nuclear information to other countries between 1946 and 1958. With the creation of the EURATOM the Western European states established their own regulatory authority. Scientific

cooperation between the U.S. and Europe started in 1958 with the appointment of an accredited mission of the U.S. to the EUROATOM.

Early Relations with the European Economic Community

The Treaty of Rome established the foreign trade relation system of the European Economic Community. The EEC became an autonomous international legal entity capable to conclude trade agreements and treaties; it has the authority to act in the name of the member states. The external relations were divided into two main categories: preferential and non-preferential relations. The relations with the U.S. belonged to the latter. Article 113 of the EEC Treaty provided the express authority for the Community to enter certain types of external agreements. It also expressed the uniform principles e.g. tariff and trade agreements, export policy, and measures to protect the interests of the member states in case of dumping or subsidies. It also offered protection against unfair trade practices by third countries, and the possibility to introduce remedies against improper commercial activities.

The Treaty provided the framework in which the negotiations should take place. The Commission makes recommendations to the Council which issues the directives for the negotiations, and it authorizes the Commission to open and conduct the negotiations.

One of the first agreements was signed in May 1958. (CVCE 1958) The objective of the agreement was to cooperate by promoting usage of nuclear energy.

During the first decades of its existence, the EEC also developed her international cooperation and aid system. The first arrangements were signed primarily between the EEC and former colonies of some member states, and the European Development Fund helped the transformation of developing countries. The partnership in development was established after 1969 with the U.S. (the *Partners in Development* report of the Pearson Commission of International Development created the framework for cooperation, [Pearson 1969]). Both the EU and the U.S. slowly introduced political conditionality in the development aid.

The early collaborations focused mainly to sectorial cooperation like environmental protection (1974), renewable energy (1982), nuclear safety and radiation protection (1986), but comprehensive trade negotiations did not take place between the EC and the U.S. As the European Communities absorbed new member states (in 1973 the U.K., Ireland, Denmark, in 1981 Greece and in 1986 Spain and Portugal) the importance of the Single Market has steadily become clear.

On the global stage the EC and the U.S. acted hand in hand several times during the 1970s and the 1980s. The member states of the European Community together with other highly industrialized nations supported the rearrangement of international order with the creation of the Smithsonian Agreement in 1971,[1] and in 1989 agreed in the Washington Consensus, a broadly free market economic idea (free trade, floating exchange rates, free markets and macroeconomic stability).

[1] The Smithsonian Agreement in 1971 ended the fixed exchange rate mechanism and introduced a new dollar standard system where the highly industrialized nations were pegged to the USD at a central rate with ± 2.25% fluctuation.

The U.S. and the EC also worked closely together at the international trade institutions primarily in the GATT. The subsequent rounds of the GATT negotiations from the early 1950s resulted the international trade liberalization, the new trade rules, tariff concessions, the plurilateral agreements, the Anti-Dumping Agreement, later the efforts to eliminate trade barriers that do not take the form of tariffs both in the territory of industrial and agricultural goods. Later the negotiations were extended towards investment measures (Trade-Related Investment Measures) and intellectual property rights (Trade-Related Aspects of Intellectual Property Rights).

Towards a Closer Economic Cooperation

The EU and the U.S. has begun to tighten a closer economic relationship in the 1990s. The end of the Cold War ended the division between the East and the West, the bipolar world was replaced with a new world order marked by two controversial tendencies: growing globalization and fragmentation. The fundamental redefinition of international relationships began to take shape on security, economic and environmental levels.

The *Transatlantic Declaration on EC–US Relations* in 1990 was the first document in which both parties declared their intentions to create economic partnership on many areas. It is important to keep in mind that the first agreements were not aimed to be free trade area agreements, only a very limited and timid rapprochement took place. The Transatlantic Declaration was intended "to build bridges across the Atlantic", "promote peace, stability and democracy and development around the world", improve the world trade, and to find common answers to global challenges.

The EU and the U.S. recognised they mutual commitment towards the multilateral trading system, and they shared the basic concepts of "transparency and the implementation of GATT and OECD principles concerning both trade in goods and services and investment". (TD 1990, 2.) The areas of interest included competition and transportation policy, telecommunications, high technology, standardisation, science and technology, research in medicine, environmental protection, pollution prevention, energy, space, high energy physics, safety of nuclear installations, education and culture. The U.S. and the EU begun to hold bi-annual consultations between the parties at the Foreign Minister level, the Presidency Foreign Minister/Troika and U.S. Secretary of State level, and between the European Commission and the U.S. Government.

A more sophisticated approach was introduced in 1995 with the *New Transatlantic Agenda* which also consisted of a *Joint EU–US Action Plan.* This document concentrates more on political relations while the previous one is more economic-centred. The main declarations of the Transatlantic Agenda were held with four major goals: (NTA 1995)

- Promoting peace and stability, democracy and development around the world primarily in focus to the former Yugoslavia, "the support of Central and Eastern Europe in their efforts to restructure their economies, strengthen their democratic and market institutions", and "commitment to the achievement of a just, lasting and comprehensive peace in the Middle East".
- Responding to global challenges.
- Contributing to the expansion of world trade and closer economic relations.
- Building bridges across the Atlantic.

The next stage of the economic partnership was introduced in May 1998 at the London EU–U.S. summit. The parties adopted a joint statement on the Transatlantic Economic Partnership (TEP) which intended to extend the bilateral cooperation into the field of investment and trade. The agreement aims were intended to be achieved through regulatory cooperation, removal of trade barriers or through coordinated actions in international organisations. The agreement listed some special areas of interest where the EU and the U.S. would start formal negotiations:

- Dispute settlement
- Transparency
- Implementation
- Services
- Agriculture: food safety, plant and animal health and biotechnology
- Trade facilitation
- Industrial tariffs
- Intellectual property
- Investment
- Procurement
- Trade and environment
- Developing countries
- Electronic commerce
- Core labour standards
- Rule of law issues
- Mutual recognition
- Alignment of standards and regulatory requirements
- Consumer product safety
- Biotechnology

The signature of a Mutual Recognition Agreement made common standards in six specific sectors: pharmaceuticals, medical devices, electromagnetic compatibility, electric safety, telecommunication equipment and recreational craft.

The intensity of talks was clearly put to a new level. The Transatlantic Business Dialogue (TABD), the Transatlantic Labour Dialogue (TALD), the Transatlantic Consumer Dialog (TACD), the Transatlantic Development Dialogue (TADD) and the Transatlantic Environmental Dialogue (TAED) created a much wider space to conclude the talks between the EU and the U.S.

Under the TEP agreement free trade was planned to be extended between the EU and the U.S. until 2010, primarily in the field of liberalisation of services. But the two economic giants also intended to move beyond the WTO rules in the TRIPS and TRIMS.

Although the U.S. still looked at Europe as her primary ally, the profound geopolitical rearrangement started after 1990. The NATO was undoubtedly the cornerstone of the transatlantic military relations unit the end of the Cold War, but after 1990 the U.S. began to shift the focus to other territories. The new security challenges transformed the NATO structure and military instruments, the “out of area” missions were introduced, and the U.S. began to use the “go it alone” policy more frequently which was accompanied by the “new coalition building” efforts. The EU developed its own security architecture with the slow incorporation

of the Western European Union's instruments (Forces Answerable to Western European Union, FAWEU), but the NATO–EU cooperation was also strengthened during the 1990s. The NATO developed the European Security and Defence Identity at the Berlin Conference in 1996 (ESDI 1996) which focused among others on the "arrangements for the release, monitoring, and return or recall of NATO assets and capabilities made available, on a case-by-case basis, to support WEU-led operations", "close NATO–WEU consultations on planning and conducting WEU-led operations using NATO assets and capabilities". The Berlin Agreement later was extended with the Defence Capabilities Initiative (DCI) in December 1999, "with a special focus on interoperability", "the deployability and mobility of forces, on their sustainability and logistics, their survivability and effective engagement capability, and on consultation, command and control". The process was later extended with the Berlin Plus Agreement in 2002, with assured access to NATO planning capabilities and the availability of NATO assets and capabilities for EU-led crisis management operations.

In June 2005 the EU and the U.S. launched the *EU–US initiative to enhance trans-atlantic economic integration and growth.* The initiative further deepened the regulatory convergence and extended the talks into the following 15 areas: pharmaceuticals, automobile safety, information and communications technology, standards in regulations, cosmetics, consumer product safety, consumer protection, enforcement cooperation, unfair commercial practices, nutritional labelling, food safety, marine equipment, eco-design, chemicals, energy efficiency, telecommunications and radio communications equipment, electromagnetic compatibility, and medical devices. At the same time talks were opened on horizontal areas such as on general regulatory policies and practices related to better regulation like impact assessment methodologies, risk assessment methodologies and public consultation. (IEI 2005) The regulatory regime focus was extended to new areas of cooperation with measures against money laundering and terrorist financing cooperation.

The 9/11 terrorist attacks on the U.S., later the Madrid (2004) and London (2005) bombings gave a new momentum to the EU and United States to combat terrorism and to cooperate on judicial, policing and intelligence areas. The cooperation was an integral part of the so called Hague programme of the EU (started in 2004) which included anti-terrorist measures, and the promise of an integrated management of the Union's external borders. The U.S. and EU agencies established reciprocal liaison relationships, the Europol has posted two liaison officers in Washington, D.C., and the United States has stationed an FBI officer in The Hague to work with Europol on counterterrorism. *The Law Enforcement and Intelligence Cooperation Agreements* (signed in 2001) were intended to share "strategic" information threat tips, crime patterns, risk assessments, and personal information (names, addresses, and criminal records). In 2007 an agreement was reached that set common standards for the security of classified information to facilitate the exchange information. The EU and the U.S. also concluded agreements on extradition and mutual legal assistance, but the U.S. death penalty and the extradition of EU nationals posed particular challenges to the process.

The areas of cooperation were covered by the strengthening border controls and transport security aviation and air cargo security, maritime cargo screening, visa waiver program, detainee issues and civil liberties.

Other significant cooperation areas include the improvement of U.S. cooperation with FRONTEX with the adaptation of a Transatlantic Registered Travelers System,

helping the EU to build a European Travel Information and Authorisation System and expand the Visa Waiver Program, establish a transatlantic arrest warrant, establish joint investigation teams, including Europol and Eurojust, cooperation in new areas of criminal investigation, including cybercrime, trafficking in humans and drugs, and arms smuggling, reach out together to third states to enhance greater cooperation in law enforcement, include transatlantic cooperation in EU discussions of the external dimension of internal security, provide a legal and organizational basis for U.S. cooperation with Europol. (AC 2009)

Common Sanctions Policy

The EU and the U.S. have many coordinated economic sanctions currently and in the past against countries like Russia, Syria, North Korea and partly Iran. These sanctions can target individuals, organisations, entities and even governments. The key objectives behind the sanctions can be the safeguarding of the common values, preventing conflicts or strengthening international security, preserving peace, consolidating democracy, the rule of law or acting against violation of human rights and principles of international law. As the world's two major economic and political powers, the EU and the U.S. can significantly influence the ability of the targeted entities to interact with others in the international system. Along with the United Nations' sanctions they are capable of efficiently block international trade with the sanctioned states. As the U.S. and the EU control the majority of the global financial infrastructure and resources, the effects of their cooperation could not easily be circumvented. Sanctions usually target the trade, the financial sector of a given country restricting the investment to and from the sanctioned actor.

Iran: Although the first U.S. sanctions were implemented against Iran in 1979 because of the hostage crisis in the U.S. embassy in Tehran, the EU joined the sanctions system only after 2006 because of Iran's nuclear program which many observed as a front for the development of a nuclear weapon. The U.N. Security Council adopted resolutions requiring Iran to stop the uranium enrichment procedure and it introduced restrictive measures to persuade the country to comply with the resolution. Diplomatic discussions started between Iran and the E3/EU + 3 (France, Germany, U.K. + the U.S., Russia and China). The EU and the U.S. implemented the U.N. sanctions with the prohibition of investments by Iran in any commercial activity involving nuclear materials and technology, with introducing financial and travel restrictions on individuals, and with the freezing of funds and economic resources to individuals and entities. Iran and the EU + 3 finally agreed on the Joint Comprehensive Plan of Action (JCPOA) on 14 July 2015. In the JCPOA Iran agreed to stop some of its enrichment capacities, modified the Arak heavy water reactor and exported its enriched uranium. In exchange for that the EU and the U.S. progressively lifted the economic and nuclear-related sanctions. During 2017 President Trump indicated many times that he would not renew sanctions relief for Iran because the agreement did not cover Iran's missile program. As the EU is backing the execution of the JCPOA, a potential divergence can occur between the U.S. and the EU primarily because of the U.S. ability to threaten European firms with Iranian business through secondary sanctions.

Russia: During the Ukrainian crisis which involved the annexation of Crimea and Russian military intervention in Eastern Ukraine, the U.S. and the EU imposed common

sanctions on Russia. The first, second and third round of sanctions from 2014 targeted individuals, companies and the Russian Government. The primary areas of sanctions were Russian energy, financial and arms entities. Along with diplomatic measures, restrictive measures including asset freezes and visa bans, the non-recognition policy of the illegal annexation of the Crimea Peninsula lead to a substantial restriction on economic exchanges with the Crimea (ban of imports, prohibition of investment, goods and technology for transport, telecommunications and energy sector, technical assistance). Both the EU and the U.S. restricted Russia's financial, energy and defence companies' ability to reach financial resources at the international level with cutting the access to primary and secondary capital markets. In September 2014 and later in February 2015 leaders of France, Germany, Ukraine and Russia signed the Minsk I and the Minsk II Protocols to halt the war in the Donbass region of Ukraine and eventually end the hybrid war at the territory of Ukraine. The EU decided to align the existing sanctions regime to the complete implementations of the Minsk Protocols and it prolonged them for 6 months successively.

Syria: The Syrian civil war started in 2011 but U.S. sanctions have been in place since 2004. The U.S. accused the Syrian Government of supporting terrorism, pursuing weapons of mass destruction and missile program and destabilising the region. After 2011 both the EU and the U.S. responded with massive sanctions policy prohibiting any sale or services to Syria. The EU introduced restrictive measures against the Syrian regime with export and import bans, oil embargo, restrictions on investments and financial activity. (Council 2012) The sanction system was strengthened after the use of chemical weapons by the Syrian regime in 2013, 2014 and 2016 and after the bombing of Aleppo. Russia's involvement in the conflict further escalated the situation and the U.S. imposed sanctions on Russia related to its involvement in the use of chemical weapons by the Syrian regime.

North Korea: Although U.S. sanctions were in place since 1950 the EU and the U.S. have worked together to deter North Korea to pursue a secret nuclear program after the Cold War. The extensive sanctions aimed to weaken North Korea's ability to extend its plutonium based nuclear weapons program and persuade North Korea to engage itself towards the global non-proliferation and disarmament regime.[2] The EU first introduced sanctions against North Korea in December 2006 by implementing the UN sanctions on the one hand, on the other hand by adopting autonomous measures among them arms embargo, freezing of assets, travel ban on individuals, ban on imports and exports that could contribute to the nuclear-related or ballistic missile-related programmes. As North Korea extended its nuclear weapons programme and conducted several nuclear bomb tests in 2006, 2009, 2013, 2016 and 2017, the EU and the U.S. imposed further sanctions on the regime with export ban on dual-use goods and technologies, ban on delivery of banknotes and coins, prohibition on issuing or purchasing public or public-guaranteed bonds, prohibition on the opening of new branches, subsidiaries or representative offices of North Korean banks and the prohibition on the establishment of new joint ventures. The measures targeted the North Korean economy with the export and import prohibitions to any item which could help the development of the country's armed forces, and both the EU and the U.S. helped the international community to carry on with the inspection of all cargoes to and from the country.

[2] In 1993 North Korea announced a notice of withdrawal from the Nuclear Nonproliferation Treaty and in January 2003 North Korea announced its immediate withdrawal.

The Transatlantic Trade and Investment Partnership and the Transatlantic Free Trade Area

The United Stated slowly shifted the focus from multilateral agreements to bilateral free trade agreement in the 1990s. Nowadays the U.S. has free trade agreements with 20 countries, which are the following: Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore.

On the other hand, the European Union also began to work on free trade agreements at the same time frame with the highly industrialised countries like Japan, South Korea, Australia and Canada.

In 2013 the European Union and the U.S. opened negotiations to establish the Transatlantic Trade and Investment Partnership (TTIP). The agreement would create the world's largest free trade of 850 million consumers. The TTIP is a comprehensive trade and investment agreement between the European Union and the United States. Through this agreement, they try to create one of the biggest free trade areas. This agreement means a significant step in the history of the European Union. It can make the EU economically much more open towards the United States. The main goals were the following:

- to make the European markets much more open
- to strengthen the investment relationship between the United States and the European Union
- to remove all tariffs on trade
- to reduce non-tariff barriers, which impede the flow of goods, including agricultural goods
- to decrease the differences in regulations and standards between the United States and the European Union, without lowering consumer, health and environmental standards
- to make the small- and medium-sized enterprises more competitive

The U.S. sends 17% of their goods exports to the EU, which totalled $495 billion while imports totalled $587 billion in 2014. The EU is the largest trade partner of the U.S. in goods. The U.S. ranks first as for the EU exports with 20.8% from the total and ranks second on import with 14.6%. (EUTRADE 2016) The U.S. sends a smaller portion of its goods than services to the EU but the volume of trade is still significant.

The agreement is focusing mainly on three important areas: market access, cooperation between EU and U.S. regulators and trade rules. As for the first, the most important aim is to remove all customs on manufactured goods and agricultural products, and to make it easier for companies to provide services both in the U.S. and in the EU. In the second field U.S. and EU regulators have to learn how to work together effectively during setting new regulations and they have to harmonise the regulatory framework. And finally trade rules include non-discriminatory access to natural resources, infrastructure, and renewable energy. The most complex issues are related to cross-border capital flow, energy industry, intellectual property rights, sustainable development and environmental protection, small and medium sized companies.

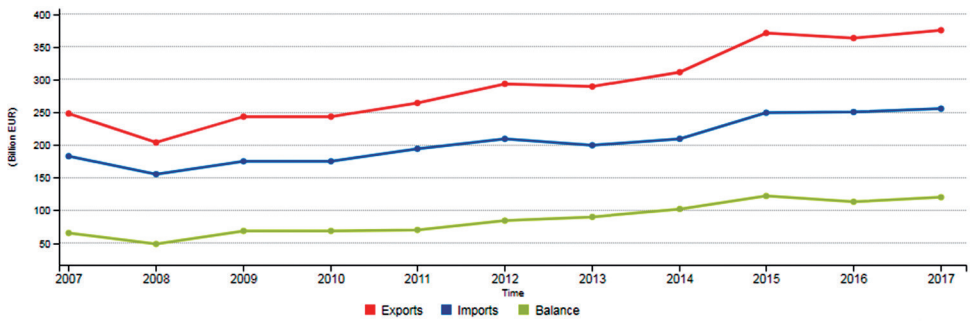

Figure 1.

Imports, exports and trade balance between the EU and the United States, 2007–2017

Source: EUROSTAT 2017

The agreement would help both parties to cut the red tape that firms face when exporting and it can make foreign trade and investments easier. The EU will have the possibility to have higher impact on world trade rules and to spread European values globally. TTIP can boost employment and generate jobs and growth across the EU and the U.S.

On the other hand, experts are divided on the advantages and disadvantages of the agreement, its impact on growth, social conditions and labour market. (Batsaikhan–Hüttl 2016) In some cases common regulatory standards could probably be lower than previously existing stricter European ones, many jobs may be lost in some regions, where industry is less competitive. Since companies may sue governments the latter may be more bureaucratic to avoid unwanted legal consequences.

The U.S. states would definitely benefit from the TTIP, particularly those with advanced manufacturing products like motor vehicles, chemicals exports and that are well integrated into the supply chains of the EU–U.S. automobile market.[3]

The EU estimates that the TTIP deal would increase the size of its economy with approximately 0.5% of its total GDP per year (about EUR 119 billion). According to a CEPR study (CEPR 2013) the most important sectors would be motor vehicles (40%), metal products (12%), processed foods (9%), chemicals (9%) other manufactured goods (6%), other transport equipment (6%).

The possible outcomes of the TTIP could range from the complete removal of tariffs but non-tariffs measures (NTMs) would remain intact to a complete removal of tariffs and NTMs. The NTMs could be reduced by 25% as well, and they can or cannot exclude beef and dairy products.

[3] Particularly Tennessee, Kentucky, Georgia, Florida, South Carolina, Alabama, Wisconsin, Minnesota, Iowa, Nebraska, South Dakota, Ohio, Michigan, Illinois would make clear trade benefits (see Fifty States 2013).

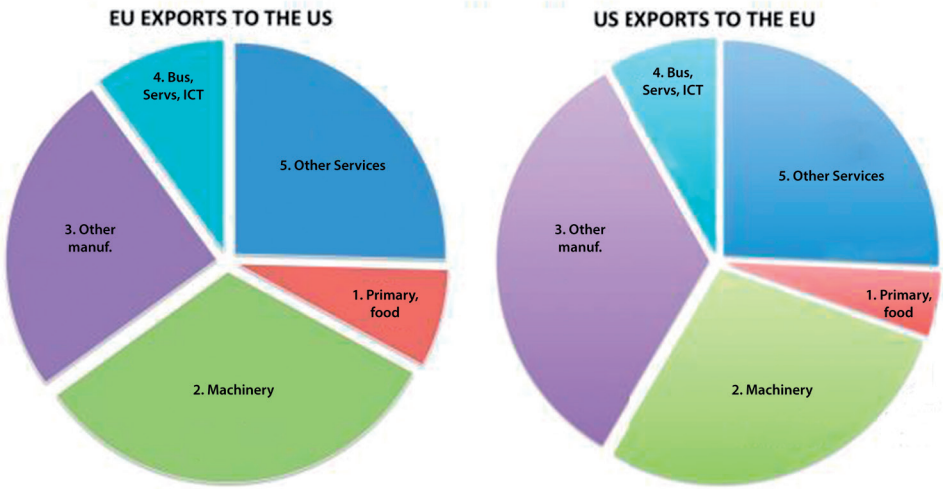

Figure 2.
The bilateral composition of trade in projected benchmark (2027)

Source: CEPR 2013, 9.

Both the EU and the U.S. have developed an open-up climate for foreign direct investment during the recent decades, although significant non-tariff barriers (NTB) constitute important limits to trade and investments. The NTBs are often in the form of domestic regulations, standards or quotas. The elimination of NTBs would have positive results in terms of avoiding redundancy and unnecessary costs as well as opening up potential new markets for small and medium sized enterprises.

Although the investment protection system would have clear advantages for the big multinational companies, it would also risk undercutting the European countries' ability to regulate markets for certain areas like social, environmental or consumer protection.

Since the Lisbon Treaty entered into the competence to negotiate investment agreements, it was transferred from the member states to the EU. Although Investor State Dispute Settlement Systems (ISDS) have been used in the member states' bilateral treaties, the issue became highly controversial in the TTIP negotiations. In 2015 the European Parliament prepared its recommendations regarding the ISDS.

"The European Parliament stressed, […] the need to:

- ensure that foreign investors are treated in a non-discriminatory fashion, including in cases of grievances, while benefiting from no greater rights than domestic investors;
- replace the ISDS system with a new system for resolving disputes between investors and states which is subject to democratic principles and scrutiny, where potential cases are treated in a transparent manner by publicly appointed, independent professional judges in public hearings;

- include an appellate mechanism, where consistency of judicial decisions is ensured, the jurisdiction of courts of the EU and of the Member States is respected, and where private interests cannot undermine public policy objectives." (EIP 2015)

Several other concerns arise in the field of standards on health, consumer rights and the environment, food safety and financial system regulations.

The governments of the EU member states gave the EU Commission a mandate to negotiate on TTIP in 2013. Between 2013 and 2016, 15 negotiating rounds were held, the last one in October 2016. Since than no new round of talks has been planned. The Trump Administration cancelled the Trans–Pacific Partnership in 2017 and the President showed scepticism about the TTIP, as well. The talks are likely to be frozen for years.

Trade Disputes

The EU and the U.S. intensively used the WTO Dispute Settlement System (Understanding on Rules and Procedures Governing the Settlement of Disputes, DSU) to solve the crisis situations between themselves. The Dispute Settlement Body established the panel and it appoints the arbitrators. After the consultation phase a neutral panel issues the report which can be appealed to the Appellate Body, oversees the implementation and the possible compensation.

Although the trade disputes got a very noisy acceptance in the media, only 2% of the total EU–U.S. trade was affected by the serious debates.

Major trade disputes between the EU and the U.S.

- Hormone-treated beef (1989–2009)
- Poultry (1997)
- Genetically modified organism (2004–2006)
- Banana trade war (1999–2009)
- Steel products (2002–2003, 2018)
- Aviation (2004)

Throughout the EU–U.S. trade disputes we can clearly see the complexity of trade negotiations between the two economic giants. In the following chapters we look at the case of the hormone-treated beef, the genetically modified products and banana trade war.

Hormone-treated beef: In 1996 the EU banned the use of synthetic hormones and at the same time limited the use of natural hormones in meat products. Since the 1950s the U.S. has allowed hormones in these products because their usage made meat products more in line with consumer preferences. The ban restricted the export of the U.S. to the EU, and the case landed at the World Trade Organisation's international dispute settlement panel. The judgement of the panel and later the Appellate Body found the EU in violation of international standards and criticised the EU for the lack of a proper risk assessment procedure, but it also stated that the EU could adopt stricter standards in these areas. The EU

did not accept the decision and maintained the ban. The U.S. introduced trade sanctions against some European agricultural product. Finally, in 2009 the U.S. and the EU agreed on a provisional solution *(Memorandum on Beef Hormones),* providing a reduction of sanctions imposed by the U.S. on EU products and improving the market access for high quality beef exported by the U.S.

Poultry: The U.S. is the second largest exporter of poultry meat in the world. In 1997 the EU banned the imports of U.S. poultry treated with antimicrobial rinses,[4] substances the poultry processors use there in their export products. Consequently, the export to Europe collapsed. The EU insisted that its much stricter food safety rules do not allow the lifting of the ban although several scientific opinions indicated no risk to human health in regard to the so called pathogen reduction treatments.

The EU assumption was that the use of these procedures is necessary because of poorer sanitary standards earlier in the production process. The dispute was escalated in 2009 when the Bush Administration requested WTO consultations with the EU. The U.S. argument was that although the GATT's Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures allow member states to regulate their markets and protect their consumers and the environment but all these measures should be based on scientific principles. The case is not yet closed; both parties maintain divergent views primarily on their food safety regulation regime.

Genetically modified organism: European and American consumer preferences are significantly different in case of genetically modified organism. Consumer concern is historically lower in the U.S. and the Europeans are more suspicious on this area. In 1998 the EU and later some member states (France, Germany, Italy, Greece, Austria) also introduced a moratorium on GMO products which angered the U.S., Argentina and Canada. The biggest trade collapse occurred in the corn market where the import volume shrank by about 90%, but the dairy industry was touched, as well. As in case of the hormone-treated beef, the EU was not able to provide any serious scientific based argument supporting the ban, and according to the U.S. the EU violated the WTO's Agreement on the Application of Sanitary and Phytosanitary (SPS) measures, which was later echoed by the WTO's dispute resolution panel. In 2006 the EU accepted the decision and it provided a time-table to terminate the prohibition on the already approved GMO products. During the last decade the EU was slowly moving into GMOs and it has built the legal framework for them (Directive 2001/18/EC, Regulation [EC] 1829/2003, Directive [EU] 2015/412, Regulation [EC] 1830/2003, Directive 2009/41/EC).

Banana trade war: Banana trade is a multi-billion-dollar business a year. Both the U.S. and the EU made significant efforts in the past to provide their allies (in case of some EU member states for former colonies) market opportunities via a trade preference system. These opportunities limited the market access of other countries. Before the establishment of the Single Market, member states followed their own trade policies in this area, but after 1993 the Internal Market of bananas was set up granting duty-free import and quotas for the Lomé Convention countries. The system was not open for the Latin American countries and caused significant barriers to the global banana trading companies, like Chiquita which faced tariff quotas in the EU market. On the other hand, primarily French

[4] Chlorine dioxide, acidified sodium chlorate, trisodium phosphate, and peroxyacids.

and German companies enjoyed special rights and slowly took over the business from traditional distributors.

The case which was supported by the U.S. was referred to the WTO in 1996. The ruling in 1996 and the ruling of the Appellate Body in 1997 found the regime discriminatory and in violation of the WTO trade rules and gave the EU 15 month to change the system. Although the EU made some concessions, the U.S. was not satisfied with the modifications and with the backing of the WTO imposed retaliatory 100% tariffs on approximately 520 million USD worth of EU exports roughly equal to the lost banana trade. The dispute was not settled until 2009 when the Geneva Banana Agreement was agreed by the U.S., the EU and the Latin American countries.[5] The EU changed the tariff-rate quota system to a tariff-only system which required the renegotiation of all the non-preferential agreements. According to the 2012 EU commitments, the tariff rates were decreased from EUR 148/tonne in 2009 to EUR 114/tonne in 2017.

Steel products: The U.S. imports about 35 million tonnes of steel a year and the EU is the biggest exporter accounting for approximately 5 million tonnes. The EU and the U.S. already fought a trade war between 2002–2003 and the Trump Administration also imposed 25% and 10% tariffs on European steel and aluminium products in 2018.

In 2002 President George W. Bush announced temporary 8–30% tariffs on imported steel targeting mainly European and Japanese companies. The primary reason behind these measures was to protect the domestic steel producers which struggled to survive and to restructure in the 1990s. The system helped in some way the domestic steel producers but at the same time they were counterproductive since they penalised the U.S. consumers of foreign steel. The WTO found the U.S. tariffs illegal and it allowed the EU to retaliate with imposing sanctions worth USD 2.2 billion. The EU measures usually target textiles, orange juice, steel and automotive products. In December 2003 the Bush Administration finally stepped back from the trade war with the EU and Japan and the punitive tariffs were lifted on steel import.

On the one hand, the short term positive impacts of the protective measures would be insufficient in the long run. U.S. manufactures are often relying on cheaper foreign products mainly from the EU, China, Canada and higher import prices would lead to higher consumer prices at the domestic market. On the other hand, the revitalising of the steel sector is highly questionable. In addition to the large integrated steel companies, the so called mini mills[6] are more and more responsible for steel production in the U.S. Productivity has increased significantly during the last decades. According to the statistics in the U.S. the 10.1 man-hours to produce a ton of steel in the 1980s was decreased to 1.5 hours, in some cases just to 30 minutes. The work force employed by the steel industry in the U.S. shrunk significantly. More than 650 thousand people were employed in the 1950s but nowadays the industry employs only 140 thousand workers.

The impact of the U.S. tariffs could be immediately felt in the European steel industry. After significant mergers and acquisitions European steel companies are much bigger than their U.S. rivals. The world's largest steel company, ArcelorMittal, was created in 2006

[5] Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela and Peru were involved in the dispute.

[6] Mini mill is a facility which produces steel products from recycled scrap metal.

when Spanish–French–Luxembourger Arcelor was taken over by the Indian owned Mittal Steel. The German steel industry with the dominant player, Thyssenkrupp, supplies about half a million tonnes of steel a year to the U.S.

Aviation: The American Boeing and the European Airbus companies dominate the global market for jet airliners. In defence of the two arch-rivals, the U.S. and the EU often accuse each other of receiving unfair state aid. In 1992 the EU and the U.S. signed the U.S.–EU Large Civil Aircraft Agreement which limited the launch aid subsidies to 33% of the development cost of the aircrafts, eventually agreeing on a progressive reduction of state aid. In addition to the direct impacts, the U.S. regularly accuses the EU with the funding of large scale R&D projects from the civil aviation to satellite navigation systems. At the same time the EU targets the U.S. Government with aerospace industry support.

The EU and the U.S. have been accusing each other with illegal state founding at the WTO since 2004. The U.S. unilaterally withdrew from the 1992 Agreement that year. The WTO case lasted until 2012 and the organisation confirmed that the U.S. Government helped to found the aviation industry with USD 5–6 billion in WTO-inconsistent subsidies between 1989 and 2006. One the other hand, it cleared the EU on the main charge: the EU support for the launch of the Airbus 380 aircraft was not a prohibited export subsidy, and the EU's R&D programmes are fully compatible with WTO rules. (EC 2012)

Technological cooperation

Beyond the comprehensive trade negotiations, the EU also opened discussion with the U.S. on many technology-related areas. The open aviation area negotiations were launched in 2003, with the aim of creating a legal and economic basis for transatlantic air services. The European Common Aviation Area (ECAA), is the world's most liberalised aviation market since 2006. The cooperation with the U.S. would lift the restrictions on investment by foreign entities, would provide transparent conditions, regulatory convergence and harmonisation of air transport standards in safety, security and the environment. (OPENAVI 2007)

Another important area is military and civilian marketplace for global navigation systems. In the 1970s the U.S. developed the Global Positioning System (GPS) which provides high accuracy geo positioning for the aviation industry and for mobile phones. The EU challenges the GPS with its home-grown Global Satellite Navigation System (GNSS) Galileo system. The GNSS provides positioning and timing information with higher accuracy than the GPS. Fortunately, the EU and the U.S. have begun to make the two systems interoperable. The cooperation agreement of 2004 provides the opportunity for the two systems to interoperate via a common signal for the services.

The EU and the U.S. are also cooperating on a broad range of scientific programs: under the EU's Horizon 2020 framework American research programs were also featured. The U.S.–EU Science and Technology Agreement and the Implementing Arrangement facilitate the cooperation. Potential future strategic areas of cooperation could be on the Atlantic Ocean Research Alliance, advanced energy research cooperation and health initiatives.

Working Together at the Global Level

The EU and the U.S. work together at the global level on many different areas. According to the Atlantic Council the main issues are the strengthening of the global financial regulation, coordinate approaches to global economic governance, consider a more focused and effective G20, establish task forces to lead reform of the World Bank and the IMF, work for fundamental governance changes in multilateral institutions, consolidate European representation at the IMF, end the U.S.–European leadership duopoly of the World Bank and IMF. (AC 2009) The efforts also demonstrate a strong commitment towards G20 partner countries to develop a "Green Code" of multilateral trade disciplines. The EU and the U.S. also aim for coordinated approaches to the major emerging economies, like India and China. Since neither the EU nor the U.S. has a free trade agreement with India, they try to reach a joint trade agreement, rather than negotiate rival accords.

In addition to these issues, the EU and the U.S. try to improve the effectiveness of development policies and humanitarian assistance with stronger policy dialogue and coordination, promote partnerships with key private and public-private institutions, and targeting primarily low income countries.

Impact of the BREXIT

The decision of the United Kingdom to leave the European Union could have a profound impact on the EU–U.S. relations. The U.K. hopes that exit from the EU would create new trade opportunities for the country especially with the creation of new free trade agreements with the U.S., Australia and New Zealand. The U.S.–U.K. would focus primarily on the (financial) services sector. Although for the U.S. Ireland remains the gate towards the European Single Market, the U.S. will lose a key ally and a great influence making capacity from Europe.

Britain's decision significantly shifted the EU's political centre of gravity. The EU has seen a shift back to the "Caroling" model of a core EU where the Franco–German axis has a major effect on the EU's strategic decisions and day-to-day decision making. As we noted in the introductory section, the U.S. intentions with the support of a British EEC membership had exactly the adverse effect. Although the leaders of the U.K. want to have a "deep and special" relationship, rushing into a trade agreement could easily harm the U.K.'s interest. The U.S. – as the other countries all over the world – are first interested in the kind of relationship the U.K. will have with the EU.

A comprehensive free trade deal would allow the U.S. to reach the Single Market with fewer limitations. Currently 15% of all U.K. goods exports already go to the U.S. and trade can significantly be boosted in the future. A free trade deal could be a long term project and negotiations could take years to complete; they need to cover a broad range of issues to be compliant with WTO rules. Mutual recognition of product standards and regulatory equivalence, questions regarding mergers and acquisitions can extend the talks for long years. The question of U.K. membership of NAFTA is also making rounds. As with the EU–U.S. TTIP, the main benefit would be the elimination of on-tariff and technical barriers via regulatory convergence for services and goods. This could not be

easily harmonised with UK–EU regulatory convergence. On the other hand, a NAFTA membership would expose the U.K. economy to highly competitive U.S. export which would cause damage for the country. The EU–U.K. supply and distribution chains could also be hurt if the regulatory alignment would make different standards for the two markets. The U.S. would support a Norway-style agreement with the EU through the European Economic Area Membership.

Conclusion

Although the EU and the U.S. already share the largest trade and investment relationship in the world, they have begun to intensify their cooperation recently on a comprehensive free trade and investment partnership. The process is overseen by the Transatlantic Economic Council. The two economic giants are promoters of free trade in the world; they are cooperating both at the bilateral and at the multilateral level. As the European Union has started the "strategic partnership" framework, the once primarily preferential agreement oriented foreign policy is now more and more focused on advanced relations with highly developed economies. With this strategy the EU can maintain the role of a global actor at the world stage both politically and economically.

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The EU and the Mediterranean Region

Anna Molnár

Introduction

In 2017, more than twenty years after the launch of the Barcelona Process, it is obvious that European stability cannot be separated from regional security, political stability, and sustainable economic development of the Mediterranean area. Europe is under the pressure due to migration crises in the Mediterranean area, and fragile and quasi-failing states (Syria, Libya) and even religious extremism (SISIS) have posed serious challenges for the EU foreign policy. It is not surprising, therefore, that after the review of the European Neighbourhood Policy (ENP) in 2015, there has been a greater emphasis on stability in the relations between the EU and its neighbours.

The Mediterranean region (cradle of modern civilization) is composed of 22 countries around the coastal areas of the Mediterranean Sea, and covers portions of three continents: Africa, Asia and Europe. The aim of the Euro–Mediterranean cooperation was to connect the Northern and Southern shores on the Mediterranean Sea. In our days the costal part of West Balkans also belongs to the Mediterranean. It is the consequence of specific historical events that the countries located on the Adriatic shores and belonging to the Mediterranean, originally were not part of the cooperation. Due to the fact that at the time of the establishment of the Euro–Mediterranean Partnership these countries were part of the still existing Yugoslavia, where one war followed the other and the state was literally disintegrating, joining the process was not a realistic option.

The European Mediterranean Partnership (EMP) started in 1995 with the launch of the Barcelona Process "to create an area of peace, stability, security and shared economic prosperity, with full respect of democratic principles, human rights and fundamental freedoms, while promoting mutual understanding between cultures and civilisations in the Euro-Mediterranean region." (Barcelona Declaration 1995) Despite its success in several cases, the EU and the Partner Countries now face a worsening situation in the Middle East and North Africa (MENA) region, and the Eurocentric approach of this partnership is debated by external and internal actors. (Huber–Paciello 2016)

Following the end of the bipolar world, the EU developed the ambitious goal of becoming a real "player" in the MENA region. Although the United States dominated the so-called "Enlarged Mediterranean" or the "Greater Middle East", new threats and challenges to international security and stability (e.g. international terrorism and radicalisation) made it clear that the Mediterranean policy of the EU needed rethinking. After the end of the bipolar international system, firstly in a unipolar, and then, since the end of the millennium, in an

even more complicated and constantly changing multi-polar international system, the role of the Mediterranean has been increasing again and again. (Ehtesham–Mohammadi 2017)

In my paper firstly I describe the historical background of the relations between the Mediterranean region and the EU. Secondly in order to carry out my analysis I give a brief introduction to the development of the Euro–Med relations. After describing the contemporary institutional relations and the budget and financial tools, finally I analyse the results and challenges of the cooperation.

Historical Background

The EU member states have been linked to the countries of the Southern Mediterranean for centuries. Although this region has similar characteristics and common historical background, the Northern and Southern shores of the Mediterranean Region are characterized by contradictions: secular versus religious, democracy versus authoritarian regime, rich versus poor, high level of industrialisation versus low level of industrialization, integrated versus disintegrated region, eldering population versus young population. On the other hand, there are strong interdependencies on several issues (energy, migration, economy) between the two parts.

The relationship between the EC–EU and the Mediterranean region goes back to the period of the bipolar system. Until the 1990s the EC created four types of relations with the Mediterranean states: firstly, preferential trade agreements (1969 with Morocco, Algeria, and Tunisia; 1975 with Israel); secondly, association agreements; thirdly, cooperation agreements; and fourthly, accession agreements. The association agreements, for European countries, meant preparation for accession (e.g. Greece in 1962, Turkey 1963), while the cooperation agreements for non-European countries provided trade preferences (e.g. Morocco in 1976). Within the framework of the Global Mediterranean Policy (PMG) launched in 1972, the European Community (EC) negotiated bilateral trade and co-operation agreements with Southern Mediterranean countries (with the exception of Libya) to strengthen commercial, economic, financial and social cooperation.[1] During the process of the Southern enlargement in the 1980s, accession agreements came into force with the European Mediterranean countries (Greece in 1981, Spain in 1986).

In June 1990, the European Commission proposed a new Mediterranean policy for the Period 1992–1996. This new strategy, known as the Renovated Mediterranean Policy (RMP), increased the budget for financial co-operation with the Mediterranean region on the initiative of the Southern European countries. (Molnár–Siposs 2011) In Rome in December 1990 a sub-regional cooperation was decided on, following the French recommendation. The planned cooperation was to connect the Northern and Southern shores of the Mediterranean Sea. The "4 + 5" Group was created by four countries of the European Community (France, Italy, Portugal, Spain) and the five countries of the Arab Maghreb Union (UMA); subsequently the group developed into "5 + 5" with the accession of Malta.[2]

[1] Euro–Mediterranean cooperation (historical). Source: http://www.medea.be/en/themes/euro-mediterranean-cooperation/euro-mediterranean-cooperation-historical (Accessed: 30.01.2018)

[2] Created in 1989 by Algeria, Libya, Mauritania, Morocco and Tunisia with the aim of promoting the process of integration among the countries of the Great Maghreb.

The initial success of this cooperation was limited due to its mainly economic objectives. Following the Gulf War, the Algerian crisis and the "Lockerbie" case of Libya the initiative lost its buoyancy. (Molnár 2011, 70.)

In 1990, during the Italian Presidency of the Council, the Italian Foreign Minister, Gianni De Michelis, supported by Spain, unsuccessfully proposed the creation of a Conference on Security and Cooperation in the Mediterranean region (CSCM), following the example of the Conference on Security and Cooperation in Europe (CSCE). (Carnovale 1995, 226.) The idea was to create a structured cooperation on the basis of comprehensive security approach of the three-pillar system of the CSCE. (De Perini 2018) Despite the failure of the CSCM proposal, the RMP eventually led to the creation of the Euro–Mediterranean Partnership (EMP). In 1995, during the Barcelona Euro–Mediterranean ministerial meeting, representatives of fifteen EU member states and eleven Mediterranean countries, together with Palestine authorities, signed the so-called Barcelona Declaration. This document is divided into chapters on the political and security, economic, and socio-cultural "baskets" of the partnership. These three key areas, following the successful model of the OSCE, the Barcelona Declaration thus intended to create a zone of peace, stability, security, shared prosperity and deepen the dialogue between the cultures of the Mediterranean area. (Bin 1997, 3; Molnár 2011, 70.)

The Barcelona Declaration renewed relations in several ways. It was, for example, the first time that cultural dialogue received an important role. Thus, the EU recognized as its equal partners the countries situated on the Southern shore of the Mediterranean, treating them not merely as a market for European products, energy providing centres, or migration resources. It also played an important role in strengthening civil society and facilitating dialogue and partnership, and deepening cooperation. In launching the Barcelona process, the EU chose to apply soft power in hopes that the fundamental values of the European Union would take root in the partner states with the consideration of the local characteristics.

The importance of the Southern region declined during the Eastern enlargement that took place in the 2000s, as the EU rethought its financial and institutional framework. Among the twelve new member states there were only three Mediterranean countries (Cyprus, Malta, and Slovenia), and having new borders to the East the Southern region provisionally lost its strategic importance. After publishing the Strategy Paper on the European Neighbourhood Policy in 2004, the conception of a Wider Europe gave a new definition to the EU's outlook; European neighbourhood relations: as relations with the Mediterranean countries were placed on a political level similar to the relationship between the EU and its Eastern neighbours. (European Commission 2004) Following the so called "big bang" enlargement in 2004, the ENP hoped to create a "Ring of Friends" around the EU by strengthening bilateral relations with the partner countries.

In 2005, the "Year of the Mediterranean", the Barcelona Summit reinforced the EMP, adding migration as a fourth key area. The EMP continued as the multilateral forum for dialogue and cooperation, while the ENP guaranteed bilateral relations through association agreements and actions plans with the partner countries. Since the 1990s the EU has signed new types of association agreement with the Southern Mediterranean countries (with the exception of Syria and Libya) after 1999. Today one of the main goals of these agreements has been to create a deep Euro–Mediterranean free trade area. The bilateral

relations reinforced by the Action Plans[3] were complemented by the multilateral partnership of the Barcelona Process. (The Euro–Mediterranean Free Trade 2010)

In February 2007, Nicolas Sarkozy, then French Minister of Internal Affairs, proposed the establishment of a Mediterranean Union connecting the seven Mediterranean EU countries and the non-EU member states on the shores with a kind of reinforced integration and cooperation. In December 2007, German Chancellor Angela Merkel criticized the idea, claiming it risked splitting the EU. Merkel argued that "cooperation between some member states has to be also open to the rest and it has to be approved by all member states. […] It cannot be that some countries establish a Mediterranean Union and fund this with money from EU coffers". (Mahony 2007) Merkel highlighted the importance of the equilibrium between the Southern and Eastern dimensions of the European neighbourhood policy. (Horváth 2008)

As a compromise, the Union for the Mediterranean (UfM) was established without a separate budget in 2008, when France held the presidency of the EU. The union was significantly weaker than the French proposal and, the six main areas of the UfM (the environment and water, transport and urban development, business development, energy, higher education and research, and civil protection) emphasized the economic aspects of relations. (Molnár 2011; Euro–Mediterranean Partnership) Thanks to these compromises, the EMP was re-launched by the partner states with the aim of giving new vitality to the partnership. At the Paris Summit for the Mediterranean in 2008, EU member states and their Mediterranean partners (representatives of 43 countries) decided to construct *The Barcelona Process: Union for the Mediterranean* on the basis of the Barcelona Declaration. (Joint Declaration 2008) The Barcelona Process remained the predecessor of the Union for the Mediterranean. In November 2008, the Marseille meeting of the Euro–Mediterranean Ministers of Foreign Affairs introduced a new institutional structure including the co-presidency representing the EU and the Mediterranean Partner Countries.

Although the failure of the EMP has never been declared officially, its relaunch in 2005 and the creation of the UfM in 2008 implied it. The success of the EMP, and of modernisation and democratisation, depends not only on the EU, but also on the political will and capacity of the neighbouring countries taking part in the process. National ownership has an unquestionable role.

Development of the Euro–Med Relations

Today the EMP, in the framework of the UfM, comprises all twenty-eight member states of the European Union and fifteen partner states across the Southern Mediterranean and the Middle East.[4] Members face common problems, such as maritime pollution and

[3] The Action Plans are political documents on the agenda, objectives and priorities for future relations, contains the following key areas: 1. political dialogue and reform; 2. economic and social cooperation and development; 3. trade related issues, market and regulatory reform; 4. cooperation on justice, liberty and security; 5. sectoral issues including transport, energy, information society, environment, research and development; 6. the human dimension covering people-to-people contacts, civil society, education and public health.

[4] Albania, Algeria, Bosnia and Herzegovina, Egypt, Israel, Jordan, Lebanon, Mauritania, Monaco, Montenegro, Morocco, the Palestinian territories, Syria, Tunisia and Turkey.

maritime safety, energy or higher education issues and business development. (Union for the Mediterranean 2017a)

Since the late 1990s, the Euromed Association Agreements between the EU and the Mediterranean partner states (MPS) provide the basis for bilateral relations, while on the institutional level the former three pillars of the Barcelona Process have been filled up by the multi-lateral forums of the Euro–Med dialogue.

The European Union concluded seven Euro–Med association agreements between 1998 and 2011. These agreements set out a framework for North-South political dialogue. They also promoted the gradual liberalisation of trade in the Mediterranean area. Negotiations to deepen these association agreements through the establishment of deep and comprehensive free trade areas and further liberalisation of trade continue today. (Euro–Mediterranean Partnership s. a.a)

In December 2008, Syria and the EU started negotiations on an association agreement. In May 2011, following the events of the Arab Spring, the EU decided it would not "take further steps with regard to the association agreement with Syria and, therefore, the signing of the agreement is not on the agenda." (European Council 2011) Following the deterioration of the security environment, negotiations for a framework agreement between the European Union and Libya halted as well. Libya remains outside the ENP, but could join financial support programs, like the European Neighbourhood Partnership Instrument ENPI. Libya enjoys observer status in the UfM. (Euro–Mediterranean Partnership s. a.a)

Table 1.
Euro–Mediterranean Association Agreements

Partner	End of negotiations	Date of signature	Entry into force
Tunisia	June 1995	June 1995	March 1998
Israel	September 1995	November 1995	June 2000
Morocco	November 1995	February 1996	March 2000
Palestine	December 1995	February 1997	July 1997
Jordan	April 1997	November 1997	May 2002
Egypt	June 1999	June 2001	June 2004
Algeria	December 2001	April 2002	September 2005
Lebanon	January 2002	May 2002	April 2006
Syria	currently suspended	—	—
Libya	currently suspended	—	—
Mauritania	—	—	—

Source: Euro–Mediterranean Partnership s. a.a

The Euro–Mediterranean Partnership (EMP) has developed over the past decades bringing about a new regional approach that formed the basis of creating the European Neighbourhood Policy (ENP) and later the Union for the Mediterranean (UfM). Nowadays the EU's Mediterranean policy is based on the framework of these two institutionalized programs which are formally connected. The mainly multilateral framework is supported by the UfM created in 2008 on the basis of the Euro–Mediterranean Partnership launched in 1995 by the Barcelona Declaration, while the European Neighbourhood Policy created in

2004 provides a primarily bilateral form of cooperation based on association agreements and Action Plans; the UfM complements the ENP. We have to emphasise that ENP, having two dimensions, was based on two "polices": the Eastern and the Mediterranean Partnership.

The geographic extent of the UfM is larger than the Southern dimension of the ENP. The UfM contains not only the member states of the EU and the Southern Mediterranean partners of the ENP, but also Turkey, Mauritania, and the Balkan countries situated on the Adriatic Sea. When the EMP was created, Yugoslavia was "disintegrating" and participation in the Partnership was not an option. The EU later signed stabilization and association agreements with these Western Balkan countries to prepare them for the EU accession and to advance regional cooperation. (Molnár 2011, 73.)

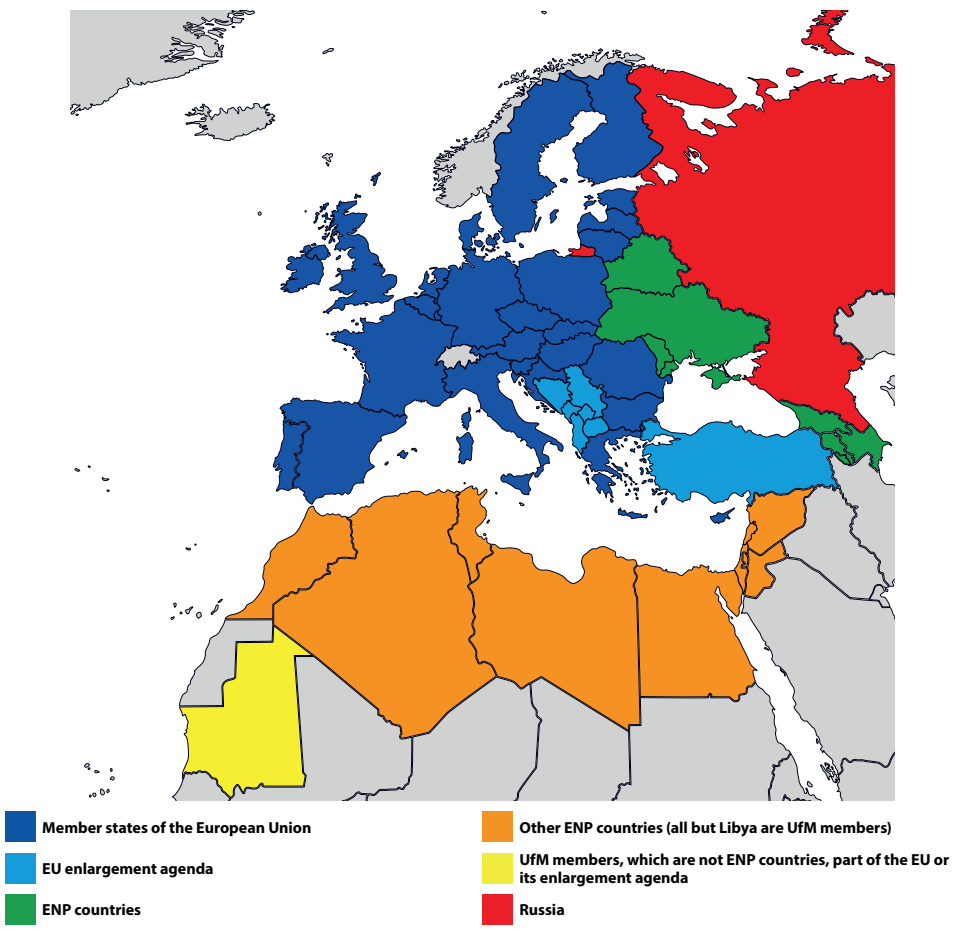

Figure 1.
European Neighbourhood Policy (ENP)

Source: Wikipedia https://en.wikipedia.org/wiki/European_Neighbourhood_Policy

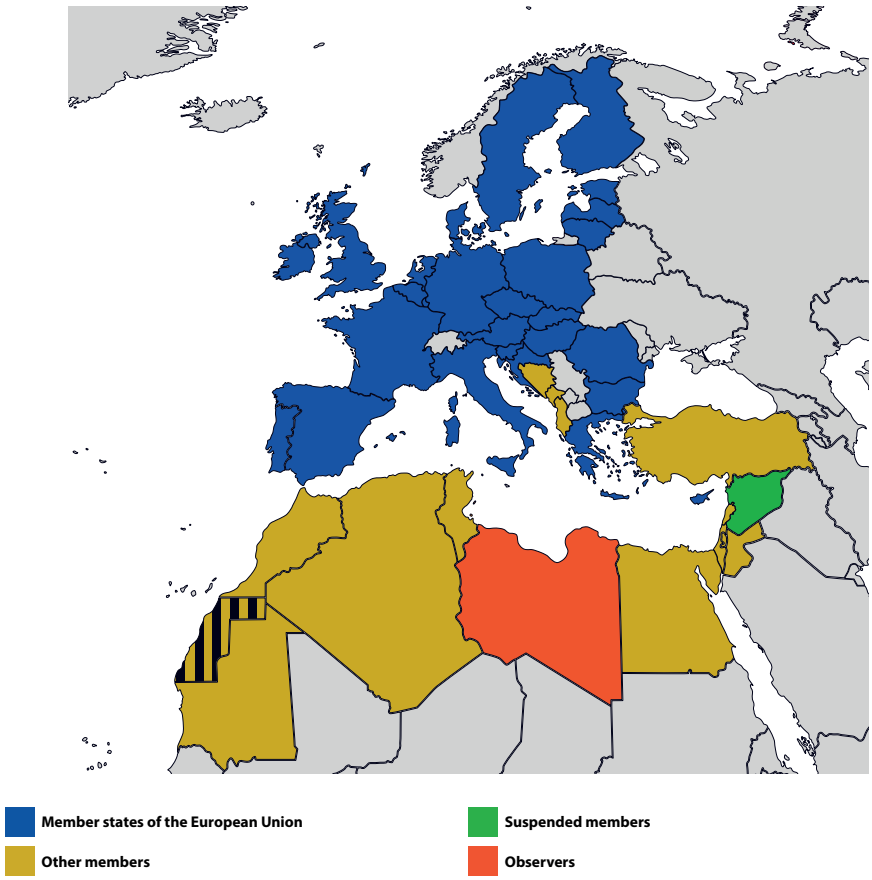

Figure 2.
Union for the Mediterranean member states

Source: Wikipedia https://en.wikipedia.org/wiki/Union_for_the_Mediterranean

Holding out real prospects of EU membership allows the EU to influence its partner countries. In such cases there are fewer conflicts of interests between the economic or security interests of the EU and its member states, and its partners appear more determined to launch reforms and fulfilment of the Copenhagen criteria. In cases of the Northern and Eastern countries (Greece, Spain, the Western Balkans), the EU played a much more effective role in the process of reform (effective Europeanisation). (Featherstone–Radaelli 2003) For the countries of the Southern Mediterranean Basin, however, which lacked any real chance to join, the EU leadership has been less successful, coupled with scarce funding opportunities; with different socio-economic and political development of these SMP countries, the EU has not been able to fulfil a major incentive role for the implementation of real political and economic reforms. The European Union and its member states serve, in a limited way, as models of modernization for the region, but this is sometimes still overshadowed by distrust from the colonial past.

The Mediterranean policy of the EU (and its MSs) can be understood in the framework of three aspects in which the goals laid down in the Treaties and the practice are oscillating between several extremes: 1. normative/liberal and realist approaches; 2. political, cultural or legal values vs. economic and security reasons; and 3. policies supporting bottom-up or top-down development. The combinations differ depending on the security environment of the region and the political will of European governments. Regional policies using multilateral or bilateral frameworks augment EU efforts. (Molnár 2016)

One of the novelties of the UfM was the concept of co-ownership. Although the UfM provides a multilateral framework for the Southern dimension of the ENP, it is a separate international organisation, and it has more members than the ENP. As a direct continuation of the Barcelona Process (EMP), it is inspired by the goals defined in the Barcelona Declaration. Until the events of the Arab Spring, however, the EMP and the UfM had little impact on the economic development and democratisation processes of the Southern neighbours whose development model differs from the European one. The persistent Arab–Israeli conflict and the events of the Arab Spring, as well as weak initial economic results and some bureaucratic arguments about the institutional structure of the UfM weakened cooperation and inspired scepticism among the Southern Mediterranean partners.

After the events of the Arab Spring it was clear the ENP and the UfM had to be re-thought and changed fundamentally. The structure and the working method of the UfM were established subsequently. The EU recognised its limited role in the region, as highlighted by a report of the European Parliament:

> "The Arab Spring has had the effect of a wake-up call for the EU. It illustrated the limitations of the 'stability versus human rights' paradigm and prompted a fundamental rethinking of EU policies. Double standards in the past have undermined the EU's credibility in the Arab world and have created a mistrust of its intentions. In response to the Arab Spring, the EU has promised to shift away from 'business as usual' to ensure that support for human rights and democracy will be central to its cooperation in its Southern neighbourhood. Enabling civil society to function, to advocate for citizens' priorities and rights and to hold governments and donors to account, is an essential part of supporting reforms that build sustainable democracy. Positive and negative incentives will also have to be applied as appropriate, and benchmarks developed to assess progress in human rights, democracy and the rule of law." (European Parliament 2012, 5.)

The ENP was under review and, in 2011, a consensus emerged that the renewed policy must concentrate more on issues related to good governance and respect for human rights. A new incentive approach based on the principles of differentiation was elaborated. The so-called 3M (Money, Markets, and Mobility) of Catherine Ashton, former EEAS HR, was introduced in the framework of the ENP. (Ashton 2011) These connected democratic reforms with financial support: the country that has more results in the democratic reform progress receives more financial aid, more possible mobility of legal migration, and more access to the European market.

In 2011, despite the creation of the European External Action Service (EEAS), the EU was unprepared to face the challenges created by the Arab Spring. The financial and sovereign debt crisis hit several EU MSs and decreased the effectiveness of EU

crisis management capacities. The EU MSs responded slowly and in a contradictory fashion to the 2011 crisis in the MENA region. Opinion held that the then-existing authoritarian regimes could not guarantee regional stability and security in the long-term, and democratisation processes were highlighted. The emerging security challenges forced a rethinking of the conceptual framework of the ENP, as well. The European Commission (EC) subsequently reshaped the ENP, proposing a different approach for each country, and the EU decided to offer "more for more". The new approach emphasised sustainable democracy through the 3M incentives.

European politicians initially were optimistic about the democratisation processes in the MENA region, and about the EU's role as an external promoter of democracy. The EU institutions firmly stood by the need to support the transition to democracy. This was manifested in several documents and statements, but the question remained: were the EU and the MSs really ready and able to support these ambitious objectives? European politicians sometimes oversimplified these processes, making simplistic analogies between the 1989 Central and Eastern European changes and the Arab Spring. (Rompuy 2012)

Political events in Egypt (2013), along with the migration and refugee crisis caused by military conflicts and fragile states (e.g. Syria and Libya), highlighted the issue of security again. In March 2015, the European Commission and the European External Action Service initiated a public consultation with governments, academia, and civil society organisations, both within the EU and in the ENP partner countries, to realise the extensive review of the ENP. Following the consultation period, the revision of the ENP was finalised in 2015. (Joint Communication 2015) EU Commissioner Johannes Hahn stated that: "New challenges, from violent conflicts in our neighbourhood to uncontrolled migration, from organized crime and terrorism to energy stoppages, all demand a robust European answer. We have to become smarter at exporting stability. If not, Europe will keep importing instability. As one observer has remarked, the "ring of friends" the EU originally aimed for, has become a "ring of fire"." (Hahn 2015)

On 18 November 2015, the High Representative for Foreign Affairs and Security Policy and the European Commission presented the main lines of the review of the ENP, which offered "more tailor-made, more differentiated partnerships between the EU and each of its neighbouring partners to reflect different ambitions, abilities and interests". (Joint Communication 2015, 4.) The review emphasised that greater mutual ownership and joint responsibility of the partners is more successful in supporting reforms than the EU's approach based on the "more for more" principle:

> "The incentive-based approach ("More for More") has been successful in supporting reforms in the fields of good governance, democracy, the rule of law and human rights, where there is a commitment by partners to such reforms. However, it has not proven a sufficiently strong incentive to create a commitment to reform, where there is not the political will." (Joint Communication 2015, 5.)

Although the ENP has been trying to encourage reforms recognising the specific features of each country, in general it has not had enough time to show real results in most cases; Tunisia is an exception.

In 2015, High Representative for Foreign Affairs and Security Policy Vice-President of the European Commission (HR/VP) Federica Mogherini, turning away from the Eurocentric approach of the previous Mediterranean policy, argued that:

> "We should switch from the idea that the European Union is at the centre, surrounded by the neighbouring countries, to the idea of a new partnership based on cooperation. A stronger partnership with our neighbours is key for the European Union, while we face many challenges within our borders and beyond. We are confronted with threats that are global and have to be tackled by the international community in a united way. We have to build together a safer environment, try to solve the many crises of our common region, support the development and the growth of the poorest areas, and address the root causes of migration." (ENP Review 2015)

Mogherini singled out five pillars of the work: "First, focus on economic development and job creation; second, cooperation on energy; third, security; fourth, migration; fifth, neighbours of the neighbours" to "strengthen together the resilience of our and our partners' societies, and our ability to effectively work together on our common purposes." (ENP Review 2015) This meant, again, an emphasis on the economic and security aspects of this policy framework that would lead to a "more than partnership, less than membership relation", but without a new security strategy the real strategic framework was still unclear.

In preparation for the new security strategy of the EU, and parallel with the review of the ENP, in December 2013, the European Council gave a mandate to the High Representative, in close co-operation with the European Commission, to "assess the impact of changes in the global environment, and to report to the Council in the course of 2015 on the challenges and opportunities arising for the Union, following consultations with the Member States". (European Council 2013) The report on the strategic review was presented to the European Council in June 2015. *The European Union in a Changing Global Environment, A More Connected, Contested and Complex World* warns that: "the EU's 'soft power' is waning as the memory of the 'big bang' enlargement recedes and other actors strive for influence in its neighbourhood. Today's challenge is to revive the reform momentum through credible policies of integration and association." (Missiroli 2016, 139.)

During this time, the structure of the UfM was also rethought. With the accession of the Central and East European member states and the creation of the UfM, the EMP expanded to include twenty-eight EU member states and fifteen Mediterranean countries. Since the creation of the UfM, cooperation has gone through three phases. Between 2008 and 2011, under the co-presidency of France and Egypt, cooperation in the framework of the UfM was launched, and the Secretariat of the UfM in Barcelona was set up. Between 2012 and 2015, under the co-presidency of the European Union and Jordan, the capacities of the Secretariat were reinforced, the working methods of partnerships were elaborated, and the activities of the UfM were increased, giving new momentum to Euro–Mediterranean regional cooperation. Following the revision of the European Neighbourhood Policy, meetings of foreign affairs ministers of the UfM took place in November 2015 and January 2017 in Barcelona to start a new phase of cooperation. Since 2016, considering the serious challenges in the Mediterranean region and the opportunities there, the UfM's identity and added value was highlighted. Further consolidation of this regional cooperation has been

started to create an "enhanced common regional agenda for the Mediterranean in order to effectively and collectively address the current challenges." (Union for the Mediterranean 2017b, 1.) The 2016 annual report of the UfM noted three priorities of regional integration (regional human development; regional stability; and regional integration) to be addressed through a "pragmatic and ambitious approach". (Union for the Mediterranean 2017c, 6.)

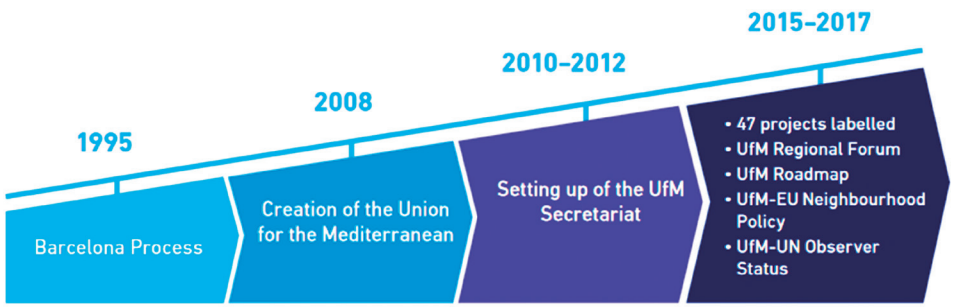

Figure 3.
Development of the Union for the Mediterranean

Source: Union for the Mediterranean 2017a, 8.

In January 2017, the ministers of foreign affairs approved a strategic document as a road map (RM) for strengthening the UfM as the expression of co-ownership in tackling the common challenges to regional stability, human development and regional integration in the Mediterranean. According to the document, forty-seven regional cooperation projects worth more than 5 billion Euros in total have been labelled under the umbrella of UfM. The document highlighted the security-development nexus yet again, stating that: "there is no development without security and no security without development." With the adoption of the RM, the ministers of foreign affairs of the forty-three UfM countries agreed to strengthen the role of the UfM in enhancing regional cooperation and integration in the Mediterranean. The four areas for action were: 1. enhancing political dialogue amongst the member states; 2. ensuring the contribution of UfM activities to regional stability and human development; 3. strengthening regional integration; and 4. consolidating UfM capacity for action. (Union for the Mediterranean 2017b, 4.)

Contemporary Institutional Relations

The Union for the Mediterranean has a North-South co-presidency, currently exercised by the External Action Service of the EU, representing EU Member States, and Jordan, representing the Mediterranean partners. In 2012, the Council of the EU (FAC Conclusions of February 2012) decided that the High Representative assumes the Northern co-presidency when the Union for the Mediterranean takes the format of Foreign Ministers Meetings. The Commission assumes the Northern co-presidency during Ministerial Meetings that solely concern matters falling within areas of exclusive UfM competence. The EU

External Action Service leads the Senior Official Meetings of the UfM for the Northern co-presidency. (Union for the Mediterranean 2016a)

The UfM secretariat headquartered in Barcelona is in charge of identifying and promoting activities like regional projects in different sectors. The current head (Secretary General) of the Secretariat is Fathallah Sijilmassi. The Secretariat of the UfM is financed by contributions from the European Union (50%) and the partner states (50%). The activities of the Secretariat are overseen and coordinated by the Senior Officials Meeting (SOM) which consists of Senior Officials from the ministries of foreign affairs of the forty-three countries. This body approves the budget and work programme of the Secretariat. It is also in charge of preparing the Ministerial Meetings. It also examines project proposals, guaranteeing coherence with the guidelines derived from the Summit of Heads of State and Government, and from the Ministerial Meetings. The SOM takes decisions by consensus. (Euro–Mediterranean Partnership s. a.b; Union for the Mediterranean 2016b)

The Union for the Mediterranean has the following six priority areas: 1. business development; 2. social and civil affairs; 3. higher education and research; 4. transport and urban development; 5. water and environment; and 6. energy and climate action. The UfM has a number of key projects managed by the Secretariat: the de-pollution of the Mediterranean Sea; the establishment of maritime and land highways; a joint civil protection programme on prevention, preparation, and response to natural and man-made disasters; development of alternative energy sources; the creation of Euro–Mediterranean Universities (in 2008 in Slovenia, in 2016 in Morocco); and the Mediterranean Business Development Initiative, which supports small businesses. (Union for the Mediterranean 2016a)

The partnership co-operation and dialogue that was established by the Barcelona Declaration is based on several institutions and forums. The Conferences of Ministers of Foreign Affairs (CMFA) and the Senior Officials Meetings (SOM) are responsible for the discussion regarding all dimensions of the partnership. The ministerial meetings, including sectorial meetings, are also the main bodies of multilateral and regional cooperation, responsible for the economic and cultural cooperation and dialogue, as well as the all-embracing development of the partnership. Ministerial conferences have been called on different thematic fields such as water management, industry, energy, migration, tourism, cultural heritage and culture, and the environment.

Since 2004 the Euro–Mediterranean Parliamentary Assembly (EMPA), a body for political cooperation, has become one of the most important institutions of the Barcelona Process. The first consultative parliamentary forum was organised in 1998, and it became a genuine EMPA in 2004 on the basis of the proposal of the European Parliament. The EP resolution was approved by the fifth Euro–Mediterranean Conference of Foreign Ministers (Valencia, April 2002). The EMPA held its first session in Greece in March 2004. In 2010 in Amman, the EMPA's name was changed to Parliamentary Assembly of the UfM (PA–UfM).

The main roles of this separate consultative parliamentary body of the UfM are: "enhancing the visibility and transparency of the Euro–Mediterranean Partnership and bringing its work closer to the interests and expectations of the public; [and] adding democratic legitimacy and support to regional cooperation." (Parliamentary Assembly s. a.a) The PA–UfM, which works in close cooperation with the UfM Secretariat, holds at least one plenary session annually and has a total of 280 members, equally distributed between the Northern and Southern shores of the Mediterranean (140–140). The PA–UfM has an

annual presidency that is held in rotation by the four members of the bureau, ensuring parity and alternation between South and North chairs. The presidency of the bureau has been held by the EP (2012–2013), Jordan (2013–2014), Portugal (2014–2015), Morocco (2015–2016) and Italy (2016–2017). (Parliamentary Assembly s. a.b) There are five standing committees within the PA–UfM: the Committee on Political Affairs, Security, and Human Rights; the Committee on Economic and Financial Affairs, Social Affairs, and Education; the Committee on Improving Quality of Life, Exchanges between Civil Societies and Culture; the Committee on Energy, Environment, and Water; and the Committee on Women's Rights in the Euro–Med Countries. The PA–UfM adopts non-binding resolutions or recommendations. (Parliamentary Assembly s. a.b)

To promote dialogue between cultures and civilizations within the framework of social, cultural, and human partnership, in 2005, the Anna Lindh Foundation was established in Alexandria. It has become the largest network of civil-society organisations, and its goal is to promote the inter-cultural dialogue in the Mediterranean area. It has worked from the beginning as a network of national networks, and now contains more than 4,000 member networks, including NGOs, public institutions, universities, foundations, local and regional authorities, individuals and private organisations. (Anna Lindh Foundation s. a.)

The European Neighbourhood Policy complements the UfM with bilateral relations between the EU and the Southern Mediterranean countries. Cooperation in the framework of the ENP builds upon several Association Agreements (AA) between the EU and the partner countries. On the basis of the AA's bilateral Action Plans (AP), the EU and the ENP partner countries in the Southern Mediterranean region (except Libya, Syria, and Algeria) agreed to launch a political and economic reform agenda for a period of three or five years. The goals of the ENP, such as reforms to democratisation or economic integration are supported by the financial funds of the EU, mainly by the European Neighbourhood Instrument (ENI).

Every year from 2015, ENP progress reports were published by the EEAS and the Commission to describe the development of reforms in the neighbouring countries. Since the review of the ENP, the progress reports have been replaced by association implementation reports that assess the state of implementation by the partner country and by the EU. These documents focus on the progress toward key reforms agreed between the two parties.

Budget and Financial Tools

Between 1994 and 2004, the main financial tool of the Barcelona Process was the MEDA Program (similar to the PHARE and TACIS programs), with additional loans available from the European Investment Bank. For the MEDA I programme (1994–1999) 3.4 billion Euros, and for the MEDA II programme (2000–2006) 5.4 billion Euros were allocated. Following the establishment of the ENP and for the programming period 2007–2013, MEDA (and TACIS) were replaced by a single financial instrument, the European Neighbourhood Partnership Instrument (ENPI), with approximately €12 billion available. In the 2014–2020 period, the European Neighbourhood Instrument, ENI promotes the fulfilment of the ENP objectives, for which 15.4 billion Euros have been allocated.

The implementation of reforms is supported by geographic instruments, like the ENI, and by thematic instruments, like the Civil Society Facility (CSF). There are other EU instruments and programmes to promote partnership with neighbouring countries (like the European Instrument for Democracy and Human Rights (EIDHR), the Non-State Actors and Local Authorities in Development (NSA–LA), and the Instrument for Stability (IfS). "The EIDHR is designed to help civil society become an effective force for political reform and defence of human rights. Building on its key strength, which is the ability to operate without the need for host government consent, the EIDHR is able to focus on sensitive political issues and innovative approaches and to cooperate directly with local civil society organisations which need to preserve independence from public authorities, providing for great flexibility and increased capacity to respond to changing circumstances." (EIDHR s. a.) The European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) provide loans, as well.

The Western Balkans and Turkey are in the pre-accession process and, as candidates and potential candidates for membership in the EU, are not covered under the EU's neighbourhood policy. These countries therefore do not belong to the area of the ENP. In 2007, in place of all previous pre-accession programs, the Instrument for Pre-Accession Assistance (IPA) was introduced by the European Commission to help all pre-accession activities in candidate and potential candidate countries. Under the financial framework of 2014–2020, the part of the Western Balkans that belongs to the Mediterranean receives EU funding through IPA II. (Molnár 2011, 73.)

The Union for the Mediterranean has no budget from which to finance its activities and projects, since it was conceived as an instrument to mobilise private funds from investment and development banks and other international bodies.

Results and Challenges

The EU, as a normative-civilian power, (Manners 2002) has placed great emphasis on the protection, spread, and voluntary acceptance of its principles (peace, freedom, democracy, the rule of law, fundamental human rights and freedoms, respect for human dignity) by third countries, particularly in the MENA region. (Whitman 2011, 1–25.) It is not surprising that the EU's Mediterranean policy has been criticised by several stakeholders, like the Southern partner states, experts, and academics, as it contains contradictions between the stated policy goals and practice. (Del Sarto–Schumacher 2005; Vallelersundi 2004; Tocci–Cassarini 2011; Tocci 2011) According to many, the EU and its MSs, in implementing the Mediterranean Policy through a more realistic and pragmatic approach, has placed more emphasis on economic and security issues than on normative goals. While the EU kept trying to convince the partner countries of the necessity of political and economic reforms, it put up with the existence of authoritarian (but pro-Western) regimes in favour of regional stability and secure energy resources. Regimes that assisted in tackling the migration crisis also found favour. It is not surprising, therefore, that from time to time the EU and its MSs have been criticised as hypocritical. (Hansen–Marsh 2015)

The last twenty years, and especially the Arab Spring, have shown that the lack of political will among the Southern Mediterranean partners, the low level of financial support

provided by the EU, and the different foreign policy interests of the MSs, mean that the EU's Mediterranean policy has had little impact on the democratisation and securitisation processes of the region. From time to time the EU has struggled to tackle challenges collectively (like in the case of Libya). Emerging crises posed serious security challenges to the EU. The lack of a new European security strategy hindered, until recently, the adoption of appropriate answers.

The Global Strategy for the European Union's Foreign and Security Policy adopted in 2016 represents a more pragmatic approach, focusing on the state and societal resilience of the region. According to Sven Biscop, the Global Strategy signals a return to *Realpolitik,* and a balance between "dreamy idealism and unprincipled pragmatism". The GS speaks of "principled pragmatism". Compared to the previous security strategy of the EU (2003), the GS takes into account its barriers, and it is less optimistic about the success of democracy transfer. (Biscop 2016) The priority placed on the state and societal resilience of the Southern neighbours clearly shows the turn away from the EU's normative role.

Conclusions

Despite the ambitions of 2003, namely the creation of the Ring of Friends, today a ring of instability encompasses the EU. After the Arab Spring and the crisis in Ukraine, the security situation has deteriorated dramatically. Economic and financial problems remain, the migration crisis is unresolved, and growing Euroscepticism and the Brexit threaten to hinder any effective EU response. II is clear that the review of the neighbourhood policy, a key instrument of the EU's common foreign and security policy, was accelerated by the Arab Spring. For a variety of reasons though, such as lower-than-expected available resources, the lack of a common will, and the lack of political engagement by the partner states, little substantive progress has been made.

Before the Arab Spring overturned the status quo within the MENA region, the possibility of dialogue between the partner states was considered the most important result of the Euro–Mediterranean Partnership. It strengthened the EU's role in the region, as well. Enhancing economic and political relations and, in the long term, accelerating the economic development of the Southern Mediterranean partners were among the crucial aims of regional and bilateral forms of cooperation.

In recent years, demographic, economic, and social processes led to political instability, social unrest, and increased security risks in the Southern Mediterranean region. Until the review of the ENP in 2011, the EU's Mediterranean policy, despite the normative ambitions of the EU, essentially focused on the security aspects characterized by the pragmatic-realistic approach of the capitals, and seemingly turned a blind eye to the pro-Western authoritarian systems. Thus, instead of bottom-up processes with an uncertain end, non-democratic governments regarded as guarantees of the political stability were supported. During the Arab Spring this kind of approach was discredited in the eyes of the people, despite tangible results; therefore, it could not give truly successful responses to the challenges. The effective implementation of this policy was hindered further by the limited level of regional economic integration between Southern Mediterranean countries. Irregular migration and refugee flows in the past few years have also pointed out

that the EU's prosperity exporting efforts had not succeeded in the closest region to the EU, and the social and political problems continue to grow.

The difficulties of the multilateral Euro–Mediterranean policy have been recognized several times; when it was complemented by the European Neighbourhood Policy in 2004, it became obvious that instead of realising regional integration under the multilateral umbrella of the ENP–UfM, relations based on bilateral agreements were intensifying. After the Arab Spring, it became clear that the EU could not offer a new "Mediterranean Marshall Plan" to this region, despite the expectations of several stakeholders. The contradictory trends suggested that the EU's relations with this region were not strengthened by these processes. Competition between global and regional powers was intensified by the absence of a real hegemon, and the regional dynamics turned increasingly chaotic.

In the new framework of the security system of the early nineties, when the institutionalised structure of the Euro–Mediterranean relations was built, U.S. hegemony clearly prevailed in the region. The EU's evolving "soft-civilian power" was supposed to complement the hard power of the USA. During the last decades, the international system has changed dramatically, and new players with global strategic interests have emerged in the multipolar environment of the Mediterranean region.

It has become clear that the normative and soft power offered by the EU is insufficient. The EU had only a limited impact on the transition processes of the countries in the region (e.g. the strengthening of civil society). It is obvious that in the future, the EU must use both soft and hard foreign policy instruments in the framework of the comprehensive approach elaborated in 2013 and the integrated approach introduced by the Global Strategy. In 2016 Jean-Claude Juncker noted in his State of the Union speech: "Soft power is no longer enough […] in the EU's increasingly dangerous neighbourhood." It is not coincidental that following the review of the ENP, supporting stabilisation became a top priority. (Joint Communication 2015)

The EU has a long history of ambitions but in reality provided unsuccessful and insufficient plans for the Mediterranean region. It is not surprising that the Global Strategy (GS) adopted in 2016 is trying to find a perfect balance between idealism and sometimes inconvenient reality has introduced the approach of "principled pragmatism". (European External Action Service 2016)

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The EU's Relations with the Western Balkans[1] and Turkey

Tibor Ördögh

The European Community and the Historic Relations of Yugoslavia and Turkey

The political and economic relationship of Yugoslavia and the European Union began when Yugoslavia and the European Economic Community (EEC) signed a three-year trade deal in March 1970; another, five years, followed in 1973. Export trade with Yugoslavia added up to 2.84 billion European Currency Units in 1975; by 1989, it exceeded 7 billion ECUs. Except for 1988, the balance always favoured the EEC.

During the Cold War era, the importance of the development of relations grew due to the fact that Yugoslavia had already been facing financial difficulties, while the European Community was in need of a socialist state that could be set as an example for the countries of the Eastern bloc. The relations between the two sides up until the collapse of the Eastern bloc were merely economic and commercial in nature. The economic meetings of the system held at ministerial level constitute political relations. (Getter 1989)

Table 1.

Trade between the European Community and Yugoslavia (million ECU)*

	1975	**1978**	**1979**	**1980**	**1982**	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**
EC import	1,062	1,706	1,966	2,172	2,762	3,530	4,310	4,783	4,893	5,251	5,891	7,000
EC export	2,840	3,755	4,411	4,199	4,277	4,555	5,048	5,834	5,853	5,398	5,713	7,034
Balance	**1,778**	**2,049**	**2,445**	**2,027**	**1,515**	**1,025**	**738**	**1,051**	**960**	**147**	**–178**	**34**

*Note:** The value of one ECU in 1978 was $1.39; in 1982 it was $0.98; in 1983 it was $0.89; in 1984 it was $0.83; and in 1985 it was $0.75.

Source: EUROSTAT. Edited by the author.

The war that broke out at the beginning of the 1990s, however, put an end to the prosperous relationship. With the disintegration of Yugoslavia, the agreements were terminated, the Federal Republic of Yugoslavia (FRY) consisting of Serbia and Montenegro became insulated from the international community, and relations with the European Union were restricted to the sanctions introduced against Serbia. In 1991, the European Community

[1] The Western Balkan region is a political term called into existence by the European Union to refer to the countries of the Balkan Peninsula participating in the European integration process. Its members are Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia (hereinafter referred to as "Macedonia"), Kosovo, Montenegro, and Serbia.

tried to bring the Yugoslav leaders to the negotiating table. In May, Jacques Delors, president of the European Commission offered $4 billion in support, with the intention of keeping Yugoslavia intact, and a reconciliation commission led by Robert Badinter was set up. In autumn, a peace conference led by Lord Peter Carrington was organized. (Lengyel 2009) The united action of the community was undermined by the independent action of Germany, which recognized Croatia's and Slovenia's independence. Afterwards, the EC called for sanctions and, on 8 November 1991, the trade agreement was suspended, the General Agreement on Trade and Tariffs (GATT) was cancelled, the import of several Yugoslav products was restricted, and Poland–Hungary Assistance for the Reconstruction of the Economy (PHARE) aid was withdrawn from the aggressors.

The European integration of Turkey can be traced back to the Cold War, when the country sought good relations with the West to stave off Soviet territorial claims. Following their accession to NATO in 1952, the Turks were the first to submit a request for associate membership in the European Economic Community. The domestic politics of Turkey, however, was characterized by military coups, a major hindrance to the development of relations. The association agreement *(Ankara Agreement)* and its additional protocol (Additional Protocol 1972) were concluded on 12 September 1963, but only took effect in 1973. A transitional period of twenty-two years was prescribed for implementing the free movement of goods and services, and the harmonization of Turkish legislation with that of the EEC.

Under the terms of the agreement, the EC provided funds for the preparation period. According to the first financial protocol, which covered 1963–1970, the EEC provided Turkey with loans totalling 175 million ECUs. The trade concessions the EEC granted to Turkey in the form of tariff quotas, however, proved not as effective as expected. Yet the EEC's share in Turkish imports rose from 29% in 1963 to 42% in 1972. (Ministry 2017)

The Demirel regime declared its intent to initiate the accession at the end of August 1980, but the elite did not agree; because of this, the leadership was overthrown by yet another military coup. A new head of government, Turgut Özal, envisaged accession on 14 April 1987, which was backed by the economic indicators; however, the criteria regarding the rule of law, democracy, and human rights had increased in significance. Turkey was not in compliance, according to a report of 1989 released by the European Commission, which declared Turkey ineligible for the accession procession. (CEC 1989/2290 final/2)

Despite the resulting disappointment, the Mautes Package was set up. This revised the necessary technical steps for inclusion in the customs union to take effect by 1995. Greece, however, vetoed the package. Turkey nonetheless proceeded with an intrinsically similar program towards the implementation of the customs union in 1992. (Aikan 2003) Turkey reluctantly fulfilled the expectations of the EU, and so the agreement entered into force in 1996.

The Creation of the Policy of the European Union and the Western Balkans

Formulating and following the Common Foreign and Security Policy proved to be a challenge for the member states of the European Union. The settlement following the first war in Yugoslavia, however, meant the member states needed to stabilize the Balkan region.

A French initiative projected practical steps; the first mention of regional cooperation to create stability in the Balkans came from the European Commission on 14 February 1996. (Lőrinczné 2013) In December 1996, the Southeast European Cooperative Initiative (SECI), which became known as the Royaumont Process, was launched. The participants were the four new states (Croatia, the Federal Republic of Yugoslavia, Macedonia and Bosnia and Herzegovina), the four neighbouring countries (Romania, Bulgaria, Slovenia and Turkey), the member states of the EU, Russia, the United States of America, the Council of Europe, and the OSCE. (Ehrhart 1998) Its main goal was to promote dialogue on every level of the civil society by funding human rights and cultural initiatives. Via regional cooperation, it would monitor the implementation of the Dayton Agreement.[2]

In 1997, the European Union established the so-called Regional Approach, attempting to stabilize the Western Balkan states through financial incentives instead of prospective membership. (Vincze 2008) The EU used bilateral relations with the states of the former Yugoslavia (with the exception of Slovenia), and Albania, granting trade preferences and monetary support (PHARE, OBNOVA) on identical terms. The fulfilment of ten political and economic criteria was a pre-condition for contractual relations with the EU. Some of these criteria include the readmission of refugees, adherence to the Dayton Agreement, respect for human rights, and also economic criteria such as promoting the reforms of the market economy and cooperation between the states of the region.

The war in Kosovo prompted the leaders of the EU to improve ties with the region. Following the settlement, the EU tried to position itself as a stabilizing factor; the member states played a part in the economic sector of civil administration (soft power), and in military administration (hard power).[3] On 10 June 1999, the Southeast European Stability Pact was adopted. This brought together some forty-five participants, including the participants of the Royaumont Process and new members such as Canada, Japan, the European Bank for Reconstruction and Development, NATO, and the International Monetary Fund. (1999/345/CFSP) It established three "working tables" under the supervision of the special coordinator at the so-called Southeast European Regional Roundtable. The first working table addressed human rights and the democratization process, while the second's concerns included economic reconstruction and development; the third table was responsible for security issues. (Kemenszky 2008) The pact is intended to support the South-Eastern European states' efforts to establish peace, democracy, respect for human rights, and economic welfare that will bring stability to the region. (1999/345/CFSP) The Council also guaranteed full membership in the European Union for those countries completing the tasks. The regional approach, however, was replaced by the Stabilization and Association Process (SAP).

> "It is aimed at assisting the five Western Balkan states with complying with the criteria, as being conditions on the way towards joining the EU. To that effect, the SAP, in addition to having modified or extended the past instruments of the Regional Approach,

[2] The Dayton Agreement served to put an end to the Bosnian War (1992–1995) of three and a half years and to guarantee the political settlement in Bosnia and Herzegovina following the conflict. The negotiations were held in the town of Dayton in the USA, and it was signed in Paris on 14 December 1995.

[3] Between 24 March and 9 June 1999, the NATO initiated air strikes in Yugoslavia justified by the need for humanitarian intervention, with the participation of the member states of the European Union. This, however, was an intervention by the international community, and not the EU.

> defined further areas of the cooperation, which are as follows: ongoing political dialogue, cooperation on justice and home affairs, and as part of its main innovation, the SAP offered a new kind of contractual partnership for the countries of the region, i.e. the Stabilization and Association Process (SAA)." (Pippan 2004)

On 24 November 2000, following the principle of progressive partnership, trade preferences and financial support, the Stabilization and Association Agreement (SAA) were launched. The process had two phases: entering free trade agreements, and allocating resources in support of democratic transition. The European Commission monitored the states and, when it determined they had achieved satisfactory economic and political development, recommended an agenda for the second phase. A customized stabilization and association agreement was developed then for each country; its adoption marked the end of the process. The agreement has entered into force for all five Western Balkan states.

Table 2.
Stabilization and association agreements in the Western Balkans

	Macedonia	**Albania**	**Montenegro**	**Bosnia and Herzego-vina**	**Serbia**	**Kosovo**
Negotiations started	15.04.2000	31.01.2003	10.10.2005	25.11.2005	10.10.2005	28.10.2013
Initiated	24.11.2000	28.02.2006	15.03.2007	04.12.2007	07.11.2007	25.07.2014
Signature	09.04.2001	12.06.2006	15.10.2007	16.06.2008	29.04.2008	27.10.2015
Entry into force	01.04.2004	01.05.2009	01.05.2010	01.06.2015	01.09.2013	01.04.2016

Source: European Commission. Edited by the author.

Contemporary Relations

The Santa Maria de Feira meeting of the European Council in June 2000 marked a milestone in the policy of the EU concerning the Balkan region. It made clear that democratic reforms were needed if the Western Balkan countries were to join the EU. At the Thessaloniki meeting of the European Council in June 2003, for instance, the states of the region were referred to as "potential candidates". Since then, relations with the Balkan region and Turkey have been dominated by the question of their accession.

Montenegro

At the end of the 1990s, Montenegro saw its future as part of the European integration, and emphasized its independence from the Federal Republic of Yugoslavia. The regime change in Serbia allowed reforms in the federation. Under pressure from the EU, the leaders of Serbia and Montenegro signed the Belgrade Convention on 14 March 2002, placing

the confederation on a new footing. Javier Solana, the EU's High Representative for the Common Foreign and Security Policy, attended the signing ceremony, since the EU had assisted with negotiations. The novelty of the agreement is that it allowed for a referendum to be held in Montenegro about its independence.

Montenegro nonetheless declared independence in 2006. On 15 September 2006, therefore, the European Council initiated a political discussion with the Government of Montenegro; the first talks were held on 22 January 2007. The adoption of the stabilization and association agreement was a direct consequence of these discussions.

The accession period for the country thus dates to 2008, when a request was submitted by Montenegro. Between 22 July and 9 December 2009, the Government of Montenegro responded to questions; visa liberalization for Montenegrin citizens followed on 19 December 2009. Candidate status was granted in December 2010. For genuine negotiations to take place, however, Montenegro had to fulfil seven tasks, which it did by 2012. So far thirty chapters[4] have been opened, and three have been closed, at least provisionally. A Montenegrin mission has been operating in Brussels since 2006, while the EU has had a delegation in Podgorica since November 2007. (EU 2017a)

Serbia

The history of the EU delegation to Serbia dates to 1982 when, according to the agreement between the Socialist Federal Republic of Yugoslavia and the European Community, trade relations were initiated between the two parties. From 2009, the EU has had political representation in Belgrade. The *European Partnership with Serbia* was adopted in 2008. It outlined the rules to which the country must adhere to before applying for membership. Serbia managed to meet the criteria in 2009, which led to visa liberalization; Serbia also stated its intent to join the EU. The European Commission did not regard Serbia as ready, however, since it had not handed all accused war criminals over to the International Court Tribunal of Yugoslavia (ICTY), among other things. Later on, the pressure from the Union and the promise of being granted candidate status led Serbia to extradite all war criminals to the General Court, in return for which the European Commission finally granted Serbia candidate status in December 2011.

The development of relations between Serbia and the EU was affected by Serbia's relationship with Kosovo. After the Brussels Agreement of 2013, nothing stood in the way for negotiating accession; this was agreed upon by the EU member states in December 2013. Negotiations started in 2014, and twelve chapters have been opened, while two have been closed provisionally. (EU 2017b)

[4] The chapters of the acquis (presently 35) form the basis of the accession negotiations for each candidate country. They correspond to the different areas of the acquis for which reforms are needed in order to meet the accession conditions.

Turkey

At the Helsinki Summit of 1999, Turkey was granted candidate status in the EU. In 2001, the European Union established the framework of the accession partnership, in response to which Ankara adopted the so-called National Programme for the Adoption of the Acquis (NPAA). On 17 December 2004, the European Council approved the opening of negotiations. The first round was launched on 3 October 2005, after Turkey adopted the Additional Protocol of the Ankara Agreement regarding Cyprus; until that point, the member states had blocked the opening of eight of the chapters. (EU 2017c)

The negotiations ended in bitter disappointment. The EU had declared: 1. the negotiations "open-ended", 2. thereby including the Cyprus problem, 3. and opening the possibility of a special partnership with the leaders of certain member states (France, Austria and Germany) is necessary. (Yilmaz 2014) Some of the main concerns on the European side included Turkey's underdeveloped economy, extensive corruption and the oppression of the Kurdish minority. Freedom of movement for Turkey's 80 million people, especially given the cultural and religious differences with Europe, remain an unspoken concern. (Aydin-Düzgit 2012) Only sixteen chapters have been opened, and only one has been closed.

The slowness of the process led the initially pro-European Justice and Development Party (AKP) to turn away from European integration. European-style democratization came to a halt, and the AKP turned to an authoritative political system that has been criticized by the EU on several occasions. Visa liberalization negotiations nonetheless commenced in December 2013. Turkey will have to fulfil 72 criteria for an agreement to happen. (European Commission 2016a)

Macedonia

The EU's relations with Macedonia date back to 1996, when the country became eligible for PHARE funds. In accordance with the decision of the European Council, political and economic relations were at the forefront of negotiations. An EU delegation was set up in Skopje in 1998. In 2001, the EU sent humanitarian aid in the wake of ethnic tension, and in 2003, the EU took over the role of providing a military presence.

Macedonia applied to join the European Union in March 2004. The European Commission recommended candidate status in November 2005; it was granted in December. The Commission proposed starting negotiations in October 2009, but the vetoes of Greece and later Bulgaria have prevented them. (EU 2017d) The conflict goes back to 1991, when Macedonia declared its independence; the name "Macedonian Republic" is unacceptable to Greece, since the Northern province of Greece is called Macedonia and the Greeks fear the new state might claim that territory. The country is referred to in international relations, therefore, as the Former Yugoslav Republic of Macedonia. Although the International Court of Justice held that the action infringed the Interim Accord of 1995, the Greeks kept Macedonia from joining NATO in 2008. Numerous proposals for alternative names (New Macedonia, Slavic Macedonia, Upper Macedonia, the Republic of Skopje, the Republic of Vardar) have been rejected over the last decade, so the Greek veto remains. (Bajtay 2014)

Albania

Relations with Albania started with its participation in the PHARE program in 1992. The European Union created its Tirana Delegation with the aim of setting up a permanent diplomatic body to strengthen political and economic cooperation and since 1997, there has been some development in bilateral relations. The focus during the 2000s was the stabilization and association agreement. By 2006, visa liberalization became the dominant theme; it eventually entered into force in 2010.

Albania applied for EU membership in 2009; in 2010, the European Commission stated that Albania could be granted candidate status upon meeting twelve conditions relating to the rule of law and democracy. In 2012, the commission added the condition that a judicial and administrative reform be introduced. Albania was also required to modify the procedural rules for parliamentary elections. These conditions were met in 2013, and the Council granted Albania candidate status. Two additional conditions were set by the European Union before accession negotiations could begin though: the parliamentary opposition could not be prevented from serving its function by modifications to the legislative framework, and additional reforms affecting public administration, the rule of law, corruption, organized crime, and human rights had to be made. The Albanian Government subsequently introduced several modifications and the European Commission proposed negotiations in November 2016. Germany vetoed the proposal, however, as it doubted the reforms were sustainable. A vote on the matter is due in 2018. (EU 2017e)

Bosnia and Herzegovina

Within the framework of the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP), the EU Police Mission (EUPM) carried out a crisis management operation in Bosnia and Herzegovina between 2003 and 2012. The European Union took over the peacekeeping functions in the country in 2004, and the EUFOR Althea mission still plays an important role as a stabilizing force.

Bilateral relations have been marred by the war-torn past of the federation and its fragile statehood. The country is regarded a potential EU candidate nonetheless. The European Union set up its delegation in Bosnia and Herzegovina in 1996 to facilitate political and economic reforms. In 2008, the Visa Facilitation and Readmission agreements entered into force along with the *Interim Agreement,* whose function was taken over in 2015 by the stabilization and association agreement. The citizens of Bosnia and Herzegovina may travel in the Schengen countries without a visa.

In 2016, the head of the Bosnia and Herzegovina presidency submitted a formal request for accession. The European Committee transmitted the questionnaire to map the legal environment to Bosnia, which was to be returned in the autumn of 2017. The committee is not expected to propose candidate status for Bosnia though, because the country's legislation is full of inconsistencies. (EU 2017f)

Kosovo

The contested statehood of Kosovo makes it a controversial potential candidate for EU membership. The EU concluded a series of political and economic agreements with the leadership of the new state to promote stability. The EULEX Rule of Law Mission in Kosovo operates within the framework of the said agreements, and supports the efforts of the authorities to establish sustainable and accountable institutions governed by the rule of law. It improves multi-ethnic administration of justice, the police forces, and customs services. It also seeks to ensure that the said institutions become free of political influence and function in accordance with the European norms and practices. The activities of the European Union in Kosovo are coordinated by the European Union Special Representative (EUSR), which is directly responsible to the High Representative for Foreign Affairs and Security Policy. The EUSR promotes the European integration pursuits of the Government of Kosovo, and it assists in the country's compliance with the basic liberties and human rights. (EULEX 2017)

The EU office was opened in Pristina in 1999, and the European Union has been involved in the crisis and post-crisis management since then. The relationship between the European Union and Kosovo is dominated by the issue of relations with Serbia, whose greatest achievement has been the Brussels Agreement in 2003. (EU 2017g)

Visa liberalization has yet to take effect in Kosovo. The last obstacle was the resolution of the border dispute with Montenegro, but the agreement signed by the Government of Kosovo in 2017 was not ratified by the parliament.

Table 3.

The accession process of the Western Balkan Region to the European Union

	Type	Submission of Application for Membership Status	Candidate Status Granted	Initiation of Negotiations	Number of Opened Chapters	Number of Provisionally Closed Chapters
Turkey	Candidate	01.12.1964	14.04.1987	12.12.1999	16	1
Montenegro	Candidate	15.12.2008	17.12.2010	29.06.2012	30	3
Serbia	Candidate	22.12.2009	01.03.2012	21.01.2014	12	2
Macedonia	Candidate	22.03.2004	17.12.2005	–	–	–
Albania	Candidate	28.04.2009	24.06.2014	–	–	–
Bosnia–Herzegovina	Potential Candidate	15.02.2016	–	–	–	–
Kosovo	Potential Candidate	–	–	–	–	–

Source: European Commission. Edited by the author.

Budgetary Backdrop and Forms of Financing

The European Union has changed the support schemes for the Balkan region several times. Edit Bencze differentiates three phases. (Lőrinczné 2013) The first phase took

place between 1991 and 1999, when the EU had to deal with the Yugoslav Wars and their aftermath. During this period the EU did not adopt a consistent approach. The available funds were granted to provide assistance with state building and to guarantee a democratic transition between regimes. The European Union introduced three sources of funding for this: the European Community Humanitarian Office (ECHO), the Poland and Hungary Assistance for the Reconstruction of the Economy (PHARE), and the OBNOVA (the word means "renewal" in Bosnian) Programme.

The 1992 establishment of the ECHO fund was linked to the First Yugoslav War. It played a role not only in the region though, but worldwide. Until 1995, the organization spent 1.18 billion EUR to fund humanitarian causes: e.g. giving out medical equipment, medicine, food packages, sanitary items, clothing, and heating material to those in need; they also contributed to psychological assistance. As the war ended, the focus shifted towards the returning refugees, for whom a total of 469 million EUR was available between 1996 and 1998. In 1999, during the Kosovo War, the organization gave out 450 million EUR in aid. The operation in the Western Balkans terminated in 2003.

The OBNOVA Programme, launched in 1996 (1628/96 Council Regulation) granted aids and development funds to Croatia, Bosnia and Herzegovina, Macedonia, and the Federal Republic of Yugoslavia. The programme established eight objectives, some of which were aimed at humanitarian causes, but it was in place mainly to facilitate the democratic transition. The leaders of Croatia and the Federal Republic of Yugoslavia initially refused to fulfil the conditions, therefore funds only became available for these countries after 2000, when reforms to their political systems were introduced.

Table 4.
EU assistance to the Western Balkan countries, 1991–1999 (million EUR)

	1991–1994	**1995**	**1996**	**1997**	**1998**	**1999**	**Total**
Albania	400.10	90.55	55.30	99.40	54.30	225.40	**925.05**
Bosnia and Herzegovina	495.50	216.40	441.10	360.90	295.30	284.00	**2,093.20**
Croatia	205.70	38.70	33.60	27.00	24.10	18.60	**347.70**
Federal Republic of Yugoslavia	170.60	40.00	24.50	18.10	27.10	145.30	**425.60**
Kosovo	–	–	–	–	13.20	259.60	**272.80**
Macedonia	96.60	34.40	25.00	73.70	25.50	108.60	**363.80**
Total	**1,368.50**	**420.05**	**579.40**	**579.10**	**439.40**	**1,041.50**	**4,427.95**

Source: Szemlér 2008. Edited by the author.

The PHARE Programme, established in 1989 (European Commission 1999) assisted with the construction and consolidation of the democratic institutions; it was extended to Albania (347.71m EUR), Bosnia and Herzegovina (199.72m EUR) and Macedonia (110.29m EUR). The second phase took place between 2000 and 2006, when the European Union folded its previously unclear and uncoordinated funding operations into a new, structured funding scheme in the region. The Community Assistance for Reconstruction, Development and Stabilization (CARDS) programme (2666/2000 Council Regulation) was introduced

within the confines of the stabilization and association process; it spent 4.6 billion EUR[5] in the Western Balkans on:

- reconstruction and solving the refugee issue
- creating efficient democratic structures, and strengthening the rule of law and respect for human and minority rights
- fostering sustainable economic and social growth, and
- establishing regional, transnational, cross-border, and interregional cooperation between the countries of the region, the European Union, and the Central European countries applying for candidate status. (Rechnitzer 2007)

CARDS was intended to simplify the funding scheme of the Community, but several conflicting issues were still present, because the funding for the countries of the region came from different institutions. The European Agency for Reconstruction (EAR) provided funding for Serbia and Montenegro, Kosovo and Macedonia, while in other countries the scheme was controlled by independent commissions. (Szemlér 2008)

Table 5.
CARDS Programme allocation for 2000–2006 (million EUR)

	2000	2001	2002	2003	2004	2005	2006	Total
Albania	33.4	37.5	44.9	46.5	63.5	44.2	45.5	**315.5**
Bosnia and Herzegovina	90.3	105.2	71.9	63.0	72.0	49.4	51.0	**502.8**
Croatia*	16.8	60.0	59.0	62.0	81.0	–	–	**278.8**
Federal Republic of Yugoslavia**	650.5	385.5	351.6	324.3	307.9	282.5	245.5	**2,547.8**
Macedonia	13.0	56.2	41.5	43.5	59.0	45.0	40.0	**298.2**
Total	**804.0**	**644.4**	**568.9**	**539.3**	**583.4**	**421.1**	**382**	**3,943.1**

* Croatia was the beneficiary of pre-accession funds adding up to 105 million EUR, while in 2005 it received 140 million EUR

** Serbia and Montenegro between 2003 and 2006

Source: Szemlér 2008. Edited by the author.

In the third phase, starting in 2007, the Instrument for Pre-Accession Assistance I (IPA I) was introduced. The budget for the period ending in 2013 amounted to 11.468 billion EUR, while for 2014–2020 it was 11.7 billion EUR for the candidate states and potential candidates. The money was to facilitate the fulfilment of the conditions of accession. The Accession Partnership of 2001, for example, had established the Turkey Pre-Accession Instrument (TPA), which was set up to promote the implementation of the Copenhagen Criteria within Turkey.

[5] The difference was the result of the fact that the candidate states were not able to call up from all of the funding schemes.

Table 6.
Turkey Pre-Accession Instrument (2002–2006) (million EUR)

	2002	2003	2004	2005	2006	TOTAL
Turkey	126	145	237	278	463	**1,249**

Source: European Court of Auditors 2009. Edited by the author.

There are five areas to which funds are allocated within the framework of IPA I, although countries holding a potential candidate status have access to only the first three pools: transition and institutional development; cross-border relations; regional development; human resources development; and rural development. (1085/2006 Council Regulation)

Table 7.
IPA I. Programme Allocation for 2007–2013 (million EUR)

	2007	2008	2009	2010	2011	2012	2013	Total
Albania	61.0	73.8	81.2	94.2	95.0	96.2	98.1	**599.1**
Bosnia and Herzegovina	62.1	74.8	89.1	106.0	108.1	110.2	118.1	**668.4**
Croatia	141.2	146.0	151.2	154.2	157.2	160.4	162.9	**1,073.1**
Kosovo	68.3	184.7	106.1	67.3	68.7	70.0	73.7	**638.8**
Macedonia	58.5	70.2	81.8	92.3	98.7	105.8	117.2	**624.5**
Montenegro	31.4	32.6	34.5	34.0	34.7	34.2	35.4	**236.8**
Serbia	189.7	190.9	194.8	198.0	201.9	205.9	214.7	**1,395.9**
Turkey	497.2	538.7	566.4	653.7	779.9	860.2	902.9	**4,799**
Total	**1,109.4**	**1,311.7**	**1,305.1**	**1,399.7**	**1,544.2**	**1,642.9**	**1,723.0**	**10,036**

Source: Szemlér 2008. Edited by the author.

The funds of IPA II are aimed at assisting the countries striving for European integration. These funds may be used for administration reforms, enhancing the rule of law, creating a sustainable economy, human capital development, and agriculture and rural development. (231/2014 EU Regulation)

Table 8.
IPA II. Programme Allocation for 2013–2020 (million EUR)

	2014	2015	2016	2017	2018–2020	Total
Albania	83.7	86.9	89.7	92.9	296.3	**649.5**
Bosnia and Herzegovina	39.7	39.7	42.7	43.7	n.d.	**165.8**
Kosovo	83.8	85.9	88.7	91.9	295.2	**645.5**
Macedonia	85.7	88.9	91.6	94.9	303.1	**664.2**
Montenegro	39.6	35.6	37.4	39.5	118.4	**270.5**
Serbia	195.1	201.4	207.9	215.4	688.2	**1,508**
Turkey	620.4	626.4	630.7	636.4	1,940.0	**4,453.9**
Total	**1,148.0**	**1,164.8**	**1,188.7**	**1,214.7**	**3,641.2**	**8,357.4**

Source: IPA II. s. a. Edited by the author.

Achievements and Challenges

In the past twenty years, the European Union achieved its objectives for stabilizing the Western Balkan region. Efficient funding schemes have made democratic values increasingly dominant among the political elite, and the countries have advanced along the path to European integration. In 2013, Croatia joined the European Union, increasing the number of countries in the "European Club" to twenty-eight. Montenegro and Serbia now are in negotiations. Macedonia must resolve its conflict with Greece before it can begin accession negotiations, but the starting date of negotiations with Albania is expected to be released soon. Bosnia and Herzegovina, along with Kosovo, have so far only managed to gain potential candidate status because of internal and international conflicts.

The leading member states seem to regret even mentioning the possibility of giving partner status to Turkey. The reaction from the Turkish Government though, has been to reinforce its dedication to receiving full membership. Since 2015, this kind of special relationship has taken shape. The refugee crisis of 2015–2016 generated a serious, Union-wide problem, and under heavy pressure from Germany, Turkey was included in its management. The EU concluded two agreements on the issue, one in December 2015 and another in March 2016, which have led to a radical drop in the number of illegal border crossings (from 50–60,000 to 2–3,000 persons in 2016 January and February) under the 1 + 1 readmission scheme. (Egeresi 2017) In return, Ankara was promised to speed up the accession negotiations, a total of 3 + 3 billion EUR for improving the situation of refugees from Syria and, if Turkey can meet seventy-two criteria, exemption from visa requirement. (Consilium 2016) The agreement caused a political storm in the European Parliament, and there were attempts to suspend it when, following an attempted coup in 2016, Turkish President Recep Tayyip Erdoğan moved to suppress political opposition.

Future Relations

In 2014, the newly elected President of the European Commission ruled out further enlargement during his term. As a counterbalance, Germany initiated the Berlin Process, which was to help the Western Balkans maintain the "European perspective". Regional cooperation and better relations were encouraged. So far, the initiative has seen little progress, but Germany proposed that it continue with the so-called Berlin Plus agreement. (Orosz 2017)

On 28 June 2016, the European Council adopted the strategy presented by Federica Mogherini, High Representative of the EU for Foreign Affairs and Security Policy. It describes enlargement as a means of the foreign policy of the European Union. The main principles it enumerates are unity, engagement, responsibility, and partnership. (Molnár 2016) The chapter entitled *State and Societal Resilience to our East and South* of the Global Strategy of the European Union, moreover, says that "Under the current EU enlargement policy, a credible accession process grounded in strict and fair conditionality is vital to enhance the resilience of countries in the Western Balkans and of Turkey". (The EU Global Strategy 2016, 7.) The EU hopes that cooperation in the region will help with "the fight against terrorism, reforms introduced to the security sector, migration, infrastructure,

energy and climate policies", and the reform of the assistance programmes. (The EU Global Strategy 2016, 19.)

The countries that wish to join the European Union, along with some member states, have called for a clear schedule for negotiations, which is also specified by the strategy. They envisage a stricter system of control that provides feedback from the member states, the candidate states, and the civil society. The EU is aware of the growing Euroscepticism in the region and is taking steps to combat this, in the form of financial assistance.

The wariness caused by the enlargement is evident within the European Union though, and it has affected the level of enthusiasm in the Western Balkan region, as demonstrated by the lengthy Macedonian government crisis in 2015. As the negotiations with Albania have lagged, moreover, its leaders have changed their rhetoric and started promoting the notion of a "Greater Albania". The European Union has realized, however, that enlargement should not be taken off the agenda. (European Commission 2016b) The 2017 September speech of Jean-Claude Juncker, President of the European Commission, in fact, called for more rapid integration. A general sense of apprehension has set in within the European Union as Russia tries to regain its influence in the region and China's economic presence grows.

The European Commission's Enlargement Strategy called *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans* (European Commission 2018) was published on 6 February 2018. The strategy included a target date of 2025 as the accession of the Balkan states. President of the Commission, Jean-Claude Juncker and Commissioner for Enlargement, Johannes Hahn pointed out that the countries would be evaluated on the basis of their own achievements, and therefore the date of accession is only up to them. The document set out the necessary steps to be taken for the successful entry, with the intention to give a true European perspective for these countries. At the moment, Montenegro and Serbia are the two candidates that may be granted full member status in 2025. In the future, the European Union will strive for opening negotiations with Albania and Macedonia if the expected reforms are introduced, and the dispute between Greece and Macedonia over the name of the latter is resolved. To conclude, the European Union has the clear intention of integrating the Balkan states, allowing for the further unification of Europe.

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The EU and Africa

Mariann Vecsey

In recent years, media reports on the European Union (EU)–Africa relations focused almost exclusively on the question of migration, neglecting other aspects of the relation between Europe and its Southern neighbour. Migration certainly made the EU more active in African affairs, but the roots of cooperation go much deeper than the crisis of the past years in the Mediterranean.

Europe and Africa have a long common history, not only because of geographic proximity; both the Roman Empire and the colonial system connected the two continents. The relationship continued after the collapse of the colonial empires, despite the reluctance of the former colonies in the beginning of the process. Cooperation between Europe and Africa started with the process of de-colonization, as many European countries sought continued influence in their former domains. The first European communities, like the European Economic Community (EEC), pursued similar aims, and cooperation with African countries continues with the EU.

This chapter aims to introduce the EU–Africa relations from 1963. It presents the Yaoundé, Lomé and Cotonou agreements. These were the three main documents of the partnership. The chapter also discusses the different EU strategies regarding Africa, like the Sahel strategy or the Horn of Africa strategy. The strategies of the EU regarding Africa continue to evolve, of course, and examining the process makes it easier to identify both achievements and challenges in the EU–Africa relations. It also discusses how these strategies fit in the Global Strategy of the European Union. Besides these, the chapter introduces the institutional and financial background of the partnership.

Yaoundé, Lomé, and Cotonou

The de-colonization was important to start the European–African relations. The EEC established contractual relations only with independent countries. As nearly all African countries were in colonial status, the process could have started after these territories gained their independence.

Figure 1.
Countries of Africa

Source: Edited by the author.

The African countries became independent in more waves. In the first, eight states in Africa gained their independence before 1960. Another 33 established independent governments over the next decade. Until 1980 every European colony became independent. Namibia, and Eritrea became sovereign states in the 1990s, and South-Sudan declared its secession from Sudan in 2011. (Chronologie des indépendances africaines 2009)

Table 1.
Colonial powers, colonies and their date of independence[1]

Colonial power	Colony	Date of independence
American Colonization Society	Liberia	26 July 1847
United Kingdom	South Africa[2] (Union of South Africa)	31 May 1910
	Egypt	28 February 1922
	Libya[3] (Emirate of Cyrenaica)	1 March 1949
	Ghana	6 March 1957
	Nigeria	1 October 1960
	Sierra Leone	27 April 1961
	Tanzania[4] (Tanganyika)	9 December 1961
	Uganda	9 October 1962
	Tanzania (Sultanate of Zanzibar)	10 December 1963
	Kenya	12 December 1963
	Malawi	6 July 1964
	Zambia	24 October 1964
	The Gambia	18 February 1965
	Botswana	30 September 1966
	Lesotho	4 October 1966
	Mauritius	12 March 1968
	Swaziland	6 September 1968
	Republic of Seychelles	29 June 1976
	Zimbabwe[5]	18 April 1980
United Kingdom and Egypt	Sudan	1 January 1956
United Kingdom and Italy	Somalia	1 July 1960
France and the United Kingdom	Libya	24 December 1951
	Cameroon	1 January 1960

[1] Eritrea and South Sudan are not included in the table, because Eritrea gained its independence from Ethiopia in 1993 (Eritrea s. a.), and South Sudan held a successful referendum in 2011 in favour of secession from Sudan. (South Sudan s. a.)

[2] The modern state of South Africa came to existence on 31 May 1961, when it became a republic. Until 21 March 1990, South Africa administered the territory of the current Namibia, which was occupied by South Africa during World War I. (Namibia s. a.)

[3] The Eastern part of Libya, the Cyrenaica region, became independent in 1949, while Fezzan (under French rule) and Tripolitania (under the United Kingdom) remained colonies. The current state of Libya was formed by UN General Assembly Resolution 289, which urged the unification of the three separate regions not later than 1 January 1952. The three regions became one sovereign state on 24 December 1951. (United Nations General Assembly Resolution 289 [1949])

[4] Modern Tanzania was formed on 24 April 1964, with the union of Tanganyika and Zanzibar. (Bryceson et al. s. a.)

[5] Rhodesia's first attempt at independence was the Unilateral Declaration of Independence on 11 November 1965. (Ingham–Sanger–Bradley s. a.)

Colonial power	Colony	Date of independence
France	Tunisia	20 March 1956
	Guinea	2 October 1958
	Togo	27 April 1960
	Madagascar (Malagasy)	26 June 1960
	Benin (Republic of Dahomey)	1 August 1960
	Niger	3 August 1960
	Burkina Faso (Upper Volta)	5 August 1960
	Côte d'Ivoire	7 August 1960
	Chad	11 August 1960
	Central African Republic	13 August 1960
	Republic of Congo	15 August 1960
	Gabon	17 August 1960
	Senegal	20 August 1960
	Mali	22 September 1960
	Mauritania	28 November 1960
	Algeria	3 July 1962
	Union of the Comoros	6 July 1975
	Djibouti	27 June 1977
France and Spain	Morocco	2 March 1956
Spain	Equatorial Guinea	12 October 1968
Belgium	The Democratic Republic of the Congo (Zaire)	30 June 1960
	Burundi	1 July 1962
	Rwanda	1 July 1962
Portugal	Guinea-Bissau	20 September 1974
	Mozambique	25 June 1975
	Cape Verde	5 July 1975
	São Tomé et Príncipe	12 July 1975
	Angola	11 November 1975

Source: Edited by the author.

Quite logically, the European Economic Community (EEC) took its first steps toward economic cooperation with the continent during this time. The EEC's areas of interest depended largely upon the members. Belgium, France, Germany, Italy and the Netherlands all had colonial connections to Africa; only Luxembourg had no direct interests. (Gabel s. a.) The first economic agreement, the Yoaundé Convention of 1963, was made with the Associated African States and Malagasy (AASM), an organisation founded in September 1961, just after Belgium and France decided to give their African territories independence. The founding states of AASM (Cameroon, the Central African Republic, Chad, the Democratic Republic of the Congo, Dahomey, Gabon, Ivory Coast, Madagascar, Niger, Senegal and Upper Volta) comprise Francophone Africa and, as a block, welcomed close relations with the former colonisers. The Francophone countries which gained their independence later, joined the AASM, too. (Tall 1972)

The Yaoundé Convention, which included Burundi, Mali, Mauritania, the Republic of Congo, Rwanda, Somalia, and Togo in addition to the EEC and AASM, was signed on 20 July 1963. It dealt with trade, ensured privileges to both the EEC and the African countries. It also abolished quantitative restrictions on import goods originating in the EEC and African states. The convention also listed the free of customs duty products (coffee, tea, cocoa, pineapple and spices). These products were allowed into the EEC countries free of charge. The agreement also granted financial aid to the African countries in need from the European Development Fund (EDF) with detailed amounts and country shares, and specific areas for investment. The contract appears unbalanced at first, despite the well described aid for the African countries. It grants unlimited export quotas both to the European and African states, but gives duty-free status for only a few exotic products. It also includes that the agreement has no impact on earlier forged international contracts. The Yaoundé Convention also includes that any future agreements made with third countries, which set more favourable conditions will be extended to the convention, too. It does grant the same charges for products of African origin in the EEC countries as member states apply among themselves, however. The Yaoundé Convention also stipulated that after a five-year period from its entry into force, there could be a review and possible extension with a further period. (Convention of Association 1963) The same contracting parties accordingly signed a second economic agreement on 29 July 1969. The new agreement expanded financial aid opportunities for the African countries, but otherwise confirmed and continued the former agreement for another five years. The Yaoundé II Convention also has a five years long timeframe, which expires not later than 31 January 1975. (Convention of Association 1969)

The accession of the United Kingdom to the EEC in 1973 required a review of economic agreements, as the country sought continued influence in its former domains. (Gabel s. a.) The EEC was open to include former British colonies in the Yaoundé Convention; however, Ghana and Nigeria not only refused to join but also criticized the Francophone countries for participating. Not every former British colony has the same attitude towards the EEC. In 1968 the EEC signed the Arusha Agreement with the former British colonies of East Africa, the East African States (EAS). The agreement with the EAS (Kenya Tanzania and Uganda), was renewed in 1969 and ran through on 31 January 1975. It essentially duplicated the Yaoundé Convention of 1969. It made a stronger attempt to protect the interests of both the EEC and the African countries.

The first Lomé Convention was signed on 28 February 1975 between the nine members of the EEC and 46 African, Caribbean and Pacific states, the later African, Caribbean and Pacific Group of States (ACP). The EAS played an active role in the formation of this new international organisation, under the Georgetown Agreement of 6 June 1975. At the time of the formation, the ACP consisted of 46 countries comprising most of the former European colonial territories. (Taguaba s. a.)

The Lomé Convention broke with Yaoundé practices and established partnership principles and shared objectives. It also combined aid, trade and political aspects, which resulted in trade and financial benefits to the partaking countries. The Lomé Convention was also financed by the EDF. The guiding values of the convention included equality between partners and respect for sovereignty. It established non-reciprocal preferences for most exports from ACP countries to the EEC. It also recognises the mutual interests and interdependence between EEC and ACP. The Convention also states that every state has

the right to determine its own policies. It also guarantees the security of the established relations. The first Lomé Convention introduced a system to stabilize the earnings of the ACP countries from exports (STABEX), to compensate for the shortfall in their export incomes. The most important detail of the Convention was the so-called "sugar protocol" under which EEC countries agreed to import a fixed quantity of sugar from ACP countries annually at a fixed price. The Lomé I Convention had a timeframe of five years. (The Lomé Convention s. a.) In 1979, the two parties signed a second five-year agreement, the Lomé II, that essentially extended the first. It introduced only one new instrument, the System of Stabilization of Export Earnings from Mining Products (SYSMIN), which provided help to the mining industry in ACP countries strongly dependent on it. This period was financed by the fifth EDF. (The Lomé Convention s. a.) A third Lomé agreement (1984) significantly altered the main goals of the convention form industrial development to focus on self-sufficiency for ACP states, and especially food security. The five years long period of the Lomé III Convention was funded by the sixth EDF. (The Lomé Convention s. a.)

The fourth Lomé convention covered ten years including two five-year funding packages, namely the seventh and the eighth EDFs. Signed in 1989, the Lomé IV called for a mid-term review, which took place during 1994 and 1995. At this time the agreement was signed between the EU and ACP. The agreement emphasized common values like the promotion of human rights (especially gender equality), democracy, the environment, and good governance. For the first time though, it held out the prospect of the withholding funds from countries that did not fulfil certain criteria: respect for human rights, democratic principles, and the rule of law. Other important goals included the diversification of ACP economies, the decentralization of the cooperation through the promotion of the private sector, and increasing regional cooperation. This was the first time when the EDF did not increase in real terms. (The Lomé Convention s. a.)

When the Lomé Conventions came to an end in 2000, they boasted only partial achievements, like the "sugar protocol" or placing the partnership on a foundation based on law. Beyond this, the Lomé Conventions met no success. The ACP countries' share in the European markets declined from having 60% for ten products in 1974 to just 3% in 1998. The economic growth of Sub-Saharan Africa, moreover, remained relatively low compared to other ACP countries. The partners concluded, however, that they simply needed to adapt to the new geostrategic situation. Talks regarding a new agreement started in 1998. (The Lomé Convention s. a.)

When Portugal joined the EEC in 1986, (Gabel s. a.) its former colonies became part of the ACP, which thus comprised 79 states, 48 in Sub-Saharan Africa, 16 in the Caribbean, and 15 in the Pacific. All members save Cuba are signatories to the Cotonou Partnership Agreement (CPA). (The ACP Group s. a.) The CPA was signed on 23 June 2000 between the EU and the completed ACP. It is the continuation of the Lomé partnership principles and shared objectives. This pact rests on fundamental principles of equality, ownership of development strategies, and the participation of both governments and non-state actors. The agreement aims to increase the accountability of the aid receiving countries and harmonise the donor activity. The CPA introduces the differentiation, prioritising aids to countries on the lowest level of development, and regionalisation, which aims to promote the regional integration. (The Cotonou Agreement 2014) It runs for 20 years, with an obligatory review and new financial protocol every five years. (Overview of the Agreement

2000) It includes cooperative activities to increase social and human development, to increase economic development in the ACP countries, and to promote and expand trade in the framework of regional cooperation and integration. The CPA actually envisioned strengthening regional trade via Economic Partnership Agreements (EPA), but formation of these partnerships took too long. The partnership integrated Millennium Development Goals (MDGs)[6] (replaced in 2016 with Sustainable Development Goals [SDGs][7]). (Cotonou Agreement s. a.) The CPA rests on three pillars, development cooperation, political cooperation, and economic and trade cooperation. The third pillar includes the development aid. Its new element is the "rewarded performance policy", which means allocations are no longer automatic but depend upon effective use of funds released to date. (Overview of the Agreement 2000)

The first review of the Cotonou Agreement took place on 25 June 2005 in Luxembourg. After deciding the financial protocol for the next five-year period, the parties introduced an improved agenda in support of the MDGs, and outlined management procedures to make implementation more flexible and effective. The revision introduced a more formal and systematic dialogue on human rights, democratic principles and the rule of law. It also included a donor harmonisation initiative, and the "everything but arms" trade policy. The revision incorporated a framework on development cooperation, the European Consensus on Development. It also deepened the political dialogue, particularly regarding security issues. The ACP and EU agreed, for instance, on the non-proliferation of weapons of mass destruction (WMD). (Partnership Agreement ACP–EC 2006)

The second review of the Cotonou Agreement came in 2010. It emphasized regional integration in the ACP and ACP–EU cooperation and highlighted the interdependence between security and development, focusing on conflict prevention and peace building. The EU and ACP agreed on a joint approach to both sustainable development and poverty reduction, but only recognised the challenge of the climate change. The revision also introduced a trade development package and simplified the donor coordination. (ACP – The Cotonou Agreement s. a.) Despite the review the effectiveness of the CPA has not changed, and its significance started to decrease.

The third review of the CPA ended in 2016. It builds on the UN's Sustainable Development Agenda 2030, and fits with the EU's Global Strategy. It sets out six EU priorities:

- "promote peaceful and democratic societies, good governance, the rule of law and human rights for all
- spur inclusive sustainable growth and decent jobs for all

[6] The Millennium Development Goals were set in 2000 with a 15-year timeframe by the United Nations (UN). These were the following: eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, global partnership for development. (Millennium Development Goals s. a.)

[7] On 25 September 2015, the UN adopted a new set of goals to reach the termination of poverty, to protect the planet and to ensure prosperity for all in the timeframe of 15 years. These were: no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions, partnerships for the goals. (Sustainable Development Goals s. a.)

- turn mobility and migration into opportunities and address challenges together
- promote human development and dignity
- protect the environment and fight climate change
- join forces in the global arena on areas of common interests" (European Commission 2016)

These priorities are tailored to the different ACP regions, taking in account the heterogeneity of the organisation. The renewed CPA aims at a more targeted and flexible partnership. This meant reduced number of instruments, and an increase in the budget. (European Commission 2016) With the CPA set to expire in 2020 though, negotiations to define the future of the partnership start in 2018 between the EU and the ACP. (Post-Cotonou 2017)

Development in EU–Africa Relations

This part of the chapter will process all the EU strategies which have any connection with the African continent, except the European Neighbourhood Policy (ENP), which although includes North-African states, but it is a more integral part of the strategies regarding the Mediterranean area, which is a subject of another chapter, so in order to avoid duplication, this section will not deal with the ENP.

The EU's strategic partnership with Africa started in 2000, at first with the EU–Africa Summit in Cairo that launched a comprehensive framework for political dialogue. It dealt with the regional integration in Africa, the integration of Africa into the world economy. The summit also agreed on common values, such as human rights, democratic principles and institutions, good governance and the rule of law. It also discussed the main security related tasks of conflict prevention and peace-building and issues like poverty eradication and food security. Both the Europeans and Africans agreed on the principles, but the priorities of the continents remained different, as well as their view on the value of the partnership. Europeans prioritized peace and security issues, the Africans trade and economic aspects. Despite the disagreement on the priorities, the partnership continued and deepened. This difference is still a cause of frustration in their relationship.

The real boost in the partnership between the EU and Africa came in 2001 with the establishment of the New Partnership for Africa's Development (NEPAD) and the 2002 transformation of the Organisation of African Unity (OAU) to the African Union (AU). These institutions provided the EU with a commitment to common values. They also provided clarity regarding African countries' needs and desires, which made it easier to coordinate with donors. The importance of this was in the higher level of local ownership, which resulted in more effective programs. (The EU–Africa Partnership in Historical Perspective 2006)

This made possible the EU Strategy for Africa of 2005. The three principles of this strategy are equality, partnership and ownership. The equality principle is based on mutual recognition, respect for institutions and the definition of mutual interest. The partnership includes the development of political cooperation. Ownership in this case means the ownership of strategies and development policies. The goal of this strategy is to help Africa meet the MDGs. The strategy makes possible the differentiation of African countries, taking in consideration the very diverse economic, social and environmental circumstances of

them. It also recognises the challenges of the sustainable development. The EU also created a protocol for engaging whichever is the most effective level of government (national, regional, or continental) in any given case. The tenth EDF provides the financial framework for the programmes and actions established by the EU Strategy for Africa. (EU Strategy for Africa 2008)

The EU's Counter-Terrorism Strategy, which came out also in 2005, clearly relates to the EU's Strategy for Africa. It recognizes that EU cooperation with third-world countries is vital in the prevention of terrorism, and identifies North Africa as an area of particular interest. The four pillars of the counter-terrorism strategy mirror those of the global strategy: promoting good governance and democracy, resolving conflicts, and working to sustain peace. (The EU Counter-Terrorism Strategy 2005)

To support the objectives of both strategies, to reach the MDGs and promote good governance and democracy and resolve conflicts, in 2006 the EU introduced *The European Consensus on Development.* This document, despite its global commitment, is also connected to Africa. In certain programs it defines the Least Developed Countries (LDCs), low-income countries (LICs) and even some middle-income countries (MICs) as the only countries which are allowed to get development aid. (European Parliament–Council–Commission 2006) In June 2017, 33 of the 47 LDCs were from the African continent. (List of the Least Developed Countries 2017)

Table 1.
Comparison of the African states

Country	Area	Population (million people)	GDP (per capita, current prices / in U.S. dollars, 2016)	PPP (per capita GDP / in current international dollar, 2016)
Algeria	2,381,741 km^2	40.9	3,502.274	6,844.433
Angola	1,246,700 km^2	29.3	3,502.274	6,844.433
Benin	112,622 km^2	11.0	770.812	2,119.434
Botswana	581,730 km^2	2.2	6,972.108	17,041.582
Burkina Faso	274,200 km^2	20.1	645.789	1,782.150
Burundi	27,830 km^2	11.4	324.782	813.713
Cameroon	475,440 km^2	24.9	1,238.489	3,248.783
Cape Verde	4,033 km^2	0.5	3,078.338	6,662.020
Central African Republic	622,984 km^2	5.6	364.231	651.921
Chad	1,284,000 km^2	12.0	852.159	2,445.184
Comoros	2,235 km^2	0.8	753.495	1,529.156
The Democratic Republic of the Congo	2,344,858 km^2	83.3	494.651	773.055
Republic of Congo	342,000 km^2	4.9	1,783.529	6,676.102
Côte d'Ivoire	322,463 km^2	24.1	1,458.825	3,609.029
Djibouti	23,200 km^2	0.8	1,908.312	3,369.584
Egypt	1,001,450 km^2	97.0	3,684.574	12,553.941
Equatorial Guinea	28,051 km^2	0.7	14,174.129	38,639.066

Country	Area	Population (million people)	GDP (per capita, current prices / in U.S. dollars, 2016)	PPP (per capita GDP / in current international dollar, 2016)
Eritrea	117,600 km²	5.9	823.111	1,410.326
Ethiopia	1,104,300 km²	105.3	795.234	1,945.888
Gabon	267,667 km²	1.7	7,586.949	19,056.493
Gambia	11,300 km²	2.0	469.285	1,666.599
Ghana	238,533 km²	27.4	1,569.036	4,411.933
Guinea	245,857 km²	12.4	514.635	1,264.528
Guinea Bissau	36,125 km²	1.7	694.043	1,729.897
Kenya	580,367 km²	47.6	1,516.326	3,361.023
Lesotho	30,355 km²	1.9	1,170.214	3,601.409
Liberia	111,369 km²	4.6	479.813	855.118
Libya	1,759,540 km²	6.6	5,193.236	8,678.455
Madagascar	587,041 km²	25.0	390.907	1,504.735
Malawi	118,484 km²	19.1	294.763	1,134.496
Mali	1,240,192 km²	17.8	830.149	2,265.996
Mauritania	1,030,700 km²	3.7	1,242.575	4,327.955
Mauritius	2,040 km²	1.3	9,424.462	20,421.623
Morocco	446,550 km²	33.9	3,063.071	8,330.402
Mozambique	799,380 km²	26.5	392.447	1,215.322
Namibia	824,292 km²	2.4	4,629.529	11,289.733
Niger	1,267,000 km²	19.2	411.056	1,107.179
Nigeria	923,768 km²	190.6	2,210.638	5,942.352
Rwanda	26,338 km²	11.9	729.093	1,976.823
São Tomé and Príncipe	964 km²	0.2	1,687.313	3,071.841
Senegal	196,722 km²	14.6	959.714	2,576.594
Seychelles	455 km²	0.09	14,938.128	27,602.212
Sierra Leone	71,740 km²	6.1	618.184	1,671.644
Somalia	637,657 km²	11.0	no data	no data
South Africa	1,219,090 km²	54.8	5,260.902	13,225.428
South Sudan	644,329 km²	13.0	233.145	1,657.077
Sudan	1,861,484 km²	37.3	2,384.451	4,446.757
Swaziland	17,364 km²	1.4	3,329.789	9,775.762
Tanzania	947,300 km²	53.9	970.205	3,080.321
Togo	56,785 km²	7.9	590.454	1,550.288
Tunisia	163,610 km²	11.4	3,730.416	11,634.072s
Uganda	241,038 km²	39.5	637.568	2,068.225
Western Sahara[8]	266,000 km²	0.6	no data	no data
Zambia	752,618 km²	15.9	1,274.759	3,880.310
Zimbabwe	390,757 km²	13.8	977.444	1,970.258

Source: Data collected from cia.gov and imf.org

[8] Disputed territory, annexed by Morocco in 1979. The current ceasefire with the Polisario Front, which is recruited from the Sahrawi population contesting Morocco's sovereignty, was signed in 1991. Tensions are continuous in the area. (Western Sahara 2017)

The first part of the European consensus defines its vision on development, outlining the common objectives, values, and principles, in line with previous EU documents. It describes a mechanism for more effective aid, and a desire to improve the coherence in development policy. The document recognises development as a global challenge. The second part describes the new Development Policy is cohesion with the introduction, and how it will operate at the European Community level. It identifies priorities and sets out guidelines for the planning and implementation procedures of Community instruments and cooperation strategies. The main element of the document emphasizes the importance of coherence in development policy, and defines the European Consensus on Development as a fundamental document for every policy, which affect developing countries. (European Parliament–Council–Commission 2006)

In 2006 the EU thus created a source document for subsequent strategies. The first Africa-related document created under this umbrella was the EU–South Africa Strategic Partnership of 2006, which set out the framework for long-term political cooperation between the EU and the Republic of South-Africa, at the national government level. It both continued and broadened the Trade, Development and Cooperation Agreement (TDCA) reached between the two parties five years after the consolidation of the country in 1994. The strategic partnership with the Republic of South-Africa aims to establish a more coherent political cooperation regarding regional, continental and global issues. (Towards an EU–South Africa Strategic Partnership 2006)

After the implementation of this trade orientated strategic partnership, next, the EU created a Joint Africa–EU Strategy (JAES), in 2007. The document builds on the EU Strategy for Africa, using the African Union Constitutive Act and Strategic Framework of 2004–2007. It is the first time, when an EU strategy is supported by both a European and African document, which makes a partnership even more fruitful than just a unilateral conception. Besides this, the strategy mentions not only the historical connections and the geographical closeness as a cause of creating a new partnership, but it also reflects the need of a new EU–Africa strategy due to the changes in the European organisation, which nearly doubled in size, and deepened the European integration. It also takes in account the integration process of the African continent, with the formation of the AU and launching of NEPAD. The idea of the JAES is to elevate cooperation to a strategic level, create a long-term framework for EU–Africa relations with short-term action plans to reach set goals, and to enhance political dialogue at all levels. The agreed principles of the strategy are the unity of Africa, the interdependence between the continent and the EU, and it also emphasises the usual mentioned values of such documents as the ownership and joint responsibility, respect for human rights, democratic principles, the rule of law, and the right to development. It also defines the governing principles of the partnership, from which the most important are mutual accountability, solidarity, equality, justice, common and human security, and gender equality. The strategy lists four main objectives, which are the following:

- To reinforce and elevate EU–Africa political partnership to focus on common concerns, and challenges, like peace and security, development, clean environment and migration.

- To strengthen and promote safe and secure environment, democratic values, development, and integration processes in Africa, and to support African countries to reach the MDGs by 2015.
- To promote and sustain an effective multilateral system, with strong and legitimate institutions and international institutions and address global challenges and common concerns.
- To broaden and promote the partnership, including non-governmental actors as well, allowing them to play an active role in the first two objectives.

To meet these objectives, the strategy had to implement new approaches. It outlined ways to ensure bilateral relations aligned with the joint strategy and ways to integrate lessons learned. Recognising the contributions of non-governmental actors became a central feature. The strategic framework targeted four inter-related areas: peace and security, governance and human rights, trade and regional integration, and key development issues. Regarding peace and security, the strategy not only focuses on solving the problems on the African and the European continent, with drawing up the need of a holistic approach, but it also emphasises the importance of addressing global concerns in each of these areas. Recognising peace and security as the most important problem, the main focus of the strategy falls on the promotion of democratic governance and human rights. In order to achieve the set goals, the strategy encourages a comprehensive and intensive dialogue on governance between the EU and Africa.

Under trade and regional integration, the aim was to reach a state where donor support is no longer needed in Africa. To support this idea, the development of the local markets and regional integration were the key elements. In order to be less dependent, three more key objectives were determined: private sector development, strengthening physical infrastructure networks and services related to them, and trade integration. The main effort was to assist Africa reach the MDGs by 2015. The strategy also outlined its institutional architecture and implementation, identified the actors, created action plans for different areas, and designed follow-up mechanisms. (A Joint Africa–EU Strategy s. a.)

The strategic principles and general values remained the same through time, although the most important difference is the use of an AU document as a basis of the JAES. The document still focused on the MDGs, as all of the EU's Africa-related strategies and agreements created after 2000 had. It provides a comprehensive framework for the EU–Africa Partnership created in 2007 to reinforce the political relations between Africa and the EU, and encourage joint efforts to address global challenges like climate change, the protection of the environment and peace and security. The joint action resulted in greater impact on the global stage. It aimed to broaden Africa–EU cooperation including areas like governance, human rights, trade and regional integration, migration, mobility and employment. The partnership also sought to encourage civil society and participation of the private sector. (What is the Partnership? s. a.)

In 2011, the European Union followed up by creating the Agenda for Change. It embraced the same principles and values as its predecessors, and likewise aimed for successful development policy and practices for the European organisation to be able to fit within the comprehensive international development agenda until and beyond 2015. The second main objective of the agenda is to support partner countries in faster progress

to reach the MDGs. It introduced a more effective aid contribution process and proposed coordinated EU action to avoid fragmentation and increase efficiency with creating a joint programming document. It is not only to be created by the member states, but it also should be synchronised with the strategies of the partner countries. It also proposes an improved coherence among EU policies to evaluate the impact of them. All of these improvements are aiming the better aid contribution, to make sure, that the most vulnerable and fragile countries get the necessary assistance. (European Commission 2011)

In 2011 two EU strategies were made by the EU regarding Africa. The first one was created before the Agenda for Change. The EU's Strategy for Security and Development in the Sahel appeared in 2011, as well; it did not include the achievements of the Agenda, but addressed concerns regarding the "Arab Spring". The strategy dealt with North Africa, but the main focus fell on the countries in the Sahel region. The strategy dealt with Mauritania, Mali, Niger and, in a wider perspective, Burkina Faso, Chad, and further countries which could also feel the impact of the challenges, like Algeria, Libya, Morocco, and Nigeria. It declared that security and development could not be separated in the Sahel and called for a coordinated, holistic approach to the problems of the region. The constantly deteriorating situation in the Sahel region draw the attention of the EU to the region, mainly because of its geographical closeness, and the direct impacts on European citizens. The strategy defines the problems in the Sahel as the following: extreme poverty, climate change, food crisis, and rapidly growing population, fragile governance, corruption, internal tensions, violent extremism and radicalisation, illicit traffic and terrorism. The strategy emphasized, however, that al-Qaeda in the Islamic Maghreb (AQIM) was the biggest threat.

The long list of problems is interdependent, and the EU is determined to find the root causes of the problems, to be able to help more effectively in the region. The Sahel Strategy identified four levels of challenges. The first was governance, development and conflict resolution, which included internal governance and development-related issues. The second was coordination on regional level, as there were different threat perceptions in each country and the lack of intra-regional communication. The third level was security and rule of law, particularly the insufficient law enforcement and judicial sectors of the countries in the region. The fourth was fight against and prevention of violent extremism and radicalisation. The mutual interest of the strategy was to reduce insecurity and improve development in the Sahel. It also aims to prevent AQIM attacks in the region and in the EU, to reduce illicit trafficking and to strengthen and protect lawful trade in the region. The strategy formulated objectives in line with these challenges, and set out both a long-term (5–10 years) and short-term (3-year) prospectus. The Sahel Strategy is built on existing initiatives which are connected to the region in multiple levels, including ECOWAS, the Joint EU–Africa Strategy, and existing EU engagements in the region. The lines of action in the strategy were to contribute to development, to encourage political dialogue in the region. In addition to this, it aimed to strengthen security in the Sahel with increasing the social resilience. The strategy is also defining its financial resource as the tenth EDF. (Strategy for Security and Development in the Sahel s. a.)

Following the Sahel Strategy, the EU created *The Strategic Framework for the Horn of Africa* in November 2011 to integrate the achievements of the Agenda for Change. The motives of the EU to create a strategy for the Horn of Africa were based on the historical relations with the region, the EU's geo-strategic interests in the Horn, and the turbulent

political changes of the last 50 years in the region. These were the secession of South-Sudan from Sudan in 2011, and the decades long Somalian crisis. The EU resolved to use the same methods as in the Sahel Strategy, notably to exploit existing local, regional and international partnerships, particularly the Inter-Governmental Authority for Development (IGAD),[9] to address challenges in the region. The challenges parallel those of the Sahel; however, IGAD, which comprises the countries in the Horn region, is much less effective than ECOWAS, which proved to be a useful partner of the Sahel Strategy. The challenges identified in the Strategic Framework parallel those of the Sahel: corruption, food insecurity, climate change, and terrorism, migration and illicit trafficking. As before, the EU wanted to address the whole region to solve the problems, since there is a large scale of interdependence in the Horn of Africa, and therefore the main objectives were similar: promote peace and stability, advocate security, prosperity and accountable government, and attain the MDGs. To achieve these the EU will make its current engagements in the Horn of Africa more effective, with using the instruments in a more consistent, coherent and complementary manner. These engagements are the formerly mentioned Cotonou Agreement, other bilateral trade relations between the IGAD countries and the EU, the political dialogue set by multiple EU strategies, policies and agreements, a humanitarian response, mainly focusing on internally displaced people (IDP), the EU's crisis response and management system, which is conducted through the EU's Common Security and Defence Policy (CSDP), which even includes counter-piracy operations and counter-terrorism operations, the EU cooperation on climate change, migration and the support of African regional integration. The document also suggested a regular review of the strategy, with the first to be held one year after the implementation of the Strategic Framework. (Council of the European Union 2011)

The fourth EU–Africa Summit took place in Brussels in 2014. It witnessed the creation of Roadmap 2014–2017 and the Pan-African Programme (PanAf), which is funded under the EU's Development Cooperation Instrument (DCI). The Roadmap augmented the Joint Africa–EU Strategy, with a timeframe of 2014–2017. It is focusing on five key priorities and areas for essential joint actions at inter-regional, continental and global level in which Africa and the EU have mutual interests. These key priorities are:

1. "peace and security
2. democracy, good governance and human rights
3. human development,
4. sustainable and inclusive development and growth and continental integration
5. global and emerging issues" (Roadmap 2014–2017, 2014)

The fifth priority is addressing issues such as climate change, non-proliferation of weapons, and the reform of the international governing system. (Roadmap 2014–2017, 2014)

PanAf is built on the Lisbon Treaty and connected to the Agenda for Change. It is a complementary element of current EU policies and instruments, adding a continental or trans-regional approach where needed. The programme also addressed the external dimensions of the EU policies. The PanAf put into practice the Policy Coherence for Development which builds synergies between EU policies and development cooperation. It is implemented

[9] The member countries of the organisation are: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, South Sudan and Uganda.

by widening the range of the EU cooperation, and involving all concerned services for whole planning and implementation processes. The PanAf was one of the supporting instrument of the Joint Africa–EU Strategy and was the first EU instrument that treated Africa as a whole. (Pan-African Programme 2014–2020 s. a.)

After the implementation of these Africa related strategies and strategic frameworks, the EU thus institutionalized cooperation with the continent on a strategic level, in which it addressed the most important local, regional and continental problems. Despite mentioning migration in nearly all of the Africa related documents, however, the EU did not have a comprehensive migration strategy before 2015, when it announced the European Agenda on Migration and the Valletta Action Plan. It took two more years to formulate the Malta Declaration, which addressed the Central Mediterranean migration route, which came to existence in 2017. All of the documents contain initiations which are related to Africa. The European Agenda on Migration proposed an increase in the strength of the border control, or coast guard component in the already operating EU missions in the North-African countries, and the launch of a multi-purpose centre in Niger was also one of the EU's immediate action proposals in the Agenda. Besides these it also stated, that the root causes of migration should be tracked and decreased in the countries of origin, in which action the EU planned to rely on the existing missions in the Sub-Saharan countries, like Mali and Niger. (European Commission 2015)

The Valletta Action Plan also focuses heavily on Africa, and dealt with both legal and illegal African migration. The Action Plan introduced 16 initiatives based on previously successful programs in Africa regarding migration, which are to be monitored under the Joint EU–Africa Strategy. (Valletta Action Plan 2015) The Malta Declaration strengthened the EU's will on cooperation with other international organisations and besides, it is dedicated to stabilising Libya. The EU is also determined to deepen the relations with the Sub-Saharan neighbours of the country. (European Commission 2017)

The CSDP missions in Africa were mentioned in multiple documents as existing tools to rely on related to different reasons, like the reach of MDGs or later established SDGs in Africa. There are currently seven EU missions operating in the Sub-Saharan region, and all of them have mandates which directly or indirectly help to reach SDGs, to establish a liveable environment for the local population. These missions are the EUCAP Sahel Mali; EUCAP Somalia; EUCAP Sahel Niger (all civilian missions); EUTM Mali; EUTM RCA; EUTM Somalia (all military training missions); and EUNAVFOR Somalia, a military operation. All of these missions and operations are launched in the framework of the EU's CSDP and they are an integral part of the comprehensive approach towards crisis management. They are also in line with the regional Africa strategies. EUCAP missions have mandates to train and advise local security forces (like the police, and the gendarmerie), but they also provide strategic support at the ministerial level to conduct the Security Sector Reform in the countries, and they are also providing support for capacity building. The EUTM military missions are involved with training, advising, and educating the local armed forces, and preparing them to the SSR. They promote local ownership and they are aiming to stabilise the security in the region. They are also aiming to develop sustainable and human rights based approach among the different security actors. The EUNAVFOR Somalia, as the only military operation in the region, has a slightly different mandate, since it has operational tasks, regarding sea security, like protecting vulnerable shipping vessels, deterring and

disrupting piracy, monitoring fishing activities, and support other missions in the region. As a whole, these missions and operations supposed to work together with the locally operating other missions and operations, to fulfil the framework of the comprehensive approach, and the most recently introduced integral approach, the EEAS. (Security and Defence s. a.)

Institutional Background

The different strategies require institutional foundations. There are EU Special Representatives (EUSR) in the different crisis areas, they are representing the EU in these troubled regions, where they are promoting EU policies, and interests. The main tasks of the EUSRs are to support the work of the High Representative/Vice President (HR/VP) regarding the mentioned regions and countries. They play an important role in developing and strengthening the CSDP and to make the EU a more effective, capable and coherent actor worldwide. There are two EUSRs in Africa, one for the Horn of Africa and one for the Sahel. Both EUSRs' mandates are based on the strategies and policy objectives on the respected regions. They also have to contribute actively to the regional and international endeavour to reach lasting peace, security and development in the region. The EUSR for the Horn of Africa, was appointed in 2012, who's task is to aim the development of the effectiveness of the EU's multidimensional engagement in the area. The EUSR for the Sahel was appointed in 2015, has to coordinate the comprehensive approach addressing the crisis in the Sahel according to the EU's related strategy. In addition to the two EUSRs, who are directly linked to Africa, there is a third EUSR for Human Rights, first appointed in 2012, with a thematic task: to work with the European External Action Service and promote the EU's human rights policy across the world, including Africa. (EU Special Representatives 2016)

The EU is represented at the ambassadorial level by delegations. The EU is represented by these diplomatic bodies all over the world, and its presence is very significant in Africa. It has a multilateral delegation to the African Union and, via bilateral or regional delegations, it is represented in 53 countries on the continent. The tasks of these delegations are to represent the EU and its citizens, to serve the EU's interests through presenting, explaining and implementing EU policies, maintain political dialogue, oversee EU aid programs, and conduct negotiations in accordance with their given mandate. (EU Delegations and Offices around the World 2015) The most important among these delegations is the EU Delegation to the AU, which started in 2008, in order to have a permanent connection with the AU. The delegation works with the 53 AU member states, the AU Commission and other AU bodies. These are the AU Peace and Security Council, EU countries, and other governmental and international partners of the AU. The delegation has to deal with different countries and thematic areas. Political dialogue on mutually concerning issues, and a long-term cooperation and institution building is among these thematic areas. The delegation is following the framework set by the Joint Africa–EU Strategy and the consecutive EU–Africa Summits' achievements and additional EU documents related to Africa. (About the EU Delegation to the African Union 2016)

The Council of the EU has several preparatory bodies, including the Africa Working Party (COAFR), the African, Caribbean and Pacific Working Party (ACP), and the Mashreq/Maghreb Working Party (MaMa). (EU–Africa relations 2017) The Africa Working Party

is responsible for the management of the EU external policy towards Sub-Saharan Africa, which is defined by various documents focusing on establishing a far-reaching partnership, which includes 46 countries, the AU, and other regional organisations. (COAFR 2015) The ACP working party is responsible for the EU–ACP cooperation set by the Cotonou Agreement. It is the most complex and deepest partnership between the EU and the developing countries, which provides a framework for cooperation both in development, trade and political dimensions. (ACP 2015) The countries which fall under the Mashreq/Maghreb Working Party cover the countries included in the ENP.

There are also multiple committees responsible for the African issues. The Committee on Foreign Affairs, supported by a subcommittee on security and defence, is responsible for the promotion, implementation and monitoring of the CSFP and the CSDP. The committee is also responsible for promoting, implementing and monitoring the Instrument contributing to Stability and Peace, the Partnership Instrument and issues concerning democracy, the rule of law, and the European Instrument for Democracy and Human Rights, which is covered by a subcommittee on human rights. All these instruments are connected to Africa by providing aid, or establishing partnership, and in the framework of the CSDP multiple EU missions and operations are present on the continent. The Committee on Development is responsible for areas which have links to Africa, too. This committee is responsible for the promotion, implementation and monitoring of the development and cooperation policy of the EU, especially for maintaining political dialogue and cooperation with developing countries and monitoring aid. This committee is also responsible for the DCI, which covers the Pan-African Programme, and the European Development Fund, which provides the finances for most of the distributed aid in Africa. Finally, it is responsible for the entire ACP–EU Partnership Agreement. The Committee on International Trade monitors trade activity and agreements between the EU and third countries, including Africa. The Committee on Budgets has no direct connection to Africa but, along with the Committee on Budgetary Control, manages the EDFs that fund the EU's African programs. (Rules of Procedure of the European Parliament 2017)

In addition to the Committees, a few of the European Commission's Departments and services have connections to Africa, as well. The Directorate-General (DG) for International cooperation and Development (DEVCO) is dealing with the development of the cooperation policies of the EU. It has two geographical directorates that deal with Africa: Directorate D, responsible for the EU–Africa Relations, East and Southern Africa and Directorate E, covering West and Central Africa. They supervise assistance from EU Delegations in addition to controlling some programmes directly, such as the EU–African Peace Facility, and bilateral cooperation with Ethiopia or Nigeria. (Organisational structure of DG DEVCO 2017) The Directorate-General of Migration and Home Affairs (HOME) develops EU migration policy, taking into consideration EU–Africa strategies, since the migration flow through the Mediterranean mainly consists of African nationals. (About us s. a.) The Department of Service for Foreign Policy Instruments (FPI) works with the European External Action Service and is responsible for operational expenditures in the critical area of EU external action. The FPI reports directly to the HR/VP and has five units. The first is responsible for the budget, finance, relations with other institutions. The second is covering the Instrument contributing to Stability and Peace (IcSP), while the third unit is in charge of Common Foreign and Security Policy operations. The fourth

is responsible for the Partnership Instrument, and the fifth unit is accountable for EU Foreign Policy Regulatory Instruments, and Election Observation. Nearly all of these areas connect to EU initiatives regarding Africa, or with operating EU missions and operations on the continent. (Service for Foreign Policy Instruments 2017)

The formal dialogues between the two continents are conducted on various levels, which institutional architecture was mainly set by the Joint Africa–EU Strategy. According to this, the EU–Africa Summits are the most important strategic-level forums for regular dialogue between the two parties. They occur every three years since the implementation of the Joint Strategy. This level is responsible to provide political guidance for further work, and this body approves the Action Plans. The first EU–Africa Summit (Cairo, 2000) elucidated a comprehensive framework for the EU–Africa strategic partnership. The second (Lisbon, 2007) saw the formulation of the Joint EU–Africa Strategy; the third (Tripoli, 2010) widened the scope of the Joint Strategy, to make it a more people-centred partnership, and it adopted the Second Action Plan and the Tripoli Declaration, which focused on achieving the MDGs. (3rd Africa–EU Summit 2010) The fourth summit, held in 2014 in Brussels, discussed the future of relations and the reinforcement of the existing partnership. The Summit adopted both Roadmap 2014–2017 and PanAf. (EU–Africa summit, Brussels 2014) The fifth will be in Abidjan in November 2017, a decade after the adoption of the Joint Strategy. The event is expected to be a defining year for the EU–Africa relations. Seven topics head the agenda: investing in youth, peace and security, governance (including democracy), human rights, migration and mobility, investment and trade, skills development, and job creation. (5th African Union–EU Summit 2017)

These summits are prepared at ministerial level. In line with this, there is a bi-annual ministerial-level or "troika" meeting designed to balance representation of both unions. "On the EU side, the Troika consists of the current and incoming EU Presidency, the European Commission and the EU Council Secretariat, while on the African side the Troika consists of the current and outgoing Presidencies of the AU and the AU Commission, expanded to include chef de file countries at the expert and senior official levels." (A Joint Africa–EU Strategy s. a., 21.) This meeting has the task to review and monitor the implementation of the Joint EU–Africa Strategy and the Action Plans. The third level of the institutional system is the annual commission-to-commission level meeting, which is to strengthen the cooperation between the two bodies and advance the agenda of the strategic partnership. (A Joint Africa–EU Strategy s. a.)

Financial Background

The basis of the aid provided by the EU and its member states is regulated by treaties via the guiding principles of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC), which defines the countries and territories eligible to receive Official Development Assistance (ODA). The EU and its member states became the biggest aid provider in the world recently, with more than 50% of globally distributed official aid. The EU also committed to increase the recent contribution. (Molnár s. a.) The renewed Multiannual Financial Framework (MFF) for 2014–2020 has nine development instruments; four is thematic, European Instrument for Democracy and

Human Rights (EIDHR), Instrument contributing to Stability and Peace (IcSP), Partnership Instrument (PI) and the Instrument for Nuclear Safety Cooperation (INSC) and five is geographical, Instrument for Development Cooperation (DCI), Instrument for Pre-Accession Assistance II (IPA), European Neighbourhood Instrument (ENI), Instrument for Greenland (IfG) and the European Development Fund (EDF). (Funding instruments 2017)

Out of these nine development instruments only six provides funding to African countries and regional organisations, which are three of the geographical instruments (DCI, ENI and EDF), and three of the thematic instruments (EIDHR, IcSP and INSC). Since these are the most important instruments regarding Africa, only these six will be introduced here.

The European Instrument for Democracy and Human Rights (EIDHR) is a thematic funding instrument for EU external action, which is aiming to support projects in the area of human rights in non-EU countries. This instrument is unique in the EU's toolbox as it complements other EU external assistance instruments. It can be used flexibly, which allows the EU to use it according to local conditions, and at either government or non-governmental level. The budget of the EIDHR for 2014–2020 is 1.3 billion EUR. (EIDHR 2017)

The Instrument contributing to Stability and Peace (IcSP) is the main EU instrument financing security initiatives and peace-building activities. This instrument is to provide short-term and long-term support as well, where the short-term assistance helps countries with unfolding crises, and the long-term is to tackle global and trans-border threats. The IcSP also complements the EU's geographical instruments. It has a 2.3 billion EUR budget for the 2014–2020 period. (IcSP 2017)

The Instrument for Nuclear Safety Cooperation (INSC) promotes high standards of nuclear safety, including radiation protection, and applies efficient and effective safeguards for nuclear material in non-EU countries. The instrument entered its second phase in 2014, working with African countries to address consequences of uranium mining in north Africa, and particularly in Egypt and Morocco. The INSC has a budget of 200 million EUR for 2014–2020. (Building Nuclear Safety Together 2013)

The Development Cooperation Instrument (DCI) was formulated in line with the Lisbon Treaty and the Agenda for Change. Its main objective is poverty reduction, but it contributes to other EU programmes, such as sustainable development in multiple areas, like economic, social and environmental, but it also provides assistance to promote democracy, the rule of law, good governance, and human rights. This instrument can be used in countries not entitled to IPA funds. The DCI consists of three elements. The first is geographic programmes, which support cooperation with developing countries, which includes the South-African region. The second is thematic programmes, which cover all developing countries that fall under the ENPI or the EDF. These thematic programmes are complementary and coherent with the geographical programmes. The third is the new Pan-African Programme, which supports activities from the trans-regional to the global level. The DCI's total budget of 19.6 billion EUR for 2014–2020 breaks down as follows: 11.8 billion EUR for geographic programmes; 7 billion EUR for thematic programmes; and 845 million EUR for PanAf. (DCI 2017)

The European Neighbourhood Instrument (ENI) supports the ENP, meaning: Africa, Algeria, Egypt, Libya, Morocco, and Tunisia. The instrument has a 15.4 billion EUR budget for 2014–2020. (European Neighbourhood Policy 2016)

The European Development Fund (EDF) is the most important and largest EU aid package; it provides the financing for the CPA. The EDF, however, is outside the EU budget, financed by direct contributions from the EU member states. The first EDF came in 1957, with the Treaty of Rome. The treaty established a technical and financial development fund primarily for the African countries, which later transformed to support the ACP and the overseas countries and territories (OCTs). The tenth EDF ended at the end of 2013. Some minor modification was introduced with the eleventh EDF, including aligning the EU member states' contribution rules to the MFF to the EU budget. The other was an effort to create more flexibility for faster reaction to unexpected events both on national and regional level. The EDF funds activities are related to economic development, social and human development, and regional cooperation and integration.

The current eleventh EDF budget is 30.5 billion EUR for 2014–2020. (EDF 2017) In 2015, the budget support program of the EU included all instruments, allocated 1.59 billion EUR, 20% of the official development assistance disbursed by DEVCO and DG Neighbourhood and Enlargement Negotiations. 47% of this financial support went to Sub-Saharan Africa, as the largest recipient. (Budget support 2016) Table 3 shows the total EU commitments to Africa for 2015 in million EUR, by instrument.

Table 3.
EU commitments to Africa, 2015 (EUR million)

2015	ENI	DCI GEO	DCI THEMA	DCI	EIDHR	IcSP	INSC	CFSP	IPA	HUMA	EDF	OTHER	Total
Africa total	484	129	123	–	1	103	2	33	–	587	4,344	13	5,820
Africa regional	3	101	100	–	–	–	–	–	–	136	1,446	2	1,788

Source: 2016 Annual Report

To synchronise these instruments and pool the aid, the Africa Investment Facility (AfIF) was established in 2015. The purpose is to support sustainable growth in Africa, and improve coordination with donors. It provides support through investment grants, technical assistance, risk capital, and other risk-sharing instruments. The resources of the AfIF come from the EDF and DCI. (Africa Investment Facility 2017)

The EU Emergency Trust Fund for Africa (EUTF for Africa) is the EU's newest tool for flexible response in emergency situations. The EUTF for Africa was established at the 2015 Valletta Summit on migration and made available 1.8 billion EUR immediately. Since then the resources increased to more than 3.2 billion EUR, thanks to the member states' contributions and European Commission instruments, like the EDF. The EUTF for Africa is an implementing tool, which allows a rapid, flexible and effective response from the EU side in emergency situations. This tool uses various resources, from the EU to other donors. The main objectives of the EUTF for Africa are to address the migration crisis and the crisis around Lake Chad in a comprehensive manner. The EUTF for Africa participates in different projects in the Sahel and Lake Chad regions (Burkina Faso, Cameroon, Chad,

Cote d'Ivoire, the Gambia, Ghana, Guinea, Mali, Mauritania, Niger, Nigeria, Senegal), in the Horn of Africa (Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Tanzania and Uganda), and in North Africa (Algeria, Egypt, Libya, Morocco and Tunisia). The EUTF for Africa, which is based on the EUGS and the EU's development policy, addresses forced migration and its root causes, like security challenges, social issues, economic pressure and environmental stress. (2016 Annual report EUTF 2016) The total budget allocation is 3.2 billion EUR, although some donors have not yet confirmed their contribution; of the total, 1.6 billion EUR will go to the Sahel region and Lake Chad, 1.2 billion EUR to the Horn of Africa, and 346.4 million EUR to North Africa. (The EU Emergency Trust Fund for Africa 2017)

Besides the above-mentioned instruments, the EU also provides loans to Sub-Saharan and South African countries through the European Investment Bank (EIB). It provides project loans, intermediated loans, venture capital facility, microfinance and equity and fund investments. The EIB provided 221 million EUR to African regional projects from 2016 until 2017, and a total of 1.2 billion EUR to African projects in the same period. (Projects financed s. a.) From the ACP group, the African continent received the largest amount of financial support in 2016. 77% of EIB assistance goes to the different countries of the continent. The most-financed sectors in West-Africa and the Sahel region and the Central and East-African region were the energy sector, financial services, and health sector, although in the South African region urban development, water, sewerage, and transport sectors were the most funded. (2016 Annual Report on EIB Activity in Africa, the Caribbean and the Pacific, and the Overseas Countries and Territories 2016)

Achievements, Challenges

The Cotonou Agreement has been widely criticized. The most common reproaches are its massive length and its lack of concept. The agreement has also used the former conventions as a baseline, but the institutions remained unchanged, and ineffective in reaching its goals. (Türke 2015) Closer analysis on the three pillars of the CPA reveals the shortfalls of the agreement. The first pillar on political dialogue contained the definitions of the essential elements. These definitions were long, and ambiguous. The CPA was asymmetric, since any violation of the fundamental elements set out in Article 96 could only be sanctioned from the EU side; the CPA does not permit the ACP to institute sanctions, since it would mean the suspension of the EDF. Article 97 describes the sanctions on the violation of "good governance". From the EU side, these sanctions can be invoked, but from the ACP side implementing sanctions on these two articles in case of any EU violation on the essential elements of the CPA would mean the suspension of the financial aid to the countries. The sanctions, regarding both Articles were also implemented by the EU with the use of double standards in favour of the former colonies. Former colonial powers were more indulgent with transgressions in their former colonies.

Regarding democracy and human rights questions, the CPA lost its preventive characteristics. It became reactive, since interventions and sanctions were only possible when the violation of the CPA was severe. Because of this, prevention became impossible, and the EU could only react when a crisis already unfolded. Besides this, the EU agenda's

core values were too ambiguous to work with, which resulted in a selective application. The trade pillar of the CPA tried to renew the decades long non-reciprocal preferences with free trade agreements between the world's most- and least-developed countries, but it remained partial. This initiation was based on the EPA within the ACP countries. The EU wanted to encourage the Regional Economic Communities and fuel sustainable development addressing whole regions instead of individual countries. This initiative made the trade cooperation too complex though, and a short timeframe for the formation of the EPAs made the process slow and incomplete. In addition to this, the EU insistence on including issues of promoting EU interests was viewed as harmful by the ACP and alienated multiple participants. The most immediate negative consequence of the reciprocal trade liberalisation caused the ACP countries to lose a significant amount of customs revenues from their budgets; this gap could not be filled with aid compensation. The EU signed EPAs with individual countries to keep their preferential status, which rendered the agreement less transparent. (Negre et al. 2013)

The CPA also lost its preventive characteristics and became reactive, since it only intervened after a situation deteriorated. Moreover, certain elements of the EU agenda's core values were too ambiguous to work with, which resulted in selective application. Another aspect rendering the trade pillar unbalanced is the trade averages. While the share of the ACP countries in the EU's exports and imports is about 5%, the European share of the ACP trade averages is around 20%; ECOWAS has the greatest share, while the exchange with the Pacific and the Caribbean is insignificant. The financial framework for development aid was divided by region and thematised, which made it difficult to estimate the results. Many contributions linked only poorly to country strategies, which weakened local ownership and led to shallow political dialogue. The strategies of the regional organisations did not account for the different socioeconomic conditions of individual countries, and regional and local policies often failed to embrace common values promoted by the EU, like gender equality. A lack of monitoring meant that experiences were not collected, and procedures could not be improved. (Negre et al. 2013)

Another problem with the Cotonou Agreement is the changing environment. EU enlargement brought a shift in strategic direction from South to East. The ENP gained greater support and visibility. New EU policies and strategies appeared, and the ACP group slowly fell into oblivion as an EU partner. The only bilateral strategic partnership with the ACP group and the EU is with South Africa. Besides this the EU policies shifted to support continental and regional cooperative organisations like ECOWAS, IGAD and the AU. With supporting these organisations, the ACP constantly lost from its importance. (Laporte 2012) The ACP is aware that it is a heterogeneous group with a large variety of interests, since it has 79 members from different geographical regions, with different territorial extents. Besides the physical characteristics, even the level of the development varies. The historical characterisation of the group was African diaspora heritage and a post-colonial mindset, but not all ACP countries share these elements, for example the countries in the Pacific. The only common understanding within the group is about cooperation with the EU about aid. The EU had been also criticized for not deepening the cooperation with the ACP group, just widening it during the past decades. In 2013 the EU articulated a viewpoint which emphasised the importance of the ACP's reinvention, but left it to the ACP to shape the future cooperation between the two parties. (Negre et al. 2013)

The 2016 evaluation of the CPA listed the achievements of the agreement, but also admitted the CPA's flaws. The review acknowledged the weaknesses of the EPA strategy, but also pointed out the improvements in regional integration to the world economy. The activities supporting good governance, especially supporting electoral processes, were partly successful. The conflict prevention, management and resolution were effectively addressed by the EU in the African region, with the capacity building of such regional organisations as the AU and the ECOWAS. The evaluation declared the support to fragile states effective in short- and medium-term approaches, with the mobilisation of non-state actors and the flexible use of different tools. The review highlighted budget support, regional integration and trade support, the neutral identity of the EU in case of peace and security issues. This neutral identity is the key element, which allows the EU to be the leader of stabilisation and peace building programmes in Africa. The evaluation also acknowledged the weaknesses of the EU, since the joint programmes with the EU member states are still exploited insufficiently. The biggest concerns of the EU were coherence, coordination, and complementarity in the implementation of the CPA. (Review of strategic evaluations 2016)

This negative view of the Cotonou Agreement and the weight-loss of the ACP group is just one side of the relations. The upcoming 5th Africa–EU Summit, on the other hand, will focus on achievements of the partnership. In the peace and security dimension, the different EU missions trained almost 17,000 military staff and more than 10,000 police officers, and provided financial aid for projects like the African Peace and Security Architecture (APSA), peace support operations, and early response actions. (Toward the 5th Africa–EU Summit Peace and Security 2017) Regarding governance system strengthening, the EU has a regular dialogue on human rights with most African countries and regional organisations. The EU also sent multiple missions to support electoral process on the continent, and provided aid to strengthen this dimension, as well. (Toward the 5th Africa–EU Summit Strengthen Governance Systems 2017) Regarding migration, the EU launched multiple programmes which includes Africa. These were the Valletta Action Plan in 2016, which contained 16 initiatives to address the root causes of migration, it also started the Khartoum and Rabat process on migration, and in 2017, with the Malta Declaration, the EU increased the efforts even more. (Toward the 5th Africa-EU Summit Manage Migration and Mobility 2017) Regarding trade, the EU became Africa's number one foreign investor, with a 33% share, and remained Africa's biggest trading partner, taking 44% of exports, and providing 33% of imports. The EU is also the most enthusiastic supporter of Africa, as it is the number one aid provider of the continent. With the formerly signed agreements, the EU could provide a favourable environment to the African export, being the most open market, and it also offers a duty and quota free access to all products from the vast majority of African countries. (Toward the 5th Africa–EU Summit Attract Responsible & Sustainable Investments 2017) Regarding the agricultural sector, the EU also committed to support sustainable development, which is clearly visible in the Sustainable Fisheries Partnership Agreements, and provided substantial aid for actions related to food and nutrition security. (Toward the 5th Africa–EU Summit Transform African Agriculture 2017) The EU also supports the Africa Renewable Energy Initiative. (Toward the 5th Africa–EU Summit Energise Africa 2017)

To make the system self-sustainable the EU recognised that it had to invest in education, so it launched the European Training Foundation, allowed African students into the ERASMUS+ program, and intensified the EU–Africa dialogue on research. In addition

to the intercontinental programs, the EU supports the capacity building and harmonisation in African universities, as well with the standardisation of the degree programmes and quality assurance. (Toward the 5th Africa–EU Summit Advance Knowledge & Skills 2017)

How the EU–Africa Relations Fit in the EU's Global Strategy

Faced with new, unprecedented global challenges and the need to re-invent itself after the shock of BREXIT, the EU developed a new global strategy in 2106. The number one priority of the new European Union Global Strategy (EUGS) is security. It emphasises building the defence capabilities of the EU, creating a security community, with strategic independence. To reach this objective, it sets out five areas: security and defence, counterterrorism, cybersecurity, energy security, and strategic communication. The secondary goal is to invest in state and social resilience to create stable states, which are resistant to crisis. It defines the most important characteristics of these states as democratic societies with trusted institutions and sustainable development. The third priority of the strategy is to create integrated approach, which elevates the comprehensive approach to a broad, multi-dimensional, unified approach of policies and conflicts, involving actors from every governmental level. The fourth priority supports the Cooperative Regional Orders, which aims to promote various forms of regional integration. The fifth is the vocation of the EU to the transformation of the 21st century global governance. The strategy also scheduled a yearly review. (Molnár s. a.)

The priorities of the EUGS appear in multiple EU documents regarding Africa. These documents discuss all five areas, from which the 2011 Strategy for Security and Development in the Sahel arose from the EU's determination to fight terrorism in the region, while the strategic communication and partnership dates back to 2000 and the first EU–Africa Summit. The introduction of social resiliency as part of the EUGS created the foundation for the earlier announced so called "more for more" policy. This policy appeared in the Cotonou Agreement, which was signed in 2000. It not only supports democratic states in Africa, but all states where the aid will bring positive results.

The EU has changed a lot on its approach to the policies, refined the definitions, but the essence remained the same: the democratic values and main principles. The different policies and strategies just clarified the definitions. The rewarded performance translated to the political dimension, instead of the economic dimension. The integrated approach is not entirely new to EU–Africa relations, having been introduced in 2014 with PanAf. It introduced a wider perspective to the existing strategies. Roadmap 2014–2017 also introduced a multi-level (regional, continental, and global) cooperation system. The Roadmap also introduced the mutual interest of the EU and African countries in the transformation of the 21st century global governance. This interest aims to make the UN a more capable global actor. This fits in the fifth priority of the EUGS, which aims to transform global governance.

The EPA program of the EU supports regional cooperation in the economic dimension. In addition to this program, there are more EU strategies, which aim to promote regional integration on the African continent. It fits under the support of Regional Cooperative Orders. Similar principles had been expressed by the Strategy for Security and Development in the Sahel and the Strategic Framework for the Horn of Africa, both implemented in 2011,

and the EU–South Africa Strategic Partnership signed in 2006. There are also regional strategies based on regional organisations like IGAD or ECOWAS or other African regional organisations.

With the upcoming EU–Africa Summit in 2017, the opportunity remains open to the two sides to deepen the partnership and shape future relations between the continents. There is no doubt that the EU will aim to develop the partnership in line with the EUGS. The question remains the AU. It can simply accept and follow the European ideas and initiatives, or show its capability of creating policies and initiatives, like in the recent years.

Conclusion

A long success of conventions led to the creation of the Cotonou Partnership Agreement in 2000. The signing parties of the CPA were the EU member states and the ACP countries, which mean 78 African, Caribbean and Pacific states. The large number of participating countries has made it impossible to satisfy all needs. The revisions of the agreement encouraged regionalisation, namely the Economic Partnership Agreements. The EPAs are still incomplete, and the Cotonou Agreement expires in 2020. The preparations to create the new framework document of the EU–ACP cooperation started in 2018. It is not a question that an agreement like Yaoundé, Lomé or Cotonou will be forged. The frames of the partnership will remain the same, but the EU will have to emphasise the creation of the EPAs. With dividing the ACP to regions, the cooperation could be more successful and more satisfactory to all participants.

The European Union was expected to find the new frames of the cooperation with the African continent on the last EU–AU Summit in 2017, but it did not happen. Instead, the summit corrected a long-standing problem in the EU–Africa relations. In the various strategies, policies and agreements, the parties always agreed on the principles and priorities. But they never took into consideration that the number one priority of the EU was always the implementation of the democratic principles, and for the African countries it was the economic development. Because of this misunderstanding, the two continents could not work together with success. The recent Summit however showed us that, if a common priority is found, the common action is more likely to happen. In November 2017, the EU and AU representatives found this common priority: migration. The EU is facing a many years long migration crisis, and the African continent is struggling with internal migration flows. Action plans were made to counter the phenomenon, but migration, especially in Africa is a complex problem. The continent is struggling with demographic changes. The rapidly growing population is the hotbed of ethnic tensions, fuelling insurgencies and supporting radicalism. The economic problems and the climate change are also interconnected. The EU has to take countermeasures with the same complexity.

Despite the long-standing relations between the EU and Africa, the EU is not the only international actor on the continent. China is present in Africa since decades, and it is a more popular partner than Europe. China is not asking for democratic changes in the countries it invests in, the Asian country is just asking a long-term friendship. Other powers are also present, like the USA, and different countries are dusting their long-forgotten Africa policies, like Japan. As we can see, the EU has to compete with all of these actors for Africa.

In the new Global Strategy, the EU makes steps towards a more Africa friendly practice, pragmatism; which allows the EU to work with non-democratic countries. Whether these changes will be enough, or the EU will drop behind, we do not know yet. The competition is running.

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The Eastern Partnership of the EU

Ágnes Tuka

Introduction

The European Union is a developed model of regional integration and one of the dominant players in the globalizing world. Yet it is struggling to strengthen its position and potential by elaborating the concept of "global governance". (Shared Vision 2016) This article examines how economic and political relations with the immediate neighbours of the current member states – Belarus, Moldova, Ukraine – and with the Caucasian states – Armenia, Azerbaijan, Georgia – that are geographically part of Europe have been shaped. It analyses the difficulties that hamper cooperation, and whether the EU can match the expectations of the six countries belonging to the Eastern Partnership.

The study does not deal with Russia, or with EU relations with the Central Asian states that declared their independence from the Soviet Union. It does not attempt to cover the entire history of relations with each of the six countries, but focuses on the Eastern Partnership through the activities of the European Parliament (EP) since this is the political body of the European Union which aims to protect the interests of European citizens and to promote the integration process. At the same time, it also has a controlling function with which members of the EP monitor the development of both political and economic relations.

Historical Background

The Soviet regime lagged behind the West in the era of the Cold War. This led the General Secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU), Mikhail Gorbachev, to reform the great empire through a complex program announced after 1986. Neither "perestroika" nor "glasnost" could strengthen the Soviet system, and in 1989 the model disintegrated. Tensions between the ethnicities and the republics of the former Soviet Union escalated, fuelling bloody conflicts. Among the causes of hostilities were:

- the idea of ideological unification that suppressed the ethno-cultural sphere
- the injustices suffered during the Soviet period (resettlement of populations, abolition of the languages and print cultures of ethnic groups, etc.)
- of the more than 100 "nations" or ethnic groups, only fourteen received significant rights (Milov 2006, 800–801.)

For local elites, therefore, nationalism became the main weapon in the fight against the central government. In most republics, a struggle for independence began for reasons and goals similar to the aforementioned factors:

- ecological problems of the previous industrialization
- recognition of the culture and (the mere) existence of the non-Russian population
- recognition of the Russian or Soviet power as a violent occupier
- repudiation of the economic colonization of the Russian centre
- contribution of independence to the rapid growth of social welfare

All these factors led to the dissolution of the Union of Soviet Socialist Republics. The first step in this process, in 1988, was the declaration of sovereignty of Estonia, followed by the separation of Lithuania. Free elections were held in February 1990 and the new Lithuanian parliament declared independence in March. On 4 May 1990, a similar decision was made by Latvia, but these declarations were not accepted by the Moscow leadership. At the Congress of the CPSU in July 1990, however, a new constitution was adopted that would have created the Confederation of Sovereign States. In January 1991, the Baltic States, Moldova, Georgia, and Armenia, i.e. the smaller countries belonging to the European continent, withdrew from the debate on the new economic and political system of the region. Although in the referendum held in other republics in March 1991, 76% of the population voted to preserve the renewed federation of the Soviet Union, the independence process was unstoppable.

On 8 December 1991, Russia, Ukraine, and Belarus announced that the Soviet Union had ceased to exist as a subject of international law (see Table 1), and established a loose cooperation named the Commonwealth of Independent States (CIS) with its headquarters in Minsk. On 21 December in Alma-Ata (Almaty), the already independent republics, with the exception of the Baltic States and Georgia, joined the confederation. The latter entered the CIS in 1993 but withdrew in 2009. There are currently nine permanent members and two observers, Ukraine and Tajikistan, but this is reflected neither in the official Russian documents nor in the articles on the Commonwealth of the Society and Economy (Общество и экономика).

Development of Relations between the EU and the New Eastern European Countries

Collaboration with the CIS countries

Following the dissolution of the Soviet Union, the European Union (EU) sought to establish a new system of relations with these states, which coincided with the ambitions of the independent countries. This is confirmed by the Ukrainian foreign policy concept adopted in 1993, which stated unequivocally that Ukraine aimed at full membership in the European communities. (Postanova 1993) The EU did not promise membership; this was done only for the more-developed region of Eastern and Central Europe. Partnership and Cooperation Agreements (PCAs) nonetheless were signed with Russia, Ukraine, and Moldova in 1994, with Kazakhstan and Kyrgyzstan in 1995, and a year later a similar document was accepted

by Georgia, Armenia, Azerbaijan, and Uzbekistan. As the process of transformation faced major difficulties in these countries though, ratification was delayed and relations were established only at the end of the 1990s. The PCA with the Republic of Tajikistan was signed only in 2004 and came into effect in 2009. Similar documents were signed with another two states, Belarus and Turkmenistan, but these have not yet come into force.

According to an EU definition, these PCAs are third-generation agreements and relatively complete. (PCA 1999) These partnerships aim to:

- provide a suitable framework for political dialogue
- support efforts to strengthen their democracies and develop their economies
- accompany their transition to a market economy, and
- encourage trade and investment

The partnerships also aim to provide a basis for cooperation in the legislative, economic, social, financial, scientific, civil, technological, and cultural fields. Activity is coordinated annually by the Cooperation Council meetings at the ministerial level, while the Parliamentary Cooperation Committee, in which representatives of the partner country and the European Parliament participate, is also an important actor. They usually discuss political and economic relations every second year, with the site alternating between Brussels and the state in question.

The PCAs formulated the expectations of the EU: a pluralist, multi-party system respecting human rights, and the creation of a market economy. (PCA 1999) To foster the transition to a market economy and establish new commercial ties, the EU asymmetrically eliminated all quotas on most industrial goods imported from these countries (with the exception of coal, steel, and textiles); therefore, the CIS states were able to protect their own markets. (Gálik 2016) These agreements were effective for 10 years, but are renewed annually with the agreement of the partners. Once the agreements came into force, the EU adopted a specific strategic plan in line with the budget-planning period at that time. This included specific initiatives in certain policy areas, but the goals of the document lack concrete financial support.

New European Neighbourhood Policy: The opening to the East

The European Union started accession negotiations with the ten Central and Eastern European states in 1998 and 1999, which meant that the "new" Eastern European countries (Ukraine, Moldova, and Belarus) would be the neighbours of the EU. This demanded a re-evaluation of the neighbourhood policy established by the Barcelona Process in 1995 with the EU and twelve Mediterranean states. The positions of the two regions differed considerably; nevertheless, the draft elaborated by the European Commission in 2003 linked these areas to a common concept by launching a new European Neighbourhood Policy (ENP). "The Communication proposes that, over the coming decade, the EU should, therefore, aim to work in partnership to develop a zone of prosperity and a friendly neighbourhood – a 'ring of friends' – with whom the EU enjoys close, peaceful and co-operative relations." (Wider 2003, 4.) The implementation of the detailed plan began in 2004. (Balázs 2016, 243.) The neighbourhood policy was extended to sixteen countries, although Russia

withdrew. The participating countries found the ENP presented by the European Council a useful tool to achieve economic cooperation.

The neighbourhood policy was based on the bilateral action plan prepared by the European Commission with each country and endorsed by the EU and the Cooperation Council of the country. This plan was built on the principles advocated by the EU, with an emphasis on political dialogue and reforms, the development of good governance, the move to the single market, and cooperation on justice and home affairs. Joint efforts were envisaged on environmental protection, energy supply, transport infrastructure, logistics, and research quality.

Although the similarity of priorities can be observed here, there are different country-specific elements in the documents. The Ukrainian action plan is the most significant one.

In autumn 2004, the political situation in Ukraine was turbulent. Following the "Orange Revolution" in the wake of the election scandals, the presidency went to Viktor Andriyovych Yushchenko, who confirmed his country's commitment to the European integration. In its resolution adopted in January 2005, the European Parliament considered the elections of December unambiguously democratic and urged closer ties than those provided by the ENP. (European Parliament 2005) The European Commission's Action Plan was launched on 9 December 2004, and followed by a statement from the European Council on 17 December. The EU–Ukraine Cooperation Council approved the EU–Ukraine Action Plan in February 2005. (Györkös–Kovács 2005)

The plan contained fourteen priorities (Bazhan 2015, 56.) and assigned seventy-one tasks, primarily to Ukraine, including: strengthening democratic institutions; building respect for the freedom of opinion and the press; improving investment environment; protecting human rights; implementing a tax reform; and promoting legal harmonization. The EU's promises included: supporting Ukraine's accession to the WTO; closer cooperation on security policy; negotiations on visa facilitation and abolition; dismantling customs duties in bilateral trade; dialogue on free movement of workers; and the possibility for Ukraine to participate in achieving the key goals of EU policies and programs. The problem of diversifying energy sources and reducing dependence on Russian imports was given high priority and the EU promised more financial resources. (Proposed Action 2005)

The action plan covered three years, but only a document issued at the end of the first year reported results. The Ukrainian leadership expressed dissatisfaction that the EU was not willing to offer full membership. In January 2007, the head of the Ukrainian mission in Brussels, Roman Shpek, stressed that Ukraine did not want to participate in the European Neighbourhood Policy because it contradicted the strategic goal, membership. (Bazhan 2015, 58.) This did not mean the agreement was "void", and the 2008 report emphasized that: "Over the three years of implementation of the EU Ukraine Action Plan, good progress has been made in numerous areas of cooperation." (Joint Evaluation Report 2008)

Moldova, which also became a partner in the neighbourhood policy, has been striving for a full membership since 1999. This provided the opportunity to open a delegation of the European Union to the Republic of Moldova in the center of Chisinau in October 2005. The action plan elaborated for Moldova is similar to that of Ukraine, although some areas, such as the fight against drug trafficking, are listed separately.

In March 2005, similar action plans were drafted for Armenia, Azerbaijan, and Georgia. These also covered in detail a period of three years and were agreed annually by the cooperation councils. They are, however, rather uniform, with few new elements in comparison to previous bilateral agreements, and the texts of the EU can be perceived as dictates. (Balázs 2016, 244.)

Eastern Partnership

In 2008, it became clear that the two regions covered by the ENP were very different. They often competed for development aid. (Gálik 2016, 10.) On 13 July 2008, the French EU presidency therefore proposed a reform of the Mediterranean policy. The Paris Summit put forward a new Mediterranean union for consideration. Poland proposed in May 2008 that the union with the six Eastern and Caucasian countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) participating in the ENP should have closer ties. The Swedish Minister for Foreign Affairs, Carl Bildt, stressed in March 2008 that "it is time to look to the East to see what we can do to strengthen democracy", (BruxInfo 2008) after presenting the Eastern Partnership program with his Polish counterpart, Radoslaw Sikorski. Although all six countries were to be involved in the Eastern Partnership, Belarus was dependent on how the relationship with the EU was changing as its non-democratic system had been continuously criticized by the Union, which further fed the resentment of President Alexander Lukashenko. Nonetheless, at that time, it also seemed possible that Russia could join many projects of the program. At the June 2008 meeting of the Council of the European Union, the draft was approved.

The European Commission presented its proposal on 3 December 2008. The plan contained a greater role for the union, easier travelling for citizens of the participating countries, and more financial and technical support for projects. The commission's statement was discussed at the plenary session of the European Parliament in March 2009. The Eastern Partnership would be one pillar of the EU's foreign policy. Among the major goals, the possibility of concluding the Association Agreements emerged, which was interpreted by the European countries as the "anteroom" to full membership. Cooperation would create a multilateral framework and would rely on four platforms:

- democracy, good governance, and stability
- economic integration and convergence with EU policies
- energy security
- development of cooperation between people

The plenary session supported the initiative, but noted it would not be enough to give the neighbourhood policy a new name; the economic and political systems of these countries would have to be supported, so they could join the free trade zone. (European Parliament 2009a)

Moldova has become the neighbour of the European Union after the enlargement of 2007 that has also brought a neighbouring Ukraine with a much longer border than previously, after Hungary's accession in 2004. This meant that the frozen crisis in Transdniester and Moldova became a direct security challenge for the EU, while the ongoing

Russian–Ukrainian gas disputes raised problems of energy security. The EU also considered the conflicts in the Caucasus a threat to its security, but assumed these transit countries could play an important role in the diversification of the EU energy policy.

Economic relations between the EU and the six countries intensified from the 2000s onwards; exports and imports of these countries with the CIS have decreased, while those with the EU have grown. In 2009, the European Union had a 30.4%, 29.4%, and 42.8% share in the foreign trade of Armenia, Georgia, and Azerbaijan, respectively. (Gerencsér 2015, 109.) Although the 2008–2011 global crisis led to a serious economic downturn, the EU is (still) their main trading partner. Some 63% of Moldova's exports go to the EU, and the EU is Ukraine's largest trading partner, accounting for more than 40% of its trade in 2015. (Trade 2017) Belarus is the only country having Russia as its most important trading partner.

The official launch of the Eastern Partnership fell in the period of the Czech presidency of the EU: in May 2009, leaders of the twenty-seven countries invited the heads of state of the six countries as a sign of their new cooperation. The President of Belarus still did not prefer Western relations and did not attend; however, the Deputy Prime Minister was present. The Joint Declaration aimed at a more ambitious partnership, stating that unlike the previous initiative the "Eastern Partnership builds on and is complementary to existing bilateral contractual relations. It will be developed without prejudice to individual partner countries' aspirations for their future relationship with the European Union. It will be governed by the principles of differentiation and conditionality". (Joint Declaration 2009) The document specified that partner countries could decide whether they would participate in the platforms.

The European Union has provided institutional support for partner countries for the development of their administrations, for promoting free trade, for their adaptation to the EU market, and for the liberalization of visas. The Eastern Partnership focuses on multilateral cooperation. The meetings of heads of state or government of the Eastern Partnership provide a forum every two years, while the ministers of foreign affairs meet every year. The European Commission is responsible for organizing these meetings and debates of the four thematic platforms mentioned above. These four areas indicate that little progress has been made in networking since the end of the 1990s though.

The program also called for strengthening the rule of law, improving public administration, building respect for human rights, reinforcing civil society organizations, and fighting against corruption, crime, and terrorism. Countries can count on the EU to help develop a market economy and to support trade relations. Social reforms supported by the EU include the fight against poverty, and the promotion of social inclusion. EU leaders pledged additional funding to support initiatives in these areas, and promised to lobby international financial institutions for better terms for these partners. Specifications for a continuous monitoring system were put in place.

This program disappointed Ukraine, but negotiations on the possibility of concluding an EU–Ukraine Association Agreement and a Free Trade Area started in March 2007. (Mironenko 2015, 59.) The Ukrainian leadership expected that Ukraine would be treated separately by the EU, but that did not happen. The EU–Ukraine Cooperation Council adopted the Association Agenda in June 2009, but stressed that it might take years for the agreement to come into effect.

The Eastern Partnership in the focus of the European Parliament

The European Parliament (EP) helped establish an EU–Eastern neighbourhood parliamentary assembly (Euronest) that is supposed to foster cooperation via multilateral networking and community level activities. This decision was made in 2009, but because of protracted political debates, the body came into being only in May 2011. Belarus's delegation does not take part for political reasons. Euronest currently has 120 members: sixty EP members (who also make up the current EP Delegation [DEPA] and are also members of one of the bilateral standing delegations of the EP to the countries) and ten members from each of the Eastern Partnership countries. (Euronest 2017)

Eight resolutions were adopted before the June 2009 European Parliament elections on the forms of cooperation with the partner countries. Some were a result of earlier ENP obligations; for example, the resolution of 2 April 2009 on biannual evaluation of the EU–Belarus dialogue, in which "the Belarusian Minister for Foreign Affairs, Syarhei Martynau, has declared that 'Belarus has a positive view on participation in the Eastern Partnership Initiative', adding that Belarus intends to participate in that initiative." The MEPs warned that the "intensification of the political dialogue between the EU and Belarus must be conditional on the lifting of restrictions on freedom and cessation of violence against participants in opposition protests and human rights activists." (European Parliament 2009b)

From the autumn of 2009 to the autumn of 2014, sixty-nine resolutions were issued addressing the Eastern Partnership, while since the last EP elections in June 2014 only twenty-eight have been issued. Only some of these were accepted via the ordinary legislative and consent procedures or due to the obligations imposed by EU treaties. Others were individual or joint initiatives of MEPs and therefore concluded with a resolution adopted in a plenary session. These do not impose any obligation on either the Council of the European Union or the European Commission. They are, however, important for policy-making at European level, as they draw the attention of the political elites and the media to the topic.

The resolution adopted in February 2010 on Ukraine, for example, confirms that the EP aims to "keep up to date with" the happenings in the country and to decide on the elements of cooperation in this context. In February 2010, the second round of the Ukrainian presidential elections was held. The conduct of the elections was considered appropriate by international observers, but the modification of the election law and the status of minorities were criticized by the EP's resolution. The MEPs also expected the new Ukrainian leadership to strengthen energy cooperation, to establish a social market economy, and to commit to sustainable development. (The Situation in Ukraine 2010)

The European Union tried to treat the Caucasus countries as a single area. The illusory nature of this approach was made apparent in a 2010 resolution on the south Caucasus though. The Nagorno–Karabakh territorial dispute between Armenia and Azerbaijan was "frozen". (Gereben 2014; Gerencsér 2015) The document also commented on the Georgian situation: "retaining the status quo in the conflicts in the region is unacceptable and unsustainable since it bears the constant risk of an escalation of tensions and a resumption of armed hostilities." (South Caucasus 2010) Though there were other country-specific references, the resolution was really a reiteration of previous tasks.

The resolution clearly shows why the EU incorporated this area into the Eastern Partnership. The European Parliament "notes the strategic geopolitical location of the South

Caucasus and its increasing importance as an energy, transport, and communications corridor connecting the Caspian region and Central Asia with Europe; considers it of the utmost importance therefore that EU cooperation with the South Caucasus be given high priority, not least in matters relating to energy; emphasizes the role of the three countries as essential for the transit of energy resources, as well as for the diversification of the EU's energy supply and routes [… and therefore…] calls on the Commission to define a set of regional and cross-border projects and programmes for the three South Caucasus countries in fields such as transport, environment, culture and civil society". (South Caucasus 2010)

The MEPs discussed proposals for the revision of the European Neighbourhood Policy each year up to July 2015. The April 2011 resolution reassessed the values set out in earlier documents and found that "since the ENP's launch in 2004, mixed results have been recorded, with positive developments concerning human rights and democratisation in some partner countries, and some negative developments in others, particularly in Belarus". Thus, the EP "stresses that in a number of countries the legal framework for and conduct of elections have not been consistent with international standards." (Review 2011) Consequently, the European Parliament "calls on the Council, the Commission and the EEAS to devise clear benchmarks for monitoring such reforms." (Review 2011)

The EP considered the association agreements important incentives for these reforms; they would include concrete conditions, deadlines, and monitoring systems. The institution proposed increasing financial resources but with much tighter controls. (Review 2011) Although the European Commission and the European External Action Service set benchmarks in their joint communication, these were criticized by the EP resolution examining the neighbourhood policy in December 2011; the EP wanted more precise, measurable, time-limited, and methodologically clearer criteria.

In 2012, a resolution was adopted on trade with the Eastern partner states. Members of the EP considered it important to accept this document as they felt that the Eastern partners had been relegated to the background by the Arab Spring. The Eastern Partnership's goal was to create Deep and Comprehensive Free Trade Areas (DCFTAs), and the EU led separate negotiations on this matter. The first agreement was completed with Ukraine in October 2011, but it entered into force only after the ratification of the association agreement. The EP "considers the creation of DCFTAs to be one of the most ambitious tools of EU bilateral trade policy for achieving a stable, transparent and predictable economic environment which respects democracy, fundamental rights and the rule of law, providing not only for greater economic integration by a gradual dismantling of trade barriers but also for regulatory convergence in areas that have an impact on trade in goods and services, in particular by strengthening investment protection, streamlining customs and border procedures, reducing technical and other non-tariff barriers to trade, strengthening sanitary and phytosanitary rules, improving animal welfare, enhancing the legal frameworks for competition and public procurement and ensuring sustainable development."(Trade Aspects 2012)

Under Point 6, it states further that the European Parliament "recognises that greater trade integration, with the profound changes in economic structures it requires, calls for significant short-term and medium-term efforts by our Eastern Partners, [and it] is convinced, however, that in the long run, the benefits of such integration will compensate for those efforts." (Trade Aspects 2012)

The document defines tasks for the six countries that not only focus on economic relations. The EP expressed regret, for instance, that the Nagorno–Karabakh conflict still resonated in Armenia's closed borders with Azerbaijan and Turkey, and the institution was concerned about significant impediments for businesses in Armenia, including the opaque tax system and lack of protection for investments. Azerbaijan's first task is to join the WTO.

Diversification of the economy was proposed as well, since 95% of exports was provided by the oil sector. The need for government intervention against social inequalities and corruption was also noted. Belarus, though an important economic partner and transit country for the EU, is drifting further and further from the EU. The EP nevertheless called for more financial support to improve the performance of administrative structures and to strengthen Belarusian civil society. The EP asked Moldova to pursue territorial reunification with the help of other integration institutions. Despite significant progress, it also has to move forward in services and investment protection. The MEPs expressed dissatisfaction that the association agreement with Ukraine had not yet been signed, so the DCFTA could not come into force either. It also noted as a problem that the governmental and economic reforms by the Ukrainian Government brought only mixed results; according to the EP, the development of these areas was hampered by the "administrative permits, the excessive number of administrative inspections, untransparent tax and customs systems and poor administration, the unstable and untransparent legal system and its poor functioning, weak and corrupt public administration and judiciary, weak contract enforcement and insufficient property rights protection, underdevelopment and monopolisation of infrastructure". (Trade Aspects 2012) Despite the diplomatic formulations of the representatives, the problems identified continued to render cooperation even more complicated. At the same time, the financial assistance of the EU was regarded as inadequate and not internally motivated.

The next resolution on neighbourhood policy came on 23 October 2013, one month before the EU–Eastern Partnership Summit in Vilnius. The most important task there was to conclude association agreements with Moldova, Georgia, and Ukraine. The document clearly reflected the desire to have all six states in the European Union's sphere of influence. A strong concern was expressed about Russian pressure, as it was apparent that the close military and political cooperation of the partner countries with the Western world had impinged upon Russia's interests. (European Neighbourhood 2013) The representatives clearly stated that joining the customs union spearheaded by Russia would exclude the possibility of signing an association agreement with the EU. Furthermore, the treatment of the six states as a single area was disrupted because Belarus and Armenia had been building military and economic relations primarily with Russia since the early 1990s. Their political system had increasingly shifted from Western pluralistic democracy, and in September 2013 Armenia decided not to sign the association agreement with the EU. Since January 2015, moreover, both states joined the Eurasian Economic Union created by Russia. This does not mean their exclusion from the Eastern Partnership though, as the EU hopes to strengthen its influence by empowering civil society organizations to challenge the leadership.

A solemn signing of the Ukraine–European Union association agreement would have taken place at the Eastern Partnership Summit in Vilnius on 28–29 November 2013, but on 20 November the Ukrainian Government decided to withdraw. The EP faced this situation at its plenary session of December 2013 and adopted the resolution of 12 December 2013 on the outcome of the Vilnius Summit and the future of the Eastern Partnership. It expressed

"regret" over the Ukrainian decision as well as solidarity with the supporters of the "future of Europe". Members clearly saw Russian pressure behind the decision to withdraw and sharply condemned it, asking EU institutions to take action. They called for a dialogue with Ukrainian authorities and urged the parties to discuss the prospect of future integration in the EU. (Vilnius Summit 2013) This statement seems to have been interpreted as a promise of full membership.

In March 2014, after months of political turmoil in Ukraine, cooperation was on the agenda again. The resolution adopted by the EP recognized that "the recent developments in some EaP countries have drawn attention to the fragility of the political, economic and social integration process." To foster EU values, the MEPs pressed for prompt subsidies and a clear vision for the partner countries, but only visa facilitation was mentioned. In addition to general coordination, the "more for more" principle and the regular ministerial deliberations were promoted. (Priorities 2014)

In the next European Parliamentary term, it was clear that the neighbourhood policy had entered a transformative stage. A single general statement made in July 2015 explains the situation: "The neighborhood is currently in a state of flux due to the increasing number of long-standing and newly emerging security challenges, and is less stable, considerably less secure and facing a more profound economic crisis than when the ENP was launched." (ENP 2015) A separate chapter is devoted to the security dimension. In funding, the "more for more" principle established that more emphasis should be placed on using technical assistance programs such as TAIEX and Twinning, and that the partners should be invited to participate in EU programs such as Erasmus and Horizon 2020. The statement also called for clearer terms of assessment and more transparency. (ENP 2015)

From 2016 onwards, resolutions on individual partner countries, distinctive policy areas (e.g. the objectives of the energy union, the evaluation of the activities of the European Foundation for Democracy, and women's rights in the Eastern Partnership states), and the parliamentary adoption of budget documents have been published with respect to the Eastern Partnership. This clearly indicates that, although the Eastern Partnership program has officially remained in place since a new summit was held in November 2017, the application of standardized actions towards the partners is no longer a reality.

Association Agreements

The documents of the Eastern Partnership have outlined the possibility of association for the region from the beginning; however, the Council of the European Union adopted guidelines regarding the "anteroom" of the EU only in January 2007. The EU–Ukraine Cooperation Council in Luxembourg did not finalize the concept until June 2009, and negotiations started only in November. In June 2009, a decision was reached on the association directives proposed for the Republic of Moldova, as well. In May 2010, the council approved the negotiating directives on Azerbaijan, Armenia, and Georgia. These were announced as new objectives and supplemented with a comprehensive description of the common economic space.

Since spring 2012, EP representatives have accelerated negotiations for the Association Agreements. In November 2013, the President of Georgia and the Prime Minister of

Moldova initiated an association agreement. It includes the gradual introduction of a Deep and Comprehensive Free Trade Area (DCFTA) and was signed in June 2014. It entered into force on 1 July 2016. To monitor its implementation, an association council was established as the highest official body; it meets annually, and delegations are chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, and the Georgian Prime Minister. (Consilium 2016)

The association agreement concluded between the EU and Moldova on 30 August 2014 was published in the official journal of the European Union. (Moldova AA 2014) It strengthened previous bilateral agreements, and its annexes included all the directives and regulations needed to ensure the smooth functioning of the DCFTA.

The Prime Minister of Ukraine, Arseniy Yatsenyuk, signed the political part of the association agreement on 21 March 2014 and the DCFTA, the economic pillar, on 27 June. The agreement made most Ukrainian exports to the EU duty-free, but permitted only gradually decreasing rates for imports from the EU. The European Parliament and the Ukrainian Supreme Council confirmed the agreement in September. Since November 2014, the Ukrainian Parliament has been harmonizing its legislation with European Union standards, which requires some 350 amendments to state laws and regulations. (Mironenko 2015, 62.) By the end of November 2015, all EU member states had ratified the agreement.

On 25 November 2014, the Hungarian Parliament strengthened the association between the three states – Georgia, Moldova, Ukraine – in question and the EU by overwhelming majority. In the Netherlands a consultative referendum was held in April 2016 in which 32% of the population participated; 61% rejected the association agreement. It was ratified nonetheless by the Dutch House of Representatives in February 2017 and by the senate in May. The council announced the signing of the agreement in July 2017 and the full implementation of the agreement on 1 September 2017. A number of sectoral measures have been applied in Ukraine since September 2014, and the provisions of the DCFTA were implemented in January 2016. Its impact is difficult to measure because of the short time passed.

In January 2016, the EP discussed the association agreements and the DCFTAs of the three countries. More than seventy-five members offered comments, and more than 200 EP representatives submitted their views in writing. The resolution, along with former priorities, demanded that:

- Priority should be given to the implementation of the Association Agenda.
- The controversial territorial integrity of all three countries must be settled.
- Visa-free travel for the citizens of partner countries must be ensured.
- The DCFTAs should contribute to raising the standard of living of citizens.

The document assessed the strengthened security cooperation with these states as a sign of the revised Neighbourhood Policy. It also referred to specific problems regarding all three countries. The EP noted, for example, the lack of freedom of the press and the failure to implement the judicial reforms in Georgia. Moldova's political instability and the serious scandals of corruption also represented a problem. The Russian intervention in Ukraine and the war in Eastern Ukraine created a catastrophic humanitarian situation, so the EP called for further financial support. It also expressed "its understanding that the war situation in the East of Ukraine is a serious impediment to the reform effort; [and made] clear, however,

that the success and resilience of Ukraine vis-à-vis any external foe depends strictly on the health of its economy and legal framework, thriving democracy and growing prosperity". (Association Agreements 2016)

Budgetary Background, Financing Forms

The Council of the European Union adopted a program called Technical Assistance to the Commonwealth of Independent States and Georgia (TACIS) for independent states of the former Soviet Union in 1991. Since 1993, this program has been extended to the six countries of the EaP, and it was implemented in the Eastern region after 1994 by the European Commission delegations in Kiev and Tbilisi. The council subsequently adopted new TACIS regulations for assistance to the newly independent states and Mongolia for 1996–1999; from 2000 to 2006, there was a new program. A total of EUR 3.1 billion was available for the region. The focus was on technical assistance related to the transition until 1999, but the economic downturn could not be repaired. The projects remained slow, fragmented, and inflexible. (TACIS 2003)

Table 1.

Sectoral allocation of TACIS funds between 1991 and 2006 (million EUR)

	Armenia	Azer-baijan	Belarus	Georgia	Moldova	Ukraine
National Program	98.9	116.5	75.5	129	137.6	891.6
Cross-Border Cooperation			46.2		22.7	40.2
Regional Program			68		26.15	50
Food Safety Program + EAGGF	102.3+ 50.2	142.7		63	35.9	
Macro-Financial Assistance	35.6	30			87	675
Humanitarian Assistance	68.79	90.09	11.5	102.2	5.5	20.5
Neighbourhood Programs			11.3			
Nuclear Safety Program	29		5.5			621.2
Human Rights		9.5				5.95
Rehabilitation		18.37				
Contribution To STCU						34

Source: World Report: Armenia (2005); Azerbaijan (2005); Belarus (2005); Georgia (2005); Moldova (2005); Ukraine (2005)

According to a survey on the effectiveness of the program, participants have experienced a significant improvement since 2002. (Frenz 2007) Certain issues nonetheless remain. This

was underlined by the European Court of Auditors' report published in 2006, according to which a large part of the money was spent for poorly defined purposes. (European Court of Auditors 2006)

As partner countries joined the various programs of the European Union, they also have access to financial assistance from the following programs:

TRACECA – This program is aimed at breaking away from commercial and energy-transit systems under the control of Moscow by creating alternative routes. Its operation is hampered by the instability of the region and closed borders.

INOGATE – Interstate Oil and Gas Transport to Europe.

TWINNING and SIGMA – Support for Improvement in Governance and Management.

In 2007, TACIS was replaced by the ENPI (European Neighbourhood and Partnership Instrument) and seven years later the European Neighbourhood Instrument (ENI) was adopted to adjust its provisions: in line with a new 7-year cycle, the name of the program and the internal support structure have changed.

Table 2.

Resources provided to the six states (million EUR)

ENPI/ENP	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
2007–2013	285	143.5	94	452	561	1,000
EaPIC 2012–13	40			49	63	
2014–2020	252–308*	139–169	129–158	610–746	610–746	3,084–3,455
Umbrella Support				30	30	770
2014–2017	140–170	77–94	71–89	335–410	335–410	1,675–1,876

* Data show the minimum amount that can be obtained and the maximum payable amount.

Source: Single 2017. Edited by the author.

The European Commission granting additional funding to three countries in 2013 under the Eastern Partnership Integration and Cooperation (EaPIC) program, a clear manifestation of the "more for more" principle. (Priorities 2013, 11.) Since 2014, it is possible to get funding from these sources and from renewed or new programs like:

- HORIZON 2020 – the EU Framework Programme for Research and Innovation
- Erasmus+
- Marie Skłodowska-Curie Actions (MSCA)
- Creative Europe supporting culture and audio-visual sectors
- NIF – Neighbourhood Investment Facility
- COSME – Competitiveness of Enterprises and Small and Medium-sized Enterprises
- European Instrument for Democracy and Human Rights

Results, Challenges

The most important events of the Eastern Partnership are biennial summits. These have always been organized in a semester when one of the Central and Eastern European

countries that joined the EU in 2004 holds the presidency of the Union. Following the opening meeting in Prague in 2009, the next one should have been organized in Budapest in 2011, but the Hungarian Government withdrew. (Balázs 2016, 297.) Thus Poland became a host on 28–29 September 2011; the final document from that meeting noted the need for differentiation and the involvement of partner countries in the new EU programs. Heads of states and government leaders expected a deepening of cooperation from institutions like Euronest, as well as in civil society and business forums. Although a lengthy statement was released at the Vilnius Summit in 2013, the failure of signing the EU–Ukraine Association Agreement pushed the positive elements of developing relations to the background.

The members of the European Council met with the leaders of partner countries for the fourth time in May 2015 in Riga. Donald Tusk, President of the European Council, indicated that the development of relations was stalled, and the participating six countries cooperated with the EU along different interests and values: "Our partnership, as well as the Riga Summit itself, is not about dramatic decisions or taking giant steps forward. No, our relationship is built on free will, respect and equality. And our partnership will go forward step-by-step, just as the European Union has been built." (Tusk, 2015) The next Eastern Partnership summit was held in November 2017. (Although Estonia is in charge of the presidency, the meeting was held in Brussels.)

It has become clear after nearly a decade that the six partner countries cannot be managed under the same program, as their economic situation and their foreign and domestic priorities are extremely different. The EU has failed to solve the "frozen crises" in the Caucasus, Transdniester, and Eastern Ukraine despite launching several missions in the framework of the Common Foreign and Security Policy (CFSP). In 2005, they established the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM), which has been extended four times. Despite a nearly 200-strong inspection team and the EUR 14 million budget, they cannot stop smuggling or ensure compliance with trade standards. (EUBAM 2017) In September 2008, after the Russo–Georgian War, the European Union launched the European Union Monitoring Mission (EUMM) to monitor the peace agreement. Its inefficiency is reflected in the fact that the authorities of Abkhazia and South Ossetia have so far denied the mission access to the territories under their control. The European Union Advisory Mission (EUAM) Ukraine operates as a non-executive mission in Kyiv since 1 December 2014. Its main task is to support Ukrainian authorities in reforming the civilian security sector through strategic advice and hands-on support.

It is now clear that the sanctions imposed on Russia for its intervention in Ukraine are ineffective. (The study on EU–Russia relations analyses this in more detail.) Russia will not hand back control of Crimea to Ukraine, and the Minsk II agreement of 2015 with French and German mediation cannot be enforced in the Luhansk and Donetsk regions. The heads of state and government of the Normandy Four – Germany, France, Russia, and Ukraine – discussed the crisis in Eastern Ukraine in 2016 and 2017 as well, but all that has been achieved is that the conflict remains limited. The democratic political system promoted by the European Union has failed to meet expectations in these countries. Presidential or semi-presidential systems have been established by the constitutions, but elections cannot be considered democratic; in many cases, the activity of the opposition is hindered or completely banned. This statement is also true for the civil society, although the European Union has provided significant financial and ideological support to NGOs.

In three states (Ukraine, Georgia, and Moldova) the commitment to a Western orientation is sometimes noticeable, but it has shifted with various special interests. The President of Moldova, Igor Dodon, said in July 2017 that the association agreement was disappointing, as full membership would not be available in the next decade, and economic relations with the EU had not expanded as much as hoped. As a consequence of closer cooperation with the European Union, he argued, they had lost markets in Russia. He is currently developing closer relations with Russia, but would rather join the Eurasian Union. (Tanas 2017) Belarus and Armenia favour a Russian orientation and plan to integrate into the framework of the Eurasian Union. In September 2017, Ukraine adopted a law on education that, in the view of the Hungarian Government, is fundamentally in breach of both international treaties ratified by the Ukrainians. The question thus arises whether the neighbourhood policy and the Eastern Partnership are obsolete. (Blockmans 2017)

Appendix

Table 3.
The dissolution of the Soviet Union and membership in today's cooperation networks

Country	Declaration of independence	Adoption of the new constitution	Eurasian Economic Union (EEU) Member State	Eastern Partnership (EaP) Member State	European Union Association Agreement (AA) – Ratification, entry into force
Armenia	August 23, 1990	July 5, 1995		X	
Azerbaijan	August 30, 1991	November 12, 1995		X	
Belarus	July 27, 1990	March 15, 1994	X	X	
Estonia	March 30, 1990	June 28, 1992		EU member since 2004	
Georgia	April 9, 1991	August 24, 1995		X	2014 2017
Kazakhstan	December 16, 1991	August 30, 1995	X		
Kyrgyzstan	August 31, 1991	June 27, 2010	X		
Latvia	May 4, 1990	July 6, 1993		EU member since 2004	
Lithuania	March 11, 1990	October 25, 1992		EU member since 2004	
Moldova	June 23, 1990	July 29, 1994		X	2014 2017
Russia	June 12, 1990	December 12, 1993	X		

Country	Declaration of independence	Adoption of the new constitution	Eurasian Economic Union (EEU) Member State	Eastern Partnership (EaP) Member State	European Union Association Agreement (AA) – Ratification, entry into force
Tajikistan	September 9, 1991	November 6, 1994	X		
Turkmenistan	October 27, 1991	May 18, 1992			
Ukraine	August 24, 1991	June 28, 1996		X	2014 2017
Uzbekistan	August 31, 1991	December 8, 1992	X		

Source: Edited by the author.

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The European Union and Russia: From Strategic Partnership to Selective Engagement

Ágnes Tuka

Historical Background

Introduction

The disintegration of the Soviet Union and the Eastern Bloc in 1989–1990 fundamentally transformed the system of international relations that had emerged after 1945. The European Economic Community (EEC), a predecessor of the European Union (EU) encountered this unexpected event at the moment of its establishment. In keeping with the requirements of the Single European Act, the integration was deepened to establish a real common market and monetary union, thus, German reunification came at the cost of the common currency plan fostered by the French.

The speed of the changes in Central and Eastern Europe brought new challenges to the European Union (EU). How to respond to the need – the return to Europe – that Hungary put forward first in the name of the region, to become a member in the integration process? What should the relationship be with the post-Soviet states? Where are the borders of Europe? Last but not least, what links can be established with the Russian Federation (this is the official name, hereinafter referred to as Russia), one of the dominant states in the region, which, although economically weakened, has become the possessor of the entire arsenal of the Soviet Union's nuclear weapons?

After the Maastricht Treaty came into force in November 1993, how integration would evolve and how far the organization could expand were much debated in the European Union. Maastricht and its amendments left the future form of the European Union open; options ranged from becoming a federal "super-state" to emulating a traditional empire, or morphing into an international organization run by the member states. Most analysts only imagined the Russian Federation as an important external economic partner, although they did not rule out the possibility of cooperation in certain areas; however, some advocates of loose cooperation did not future EU membership for Russia.

Whether Russia is part of Europe was a topic for debate. The answer is not simple, and not just because of its geography, which spans Europe and Asia and has a foothold in each. Russian culture has been closely linked to Europe for at least the last three centuries, but one has to agree with the argument of Huntington as well, who states that this Orthodox civilization is separate from Western Christianity; on the one hand, due to its Byzantine origin and its existence as a distinct religion, the two hundred years of Tatar rule, and

the bureaucratic tyranny, on the other hand, on account of the consequences of the limited impact of the Renaissance, the Enlightenment, and other prominent experiences of Western movements. (Huntington 2005, 58.) According to Aleksandr Panarin, "With regard to its structure, Russia is an Eastern country, in which it is not the individual-nominal but the community principle that dominates. However, its motives bind it to Western Prometheism. In the East, it is regarded as being the 'messenger of the West', and in the West, the bearer of Eastern principles." (Panarin 2004, 380.) Some Russian scholars argue that Russia has qualities distinct from those of the West. (Szilágyi 2015) According to Aleksandr Dugin, one of Russia's most prominent geopolitical specialists: "Russia is a separate territorial structure in which security and sovereignty are equal to the security and sovereignty of the entire Eurasian continent. […] the Russian people (≈Russia) represent a unique type of religion and culture that is sharply different from the Catholic–Protestant West and the post-Christian civilization developed there." (Dugin 2004, 337–344.)

In November 2014, the declaration of the 18th Global Russian National Assembly, dedicated to the topic *Unity of History, Unity of the People, Unity of Russia,* stressed that Russians are those who call themselves Russians, who have no other ethnic attachments, who think in Russian, and who accept the Orthodox religion as the basis for the national spiritual culture. According to the document, people did not accept Russian identity as a consequence of assimilation but as a result of a free, personal decision. (Декларация 2014) However, bearing in mind the history of these nationalities in Russia, one cannot regard this statement to be accurate as citizens have not always opted for the Russian identity voluntarily.

Plans for the restoration of the Russian–Soviet Empire have become noteworthy in recent years, emphasizing that a majority of the general public perceives that the West with the United States leading wants to destroy Russia. Leonid Ivanovich Shershnev, President of the "Russians" foundation, announced the need to reunify the former Soviet republics in order to be able to endure the fourth Cold War launched by the Westerners. (Шершнев 2011) Evidently, these opinions do not help strengthen the relations between the European Union and Russia.

The paper presents only a few aspects of this nearly thirty-year process: primarily the legal, political, and economic features of the EU–Russia relations. The study presents the process of rapprochement of the two actors, the institutional and financial background of cooperation, and the nature of the sanctions after 2014.

Cooperation initiatives

During the Cold War, cooperation was not a real option. The Council for Mutual Economic Assistance (COMECON) was founded by the Soviet Union in January 1949, largely as a response to the European Assistance Program (aka "The Marshall Plan") created by the United States to rebuild (Western) Europe. While the U.S. plan was theoretically open to all European states, it was designed to exclude the Soviet Union, which in turn pressured its so-called satellites (Bulgaria, Czechoslovakia, Poland, Hungary, and Romania) into joining COMECON. Under American aegis, the states of Western Europe soon founded organizations for regional cooperation: the European Coal and Steel Community (1951),

the European Economic Community (1957), the European Atomic Energy Commission (Euratom, 1957) and, eventually, the European Union (1993). Throughout the post-war period, these "economic blocs" competed in parallel with the "military blocs" of the North Atlantic Treaty Organization (NATO, 1949) created by the United States and the Warsaw Treaty Organization ("Warsaw Pact" or WTO, 1955) founded by the Soviet Union.

There were small exceptions. In July 1968, for example, the EU Commission established regulations concerning the delivery of milk and milk products into the USSR. (Lazareva 2014) At the beginning of the 1970s, the noticeable détente was marked by the speech of the General Secretary of the Central Committee of the Communist Party of the Soviet Union, Leonid Brezhnev (the actual leader of the Soviet Union) in 1972: "The European Community must be recognized as an existing reality." (Брежнев 1972, 490; Balázs 2016, 285.) As a result, in 1973, COMECON initiated a dialogue with the European Community. In January 1975, a delegation of the European Commission visited Moscow, and each side elaborated a draft agreement. The main purpose of the negotiations was mutual recognition, and raising the economic and foreign trade relations to a new level. Formal negotiations started in 1978, but the process broke down during the "small Cold War" of 1981. (Kőrösi 2005, 761.) In June 1984, COMECON insisted on signing a joint declaration with the EC that would allow EC member states to negotiate formal contacts. The parties agreed to establish a formal relationship between the Council for Mutual Economic Assistance and the European Communities. It recognized the two economic organizations and sought to find mutual trade opportunities, though at the time, the Soviet Union and the East Central European socialist countries remained in the category of the "worst commercial partner".

The fall of the Berlin Wall in 1989 and the subsequent disintegration of the Soviet Union brought a significant re-evaluation of relations. In December 1989, the USSR and the EC signed an agreement on trade and economic cooperation. It was the first treaty between the Soviet Union and the EC. In the post-Cold War era (after 1991), the European Union's Russia policy reflected a liberal-institutionalist approach, assuming economic positive relations during the transition to a market economy and democratization, and engaging in peaceful, cooperative foreign relations. The European Commission opened its representation in Moscow in February 1991. The European Community launched an aid program, TACIS (Technical Assistance to the Commonwealth of Independent States) for the former Soviet republics that same year. The goals were to facilitate the transition to market economy and to promote democratic reforms.

The idea of a lucrative partnership, as the ultimate goal of the strengthening relationship with the country weakened territorially (Russia was smaller than in the middle of the 18th century, in the time of Catherine the Great) and economically but with a strong military power and large raw material deposits, (Кузик 2008) emerged as well. As it became clear that Central and Eastern European states were expected to join the European integration process though, it was also evident that this option would not be open to Russia.

Key Dimensions of Relations

Partnership and cooperation agreements

Under the direction of Foreign Minister Andrei Kozyrev (in office from October 1991 to January 1996), the objective of Russian foreign policy was equal political and foreign trade relations with Europe and the U.S. The Partnership and Cooperation Agreement (PCA) of 1994 marked a step in this direction, although ratification was delayed until December 1997 (Viczai 2003) because of the wars in Chechnya. (Gyóni 2005; Милова 2006, 934–935.) The duties of the parties were set out in 112 chapters, 10 annexes, and several joint declarations; the agreement was valid for 10 years. It emphasized economic relations and the establishment of a free trade area, partly to enhance political dialogue. Implementation was overseen by the Permanent Partnership Council formed from members of the government of the Russian Federation, the Council of the European Union, and the European Commission. Preparatory tasks were carried out by the Cooperation Committee comprised of senior Russian and EU officials. The Parliamentary Cooperation Committee consisted of representatives of the Russian Duma (national parliament) and the European Parliament (hereafter referred to as the EP). There was a Hungarian EP member in the latter between 2004 and 2014. (Delegation 2016) The most significant event was the summit, held twice a year from 1998, where the President of the Russian Federation negotiated with the presidents of the European Council and the European Commission. These meetings were usually organized in a Russian city in May, and in the country holding the presidency of the EU in the autumn of that year.

This initial period, beginning with the second presidential term of Boris Yeltsin, was characterized by political clashes. The EU expressed strong disapproval of the slow economic and political reforms in Russia, and of human rights violations. Russians sharply criticized the negotiations on the NATO membership of Central and Eastern Europe, especially the Baltic States, and the relatively small subsidies from the Western world. Since Vladimir Putin's first presidential term, however, the two sides have constructed a more pragmatic relationship. (Lazareva 2014) This was reinforced by the new Russian foreign policy concept adopted in 2000, according to which the EU was the country's key partner. (Koncepcia 2000) Negotiations on the Common European Economic Space concept began during this period, as did the so-called Energy Dialogue, which strengthened the predictability of commodity trading. (Deák 2015, 33.)

Work on a new, long-term agreement started in 2003. Russia was the EU's third largest trading partner, and after 2004 it would have common borders with more than one member state. Russia was also the EU's largest supplier of oil and natural gas. In November 2003, a new EU–Russia Permanent Partnership Council began operating at the ministerial level; despite its name, the council convened only when needed.

Road map for the common economic space

At the summits held in 2003, a road map was developed to guide cooperation and determine the priorities of the new agreement. The four major aspects of the program, the so-called

"common areas", focused on policy areas with common interests and values: economic and environmental protection; the need to achieve a common area of freedom, security, and justice; external security, including crisis management; and research and education. In May 2005, mid-term implementation plans were adopted in Moscow. The documents contained an objective, a direction, and detailed instruments and measures for each subfield, so these papers were much more specific than before. (Road Map 2005) Sectoral agreements were signed during the negotiations. Their main goals were the gradual convergence of legislation affecting the economy and the management of energy policy based on interdependence and mutual benefit. Russian President Vladimir Putin welcomed the agreement as the first step towards a large, united Europe. (Пресс-конференция 2005)

As a result of the summits, from 2007 onwards, researchers, academics, prominent personalities of the cultural life, as well as politicians and athletes, could receive a visa free of charge. (In spite of a formal university invitation, the Russian consul decides whether to pay for the visa or not.) Russia is a participant in Erasmus Mundus, which is primarily a joint higher education program for mobility, and also participates in the seventh scientific research program. It obtained €429 million in grants for the development of areas along the borders between EU member states and Russia for 2007–2013. (Progress Report 2007)

There were controversies during this period though, because of the Russian–Ukrainian gas dispute, for example, and the NATO membership of the Baltic States. The "common area of freedom" was also a bone of contention. The EU aimed at mutual sharing of information regarding cross-border terrorism, crime, and illegal migration, in addition to the facilitation of travel. While the issues of democracy, human rights, and civil society organizations were on the agenda of every meeting, they could not bring the views of the two sides together. The European Initiative for Democracy and Human Rights, which has been functioning since 1994, was reformed and rebranded as the European Instrument for Democracy and Human Rights in 2006. It cooperated closely with the Council of Europe and with Russian NGOs; however, the Russian political elite has often considered its activity an intervention in domestic affairs. (Решения 2006)

The relations were strained further by the five-day Russian–Georgian war in the summer of 2008, although French President Nicolas Sarkozy, then President of the EU, made a significant contribution by proposing a six-point peace plan. As an element of this, the European Union Monitoring Mission in Georgia started its activities with 200 persons on 1 September 2008, but only in the territory of Georgia, as Russian military forces had not left Abkhazia and South Ossetia. (Russia recognized their independence.) (EUMM Georgia 2008)

More differences surfaced after the financial crisis of 2008–2009; nevertheless, in July 2008 the draft of a new general agreement was discussed. As the first step, in November 2009, the Partnership for Modernization was adopted by the Stockholm Summit; according to Vladimir Chizhov, Russia's Ambassador to the EU, this would help overcome the financial crisis and make better use of the existing forms of cooperation. (Чижов 2010) Twelve rounds of consultations failed to produce a new agreement though, so the agreement of 1997 automatically extends annually.

From 1994, since the signing of the PCA, until the beginning of 2014, when the cooperation came to a halt due to the Ukrainian conflict, more than thirty summits were held, in which also the members of the Russian Government and the College of Commissioners

participated five times. In the negotiations, the partners called each other strategic partners. Since the signing of the PCA, economic relations have grown stronger and deeper. Trade in goods increased ten-fold compared to the volume of 1994. In 2013, the EU's share of Russian foreign trade was 49.4%, while the Russian Federation was the European Union's third-largest foreign trading partner with 9.5%. Russia–EU trade that year amounted to €326 billion. (Чижов 2014)

Freezing relations between the EU and Russia

Summit declarations and joint press conferences reflected the fact that the EU and Russia had not advanced either in the assessment of the functioning of human rights within the established Russian political system, or in achieving a concordance of Russian policy and EU legislation. Russia did not want to apply e.g. the EU rules on energy policy and disapproved of the criticism of corruption, while the EU did not give sufficient support for Russia's WTO membership. The main goal of the Russian political leadership has been to regain its status as a great power and an equal negotiating partner for both the EU and NATO. (Пажимес 2012) Not only the countries of Central and Eastern Europe but also the three Baltic States became members of the European Union and NATO, despite U.S. assurances that NATO would not expand there. The Western powers did not take into account the Russian position; the country was treated as a medium power. Russia's response was to seek closer cooperation with states of the former Soviet Union, as well as new relationships with emerging states like the BRICS group (Brazil, Russia, India, China, and South Africa). Russia also became a member of "traditional" international economic organizations such as the World Bank, the IMF, and the WTO.

Russia has been involved in the fight against Islamic terrorism as well though, and the Russian economy strengthened, primarily because of increasing oil and gas prices. The Putin era has seen considerable economic centralization and nationalization; oligarchs who oppose official policies have been repressed, and state ownership has spread to some 50% of the economy. (Gereben 2014, 52.) Proposals for a free trade area between the EU and Russia have been mooted, but as the Russian state gained strength, the idea came to be seen less as a necessity and more as being subordinated to Western rules. (Balázs 2016, 292.)

Since then, Russia has proposed its own initiative for Eurasian integration. In January 2010, a customs union came into force between Russia, Belarus and Kazakhstan; this was designed to create a single economic area beginning in January 2012. In January 2015, it was renamed the Eurasian Economic Union (EEU; official website: www.eaeunion.org); Armenia and Kyrgyzstan joined that year. Its main objective is to guarantee the free flow of goods, labour, and capital, although there are plans to create a common currency. (Máté 2015) Russia also signed a free trade agreement with Vietnam and, from this new position of perceived strength, it has sought a bilateral trade agreement between the EU and the "Single Economic Area" led by Russia. Several Russian politicians and analysts have emphasized that their cooperation initiative takes the EU as an example and that it would be beneficial to have a close relationship. (Евразивтский 2015) As the three countries (Russia, Kazakhstan, and Belarus) already form a customs union, but Kazakhstan and Belarus are not members

of the WTO (they only have an observer status), any formal agreement seems unlikely. (Molnár 2012)

The relationship between the EU and the Eurasian Economic Union is affected by the fact that hundreds of thousands of Russian-speaking citizens live outside the current borders; in Estonia, for instance, 25% of the population either speaks Russian or identifies themselves as Russians, and the number in Latvia is over 30%. More than 300,000 people are thus "stateless" because they have not passed the official language exam required for citizenship in those countries. Many of them believe that since they were born in what is now an EU country, and the EU protects human rights as fundamental rights, they deserve full citizenship. (Iván–Nyilas 2015) The NATO membership of the Baltic States has been even more problematic, since Moscow sees this as a bridgehead in a new Cold War being promulgated by the U.S., and that American politics wants to (re)place the whole world under U.S. control. (Энтин–Энтина 2015) These tensions contribute to a continuing deadlock; Russia and the EU have been unable to move forward even on a minor, technical topic like lifting the visa requirement.

The presidential election of 2012 resulted in an overwhelming victory for Putin, and a third presidential term in 2012. As in most of the post-Soviet states, a presidential or a semi-presidential political system has been built where the president of the republic is the head of the executive power and the parliament cannot exercise control over it; the balance of powers is only apparent. The results of that year and those of the previous parliamentary elections were questioned by the opposition in national protests, revealing electoral fraud. The Russian Parliament then:

- tightened the law on assembly
- obligated NGOs to register any foreign aid received with the state
- strengthened the predominance of public media
- started censoring the Internet, and
- significantly widened the ambit of the law of treason and libel (Legal Forum 2012)

The non-democratic nature of the system thus has become increasingly visible. The European Union has criticized such measures sharply, drawing attention to the importance of the rule of law and respect for human rights, while the European Parliament has expressed concern about the processes. (European Parliament 2012) The Russian political leadership considers such commentary interference in domestic affairs, and Russia therefore has turned away from the Western world, while the latter has been continuously calling for the preservation of a multi-party democracy in the Russian state.

Official summits between Russia and the EU are held nonetheless. At the meeting of June 2013 in Yekaterinburg, it seemed that Russia's accession to the WTO the previous year might boost cooperation. Both sides reiterated that they were close partners, but they did not deliver real results on the new convention or on the energy agreement. Putin noted, however, that he could adopt a "roadmap" for 2050 to create a unified European "energy complex". (Саммит 2013)

The question of energy

Energy policy is one area where both sides have acknowledged their interdependence and are interested in maintaining good relations. Roughly 83% of Russian exports to the EU are raw materials, mainly petroleum and natural gas, which is why trade with Russia is important for the member states. (Deák 2015, 41.) This covers m0ore than one-third of the oil and gas demand of the EU, and the Central and East European member states are dependent on these deliveries. This phenomenon also indicates significant problems of cooperation. In January 2009, Russia's Gazprom shut down gas pipelines to Ukraine, claiming the country had not been paying for gas. This caused a serious problem for some of the Central and East European states. The EU subsequently encouraged Russia to implement the European Energy Charter, which would ensure the competitive position of producers, suppliers, and sellers. This also would have led to the liberalization of Russia's energy policy and the abolition of state monopoly; however, and therefore it was rejected by the Russian leadership. Putin's government opposes the liberalization of the gas and electricity market, one of the objectives the European Union promoted in its third energy package (2011).

The EU also aims at the broader use of renewable energy sources and a diversification of the energy mix. Negotiations to build more alternative gas pipelines (Nabucco, Caspian Sea, and AGRI) started, but proved fruitless. Nevertheless, a Russian military interaction was also foreseen, for example, in case of the establishment of the Caspian pipeline. (Gereben 2014, 100.) *The fact that no concrete preparations have been made for this pipeline can be explained partly by the political uncertainties in the Central Asian regions, and to some extent by the drastic fall in the prices of crude oil and natural gas in recent years* (Bartha 2015)*, and, last but not least, by the huge costs expected.* The European Union still needs Russian gas though, so preparations for the construction of Nord Stream 2 and the South Stream continue. *The importance of energy trade and interdependence is well demonstrated by the fact that the sanctions imposed due to the Ukrainian crisis did not substantially affect this area.*

Deteriorating relations: The consequences of the Ukrainian crisis

The European Union offered an association and free trade agreement to Ukraine, Moldova, and Georgia in the framework of its Eastern Partnership program. The document signed with Ukraine identified six objectives, including the expansion of trade, improving political dialogue, and maintaining peace in the region. The Ukrainian Government decided to withdraw from the process on 20 November 2013; the EU responded by pressing for an immediate signature. The signature process would have taken place at the Eastern Partnership Summit of November 28–29, 2013, in Vilnius, but the Ukrainian Government decided on November 20 to withdraw their participation in the contract.

Viktor Yanukovych won the presidential elections in 2010 as the leader of the Party of Regions established in the Russian-speaking East Ukrainian region. His political and value-based ties were much stronger toward Russia than to the Western world, which could justify the fact that at the last moment he withdrew from signing the treaty with the EU. Due to contextual constraints I do not have the opportunity to deal in detail with the public

actions that exploded in the wake of this decision and with the Ukrainian domestic political situation, but it must be seen that Russian leaders assessed the possibility of an association agreement as an attack on their state and on the country's sphere of influence. I have to agree with the opinions expressed by several authors (Bay 2015) that regarding its autonomy and identity Ukraine is not comparable to the Baltic States. There is no doubt that an independent Ukrainian state never existed historically within such borders until 1991, and its population composition has never been homogeneous: according to the most recent 2001 census, the mother tongue of 67.5% of the population is Ukrainian and that of 29.5% is Russian. (Our Language Rights 2014) In addition, most of the population uses both languages.

Examining the economic relations between the two countries, we can state that they are closely linked: Ukraine is a participant of the Free Trade Agreement as a member of the Commonwealth of Independent States, Russia is the main raw material supplier (65% of exports), while Ukraine primarily supplies the Russian market with machinery products and food. In 2011, when the highest foreign trade turnover (USD 50.6 billion) occurred, the neighbouring country was Russia's third-largest supplier of imports, while it was ranked No. 4 in exports. This trade network cannot be replaced easily, as András Deák points out, because Ukrainian products are difficult to sell in other markets because of their low quality. (Deák 2015, 44–46.)

The close linkage to the so-called "near abroad" (which term is used primarily by the Russians to define former Soviet territories) is proved by the fact that, by the end of the first decade of the 21st century, 68% of foreign investment came from Russian multinational companies and about 1.1 million Ukrainians worked in Russia. Although Ukraine became able to provide 60% of its armaments to its armed forces by 2008, it remained highly vulnerable because of the Russian spare parts supply. (Szabó 2009, 45–63.)

Considering these facts improperly, the EU – perceiving the strong position of the people living in Kiev and West Ukraine – continued to urge the immediate signing of the Association Agreement, which was confirmed by the ratification of the European Parliament on September 16, 2014.

The EU–Russia summit of 28 January 2014 reflected the changing relations; it lasted three-and-a-half hours. At the joint press conference, the President of the European Council, Herman von Rompuy, thanked Putin for his productive deliberation and stressed that the Eastern Partnership was not directed against Russia. Putin emphasized that its immediate neighbours had to maintain close cooperative relations with Russia; he proposed the establishment of a free trade zone with the participation of the EU and the Eurasian Economic Union. (Саммит 2014)

The European Parliament, in a resolution, indicated that Putin's policies were harmful not only to the chances for cooperation, but to the Russian people. According to the third paragraph of the text:

"The current deterioration of EU–Russia relations is the result of a long process during Vladimir Putin's first two terms as President and his time as influential Prime Minister has continued under his current presidential term of office, and is a direct consequence of his domestic and foreign policy choices."

The EP, as the fourth point states:

> "Regrets the fact that, so far, the EU has been unable to convince the Russian leadership of the merits of a fully-fledged democratic system, the rule of law and respect for fundamental rights and that a society where the state protects and serve its citizens is the best way to secure long-term prosperity and stability."

While the sixth paragraph underlines that the European Parliament:

> "Regrets the fact that the Russian leadership regards the EU's Eastern Partnership as a threat to its own political and economic interests and has turned the common neighbourhood into an area of confrontation and competition; underlines the fact that, on the contrary…" (European Parliament 2014)

There have been no new summits held since January 2014. Russia declared the election of the new president in Ukraine an unconstitutional coup. (Пресс-конференция 2014) In March 2014, Russia annexed the Crimean Peninsula. Although the Russians denied that their military forces had entered the peninsula, Ukrainian and Western observers confirmed that they had. The European Union responded with economic sanctions against Russia, which meant negotiations were suspended; no joint meetings have been held since. Several EU member states nonetheless have conducted bilateral negotiations with Russia. The Hungarian Prime Minister, Viktor Orbán, maintains the most active relationship with Putin; they consulted twice in 2017. Putin also met with the German Chancellor and the Italian Prime Minister three times each between 2014 and 2017 though. (Стенограммы 2017)

In April 2014, Russian-friendly groups in Luhansk and Donetsk launched a fight with the aim of breaking away from Ukraine and, similar to the referendum in the Crimea, unifying the regions with Russia by public vote. (Tálas 2014) Although Putin denied it until April 2015, it was clear that Russian soldiers joined the militants, and they regularly received Russian weapons, as well. (Rácz 2017) The escalating East Ukraine conflict was to be settled first in September 2014 during the EU–Ukraine–Russia negotiations. That came to fruition in Belarus in Minsk where a ceasefire was negotiated, which, however, was not respected. Five months later Minsk II was agreed but it proved to be a fragile truce. (Euronews 2016) As this second agreement did not bring any reassuring results, the armed conflict occurred again and again in the region. Consequently, "the EU currently follows a double-track approach on Russia, which combines a policy of gradual sanctions with attempts to find a diplomatic solution to the conflict in the east of Ukraine." (European Parliament 2017)

Sanctions are both political and economic. (The latter is dealt with in the next chapter.) Diplomatic sanctions also include that the Group of (again just) Seven summit was held in 2014 in Sochi without Russia. (G7: the annual economic and political meetings of the seven most advanced countries, i.e. Germany, France, Italy, the U.S., the U.K., Japan, Canada, and the EU represented by the President of the European Commission.) As the Russian President has not been involved in these negotiations, we cannot talk about G8. (Russia was first invited to this increasingly important informal forum especially for the world economy in 1998, and negotiations were given the name G7/G8 since the Russian side does not participate in certain consultations on particular financial issues.)

It can be considered a partly political act that 153 people and 40 entities from Russia are subject to an asset freeze and a travel ban because their actions undermined Ukraine's territorial integrity, sovereignty, and independence. (Sanctions 2017)

Looking at the decisions taken by the EU, we can see that in 2014 EU institutions discussed the situation of the Ukrainian crisis and the related sanctions 18 times, in 2015 13 times, in 2016 7 times, and 5 times in 2017 until September. The travel ban for 150 people to the EU and the freezing of their assets was valid until September 15, 2017, as in August, three more Russian citizens were also added to this list because of participating in the transportation of gas turbines made in the EU to Crimea. (Timeline 2017)

Apparently, the Russian side reacted similarly to these sanctions. The purpose of the presidential decrees, among which the first was issued by Putin in August 2014, has been to ensure the security of the Russian Federation. These have been released annually – the latest in June 2017 – and sanctions were extended until December 31, 2018. These are primarily commercial and economic measures. (Указ 2017)

In late May 2015, 89 politicians and military leaders from 17 European countries were forbidden to travel to Russia. As a response, the President of the European Parliament banned the Permanent Representative Ambassador of the Russian Federation to the European Union, Vladimir Chizhov from the building, (Mátyás 2015) even though that based on his articles, we can assume that he was committed to the increasingly good relations between Russia and the EU. In the spring of 2014, the European Parliament unilaterally suspended its participation in the Russia–EU Parliamentary Cooperation Committee. (Permanent Mission 2017) In September 2015, the European Council extended travel restrictions for another six months and voted to continue sanctions until the end of 2016. The Council of the European Union has voted every six months since and continued the measures.

There was a significant decline in the Russian economy by January 2015. According to Russia's Minister of Economic Development, Alexey Ulyukaev, GDP was down by 3%, inflation rose considerably, and $115 billion in capital left the country. (Zuhan 2015) These processes can be explained not only by the sanctions but also by the downward trend of oil prices on the world market. Russia's GDP continued to decline in 2016, but only by 1.2%. On 15 June 2017, on the TV show *Straight Line* Putin announced that GDP had risen by nearly 1% over the previous four months because of higher industrial production, and that the country had become self-sufficient in the production of pork and poultry meat. He said that the sanctions had cost the Russian economy $50–55 billion and the EU $100 billion. (Прямая линия 2017) This led to a strengthening of the protectionist economic policy in Russia; by the end of November 2015, 570 import substitution projects were underway. This plan covers nineteen sectors for 2016–2020, with more than two thousand projects. (Weiner 2016, 32.)

The embargo on Russian agricultural products had a two-fold impact in 2015. Imports outside the CIS fell by almost 40%, and the Russian population experienced both serious shortages and persistent inflation. It affected European farmers as well, as exports to Russia fell by 42%. According to Russian authors, the European sanctions will be a major challenge for state-owned banks and the two energy companies, Gazprom and Posneft, which have more than 50% state ownership; therefore, it is not surprising that their leaders immediately turned to the government for financial assistance. Quantitative assessment of accurate data on sanctions is almost impossible though.

The Russian political leadership expected the Western, primarily German, business circles to resist since these restrictions violated their economic interests. It did not happen this way. (Клинова–Сидорова 2014, 69.) The EU and its partners say they will end sanctions only after Russia withdraws its military units from the Eastern Ukrainian territories, discontinues its support for separatists, and re-establishes the territorial unity of Ukraine. Moreover, the European Parliament's resolution of 10 June 2015 states that no resumption of cooperation can be expected until there is peace in Ukraine; Russia must also renounce the effort to reshape the borders of Europe by force, and end the persecution of opposition activists, human rights defenders, and minorities. (European Parliament 2015) Putin is inclined to end the embargo only after the lifting of the EU sanctions.

Nowadays, the relationship between the two actors is heavily burdened by the growing Russian financial and moral support given to extremist parties that have become increasingly strong due to the economic crisis that broke out in 2008. It can be easily assumed that the common ideological and political basis of these parties is an anti-EU stance. As the European Parliament resolution of June 2015 puts it, the institution:

> "Is deeply concerned at the recent tendency of the Russian state-controlled media to rewrite and reinterpret historical events of the twentieth century, such as the signing of the Molotov-Ribbentrop Pact and its secret protocols, as well as the selective use of historical narrative for current political propaganda;"

> "Is deeply concerned at the ever more intensive contacts and cooperation, tolerated by the Russian leadership, between European populist, fascist and extreme right-wing parties on the one hand and nationalist groups in Russia on the other; recognises that this represents a danger to democratic values and the rule of law in the EU; calls in this connection on the EU institutions and Member States to take action against this threat of an emerging 'Nationalist International'." (European Parliament 2015; Dossier 2017)

From 2016 on, Russia has been alleged not only to have supported these parties but also to have tried to intervene in the election campaigns of Western countries by spreading false information on the Internet or by hacking certain internal correspondence. (Position Paper 2017; Election Disinformation 2017) As it is to be expected, the Russian Foreign Minister rejects these accusations. (Свидерский 2017)

Financing

The EU has provided financial support to the Russian Federation since 1991. Initially, this was implemented under the TACIS program, with funding of 391 million European Currency Units in 1991, and a further 450 million ECU in 1992. The first technical assistance program focused on five sectors: energy (115 million ECU); training (103 million ECU); food distribution (74 million ECU); transport (45.8 million ECU); and financial services (37.5 million ECU). The Baltic States also received 15 million ECU. (TACIS 1991) Russia received 100–150 million ECU per year by 1999, although this figure was

only €50 million by 2007. (Grigoriadis 2015, 14.) According to the European Union's assessment, TACIS was an increasingly effective strategic instrument. "TACIS has contributed to fundamental change and visible development." (Frenz 2007) In 2007, TACIS was replaced by the European Neighbourhood and Partnership Instrument (ENPI), and then, in 2014, by the European Neighbourhood Instrument (ENI). This financial source serves mainly cross-border cooperation; Russia is a partner in seven ENI programs (see Table 1).

Table 1.

ENI cross-border cooperation – indicative total allocations (ENI and ERDF) per program

Land border programs (Figures in EUR)	Total 2014–2017	Total 2018–2020	Total 2014–2020	2018–2020 Additional ERDF*
Kolarctic/Russia	16,451,819	8,266,271	24,718,090	10,355,241
Karelia/Russia	13,938,222	7,562,832	21,501,054	8,106,616
SE Finland/Russia	21,665,925	14,480,857	36,146,782	9,355,180
Estonia/Russia	9,030,972	7,776,552	16,807,524	1,826,238
Latvia/Russia	11,191,052	4,683,976	15,875,028	8,162,486
Lithuania/Russia	10,865,846	8,149,384	19,015,230	13,492,385
Poland/Russia	33,681,960	14,902,154	48,584,114	23,608,291

*Additional ERDF allocations 2018–2020, subject to the mid-term review of CBC and availability of matching ENI funds.

Source: http://eeas.europa.eu/archives/docs/enp/pdf/financing-the-enp/cbc_2014-2020_programming_document_en.pdf Annex 2.

In addition to these programs, the European Union considers only a few forms of financing acceptable since 2014. These include the Erasmus+, a primarily educational mobility program and the BILAT-RUS-Advanced project, which was implemented in 2012 in the field of scientific cooperation; 2014 was declared the EU–Russia Year of Science. ERA.Net RUS, with a total budget of €17 million in 2014–16, launched a call for new partners in 2017; organizations from ten EU member states, Russia, Moldova, Switzerland, and Turkey may apply as a consortium. ERA.Net RUS Plus will be the next step in linking Russia and its key research communities to the European Research Area. (ERA.Net RUS 2017) Two new calls were announced in 2017, and €25 million is available. (Horizon 2020)

Since the spring of 2014, after the annexation of the Crimea, the EU gradually adopted economic sanctions against the Russian Federation, though support programs covering areas such as science, innovation and education have been maintained. The sanctions are the following:

- The freezing of the assets of persons and legal entities who contributed to reducing Ukraine's independence and sovereignty.
- Crimean and Sevastopol decisions: bans on export and import from this region, this was primarily related to EU persons and companies.
- Restricting certain Russian companies' and banks' access to capital markets, imposing an export and import ban on trade in arms and sensitive technologies and services that can be used for oil production and exploration. (Sanctions 2017)

In response to this, President Putin, as previously indicated, decided on significant economic and trade restrictions. Accordingly, he prohibited the import of the following products from all countries that participate in sanctions against Russia: certain agricultural commodities (vegetables and fruit), cheese and food (dairy products, meat, and meat products), and products of national origin. (Указ 2014) As a result, it is clear that the volume of trade between the European Union and Russia fell below the 2006 level (see Table 2).

Table 2.
European Union, trade with Russia

Period	Import Value Mill. €	% Extra–EU*	Export Value Mill €	% Extra–EU
2006	143.6	10.5	72.4	6.6
2007	147.73	10.2	89.2	7.2
2008	180.45	11.4	104.97	8
2009	119.57	9.7	65.7	6
2010	162.08	10.6	86.31	6.4
2011	201.33	11.6	108.59	7
2012	215.13	12	123.47	7.3
2013	206.97	12.3	119.45	6.9
2014	182.38	10.8	103.23	6.1
2015	136.39	7.9	73.75	4.1
2016	118.89	6.9	72.29	4.1

*% Extra–EU: imports/exports as % of all EU partners i.e. excluding trade between EU Member States.

Source: Trade 2017

Obviously, the 2008 crisis left a mark on the data, but a decline can only be seen in 2009, and a dynamic growth from 2010 is visible until 2015.

How can sanctions be assessed? There were serious discussions about this at the end of 2014. According to Russian authors, these European sanctions will be a major challenge for state-owned banks and the two energy companies, Gazprom and Posneft, which have more than 50% state ownership; therefore, it is not surprising that their leaders immediately turned to the government for financial assistance.

The embargo on Russian agricultural products also had a twofold impact in 2015. On the one hand, imports outside the CIS fell by almost 40%, which led to the Russian population experiencing serious supply problems due to the persistent inflation. On the other hand, it affected European farmers as well, as exports to Russia fell by 42%. This situation did not have an impact on the Member States equally; Finland, Poland, and Hungary, and regarding specialty food products, Italy and France suffered a loss of billions of Euros. (Embargo 2015) I can only partially agree with the opinion of Zoltán Gálik who emphasizes that EU sanctions are medium or long-term measures and less affect Russian citizens, while the effects of Russian embargoes are immediate and directly perceptible. (Gálik 2014) It should be noted, however, that the quantitative assessment of accurate data on sanctions is almost impossible, as the development of world trade is the result of many unpredictable global processes.

Conclusion

The large-scale modernization project of Gorbachev launched in the second half of the 1980s, on the one hand, opened up the possibility of better cooperation with the so-called Western world, and on the other hand, brought the collapse of the Soviet Union. Although in the 1990s the transformation of the economic and political system began in Russia, in the 21st century it has become clear that the country has not been developed into a liberal market economy and a multi-party democracy. However, the European Union considered the region a strategic partner, as reflected in the agreements concluded. This was justified partly by Russia's strategic geopolitical situation and partly by its substantial raw material stock. Evidently, the fact that a new framework agreement has not been reached since 2004 indicates the contradictions in the cooperation process. Partly the Russian empire-building efforts led to the crisis in 2014, but it must also be seen that the democratization project gaining also popularity in the European Union is deemed to be unsuccessful in areas where the population has developed as a result of socialization processes of a different political culture.

It is obvious that the regime of mutual sanctions has not brought peace to Ukraine, which signed the association agreement, or lead to negotiations. Russia has drifted into a deep, primarily economic crisis. The European Union continues to state that Russia is an important partner and everything needs to be done to normalize relations.

The European Union continues to emphasize that Russia is an important partner of the EU and everything needs to be done to normalize relations; for example, the European Parliament resolution of June 10, 2015, clearly states that no resumption of previous cooperation can be expected until there is peace in Ukraine, Russia renounces the effort to reshape the borders of Europe by force, hatred against opposition activists, human rights defenders, minorities, and neighboring countries decreases, and the situation of the rule of law improves. (European Parliament 2015)

This was confirmed by the European Council in September 2015 when it extended travel restrictions for another six months and sanctions for certain areas of trade until the end of 2016. Since then, the Council of the European Union has voted on these restrictions every six months, despite the fact that the heads of several Member States explained the negative impact of the measures on EU countries emphasizing the ineffectiveness of the sanctions. The last such decision was taken on June 28, 2017, which will be effective until 31 January 2018.

The EU's conditions for normalization are unacceptable to the Russians, however; conceding would bring into question the identity and legitimacy of the current political system. Political and economic pressure from the EU, therefore, will have little effect in the short term.

Russian involvement in the war against the Islamic State seemed to change the position of the European Union but it has not brought any progress in negotiations. Fruitful cooperation with the EU is not Russia's most important goal. According to many Russian scholars, the European Union is "an exhibition object" unable to undertake structural reforms; its rate of economic growth has declined, its population has turned away from integration, and the member states have not learned to speak with one voice. (Энтин–Энтина 2015) Both the institutions and the member states of the European Union have to answer the challenges

if they want to preserve or increase their influence. As the Global Strategy adopted by the EU in 2016 states: "Managing the relationship with Russia represents a key strategic challenge." (Shared Vision 2016)

Appendix

Russia–EU relations 1989–2017

Date	Agreement	Summit	Joint actions	Negotiation	Sanctions	Sanctions of Russia
1989	18 Dec.					
1994	24 June PCA					
1997	30 Oct. PCA enters					
1998		15 May				
1999		22 Oct.	4 June Common strategy EU on Russia			
2000		29 May 30 Oct.				
2001	On cooperation in sciences	17 May 03 Oct.				
2002	On trade in steel products	29 May 11 Nov.				
2003	On cooperation in technology	31 May 06 Nov.				
2004	On steel agreement	21 May 25 Nov.	27 Apr. On EU enlargement			
2005		10 May 04 Oct.	01 March Protocol to the PCA			
2006		25 May 24 Nov.				
2007	On the facilitation of visas	18 May 26 Oct.	Dec.: restart of talk for a new PCA			
2008		26 June 14 Nov.		June–Nov.: Freezing of negotiations on a new agreement		
2009		22 May 18 Nov.				
2010	On protection of classified information	01 June 07 Dec.		Progress with visa exemption		

Date	Agreement	Summit	Joint actions	Negotiation	Sanctions	Sanctions of Russia
2011	Memorandum of understanding to increase cooperation	9–10 June				
2012		3–4 June 20 Dec.				
2013		3–4 June	On cooperation in the field of tourism			
2014		24 Jan.	On combatting terrorism		March, Apr., July, Sept., Dec.	06 Aug.
2015					Extensions of sanction: March, Sept., Oct., Dec.	24 June Prolongation of special economic measures
2016				11 Febr. Lavrov–Mogherini	Extensions March, June, Sept., Nov., Dec.	Prolongation: August
2017				18 Sept. Mogherini–Lavrov	Extensions March, June, Aug, Sept.,	Prolongation: June

Source: http://valdaiclub.com/a/reports/report-russia-and-the-european-union-three-questions/; www.consilium.europa.eu/en/policies/sanctions/ukraine-crisis/history-ukraine-crisis/

Abbreviations

ENI: European Neighbourhood Instrument
ENPI: European Neighbourhood and Partnership Instrument
EP: European Parliament
ERDF: European Regional Development Fund
EU: European Union
PCA: Partnership and Cooperation Agreement
TACIS: Technical Assistance to the Commonwealth of Independent States

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New Partners, Old Dilemmas: The EU and Central Asia

Dániel Harangozó

Introduction

Post-Soviet Central Asia is a region of great strategic importance, due to its location, its proximity to crisis spots in Afghanistan and Pakistan, and its substantial natural resource endowments, mostly hydrocarbons. Born into what may be termed "unexpected statehood" after the collapse and disintegration of the USSR at the end of 1991, the states of this region exhibit great political and socio-economic diversity. (Pirro 2013, 134.) Kazakhstan is the region's biggest economy, responsible for most of the external trade and investment of Central Asia via its substantial oil reserves. Uzbekistan contains almost half of the population of the region, and it is the only country bordering all of the Central Asian states as well as Afghanistan. Turkmenistan, albeit holding one of the largest natural gas reserves of the world, is also among its most isolated and authoritarian countries. The two smallest and most underdeveloped states of Central Asia, Kyrgyzstan and Tajikistan, rely to a large extent on migrant worker remittances; and are major recipients of international development aid. (Romanowski 2016, 4.) European strategy towards Central Asia was and is influenced by strategic designs of outside actors as well, namely Russia and China and, to an extent, the United States.

During their first decade of independence, the Central Asian states played little role in the EU's external relations. They had limited trade relations with EU member states, their domestic situations were unstable, and historically, Russia was the dominant power in the region. (Efegil 2010, 76–78.) The EU–Central Asian relations only intensified from the 2000s, influenced by the 2004 enlargement of the Union and Western coalition operations in Afghanistan after 11 September 2001. Increasing European interest in the region can be explained by its proximity to Afghanistan and the security risks associated with a potential "spill over" of the Afghan conflict, as well as the substantial energy resources of several Central Asian states, particularly Kazakhstan, Uzbekistan and Turkmenistan. Many of the more recent member states depend on Russian oil and gas, and the need to diversify their energy supply played a role, as well. (Bossuyt 2017; Efegil 2010, 78; Pirro 2013, 132.)

Three distinct strains can be identified in the European strategy towards this region: "1) the promotion of human rights, civil society, and the rule of law, which are fundamental to EU values as a basis for engagement; 2) energy interests that aim to link Turkmenistan to the Southern Corridor; and 3) fostering security in 'Greater Central Asia,' first through NATO's military engagement in Afghanistan from 2001 to 2014, and since then by continuing to equip and train Afghan border posts." (Peyrouse 2017, 2.) These interests do

from time to time contradict each other, and the EU lacks both the means and the will to resolve these contradictions.

The European Union faces particular challenges in promoting its values-based agenda, which emphasizes democracy, the rule of law, and human rights in a mostly authoritarian political environment such as Central Asia. Of the five Central Asian states, only Kyrgyzstan ever experienced a relatively democratic political setting. Chinese and Russian initiatives in the region usually come with fewer political conditions, particularly such uncomfortable ones for Central Asian autocratic rulers as democracy or human rights. (Hauff 2015, 5; International Crisis Group 2017, 2.) They are also better funded. The €1 billion budget for EU Central Asia-related projects during 2014–2020, for instance, pales in comparison with the $40 billion fund announced by Chinese President Xi Jinping for the Silk Road Economic Belt. (International Crisis Group 2017, 5–9; Bossuyt 2017; Peyrouse 2017, 3.)

Sebastien Peyrouse contends that Europe lacks a "grand narrative" on Central Asian security comparable to that of Russia, China, or the U.S. because of the multiplicity of European actors and the limitations of EU security mechanisms. (Peyrouse 2017, 2.)

Although the European Union prefers regional integration and "effective multilateralism" in its external relations, this approach encounters serious challenges in Central Asia, a region characterized by weak or "incomplete" statehood, low mutual trust between states, limited cooperation and weak or non-existent regional integration. (Renard 2013, 359.)

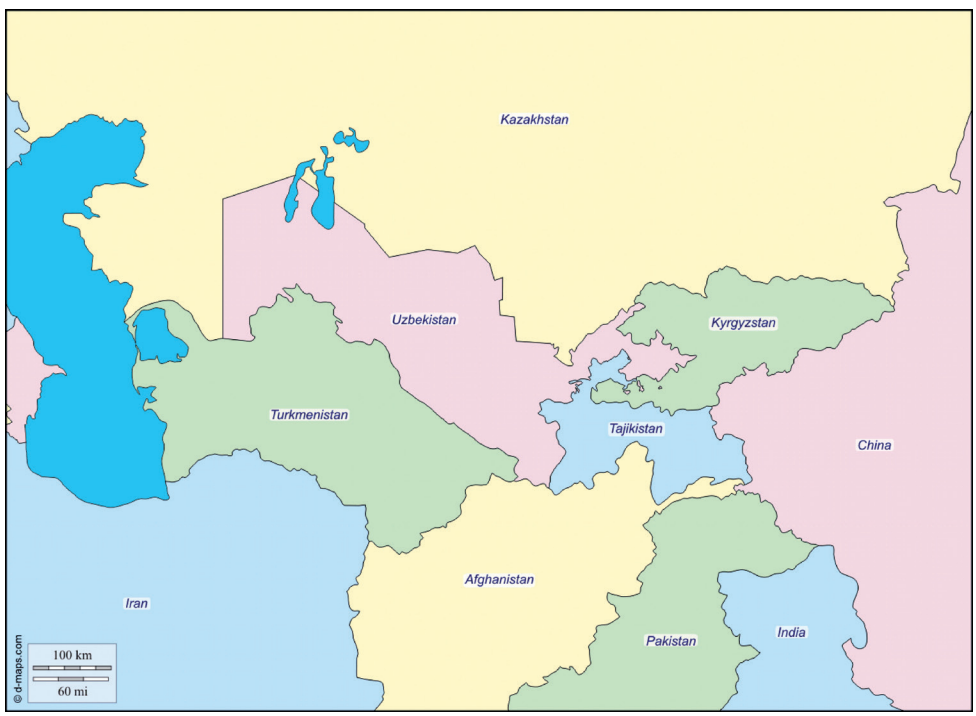

Figure 1.

Post-Soviet Central Asia and the neighbouring states

Source: http://d-maps.com/carte.php?&num_car=66540&lang=en

One could thus argue that EU strategy towards Central Asia illustrate three fundamental dilemmas which are also present, to a certain extent, in the context of EU relations with other regions: the tension between security/stability and human rights, between "ambitions" and "conditions" (financial or otherwise), and between bilateral and multilateral cooperation. (See for example Warkotsch–Youngs 2011, 187–188; Gast 2014; Boonstra–Axyonova 2013, 6.)

The present chapter is divided into three parts: first, we do a brief overview of EU–Central Asian relations from 1991 to the present. In the second part, we review the current state of institutionalized ties between the EU and the region, as well as the forms and extent of EU financial assistance provided to Central Asia. We conclude our chapter with a short assessment on the perspectives of the future of this relationship, with particular emphasis on the initiatives of competing regional players, that is, China and Russia.

Evolution of a Difficult Partnership

Formal ties between the EU and Central Asian nations were limited between 1991 and 2000. During this period and up to 2002, the European Commission policy was ambiguous on whether to treat Central Asia as a unified region or as five distinct countries. (International Crisis Group 2006, 11; Efegil 2010, 76–77.) Initially, relations with the successor states were governed by the Partnership and Cooperation Agreement signed in 1989 with the USSR; in 1991, the EU launched the Technical Assistance to the Commonwealth of Independent States (TACIS) program, modelled on PHARE, the assistance scheme for Central European countries. (International Crisis Group 2006, 11.) Tajikistan, which was embroiled in civil war (1992–1997), was the primary recipient of humanitarian aid in the region through the Commission's Humanitarian Office (ECHO). (International Crisis Group 2006, 15.)

TACIS was designed to provide technical and financial assistance to the Soviet successor states in support of their transition to a market economy, democracy, and the rule of law. The initial priorities were training, energy (including nuclear safety), transport, and food production and distribution. These were revised several times during the lifetime of TACIS which ended in 2006 with the reorganization of the EU development assistance system. Assessments of the effectiveness of TACIS have been mixed. Critical observers and stakeholders, both local and international, pointed out the limited interest among Central Asian governments (owing partly to the limited funding arrangements), the "Byzantine Commission bureaucratic procedures", the over-reliance on Western consulting firms and expatriate contractors – with attendant excessive personnel costs – in project implementation, and the overall lack of focus on long-term impact. (International Crisis Group 2006, 11–12.)

The concept of a "New Silk Road", that is, a transport corridor between Europe and Central Asia, which now figures prominently in the Chinese policy, first was proposed by the European Union. The Transport Corridor Europe–Caucasus–Asia (TRACECA) was conceived at a 1993 Brussels conference and, in 1998, the EU and Azerbaijan co-hosted a meeting in Baku on the "Restoration of the Historical Silk Road". An international Secretariat was established in the Azeri capital in 2001. (International Crisis Group 2016, 14; Starr–Cornell 2015)

The ambitious goals of TRACECA and the fanfare with which it was announced belied its minuscule budget – €110 million between 1993 and 2002 – and the difficulties which accompanied its implementation, among others, the Turkmen and Uzbek reluctance to participate. (International Crisis Group 2006, 14–15.) The *de facto* failure of TRACECA marked also the end the EU ambitions to support major infrastructure projects in the region. (International Crisis Group 2006, 14; 2017, 23; Peyrouse 2017, 3.) One could argue that the fate of TRACECA constitutes another example of the discrepancy between ambitions and conditions, which several times came to characterize the EU policy towards Central Asia.

The security-related "flagship projects" designed or sponsored by the European Union, in particular BOMCA (Border Management Programme in Central Asia) and CADAP (Central Asia Drug Action Program), which were merged later in 2004, were somewhat more successful. BOMCA was launched in 2003 as a cooperative project of the European Union and the United Nations Development Programme (UNDP) to strengthen border management and to facilitate legal trade and transit. The program provided training and assistance in a wide variety of areas, in particular the struggle against drug smuggling. Despite being popular with the stakeholders of the region, BOMCA had its fair share of unresolved challenges. One is the discrepancy between its ambitions and the modest funding available, which for the ninth and latest cycle (2015–2018) was only €5 million. More intractable are the enduring border tensions between Central Asian nations and the structural problems of border management of this region, particularly the endemic official corruption and its role in the drug trade. Implementation of BOMCA has recently been transferred from the UNDP to a group of EU member states (Latvia, Lithuania, Hungary, and Portugal). (International Crisis Group 2006, 13–14; Boonstra–Tsertsvadze 2016, 9.)

The first steps to upgrade EU ties with Central Asia began with the adoption of a Regional Strategy Paper for Central Asia on TACIS programming in 2002, the establishment of a regular political dialogue in 2004, and the designation of a European Union Special Representative (EUSR) in 2005. (Efegil 2010, 79.) Two years later, at its meeting in Brussels on 21–22 of May 2007, the European Council adopted the strategy document *The EU and Central Asia: Strategy for a new Partnership.* (Council of the European Union 2007b, 12.) The new Strategy envisioned an ambitious and multifaceted EU engagement with the region in areas ranging from human rights and the rule of law to energy and transport, from youth and education to environment and water, from security issues to "intercultural dialogue". (Council of the European Union 2007a, 7–17.)

The strategy aimed at "a balanced bilateral and regional approach", preferring to tackle issues like drug trafficking, water and energy, or environmental pollution on a regional basis. It proposed "regular and ad hoc contacts" with regional entities like the Shanghai Cooperation Organization (SCO) or the Collective Security Treaty Organization (CSTO). (Council of the European Union 2007a, 6.) New institutional forms of cooperation were established, like the Rule of Law Initiative and the Human Rights Dialogue. (Council of the European Union 2007a, 3.) The Commission's aid budget was increased significantly, as the EU offered €750 million in assistance in the period 2007–2013. It is worth noting that 70% of that amount was designated for bilateral aid, "taking into account the policy agendas of individual Central Asian countries, and their distinct political and social realities". (Council of the European Union 2007a, 19.)

The strategy has since been reviewed five times (2008, 2010, 2012, 2015, and 2017, respectively). (European Parliament 2016) Responding to the planned withdrawal of international coalition forces from Afghanistan in 2014, the 2012 review introduced a new cooperation format, the High-Level Security Dialogue. (Boonstra–Tsertsvadze 2016, 5.) Both the 2015 and the 2017 reviews called for greater flexibility regarding the forms of cooperation and assistance (bilateral and regional), taking into account differences in socio-economic development, governance and ambition of the countries concerned. (Council of the European Union 2015, 3; Council of the European Union 2017, 2.) These two reviews identified education as a priority for European Union engagement with Central Asia, as well as the issue of radicalization and foreign fighters in the area of security. (Council of the European Union 2015, 6–7; Council of the European Union 2017, 3–4.) The conclusions of the latest review invited the European Commission and the High Representative to prepare a proposal for a new Central Asia strategy until 2019, in line with the EU Global Strategy, as well as soliciting the input from Central Asian partners in preparation of the new strategy. (Council of the European Union 2017, 6.)

Current Institutionalized Forms of Cooperation and Assistance

The formal ties between the EU and Central Asian states can be described as a combination of bilateral and regional arrangements. Trade and financial ties are governed by bilateral treaties, in most cases Partnership and Cooperation Agreements, an Enhanced Partnership and Cooperation Agreement with Kazakhstan and an Interim Trade Agreement with Turkmenistan. Assistance is provided both on a bilateral and on a regional basis. The only country without a Partnership and Cooperation Agreement (PCA) in force is Turkmenistan, whose 1998 PCA has not been ratified because of serious deficiencies in its observance of human rights. (Pirro 2013, 133.) The European Union's presence in four of the five Central Asian nations is achieved through a full-fledged EU Delegation stationed in the capitals; the capital of Turkmenistan, Ashgabat, hosts a Europe House. The establishment of an EU delegation in that capital is currently planned. (Boonstra–Tservtadze 2016, 7.)

Table 1.
Bilateral relations between the EU and post-Soviet Central Asia

Kazakhstan	Enhanced Partnership and Cooperation Agreement signed 21 December 2015. Provisionally in force 1 May, 2016
Kyrgyzstan	PCA in force 1 July 1999
Tajikistan	PCA in force 1 January 2010
Uzbekistan	PCA in force 1999, partial suspension between November 2005 and November 2007
Turkmenistan	PCA signed May 1998, ratification pending Interim Trade Agreement in force November 1998

Source: Pirro 2013, 136; European External Action Service 2017

The Multiannual Indicative Programmes for Central Asia in the period 2014–2020, provide in total around €1 billion, including both a regional component and bilateral assistance

for Uzbekistan, Turkmenistan, Tajikistan, and Kyrgyzstan through, among others, the Development Cooperation Instrument (DCI). Since its graduation to a middle-income country in 2014, Kazakhstan is no longer eligible for bilateral development assistance, although it is still included in funding schemes designed for the entire region. It is likely that bilateral aid to Turkmenistan will be phased out during this funding cycle, as that country will be graduated to middle-income status as well. (Boonstra–Tsertsvadze 2016, 9; EU Delegation to Kazakhstan 2016; European Commission 2014a.)

The system of bilateral funding was redesigned after the 2007–2013 budget cycle, learning the lessons of that period. The number of funding priorities was reduced for each country. (Boonstra–Tsertsvadze 2016, 9.) For Uzbekistan, €168 million is earmarked for rural development, while in case of Turkmenistan, €65 million is proposed for support of education. Of that, €28 million is conditional on the country retaining middle-income status for 2018–2020. (European Commission 2014e, 8; European Commission 2014d, 8–9.) Kyrgyzstan and Tajikistan, the main bilateral aid recipients, have three funding priorities each: rule of law, education, and rural development for the Kyrgyz; and health, education, and rural development in the Tajik case. (Boonstra–Tsertsvadze 2016, 9.) About €184 million is earmarked for bilateral aid to Kyrgyzstan and €251 million for Tajikistan during 2014–2020. (European Commission 2014b; European Commission 2014c, 9.) The budget for the regional component of EU assistance to Central Asia (with the sustainable development, in particular, energy, environment/water and social development being the main priorities) totals €245 million in the current funding period. (European Commission 2014a, 6.) All five countries also benefit from cooperation in the area of higher education through the Erasmus+ scheme, for which €110 million has been earmarked in the Commission's 2014–2020 regional indicative programme. (European Commission 2014a, 6.)

The Investment Facility for Central Asia (IFCA) was set up as a blending instrument to combine EU financing with loans from European and international financial institutions (such as the Asian Development Bank, the World Bank, or the EBRD). According to Commission data, in the period 2010–2015, €119 million in EU grants was combined with loans totalling €553 million. (European Commission 2017a)

With regards to trade policy, Uzbekistan, Turkmenistan, and Tajikistan are included in the Generalized Scheme of Preferences (GSP), a trade-facilitation scheme designed to provide access to the Single Market for low- and lower-middle-income countries. Kyrgyzstan participates in the broader GSP+ scheme, which removes tariffs for 66% of tariff lines in exchange for ratification and implementation of twenty-seven core international conventions on human and labour rights, environmental protection, and good governance. (European Commission 2017b) Trade relations with Kazakhstan are governed by the terms of the Enhanced Partnership and Cooperation Agreement that provisionally entered into force on 1 May 2016. (European External Action Service 2017)

Assessment and Perspectives: Between the Chinese Hammer and the Russian Anvil?

While the EU's presence and "visibility" have been enhanced in this region since the early 2000s, the impact of EU engagement has been limited. Apart from trade and investment links with Kazakhstan, European trade with the region remains minimal. There has been little to no progress in democratization, and the human rights situation has seen significant backsliding. Corruption remains a serious impediment not only to economic development but also to effective use of development aid provided by international donors, and the proposed new energy links to Europe did not materialize. (Boonstra–Tsertvadze 2016, 3–4.)

The institutionalized human rights dialogue and the High Level Security Dialogue, introduced in 2012, also fell short of expectations. (Boonstra–Tsertvadze 2016, 4–6.)

As it has been argued by Warkotsch and Youngs, the EU's promotion of democracy in Central Asia is "high on rhetoric but relatively low on delivery". Moreover, efforts for democracy promotion were also conditioned by geo-political, security and economic interests of member states in the region, both during and after the international coalition operations in Afghanistan. (Warkotsch–Youngs 2011, 192–195.)

Several factors contributed to the limited effectiveness of EU engagement to date, some of which are outside of the Union's control.

While the region is not a priority for the EU, Russian and Chinese influence are unparalleled in Central Asia. Russia mostly exerts its influence in the field of security, both through multilateral (the Common Security Treaty Organization) and bilateral channels, in addition to informal links between military and intelligence services. Several countries of the region are members of the Eurasian Economic Union (EEU), a Russian-led trade bloc.[1] Despite the increasing clout of China, Russia still has substantial trade links with Central Asian nations, and the substantial number of migrant workers from the region provide additional leverage for Moscow. The effects of Russian soft power also cannot be underestimated: the Russian language still functions as a "lingua franca" throughout Central Asia; Kazakhstan has a significant Russian ethnic minority, and Russian mass media plays a significant role in shaping public opinion in most countries of the region, with the exception of Turkmenistan. (Romanowski 2016, 5–6.)

China's presence in Central Asia, on the other hand, is concentrated in economics and trade. The Silk Road Economic Belt (SREB) initiative, which was unveiled in 2013 by President Xi Jinping, aims to develop transport and infrastructure links between China and Eurasia, passing through the Central Asian states. With a massive $40 billion initial budget, this scheme is unrivalled by other external actors. In addition to infrastructure development, trade between China and Central Asia is increasing steadily; for example, the Asian great power is now the principal export market for Turkmen gas. (Romanowski 2016, 8–9.) The institutional component of Chinese–Central Asian relations is based on Shanghai Cooperation Organization, a loose grouping that includes China, Russia, and four out of five Central Asian states (the exception is Turkmenistan). The security dimension of the SCO is

[1] The Treaty establishing the Eurasian Economic Union was signed on 29 May 2014, by the heads of state of Russia, Belarus and Kazakhstan. Kyrgyzstan and Armenia joined the bloc later in the same year. The Treaty entered into force on 1 January 2015. See http://www.eaeunion.org/?lang=en#about-history (Accessed: 30.01.2018)

rather poorly institutionalized, and linked to the Chinese doctrine of "the struggle against the three evils": terrorism, separatism, and extremism. (Renard 2013, 360–362.)

Massive Russian and Chinese involvement with Central Asia will influence and condition the relations with any outside actor, the EU included, with Central Asia in the foreseeable future, as the Union is neither able nor willing to compete with political and financial capabilities of these two powers in the region. (Boonstra–Tsertsvadze 2013, 10; International Crisis Group 2017, 25.)

Second, in addition to the lack of political or financial leverage, EU plans are limited and lack focus. They deploy limited resources in a multitude of areas, which works against the focused pursuit of achievable and measurable objectives. Instead, it has been argued that the Union should focus on a few areas where it can realistically make a difference, given the available resources and the prevailing political environment. (Peyrouse 2017, 3; Bossuyt 2017)

Support for healthcare and education in Central Asia could be one of the focus points of EU assistance. These two sectors are on the verge of collapse throughout the region, and the EU has a competitive edge in these areas, along with a commitment to reform in the target countries. (Bossuyt 2017) Any European education programme, however, will have to tackle the problems of brain drain, corruption, and unequal access to higher education, in order to benefit the whole population and not just the elites. Investment in education could offer an opportunity to counter Russian influence, as well. Little can be done to promote democratization by working with the authoritarian governments of the region; therefore, support for democracy should focus on the grassroots, providing assistance to civil society organizations where these are allowed to operate. (Boonstra–Tsertsvadze 2016, 8, 11–12.)

Third, despite the increased focus on security after the 2012 review of the Strategy, the EU still lacks a hard security posture in Central Asia, which is unlikely to change in the foreseeable future. The only area where any contribution from the Union may have an impact is "soft" or human security, an area that may prove essential to the region's stability and security. The issue of radicalization and foreign fighters has been identified as a key area for cooperation. (Hauff 2015, 3–5; Council of the European Union 2017, 3.) In addition, continuing support for border management is essential for EU security engagement, as the region faces serious challenges in this field and the EU has a unique expertise in dealing with border issues. The BOMCA scheme should be overhauled, however, to better align goals and objectives with available resources. (Bossuyt 2017; Boonstra–Tsertsvadze 2016, 9.)

Fourth, while the EU generally prefers a regional approach to external relations, this approach is of limited utility in the Central Asian region. As Boonstra and Tsertsvadze argue, "as long as regional cooperation is not a home-grown phenomenon, the EU can do little to rally unwilling countries around subjects they either view differently or are not interested in". (Boonstra–Tsertsvadze 2013, 10.) The European Union policy should be open to more flexible forms of cooperation, for example, by designing multi-country programs, or involving neighbouring states. A shift to bilateral and flexible forms of cooperation is evident in the last two reviews of the Strategy. (Bossuyt 2017; Boonstra–Tsertsvadze 2013, 8–10; Council of the European Union 2015, 3; Council of the European Union 2017, 2, 6.)

The upcoming review of the Strategy in 2019, and an eventual preparation of a new strategy document may provide an excellent opportunity to redesign the EU's engagement with Central Asia, learning the lessons of the last ten years and developing a more focused approach. Changes and improvements might be difficult to achieve, however, given "the different priorities of the EU member states and of all the institutional actors involved in drafting and adopting the strategy". (Bossuyt 2017)

Conclusion

Despite an intensification of EU–Central Asian relations over the last fifteen years, the impact of the EU remains limited. Some of the factors which may explain these limitations are outside the Union's control, like the Russian and Chinese dominance in Central Asia or the unwillingness of the countries of the region to engage in democratic reform or tackle endemic corruption. (Boonstra–Tsertsvadze 2013, 9.) These "structural" deficiencies are compounded by an unfocused political strategy that hampered the effective use of – already limited – assistance funds, or an insistence (at least at the beginning) on pursuing a regional approach towards Central Asia when local conditions were not appropriate.

At several points, both during and after coalition operations in Afghanistan, there was a marked tension between the promotion of the EU's core values – human rights, democracy, and the rule of law – and geo-political, security, or economic interests. German–Uzbek military cooperation continued, for example, even after EU sanctions against Uzbekistan were adopted following the brutal crackdown on the opposition during the Andijon uprising in 2005. Both the EU and its member states tried to deepen trade links with Kazakhstan after 2011, even though human rights and democratic standards deteriorated significantly in the same period. (Efegil 2010, 79; Warkotsch–Young 2011, 193–195.)

Fragmentation and unrealistic objectives (in view of available funds or prevailing political conditions "on the ground") hampered the effectiveness of several major EU initiatives in Central Asia. (Bossuyt 2017) The TRACECA project is such a case, as the funds budgeted were minuscule in comparison with the ambitious project goals and political conditions were not favourable to its implementation. (International Crisis Group 2006, 14–15.)

Albeit the EU traditionally prefers a regional approach in its external relations, it can be effective only if the political environment of the given region favours inter-regional cooperation and "effective multilateralism".

These conditions in Central Asia are largely absent, due to weak, "awkward" or "incomplete" statehood (Kavalski 2010, 12–14), low level of trust between the Central Asian states, and limited regional cooperation. Those multilateral cooperation initiatives that exist in Central Asia, such as the Eurasian Economic Union or the Shanghai Cooperation Organization, are driven by outside actors (China and Russia) and largely incompatible with the value-based agenda of the EU. (Renard 2013, 359, 369–370.)

The European Union currently cannot compete in influence with the two major dominant international actors of the region, Russia and China, and probably will not be able to do so in the foreseeable future. In order to make an impact, the EU needs to acknowledge

its role and limitations in the region, and to align its ambitions both with the available resources and with the prevailing environment – although without giving up its commitment to human rights and the rule of law. (Boonstra–Tsertsvadze 2013, 1, 10; International Crisis Group 2017, 25.)

These deficiencies of the EU's Central Asia policy to date should not mean, however, that a "withdrawal" is needed. The ambition of the Central Asian countries to conduct a multi-vector foreign policy, as well as their concerns over dependence on either Russia or China, may create an opening for EU engagement. In this context, Europe still might play an important role as an "alternative" or "complementary" partner. (International Crisis Group 2017, 25; Hauff 2015, 6.)

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The EU and East Asia

András Bartók

As one of the most dynamic regions of global developments, Asia, and particularly the Asia Pacific region, dominates forecasts on economic, societal, or security issues. The Pacific coastline of the continent has become the most dominant region of the globe for the foreseeable decades and will undoubtedly be in the center of attention of public interest and intellectual efforts to make sense of future developments for decades to come.

While recovery from the financial crisis of the early 2000s proved sluggish and lined with political debate in Europe and America, Asia shows prospects of robust growth. (IMF 2016, 16.) The British referendum on EU membership and other political trends have forced the EU to look inward; meanwhile, steady economic growth of some Asian economies has led to an increasing global economic presence in China and India. Growth tendencies of regions such as East and South Asia follow not only the model of export-driven manufacturing economies of the last few decades, but seem to benefit from domestic demand, as well. (UN–ESA 2017a, 6.)

The significance of the continent is underlined by the fact that 60 percent of the world population now lives in Asia. (UN–ESA 2017b, 7.) While the UN's forecast shows that the fastest-growing continent in terms of population between 2017 and 2050 is going to be Africa, Asia is expected to be the second fastest, and it will still be the most populous region at the end of this century. (UN–ESA 2017b, 9.) But the different prospects in population growth will still only amount to Asia's share of the world population which will drop only slightly by 2050, when it is projected to be home to 59% of the people living on Earth. (UN–ESA 2004, 18.)

In terms of security, the stark difference in trends of Europe and Asia highlight the shift of power from the West of Eurasia, to the East. While European defence spending in the last few years has increased slightly, the only region in the world with constant growth in terms of military budgets has been Asia, with roughly a 6% annual increase between 2014 and 2016. (IISS 2017, 20.) In a time, when European militaries have experienced twenty-five years of reductions in military personnel; with key NATO members such as Germany, France, Italy, and the U.K. have seen their combined military manpower drop from 1.3 million in 1996 to 716,000 in 2016. (IISS 2017, 63.) East Asian militaries can count on some of the largest armed forces in terms of active personnel. While European power projection assets overall have been significantly reduced, some signs point to a modest increase in maritime power projection capabilities, such as the sea trials of the new British aircraft carrier HMS Queen Elizabeth in 2017. (IISS 2017, 170.) But while the military capabilities of EU member states have stagnated or had been reduced, East Asia, on the other hand, has seen a robust increase in defense assets, powered by steady economic growth, with

Asia Pacific militaries focusing on development of larger conventional warfare capabilities and maritime power projection capacity. (IISS 2017, 237.)

With such signs of a shift of power towards the Asia Pacific, the EU cannot avoid the question of how to accommodate Asia and particularly the Asia Pacific. The center of gravity in any overview of EU–East Asia relations would naturally revolve around the relevance of the People's Republic of China, but as that particular bilateral relation justifies devoting an entire chapter of its own, the focus of this section shall be aimed at outlining relations from a regional perspective.

The geographic scope of the Asia Pacific encompasses two main regions, South Asia and East Asia, with the latter further divided into the sub-regions of Northeast Asia and Southeast Asia. While this distinction based on geographical terms might seem arbitrary, some aspects of cultural and historical characteristics help differentiate.

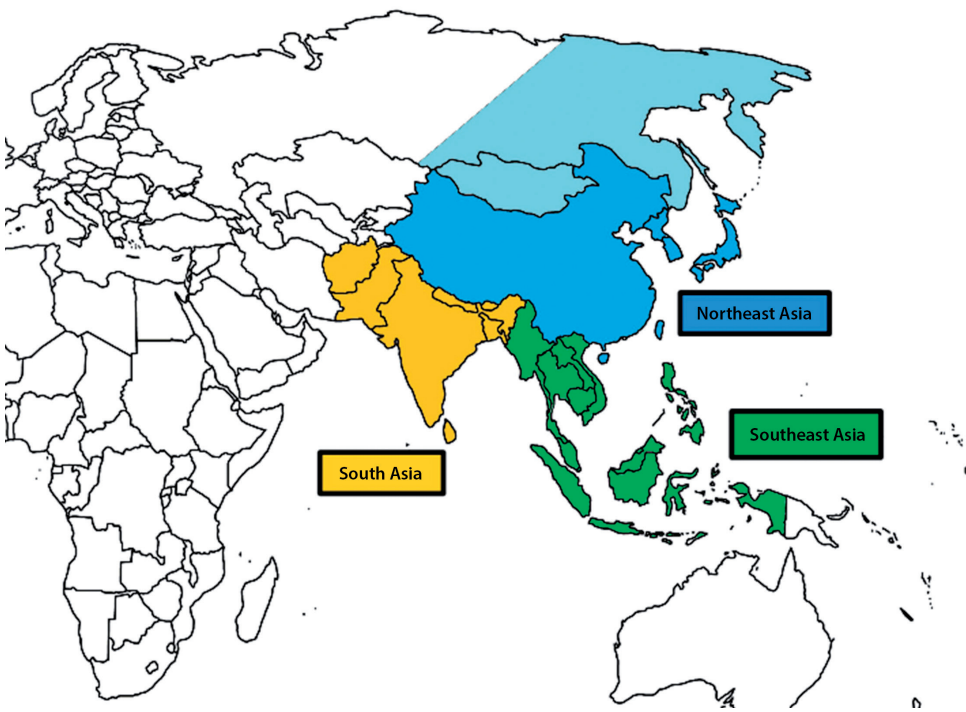

Figure 1.
Sub-Regions of the Asia Pacific

Source: Edited by the author.

South Asia is seen as an independent geopolitical region. (Cohen 2014, 11.) The area consists of the Indian subcontinent (India, Pakistan, Bangladesh, Bhutan, the Maldives, Nepal and Sri Lanka) and Afghanistan. The dynamics of this region are largely determined by the dominance of India, the luring presence of China, but also some intra-regional conflicts, such as tensions between the two nuclear powers of India and Pakistan, as well

as non-state originated issues such as terrorism. The relevance of the region in global geopolitical issues is underlined by its population size, and cultural singularity. (Cohen 2014, 11.) While the region has the potential to become one of the most relevant areas of our future, social issues, traditional and non-traditional security threats looming might pose serious challenges for its future development. (Karim 2013, 7.) The problematic nature of the region is further underscored by the fact that unlike in East Asia, there is a lack of any kind of comprehensive security architecture in South Asia that would contribute to the long term stability of the region. (Wagner 2014, 5.)

East Asia can further be differentiated to Northeast and Southeast Asia. Northeast Asia is regarded as the region consisting of mainland China, Taiwan, Japan, the Republic of Korea (South Korea) and the Democratic People's Republic of Korea (North Korea). While the inclusion of the Russian Far East and Mongolia might warrant arguments, this study excludes these from the geographical scope, on the one hand because of Russia's relevance as a Eurasian/European power of its own accord – meriting attention beyond the boundaries of this chapter – and Mongolia because of its lack of access to the Asia Pacific and proximity to the dynamics of non-coastal Asia.

Southeast Asia is regarded here as the littoral region around the South China Sea consisting of the Association of Southeast Asian Nations (ASEAN) member states (Brunei Darussalam, Cambodia, Indonesia, Lao PDR (Laos), Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and the not yet member East Timor, with its membership request pending.

To give an overview of the EU's relations and relevance in the region, this chapter will look at the development of interactions between the EU and East Asia in terms of both bilateral relations with specific countries, regional organizations, namely the ASEAN and the EU's participation in one of the key platforms of security dialogue in the region, the ASEAN Regional Forum.

To give a basis for understanding the EU's relationship with East Asia, the subsequent discussion will start with a look at the EU's global strategy and the Guidelines on the EU's Foreign and Security Policy in East Asia. Following an overview of strategic considerations and the development of relations with key players in the region, this chapter will attempt to outline some of the main challenges relevant to the region that might be relevant in terms of the EU's bilateral and intra-organizational relations.

The EU's Strategic Disposition Towards East Asia

The key characteristics of the EU's relevance in East Asia is framed by the dual realities of the EU as a weak actor in the region and the fact that nevertheless, it is very much involved in many aspects of the dynamics that shape the Asia Pacific.

It seems only natural, if one looks at the development of a European Asia policy, that the distance of the region hampers priority considerations. This is reflected in the way of how even though in the 1990s, the emerging importance of Asia among European experts was evident, the transatlantic aspect of the EU's foreign policy dominated priorities. Even today, when some member states and political actors in Europe are increasingly coming forth with their own policy corresponding to the rapid rise of Asian powers – mostly in terms

of economic considerations – some see that the EU has no real Asia strategy. As Bersick argues, this lack of strategic cohesion is a natural outcome of the EU not being a nation state, and still only an incomplete and evolving player in global affairs. (Bersick 2014, 115–119.) Even when the EU seems to have a more coherent disposition towards trade policy and has spent over 5 billion EUR on development cooperation with the region between 2007 and 2013, the lacks of military capabilities limit its latitude. (Bersick 2014, 115–119.)

This is not to mean, however, that instances of the EU's search for strategic relevance in East Asia are without trace. Even as early as the 2003 Security Strategy mentions aspects of Asia to some degree. Among threats, the risk of nuclear activities in South Asia and North Korea are named as concerns, as well as terrorist activities in Southeast Asia. However, other than mentions of distant but relevant threats, the document only concludes that some strategic bilateral partnerships should be strengthened, for example with Japan and China, and briefly mentions ASEAN as a regional organization that can contribute to strengthening global governance. (EEAS 2003, 6, 9, 14.)

In 2005, the EU did participate in the resolution of the ongoing conflict between the Free Aceh Movement in Aceh province, Indonesia and the government, which ended thirty years of clashes between government forces and the separatist movement. The EU's Aceh Monitoring Mission (AMM) was established to monitor the implementation of the peace agreement between the two sides, signed on 15 August 2005. The EU contributed to AMM together with five ASEAN countries (Thailand, Malaysia, Brunei, Philippines and Singapore) and also with Norway and Switzerland. (EEAS 2006a, 1–2.) The AMM mission successfully completed its mandate on 15 December 2006. (EEAS 2006b, 1.) The AMM shows, that even when the EU is grappling with the task of formulating a coherent strategic stance towards the region, its capabilities as a normative power give it relevance, for instance in such cases as the monitoring mission in Aceh. But even with the AMM presence in the region, in 2006, we're still a long way from seeing the path to an EU East Asia strategy.

Nevertheless, steady evolution in East Asia policy is discernible. One such milestone was the adoption of the *Guidelines on the EU's Foreign and Security Policy in East Asia* in 2007.

The policy paper specifies that the focus of its subject is that of the North East Asian region in particular, although it does mention ASEAN in a number of instances. It specifies the EU's main economic and security interests. The former mentions considerations such as:

- The region is home to some of the world's fastest growing economies and some of the major trading partners of the EU. China and the East Asian economies have a significant influence on financial stability worldwide.
- Trade imbalance with China is a concern for the long term.
- The economic interdependence between the region and the EU are critical for both sides.

The document concludes that East Asian security and stability is a prerequisite for the region's economic successes and therefore has bearings on EU interests. It names three major security risks in relation to regional stability:

- North Korea's nuclear program poses a threat both for the stability of the Korean peninsula and nuclear non-proliferation.

- The Taiwan Strait tensions, while deepening economic interdependence had blunted tensions to some degree, they still have the potential of destabilizing the region.
- Competitive nationalism, and the rise of Chinese power and a more active diplomacy, combined with historical and territorial disputes have the potential to create tensions in the region.

The 2007 policy guidelines call on the EU to deepen and intensify its exchanges with the region's key players. It calls for a deepening of strategic dialogue with China, developing a strategic dialogue on East Asia with Japan and the U.S., develop exchanges with other actors in the region, such as India, Russia, Australia, New Zealand and members of ASEAN. It also mentions a need to deepen political dialogue on regional issues with the Republic of Korea. This approach shows, that China is considered an actor to be engaged in the most active way, on a bilateral level, while the regional approach focuses on some key partners, such as Japan and South Korea, while the intention to interact more actively with ASEAN as a regional organization is also emphasized. (EEAS 2007)

After the 2007 policy guidelines, we might have to look at another EU mission that has some connections to the EU's relevance in East Asia, although the mission itself is not within the boundaries of the region. The European Union Naval Force ATALANTA (EU NAVFOR) is a maritime patrol and anti-piracy mission off the coast of Somalia, established in December 2008. The geographical scope covers the Southern Red Sea, the Gulf of Aden and a large part of the Indian Ocean, (EU NAVFOR 2008) which brings it in proximity with East Asian interests. This has provided opportunities of cooperation with East Asian counterparts in similar anti-piracy missions within the area of EU NAVFOR ATALANTA mandate, such as with China and Japan. On 8 November 2009, Chinese Rear Admiral Wang Zhiguo met with his counterpart, the Commander of the European Union Naval Force Somalia (EU NAVFOR), Commodore Pieter Bindt on board of a Chinese flagship in the Gulf of Aden, to discuss counter piracy operations and cooperation between EU NAVFOR ATALANTA and Chinese counter piracy forces. (EU NAVFOR 2009b) Japan also decided to join counter piracy operations in March 2009, and Japan Maritime Self Defense Force ships joined escorts in the Gulf of Aden in March 30, 2009. (Gaikō bōei iinkai chōsa-shitsu 2009, 12.) By August 2009, EU NAVFOR ATALANTA had reached a high level of cooperation with international maritime forces joined in counter piracy operations, including Japanese units. (EU NAVFOR 2009a) Such interactions, although still small in scale, help underline the fact that Asia Pacific powers can be regarded not only in terms of regional cooperation, but global partners as well. It is no surprise, then, that the EU's strategic attention had increased towards the Asia Pacific in the following years, as reflected in the 2012 *Guidelines on the EU's Foreign and Security Policy in East Asia* and also in the 2016 EU Global Strategy.

The 2012 *Guidelines on the EU's Foreign and Security Policy in East Asia* shows the EU's intention to be an influencing element in the region, mainly through the process of dialogue and negotiation. (Bersick 2014, 122.) A significant change in comparison with the 2007 version is in the description of security threats. While the 2007 document names the geographical scope as Northeast Asia and the mention of territorial disputes thus tacitly might refer to the Sino–Japanese dispute over the Senkaku/Diaoyu islands, the 2012 document names the South China Sea as the issue of potential competitive nationalism in

the region. (EEAS 2012, 5.) The 2012 East Asia strategy calls on the EU to be an active partner in discussions in order to help avoid deepening of tensions based on the risk of competitive nationalism.

The relevance of East Asia in the EU's strategic thinking, as shown in key policy documents, has gone through a steady evolution from a region with key partners, but rather on the basis of bilateral relations, to increasingly become a regional complex with a broader importance in European interests. This is reflected in the EU global strategy document entitled *Shared Vision, Common Action: A Stronger Europe – A Global Strategy for the European Union's Foreign and Security Policy* (2016):

> "We need a stronger Europe. This is what our citizens deserve; this is what the wider world expects. […] We live in times of existential crisis, within and beyond the European Union. […] security tensions in Asia are mounting… There is a direct connection between European prosperity and Asian security." (EEAS 2016b)

As the document states, Europe's main concern about Asian security is that based on the sheer size of Asian economies and their global relevance, regional peace and prosperity are necessary for not only the growth of Asia, but due to the economic inter-connectedness, Europe, as well. Since this is one of the major strategic concerns, the strategy calls on Europe to strengthen its security role in Asia. (EEAS 2016b, 37.) The EU will aim to expand its partnerships on security with key regional powers, such as Japan, the Republic of Korea and Indonesia. The EU aims to promote non-proliferation in the Korean peninsula, and uphold maritime freedom of navigation, respect for international law (including the Law of the Sea) and tries to encourage peaceful resolution of territorial disputes. It emphasizes the importance of regional organizations by aiming to support an ASEAN-led regional security architecture. (EEAS 2016b, 38.)

The evolution of the EU's strategic thinking on East Asia shows that even though Europe is a distant power, it gradually gave more strategic attention to the Asia Pacific. While initially, the focus of relations were bilateral interactions with key players, such as China and Japan, over the last few years, the EU's consideration had become increasingly regional and has given more importance to regional organizations like the ASEAN. The main interests of the EU are based on the economic interactions with the region, but these are explicitly mentioned as interconnected with regional security issues. The reason the EU is considered a weak actor in East Asia comes from the fact that it lacks any hard security capabilities in the region. The future question for the EU's strategic disposition towards East Asia will most probably be how Europe will cope with this problem, either by building some form of security presence that can help stabilize the region, or by either accepting the risk that tensions pose, or trying to find other, soft power based ways to help avoid regional tensions destabilizing the prerequisites for prosperity.

The subsequent parts of this chapter will look at relationships with key regional partners, to give an overview of the EU's bilateral relations with East Asia, namely the Republic of Korea, Japan, and the Association of Southeast Asian Nations (ASEAN).

EU–People's Republic of China Relations

As we shall see in the subsequent parts of this chapter, any of the EU's bilateral relationships with actors in the East Asian region is in some ways influenced by the proximity of the People's Republic of China (PRC). While the dynamics between the PRC and the EU vastly outweigh the limitations of one such overview, a brief look at the overall structure of their relationship will help to comprehensively relate the rest of the EU East Asia issues to this key factor between the two poles of the Eurasian landmass.

The EU and the PRC started holding annual summits in 1997. Since then, the relationship has been galvanized by three main pillars of dialogues: a high level economic and trade dialogue since 2007, strategic dialogue since 2010 and a people-to-people dialogue since 2012. However, even with the institutional framework of their relationship getting more articulated gradually, the main problems and issues of the EU–China relations have remained the same since the beginning.

China and the EU are deeply intertwined by their trade relations. The EU in itself is China's largest trading partner and China is the second largest trading partner of Europe, following the United States. However, past issues still linger as matters of discontent on both sides.

While the interactions have come a long way, China still resents the EU's disposition towards it in two key issues. One is the EU's upholding of the arms embargo towards China since the massacre of Tiananmen square. While on a rhetorical level, it gives room for Chinese protest, the end to this policy is nowhere near realization. The other issue is the EU's subsequent decisions to not allow the World Trade Organization to grant China market economy status. While of the two issues, the termination of the latter holds more probability, despite Chinese efforts, to this day, no real progress has been made.

The EU on the other hand is mainly concerned about the trade imbalance with China and about the issue that the opening of European markets will harm EU actors due to China's unfair trade practices. Issues such as property rights and currency manipulation have been at the center of the EU's concerns regarding the deepening of economic ties with the People's Republic of China.

It is too early to tell, but much attention should be appropriated to the EU's handling of Chinese economic presence widening through the Belt and Road Initiative, as the EU's responses will likely give a good overview on the future of the bilateral relationship.

EU–Republic of Korea Relations

The EU's relations with the Republic of Korea (South Korea, abbreviated further as RoK), are based on the importance of economic interaction between the two sides and the fact that the EU regards South Korea as one of the most advanced democracies in Asia, and such shared values make the RoK a "like minded partner" in the region. (EEAS 2012, 14.) The importance of economic and trade connections are highlighted by the fact that the first EU–Asian free trade agreement was created between the EU and South Korea.(EEAS 2016c)

Bilateral diplomatic relations date back as far as 1963 (CE 2006, 1–7.) and despite geographic and cultural distances, the EU sees South Korea as a partner that shares the same

commitment to democracy, human rights, the rule of law and a common economic system. By 2006, tentative mentions of intentions on a Free Trade Agreement were expressed following the third summit meeting between the EU and the Republic of Korea, in Helsinki 2006. (CE 2006, 1–7.)

Table 1.

EU–Republic of Korea trade in goods 2007–2016 (billion EUR)

Eu–Republic of Korea trade in goods 2007–2016 (bn EUR)		
Year	**Imports to EU**	**Exports to RoK**
2007	41.676	24.719
2008	39.74	25.495
2009	32.472	21.599
2010	39.534	27.961
2011	36.312	32.515
2012	38.014	37.815
2013	35.837	39.91
2014	38.772	43.188
2015	42.365	47.787
2016	41.435	44.504

Source: EC 2017c

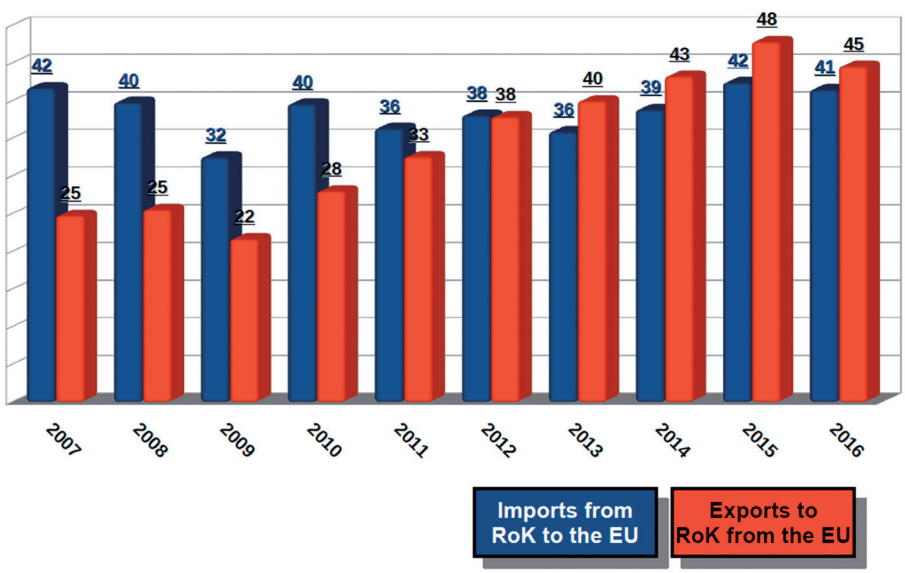

Figure 2.

EU–Republic of Korea trade in goods 2007–2016 (billion EUR)

Source: EC 2017c

Accordingly, the 2007 Guidelines for East Asia policy states how the EU has realized that the economic interdependence with East Asia has reached a critical level in terms of future growth prospects and as a reaction to this, the EU has entered into FTA negotiations with ASEAN and the Republic of Korea. (EEAS 2007, 2.) As a result, the EU had signed the FTA agreement in 2010 May and also a new Framework Agreement the same year, that came into effect in 2014. Also, in line with previous negotiations conducted in 2009 during the fourth EU–RoK summit, the two sides had elevated the relation to a strategic partnership. (CE 2010, 1.)

This Strategic Partnership expressed the common intent to deepen cooperation in political, trade and security matters and the framework agreement gave legal and institutional framework for the deepening of cooperation in accordance with the Strategic Partnership. (Bersick 2014, 129.) The latest step in this cooperation had been the bilateral Crisis Management Participation Agreement, which came into force in 2016, and gave way to greater RoK participation in EU-led missions. (EEAS 2014, 1–2.)

The Free Trade Agreement between the European Union and the Republic of Korea came into effect in 2011 July. (EC 2012) It has contributed to deepening economic relations and the expansion of bilateral trade. Within five years, EU exports to South Korea had increased by 55%, while imports from South Korea by 35%. Since the FTA has entered into force, the EU's trade deficit with the RoK has turned into a trade surplus, but in comparison, South Korea has a less significant trade deficit than the EU had, before the agreement. The Republic of Korea is now the EU's ninth largest export destination, while the EU is its third largest market. (EC 2017a)

The positive direction of EU–RoK relations shows that the economic potential for cooperation with East Asia holds merit for both the EU and regional countries involved in bilateral relations. Another important factor in the smoothness of interactions is that unlike many other countries in the region, South Korea has a much less strained relationship with China, especially in terms of unresolved territorial issues. While other countries might occasionally have felt the need to voice concerns over issues related to the EU–China bilateral relationship, such as the concerns voiced by Japan in times such as when the lifting of EU arms embargo on China had come up in discussions. (MoJEU 2006)

EU–Japan Relations

Similarly to South Korea, the EU regards Japan as a regional power that is also a "like minded" partner in terms of shared values and political system. Diplomatic relations date back several decades: the then European Communities had opened the first Delegation in Tokyo in 1974, and after the Lisbon Treaty in 2009 it has become the Delegation of the European Union in Japan. (EEAS 2017)

Table 2.
EU–Japan trade in goods 2007–2016 (billion EUR)

Eu–Japan trade in goods 2007–2016 (bn EUR)		
Year	**Imports to EU**	**Exports to Japan**
2007	79.259	43.742
2008	76.474	42.39
2009	58.44	35.978
2010	67.302	43.984
2011	70.583	49.075
2012	64.999	55.663
2013	56.62	54.016
2014	56.574	53.286
2015	59.874	56.533
2016	66.561	58.086

Source: EC 2017d

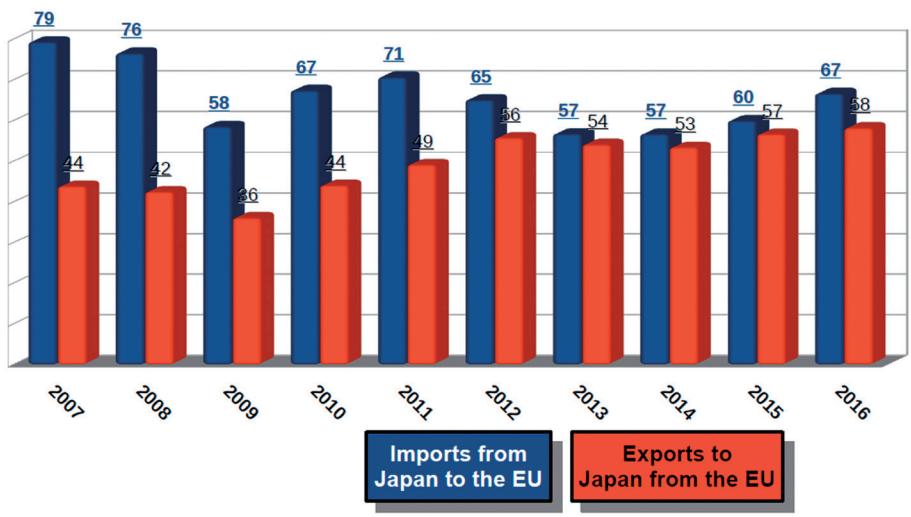

Figure 3.
EU–Japan trade in goods 2007–2016 (billion EUR)

Source: EC 2017d

Japan and the EU have significant trade relations and while the EU still accounts some amount of trade deficits to Japan, this has significantly decreased in the past ten years.

Japan also views the EU as a partner sharing fundamental values and principles. (MoFA 2016, 1–2.) The two sides have held bilateral summit meetings since 1991 and have established a strategic partnership in 2001. However, a binding "Strategic Partnership Agreement" is still under negotiation. The two sides have mutually expressed their intention

on such an agreement at the 20th Japan–EU summit, in May 2011. (MoFA 2017) Also, alongside a strategic partnership agreement, Japan and the EU had aimed at creating a Free Trade Agreement (referred to as Economic Partnership Agreement on the Japanese side) at the same meeting. In accordance with these conclusions, negotiations on the SPA and EPA/FTA had started in March 2013, and while the finalization of the agreements is yet to be realized, significant developments have taken place since 2013 in order to achieve these goals. As expressed by Jean-Claude Juncker after the 24th Japan–EU summit on 6 July 2017:

"Today we agreed in principle on a future Economic Partnership Agreement. The depth of this agreement goes beyond free trade. Its impact goes far beyond our shores. It makes a statement about the future of open and fair trade in today's world. It sets the standard for others… Together we account for a third of the world's GDP. The European Union already exports over EUR 80 billion of goods and services to Japan every year. One has to know, Europeans have to know, that more than 600,000 jobs in the European Union already now are linked to exports to Japan… More than 90% of the EU's exports to Japan will be liberalized at entry into force of the Economic Partnership Agreement. And sectors that have been facing very serious challenges recently, like dairy, will now have new opportunities." (EC 2017b)

While the proceedings of negotiations and positive remarks show the ongoing efforts to finalize the agreements, and as expressed at the 2017 July summit the two sides have reached agreement in principle on the SPA and EPA/FTA, it is not yet clear, when either of these will be put into effect. It seems that on a variety of issues, the two sides still need to reach consensus, Japan in particular is wary about proposed legal structures to settle trade disputes, as some argue, because such rulings might become templates for future deals that might end up creating favourable circumstances for Chinese or Korean companies. (The Economist 2017)

Besides economic incentives, Japan seems to welcome the EU's presence in the region for its possible contributions to regional stability as a normative example for conflict resolution. During the last two decades, one of the major foreign policy and strategic concerns for Japan had been the growing power and increasingly assertive behaviour of China, particularly concerning the Sino–Japanese territorial dispute over the Senkaku/Diaoyu islands. The uninhabited islands, currently under Japanese sovereignty, are claimed by both the People's Republic of China as well as Taiwan, based on historical terms. (Vutz 2013, 1.) From the tone of Japan–EU summit press statements, it seems that Japan welcomes the EU's presence in the region as a promoter of the rule of law. As stated in the press release after the 23rd Japan–EU Summit in Tokyo, 2015 May, both sides condemned all violations of international law and of principles of territorial integrity. (MoFA 2015, 3.) While not naming specifically the issue of the Senkaku islands, or China for that matter, the document does mention that "both sides observe the situation in the East and South China Sea" and the major territorial issue in the East China Sea is the Senkaku/Diaoyu dispute. Critical voices from the European side on Chinese actions are not without precedent, as a 2014 Policy Paper has defined the PRC's activities in territorial disputes as a serious challenge to the structure of the international legal system. (EP 2014, 20.) Nevertheless, the record of EU positions on the issue show a cautious attempt not to get involved in a way that would cause serious problems for EU–China relations. This is shown in the 25 September 2012 declaration by High Representative Catherine Ashton on developments in East Asia's maritime areas, where the EU calls on all parties to take steps to calm the situation. (CE 2012)

EU–ASEAN Relations

The significance of EU–ASEAN ties are underlined by the fact that the European Economic Community was one of the first entities to establish informal relations with ASEAN in 1972 (EEAS 2016a), and the organization had set up an ASEAN Brussels Committee to engage in discussion on commercial issues with the EEC. (Lim 2012, 47.) Relations were formalized in 1977 and institutionalized with the signing of the ASEAN–EEC Cooperation Agreement in 1980. (EEAS 2016a)

While deepening of ties had continued, the 1990s presented a problematic phase for the relationship, due to the European side's disapproving of human rights issues in certain ASEAN states, such as Burma (Myanmar). (Lim 2014, 49.)

Nevertheless, the disagreeing tones were overcome by the post-9/11 developments of common efforts to counter global terrorism. (Lim 2014, 49.) The early 2000s increasingly gave way to initiations towards a Free Trade Agreement between the two organizations, as shown by a joint commission created in 2005 to investigate the possibilities of such an agreement. (Lim 2014, 51.)

Relations were given a new dynamic by the 2007 ASEAN–EU ministerial meeting in Nuremberg, Germany, where the participants showed consensus in their desire to develop a more intense cooperation. The EU–ASEAN agenda was broadened beyond economic and trade issues, to include cooperation in climate policy, energy security and the fight against terrorism. (Bersick 2014, 123.) In 2012, the EU joined the Treaty of Amity and Cooperation in Southeast Asia – TAC, (EEAS 2016a) an agreement between ASEAN member states and other signatories to promote peace and prosperity in the region, by adhering to the following principles: (ASEAN 1976)

a) mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations,
b) the right of every State to lead its national existence free from external interference, subversion or coercion,
c) non-interference in the internal affairs of one another,
d) settlement of differences or disputes by peaceful means,
e) renunciation of the threat or use of force, and
f) effective co-operation among signatory states.

The EU has established a diplomatic Mission to ASEAN on 8 August 2015 with a dedicated Ambassador, with 25 member states also accrediting Ambassadors to ASEAN. (EEAS 2016a)

While on the political level, relations have seen a positive progress since the problematic period of the 1990s, the realization of an EU–ASEAN FTA is yet to be finalized. In 2009, the focus shifted from an inter-organizational FTA to bilateral agreements between the EU and individual ASEAN member states, such as Singapore, Malaysia and Vietnam. (Lim 2014, 51.) The EU is ASEAN's second largest trade partner and ASEAN as a whole is the third largest trade partner of the EU outside Europe. (EEAS 2016a)

Table 3.
EU–ASEAN trade in goods 2007–2016 (billion EUR)

EU–ASEAN trade in goods 2007–2016 (bn EUR)		
Year	**Imports to EU**	**Exports to ASEAN**
2007	81.184	53.207
2008	80.306	56.349
2009	68.379	50.206
2010	85.828	61.829
2011	94.157	69.176
2012	99.111	81.599
2013	96.802	81.697
2014	101.079	78.583
2015	118.612	82.946
2016	122.126	85.833

Source: EC 2017e

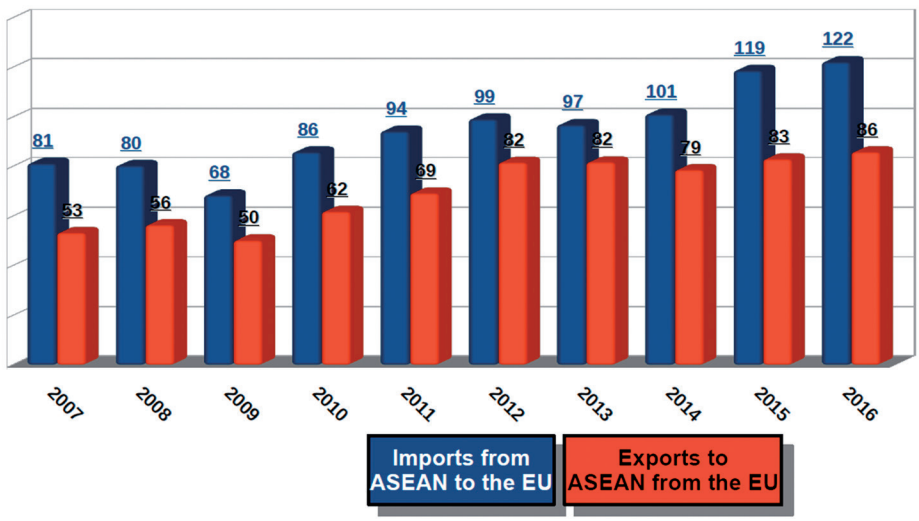

Figure 4.
EU–ASEAN trade in goods 2007–2016 (billion EUR)

Source: EC 2017e

On security related issues, cooperation between the two organizations is strengthened by the EU becoming one of the founding members, along with ASEAN, of the ASEAN Regional Forum (ARF), an organization aimed at fostering stability in the Asia Pacific region by confidence building and preventive diplomacy. The EU and ASEAN work together in multiple non-traditional security related issues, such as maritime security,

conflict prevention, mediation and reconciliation, crisis management, transnational crime, counter-terrorism, cyber security and non-proliferation. (EEAS 2016a)

EU–ASEAN relations certainly show both promising aspects of the EU's presence in the region and the challenges to inter-regional integration in the form seen by some experts as "bilateralization", where regionalization aimed efforts are shelved in order to pursue bilateral progress with specific countries. While Europe's engagement with Asia and especially with ASEAN has reached historic levels, some believe that the increasing economic and political influence of China might slow down broader regional integration efforts. (Bersick 2014, 137–138.)

Since the tensions in the South China Sea involve many ASEAN member states in disputes with China, the future development of ASEAN–EU relations are surely going to be influenced by the handling of such territorial issues by both organizations.

The EU in East Asia – Challenges and Opportunities

Despite the geographical and socio-cultural distances, the post-Cold War era had seen the ever increasing economic and political involvement of Europe in East Asian affairs. While the rise of the region as a global economic and geopolitical hub of our time had caught the EU in times of introverted periods after the global economic crisis and the European debt crisis, strategic thinking had gradually accommodated the growing importance of the Asia Pacific not only as home to important partners but as a complex, integrated region, as well.

Table 4.
EU–China trade in goods 2007–2016 (billion EUR)

EU–China trade in goods 2007–2016 (bn EUR)		
Year	**Imports to EU**	**Exports to China**
2007	233.863	71.823
2008	249.102	78.301
2009	215.274	82.421
2010	283.931	113.454
2011	295.055	136.415
2012	292.122	144.227
2013	280.15	148.115
2014	302.149	164.623
2015	350.64	170.357
2016	344.468	170.083

Source: EC 2017f

Evolution seen in the *Guidelines on the EU's Foreign and Security Policy in East Asia* (2007), *Guidelines on the EU's Foreign and Security Policy in East Asia* (2012), and the region's relevance in the EU's Global Strategy (2016) show that the EU has recognized the importance of the Asia Pacific. While the key incentive articulated is the continuation of "prosperity", signifying the EU's priorities as being dominated by economic considerations,

this does not mean that the EU looks at East Asia merely in terms of trade opportunities. As the Global Strategy emphasizes, regional peace and stability are necessary prerequisites for the growth of the region and with the current level of economic interconnectedness, to the prosperity of Europe, as well.

Nevertheless, one cannot ignore the fact that security issues are dominated by confrontation between the People's Republic of China and regional actors in territorial disputes, underscored by the increasing rivalry for dominance between China and the United States. While the EU's East Asia policy is not exclusively China centered, by mere factors of trade and economic interactions, China does dominate considerations.

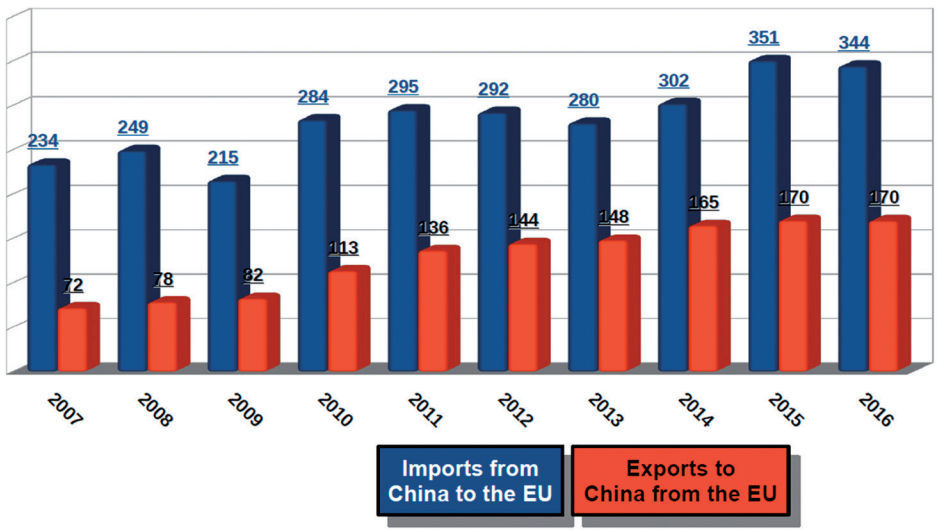

Figure 5.
EU–China trade in goods 2007–2016 (billion EUR)

Source: EC 2017f

While the EU had seen significant progress in optimizing trade with South Korea, Japan and ASEAN, growing interactions and reducing trade balances during the last ten years, when compared with that of the EU–China trade, the gravity of the bilateral relation is clear.

Table 5.
EU–China, ASEAN, Japan, South Korea trade balance 2007–2016 (billion EUR)

EU Trade balance	South Korea	Japan	ASEAN	China
2007	–16.957	–35.517	–27.977	–162.04
2008	–14.245	–34.084	–23.957	–170.801
2009	–10.873	–22.462	–18.173	–132.853
2010	–11.573	–23.318	–23.999	–170.477
2011	–3.797	–21.508	–24.981	–158.64

EU Trade balance	South Korea	Japan	ASEAN	China
2012	–0.199	–9.336	–17.512	–147.895
2013	4.073	–2.604	–15.105	–132.035
2014	4.416	–3.288	–22.496	–137.526
2015	5.422	–3.341	–35.666	–180.283
2016	3.069	–8.475	–36.293	–174.385

Source: EC 2017 c–f

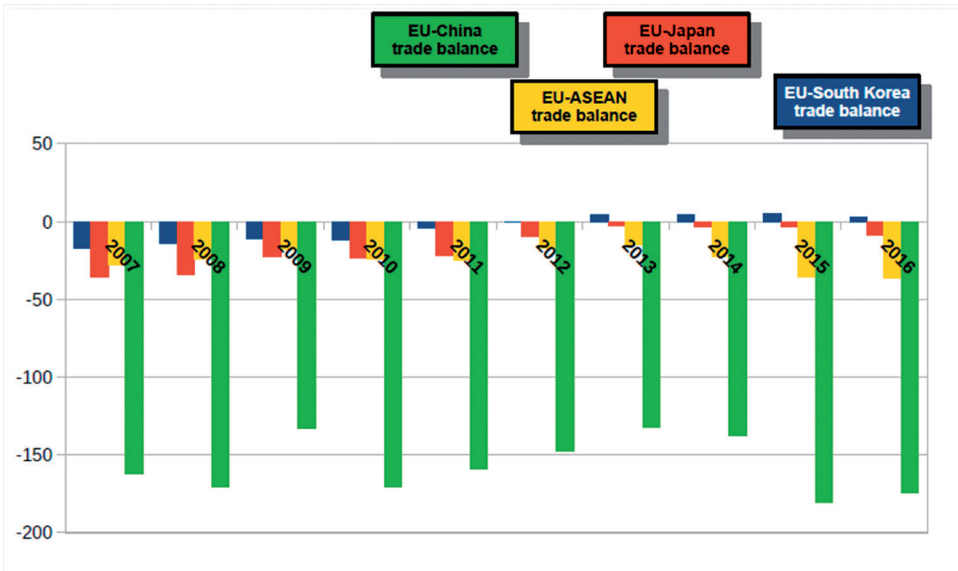

Figure 6.
EU–China, ASEAN, Japan, South Korea trade balance 2007–2016 (billion EUR)

Source: EC 2017 c–f

Table 6.
EU–China, ASEAN, Japan, South Korea trade in goods (total) 2007–2016 (billion EUR)

EU trade in goods (total) with China, ASEAN, Japan, South Korea				
Year	South Korea	Japan	ASEAN	China
2007	66.395	123.001	134.391	305.686
2008	65.235	118.864	136.655	327.403
2009	54.071	94.418	118.585	297.695
2010	67.495	111.286	147.657	397.385
2011	68.827	119.658	163.333	431.47
2012	75.829	120.662	180.71	436.349
2013	75.747	110.636	178.499	428.265
2014	81.96	109.86	179.662	466.772

EU trade in goods (total) with China, ASEAN, Japan, South Korea				
Year	**South Korea**	**Japan**	**ASEAN**	**China**
2015	90.152	116.407	201.558	520.997
2016	85.939	124.647	207.959	514.551

Source: EC 2017 c–f

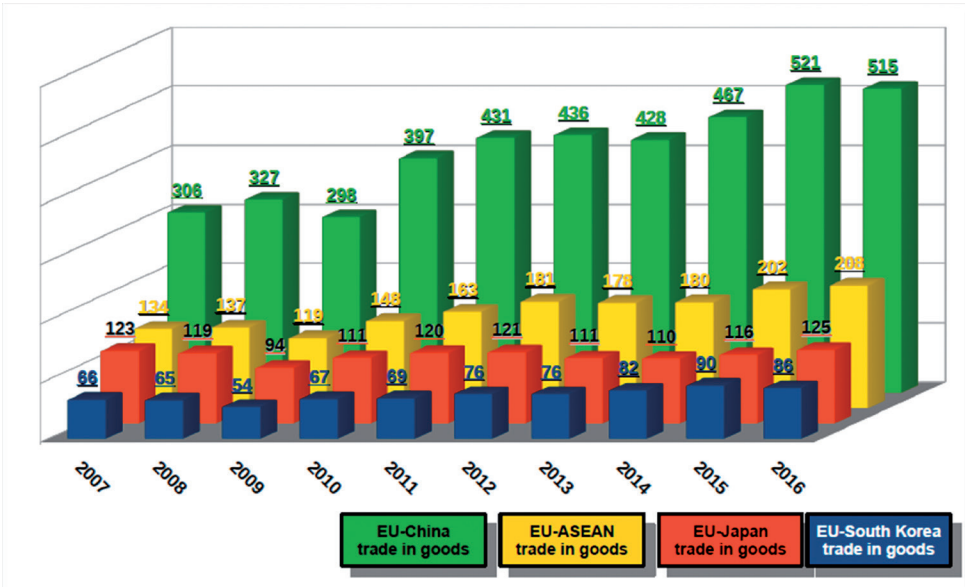

Figure 7.

EU–China, ASEAN, Japan, South Korea trade in goods (total) 2007–2016 (billion EUR)

Source: EC 2017 c–f

With tensions over territorial disputes rinsing in an increasingly militarized region, the future of the EU's relevance will surely be tested by its ability to act as a stabilizing actor, if it is to contribute to the prosperity of East Asia. Without any hard security assets, however, this will only be based on the EU's normative, "soft power" tools, as an organizational example for peaceful regional integration and rules-based-interactions. With internal scepticism recurring more and more, the EU's credibility in East Asia will most probably be tested by the aftermath of such changes as Brexit.

But rising tensions can also mean increased regional cooperation, even if only to counter the sheer weight of China and avoid it having the leverage of size in strictly bilateral interactions. It is not unlikely that a more integrated and a more regionalized East Asia will turn to the EU as a "like-minded" partner the same way as the EU described regional powers with similar values as "like-minded". In this way, East Asian regionalism might mean greater welcome for the EU's participation in the region.

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Bilateral and Regional Relations of the EU with Mexico, Central America and the Caribbean

Mónika Szente-Varga

"Latin America" is an expression of French origin from the 19th century. It designates countries on the American continent that belonged to mother states with neo-Latin languages in the colonial era; that is, they were either Spanish, Portuguese, or French colonies. Where Hungarian terminology considers the Caribbean a part of Latin America, the Anglo–Saxon usage tends to separate the West Indies from the mainland and thus employs the term "Latin America and the Caribbean" (LAC). The latter will be applied here.

EU–LAC relations are divided into two chapters in this book. One deals with the EU–South America nexus, while this chapter focuses on links between the European Union and states situated south of the United States and north of Colombia. These cover an area of approximately 2.7 million km^2 and contain more than 200 million people. In everyday speech, especially in Hungary, Mexico is commonly referred to as part of Central America. Geographically speaking, however, Mexico is a country in North America. It has a population of 123 million people (2016), distributed over a territory of almost 2 million km.^{2} Mexico is four times larger than Central America, and its population is approximately three times bigger than that of the isthmus.

The concept of Central America is used in this text to refer to six states: Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama. The territory of these countries used to belong to the Spanish crown during the colonial era; they are situated on the narrow strip of land that connects North America with South America ("the Isthmus"). The expression Caribbean will be used to refer to the islands, excluding the sea. The Caribbean thus is the smallest of the areas considered here at less than 240,000 km,^{2} but it is the most densely populated and culturally diverse area.

This essay examines the development and the recent state of relations between the EU and Mexico, between the EU and Central America, and the EU–Caribbean nexus. It embraces channels of bilateral communication, the most important institutions and declarations, details on the financial background of the partnership and the results achieved, and challenges.

A Decade of Change: The 1980s

In order to draw the historic context of EC–Latin America links, we should go back to the 1980s, when links tended to grow stronger. The reasons included democratic opening

and import liberalizations in several Latin American countries as well as the southern enlargement of the European Community.

Economic crises, in particular the 1982 general crisis, hit the continent hard and had a significant role in bringing down Latin American dictatorships. Civilian presidents took the place of military leaders in Bolivia (1982), Argentina (1983), and Brazil (1985). The nascent process of democratization helped bring Latin America and Europe closer.

Import substitution (IS) policies dominating the 1950s and 1960s and still in use in the '80s, were proven outdated by the economic and financial hardships. Latin American countries were forced to shift to more liberal economic policies. Many opened their markets. This meant an opportunity for foreign, including European firms, and provided both a basis and a further reason for intensifying European–Latin American ties.

The accession of Spain and Portugal to the EC also weighed heavily in bilateral relations. These countries, the former colonizing powers in Latin America, brought their foreign policy priorities to the Community and lobbied for more attention towards the Americas.

In 1976, the European Community put into effect its first cooperation program with the developing countries of Latin America and Asia (known in Spanish *Países en Vías de Desarrollo en América Latina y Asia*, or PVD–ALA) to aid rural development and food production. Nonetheless, it was owing to Spanish efforts that in 1989 a specific portion of the budget of this program was reserved for Latin America. This would eventually lead to an increase in funds specially earmarked for Latin American countries – first 25% of the total, and since then, 35%. (Roy–Galinsoga 1997, 110–111.)

Altogether, a more open Europe towards the Americas and a politically and economically transforming Latin America formed a favourable context for improving bilateral relations.

Central America

Central American countries became a focus of European attention in the 1980s. The reasons were not related to the general tendencies in Latin America, as the Isthmus formed an exception. Thus, it was not democratic transition or trade opportunities that drew European attention. On the contrary, it was instability and civil strife that "put the Isthmus on the map" for both the European Community and the Socialist Bloc.

In 1979, the Sandinista National Liberation Front[1] overthrew the Somoza dictatorship in Nicaragua. This did not bring stability and prosperity to the country though. Nicaragua was torn by civil war between the Sandinistas (supported by the Socialist world) and the Contras, financed by the U.S.

Neighbouring Salvadorians, seeing it was possible for a national liberation movement to attain power, formed their own organization, Farabundo Martí,[2] in 1980. A violent civil war broke out which left more than 70,000 dead, and ended only in 1992.

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[1] Named after Agusto César Sandino (1895–1934), the "General of Free Men" one of the national heroes of Nicaragua.

[2] (1893–1932) – a revolutionary and Communist activist from El Salvador.

Civil strife was destroying Guatemala as well. It witnessed the most protracted conflict, a civil war lasting from 1960 to 1996. It resulted in approximately 200,000 dead and an additional 45,000 people "disappeared" while some 100,000 were forced to leave their homes. More than 80% of the affected were indigenous Mayas. (BBC Mundo 2015) The violence and length of the civil war, and especially its ethnic implications, directed international attention towards Guatemala in the 1980s.

Thus three of the six countries in Central America were severely affected by civil war. Several efforts were launched to restore peace and stability in the area. One important initiative was the Contadora Group formed by Mexico, Venezuela and Panama; it later expanded and turned into the Rio Group, an important partner of the European Community. Latin American countries took an active role in negotiations in Central America; the European Community had its share. The latter can be seen surprising for the Isthmus is considered a U.S. strategic interest, therefore European presence might not be welcome. It was in fact the San José Dialogue that the first links were formed between the region and the EC. In 1984 the president of Costa Rica called for a meeting among Central American countries, EC member states, plus Spain and Portugal, as well as the Contadora Group. The first summit organized in the Costa Rican capital, San José in September 1984, was the beginning of the so-called San José Dialogue, launched to advance the peace process on the Isthmus. A second meeting in Luxemburg in 1985 (San José II), already institutionalized political dialogue by creating annual ministerial meetings among the Parties.[3] This proved to be a long-lived forum, as it continued to function even after the end of the Cold War and the civil strife in Central America.

"The EC's Central America policy was predominantly politically inspired and economic considerations were minimal." (Smith 1995, xv.) Yet besides the above-mentioned very important political line, we can find the roots of economic cooperation in the 1980s, formalized by the Central American Cooperation Framework Agreement in 1986. Its objectives included "too broaden and consolidate economic-, trade and development cooperation relation" between the EC and the Isthmus, "to help revitalize, restructure and strengthen the process of economic integration of the Central American countries" as well as "to promote financial assistance and scientific and technical cooperation likely to contribute to the development of the Central American Isthmus, particular emphasis being placed on rural and social development". (Cooperation Agreement 1986) The document also stated that the Contracting Parties would grant each other, with regard to imported or exported goods, most-favoured-nation treatment. No political goals or fields were mentioned. As it can be noted, political and economic interests appear in different documents, implying that they were treated as separate issues in the decade. Later this approach would be modified.

Mexico

Diplomatic ties between Mexico and the European Economic Community (EEC) go back to 1960. This means the nexus is almost as old as the European community. This long

[3] For more on the declarations adopted at the different annual meetings, see Oficina de la Delegación de Comisión Europea en Costa Rica 2003: *Las Conferencias Ministeriales del Diálogo de San José (1984–2002).* San José.

relationship is not exceptional, as other Latin American countries established official ties with the EEC at the beginning of the 1960s. Yet these early contacts hardly affected bilateral cooperation. First-generation framework agreements were signed in the 1970s, starting with Uruguay in 1973. Mexico signed this kind of agreement in 1975. (Arrieta Munguía 1999, 16.) The '80s were rather uneventful in EU–Mexican relations; no new agreement was signed in the decade. The EC's attention was drawn more to Central America. No democratic opening took place in Mexico in the 1980s, and there was an electoral fraud in 1988 that brought Carlos Salinas to the presidency, yet these were not the real reasons for the lack of attention. The EC was more interested in economic opportunities than in Mexican politics; it opened a representation in Mexico City in 1989, just after the elections. This elevation of bilateral relations was motivated by and connected to the pending North American Free Trade Agreement (NAFTA) and European worries related to it.

After the Cold War: The 1990s

The end of the Cold War, the collapse of the Soviet Union and the Socialist Bloc, and fading ideological concerns brought a decrease in U.S. attention towards Latin America and more freedom of action for its countries. The example of Spain (peaceful democratic transition, economic growth, and accession to the EC) was attractive. In 1991, the Ibero–American Community of Nations was founded in Guadalajara, Mexico, with the participation of nineteen Latin American states, Spain, and Portugal. "The idea of holding Ibero–American Summits was a joint initiative of Spain, Mexico and Brazil in the context of the 5th Centenary of the Discovery of America, in order to give a new boost to Ibero–American relations." (Marca España 2015) The intensification of the Spanish–Latin American nexus had a positive influence on EU–Latin American relations. Bi-regional links also intensified during the decade and reached an important milestone in 1999 with the birth of a strategic partnership.

Central America

By the time the Second Central American Cooperation Framework Agreement was signed between the EC and the Central American countries in 1993, peace efforts had been successful everywhere except Guatemala. In Nicaragua, the Sandinistas handed over power to the anti-Sandinista coalition led by Violeta Chamorro after the general elections of 1990. In El Salvador, the fighting parties signed the Chapultepec Peace Accords in 1992.[4] The ex-guerrillas formed a political party to represent their demands. The Second Central American Cooperation Framework Agreement had a much wider scope than the first one. It covered more fields including transport, telecommunications, tourism, environmental protection, biological diversity, health, social development, anti-drugs measures, refugees and naturally, economic cooperation – with the mining and the energetic sectors being

[4] The Chapultepec Palace in Mexico City used to be the residence of Maximilian of Habsburg, emperor of Mexico between 1864 and 1867.

highlighted. (Acuerdo-marco de cooperación 1993) One of the 39 articles even dealt with political issues (Article 27: cooperation on strengthening democratic processes in Central America), a step towards having future agreements in which political and economic fields are intertwined.[5]

Mexico

In 1991, Mexico and the EC signed a new framework agreement, which Mexico supplemented by bilateral treaties made with Spain (1990), France (1992), Italy (1994), and Germany (1996). The impetus was the coming of the NAFTA. The Mexican Government wanted the agreement, yet worried it might result in increased dependency on the U.S.[6] The EC hoped to prevent falling into a disadvantageous position vis-a-vis the North American market.

In 1993, just before Mexico joined NAFTA (1 January 1994), Jacques Delors, President of the European Commission, made an official visit to Mexico and proposed a special relationship with the country the same year. Right after NAFTA came into being, Mexico and the EU issued a joint communication expressing their will to strengthen relations. The Mexican Government, hit hard by the 1994 peso crisis, was eager to conclude a new agreement. Mexican GDP growth turned negative in 1995 (more than 6%), inflation soared, and approximately 2 million work places disappeared. The country's leaders turned to the U.S. for a loan. At the same time, they tried to secure support in Europe, both to soften the effects of the economic crisis and to speed up the negotiations for a new EU–Mexican agreement. (Szente-Varga 2009, 5–6.)

President Ernesto Zedillo travelled to the continent in 1996 and visited Italy (then heading the rotating presidency of the Council of the European Union) and two traditional partners of Mexico: the United Kingdom and Spain. A document called the Global Agreement was signed in 1997. It covered the following areas: political dialogue (Title II), trade (Title III), capital movements and payments (Title IV), public procurement, competition, intellectual property and other trade-related provisions (Title V), and cooperation (Title VI). The latter is the most detailed; thirty-one of the sixty articles in the Global Agreement are dedicated to ways of cooperation. (European Communities 2000) A joint council made up of the members of the Council of the European Union, of the European Commission, and of the Mexican Government was set up to supervise the implementation of the treaty.

Recent Ties: The 21st Century

Although Latin America was declared a strategic partner of the EU in 1999, another process drew the attention of the EU to the east: the transformation of the ex-Socialist countries and

[5] The agreement came into force in 1999.

[6] President Salinas was promoting it as a step of the 3rd world Mexico into the exclusive group of 1st world countries.

their possible incorporation. The Eastern Enlargement contributed to a temporary decrease of European interest in Latin America, with the possible exception of the Caribbean.

After the 9/11 attacks, the U.S. "neglected" Latin America as well, and this fostered trying political alternatives that were not possible during the Cold War. There was a renaissance of initiatives from the left in the 21st century. This "pink tide" started in Venezuela in 1999, when Hugo Chávez rose to power, and continued with Néstor Kirchner in Argentina and Lula in Brazil (2003). It continued with the ascension of Michelle Bachelet in Chile (2006), Evo Morales in Bolivia (2006), Rafael Correa in Ecuador (2007), and Fernando Lugo in Paraguay (2008). These atypical leaders could complicate negotiations with Europe. As cooperation efforts failed, the EU turned to a more differentiated approach, seeking to strengthen relations with certain countries and regions.

Central America

A Political Dialogue and Cooperation Agreement was signed between the EU and the six Central American states in 2003. Only a few years later, the pink tide reached Central America with the emergence of Daniel Ortega in Nicaragua, 2007, Álvaro Colón in Guatemala, 2008 and Mauricio Funes in El Salvador, 2009. Whereas the tide has been receding in South America recently, it is still vigorous on the Isthmus: in 2017 El Salvador was led by the ex-guerillero Salvador Sánchez Cerén, and Nicaragua by Ortega, the former Sandinista. The most recent association agreement was thus concluded between the EU and the Central American countries at a time (2012) when two of these states were run by political organizations born from guerrilla movements.

Since 2014, the EU has differentiated within the region and treated Panama and Costa Rica apart from the other Central American countries. They have a more balanced political and economic background, a GDP per capita ($22,800 and $16,100 respectively, 2016) two or three times more than in the other states, and a higher standard of living that is reflected in an elevated life expectancy of 78.6 years. (CIA 2016) Not surprisingly, these two countries can no longer apply for EU bi-regional assistance. Yet they can still benefit from regional programmes for Latin America and from sub-regional programmes for Central America.

Most countries on the Isthmus have a territory of approximately 100,000 km,^{2} the most important exception being tiny El Salvador, with only 21,000 km.^{2} Yet the population of El Salvador (6.1 million, 2016) is higher than that of Panama (3.7 million, 2016) and Costa Rica (4.8 million, 2016). Guatemala is the most populous country in Central America (15.2 million, 2016) but it is also the place where the highest proportion of citizens live below the poverty line (59.3%, 2014) and is characterized by the worst Gini index (53, 2014). Distribution of household income is uneven in all Central American countries, with a strong concentration in the upper layers. The highest 10% of the population enjoys at least 30% of all household income or consumption, the figure exceeds 38% in Guatemala, Honduras, Panama, and Nicaragua.

The Caribbean

Cooperation goes back to the Lomé agreement signed in 1975 by African, Caribbean, and Pacific Group of States (ACP) and the European Economic Community. It was renegotiated, modified and renewed three times, the latest being Lomé IV, signed in 1989 for ten years. At the turn of the millennium a new framework for cooperation came into being between the EU and the ACP: the Cotonou Agreement signed between 79 states and the European Union in 2000. It entered into force in 2003. It is characterized as "the most comprehensive partnership agreement between developing countries and the EU" by the European Commission. According to Article 4, "specific measures and provisions have been made to support island ACP States in their efforts to overcome the natural and geographical difficulties and the other obstacles hampering their development so as to enable them to speed up their respective rates of growth". (EEAS 2010) This includes all of the Caribbean except Cuba, which did not sign the Cotonou Agreement.

The document establishes three pillars: development cooperation, political cooperation, and economic and trade cooperation. The agreement was revised in 2005 and 2010. The latest changes included new priorities, such as "mainstreaming into all areas of cooperation the following thematic or cross-cutting themes: human rights, [gender issues], democracy, good governance, environmental sustainability, climate change, communicable and non-communicable diseases and [institutional development and capacity building]".[7] (EEAS 2010, 34.) Many of these, such as climate change, are among the main issues of EU–LAC cooperation in general.

The Cotonou Agreement was complemented by the Economic Partnership Agreement between the EU and CARIFORUM, a sub-group of ACP. The trade relationship is asymmetric between the EU and the Caribbean islands. For the islands, the EU is the second-largest trading partner after the U.S., whereas the Caribbean accounts for only 0.3% of EU trade (2016). There has been no growth in the volume of trade in the last ten years; it totalled 11,337 million Euros in 2006, and 10,576 million Euros in 2016. (EC 2017a, 2–3.)

In 2012, a Joint Caribbean–EU Partnership Strategy was launched. (EEAS 2012) It identifies five core themes: regional integration and cooperation in the wider Caribbean; climate change and natural disasters; crime and security; joint action in bi-regional and multilateral fora and on global issues, and reconstruction and institutional support to Latin America's poorest and least-developed country, Haiti, hit by a catastrophic earthquake in 2010.[8]

Haiti's neighbouring island, Cuba, has been a huge gap in the EU–Caribbean relations. A change is about to happen, as a Political Dialogue and Cooperation Agreement provisionally applies from 1 November 2017. This is the first-ever agreement between Cuba and the EU. (EEAS 2017) The European motivation is the coming end of 86-year-old Raúl Castro's leadership and with it a change in the Cuban political and economic system that could benefit the EU. The Cuban goals include the diversification of contacts and the lessening of U.S. influence.

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[7] The old priorities are in brackets, the newly included ones appear without brackets.

[8] Life expectancy in Haiti was 64.2 years, and the GDP/capita reached only 1,800 USD in 2016. Social differences are huge; the latest available Gini index is 60.8 (2012). Source: CIA 2017.

Mexico

The Global Agreement signed in 1997 came into force in 2000.[9] That year the Free Trade Agreement between the two parties was signed, and the Institutional Revolutionary Party (PRI) lost a presidential election after ruling Mexico for more than 70 years. The optimism dwindled with the years, however, as the country fell short of a system change. The disenchantment of large segments of population made radical political alternatives more attractive, and the candidate of the Party of the Democratic Revolution (PRD) had a real chance to win the presidency in the 2006 elections. According to the official results, he lost by 0.5%; many Mexicans are still convinced there was an electoral fraud. Felipe Calderón became president with questionable legitimacy that he tried to mend by introducing a new drug policy. The solutions offered, however, did not match the complexity of the problem, and instead of reducing the drug trade and making cartels disappear, they contributed to the spread of violence. By 2011, 69.5% of Mexicans said that they did not find their environment safe. (INEGI 2013) In these circumstances, European attention and aid were most welcome.

Mexico became a strategic partner of the EU in 2008. The core argument, expressed in *Towards an EU–Mexico Strategic Partnership* is that:

> "Mexico truly forms a cultural, political and physical 'bridge' between North America and Latin America and, to a certain extent, between industrialized countries and emerging ones. Mexico's 'bridging' position is one of its main assets in the context of a progressive multilateral and multicultural international community." (EC 2008)

In 2016, negotiations began to update the Global Agreement signed in 1997. The last round took place in April 2017. The EU emphasized positive developments: the growth of the EU (thirteen new states since 1997), the launching of the Euro, and Mexico becoming "one of the world's most dynamic emerging economies". (EC 2017b)[10] The Mexican weekly *Proceso,* on the other hand, has been rather critical.

> "Mexican trade and economy continue to depend excessively on the United States. The agreement with Europe – a region which was overtaken by China as the second most important trade partner of Mexico – did not change this strong dependency simply because it was not able to diversify our commercial exchanges with that prosperous part of the world […] It did not generate the promised places of work and socioeconomic impacts, either." (Appel 2017)

The Mexican Government would like to finish the negotiations for the new agreement soon, because the six-year term of President Enrique Peña Nieto ends in 2018. The plan is to finish the work on the political and cooperation part by the end of 2017, with the commercial portion to be completed by the end of 2018. The victory of Donald Trump in the U.S.

[9] For more on EU–Mexican relations at the turn of the milenium, see Pólyi 2003.

[10] This statement seems to be overoptimistic, as GDP growth rate in Mexico averaged 0.61% between 1993 and 2017. (Trading Economics 2017)

presidential election, however, puts extra pressure on Mexican negotiators, since he has threatened to renegotiate NAFTA or withdraw from it. A stable and effective relationship with the EU is crucial now for Mexico. Yet the journalist of *Proceso* is pessimistic, in his vision Europe is more like the unscrupulous old colonizer under a modern disguise: "Mexico is in serious trouble and Europe can take advantage of this." (Appel 2017)

Channels of Communication, Institutionalized Relations

The institutionalized relations between the EU and Mexico, Central America, the Caribbean as well as South America (for the latter see the EU–South America chapter of this book) form a part of the framework of EU–Latin American connections. One top-level channel of dialogue is the bi-regional Summit of Heads of State and Government of the European Union and Latin America and the Caribbean (EU–LAC), the first of which took place in Rio de Janeiro in 1999. Similar events have been organized every two years since 2002: in Madrid (2002), in Guadalajara, Mexico (2004), in Vienna (2006), and in Lima, Peru (2010). Important forums and instruments, such as the European–Latin American Parliamentary Assembly and the EU–LAC Foundation, were set up on these occasions.

The European–Latin American Parliamentary Assembly (EuroLat) was established at the summit in Vienna to support preparatory work for future summits. The assembly consists of 150 members: 75 from Europe and 75 from Latin America and the Caribbean. EuroLat consists of a plenary session, an executive bureau, standing committees, working groups, and a secretariat. The assembly is headed by two co-presidents, one European and one Latin American. The four standing committees are: "(1) Political Affairs, Security and Human Rights; (2) Economic, Financial and Commercial Affairs; (3) Social Affairs, Youth and Children, Human Exchanges, Education and Culture, and (4) Sustainable Development, the Environment, Energy Policy, Research, Innovation and Technology." (EuroLat 2014)

The EU–LAC Foundation was set up at the summit held in Madrid. The organization has its headquarters in Hamburg and started working in 2011. It has more than sixty member countries: approximately half of them from Latin America and the Caribbean, and the rest from Europe. The EU is also a member.

The 2013 EU–LAC summit in Santiago de Chile ran at the same time as the first EU–CELAC Summit. "The Community of Latin American and Caribbean States embraces the legacy of the Rio Group and the Summit of Latin America and the Caribbean on Integration and Development (CALC)" (Declaration 2010) and includes all states from the regions. It was founded at the so-called Mayan Riviera in 2010, on the bicentennial of Latin American independence and centennial of the Mexican Revolution, by the Latin American and Caribbean Unity Summit. It began work in Caracas in 2011. Since 2013, there have been EU–CELAC summits every two years. After the first one in Santiago, summits were held in Brussels (2015) and in San Salvador (2017). The meetings of foreign ministers, which used to take place every odd year in the framework of EU–Rio Group summits, have been transformed into EU–CELAC ministerial meetings scheduled for even years. The first was organized in Santo Domingo in 2016.

There are specific channels for dialogue and action, both for Mexico and for Central America. There are specialized councils working under the Council of the European

Union: the EU–Mexico Joint Council, and the EU–Central America Association Council. The EU maintains a delegation in Mexico and, with the exception of Panama, in all Central American countries. Latin American countries make their EU connections via their embassies in Belgium.

Documents on Bilateral Relations

At the end of the 1990s, EU–Latin American relations reached a landmark with the declaration of strategic partnership:

> "We, the Heads of State and Government of the European Union, Latin America and the Caribbean, have decided to promote and develop our relations towards a strategic biregional partnership, based upon the profound cultural heritage that unites us, and on the wealth and diversity of our respective cultural expressions. These have endowed us with strong multi-faceted identities, as well as the will to create an international environment which allows us to raise the level of the well-being of our societies and meet the principle of sustainable development, seizing the opportunities offered by an increasingly globalised world, in a spirit of equality, respect, alliance and co-operation between our regions." – begins the Rio Declaration, made at the first Summit among EU–Latin America–Caribbean leaders in Rio de Janeiro in 1999. (Summit 1999)

55 priorities of action were identified, pertaining to a) political, b) economic and /or c) cultural, educational, scientific, technological, social and human fields. This is probably too many, which contributed to the lack of success of the agreement, yet it is still the basis of bilateral connections.[11]

Just after the biggest enlargement of the EU in 2004, when 10 new countries joined, and Latin Americans felt neglected; the European Commission subsequently issued a communication in 2005, entitled *A Stronger Partnership between the European Union and Latin America,* in which it denied paying less attention to the region. It attributed the lack of progress in bilateral matters to insufficient mutual efforts:

The Commission wishes to send a positive signal indicating that Europe is interested in the region. There would appear to be an erroneous perception that the EU is too absorbed by its own enlargement, its immediate neighbours or problems elsewhere in the world. This perception also raises the issue of the visibility of the EU on the ground, given the complexity of its structures and its means of action. The Commission wishes to reaffirm that the association with Latin America is not merely a matter of fact but is also vital for the interests of both regions, for both the present and the future. However, if Europe is ready to commit itself further to Latin America, it also expects a firm commitment in return. (EC 2005, 5.)

Ten years after the Rio Declaration, the European Commission released *EU–Latin America: Global Players in Partnership. Ten Years of Strategic Partnership EU–Latin America,* which offers an analysis of the development of bi-regional relations. It states that

[11] For more on strategic relations, see Szilágyi 2008 and 2014.

the basic goals of the partnership (strengthening of political dialogue, regional cooperation and social cohesion) have not changed, but the way to reach them needs to be adjusted to the (new) global context. The document ends with the main policy priorities of the partnership, defined in the following 10 points: "promoting regional integration", "promoting social cohesion", "reinforcing human rights and democracy building", "EU election observation missions", "drugs", "migration", "climate change and energy", "research and development", "trade and investment" and "intervention under the instrument for security". (EC 2009, 2, 8–14.)

In 2016 the document *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy* divided the world into five basic regions: EU neighbouring countries, MENA, Africa, the Atlantic, and Asia. (Molnár 2016, 78–79.) Latin America appears as part of the wider Atlantic space. It is mentioned twice in the 57-page text, in one paragraph. The key issues include "cooperation on migration, maritime security and ocean life protection, climate change and energy, disarmament, non-proliferation and arms control, and countering organised crime and terrorism". (EEAS 2016, 37.) Due to the transnational character of these challenges, and the interest of the EU to cooperate with regional organizations and promote Latin American regional integration, as well as possibly due to a lessening of European interest, only two Latin American countries are mentioned in particular: Cuba and Colombia. (EEAS 2016) No strategic partner countries, such as Mexico, appear in the document. Latin America, which has been a strategic partner since 1999, somehow is relegated to the periphery of Europe's vision.

Financial Background

"EU development cooperation instruments [DCI] have been – alongside political engagement, trade and investment, and sectoral dialogues – a crucial building block of [the] relationship over the years. During the period 2002–2013, the EU has committed over €4 billion for programmable development cooperation in Latin America." (EEAS 2014) "For the period 2014–20, €2.5 billion are allocated to Latin America," (EC 2015, 8) which is 12.8% of the total DCI (€19.6 billion).

Some €925 million were set aside for the 2014–2020 regional programme, about 60% more than in the 2007–2013 period. (EC 2017c) The regional programme consists of two components: the continental program, and the sub-regional programme for Central America. Almost 90% of the money is destined to cover the continental programme. This covers eighteen Latin American countries,[12] an area of approximately 19 million km^2 with more than 600 million inhabitants. The continental programme focuses on the following major areas, which are listed in order of funding allocated, from largest to smallest: 1. environmental sustainability and climate change (37% of overall allocation, €300 million); 2. inclusive and sustainable growth for human development (27%, €215 million); 3. higher

[12] The Caribbean is not included with the exception of Cuba. Countries eligible: Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, Guatemala, Honduras, Mexico, Paraguay, Peru, Uruguay, Venezuela and the states on the Central American isthmus excluding Belize.

education (20%, €163 million); 4. security–development nexus (7%, €70 million); and 5. good governance, accountability, and social equity (5%, €42 million).

The Central American sub-regional programme has three foci with approximately the same allocations, each amounting to about €40 million: 1. regional economic integration; 2. security and rule of law, and 3. climate change and disaster management. (EC 2017c) The sub-region consists of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama (c. 0.5 million km,^{2} 45 million people). Central American countries actually can participate in both programmes (continental and sub-regional).

The priorities are similar in the continental and the sub-regional programme, with one notable difference. The most important declared aim of the EU in Central America is to foster the integration of the region. Regional economic integration is, therefore, atop the sub-regional list, while it does not figure in the continental objectives. The reasons for this could be intriguing. Is it because it does not suit European goals, and/or because it is against U.S. interests? Or simply because the EU does not find it feasible to integrate the subcontinent, so it is a project that is doomed to failure?

The economic integration of a relatively small part, Central America, might seem much easier, but it is far from simple. The territory in question never formed one unit, either in pre-Hispanic or in colonial times. There was the United Provinces of Central America between 1823 and 1840, but it was short-lived and Panama, which belonged to Colombia until 1903, was not included. The Isthmus also did not fight the Spanish crown to become independent, but achieved it as part of a more general process. Central American identity therefore, has been weak.

Integration efforts started with the Organization of Central American States, founded in 1951, and renewed in 1962. The Central American Common Market (CACM) was established in 1960 by the Treaty of Managua, signed by Guatemala, El Salvador, Honduras, and Nicaragua. Later Costa Rica joined, but Panama remained absent. The goals included the formation of a free trade area and infrastructure development. The civil wars that shook the Isthmus in the 1980s (Nicaragua, El Salvador, and Guatemala) made the effective functioning of the organization impossible.

The Tegucigalpa Protocol of 1991 reformed the existing structures and established the Central American Integration System (SICA), which started to function in 1993. All six Central American countries are founding members of this multi-function regional organization, whose activities cover economic, social, cultural, political, and ecological fields. EU–SICA political meetings occur regularly.

More than €775 million were allocated for EU–Central America bilateral cooperation in the period 2014–2020. (EC 2017c) Of that, €149 million (c. 30%) was destined for Honduras, characterized by extreme violence; €204 million (26%) for Nicaragua, the poorest country in Central America; €186.6 million (24%) for Guatemala, the most populous state; and €149 million (20%) for El Salvador, the most densely populated country on the Isthmus. Costa Rica and Panama have not been eligible for bilateral cooperation funds since 2014.

Challenges

Recently adopted bilateral projects reveal the priorities of the relationship. These include: the EU–LAC Structured and Comprehensive Dialogue on Migration, launched in 2009; the EU–CELAC Project on Migration (2010–2015); the EU–Mexico security dialogue established within the framework of the EU–Mexico Joint Executive Plan (JEP) and launched in 2010; the Cooperation Programme on Drugs Policies (COPOLAD I, 2010–2015, and COPOLAD II, 2016–2019); Euroclima (2010–2017) and the Euroclima+ programme (2017–). The main issues are therefore migration, security, drugs and climate change.

There are many challenges ahead for Mexico, Central America, and the Caribbean in relations with the European Union. Euroscepticism is growing, and the U.K. is leaving the EU. It is likely the EU will be busy negotiating Brexit and restructuring. Latin America, in general, is also in trouble. The region is a periphery, a supplier of raw materials in the world market, and therefore dependent on the demand for these goods. If demand slows, a lack of funds would put social programmes at risk and increase poverty.

Mexico and Central America are likely to need foreign support. It has often been said that the EU and Latin American countries are natural partners based on history and culture. If help is not coming from Europe though, the region, particularly those countries with ports on the Pacific Ocean, will turn to an old/new partner already on the doorstep: China. (Lehoczki 2008)

China entertains strong political interests in the region, as various countries (Guatemala, El Salvador, Honduras and Nicaragua) still recognize and maintain diplomatic relations with Taiwan. By increasing its economic presence as a trade partner and investor, the Chinese leadership would like to push the above-mentioned countries to change. Export to China from Central America and Mexico is insignificant and did not exceed 2% of the respective national exports in 2016. Chinese imports on the other hand are considerable: 9% in case of El Salvador and Honduras, 11% in Guatemala, 14% in Costa Rica and Nicaragua, and 32% in Panama. (OEC 2016) In fact, the two most developed states on the Isthmus have already switched sides: Costa Rica in 2007 and Panama in 2017. Due to its political interests, China is likely to play an active and pro-active role in Central America whereas the EU is more likely to re-act to developments instead of setting trends.

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The European Union and South America

István Szilágyi

This essay focuses on the relationship between the European Union and South America, a region of more than 400 million inhabitants, stretching out to 17.8 million km^2 which used to be colonized by European powers, principally the Spanish and the Portuguese Crown. Therefore, this chapter together with the one on EU–Mexico and EU–Central America relations, forms a part of the investigations on the systems of relations connecting the EU and Latin America.

First the historical background of the nexus outlined in the essay, and then the foundation and the development of the bilateral EU–Latin America strategic partnership is analysed, with a special emphasis on its institutionalization. The last chapter of the essay focuses on a very special inter-regional actor: the Ibero–American Community of Nations. The main sources of the investigation are declarations and other communications of the European Union, complemented with academic texts elaborated by Hungarian and Latin American scholars.

Historical Background: The International System and Globalisation

The European Union (EU), as a *sui generis* political system, is a multi-faceted entity. It is a macro-region linking several regions, areas, systems, and countries to the notion that is Europe, within which there are significant political, economic, social, cultural, linguistic, and foreign policy tradition differences manifesting themselves in various priorities. It is inter-governmentality that fundamentally characterises the Union's foreign and security policy, its ties to other parts of the world, as well as its activities to resolve international conflicts. The creation of the President of the European Council and "Foreign Ministerial" post, and in the long term the careful shift towards a federal system, among other things, the difficulties concerning the rapid reaction force, the experiences gained by Javier Solana as High Representative for Common Foreign and Security Policy, and the practice of holding summits for heads of state and prime ministers call attention to demonstrate the need for a common foreign policy.

The formation of this foreign policy system is highly influenced by the Eastern enlargement of integration, (Szilágyi 2004, 7–22; Szilágyi 2007a) the Barcelona Process launched in November 1995, (A Barcelona-folyamat 2001; Szilágyi 2008a; Szilágyi 2012, 3–21.) and by the European Neighbourhood Policy introduced in 2003. (Communication from the Commission 2007) Links between the EU's Mediterranean countries and the so-called Third World date back half a millennium; however, when examining the relationship

of the European Union with Latin America and the Caribbean (América Latina y el Caribe – ALC), we must consider the changes that occurred after the end of the bipolar world (c. 1991); the emergence of a multi-player, global political system have also brought significant changes.

In the final third of the 20th century the termination of organised East–West conflicts combined with the significant shift of focus in international relations resulted in the fact that the foreign policies, political actions and scopes of movement for states, intergovernmental organisations and regional integrations are now increasingly dominated by non-traditional forms and means of international relations.

Within the extended framework of a "transnational foreign policy", the role of "civilisations" is enhanced, and the network of relations, virtual or real, between regional and subregional entities is extended. The importance of non-national, non-governmental, social actors, institutions, organizations and movements in the field of foreign policy is growing.

Globalization and the influence of civilisations on foreign policy is not new. Joaquím Aguiar, in line with Immanuel Wallerstein's concept, links the first wave of globalization to the great European expansion of the 16th–17th centuries. (Aguiar 2000; Wallerstein 1983) The trade of various products transcended national and European borders early on in this world system; *internationalisation* and global contact as a process linked regions with the sphere of cultures and civilisations. The second wave of globalization, covering the second half of the 19th century and the first half of the 20th witnessed the circulation of capital and the emergence of American hegemony. "The present type of globalisation", according to Aguiar, "leading up to the 21st century from the 20th nevertheless manifests itself as a higher-level synthesis of the previous two: as a network of eternal changes and movements, a never-ending and uninterrupted cycle of products and capitals". (Aguiar 2000, 60.)

In this era of post national globalisation, post national politics and foreign policy, the territorial fundaments of power are largely replaced by a web of processes, networks, currents, as well as control over cyberspace. In spite of global movements of a *transnational* nature, collective existence in the 21st century has a number of divergent modes and forms. Geographical factors, borders symbolising territoriality and the classic nation-state, ethnic and cultural and civilizational differences behind integration and disintegration tendencies, strategic cooperations representing the new regionalism of continental-integrational cooperations are all present at the same time in the network of international relations, and all are tightly linked to one another.

The European Union and Latin America: The Foundations of a Strategic Partnership

Relations between the European Union, in its various forms, and Latin America with the Caribbean have become quite intensive over the last quarter of the century. Dialogue between the Parlatino, the Latin American Parliament, and the European Assembly (functioning as the European Parliament from 1986) started as early as the 1960s. In the 1980s, the European Parliament initiated formal cooperation with the South American continent. (Szilágyi 2014, 317–331.) After Spain and Portugal's accession to the European

Communities, European attention to Latin America grew. There was an attempt to create a special joint status with the Latin American region, a tightening of economic, political, and cultural links, primarily negotiated via Spanish mediation.

From the moment of the European Economic Community's (EEC) birth in 1957, it established contact with economic formations that included Latin America; the signing of the so-called first-generation trade pacts took place in the '60s. This led to the acceptance by the EEC of the Lomé I and Lomé II treaties (1975 and 1979, respectively) that regulated the economic cooperation of African, Latin American, and Asian countries with Europe. A part of the second-generation agreements in the '80s was linked to the Lomé III (1984) and Lomé IV (1984) treaties (see the chapter on EU–Africa relations). Another part is specifically tied to Latin America and its integration organizations (the Andean Community, Mercosur). (Racs 2015) The third generation of treaties was signed in the '90s, after the era of the bipolar world. The decisive steps towards a strategic alliance and a new type of regionalism in the form of partnership agreements and bilateral contracts dates to the 1999 Rio de Janeiro summit of the respective head of state and government. (Szilágyi 2008c, 5–34.) This meeting and subsequent talks, conducted at the highest level of states, as well as experts discussed the challenges of a changing international system.

The turn of the millennium did not mark the end of major geopolitical shifts in Europe. From the second half of the '90s the European Union struggled with widening and deepening; it launched a series of institutional reforms pointing towards federalism. After the failure of the European Constitutional Treaty though, these impulses were channelled into defining foreign policy priorities and a circle of allies, widening the scope of movement, and strengthening its strategic positions. Counter-impulses presented themselves via Brexit and the renewed national narratives in a number of member states.

Between 1999 and 2017, Latin America underwent political and economic changes on a historic scale. (Szilágyi 2010, 139–165.) The 1980s and '90s saw the toppling of dictatorial régimes in the "exceptional states" formed by military coups in the '60s and '70s. The birth of new democratic systems coincided with the growth of existing continental integrations (the Andean Community, CA) and the creation of new ones, e.g. Mercosur – 1991, Unión de Naciones Suramericanas – 2007. (Lehoczki 2007, 97–114; Lehoczki 2010b, 249–264; Racs 2010; Soltész 2011, 124–143.) The organization of the Ibero–American Community of Nations (Comunidad Iberoamericana de Nacioneás – CIN, 1991) linked the region to Spain and Portugal. (Szilágyi 2006a, 155–167; Szilágyi 2008b, 141–153.) Latin America increasingly sought to define an inter-regional and integrational model that would expand its field of play and terminate centuries-old dependencies. One manifestation of this is the creation of the above mentioned CIN.

At the beginning of the 21st century a couple of possible scenarios seem to present themselves from a Latin American perspective. Next to the option of closer contact with the USA, a strong influence in the thinking of the southern hemisphere is continental cooperation. The idea of a strategic alliance and partnership between the EU and Latin America has been developing since the mid-1990s; it had become the dominant integration paradigm for both parties by the 2000s. This has common historical, linguistic, value-based, political, and civilizational roots, as stressed in the introductory lines of the European Commission document dated spring 2008 and entitled *The strategic partnership between the European Union, Latin America and the Caribbean: a joint commitment:* "The European

Union (EU), and Latin America and the Caribbean (LAC) are natural allies linked by strong historical, cultural and economic ties, as well as by their ever increasing convergence of basic values and principles. They share a common commitment to human rights, democracy, good governance, multilateralism and social cohesion, and they cooperate to achieve these objectives. This makes them well-matched partners to address global challenges together." (The Strategic Partnership 2008) The document declares the validity of the European Commission's 2005 analysis of the strengthening of the EU–LAC partnership. (A Stronger Partnership 2006) According to the European Commission's 2005 analysis, strategic partnership between the EU and Latin America comprises eight elements: political dialogue; economic and commercial ties promoting regional integration; a stable framework to help Latin American countries attract more European investment; effective sectoral dialogues (e.g. on social cohesion or the environment) with a view to the sustainable reduction of inequalities and promoting sustainable development; mitigating inequality and tailoring development targets to suit the needs of Latin America; strengthening the democratic government; increasing understanding through education; and supporting Latin American countries, and maintaining commitment to support Latin American countries in their fight against drug trafficking and corruption. (A Stronger Partnership 2006)

To promote cooperation, the EU launched *The Development Cooperation Instrument* (DCI) for the 2007–2013 programming period. It comprises five geographic areas (Latin America, Asia, Central Asia, the Middle East, and South Africa) and five thematic programs: investment in human resources; the sustainable management of natural resources and energy; support for non-governmental actors and local authorities; food safety; and migration and asylum. The European Community allocated €2.7 million to Latin America, and €760,000 to the Caribbean. The program priorities are in line with the UN's *Millenium Development Goals* passed in 2000. (Barbé 2013, 312.)

Commercial relations between the EU and Latin America have widened in scope over the past two decades. Trade has increased by an average annual rate of 15%, but to an uneven rhythm and faster than economic capacity. According to IMF data, Latin American countries and integration organizations together were the second-largest trading partner of the European Union in 2006. EU imports from Latin America reached €70 billion, while exports amounted to €66 billion. (The Strategic Partnership 2008) A quarter of the EU area's agrarian imports come from Latin America, but more than half of Latin American imports consists of high added-value and technical goods. (Martín Arribas 2006, 243–248; Freres–Sanahuja 2006, 25–26.) The EU also became the largest investor in the region. Spain, which traditionally maintains strong ties with Latin America, played a major role. (Racs 2009, 76–84.) By the end of the 1990s, it was democratic Spain that provided 52% of operating foreign investment, with several major Spanish companies from Spain (e.g. Telefónica, YBERDROLA, Repsol YFP, Banco Santander, Banco Bilbao Vizcaya, Banco Central Hispano, Banco Popular Español, Iberia Airlines, Sol Melia, Tryp Hotels, Compania Valencia de Cementos, etc.) gaining a leading role in the crucial sectors of the continent's countries – such as banking, hospitality and tourism, energy, and telecommunication. (Szilágyi 2005, 255–289; Szilágyi 2006b, 210–243; Szilágyi 2015c) Still, the scale of the exchange does not reflect a magnitude expected of strategic allies. "If Latin America were one country, the EU would be its sixth-biggest commercial partner, although Latin America has a mere 5.2% of the foreign trade aggregate of the EU.

Despite Latin American criticism of European protectionism, the fact remains that a quarter of the Community's agrarian import still comes from Latin America." (Freres–Sanahuja 2006, 25–26.) Examining the same issue from the other side we may state the following: "If the EU were considered a single country […] then it would be the second-biggest commercial partner to Latin America, holding second place with respect to immediate capital investments and first place with respect to providing financial aid." (Freres–Sanahuja 2006, 25; The EU–Latin American Strategic Partnership 2017)

The relations of the European Union and Latin America are characterised by economic asymmetry and imbalance. In 2003, Latin America's share in the world exports was 5%, in imports, 4.7%. The EU accounted for 38.7% of the world's imports and exports. (Martín Arribas 2006, 240.) The EU, comprising 400m inhabitants (calculated with the effect of Brexit), produces 21.4% of the world's aggregate GDP. The GDP for Latin America, with 530m inhabitants, accounts for 7.5%. The two regions, considered strategic partners, thus share one-third of the world's GDP in total between them. Latin America is rich in human resources and raw materials, and it represents a significant market for the Union. The EU is a key partner in the economic, industrial and technological development of Latin America. Cooperation between the two, despite the current asymmetry, may create a more balanced state of international relations. This gives this integration considerable weight, provided cooperation is effective. (EuroLat 2007, 4.)

The EU and Latin America are not merely strategic allies; considering commercial ties, they are also each other's competitors. Each party strives to hold a positive balance and quite naturally enhance its own competitivity. For the discussion of the economic relations of the two regions from this perspective, four notions have been introduced. Using phrases from literature, for certain sectors the *falling star (estrella menguante)* name is used, while for others, the *emerging star (estrella nasciente)* designation. They write of the *sectors of lost opportunities (oportunidades perdidas)* and those of *regressive (retroceso)* industries. In summary it may be said that most of the economies of Latin America are behind in the race with the European Union.

The EU is one of the main actors of economic life on the global stage, while Latin America and the Caribbean have an insignificant role. From a Latin American perspective, trade with Europe is of great importance. Although the number-one trade partner for Latin America is the United States, the products and goods from Chile, Mercosur, and the Andean Community mainly go to the EU. Europe is losing its hold on Latin American markets, however, because its products do not belong to the most dynamic types of goods preferred in international trade. The United States is the winner in this "area". (Martín Arribas 2006, 26; The EU–Latin American Strategic Partnership 2017)

Scholars contend that to reverse these tendencies, established practices should be extended. The number of bilateral preferential treaties and customs preferments should be increased; efforts must be made to create frameworks for quality cooperation and partnership agreements. The EU should pay more attention to the strategic alliance; cooperation rests on the five pillars of solidarity, autonomy, interests, shared values, and partnership. (Freres–Sanahuja 2006, 32; The EU–Latin American Strategic Partnership 2017) In addition, five criteria must be fulfilled. The EU must contribute to the strengthening of Latin America's social cohesion. It must promote the international autonomy of the southern hemisphere. It must give a stronger character to its foreign policy activities

with Latin America, including crisis prevention mechanisms and solidarity acts. The two regions must act in coordination to promote the formation of the multilateral international system and global governance.

According to the Euro–Latin American Parliamentary Assembly (EuroLat), the political and security relations between the regions must also be deepened. The assembly has stated the importance of transcending ad hoc actions of common support, and therefore created the Euro–Latin American Global Interregional Partnership Area (ELAGIPA). It also called for a Euro–Latin American Permanent Secretariat to manage administrative tasks. (EuroLat 2007, 6.) EuroLat decided, therefore, to create offices that would address concrete tasks and provide advice, including a bi-regional social foundation. The assembly stressed that "partnership agreements contain three major elements: the political and institutional chapter serves to strengthen democratic dialogue; the goal of the cooperation chapter is the promotion of sustainable economic and social development; the economic chapter comprises programmes to terminate asymmetric relations between the regions and boost the economy." (EuroLat 2007, 13.)

This document passed by the EuroLat Parliamentary Assembly projects an image of the future of historical dimensions, based on the achievements of the past, in the process of strategic partnership between the Eu and the Latin American continent.

Strategic Partnership on the Road of Institutionalisation: The Summits

The first European Union–Latin America Summit was held in Rio de Janeiro in June 1999, with forty-eight heads of state and prime ministers. (Martín Arribas 2006, 331–332.) The Declaration issued stresses in its Preamble: "We, the Heads of State and Government of the European Union, Latin America and the Caribbean, at the Summit held in the city of Rio de Janeiro, Brazil, on the 28th and 29th of June 1999, have decided to promote and develop our relations towards a strategic biregional partnership, based upon the profound cultural heritage that unites us, and on the wealth and diversity of our respective cultural expressions. These have endowed us with strong multi-faceted identities, as well as the will to create an international environment which allows us to raise the level of the well-being of our societies and meet the principle of sustainable development, seizing the opportunities offered by an increasingly globalised world, in a spirit of equality, respect, alliance and co-operation between our regions." (Declaration of Rio de Janeiro 1999) "This historic Summit was convened as a result of the political will to enhance the already excellent biregional relations based upon shared values inherited from a common history. The objective was to strengthen the links between the two regions to develop a strategic partnership." (Martín Arribas 2006, 314.) The resulting declaration charts a 25-year program with fifty-five priorities across all fields and fifty-five short-term action programmes designed to provide common political and cultural foundations in politics, society, the economy, culture and science. The most important of the latter is a free trade agreement between the two regions in accordance with the demands of the World Trade Organization, followed by the signing of bi- and multi-lateral agreements. The hardest part, from the Union's side is the practical implementation of the passage granting free entry to the EU market for crops and farm stock produced by Latin American farmers.

The action programme regulates the financing of joint investments through the European Investment Bank, and the introduction of the Euro in mutual relations.

The long-term goals of the partnership included the consolidation of institutional dialogue between the EU and Latin America, as well as securing democracy and fundamental human rights. It seeks to promote a system of multilateral economic ties, the effective management of economic relations based on open regionalism, and to combat destabilising financial movements. In the cultural, scientific, social and human sectors it advocates the preservation and enlivening of the huge body of shared knowledge based on common cultural heritage and grounded in history, the promotion of education for all, and the protection and preservation of cultural diversity. The long-term programs include@Lis, a so-called horizontal program for the creation of an information-based society, ALFA and Erasmus Mundus for higher education, and URB-AL for the development of local communities and cities, AL-Invest for trade and investments, and ECIP for joint financing. A complement to these is the Alßan postgraduate and doctoral studies project accepted at the 2002 Madrid Summit.

That second meeting in Madrid focused on cultural cooperation, but the agenda also included the creation of the mechanisms for concrete economic cooperation and financial support. The four countries of the Andean Pact (Bolivia, Ecuador, Columbia and Peru) and the states of the Central American region were dissatisfied with the economic results of the summit though. The EU was not in the position to sign multiple partnership agreements because it was in the midst of its so-called Eastern Enlargement. One of the exceptions was Chile, which signed an agreement on 18 May 2002. The other was Mexico, which had concluded related talks as early as 2000. (Martín Arribas 2006, 332–337; Szente-Varga 2009, 1–14; Szente-Varga 2011, 251–269.)

The Madrid Commitment of 17 May 2002 adopted the formal solutions of the Rio de Janeiro Declaration; however, the number of priorities shrank to thirty-three. It also set in motion talks on prospective economic partnerships of the EU with African, Pacific, and Caribbean states within the framework of the Cotonou Agreement of September 2002. The remaining points largely reiterated the Millennial Goals. (Martín Arribas 2006, 337–363.)

The third summit which took place during May 2004 in Guadalajara with the participation of thirty-three countries of Latin America and the Caribbean on the one hand, and the twenty-five-member European Union on the other, marked a further retreat. The aim was still a partnership agreement incorporating free trade pacts. The task, however, was delegated to the new European Parliament and European Commission of July 2004. Talks between the EU and the sub-regional economic integration organizations of Latin America, moreover, came to an end.

The Declaration of the Guadalajara Summit consists of 104 points and includes several novel elements. It advocates the creation of a multilateral international system and the practice of the social cohesion principle in the relations of the two regions – as compatible with the Millennial Goals. It highlights the importance of coordinated developments based on the cooperation of the European Investment Bank, the Inter-American Development Bank, the Caribbean Development Bank, the Andean Development Corporation, and the Central American Economic Integration Bank. Beyond that, however, it merely repeated the phrases and intent of the previous summit declarations. (Declaration of Guadalajara 2004)

The fourth summit, held in Vienna in May 2006, issued a declaration consisting of fifty-nine points. It reiterated the importance of democracy and human rights, and expressed a continuing interest in the creation of the EuroLat Parliamentary Assembly. It also noted the activities of the Europe–Latin America and Caribbean Civil Society Forum, and reaffirmed the commitment of previous summits to the formation of a multilateral international system and rule of law. Issues of terrorism, drug trafficking, organised crime, environmental protection, and energy supply were discussed. Special stress was given to partnership agreements between the EU and Latin American countries (Chile, Mexico), their integration organisations (Mecosur, Andean Community, the Caribbean Forum – CARIFORUM, the Central American Common Market – CARICOM), and the activities of the European Investment Bank in the Caribbean were also highly appreciated. Fight against poverty, inequality and segregation was announced. (Declaration of Vienna 2006) Even as the document called for social cohesion, however, the summit saw the emergence of an opposition formed of countries following the "Bolivar alternative" and dissatisfied with the economic policy of the EU in Latin America. The ringleader of the group, which included Bolivian President Evo Morales and the Cuban delegate, was Venezuelan President Hugo Chavez. Their appearance clearly speaks of the fact that there is no simple and easy way leading to a strategic partnership of the two regions.

The declaration issued by the fifth summit, which was held in Lima during May 2008, was entitled *Addressing our Peoples' Priorities Together.* (Maihold 2008) Although the preamble mentions a new phase in relations, the summit only partially succeeded in resolving earlier controversies. The Latin American representatives expected the EU to terminate the asymmetry of relations, but were disappointed. The central topics of the meeting were strengthening the strategic partnership, sustainable development and social cohesion. Despite agreements on priorities, opinions diverged with respect to their content. The European Union concentrated on the environment protection and climate-related aspects of sustainable development, and on energy resources. The Latin Americans focused on the social cohesion aspects of sustainable development, the fight against poverty, inequality, and segregation.

There was a consensus, however, that new cooperation schemes were needed. The most important political tools identified were bi- and multi-lateral partnership agreements, including economic associated partnerships with African, Caribbean, and Asian countries. A decision was taken to set up the EU–LAC Foundation, which would tackle issues of the strategic partnership, and the integration mechanism proposed by the EuroLat Parliamentary Assembly was adopted. Decision was made that the next Summit would be held in Spain in the first half of 2010, during the Spanish EU presidency. It became clear though at the Lima summit that the EU saw the method of structured political dialogue and the option of individual treatment applicable in case of Latin America's countries and integration organisations as well as in interregional relations; it was also evident that there was no agreement even among countries of the southern hemisphere on the role of the new type integration organizations (Mercosur, UNASUR, Banco del Sur, PetroAmérica, CIN). The summits nonetheless have continued: in January 2013 at Santiago de Chile; in June 2015 in Brussels; and in San Salvador during October 2017.

Strategic Alliance and (Sub) Regional Community Integrations

The 1960s saw the emergence of the first economic integration organizations in Latin America. First in line was the Latin American Free Trade Association (*Asociación Latinoamericana de Libre Comercio,* or ALALC) in 1960. Later that year the Central American Common Market (*Mercado Común Centroamericano,* or MCC) was launched. The Andean Pact (*Pacto Andino,* PA) between Bolivia, Ecuador, Columbia, and Peru was signed in 1969; it eventually became the Andean Community (*Comunidad Andina,* or CAN). The Latin American Free Trade Association changed its name to Latin American Integration Association in 1980. To promote a united continental economic development strategy, the Latin American Economic System (*Sistema Económico Latinoamericano,* SELA) was born in the 1960s, followed by the organization of the *Caribbean Community* (CARICOM).

The second wave of integration organizations was linked to changes in international relations. With the end of the Cold War in 1990–91, East–West opposition in its old form had ceased with the disappearing bipolar world's fault lines. Parallel to this – as already discussed – major changes occurred in the political relations of the Latin American continent. Civil governments took the place of military-civil dictatorships. Regional and sub-regional cooperation appetites and commitments surfaced again. One after the other, official and unofficial integration-cooperation organizations were formed. The Organization of American States (OAS) was renewed. In 1991, with the signing of the Asuncion Treaty, the most significant sub-regional organization of Latin America, Mercosur, was formed with the participation of Argentina, Brazil, Paraguay, and Uruguay. In 1992, the United States, Canada and Mexico signed the North American Free Trade Agreement (NAFTA, or *Tratado de Libre Comercio de América del Norte,* TLAN). In December 2004, twelve countries founded the Community of South American Nations; in 2007, it became the Union of South American Nations (*Unión de Naciones Suramericanas,* UNASUR). This organisation is the direct successor of the Community of South American Nations founded in December 2004 by twelve Latin American countries, and has very promising prospects in politics and economics. The present paper discusses the three most significant integration organisations of the South American continent: Mercosur, UNASUR and CIN.

Mercosur is the fourth-largest economic alliance in the world. Partnership agreements were signed with Chile and Bolivia in 1996, with Peru in 2003, and with Ecuador and Columbia in 2004. Venezuela joined in 2006. It produces some $1 billion in GDP annually and encompasses 240 million people. Nearly 80% of its GDP is produced by Brazil, with 18% coming from Argentina, 2% from Uruguay, and 1% from Paraguay. It covers an area of over 11 million square kilometres, which amounts to 58% of the continent. Mercosur defines itself as a development-oriented organization with core values of social justice and respect for the dignity of nations. Its aim is the promotion of commercial negotiation positions; in this sense it is a rival to not only the United States and the European Union, but to the Andean Community and other continental integration organizations. The organization also tries to soften the rivalry between the two big countries of the southern cone: Brazil and Argentina. Its institutional and decision-making structure was settled in the 1994 Ouro Preto Protocol. Several of its arrangements reflect the influence of the European Union. (Dani 2010, 109–124; Molnár 2010)

Mercosur has been connected to the EU since the signing of the 1995 Framework Cooperation Agreement. (Balkay-Erdey 2012, 68–82; Balkay 2015; Domonkos 2014, 93–102.) One-quarter of its exports go to the European Union, and the EU is the number-one trade partner for Mercosur, with the latter holding a continuously increasing positive balance since 2001. The European Union provides further support to Mercosur through the so-called Regional Indicative Programmes (RIPs). The first RIP was effective for the 2007–2010 period, the second for 2010–2013. The European Union assigns €50 million for three targets in the designated years, with 10% going to Mercosur's building process. 70% is earmarked for the financing of the EU–Mercosur Partnership Agreement, and 20% may be turned to the benefit of the civil society. Mercosur member states also get a share of programmes launched under the system of strategic partnership. (Mercosur 2007, 4–5.)

The Union of South American Nations (UNASUR) was created to transform the South American Community of Nations into a union with a permanent secretariat at the 1st South American Energetics Summit held on 16–17th April on Isla de Margarita, Venezuela. According to the Cusco Declaration, it follows in the tradition of Bolivar, Sucre, and San Martín "who built the great American Nation without any borders, interpreting the aspirations and hopes of their people for integration, unity and the construction of a common future". (Declaración del Cusco sobre la Comunidad Sudamericana de Naciones 2004)

UNASUR was founded by twelve countries. Its total population is 361,000,000 and its territory covers 45% of South America. GDP per capita is $5,900. External public debt amounts to $315 billion. To further continental integration, the Union of South American Nations, like the EU, has introduced associate membership next to full membership. Bolivia, Ecuador, Columbia, and Peru are full members of UNASUR and the Andean Community, and associate members of Mercosur. Argentina, Brazil, Paraguay, Uruguay, and Venezuela are full members of UNASUR and associate members of the Andean Community. Chile is an associate member of the Andean Community and of Mercosur. Mexico (a member of the North American Free Trade Agreement) and Panama take part in UNASUR as observers.

Referring to the shared history, historical heritage, mutual solidarity, common internal and external challenges, political, economic, social, cultural and security interests, the exigencies of economic development and the combat against poverty and segregation, the foundation charter stresses: "Their determination to develop a politically, socially, economically, environmentally and infrastructurally integrated South American area that will contribute toward strengthening the unique South American identity and, from a sub-regional standpoint and in coordination with other regional integration experiences, that of Latin America and the Caribbean and will give it a greater weight and representativeness in international forums." (Declaración del Cusco sobre la Comunidad Sudamericana de Naciones 2004)

UNASUR considers its main goal and historic mission the creation of continental integration and cooperation. The organisation will probably be of crucial importance in the future of the EU–Latin America strategic alliance and the outcomes of prospective dialogues. It is no coincidence that it follows the European integration model in its name and structural characteristics. The chief governing body of UNASUR is the annual presidential summits. These are followed by a conference of foreign ministers every six months attended as well by the president of the Commission of Permanent Representatives, the head of

Mercosur's secretariat, the secretary general of the Andean Community, the secretary general of ALADI, and invited representatives of regional integrations. The meetings of foreign ministers are complemented by sectoral ministerial sessions. UNASUR has a "troika", a triple presidency, which consists of representatives of the summit host country, and the previous and the subsequent host's delegates. The work of the organization is aided by an interim committee. Its members rotate annually. There is also a Commission of High Representatives.

The Declaration of the Union of South American Nations defines six basic goals. The first is the consensus-based coordination of diplomatic and political action in the region. The second is the creation of a free trade zone between Mercosur, the Andean Community, and Chile. The third is the unification of South America's physical, energetic and communication system. The fourth is the harmonisation of agricultural development and alimentary economic policy. The fifth promotes the transfer of technologies and horizontal cooperation in science, culture, and education. The final goal is the integration of corporations and the civil society.

These goals drive the integration work of the Union of South American Nations. To foster the united economic system of the sub-continent, construction of the Ocean-to-Ocean Motorway *(Carretera Interoceánica)* commenced in September 2005. According to the plans, Brazil and Peru were to be connected by 2009; Bolivia would gain access to the sea, Brazil a connection to the Pacific, and Peru would be linked to the Atlantic. In 2006 construction began on the South American Energy Ring *(Anillo Energético Sudamericano)* gas pipeline designed to supply Argentina, Brazil, Chile, Paraguay, and Uruguay. At the beginning of the 21st century, the *Gasoducto Binacional* gas pipeline between Columbia and Venezuela became operational. Construction of the *Poliducto Binacional* has also started; it facilitates Venezuela's oil exports to the Far East, and leads through Columbia. As seen in the light of goals and concrete programmes already started, the Union of South American Nations may shortly become an important factor in subregional integration, as well as an EU–Latin America strategic partnership and the system of international relations.

An Inter-regional Actor: The Ibero–American Community of Nations

The Ibero–American Community of Nations (*Comunidad Iberoamericana de Naciones,* CIN) was created in Guadlajara, Mexico on 19 July 1991. It joined Spain, Portugal, and nineteen Latin American countries in a bi-regional strategic alliance. The Guadalajara Declaration proposed united political action to promote cooperation while respecting the principles of sovereignty and non-intervention. The Ibero–American heads of state and governments emphasised respect for peace, social welfare and justice. They mentioned disarmament as their primary duty under international law, and acknowledged the immense contribution of the Indian peoples (the indigenous nations of South America) to the development of mankind. (Arenal del–Najera 1992, 529–531.)

These goals are listed in three chapters. The first concerns the validity of international law. The second discusses the action program for promoting economic and social development. The biggest novelty is a proposal to create a space called the common market of

knowledge via regular exchanges of experts and the creation of a library network. (Arenal del–Najera 1992, 539.)

With the signing of the Guadalajara document, a new public actor of historic perspective emerged within the network of international relations and the strategic alliance between the EU and Latin America. Democratic Spain played the crucial role; its Latin America policies were a clear break away from the methods and concepts of the Franco era. It hoped to deepen the "traditional and customary" political ties, but emphasized the cultural and economic spheres. To do this, Spain had to overcome the suspicions of Latin American nations, which meant distancing itself from the Francoist ideals of Hispanity and abandoning the Community of Hispanic Nations (*Communidad Hispanica de Naciones,* CHN) of that era.

It would be hard to over-estimate the merits of King Juan Carlos I in the development of this strategy. The monarch undertakes the highest-level representation of foreign policy, and it was he who set course toward the CIN. In his inauguration speech at the San Marcos University of Lima in 1978, for instance, the monarch called for a cultural approach to the nation when addressing the Ibero–American nations. As he put it, Spain and Latin America shared a historically construed and evolved special civilisation, a virtual region of intellectual and moral values. (Garcia de Cortazar 1996, 373.)

Even if there have been shifts in emphasis in the Latin American policies since 1976, the direction was similar. Adolfo Suárez González (1976–1981) showed greater affinity towards the Third World while Leopoldo Calvo Sotelo (1981–1982) foregrounded security issues and NATO accession. Felipe González (1982–1996), the pro-solidarity Social Democrat, closed the foreign policy transition and gained EU membership; José María Aznar (1996–2004), the conservative People's Party technocrat, followed a pragmatic South American foreign policy. José Luis Zapatero Rodríguez (2004–2012) followed the social democratic "third route" and a common leadership and responsibility strategy for CIN, while for Mariano Rajoy's (2012–) conservative government, "common interests are a crucial means and a solid political foundation to the joint undertaking of Latin American countries". (Arenal del 2005, 261.)

Following Spain's EU accession, this dimension was directed at the creation of an economic, political, and cultural cooperation between the Latin American region and the EU with Spanish mediation and action, a tightening of ties and the attainment of a special associate membership status. In the course of pre-accession talks, the Madrid Government had attached two declarations on the importance of cooperation between Latin America and the European Community to its accession treaty. One of these was entitled *Joint declaration of Intention on the Development and Deepening of Relations with the Countries of Latin America* (Declaración Común de Intenciones relativa al desarrollo y la intensificación de las relaciones con los paises de America Latina). The document stressed the need to deepen ties with the Latin American region, given the exceptional role of the region with respect to Europe. The other document entitled *Declaration by the Kingdom of Spain on Latin America* (Declaración del Reino España sobre América Latina) contained the promise that Spain would view cooperation with Latin America as a priority of foreign policy and seek to expand ties between the European Union and Latin America. The Spanish foreign policy has remained unchanged ever since: this is clearly seen in the text of the press conference held at the America House in Madrid by acting Foreign Minister Josep Piqué in May 2001. What

the former leader of the Spanish diplomacy said of the relations with Latin America remains generally valid to the present day: this relationship is "part of our domestic, social, and economic life. I think that differences between Spain and a Latin American country are no greater than those between the countries of the region." He continued declaring that "there are two unchangeable axes for Spain's foreign policy: coming closer to Latin America and to Europe. In Goethe's words we might say that we Spaniards have two souls. The two souls of Spain are Europe and Latin America. We need both". (Iberamerica y España 2001, 6.)

"Spain's belonging to the EU and the Ibero–American Community simultaneously – to once again quote the words of acting Foreign Minister Josep Piqué from 2001 – is a fact that is based on the essence of history. […] It seems the role of Spain as a bridge between two continents has taken on a new shape." (Iberamerica y España 2001, 16.) This circumstance and statement means the redefinition of a concept that was valid in a previous historical period – from a formal aspect, it designates the continuity and upholding of certain foreign policy priorities. (Domonkos 2009, 111–128; Lehoczki 2010a, 176–188; Soltész 2008)

Quite naturally, there are fundamental differences in the content of the Ibero–American Community of Nations and the Francoist Community of Hispanic Nations. This among other things is manifest in the fact that the great family of Ibero–American Nations has twenty-one members. Boundaries of a shared language, history, culture, and religion have been extended to the great Portuguese-speaking country of the region, Brazil, and the smaller country of the Iberian Peninsula, Portugal.

Spain generally takes the lead in integrating Europe with Latin America, but its position is not based on pressure or intervention. The successful democratic transition of Spain and its consolidation within Europe provide the example to Latin America. The emerging democracies of Latin America, in fact, adopted a number of solutions from their "mother country" in the codification of their constitutions. (Valdés 1998; Las Constituciones de Iberoamerica 1992)

If we ask the question that has defined Spain's cultural foreign policy for almost three decades: namely, what we understand as the democratic rule of law, respect for human, civil, and political rights, the observance of basic principles of international law, the acknowledgement of realities, and the Ibero–American community that is based on a peculiar historical, cultural, linguistic and religious relatedness or brotherhood of twenty-one countries. This concept differs from those of the British Commonwealth and the French Community. It is not even a sui generis political system similar to the European Union. This is a world; as Juan Carlos I put it, a historically construed and evolved special civilisation, a virtual region of intellectual and moral values. "However great differences may there be among us, – the text reads – we are together. We are neither a nation, nor an alliance or coalition, or a system based on economic cooperation; to an even lesser extent are we one race ethnically: *we are one world.* (My emphasis – I. Sz.) We are the world of a language and a culture created over centuries… *This is a treasure* (my emphasis – I. Sz.) and responsibility at the same time. As King of Spain I feel responsible for my people; but this *way of life* and cultural heritage does not stop at our national borders, but expands as far as my words are understood, as far as they reach nations that dream in the same language. I would not be a true King of Spain if I did not think of brotherly nations, because we are all part of something that is not exclusively the heritage of one or the other, but is our common possession." (Garcia de Cortazar 1996, 373.)

These ceremonial and elevated words were followed by everyday work of small steps. It was far from being an easy element of Spanish foreign policy, as the continent showed a highly differentiated picture when the strategy and the concept were declared. The conflicting needs of aging dictatorships (Argentina, Chile, Brazil), civil rule (Mexico, Venezuela, Peru), and guerilla-ridden civil war-torn regions (Central America), among themselves and the democratically minded Spanish foreign policy, had to be satisfied and harmonised. In 1982 it was the Falklands crisis that created turmoil. From the second half of the 1980s and the beginning of the '90s the picture became politically more homogeneous. Right-wing military dictatorships in Latin America were toppled and in the majority of the countries, civil governments representing democratic values gained power.

Concrete steps were taken for the institutionalisation of the Ibero–American Community of Nations, too. The first meeting of the heads of states and prime ministers of twenty-one involved countries was held in Guadalajara in 1991. On Spain's accession to the European Community (European Union), not only its cultural but also economic influence grew in the region. This was the start for the closing of the gap that former Foreign Minister Fernando Morán phrased as: "The reality is, there is a great difference between our capacity to act in Latin America and our capacity to influence." (Morán 1990, 86.)

The most important tool for the realization of Spanish policy and the construction of a strategic partnership between the EU and Latin America is the Summit for Ibero–American Heads of State and Prime Ministers, first held in 1991.

Ibero–American Summits

I. Summit – Guadalajara (Mexico), 1991
II. Summit – Madrid (Spain), 1992
III. Summit – Salvador – Bahia (Brazil), 1993
IV. Summit – Cartagena de Indias (Columbia), 1994
V. Summit – San Carlos de Bariloche (Argentina), 1995
VI. Summit – Viña del Mar (Chile), 1996
VII. Summit – Isla Margarita (Venezuela), 1997
VIII. Summit – Oporto (Portugal), 1998
IX. Summit – Havanna (Cuba), 1999
X. Summit – Panama (Panama), 2000
XI. Summit – Lima (Peru), 2001
XII. Summit – Bávaro (Dominica), 2002
XIII. Summit – Santa Cruz de la Sierra (Bolivia), 2003
XIV. Summit – San José (Costa Rica), 2004
XV. Summit – Salamanca (Spain), 2005
XVI. Summit – Montevideo (Uruguay), 2006
XVII. Summit – Santiago de Chile (Chile), 2007
XVIII. Summit – Mar del Plata (Argentina), 2010
XIX. Summit – Asunción (Paraguay), 2011
XX. Summit – Cádiz (Spain), 2012
XXI. Summit – Panama (Panama), 2013
XXII. Summit – Veracruz (Mexico), 2014
XXIII. Summit – Cartagena de Indias (Columbia), 2015

For Madrid, the institutionalisation of top-level meetings was driven by a wish to promote national interests. "Spain will become even more important to Europe if Spain is viewed as a participant of a great joint project with South America." (March 1996, 26.) This evoked criticism from some South American political analysts. These opinions are indeed grounded in reality. Within the general goals of cultural foreign policy, the heads of Spanish diplomacy put special emphasis on the devotedness of the country to Latin America, stressing common interests in the dissemination of shared culture and the spread of the common language.

Certain Latin American analysts however consider the Spanish initiative an external effort, mainly in the field of rhetoric, in which the often-cited special Latin America is nowhere visible. As late as 1999, after the Ninth Ibero–American Summit, critics noted that despite the multilateral character of relations, it was ties of a bi-lateral nature that prevailed in the community promoted by Spain, and in these relations, elements of colonialist versus colony were still dominant.

The decisions of the Ibero–American Community of Nations were difficult to institutionalise in national policies. Until mid-2008 only one country, Brazil, implemented the 1995 resolution on spreading the Spanish and Portuguese languages. In Brazil, the teaching of the Castellano language became mandatory at primary level. The driving force behind this decision was the aspiration for regional hegemony.

The Ibero–American initiative needs to be harmonized with the expectations and rules of various regional and sub-regional blocks. As a result of the Schengen agreement on borders, for instance, citizens of Ibero–American Community nations must have a visa to visit Europe, and their free movement within the European Union is not guaranteed. The Ibero–American Community of Nations needs to emerge as a driving force in the EU–Latin America dialogue, or Ibero–Americanism could become a matter of "politeness".

The continent received much from Spain, but after the Latin American states gained independence in the 19th and 20th centuries, Great Britain, France, Germany, and Italy also served as cultural references. A different orientation was taken in the period of state formation. "As a result, next to Spanish influence one may observe significant French, Italian, German, and British political, economic, social, and cultural inspiration." (Sanhueza 1999, 69.) Europe means something different, and in a certain sense, something more, for Latin America than Spain. Madrid must fulfil the role of a bridge between the two worlds. These expectations fall in line with the goals of Spain's (cultural) foreign policy. According to Sanhueza however, agreement, settlement, or "concertación" would be words closer to reality to characterise cooperation between countries of the Ibero–American Community of Nations. Signs of this are noticeable in the outcome document of the 1992 Second Summit held in Madrid. In the discussion of changes in the international situation the Declaration stresses: "In this context the Ibero–American Conference appears as our political sphere, our *consensual forum* (my emphasis – I. Sz.) of special character. By virtue of its transcontinental character it points beyond political and economic oppositions, and may thus positively contribute to avoiding protectionist development of regional economic blocks." (Sanhueza 1999, 63.)

The Ibero–American Summits are a special mechanism of political dialogue that is being consolidated. They might serve as forums to exchange experiences and hammer out agreements. Many programs that strengthen the identities of member nations and promote their growth have been introduced there. Agreement formulas increasingly shift towards integrational forms and content.

The CIN nonetheless is institutionalized. The ninth summit, held in Havana during 1999, established an Ibero–American Cooperation Secretariat (SECIB) to enhance the effectiveness of agreement-based cooperation; 80% of the SECIB budget is contributed by Spain, which spearheaded its creation.

At the 24th Summit in Veracruz (Mexico) in 2014, the renewal process which started at the Cadiz Summit of the Ibero–American Conference was concluded with the approval of the *Veracruz Resolution on the Ibero–American Conference.* This document contained several important changes concerning institutional structure and new priority areas of cooperation.

Portugal and Spain are full members, and Belgium, France, Italy and the Netherlands have associate observer status in these conferences. These Ibero–American summits helped to strengthen relations between the EU and its partners in Latin America. (Ramírez 2015)

New Themes

The EU and the Community of Latin America and the Caribbean States (CELAC) are natural allies, linked by strong historical, cultural and economic ties that led to the establishment in 1999, at the first-ever bi-regional summit in Rio de Janeiro, of a strategic partnership. Cooperation on migration, mobility and climate change, which is a key element of the EU–CELAC action plan, has followed. The priorities and instruments of the EU's external migration policy, for instance, were defined in 2005 by the *Global Approach to Migration and Mobility* (GAMM). Regional, sub-regional and bilateral migration dialogues are key tools for implementing the GAMM. Cooperation on migration takes place in the framework of the EU–CELAC Structured and Comprehensive Dialogue on Migration launched in June 2009. The objective is to identify common challenges and areas for cooperation as well as to build a stronger evidence base to understand the realities of EU–LAC migration. It is supported by the project *Strengthening the dialogue and cooperation between the EU and LAC to establish management models on migration and development policies,* founded by the EU.

The implementation period of this program started in January 2011 with an initial duration of 48 months. The operational phase ended in July 2015. The program was financed fully by the EU (budget of €3 million). It was realised by IOM (International Organization for Migration) in strong cooperation with FIIAPP *(Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas).* The project contained three main components: strengthening data collection on migration to promote better knowledge of migration flows via collecting, processing and exchange of data for countries with significant migration towards the EU, including training and capacity building of national administrations to produce and update data and analyses; building capacity for sound migration management and reintegration policies for migrants wishing to return; and promoting the productive investment of remittances by improving capacities of the recipient communities and including diaspora organizations in the elaboration process of local development strategies.

The project trained 350 civil servants representing 150 institutions from 30 countries in the CELAC and EU region. Several migratory profiles, studies, analyses, handbooks, and a manual were elaborated. "In Guatemala, Mexico, Peru, Uruguay, and the Dominican Republic, institutional mechanisms were developed to facilitate (re)integration to the labour market of migrants. In Bolivia, Brazil, Colombia, Haiti, and the Organization of Eastern

Caribbean States (OECS), six public-private and civil society partnerships were formed for maximizing the use of remittances as a development tool. Public administrations in Peru, Bolivia, and Ecuador were offered technical support to manage migration data. Among the results of the programme is also the creation of a technical theoretical framework to build alliances to strengthen impact of remittances, utilizing synergies between migrations profiles and increased transparency on national migration data (Nicaragua, Ecuador, Jamaica), and promoting collaboration between public administrations from CELAC countries leading to good practices sharing on labour migration." (European Commission 2017a)

The sixth EU–LAC summit in May 2010 also adopted several initiatives in the area of migration. The *Madrid Action Plan* (2010–2012), for instance, called for the exchange of information on migration flows, as well as policies linking migration and development. The Santiago Declaration adopted in January 2013 called for more robust dialog on migration, and the ninth High-Level Meeting of the Structured and Comprehensive EU–CELAC Dialogue on Migration held in 2014 reiterated the importance of addressing migration issues for both regions. In addition, the EU has concluded strategic partnerships with Mexico and Brazil that foresee cooperation on security and migration related issues both in multilateral fora and at the bilateral level.

The Bilateral Map of Brazil–European Union Investment was initiated in September at the premises of the Brazilian Agency for the Promotion of Exports and Investments (Apex–Brasil). (European Commission 2017b) The project charts the history of investments between Brazil and the EU "to demonstrate the strength of the economic relationship between the two and to support policymakers and investors with information for bilateral investment strategies. Analysis of the investments made between 2006 and 2015 show that Brazil and the European Union have not only a long business relationship, but also a strong economic interdependence with robust investments dispersed across a wide range of sectors, from mining to agro-business and services with high added-value. Brazil is the third main destination of current EU worldwide FDI flows, and the EU is the leading foreign investor in Brazil. Many European companies are managing large investments in Brazil and vice versa, creating new opportunities for market diversification, technology transfer, access to talent and global value chains for business, greater offer of job opportunities for European and Brazilian citizens as well as safer and more affordable products and services. It is estimated that FDI from the EU companies created more than 278,000 jobs in the Brazilian economy during 2006–2015", (European Commission 2017b) including 6,405 in greenfield investment projects. The remaining jobs are highly diversified; the automotive, metals, and communications sectors accounted for 36%, and investors came from fifteen EU countries.

The Multiannual Indicative Regional Programme (MIP) organized by the EU for Latin America during 2014–2020 is designed to increase the ability of states to ensure security conditions conducive to inclusive development. The program's specific objectives include delivering effective and accountable security and justice services, and strengthening the rule of law. It also is designed to "develop integrated, balanced and human rights-based national drug policies, covering both drug demand and supply reduction efforts – in line with the principle of co-responsibility [and to] promote sound migration management". (European Commission 2018) The basic tools will be "support for regional reform efforts, mutual learning and regional benchmarking in the field of integrated and Justice and Security Sector Reform (JSSR), respecting human rights principles; support for regional reform efforts,

mutual learning and regional benchmarking in the field of drugs policies, particularly with respect to their coherence, balance and impact, including statistical information on crime and criminal justice; and support for regional reform efforts, mutual learning and regional coordination and cooperation in the field of migration and border management". (European Commission 2018) Specific programs include COPOLAD (Cooperation Programme on Drugs Policies) and the EU–CELAC Project on Migration (2010–2015).

In 2017, the European Commission signed five contracts totalling €37 million for the implementation of the new regional program of environmental sustainability and climate change mitigation in Latin America. Five agencies from EU member states with experience in Latin America were selected to develop strategies for disaster risk reduction, forest management, biodiversity, and resource efficiency in urban development.

The EUROCLIMA+ program, which has a budget of €80 million, will help eighteen Latin American countries implement commitments on climate change made at the 2015 United Nations Climate Change Conference (COP 21). The program promotes environmentally sustainable and climate-resilient development. (European Commission 2017c)

It is important to highlight one of the recent happenings in bilateral relations. Federica Mogherini, the European Union's High Representative for Foreign Affairs and Security Policy visited Chile in May 2017 in order to intensify ties, discussing among other issues the future updating of the EU–Chile Association Agreement, signed in 2002. In her speech delivered at the Foreign Ministry of Chile she emphasized multilateralism, sustainable development, inclusive growth, democracy as well as the preservation and the necessity of reforming the existing international institutions as the common interests of the European Union and Latin America. She offered help to Venezuela, stressing that the initiative should come from Latin America. (The EU and Latin Amer**c**a: Partners in a Global Word 2017)

Summary

Relations between the European Union and Latin America and the Caribbean have intensified over the last quarter of the century. In the 1980s the European Parliament recognized the strategic importance of cooperation with the Third World, especially the South American continent. Following the accession of Spain and Portugal to the European Community, the EU focused on creating closer ties to the region via Spanish mediation. This led to the first summit of heads of state and government, held in Rio de Janeiro in 1999. Regular meetings and joint sessions of Latin American parliaments and European parliamentary representatives, along with the development of sub-regional integration organizations and inter-regional actors led to the institutionalization of a strategic alliance. The foundation of this partnership lies in a common historical past and a wish to create a multipolar international system. The desire to end the asymmetrical economic relationship prevalent to the present day between the parties plays a major role in shaping the partnership. The strengthening of partnership between the two regions has a significant influence on changes within the system of international relations.

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The EU and International Organisations

Zoltán Gálik

States establish international institutions to achieve their particular objectives that they can exercise more efficiently through the organisations than governments alone. States are the natural building blocks of international organisations; they typically represent their interests through the decision making system. The organisations provide a place for communication, they help disputing parties reach an agreement and they establish norms that are acceptable to the parties. It is widely believed that the international organisations are responsible for the maintenance of international stability and peace.

The European Community and the European Union cannot be considered to be the typical example of an international organisation, rather a sui generis actor which carries both the characteristics of a state and an international organisation. During the existence of the European integration not only the roles of the international organisations changed but also the nature and general characteristics of the relations between them.

In this chapter we consider how the European Union and its predecessors related to some of the major global and regional institutions, the United Nations, International Monetary Fund and the World Bank, the World Trade Organisation, the Organisation for Economic Co-operation and Development, the North Atlantic Treaty Organisation, and the Organisation for Security and Co-operation in Europe.

The Legal Personality of the European Union

Formal representation of the EU (and its predecessors) in international organisations relates primarily to the establishment and the existence of legal personality. The founding treaty of an international organisation provides the legal personality and the competence to act in international relations. Although the European Coal and Steel Community, the EURATOM and the European Economic Community had legal personality, the European Union was established as an intergovernmental organisation without a legal personality in 1993. Some member states were in favour of giving the European Union international legal personality to enable it to conclude international agreements in the areas of the issues belonging to the second (Common Foreign and Security Policy) and to the third pillars (Justice and Home Affairs). According to their argument the EU "has no existence as a legal entity to be a source of confusion in the outside world which diminishes its external profile" while others emphasized that "international legal personality for the Union could give rise to confusion with the legal prerogatives of the Member State". (Eip 1995) Despite the explicit

reference to a legal personality in international public law it has been accepted that a legal personality can also be implicitly conferred to an international organisation.

The common representation of the integration remained at the European Community until 2009. Article 47 of the Lisbon Treaty explicitly recognised the legal personality of the European Union eliminating the three pillar structure of the integration and giving the *Treaty on European Union* (TEU) and the *Treaty on the Functioning of the European Union* (TFEU) an equal role.

The EU is now an independent entity in its own right, which makes possible to:

- become a member of international organisations
- negotiate and to conclude international agreements (jus tractatuum)
- join international conventions
- send and receive diplomatic envoys (jus legationis)
- present claims based on international responsibility
- use armed force

While the EU member states keep their external sovereignty and the freedom of action on certain foreign policy areas making the EU's external competences limited. The EU has an exclusive competence in the area of common commercial policy, customs union, competition and monetary policy for the Eurozone (Article 3.1 TFEU) while economic policy is a complementary competence. The EU has the right to conclude international agreements under certain conditions. Explicit legal competencies of the EU in international organisations are not mentioned in the Treaties but Article 211 of the TFEU states "within their respective spheres of competence, the Union and the Member States shall cooperate with third countries and with the competent international organisations", and in most cases external competence is implicit and derives from internal competence.

It is important to emphasise that a legal personality is not exclusively the characteristic of a federal entity. Many intergovernmental international institutions, like the IMF, the World Bank, and specialised agencies of the UN (WHO, UNESCO) have international legal personality through which they can interact with others in the international community.

Participation in International Organisations

The participation in international organisations allows the EU to attend the meetings of the particular organisation, exercising interest representation by voting, being elected for specific functions, exercising speaking rights, creating and amending international agreements. Membership in international organisations means political influence over many important economic, security and cultural areas.

In the majority of the international organisations where the EU has a presence, the EU member states participate on their own right. In these organisations the EU representation could be formal or complementary (UN, IMF, NATO). A membership criterion varies in different organisations. Some accept only states as their members, some allow observer status for entities and some accept international organisations as a full member. In addition to a visible presence and a common voice, the EU can also contribute by financial means to the success of organisations. The financial share of the contribution by the EU is

expected to be translated into meaningful political influence over the institutions' common policies. The treaty making process also includes the procedural and legal requirements of the signature, the ratification, the acceptance, the approval and the exchange of instruments.

The basic rules of the external representation of the EU lay in the Treaties, the Treaty amendments and the EU's case law.

- The Treaty provisions do not explicitly regulate the EU membership in international institutions.
- Article 111(3) EC is a general provision on the conclusion of agreements concerning monetary or foreign exchange matters.
- Article 133 TEC grants the EC competence to conclude international agreements in the fields of trade policy.
- Article 177 TEC grants the EC competence to development cooperation.
- According the ECJ ruling (ERTA case, 1971) external competence can in addition be derived implicitly from internal competence.

There are four types of external competences envisioned in the Treaties: exclusive and shared (Article 5, Article 2, Article 3 in the TFEU), supporting (Article 6) and coordination. The EU can enjoy exclusive competence or shared with the member states in the different international institutions. Besides participating in these institutions, the EU has also the right to create new international organisations. (Martenczuk 2001) The representation of the EU is achieved by the Commission where the EU has exclusive competence, and involves the member states on shared competence areas. In the funding Treaties there is no explicit competence for international institution membership; representation is based primarily on implied powers the EU has in the different policy fields.

Table 1.

Membership of the European Union in international organisations

Full member: World Trade Organisation (WTO), Food and Agriculture Organisation (FAO), European Bank for Reconstruction and Development (EBRD)
Full participant: International Civil Aviation Organisation (ICAO), UN world summits, UN Commission on Sustainable Development
Observer: United Nations General Assembly (UNGA), United Nations Economic and Social Council (ECOSOC), Economic Commission for Europe (UN ECE), International Labour Organisation (ILO), World Health Organisation (WHO), World Intellectual Property Organisation (WIPO), International Atomic Energy Agency (IAEA), International Maritime Organisation (IMO), United Nations Educational, Scientific and Cultural Organisation (UNESCO), United Nations Conference on Trade and Development (UNCTAD), United Nations Environment Programme (UNEP), United Nations Development Programme (UNDP), the United Nations High Commissioner for Refugees (UNHCR), United Nations International Children's Emergency Fund (UNICEF), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), World Food Programme (WFP)

Source: Edited by the author.

The establishment of the European External Action Service and the post of the High Representative of the Union for Foreign Affairs and Security Policy (HR) in the Lisbon Treaty harmonised the Union's external representation: (the HR) "shall conduct political

dialogue with third parties on the Union's behalf and shall express the Union's position in international organisations and at international conferences." (Article 27 TEU) Article 221 of the TFEU provides that the EU will be represented by its delegations in third countries and at international organisations. In cases where the EU is member of the international institution and the issue lies within its exclusive competence the EU acts through the European Commission assisted by a committee of representatives of the member states. In shared competence areas the High Representative of the EU usually represents the EU on the basis of a position coordinated within a committee composed of the member states and the Commission.

Article 32 and 34 of the Treaty of the European Union (TEU) requires the member states to coordinate their action in international organisations and at international conferences, and to articulate the Union's positions. In case not all member states participate, the others are responsible for upholding the Union's positions. As for the harmonised work of the diplomatic missions "Member States and the Union delegations in third countries and at international organisations shall cooperate and shall contribute to formulating and implementing the common approach".

Article 35 of the TEU sets the framework for the diplomatic and consular missions of the member states regarding the common work in international organisations: "they shall cooperate in ensuring that decisions defining Union positions and actions are complied with and implemented", and "they shall step up cooperation by exchanging information and carrying out joint assessments".

Despite the establishment of the European External Action Service and the harmonised Common Foreign and Security Policy in the Lisbon Treaty, member states explicitly declared their reservations regarding their own foreign policy: "[the EEAS] do not affect the responsibilities of the Member States, as they currently exist, for the formulation and conduct of their foreign policy nor of their national representation in third countries and international organisations." (TEU 13th Declaration) and "will not affect the existing legal basis, responsibilities, and powers of each Member State in relation to the formulation and conduct of its foreign policy, its national diplomatic service, relations with third countries and participation in international organisations, including a Member State's membership of the Security Council of the United Nations". (TEU 14th Declaration)

Table 2.

Models of EU and member state participation in multilateral organisations

• All member states as full members, the EU as observer (Council of Europe and the international financial institutions)
• All member states plus the EU as full members (WTO, FAO)
• Some member states plus the EU as full participants (G7/G8/G20)
• EU as full member/contracting party, with no member states (highly specialised international agreements, e.g. individual agricultural commodities or metals)
• Some member states as full members; the EU with no status (UN SC)
• Constituency arrangements and voting weights (IMF, IBRD, EBRD)

Source: Emerson–Kaczyński 2010, 2.

Article 220 of the TFEU foresees that "the Union shall establish all appropriate forms of cooperation with the organs of the UN and its specialised agencies, the Council of Europe, the Organisation for Security and Cooperation in Europe and the Organisation for Economic Cooperation and Development."

Impact of the EU in international organisations can be measured on different dimensions. According to Jørgensen the following factors influence the representation: the institutional design, the policymaking processes within the organisation, the activities of specific international organisations, the impact on institutional reforms, the impact on agenda setting, and the financial contribution to the budget of the organisation. (Jørgensen 2009, 5.)

The European Union and the United Nations

The EU has a very close and special partnership with the United Nations. The EU is the largest financial contributor to the UN with 38% of the total UN's regular budget and a contribution of over EUR 1 billion in support of external assistance programmes. It has also entered into strategic partnerships with seven UN institutions (UNDP, WHO, ILO and FAO in 2004, WFP in 2005, UN Women in 2012, UNESCO in 2012) which helped them to engage in common programmes in international crisis situations, aid delivery or election assistance. The EU member states command more than one eighth of the votes of the General Assembly, and have two permanent seat members, France and the United Kingdom in the Security Council, and the EU also dominates many regional groups in the UN.

The decision to admit a new member into the United Nations (UN) is made by the General Assembly on the recommendation of the Security Council. Membership is open to all "peace-loving states" which makes full membership of the EU impossible without prior recognition of the EU as a state. The new member must accept the obligations contained in the Charter of the UN. In addition to these conditions each of the UN's 16 specialised agencies has its membership criteria and rule from which 11[1] accept new members without requiring the admission to be approved by the members, 2[2] requires voting for admission. Since the establishment of the UN, member states have developed the practice of inviting states[3] and other actors of the international community as observers. Observers are entitled to speak but not to vote, propose amendments or preside over meetings, and their interactions could happen only after those of the member states.

The EU has been a permanent observer at the United Nations since 1974, as well as at most of the United Nations' specialised agencies without a voting right. In the Food and Agriculture Organisation and in the World Trade Organisation it has full voting rights. (EUCOUNCIL 2017)

After the Lisbon Treaty entered into force, the EU established the External Action Service and applied for enhanced status in the UN General Assembly. Resolution 65/275

[1] ICAO, IFAD, ILO, IMO, ITU, UNIDO, UPU, WHO, WIPO, WMO, UNESCO

[2] FAO, UNWTO

[3] Vatican permanent observer from 1964, Palestine observer entity from 1964, observer state from 2012.

adopted by the GA in May 2011 gave the EU many new opportunities regarding the work in the GA, but not in other UN bodies:

- the ability to speak early among other major groups, when speaking on behalf of the EU states
- invited the EU to intervene in the general debate at the opening of the General Assembly
- the EU has obtained the right to orally present proposals and amendments
- the EU has obtained the right to reply once to a speech regarding EU positions
- the positions of the EU and its member states will be represented by the President of the European Council, the High Representative for Foreign Affairs and Security Policy, the European Commission and the EU delegation
- the changes still did not allow the EU to obtain the same rights of a UN member state
- the EU does not have the right to vote on resolutions or decisions
- the EU does not have the right to co-sponsor draft resolutions or decisions in writing

Since 2009 the EU has one sole representation body at the UN: the EU Delegation in New York that combined the EC delegation and the EU Council liaison office into one. There are delegations accredited to UN bodies in Geneva, Paris, Nairobi, New York, Rome, and Vienna.

Delegations operate under the authority of the High Representative for Foreign Affairs and Security Policy who is also the Vice President of the Commission. In 2011 Catherine Ashton was elected to this post, later in 2015 Federica Mogherini was chosen to lead the EU's foreign policy for the next five years.

The delegations are coordinating the work of the EU member states, they are reporting back to the EEAS and they are working with the member states on burden sharing.

As the *Global Strategy on the EU's Foreign and Security Policy* (2016) states, the EU committed to "effective multilateralism", and "the key EU priority will be to uphold, strengthen and reform the UN and the rules based global order". Among the main objectives, the EU focus on "a stronger global governance, on peace and conflict prevention and on an enduring agenda for transformation while gender equality and women's empowerment as well as peace and security".

In the Security Council the EU can bring significant influence on particular issues since France and the United Kingdom have permanent seats in the Council and they have veto power.[4] Article 34 of the TEU stipulates that "Member States which are also members of the United Nations Security Council will concert and keep the other Member States and the High Representative fully informed. Member States which are members of the Security Council will, in the execution of their functions, defend the positions and the interests of the Union, without prejudice to their responsibilities under the provisions of the United Nations Charter. When the Union has defined a position on a subject which is on the United Nations Security Council agenda, those Member States which sit on the Security Council shall request that the High Representative be invited to present the Union's position."

[4] Although they have not vetoed any resolutions since 1989.

The coordinated EU foreign policy gave an unambiguous result. Since the signing of the Maastricht Treaty the EU displayed a more and more unified voting pattern and now about 97% of the member states votes are unanimous.

The member states of the EU and the EU itself are the biggest financial contributors to the general UN budget and many of the UN's specialized agencies. The translation of this capacity into political power is limited, however the impact of the EU on the general functioning of the EU is unquestionable. Multilateralism is one of the core principles of the EU, which can be achieved only by effective participation and financial contribution. According to the EEAS statistics the EU and its member states contribute 30.38% of the UN regular budget and 33.17% of the UN peacekeeping budget and they also provide about half of the voluntary contributions to UN funds and programmes. (EEAS 2018)

The EU commitment to UN peacekeeping operations increased significantly during the last decades. The nature of peacekeeping has considerably changed since the end of the Cold War; it became more diverse and multidimensional. The EU capabilities especially at the civilian crisis management area were widened under the European Security and Defence Policy (ESDP). The ESDP missions are mandated by the United Nations through the Security Council decisions. In 2004 the EU defined itself as a global actor "ready to share in the responsibility for global security" and "it affirmed the role it wants to play in the world, supporting an international order based on effective multilateralism within the UN" in the "Headline Goal 2010" paper. (HG 2004) In such way the EU contributes to the UN to develop its operational capacities, and to enforce the rules of the international community at the global stage. The number of EU lead operations increased since 2003 mainly at the territory of the West Balkan (CONCORDIA/FYROM, PROXIMA/FYROM, EUPM/Bosnia, EULEX/Kosovo), Africa (EUSEC, EUPOL EUFOR, ARTEMIS/RD CONGO, EUFOR/Tchad, EUAVSEC/South Sudan, EUSSR/Guinea-Bissau, EUNAVFOR/ Somalia, EUTM/Mali and Somalia, EUBAM/Libya, EUCAP/Sahel Mali, Sahel Niger) and Asia (EUPOL/Afghanistan, EUJUST LEX/Iraq, EUAM/Iraq, EUJUST THEMIS/Georgia, EUMM/Georgia EUPOL COPPS/Palestinian Territories, EUBAM Rafah, Aceh Monitoring Mission/Indonesia).

The European Union and the IMF, World Bank Group

The IMF was the central actor of the system of fixed exchange based on the U.S. dollar and gold. It also serves as a forum for consultation and cooperation and a provider of short-term financial assistance to countries experiencing temporary deficits in their balance of payments. A membership criterion in the IMF requires the vote of the current members. Each member of the IMF is assigned a quota which determines the financial commitment to the organisation, the access to the financing programmes and the voting power. Each new membership requires the share of the old members to be recalculated.

The European Union has no direct representation in the international financial institutions. Instead the 19 Eurozone members are represented on the board of the International Monetary Fund via different country groups. Germany and France has a constituency on their own. Ten other Eurozone members are part of four other constituencies headed by Italy, Spain, the Netherlands and Belgium (these constituencies also contain more than

20 other countries). The common voice of the Eurozone is missing from IMF and although they jointly hold 23% of the shares they are slightly underrepresented in the institution due to the unfortunate institutional configuration. As for the total representativeness of the EU the Eurozone together with the U.K. and Scandinavian constituencies, has 8 representatives from the possible 20 on the IMF's executive board, which makes 40% of the directors coming from the European Union.

The general impact of the EU on the IMF and World Bank Group is unequal. While the EU member states contribute financially about double the amount of the U.S., they control collectively about more than one third of the votes.

For the future, the EU Commission proposes a different representation system: at ministerial level in the IMF the euro area should be represented by the President of the Eurogroup, and at the Executive Board the euro area would be represented by the Executive Director of a euro area constituency, following the establishment of one or several constituencies composed only by euro area Member States. (EUCOM 2015) This composition would better reflect the economic and financial weight of the euro area and would allow the euro area to play a more active role in the IMF. The total quota assigned to a common Eurozone representation would represent a larger quota than that of the U.S. and it would allow the EU a much larger influence on the IMF's policies.

With the creation of the European Stability Mechanism (ESM), the EU set up an international financial institution in 2012 by the Eurozone member states to help euro area countries in severe financial distress. The ESM could evolve into a European debt management agency, or even into a European Monetary Fund (EMF) to give the Eurozone more autonomy in solving financial stability problems. In this scenario the interest representation of the member states would be more harmonised in the IMF. The Commission helps the governments of the member states to maximise their influence, to adopt common positions on economic and development areas.

Representation of the EU could be possible in international organisations via the European Central Bank, as well. Article 23 of the TEU stipulates that "the ECB and national central banks may: establish relations with central banks and financial institutions in other countries and, where appropriate, with international organisations" and "conduct all types of banking transactions in relations with third countries and international organisations, including borrowing and lending operations."

The IMF played a crucially important role in the member states of the European Union during the sovereign debt crisis. The IMF made a significant contribution to stabilise the economy of Greece, Cyprus, Ireland, Spain and Portugal with providing Stand-By Arrangement (SBA)-supported programme in Greece, Extended Fund Facility (EFF)-supported programme in Ireland, Cyprus and Portugal, and Financial Sector Assessment Programme (FSAP) in Spain. The IMF had arrangement with countries outside the Eurozone including Hungary, Poland, Latvia and Romania, and worked together with the European Union on IMF supported programs in non EU countries including Kosovo and Serbia (Stand-By Arrangements), Albania and Ukraine (Extended Fund Facility). (IMF 2017) On the other hand member states of the EU can agree to lend to another member state in the capacity of their IMF quota, a total of EUR 49 billion.

Membership in the World Bank Group (WBG) also requires a membership in the IMF. Within the WBG, members can join the International Bank for Reconstruction

and Development (IBRD), the International Development Association (IDA) and the International Finance Corporation (IFC). The EU is one of the largest contributors to the World Bank's trust programs, a major donor to the International Agriculture Research Group, the Global Fund to Fight Aids, Tuberculosis and Malaria. In 2015 the contribution was a total of EUR 318.2 million – 195.6 from the EC budget, 122.6 from the European Development Fund. (EUCOM 2016) The EU widely shares the goals of the World Bank Group: end extreme poverty by decreasing the percentage of people living on less than $1.90 a day to no more than 3% and to promote shared prosperity by fostering the income growth of the bottom 40% for every country.

The European Union and the World Trade Organisation

After the Second World War, the United States and the allied states established the rules for the post-war international economy. The General Agreement on Tariffs and Trade was established in 1947, and it was designed to implement the agreed tariff cuts and to serve as the codification of the rules governing commercial relations among the signatories. The EEC customs union was criticised by the GATT member states with regard to the external customs tariffs, the subsidy mechanism of the Common Agricultural Policy and the association agreements which provided special status for third countries. The EEC created the single customs union, a single trade policy and tariff, which was reduced by 20% until the end of the 1960s. During the rest of the Cold War years GATT member states successfully reduced the customs and non-tariff barriers to trade. The EC was a signatory to the number of GATT agreements, and the EC member states were the contracting parties to the GATT. The EC accepted all basic principles of the GATT: the most favoured nation provisions, transparency on market access and of national treatment.

Table 3.

The role of the European Union in the World Trade Organisation

• supporting the work of the WTO on multilateral rule-making, trade liberalisation and sustainable development
• administration of various WTO agreements with monitoring their implementation
• trade policy reviews as a central part of the surveillance of WTO members' trade policies
• monitoring trade and trade-related measures in the wake of the recent global financial and economic crisis
• regional trade agreements between two or more partners – these include free trade agreements and customs unions
• WTO accession for any state or customs territory having full autonomy over its trade policies

Source: EEAS 2017

The World Trade Organisation was established in 1995 replacing the GATT. The European Community became a full member of the World Trade Organisation (WTO) in 1995, and the European Union inherited the membership in 2009. All member states of the EU are also WTO members in their own right. The EU's number of votes is equal to the number of EU member states in the WTO. The European Commission, authorised by the Council

and the EU External Action Service (the EU Mission to the WTO) represents the member states in the executive bodies (Councils and Committees) of the WTO. The Commission regularly informs the European Parliament of the key issues. EU member states may attend WTO meetings but the Commission is entitled to speak with "one voice".

The last round of the trade negotiations started in 2001 as the Doha Development Agenda. The EU participates in talks with the aim to further liberalise trade and help the least developed countries to integrate into the global trading system. Among the main issues, member states try to reform agricultural subsidies, improve developing countries' access to global markets, while ensuring that the achievements respects the need for sustainable economic growth in the developing countries.

Member states of the European Union are participating in the WTO schedule of concessions through the EU; it means that they do not have their own schedule. In case of Brexit, Britain will transition from participating in the WTO through the EU to participating in its own capacity. It will need to establish its own schedules of commitments under the GATT and the GATS.

The European Union Council of Europe

The Council of Europe (CoE) was established in 1948 and currently comprises 47 countries of Europe. All of the member states of the EU are full members in the CoE. Membership of the EU almost requires membership in the Council of Europe. The Council was set up to promote democracy and protect human right and the rule of law.

Article 303 of the Treaty Establishing the European Community declares that "the Community shall establish all appropriate forms of cooperation with the Council of Europe". The European Union participates in Council of Europe bodies as the representative of the Commission, or other agencies and bodies: the European Data Protection Supervisor, the European Environment Agency, the European Food Safety Authority, the European Institute for Gender Equality, the European Monitoring Centre on Drugs and Drug Addiction, the European Union Law Enforcement Agency, the European Union Agency for Fundamental Rights, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the European Foundation for the Improvement of Living and Working Conditions, the European Union's Judicial Cooperation Unit. The EU also participates in the Committee of Ministers and in the Rapporteur Groups, in the Parliamentary Assembly, in the Steering Committees and in the ad hoc Committees.

The common areas of interest include the rule of law, human rights, democracy, good governance and education. The two organisations work together via the exchange of letters, a Joint Declaration on Cooperation and Partnership between the Council of Europe and the Commission and Memorandum of Understanding. As Gstöhl points out "an increasing number of Council of Europe conventions is also open to accession by the European Community, and the Lisbon Treaty contains the legal basis for the accession of the EU to the European Convention on Human Rights". (Gstöhl 2008)

Although the EU has no formal observer status in the organisation, they have quadripartite meetings between the Commission, the EU presidency, the Council of Europe

chairmanship and the Secretary General, officials from the Commission and the Council Secretariat.

There is a big debate whether the EU should not join the CoE itself, but to accede to the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). Although the EU Court of Justice treats the ECHR as part of the EU's legal system, the accession to the ECHR divides the member states and the institutions of the EU. The accession would allow the EU to become a party in cases concerned with Community law before the Strasbourg Court. On the other hand, "the accession will subject the EU institutions to that external monitoring of compliance with fundamental rights which already applies to institutions in the Council's member states". (Juncker 2006, 4.)

The European Union and the OECD

The Organisation for Economic Co-operation and Development (OECD) is an international economic organisation which also serves as a global "forum in which member states can work together to share experiences and seek solutions to common problems". The OECD was established in 1961 to stimulate economic progress and world trade after the United States and Canada joined the Organisation for European Economic Cooperation (OEEC), which was established in 1947 to coordinate the reconstruction of the European economies under the Marshall Plan. Later many non-European countries joined the OECD and today 35 countries are members in the organisation.

The OECD rejected the EEC participation in 1961 to avoid a precedence for other international organisations but it offered a privileged observer status without voting rights. Currently the EU represents itself in the OECD Ministerials (held at the level of Finance Ministers), it can attend several Committee meetings (Policies for the Promotion of Better International Payments Equilibrium, Macro-economic and Structural Policy, Economic Policy Committee).

The EU has a Permanent Delegation at the OECD with diplomats and an ambassador. Members of the EU Delegation participate in the specialised committees without a voting right. The EU representatives are entitled to be nominated to the posts of the OECD, to make proposals, to modify or amend the draft documents. The budget of the OECD is supported by the member states of the Union; the EU does not contribute directly to common expenses.

The OECD makes annual reports on the EU and its member states economic prospects and performance. That is extremely useful for the EU, since from the beginning of the economic crisis in 2008 it struggled to put the necessary efforts in the analysis of the member states' economic outlook. As the OECD states:

> "The EU can thus draw on the OECD's unique reservoir of expertise, including peer reviews, and can access all of the research and analysis conducted by the Secretariat. […] The OECD is above all a forum within which countries can discuss and share national experience, identify best practices and find solutions to common problems. The OECD having working relationships with over 100 non-member economies, the European Union benefits from dialogue and consultations with all players on the world scene, in a context of increased interdependence that demands global rules of the game." (OECD 2017)

Since 2007 the OECD introduced reviews of the EU economy on demand of the APEC countries. During the preparatory phase the EU and the OECD are engaged in consultations (planning phase, consultation phase, secretariat's draft phase, peer-review phase in EDRC, draft amending period) and finally the OECD publish the economic survey.

The European Union and the G20

The Group of Twenty (G20) was founded in 1999 by the governments and central bank governors from Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Republic of Korea, the Russian Federation, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States and the European Union. The G20 is not an international organisation, rather it is an international regime which provides a forum for the participating states on the promotion of international financial stability.

The EU membership is unique among the member states since it is the only non-state member, represented by the European Commission and by the European Central Bank. The impact of the two organisations is reciprocal. On the one hand, the EU adds to the voice of its member states that are individually members of the G20 (France, Germany, Italy, the United Kingdom) and on the other hand, the G20 discussions and recommendations could have a major impact on the EU decision making regarding the regulatory issues discussed at the G20 level. (Wouters et al. 2013) The EU uses its authority at the G20 to protect and extend the rules-based international trading system, while making globalization more inclusive.

The EU set out the priorities regarding the G20 cooperation in 2017. (Juncker 2017) According to it, the EU and the G20 have a "key role making the global economy work for all" with "strong, sustainable, balanced and inclusive growth that relies on multilateral cooperation and rules-based order". The EU and the G20 are also cooperating on an open and fair rules-based multilateral trading system; they work together in the climate regime with support of the G20 Joint Action Plan on Climate and Energy for Growth; they are engaged to develop common standards for fifth generation of mobile communication networks, uphold fair competition in the digital environment, tackle cyber threats, prepare for the impact of digitalisation and automation on labour. An important area of cooperation is the global fight against tax avoidance and evasion; that is why they support the creation of a list of non-cooperative jurisdictions with regard to tax transparency. Other areas include a more resilient international monetary and financial system, the sharing of responsibility for refugees and migrants and the partnering with Africa for investment, growth and jobs.

The European Union and the NATO

The North Atlantic Treaty Organization was established in 1949 as the transatlantic pillar of the European Security and Defence. There is a complex relationship between the two international organisations which became more and more multidimensional since the EU has begun to build up its own Foreign and Security Policy. Both organisations have a common interest in the field of political, security and defence cooperation. As the EU developed its own European Security and Defence Policy after the Nice Treaty entered

into force, the NATO and the EU shared many common functions and assets with each other via the Berlin and the Berlin Plus processes, and they declared their relationship as a strategic partnership in 2002. The EU has direct access to the planning capacities of the NATO, the NATO provides availability of its assets and capabilities for EU-led crisis management operations, arrangements for coherent and mutually reinforcing capability requirements, and they share common procedures for release, monitoring, return and recall of NATO assets and capabilities. They share a "comprehensive approach" to crisis management and operations.

The EU is not a party to the NATO and the NATO has no associated membership status to the EU. EU and NATO officials regularly meet to discuss common security and defence issues at foreign minister, ambassador and military representative levels. The two organisations share other common arrangements:

- a NATO Permanent Liaison Team at the EU Military Staff since 2005
- an EU Cell at the NATO's strategic command for operations (SHAPE) since 2006
- a permanent military liaison arrangement to facilitate cooperation at the operational level

The Lisbon Treaty created the European External Action Service and a harmonised Common Foreign and Security Policy which helped to deepen the relationship. The cooperation intensified in the areas of capability development and capability shortfalls (medical support, countering improvised explosive devices), and the NATO "Smart Defence" and the EU's "Pooling and Sharing" initiatives were also harmonised.

The European Union and the Organization for Security and Co-operation in Europe

The history of the Organization for Security and Co-operation in Europe (OSCE) dates back to 1973, when the Conference on Security and Cooperation in Europe (the *Helsinki Conference*) began on security, economic and human rights areas between the western democracies and the countries of the Soviet bloc. The OSCE was established in Budapest, 1 January 1995 and it continued the decades long work on arms control, promotion of human rights, freedom of the press, and election observation while all of the EU member states are parties to the OSCE.

The EU has official relations with the OSCE since 2006 when the OSCE's Organization's Rules of Procedure granted it a seat next to the participating State holding the rotating EU Presidency. The establishment of the EU Common Security and Defence Policy made it possible to the two organisations to work closely together on a range of issues like election observation, promoting the rule of law, monitoring war crimes justice, guaranteeing the rights of minorities and observing the freedom of the media.

As the OSCE points out, the EU contributed to the judicial and police reform, public administration, anti-corruption measures, democratization, institution-building and human rights, media development, small and medium-sized enterprise development, border management and combating human trafficking, elections observation in the OSCE's Special Monitoring Mission to Ukraine. (OSCE 2017)

Table 4.

Competences of the European Union according to the Lisbon Treaty, and Participation of EU Institutions in Related International Organizations and Conventions

Competences	Organisations, Conventions	Status of the Eu & Member States
Foreign, security and defence policies (including general political affairs)	UN General Assembly	EU observer; MS as members
	UN Security Council	2 permanent MS + a rotating system
	OSCE	EU observer, MS as members
	NATO	24 MS as members
	Non-Proliferation Treaty	EAEC signatory & MS
	Council of Europe	EU observer, MS as members
	G7/G8/G20	EU participant, some MS
1. Exclusive (Article 3)		
A. Customs union	World Customs Org. (WCO)	Member
B. Competition policy	World Intellectual Property Organisation (WIPO)	Observer
C. Monetary policy (for Eurozone)	IMF	ECB observer, MS as members
	Bank for International Settlements (BIS)	ECB on Board, some MS
	OECD	EU observer, 21 MS as members
D. Fisheries & marine biological policies	Convention on Fishing and Conservation of the Living Resources of the High Seas	EU & MS as members
	UN Conference on Highly Migratory Fish	EU & MS as members
	Multiple regional fisheries organizations: Mediterranean, NE Atlantic, NW Atlantic, SE Atlantic, Antarctic, Western and Central Pacific	EU Member & some MS
	Organizations for species: tuna, salmon	EU signatory & some MS
E. Trade policy	WTO	EU & MS as members
	UN Commission on International Trade Law (UNCITRAL)	EU observer, some MS as members
2. Shared (Article 4)		
A. Internal market	International Standards Organization (ISO)	EU cooperation, MS as members
	Codex Alimentarius Commission	EU & MS as members
B. Social policy	International Labour Organization (ILO)	EU observer, MS as members
C. Cohesion (regional)	–	–

D. Agriculture and forestry	FAO	EU & MS as members
	International Fund for Agricultural Development	EU observer, MS as members
	Multiple product organizations: Olive oil, Sugar, Cocoa, Coffee, Jute, Tropical timber, Rubber, Grains, New varieties of plants	EU & some MS as members
E. Environment	UN Environmental Program	EU observer, some MS as members
	UN FCCC (climate change)	EU & MS as members
	Kyoto Protocol	EU & MS as members
	UN Conference on Environment and Development	EU & MS as full participants
	Convention on Law of the Sea (UNCLOS)	EU & MS as members
	International Tribunal of the Law of the Sea	EU & MS as members
	International Seabed Authority	EU & MS as members
	Protection of the Marine Environment of the North-East Atlantic (OSPAR)	EU & 12 MS as members
	Protection of the Danube River	EU & 6 MS as members
F. Consumer protection	_	_
G. Transport	International Civil Aviation Organization (ICAO)	EU observer, MS as members
	International Maritime Organization (IMO)	EU observer, MS as members
	Eurocontrol	EU & 21 MS as members
H. Trans-Eur. Networks	_	_
I. Energy	International Atomic Energy Agency (IAEA)	EU observer, MS as members
	International Energy Agency (IEA)	EU participates, 17 MS as members
	Energy Charter Treaty	EU and MS as members
J. Freedom, security and justice	International Court of Justice (ICJ)	–
	International Criminal Court (ICC)	EU cooperation agreement
	European Convention of Human Rights	EU & all MS as acceding parties
	UN High Commission for Refugees	EU observer, MS as members
	World Conference against Racism, Racial Discrimination	EU & MS as full participants
	Fourth World Conference on Women	EU & MS as full participants
	UN Convention Against Illicit Traffic of Drugs	EU & MS as full members
	UN Convention Against Transnational Crime	EU & MS as full members
K. Public health, safety	_	_

L. Research, technology, space	International Telecommunications Union (ITU)	EU sector members, MS as members
	Outer Space Treaty	EU observer, most MS as members
	World Summit on the Information Society	EU & MS as full participants
	International Fusion Energy Organisation (IETR)	EAEC member, no MS
	Science and Technical Center in Ukraine	EAEC & EU member, no MS
M. Development and humanitarian aid	World Bank	–
	World Food Programme (WFP)	EU & many MS as donors
	UNDP	EU observer, MS as members
	UNCTAD	EU observer & partial member
	World Summit on Sustainable Development	EU & most MS as full participants
	UN Conference on Least Developed Countries	EU & most MS as full participants
	World Food Summit	EU & most MS as members
3. Coordination (Article 5)		
A. Economic policies	EBRD	EEC & MS as shareholders
	OECD	EU observer, 21 MS as members
B. Employment policies	ILO	EU observer, MS as members
C. Social policies	ILO	EU observer, MS as members
4. Supplementary (Article 6)		
A. Human health	World Health Organization (WHO)	EU observer, MS as members
	UN Population Fund (UNFPA)	EU observer, MS as members
B. Industry	UN Industrial Development Organisation (UNIDO)	Partnership; most MS as members
	Multiple Organizations for commodities: Nickel, Copper, Lead and Zinc	EU & some MS as members
C. Culture	UNESCO	EU observer, MS as members
D. Tourism	UN World Tourism Organization	Most MS as members
E. Education, training, youth, sport	UNESCO	EU observer, MS as members
	UNICEF	EU observer, MS as members

Source: Emerson–Kaczyński 2010, 5–6.

Conclusion

The European Union and its predecessor the European Community have a long history regarding the participation in international organisations. During the last half a century not only the EU has transferred fundamentally but the international organisations have changed. The Lisbon Treaty gave the EU full legal personality; throughout the EU obtains the ability to sign international agreements and to join an international organisation.

But not only the EU itself extended its relations and representation in the international organisations but also the EU's autonomous or semi-autonomous agencies like the European Agency for Safety and Health at Work, the European Medicines Agency, the European Maritime Safety Agency or the European Food Safety Agency worked hard to represent the stakeholders' interests internationally. The scientific cooperation between the U.S. and the EU helped the member states to play an important role in the global technological landscape via the European Space Agency or the European Synchrotron Radiation Facility.

The membership of the EU and the EU member states vary from institution to institution. The EU can represent fully its member states but exclusive competence is very limited. On the other hand, in many international organisations the EU does not have a seat like in the World Intellectual Property Organization (WIPO) or the IMF.

The EU is a sui generis political and legal entity. Member states remained independent but at the same time they have pooled their sovereignty in order to function more efficiently and to gain more influence at the world scene. Membership in international organisations helps the EU to enforce the rules of the international legal order and bridge the "enforcement gap" which states that international rules cannot be enforced in the same way as domestic laws. Relations with the UN, NATO and OSCE contributed to the promotion of stability and democracy, while the role of the EU in international financial organisations is helpful to gain more influence over the global monetary and financial sphere.

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The Relationship between the European Union and the United Nations

Tamás Hoffmann

Introduction

The United Nations (UN) is the only truly universal international organization – universal both in terms of membership, as all internationally recognized states are affiliated with it, and also universal in terms of activities, which cover all issues of international affairs. This organization, with its specialist agencies, funds and support programmes, is viewed as the international politics entity with the broadest legitimization to act upon the threats and problems occurring on the international scene. As aptly pointed out by Fassbender, since both the European Union (EU) and the UN are "based on the same idea of 'integration through law' and, more fundamentally, the same belief in rational and enlightened human beings able to design and organize their societal life in a reasonable way, a failure of multilateralism on a global level would necessarily have repercussions on the European project. Intellectually and conceptually, the European Union and the United Nations are built on the same foundations. If this ground becomes shaky, both structures are in danger". (Fassbender 2004, 884.)

Indeed, this interdependence seems to have been noticed by average Europe citizens as well, who tend to have more trust in the UN than in the European Union itself. (Brantner–Gowan 2009, 40.)

Unsurprisingly, the Treaty on the European Union (TEU – Lisbon Treaty) is replete with confirmation of the fact that a close relationship between the European Union and the United Nations must be in the focus of European foreign policy. Most importantly, Article 21(1) of the TEU provides that:

1. The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law. The Union shall seek to develop relations and build partnerships with third countries, and international, regional or global organisations which share the principles referred to in the first subparagraph. It shall promote multilateral solutions to common problems, in particular in the framework of the United Nations.

The EU's support for the UN has been repeatedly evinced in its foreign policy documents as well. The 2003 European Security Strategy was based on the idea of

"an international order based on effective multilateralism", which could be realized by "strengthening the United Nations, equipping it to fulfil its responsibilities and to act effectively". (A Secure Europe 2012, 9; The European Union and the United Nations 2003) Even though the concept of "effective multilateralism" has been recently substituted for "principled pragmatism" in the 2016 Global Strategy, even the new foreign policy manifesto of the European Union reaffirms the importance of the United Nations in the global order. The document emphasizes that:

> "The EU will promote a rules-based global order with multilateralism as its key principle and the United Nations at its core. As a Union of medium-to-small sized countries, we have a shared European interest in facing the world together. Through our combined weight, we can promote agreed rules to contain power politics and contribute to a peaceful, fair and prosperous world. The Iranian nuclear agreement is a clear illustration of this fact. A multilateral order grounded in international law, including the principles of the UN Charter and the Universal Declaration of Human Rights, is the only guarantee for peace and security at home and abroad. A rules-based global order unlocks the full potential of a prosperous Union with open economies and deep global connections, and embeds democratic values within the international system." (Shared Vision, Common Action 2016, 2.)

It can be concluded that the foreign policy of the European Union is predicated on the assumption that the United Nations is the bedrock of the global system. (Blavoukos–Bourantonis 2017, 6.) The EU is present in almost all major UN bodies, agencies, programmes and conferences. The Union is party to more than fifty international UN agreements and conventions as the only non-state participant. It has also been a full participant at certain UN summits, such as the Rio and Kyoto summits on climate change.

This chapter will first introduce the institutional aspects of this relationship, analysing the representation of the European Union in the main UN organs, focusing on the General Assembly and the Security Council. Then it will zero on in the specific fields of cooperation between the European Union and the United Nations, with special regard to the maintenance of international peace and security.

Representation of the European Union in the United Nations

Article 4(1) of the UN Charter prescribes that "membership in the United Nations is open to all other peace-loving states". This condition obviously limits the potential candidates to UN membership to states, thus excluding non-state entities such as the EU. Even though Article 47 of the Lisbon Treaty has eventually bestowed legal personality on the European Union, legal personality is not tantamount to statehood.

This does not, however, mean that the European Union cannot become a member of another international organization. Conditions of membership in an international organization is determined by the foundational document (usually Charter or Treaty) and depending on its provisions the Union might become a founding member of an international organization

or might seek to join an already existing international organization. With respect to the first situation, the European Community became a founding member of the WTO in 1994.

However, as regards the second situation, many international organizations dating from before the establishment of the European Communities have no provision in their constitutions to accommodate other international organizations wishing to become members. The UN is perhaps the paradigmatic example. The only way for the European Union to join such an international organization would be to persuade the existing members to amend the constitution of the organization in order to enable other international organizations to become members. Should that be successful, the Union and the Member States can become members of the relevant international organizations alongside each other. (Kuijper et al. 2013, 175.)

An example of an organization subsequently amending its founding treaty to enable the accession of the European Communities is the Food and Agricultural Organization of the United Nations (FAO). The FAO admitted the then EEC as a "member organization", alongside its Member States, by a decision of 26 November 1991, taken under Article II(3) and (5) FAO Constitution. As with the FAO, any international organization of which both the Union and the Member States are parties will have to determine whether both the Union and the Member States get voting rights and how these are to be exercised.

Since the EU cannot become a member of the UN itself, in a number of UN bodies the EU has no formal status at all, forcing it to rely entirely on representation through its member states. Article 220(1) of the Treaty on the Functioning of the European Union (TFEU) however, provides that the "Union shall establish all appropriate forms of cooperation with the organs of the United Nations and its specialised agencies", thus clearly signalling the desire of the Union to create an institutional framework for representation.

The EEC have been working on strengthening the cooperation with the United Nations since the 1970s. The United Nations Working Party (better known by its acronym CONUN) was established by the Political Committee on 23 January 1975. (Rasch 2008, 175.) Its mandate is to develop the European Union's UN policy, with a focus on strengthening and reforming the UN system, and maintaining international peace and security. Other Council working parties have regional and thematic portfolios. (Chané–Wouters 2017, 550.)

Coordination between the EU and the EU Member States is a complex process, from strategy development in Brussels, to the fine-tuning on the ground in New York, Geneva, Rome and other UN venues. In Brussels, the Commission and several working parties of the Council prepare the Union's positions at the UN, depending on the subject matter and the forum. However, as it is demonstrated below, the lack of EU membership status in the main UN bodies lead to problems of representation. With full participation out of reach, in 2012 the then European Commission President Barroso and Vice-President Ashton proposed a more modest *Strategy for the Progressive Improvement of the EU Status in International Organisations and Other Fora in Line with the Objectives of the Treaty of Lisbon.* Though still calling for an "improvement of the EU status and its alignment with the objectives of the EU Treaties", it avoided any reference to concrete negotiation goals. Ever since, the European Union is slowly trying to improve its position in each of the major UN bodies without actually specifying the desired status it intends to achieve.

Representation of the European Union in the United Nations General Assembly (UNGA)

The General Assembly is one of the principal organs of the United Nations. All 193 member states of the Organization have a seat and a vote in the Assembly, which is the main representative, policymaking and deliberative organ of the United Nations and according to Article 10 of the UN Charter it has a general competence "to discuss any questions or any matters within the scope of the present Charter or relating to the powers and functions of any organs provided for in the present Charter". Every member has the right to have five representatives but has only a single vote. Among others, the UNGA passes resolutions related to economic affairs, development, security and disarmament, human rights and administrative and budgetary matters. While these resolutions are not legally binding, but are nevertheless important as they express the political views of the international community and may contribute to the development of international law.

In the UN General Assembly, EU foreign policy aspirations have become increasingly more ambitious. The Commission received observer status in 1974 and while the Maastricht Treaty only called on to coordinate member state policies through the EU, with the adoption of the Lisbon Treaty, the newly integrated EU delegation took over representation responsibilities, supported by a European diplomatic service, the European External Action Service (EEAS). (Laatikainen 2015, 708.)

Previously, the EU member state holding the presidency had been responsible for coordination and representation functions in the United Nations. The new regulation thus attempted to redefine the balance between member states and EU institutional actors in the UN context. However, in the United Nations EU member states are dispersed across three electoral groupings – the fifteen "old" member states belong to the Western Europe and Others Group (WEOG), the new member states to the Eastern Europe Group (EEG), except for Cyprus which belongs to the Asian Group. Member states that represent regional groups have prerogatives that observers, such as the EU (which inherited the Commission's observer status), do not possess.

In 2011, the UN General Assembly adopted Resolution A/65/276 upgrading the observer status to allow the EU to present common positions, make interventions, present proposals and circulate communications and participate in the general debate each September (United Nations General Assembly Resolution A/65/PV.88 of 3 May 2011). Since then, it is also the President of the European Council who delivers the EU statement in the General debate, and no longer the rotating Presidency, bringing EU representation in New York in line with the Lisbon Treaty provisions. Besides the President of the European Council, other EU external representatives – the EU High Representative for Foreign Affairs and Security Policy, the European Commission and the EU delegation – can also present the positions of the EU and its member states at the UN. However, the representatives of the European Union still only have seating among the observers and do not have the right to vote, to co-sponsor draft resolutions or decisions, or to put forward candidates. Consequently, a Union representative can only take the floor when the representatives of all the countries belonging to the UN have already done so, which significantly reduces the direct influence of the EU.

This missing "actorness" of the European integration organization before the 1990s often resulted in low voting cohesion among the members of the EEC, especially in

politically contentious issues. For example, in 1979, the resolution on the *Assistance to the oppressed people of South Africa and their national liberation movement* (United Nations General Assembly Resolution A/RES/34/93[I] of 12 December 1979) was passed in the UNGA with 134 'yes' votes, three 'no' votes and seven abstentions. The three 'no' votes were cast by the U.S., France and the United Kingdom, and three of the seven abstentions were recorded by EU member states (Germany, Luxembourg and Belgium), while four EEC states voted with 'yes' (Ireland, Denmark, the Netherlands and Italy). (Burmester–Jankowski 2014, 1504.) Moreover, the EEC's voting cohesion decreased sharply when the U.S. opposed a resolution during this period. However, in contrast to the 1970s, the disagreement variable is significant. However, on votes where the UNGA was evenly split, the EEC was likely to vote with almost perfect cohesion.

According to Burmeister and Jankowski, the voting behaviour of the EU can still be regarded as rational. When a cohesive vote by the EU is unlikely to change the outcome of a resolution, the EU seems to put little effort in its co-ordination process. In such instances, member states can differ from the EU's majority position. In other words, if a nearly unanimous vote is expected, EU member states are more likely to follow their specific national interest, even if this is in contrast to the majority position of the EU. This might be especially true for the major powers in the EU, namely France, Germany and the U.K. (Burmester–Jankowski 2014, 1505.)

To increase voting cohesion, the EU coordinates its voting within the General Assembly's six main committees and other bodies and agencies such as the Economic and Social Council. To this end, more than 1300 internal EU coordination meetings are held at the UN in New York alone to develop a common EU stance and the ability to speak with one voice. Still, EU coordination only seems to be genuinely successful in case of less politicised UN resolution. (Panke 2014, 40.) For instance, in the 64th session (2009/2010) of the UNGA, the EU failed to develop common voting positions on 23 of the 87 issues on which a vote was taken and was consequently not voting as one block 26.43% of the time. These issues included a resolution on global efforts for the total elimination of racism, a draft resolution on the dissemination of information on decolonisation, a draft resolution on the inadmissibility of certain practices that fuel racism, a draft resolution on the Syrian Golan, a draft resolution on the *Declaration of the Indian Ocean as a Zone of Peace,* a draft resolution on promotion of multilateralism in the area of disarmament and non-proliferation and a draft decision on adoption of the outcome document of the Durban Review Conference as well as others. (Panke 2014, 30.) Overall, it might be concluded that even though the European Union has made considerable progress in the last few decades in developing a common voice in the UN General Assembly, its lack of full membership prevents it from representing a single position in all cases.

Representation of the European Union in the United Nations Security Council (UNSC)

According to Article 23 of the UN Charter, the Security Council is composed of five permanent members – China, France, Great Britain, France and Russia – and ten non-permanent members, elected periodically for two years by the General Assembly pending the approval

of their respective regional groupings. Under Article 24 of the UN Charter, the Security Council has primary responsibility for the maintenance of international peace and security and can even pass resolutions binding on all member states. The permanent members of the Security Council have the right to veto any proposed resolutions, so unsurprisingly the two EU permanent UNSC members, Great Britain and France, have fought hard to preserve the acknowledgement of their special status as enshrined in the EU treaties from Maastricht onwards.

Article 34(2) of the Treaty of Lisbon signals that there is no EU coordination provision for the UNSC, merely the obligation to engage in consultations. It provides that:

> "Member states which are members of the Security Council will, in the execution of their functions, defend the positions and the interests of the Union, without prejudice to their responsibilities under the provisions of the United Nations Charter.
> When the Union has defined a position on a subject which is on the United Nations Security Council agenda, those member states which sit on the Security Council shall request that the High Representative be invited to present the Union's position."

According to Declarations 13 and 14 concerning the common foreign and security policy, added to the Treaty of Lisbon, even though EU member countries ought to undertake coordinated actions in the arena of the UN with reference to the common EU standpoint, in the event of a conflict of interest, individual countries put priority on the obligations resulting directly from the terms of the United Nations Charter over the interest of the EU.

In the absence of a strong collective EU presence, special emphasis has been laid upon intra-EU coordination to ensure that EU member states that are also UNSC members raise EU views and positions. Still, information-sharing in the UNSC has lagged behind in comparison to the other UN main and subsidiary organs and coordination has remained problematic. Even though already Article J.9 of the Maastricht Treaty stipulated that "the Commission shall be fully associated with the work carried out in the common foreign and security policy field", little formal or informal coordination among member states on UNSC affairs was taking place in the 1990s. Despite sporadic attempts by some member states to enhance information exchange and repeated pressure on the two EU permanent UNSC members to improve coordination with the other EU partners, no regular coordination mechanism was formally established. Only recently, pragmatic arrangements have increased the flow of information, prospective coordination, and EU visibility in the UNSC in conformity with the Treaty of Lisbon obligation of member states in the UNSC to keep the other EU member states and the High Representative fully informed. (Marchesi 2010, 101–103.)

Consequently, the issue of coordination emerges as a key parameter of EU performance in the UNSC. Such coordination aims at fine-tuning the positions of EU member states and avoiding split votes in the UNSC decision-making process that would stress the intra-EU heterogeneity and thus distort the implicit or explicit projection of individual member states' positions as those of the EU. (Blavoukos–Bourantonis 2011, 733.) The gradual transformation of the duty of information into practice on UNSC affairs reflects broader concerns that the EU is not an actor *per se* in the UNSC, in contrast to other UN bodies. (Rasch 2008, 78–86.)

This strategy seems to be successful in helping to establish an EU presence within the Security Council. The UNSC officially endorsed the relationship with the EU in 2014 when it adopted a presidential statement on cooperation between the EU (Statement by the President of the Security Council of 14 February 2014) and ever since holds annual meetings on strengthening the partnership with the EU, under its agenda item on cooperation between the UN and regional and subregional organisations. Moreover, EU representatives regularly deliver statements in the Security Council. Only in 2016, the EU delivered 32 statements in the UN Security Council.

Representation of the European Union in other United Nations organs

Full membership of the EU, such as in the Food and Agricultural Organization is still the exception. In most bodies, the EU holds observer status, for example in the Economic and Social Council (ECOSOC) and its subsidiary bodies, as well as in the UN Conference on Trade and Development (UNCTAD), which is a subsidiary organ of the UN General Assembly. Finally, there remains a number of organs within the UN framework, where the EU has no formal status, such as the World Bank, although its member states may be members.

Unlike the FAO, the ECOSOC is an organ with limited membership. Its 54 members are elected by the UN General Assembly for a term of three years, taking into account geographical representation. To coordinate the membership bids of EU member states, the EU has developed a complex system which determines the election intervals for each EU member state. In 1983, the ECOSOC extended a standing invitation to the EEC, granting it the "right to participate, with the approval of the Council and without the right to vote, in the Council's debates on questions of concern". The EEC's ad hoc participation, subject to invitation, was consequently turned into a permanent observer status.

In practice, however, the EU's limited participation rights in most UN bodies still force it to rely on representation through the Member States, usually the one holding the Council Presidency. The EU's external representation at the UN is, therefore, still spread on many shoulders. Depending on the subject-matter and on the level of the meeting, the EU will be represented by the Commission (in matters that do not fall under the Common Foreign and Security Policy [CFSP]), the President of the European Council and the High Representative (in CFSP matters) and/or the EU Delegation. The Member States continue to speak on their own behalf and will speak "on behalf of the EU" whenever the Union's lack of participation rights so requires. If a matter falls within an area of both EU and national competence, the EU's representative will be determined on the basis of whether the "thrust" of the issue falls under EU or national competence. (Chané–Wouters 2017, 551.)

Fields of Cooperation Between the European Union and the United Nations

As seen above, the European Union is dedicated to a rules-based global order and that is predicated on a close cooperation with the United Nations. In Federica Mogherini's words: "The European way is also the United Nations' way. This explains why all our actions,

all our initiatives are always taken in full coordination and partnership with the UN. We believe in the UN, because we believe in the same principles, in the same values, and our communities are built upon the same fundamental ideals". (High Representative/Vice-President Federica Mogherini at the UN Security Council, 9 May 2017) But cooperation is not simply seen as a moral duty but also as a political necessity. As the EU Global Strategy for Foreign and Security Policy emphasizes: "Without global norms and the means to enforce them, peace and security, prosperity and democracy – our vital interests – are at risk. Guided by the values on which it is founded, the EU is committed to a global order based on international law, including the principles of the UN Charter". (Shared Vision, Common Action 2016)

This commitment to multilateralism within the framework of the UN system demands marshalling a wide range of instruments to realize a comprehensive approach that is "direct involvement in international negotiations, including mediation, on behalf of the international community; and […] close work with international and regional partners, where only collective efforts can deliver results. A particular strength of the European Union is its ability to respond to a crisis with a wide range of tools and instruments — short- and long-term, humanitarian and development, security and political". (Ashton 2013)

The political aspect of the cooperation between European Union member countries within the UN, however, can cause ambiguities. As previously emphasized, the countries lead their own foreign policy, fulfil their own obligations resulting from the United Nations Charter, and thus are guided by the best realization of their own national interests. They are therefore not obliged to observe common arrangements concerning the Common Foreign and Security Policy. (Willa 2016, 341.)

International peace and security

The utmost importance of the maintenance of international peace and security is repeatedly affirmed in the Treaty of Lisbon as the Union to define its potential contribution as a player on the international stage. (Dashwood 2008, 74.) Art. 21(2) of the TEU provides that:

> "The Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to:
> (c) preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter."

Moreover, Declaration 13 added to the Treaty of Lisbon on common foreign and security policy stresses that: "the European Union and its Member States will remain bound by the provisions of the Charter of the United Nations and, in particular, by the primary responsibility of the Security Council and of its Members for the maintenance of international peace and security."

The EU has a wide range of tools available to prevent and solve crises in close cooperation with international and regional partners. For this reason, the High Representative provides regular updates to the Security Council and the EU is often invited to address issues of common concern, such as the fight against terrorism. Regular UN Security

Council meetings on UN–EU cooperation in maintaining international peace and security are testimony to the importance both place on it.

Peacekeeping

Peacekeeping is one among a range of activities undertaken by the United Nations to maintain peace and security throughout the world, and the area is clearly aligned with some of the ambitions of the EU as an international actor. The UNSC establishes a peacekeeping operation by adopting a Security Council Resolution. The resolution sets out that mission's mandate and size. Once agreed upon, the Security Council also monitors the work of UN peacekeeping operations continuously, among other things through periodic reports from the Secretary-General and by holding dedicated Security Council sessions to discuss the work of specific operations.

While usually not directly involved in political decisions on establishing or terminating UN peacekeeping operations, the General Assembly (UNGA) plays a key role in the financing of peacekeeping missions. As all UN member states (have to) share the costs of UN-led peacekeeping operations, the UNGA apportions these expenses based on a special scale of assessment, taking the relative economic wealth of member states into account. Yet the permanent members of the Security Council are required to pay a larger share due to their special responsibility for the maintenance of international peace and security.

Given their shared values, strongly convergent objectives and the EU's stated interest in promoting "effective multilateralism", the European Union and the United Nations are often considered to be "natural partners" in global peacekeeping and the EU considers the UN a key entity responsible for undertaking actions in order to prevent international conflicts. Yet, the cooperation between the EU and the UN in this particular area only goes back two decades. The Franco–British Saint-Malo Summit (1998) and the 1999 European Council of Cologne not only initiated a shared European Security and Defence Policy, but also EU–UN cooperation in the area of peacekeeping missions and peacebuilding operations. (Hosli et al. 2017, 90.)

At the 2000 EU summit in Nice, the EU acknowledged the necessity of a strong relationship with the UN that "allows Europeans to answer in an efficient and coherent manner to the requests of leading organisations such as the UN and the OSCE" and that the Council's Presidency had to "identify possible areas and modalities of cooperation between the EU and the UN in the field of crisis management". (European Council 2000) Later that year, the Gothenburg summit stipulated that the EU should "develop mutually reinforcing approaches to conflict prevention" and "ensure that the EU's evolving military and civilian capacities would provide real added value for UN crisis management". (European Council 2001)

The EU eventually drafted two internal crisis management guidelines, determining the modalities and principles of peacekeeping cooperation with the UN and other international organisations. The Joint Declaration on UN–EU Cooperation in Crisis Management, adopted on 19 September 2003, emphasized the benefits of cooperation for both sides. It expressed a commitment to intensify common actions and established a special mechanism of bilateral consultations, aiming to facilitate planning, training and communication.

This approach was further developed in the EU–UN Cooperation in Military Crisis Management Operations: Elements of Implementation of the EU–UN Joint Declaration, adopted by the EU Council on 17 June 2004. (General Secretariat of the European Council 2004) This document outlined two possible models for performing EU operations according to the UN mandate. The "bridge model" applied to quick and brief EU interventions allowing the UN to gather more forces and resources, while the "readiness model" can be implemented in support for operations led directly by the UN. (Willa 2016, 344.)

These documents have established basic principles for peacekeeping that have ever since remained the same. According to these the EU will at all times retain the political control and strategic direction of all of its operations, such cooperation will take place on a case-by-case basis only and will not necessarily participate in a peace support mission, even in case of specific request by the UN. Moreover, the EU does not constitute a pool of forces, but will only intervene by conducting specific missions or operations. (Hosli et al. 2017, 92.)

While in the early 2000s the EU was often regarded as "just a regional peacekeeper", (Missiroli 2003, 493.) by today European Union military and civil missions and operations have been conducted in three continents, not only in Europe but also in Africa, such as the EU Military Training Mission in Somalia (EUTM–Somalia) and the EU Border Assistance Mission in Libya (EUBAM), and in Asia, for instance the EU Co-ordinating Office for Palestinian Police Support (EUPOL COPPS). (EU Peacekeeping Operations 2017) These crisis management operations have a wide variety, such as police missions, rule of law missions, border assistance missions, monitoring missions and military missions. In sum, during the last two decades the European Union has successfully developed its peacekeeping capabilities and become a genuine partner of the UN in this field.

Implementation of UN sanctions

Under Chapter VII of the UN Charter, the Security Council has the competence to pass binding resolutions imposing sanctions on states, non-governmental organizations or even single individuals to protect international peace and security. The Charter specifies that these sanctions are created obligations that take precedence over any other state obligations. Article 103 stipulates that: "In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under the present Charter shall prevail." In the jurisprudence of the European Court of Justice this obligation was originally interpreted as applicable in the EU context, as well.

In the Bosphorus case, a Turkish company contested the execution of UN sanctions against Yugoslavia in EU law. Bosphorus Airways was a Turkish company operating principally as an air charterer and travel organizer that leased for a period of four years two aircraft owned by the Yugoslav national airline JAT. The agreement provided for the leasing of the aircraft only and excluded cabin and flight crew, who were provided by Bosphorus Airways. The latter company thus had complete control of the day-to-day management of the aircraft for that period. Yet, the leased aircraft was still confiscated by the Irish authorities in compliance with Council Regulation (EEC) 990/93 that implemented

UNSC Resolution 820 (1993). (Wenzel 2008) In that context, the Court of Justice held that if an EU act intends to implement a UN obligation, the act ought to be interpreted in the light of the UN rule in question (Judgment in Bosphorus Hava Yollari Turizm ve Ticaret AS v Minister for Transport, Energy and Communications and Others.)

This approach, however, was substantially changed following the implementation of the sanctions regime established by the UN Security Council Resolution 1267 (1999). This regime is directed against al-Qaeda and the Taliban, and associated individuals and entities, obliging all UN Member States to implement an asset freeze, travel ban and arms embargo on them. It revolves around the function of a Sanctions Committee created to oversee the implementation of these sanctions. On the basis of information from the UN Member States the 1267 Sanctions Committee establishes and amends a list of persons related to al-Qaeda, on whom sanctions are to be imposed by the UN Member States. The Union adopted Common Position 2002/402/CFSP9 in accordance with Resolution 1267 and implemented it with Council Regulation (EC) No 881/2002. The centralized nature of the 1267 regime has raised issues within the EU with regard to the adequate protection of human rights of listed individuals. (Kuijper et al. 2013, 217–8.)

This has been particularly illustrated by the Kadi case before the EU Courts. (De Búrca 2010) The applicant, a Saudi Arabian national with substantial assets in the EU had been listed in the annex to an EC Regulation as a person suspected of supporting terrorism and in consequence all his funds and financial assets in the EU were frozen. Even though the Court of First Instance decided that the regulation was in conformity with the Security Council's binding resolution, on appeal, the Court of Justice overturned the Court of First Instance's judgment. The Court took the view that the respect for the UN Charter does not reach so far as to affect the protection of fundamental rights within the EU legal order. Thus, the primacy of international agreements has one clear limitation: it does not extend to primary Union law, including general principles of EU law, and in particular fundamental rights based on the autonomy of the Community legal system (Judgment in Kadi and Al Barakaat International Foundation v. Council and Commission). This reasoning was also reaffirmed in a second judgment (Commission and Others v. Kadi).

Ultimately, the European Union still closely cooperates with the United Nations in the implementation of sanctions to maintain international peace and security. However, these sanctions cannot be implemented in the EU legal order if they are deemed to be incompatible with fundamental human rights norms.

Conclusion

The cooperation of the European Union and the United Nations is riddled with difficulties arising from often clashing national interests and the lack of adequate representation in many UN bodies. As Hoffmeister and Kuijper aptly remarked: "Painting a picture on the status of the European Union at the United Nations may not result in a beautiful Rembrandt with a golden undertone of good old State sovereignty. Rather an artist would possibly have to recourse to some abstract modern techniques, where colours are constantly changing." (Hoffmeister– Kuijper 2006, 34.)

The impending exit of the United Kingdom from the European Union (Brexit) ironically might even forge a greater unity among the remaining EU member states which could result in an improved representation in the United Nations. Even though the U.K. is a permanent member in the Security Council and therefore a major influence within the UN, in the past it had repeatedly obstructed unified EU representation within the United Nations. In 2011, for instance, it blocked the issuing of more than 70 EU statements since it did not agree that the EU could automatically speak on behalf of the member states in certain issues such as finance, economics, disarmament, terrorism and human rights. (Borger 2011)

Nevertheless, despite all the current uncertainties, the EU will continue to be a dedicated supporter of the United Nations. In Federica Mogherini's words: "The European vision is the United Nations vision". (Security Council 2017) Both organizations share a belief that a rules-based global order where states are closely cooperating to maintain international peace and security presents the only viable future for humankind. Consequently, it might be expected that the cooperation of the two organizations will continue to flourish and deepen.

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The NATO–EU Relations

András István Türke

Historical and Legal Background

At the beginning of the integration process, (Western) Europe concluded the following deal, which has had serious consequences. With the renunciation of a pillar of sovereignty (territorial defence, e.g. NATO), the member states of the EU accepted *de facto* the primacy of the USA over policies at the international level. In return most European countries spend much less on collective defence. They thus profit from the unexploited capital for defence. Some countries (France, the U.K.) still develop a military capability to manage their preserve. At the European level, the real political will to create a common European defence is lacking. Thus, there remains only the common defence *policy* for Europeans, that is to say the fields outside the common, territorial defence that falls under NATO. After WWII, European defence started to be reorganized on the basis of bilateral treaties (like the Treaty of Dunkirk, 1947). The mutual defence base for Europe was concluded for the first time in the Brussels Treaty, but the European initiatives were destined to fail, because fear and distrust of the Germans persisted. Weakened and impoverished, the European states did not have the capacity to counter the USSR with conventional or nuclear weapons. Until recently, the signing of the North Atlantic Treaty (NAT, 4 April 1949[1]) has been interpreted differently by the most powerful states in Europe. For France, especially since the presidency of Charles de Gaulle, the integrated structure (i.e. the "Organization") with its military logic of a military doctrine, non-autonomous nuclear weapons, was for a long time refused or criticized. However, the automatic triggering of the mutual defence treaty (i.e. NAT, an international treaty), Article 5, has never been questioned, as for example during the Berlin Wall (1961) and Cuban Missile Crises (1962). Since 1949, Europe's territorial defence is based on Article 5 of the NAT and this article is the basis of the collective defence in the transatlantic area. The treaty limits the territory of its application in Article 6 (amended at the time of the Turkish and Greek accession, 22 October 1951):

> "For the purpose of Article 5, an armed attack on one or more of the Parties is deemed to include an armed attack: on the territory of any of the Parties in Europe or North America, on the Algerian Departments of France, on the territory of Turkey or on the islands under the jurisdiction of any of the Parties in the North Atlantic area north of the Tropic of Cancer; on the forces, vessels, or aircraft of any of the Parties, when in or over these

[1] 12 founding members: the USA, Canada, Belgium, Denmark, France, Iceland, Italy, Luxembourg, the Netherland,, Norway, Portugal, the U.K.

> territories or any area in Europe in which occupation forces of any of the Parties were stationed on the date when the Treaty entered into force or the Mediterranean Sea or the North Atlantic area north of the Tropic of Cancer." (Türke 2008, 22–23.)

By contrast, Article IV of the Brussels Treaty of 17 March 1948, (Article V in the modified Brussels Treaty, the so-called WEU[2]-Treaty, Paris, 23 October 1954), has no geographical limitation and, in case of an attack, the aid provided is wider (*and other aid:* political, economic, etc.) than the purely military aid of Article 5 of NATO:

> "If any of the High Contracting Parties should be the object of an armed attack in Europe, the other High Contracting Parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the Party so attacked all the military and other aid and assistance in their power." (Türke 2008, 59.)

(A)WEU, which was put to sleep by the Marseille Declaration (in 2000), has not completely disappeared and, until its dissolution in June 2011, retained its role, notably in the implementation of Article V of the modified Brussels Treaty concerning an "armed aggression in Europe" against one of the contracting parties. The Treaty on European Union (Maastricht and its amendments) did not incorporate it until the entry into force of the Treaty of Lisbon (1 December 2009). According to its Article 28A Paragraph 7:

> "If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States." (Türke 2013, 112–120.)

That is to say, the implications of Article V of the modified Brussels Treaty were perceived but the military means to realize them, which fall within the competence of NATO, were not. U.S. policy was not *ab ovo* against a strong European pillar of NATO. American objectives, strengthening Europe by German rearmament against the USSR, were more real and reasonable than the European fears of hereditary enemies. Because the Americans favoured the Brussels and the EDC[3] treaties for the simple logic of costs and duty sharing, and because until the mid-1950s the military structure of the NAT was in development. Once the structure was finalized, the Americans closed "definitively" the door to the establishment of a European pillar.[4] The United States, therefore, having seen the failure of the EDC and the irrelevant debates among the Europeans that followed, finalized NATO as an American structure, with American leadership, and were already against the WEU Treaty (1954). (Türke 2012, 13–30; 193–198.) The second phase of cooperation between Europe and America on common defence in the transatlantic area can be characterized by the policy of France: "with the Alliance but without the Organization" and thus the special duplicity

[2] WEU: Western European Union; AWEU: Assembly of the WEU.

[3] EDC: European Defence Community (27 May 1952, never came into force).

[4] That is to say, a more or less cooperation between the "equals".

of nuclear deterrence in Europe. The conclusion was that France remained in the Atlantic alliance, but resigned from NATO's military organization in 1966. *(Cooperation under the "14 + 1" formula between 1966–1978.)* The three institutions in which France no longer participated were: the Defence Planning Committee, the Nuclear Planning Group (NPG) and the Military Committee. The gradual reintegration of France into the military structure of NATO at the level of troops in the fields began under the presidency of Jacques Chirac (1995–2007). Now, however, the partial French participation in the North Atlantic Council, as well as in the Military Committee, has become full. Since 2009, the process has accelerated with the reintegration to the International Military Staff and to the International Secretariat, as well as with integration to the Allied Command Transformation (2003–), and Allied Command Operation (2003–). Integration is not complete, however, especially in the nuclear field. France has laid down several conditions (France Diplomatie 2017) for this return to the military structure:

- maintaining full discretion for France's contribution to NATO operations
- the maintenance of nuclear independence: France has decided not to join the NPG which defines the alliance's nuclear policy
- no French force is permanently under NATO command in peacetime
- non-participation in the common funding of certain expenditure decided prior to France's return to the command structures

As a result, since 2009, France occupies approximately 750 additional officer positions within the NATO Integrated Command, in particular the post of Supreme Allied Commander Transformation (Norfolk 2002–). The Headquarters Rapid Reaction Corps-France in Lille, created on 1 July 2005, is a NATO certified headquarters, able to command a national or multinational land component between 5,000 and 60,000 personnel.

The Most Important Political Steps of EU–NATO Cooperation (1990–2016)

At the creation of the EU, due to the English opposition, the incorporation of the institutional structure of the WEU, the armed wing of the European integration (reactivated in 1984 by the Rome Declaration) in the Maastricht Treaty could not be realized. So developments in the field of European defence, including crisis management, slowed in favour of NATO. The only way out of this impasse remained the strengthening and development the operational capabilities of the WEU through the so-called "Petersberg tasks". On 19 June 1992, at the Council of Ministers in Petersberg, the WEU defined a framework for future European humanitarian, peacekeeping, and peace-making interventions. The Petersberg missions provided a hard instrument of crisis management for Europeans well before than NATO got it by the MC 14/5 strategy in 1999. The German president of the WEU interpreted the notion of *peace making* (based on Chapter VI of the UN Charter, theoretically without combat forces) as *peace enforcement* (based on Chapter VII, with combat forces). It is also the WEU that has begun opening and expanding to other states, but different memberships resulted in a very complicated structure, and internal debates considerably slowed down the process in favour of NATO: At the Petersberg Summit, the WEU created the status of *observer*

countries (members of the EU, but not of NATO: Ireland, Denmark[5]) and *associate member countries* (members of NATO but not of the EU: Iceland, Norway, Turkey). The countries of Central and Eastern Europe have been integrated first through the organization of a WEU Consultation Forum ("consulting partners"). But the same year, in November 1992, because of the contribution of these new countries to the management of the conflict in the former Yugoslavia, a Franco–German–Polish initiative has already proposed the establishment of the status of *associate partners* for these states. As for the realization, once again, NATO has been faster: After being proposed as an American initiative at the NATO meeting in Travemünde, Germany, on 20–21 October 1993, on 10–11 January 1994 in Brussels, NATO launched its PfP (Partnership for Peace) program for the same countries.[6] The WEU could not institute that in its Kirchberg Declaration of 9 May 1994, i.e. the status of *WEU associate partner countries.* At NATO, favoured by the British, the European Security and Defence Identity (ESDI) – the European pillar of NATO intended to discourage European initiatives for an autonomous defence – has been developed since the Brussels (1994) and Berlin (1996) summits. The goals of ESDI were to allow European countries to act militarily where NATO did not wish to, and to alleviate the United States' financial burden of maintaining military bases in Europe. (Türke 2012, 63–130.) The Treaty of Amsterdam (1 May 1999) specified that ESDP included the "Petersberg tasks", thus laying down the premises for a defence policy. The alliance's heads-of-state-and-government meeting in Washington in April 1999 laid down the basic principles of the relationship between EU and NATO:

- NATO and the EU establish a relationship of "consultation, cooperation, and effective transparency"
- European states shall take the necessary measures to strengthen their defence capabilities for new missions "by avoiding unnecessary duplication"
- European allies not members of the EU may be involved in crisis response operations led by the EU
- The increased role of the EU in defence will be in line with the decisions of the Berlin Summit of 1996, within the framework of NATO's concept of *separable but non-separated* European military capabilities

Until 2000, relations between the EU and NATO were virtually non-existent, although, in line with the decisions taken at the Helsinki Council, the Secretary-General/High Representative (SG/HR) and the Secretary General of NATO had informal contacts. The partners proposed an even-closer contact, which France refused, fearing that more transparency would jeopardize the sovereignty of European initiatives. (Rapport 2000, 38–40.) The *Santa Maria da Feira* Summit (19–20 June 2000) defined the principles to enable non-EU European NATO members to contribute to the military management of the EU. Institutionalised relations between NATO and the EU started only in 2001 though. The conclusions of the Nice European Council (7–9 December 2000) stated that in case of an EU operation using NATO assets and capabilities:

[5] Denmark was an exception, being member of both.

[6] And also launched CJTF (Combined Joint Task Forces) concept, which has competed with the Forces Answerable to the WEU (FAWEU).

1. The PSC (EU Political and Security Committee) addresses the strategic guidelines through the Military Committee to the Designated Operations Commander, enabling it to prepare the planning documents necessary for the operation (CONOPS, OPLAN), using guaranteed access to planning capabilities of NATO.
2. NATO and EU experts shall meet to specify NATO pre-identified assets and capabilities, in liaison with DSACEUR, and then the EU sends a request to NATO.
3. The PSC/NAC meetings identify the means, capacities, and modalities of the provision. NATO will remain informed about their uses throughout the operation.
4. OpCom (Operational Command) will be invited to meetings of the EUMC (EU Military Committee) to report on the progress of the operation.
5. The PSC proposes that the council terminate the operation and inform the NAC in advance.

Cyprus and Malta, which do not have security agreements with NATO, are not involved in Berlin-plus operations, or in EU–NATO meetings dealing with NATO-classified matters. (Türke 2012, 172–179.) Within NATO, the first Turkish blockage of EDSP in the Berlin-plus process dates back to April 1999. Turkey wanted assurances that its rights to WEU were maintained through its associate membership. On 11 December 1999, Turkish Prime Minister Bulent Ecevit, perhaps influenced by the Americans, stated that "it would be unfair to expect from these countries, that they receive orders from a Council of the European Union concerning military deployments using NATO assets. We will continue to oppose it within the NATO Council". As the Turkish press has written: "Turkey will not be able to accept anything other than what has been affirmed in Washington." (Rapport 2000, 41–43.)

In addition to disagreements on case-by-case access, this time the Turkish counter-argument was that third countries had the opportunity to offer their capabilities to the *HG Plus* (catalogue of additional forces). All this makes possible a Cypriot proposal to engage the EU rapid-reaction forces as a peacekeeping force on the island (with the Turkish Republic of Northern Cyprus, recognised only by Turkey.) In 2002, after three years of difficult negotiations, relations between the EU and NATO were normalized. The pro-European U-turn was marked by the victory of Recep Tayyip Erdogan and the Islamist Justice and Development Party (AKP) in Turkish elections on 3 November 2002. At the Prague summit of 21–22 November 2002, NATO member states declared their willingness to give the EU access to NATO assets and capabilities for operations in which the alliance would not be engaged militarily. The Copenhagen negotiations of 12–13 December 2002 allowed the unlocking of the Berlin-plus arrangements. The Copenhagen Final Document (see Appendix 1) is the manifestation of Turkish success: "As things stand at present, the "Berlin plus" arrangements and the implementation thereof will apply only to those EU Member States which are also either NATO members or parties to the "Partnership for Peace", (PfP, Malta and Cyprus being excluded – A.I.T.), and which have consequently concluded bilateral security agreements with NATO." Due to this agreement the path has been opened up for the first ESDP operations in the Balkans and in Africa. The disagreement between Greece and Turkey continues to poison EU–NATO relations in the field of operations and capacity development though. Regular sessions within the NATO–EU Capability Group (see below) are only *pro forma;* real cooperation is excluded. Due to Turkey's veto, Cyprus is not part of this group and it cannot conclude a PfP Agreement with NATO. In return, Cyprus

(and Greece) block cooperation between Turkey and the EDA (European Defence Agency). International staff-to-staff and in-field cooperation between the EU and NATO is excellent, however, proving that the problem is purely political. (Horváth 2016, 75.) So in December 2002, the NATO–EU Declaration on European Security and Defence Policy (ESDP) paved the way for closer political and military cooperation between the two organizations (Berlin Plus agreement). It set out the political principles underlying the relationship and reaffirmed EU access to NATO's planning capabilities for the EU's military operations. These arrangements include:

- a NATO–EU security agreement (covering the exchange of classified information under reciprocal protection rules)
- guaranteed EU access to NATO planning capabilities for effective use in the military planning of EU-led crisis management operations
- the availability of NATO common assets and capabilities (communication units, headquarters, etc.) for EU-led crisis management operations
- a mandate for a European Deputy Supreme Allied Commander Europe (DSACEUR) who will command the EU-led operation
- integration with the NATO defence planning system for military needs and capabilities required for EU-led operations to ensure the availability of well-equipped and trained forces for NATO- or EU-led operations

The "common planning capacity" of the EU and the question of its possible duplication within NATO structures is regulated by the decision to create two new structures at the Brussels European Council of 12–13 December 2003:

- A "permanent unit for planning and conducting EU civil and military operations without recourse to NATO assets" will be placed at the EU headquarters, as an autonomous and separate "cell" of NATO structures.
- A EU unit is established within NATO Headquarters, SHAPE, to improve the preparation of EU operations carried out with NATO under the Berlin Plus arrangements.

In May 2003, the NATO–EU Capability Group was established; experts from the EDA and NATO addressed common capability shortfalls, such as countering improvised explosive devices and medical support. Staff also ensure transparency and the complementary nature of NATO's work on "Smart Defence" and the EU's Pooling and Sharing initiative. On 12–13 December 2003, the EU adopted the European Security Strategy (SES) at the Brussels European council. NATO's and the EU's assessments of the threat are similar; both SES and the NATO Strategic Concept place terrorism and the proliferation of weapons of mass destruction (WMD) and "failing" states at the top of the list of security challenges, and both organizations consider it essential to involve a non-military dimension. Political problems have slowed considerably the development of the CSDP (Common Security and Defence Policy, 2009) in Europe since 2008. At the Lisbon Summit in 2010, the allies underlined their determination to improve the NATO–EU strategic partnership; the 2010 Strategic Concept committed the alliance to working more closely with other international organisations to prevent crises, manage conflicts, and stabilise post-conflict situations. Currently NATO and the EU have in common twenty-two member countries; they cooperate on issues of common interest and work side-by-side on crisis management and capability

development. On 5 September 2014, the heads of state and government of NATO issued a declaration following the summit in Newport, Wales. It included a pledge by NATO's member states to spend 2% of their respective gross domestic product (GDP) on defence within a decade. While the number of European countries in NATO has nearly doubled since 1990, defence spending by Europeans has gone down by 28%. In 1990, the fourteen European members spent around $314 billion on defence collectively; in 2015, the alliance's twenty-five European members are expected to spend around $227 billion. In 1995, U.S. defence expenditure accounted for 59% of overall NATO defence spending; in 2015, it is expected to be above 70%. As a percentage of GDP, defence spending by European allies fell from an average of 2% in 1995–1999 to 1.5% in 2014, while that of the United States went up from 3.1% to 3.4% in the same period. (Techau 2015) On 10 February 2016, the EU and NATO concluded a technical agreement on cyber defence that provided a framework for enhanced information exchange between the EU's Computer Emergency Response Team (CERT–EU) and NATO's Computer Incident Response Capability (NCIRC). Consultations between NATO and the EU have expanded considerably over the past two years; they cover the Western Balkans, Ukraine, Libya, and the Middle East. According to the new EU Global Strategy (June 2016) and the Joint Declaration signed during the NATO Warsaw Summit (8 July 2016), the EU and NATO should work together on countering hybrid threats, strategic communication, intelligence sharing, operational cooperation (mainly at sea), cyber security, interoperability, defence industry, exercises, and enhancing the resilience of partners in the east and south. (Türke 2016, 6–14.) On the basis of this Joint Declaration, the Council Conclusions 15283/16 of 6 December 2016 detail forty-two concrete proposals in seven specific areas: (Implementation 2016)

1. Countering hybrid threats ranging from disinformation campaigns to acute crises.
2. Operational cooperation, including maritime issues, i.e. enhanced cooperation between NATO's Operation Sea Guardian and the EUNAVFOR Operation Sophia in the Mediterranean.
3. Cyber security and defence, including the exchange of information on cyber threats and the sharing of best practices on cyber security.
4. Ensuring the coherence and complementarity of each other's defence planning processes.
5. Defence industry and research.
6. Parallel and coordinated exercises, starting with a pilot project in 2017.
7. Defence and security capacity building.

Cooperation and Rivalry in the Field

With the end of the Cold War, in the early 1990s great changes came to the international security environment. NATO, with its new, reduced-forward-defence doctrine (MC 14/4, 1991–1999), assumed an increasingly proactive role within the international community and conducted several missions and operations. Since 1992, NATO, the EEC (European Economic Community) and later the EU, and the WEU have long cooperated on crisis management and operations, in particular in the Western Balkans and Afghanistan. A race began between the new European security and defence policy seeking an identity and

NATO, also seeking feverishly a new identity to avoid downsizing after the dissolution of the USSR. A French-led European axis fought an Anglo–American axis. According to French opinions, the British forbade on several occasions European operations and missions, stigmatizing the German army *(the Nazis).* This applied to a joint European operation in the Balkans after the collapse of the Socialist Federal Republic of Yugoslavia; this finally took place within the UN framework by UNPROFOR (1992–1995), albeit with several restrictions and errors. The British several times obstructed for days the joint decision-making within the European institutions, perhaps under American influence, to gain time for NATO to create its own mission (e.g. Sharp/Maritime missions).[7] With its greater military potential, NATO thus has "discredited" the "exclusively" European joint missions at the WEU level. With its allies in Europe, the U.K. transmitted many of the projects developed by the WEU to help NATO survive and to prove its importance after President Mitterrand of France publicly challenged the *raison d'*être of NATO. (Türke/WEU 2008) The truly relevant change in ESDP military capabilities, however, was adopted at the Helsinki European Council on 10–11 December 1999. The decision to establish within sixty days a military force of up to 60,000 people (the so-called Helsinki Headline Goal, HHG) capable of carrying out Petersberg missions with support for at least one year. The HHG must be accompanied by a reserve of more than 100,000 people, and about 400 combat aircraft and 100 vessels defined by the "Force Catalog". This objective seemed reasonable because the Europeans had 2 million soldiers and 3,000 warplanes at the time, a volume of forces far greater than the United States. UNPROFOR, IFOR/SFOR, and KFOR each mobilized 20–40,000 European troops. It was therefore a political will rather than the military capacity that was lacking, and NATO has not been too enthusiastic about these ambitious European projects that lie beyond its control. (Türke 2012, 254–257, 261; Andréani 2002, 990.) HHG was not achieved, but in 2004 it was superseded by Headline Goal 2010, based on the battle groups (BG) concept. These forces, comprised of about 1,500 troops, are deployable in fifteen days (decisions within five days) for a period of thirty days, which can be extended up to 120 days. The deployment of the NATO Response Force is still beyond the BG deadline though, at between fifteen and sixty days. The rapid deployment of the BGs, however, makes it impossible to carry out a mission under the Berlin Plus Agreements, although theoretically the possibility of choosing between SHAPE and the EU Operations Center is not excluded. The biggest difference between the two forces is that the EU makes two battle groups available "immediately", with a "warning" capacity of six months. Recourse to the NRF is subject to the decision of a conference that generates an available force for a given period. (AUEO 2007) The EU, and especially its newer members, have made double offers, making the same force available for both NATO and EU. But the offer to the EU is most likely an "afterthought". Defence planning is based on that of NATO, and there is no problem until the use of this force is requested by both parties at the same time. If that happens, because most of the European countries prefer NATO *(hard security)* over the EU *(soft security),* there is no question for whom these forces will be available. That can threaten the reliability and availability of (rapid) reaction forces, especially since decision-making is particularly slow in the EU. Even if the *first*

[7] Sharp Vigilance (WEU) – Maritime Monitor (OTAN): 16 and 10/07/1992–22/11/1992, embargo-monitoring missions in the Adriatic.

come, first served principle is in force, in case of the BG and NRF forces, the commitment schedule for either EU or NATO is pre-set. (Horváth 2016, 66–68.) The EU conducted its first, full-fledged military crisis management operations under the auspices of ESDP in Macedonia on 17 March 2003. EU Operation "Concordia" took over responsibility for the NATO Allied Harmony mission. This operation, which was completed in December 2003, was the first under the Berlin Plus agreements. NATO assets were made available to the EU. NATO maintained a Senior Civilian Representative (SCR) and a Senior Military Representative (SMR) in Skopje. The commander of the operation was the D-SACEUR. As SG/HR Javier Solana pointed out, cooperation between NATO and the EU on the ground, rather than *EU in and NATO out,* is important. In 2003, during the first independent EU military operation (Operation ARTEMIS), NATO (and more precisely, the United States, and their main ally, the United Kingdom) criticized this European Petersberg operation without recourse to NATO collective assets and capabilities (i.e. Berlin Plus arrangements) because the administration of the EU and in particular the framework nation, France, completely ignored the formal application of the principle of *first refusal.* The principle of first refusal, however, indirectly violates the "common European sovereignty". The objective of the Petersberg process had been to find domains (crisis management, evacuation, etc.) that *do not affect* the "reserved areas" of NATO, including European defence "in its original meaning". That is, when Europeans engage in a Petersberg mission and use the special rapid response forces, they do not affect NATO activity. The problem is that the Atlantic alliance has expanded its scope and "swallowed" such European initiatives as the CJTFs. The right of refusal is proof that NATO claims the right to authorize a European Petersberg operation/mission, far from the intent of Article V of the Washington Treaty. There are three types of intervention concerning NATO and the EU:

1. An intervention carried out under the sole responsibility of NATO.
2. An intervention led by the European Union with the use of NATO assets.
3. An intervention carried out under the direction of the European Union with its own resources.

The position of the United States is clear: it wants to see NATO given the prerogative to decide whether it intends to take the lead in military intervention. According to them, it is only after NATO's refusal ("first refusal") that the European Union is "authorized" to consider the matter. NATO's first decision thus can block a European operation. The immediate consequence of ignoring "first refusal" may be the blocking of the Berlin Plus process. The use of NATO capabilities is unimaginable without the agreement of the United States. Following the conclusion of the NATO-led SFOR in Bosnia and Herzegovina on 2 December 2004, the EU deployed Operation EUFOR Althea, drawing on NATO planning expertise and other alliance assets. The initial IFOR and SFOR missions were reduced from 60,000 people to 12,000. With the first two phases of crisis management *(peace enforcement, peace-making)* finished, the EU took over to refine the third phase, the *peace building.* The NATO DSACEUR, the Commander of Operation Althea and the EU OHQ (Operation Headquarters), is located at SHAPE. This European Union Force also operates under the Berlin Plus arrangements, taking advantage of NATO planning expertise and other capabilities. The long-term political commitment of NATO in this country remains unchanged, however, and a new *NATO MLM (Military Liaison Mission)* and the NATO

Headquarters in Sarajevo has been established. The NHQSa is responsible for specific military tasks such as supporting defence reform and preparing the country's membership in the PfP. In the Balkans though, it is easy to see to what extent Europeans have applied these American capabilities as part of the Berlin Plus missions. The coordination and consultation scheme makes rapid reaction impossible, and the United Kingdom blocked the transfer of control during Operation ALTHEA for six months. The mission was deployed two years after the EU first proposed it. ATLHEA was launched *before* the accession of Cyprus, that is to say before Turkish anxieties about Berlin Plus arrangements. Moreover, it is clear now why the EU no longer launches Berlin Plus missions and does not envisage it in the future. In the field of European capacity building, the perceptions of NATO and the EU are profoundly different. From the economic point of view, in the opinion of the United States, and from the political point of view, the so-called "French" position is right. This equates to the famous "Three Ds" of Albright: no *decoupling* (no loosening of transatlantic links); no *duplication* (no European structures or duplication with those of NATO); and no *discrimination* (no more favourable position for EU members compared to non-EU NATO members). Reducing European dependence was "worrying", so the only possible solution would be the development of their military capabilities and the command structure of the European Union. Especially two out of the Three Ds therefore target: (Albright 1998)

1. The no *duplication* became a concept established in Saint-Malo in 1998 (the date of the ESDP's birth) through the budget. Some EU member states (Belgium, the Netherlands and the United Kingdom) insist on avoiding duplication of resources within the alliance. Others (Germany, France and Italy) emphasize the indispensable autonomy of the European force. This way the EU could have powerful multi-national resources and proven assets to plan and conduct an operation. Strategic-level operational and HQ functions could be fulfilled by NATO bodies (SHAPE or DSACEUR). But in this case, where one partner already has all the essential means of an operation and the other's shortcomings put it in a dependent situation, the principle of non-duplication, beyond of its budgetary aspect, is decisive. This is reflected in the non-development of European capacities. Duplication between European countries is numerous and costly though; a single integrated air defence would be sufficient, but the Europeans considered it a loss and not a sharing of sovereignty. (Horváth 2016, 77.)

2. The no *discrimination* principle opened the "Pandora's Box" of European cooperation in ESDP. At first glance, in the framework of Berlin Plus agreements, the use of the military capabilities of non-EU European NATO countries seems to be an attractive solution. This is ambiguous though, because it confuses the autonomy of decision and the autonomy of conducting of an operation. To avoid this trap, the Helsinki European Council also adopted the principles of no duplication and no discrimination with regard to the six European non-EU member countries of NATO at the time. These include Turkey, Norway, Iceland (1992–) and Hungary, Poland and the Czech Republic (1999–), associated countries of the WEU. (Türke 2012, 176–177.)

In Kosovo, the NATO peacekeeping force KFOR (since 1999) works closely in the field with the EU's Rule of Law Mission in Kosovo (EULEX), deployed in December 2008. The EU has made civilian resources available to the United Nations Mission in Kosovo

(UNMIK) for several years and has agreed to take over the police component of the UN mission. EULEX–Kosovo is the largest civilian mission ever launched under the ESDP; its fundamental objective is assisting and supporting the Kosovo authorities and the rule of law, especially in the police, judicial and customs sectors. NATO and EU experts worked on the same team in support of UN Secretary-General Martti Ahtisaari's special envoy, who was in charge of negotiations on the future status of Kosovo. Kosovo proclaimed its independence on 17 February 2008. In Afghanistan, NATO and the European Union play a key role in bringing peace and stability to Afghanistan, and are part of the broader international efforts to implement a comprehensive approach for aid to that country. The current NATO-led Resolute Support Mission and its predecessor, the International Security Assistance Force (ISAF, 2001–2014), have cooperated with the EU's Rule of Law Mission (EUPOL Afghanistan), since June 2007. EUPOL Afghanistan was preceded by the establishment of the GPPO (German Police Project Office, 2002–), whose main role was police training. The increased role of the United States, however, with its own program and a much higher annual budget ($224 million) has meant Germany has only been able to play a secondary role (with an annual budget of 14 million EUR). The reason for launching this mission was purely political, so that Germany could put its initial mission under European flag, despite the warning of the EU delegation in Kabul that conditions on site are poor. The initial strength of the mission was only ten people and the first (German) commander resigned after six months. Several EU member states have kept their own police contingent under their national flag, and the mission fought basic logistical problems (inadequate materials and accommodation). (Wagner 2016, 259–264.) The European Union planned to deploy troops outside the capital under the protection of the PRTs as well, *"yet the specter of Berlin Plus reared its head"* Turkey vetoed the idea. The EU was unable to conclude agreements with Turkey (heading two Provincial Reconstruction Teams) and the United States (heading ten PRTs). As Lagadec writes "the breakdown of EU–NATO relations was instrumental in restricting EUPOL's mandate to Kabul. Yet in truth the EU struggled even to staff its headquarters in the capital: this augured poorly of its capacity to be effective in the provinces, whether or not PRTs were authorized to underwrite EUPOL's security beyond Kabul. In other words, the EU's civilian ambitions in Afghanistan did not fail primarily because of NATO, Turkey, or Berlin Plus: but because the Union's disunity condemned it to irrelevance." (Lagadec 2012, 138–145.) NATO-led ISAF helped create a secure and stable environment in which the Afghan Government and other international actors can build democratic institutions, expand the rule of law, and rebuild the country. The EU has funded civilian projects managed by NATO-run PRTs led by an EU member country. In view of the inadequacies of the EU mission, to create a simultaneous mission (*no duplication,* once again) NATO created its own training mission in 2009 (NATO Training Mission–Afghanistan, NTAM-A), incorporating the American mission CSTC-A (Combined Security Transition Command–Afghanistan). To coordinate the missions, the IPCB (International Police Coordination Board) was set up; this resulted in total chaos, because IPCB and EUPOL were systematically confused. (Wagner 2016, 259–264.) EU and NATO also conducted separate training missions in Iraq. The aim of NTM-I (NATO Training Mission–Iraq, 2004–2011) was to assist in the development of Iraqi security forces training structures and institutions. EUJUST LEX–Iraq (2005–2013) was the first integrated rule of law mission of the EU. EUJUST LEX trained nearly 6,000 Iraqi officials

out of Iraq up until 2009, and the total cost of the mission was around €118 million. Due to the mission, the traditional, *witness-based* practice of judgment has been led towards *evidence-based* practice. (Wagner 2016, 259–264.) Both NATO and the EU supported the African Union's mission in Darfur Sudan, (UNAMID, 2007–), particularly with regard to airlift rotations that enabled strategic airlift capacity, but they lost several weeks because of the debate over sharing of skills. The European Union's logistical assistance was achieved with minimal cooperation from NATO. The two assistance operations remained independent and outside the Berlin Plus framework. Although officially the EU and NATO administration denies any disagreements and emphasizes that the Berlin Plus agreements would not have been adoptable (because it is "simply" technical and logistical support to the African Union, and not an operation) the transatlantic organization's first operation on the African continent provoked strong opposition from France and Belgium. France opposed NATO's contribution because the EU already was helping the AMIS African Union Mission in Sudan (Darfur). The slightest interest of NATO in Africa is seen by the French as an offense, a violation of their *chasse gardée.* Negotiations between the EU and NATO for a common chain of command and a joint action plan failed. Under the general direction of the African Union, the EU and NATO planned and carried out their missions quite separately, with two different chains of command. To ensure the minimum necessary relationship within the framework of "flexible coordination" a unit has been established in Addis Ababa (DITF) to which both parties have sent delegates. Cooperation was without problems. The DITF was in charge of air movements and controlled the movements of troops arriving on the ground. Since September 2008, NATO and EU naval forces have deployed alongside other actors off the coast of Somalia in Operation Atalanta to carry out anti-piracy missions. NATO's Operation Ocean Shield and EUNAVFOR Atalanta cooperated for eight years, until the conclusion of Ocean Shield in December 2016. In February 2016, NATO defence ministers decided NATO should assist with the growing refugee and migrant crisis in Europe. On 11 February, NATO deployed a maritime force to the Aegean Sea to conduct reconnaissance, monitoring, and surveillance of illegal crossings, supporting Turkish and Greek authorities, along with the EU's FRONTEX agency in Greece, as part of Poseidon Rapid Intervention. Enhanced cooperation was launched between NATO's Operation Sea Guardian (9 November 2016) and the EUNAVFOR Operation Sophia (since 2015) in the Mediterranean. This support is on-going, with ships and maritime patrol aircraft providing information and logistics. This recalls the duplication of the Sharp/Maritime missions in the 1990s, and France has already doubted the importance of the NATO mission escorting EUFOR ATALANTA. CSDP and FRONTEX cannot fulfil their role of defender of the immediate borders of the European Union with the European units of the maritime border guard alone. Such a project was developed in the 2000s but the realization is still blocked by lack of political will.

Conclusion

The European Union, given the realities of BREXIT and the military reforms in France and Germany that provide for a significant reduction in the forces, is further away from setting up an "autonomous" European force for the defence of the continent than it was in

the 1990s or 2000s. Relations between allied parties have been characterized by mutual distrust. Even in 2009 the *entente cordiale* between France and the United Kingdom was not enough to harmonize the patrol of their SSBN or to avoid, for example the collision of the submarines *Le Triomphant* and *HMS Vanguard,* which patrolled in secret.[8] After the fall of the Berlin Wall and until the outbreak of the war in Ukraine, Europe was a pacified space, so the development of traditional forces for territorial defence in the EU was seen as a waste of money. With the incredible weakening and the loss of political weight of France since the Sarkozy era and German reluctance in military matters, it seems France must abandon the project of an autonomous defensive capability for the Union for some time; this will lead to the development of NATO's defensive role in Europe. Over the past three years, the range of subjects discussed between NATO and the EU has expanded considerably. Since the crisis in Ukraine, both organisations have regularly exchanged views on their decisions, especially with regard to Russia, and consultations have covered the Western Balkans, Libya, and the Middle East. NATO's *Enhanced Forward Presence* posture in Eastern Europe, adopted at the 2016 summit in Warsaw, is designed to protect and reassure Eastern member states of their security with the deployment of four multi-national battalion battle groups. Today, NATO is both the inter-governmental and political-military means of mutual defence in the transatlantic space, as well as the means of counter-terrorism and out-of-area peacekeeping. But it is also a tool of United States' power politics. With the reintegration of France and the considerable military decline of Europe, there are few left that could question the role of NATO in Europe. With BREXIT, the creation of a powerful and projectable European army will be much more difficult. So with a NATO policy led by the United States that appreciably affects Russia's *cordon sanitaire,* the European Union is obliged to take more immediate risks close to its border. This decision is taken far "above his head". Georgia (in May 2013) and Ukraine (in July 2017) stated that their goal is to get a Membership Action Plan (MAP) from NATO. The crisis in Ukraine since 2013 reinforced the primacy of NATO in Europe. From the beginning, NATO's enlargement policy in Europe (Eastern Europe, Balkans) preceded that of the EU. This resulted in the predominance of the U.S. and put pressure on the union. Some European countries will be integrated earlier and more deeply in a transatlantic framework under U.S. domination than in a European framework. This can disrupt the integration and sovereignty of the EU.

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[8] The exchange of this information is the responsibility of two officers, one British and one French in Northwood, to a NATO Allied Maritime Command cell, but either they remain on the spot or they arrive only belatedly at the national level. (Türke 2014, 64–70.)

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The EU's International Development Policy

Balázs Szent-Iványi

Introduction

Poverty in developing countries can cause a number of challenges for developed countries. Poverty and the lack of opportunities in developing societies can lead to violent conflict; poverty can provide fertile breeding grounds for extremist ideologies; poverty is a significant push factor for migration; poor living and sanitary conditions associated with poverty can lead to epidemics; and poverty can cause accelerated environmental degradation. Rich countries cannot isolate themselves from the effects of these challenges. Most recently, the European refugee and migrant crisis of 2015 has shown how Europe can be affected directly by the consequences of poverty, regional conflict, and climate change. Developed countries need to react to counter these effects, ideally by addressing their root cause: poverty. Developed countries have a number of tools to reduce global poverty and its consequences, including trade preferences given to developing countries, investments, transfer of technology, and foreign aid – the focus of this contribution.

The European Union (EU) has played an important role in supporting global poverty reduction efforts. The EU is the world's largest donor of foreign aid. The European Commission (EC) and the member states together accounted for approximately 60% of all global flows of official aid, channelling around $85 billion to support developing countries in 2015. The EU's international development policy is a manifestation of the community's outward solidarity, but it is also part of its external relations toolkit. As such, it serves the goals of the EU's external relations by supporting the creation of a more equitable, prosperous, and peaceful world. It also provides the EU with the means of projecting soft power in the developing world to achieve political, economic, and ideological influence among these countries.

How exactly does this policy area work, what are the main motivations and principles behind it, and how effective is it in contributing to the reduction of global poverty? The goal of this contribution is to present an overview of the EU's common international development policy, or in other words, the foreign aid flows managed by the EC. It does not discuss aid provided by the member states, as these represent a highly heterogeneous set of bilateral policies. The EC is a formidable aid provider, as it channels around $15 billion in aid each year to developing countries, 10% of all the official aid provided globally. Along with the United States, the United Kingdom, Germany, and the World Bank, the EC is among the world's largest donors and can have significant effects on developing countries. Given its size as a donor and its potential global effects, it is important to get a clear understanding of this area of EU external relations.

Section Two discusses some key concepts and introduces the broader context in which the EC operates as an aid donor: the international development regime. This is followed by a brief overview of the history of the EC's foreign aid policy in Section Three. Section Four discusses the current set-up of EC development policy, including the legal and strategic bases, the funding mechanisms, and how aid resources are allocated. Section Five looks at some key recent challenges to EC aid: the diversion of aid from poverty reduction to other goals; the discussion on whether the EC is able to influence the aid policies of the member states; and the debates on just how effective the EC's development policy is, and why this question is difficult to answer. The final section offers some concluding reflections.

The International Development Regime

Key concepts

To understand the EU's common development policy, one must look at the broader context in which it operates: the international development regime. This concept refers to the norms, principles, actors, and processes that govern the transfer of resources from developed countries to less developed ones, with the declared goal of supporting their development and reducing poverty. A detailed overview of this regime is beyond the scope of this contribution (for this, see Degnbol-Martinussen–Engberg-Pedersen 2005), so this section only provides a discussion on the regime's most essential features.

Originating in the years following World War II, the regime is dominated mainly by bilateral donor countries, mostly rich countries, which provided approximately $144 billion, or 0.32% of their gross national income (GNI) as aid in 2016 (OECD.stat 2017; see Figure 1).

Rich countries acting as bilateral donors of aid are, of course, not the only actors in the international development regime. Bilateral donors channel a certain portion of their aid through international organisations, or multilateral donors, such the World Bank, various organisations in the UN system (including the World Health Organization, UNESCO, UNICEF, the UN Food Programme, and others), regional development banks, or the EU. These organizations in turn use these resources to run their own aid programmes for developing countries. The importance of these multilateral donors has been steadily increasing in the past decades, and they now account for more than a third of all aid disbursed to developing countries. The countries receiving aid are generally developing countries with low per capita incomes and levels of human development, usually termed recipient or partner countries. The international development regime also includes a large number of private actors, including non-governmental organizations and charities – some of which, such as the Melinda and Bill Gates Foundation, can be rather large; private companies engaging in corporate social responsibility; and even individuals, including experts, diplomats, and philanthropists.

It makes sense at this point to clarify what foreign aid actually is. The OECD's Development Assistance Committee (DAC), the body responsible for collecting and publishing statistics on foreign aid, created the category of Official Development Assistance (ODA, OECD 2017). For a financial flow to classify as ODA: it needs to originate from the government of a donor country; its purpose must be the promotion of development,

economic growth, or the reduction of poverty; and it must be concessional in financial terms, i.e. more favourable than what the recipient could obtain from financial markets. This definition excludes a number of financial flows between developed and developing countries. Aid provided by rich-country civil society or corporate philanthropy do not count as ODA, for example, as these do not originate from the government. Military aid does not count as ODA either, as it does not aim to promote development. Humanitarian aid, on the other hand, which aims to save lives and alleviate human suffering in the aftermath of a natural or human-made catastrophe, is included in ODA statistics. (Radelet 2006) The term foreign aid will be used throughout the contribution to refer to ODA.

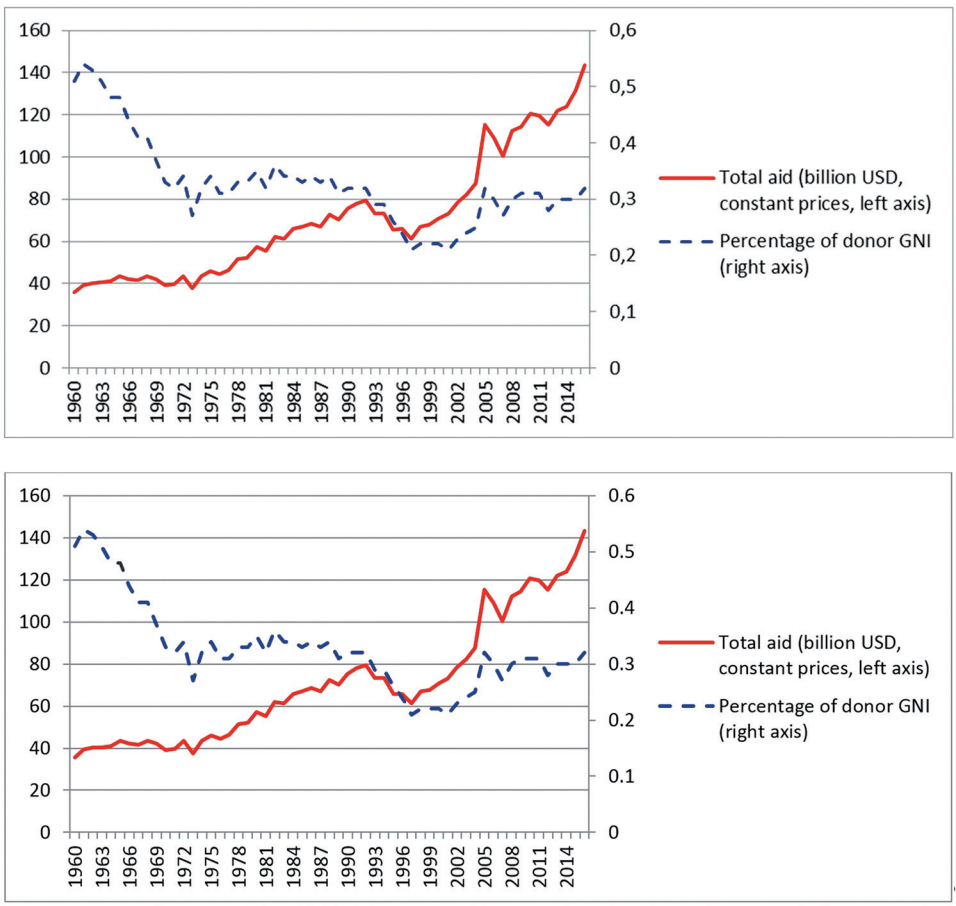

Figure 1.

Aid flows to developing countries, 1960–2016 (in billion dollars and percentage of donor GNI)

Source: Edited by the author, based on data from OECD.stat 2017.

Foreign aid, however, is not the only tool with which rich countries can promote global development. Transferring knowledge and technology, a process called technical assistance

is an important aspect in international development. Going beyond donor-recipient relations, a more development friendly trade and investment system, curbing illicit financial flows, and ensuring global tax justice are all issues in which rich countries could take the lead to support global development. These issues, however, are beyond the scope of this chapter, which only focuses on the EC's international development policy. While the term international development policy is, in theory, a broader concept than foreign aid, the two will be used interchangeably in this contribution.

Motivations and norms

Bilateral donors provide foreign aid for a number of reasons that are usually not seen as selfless in the literature. (Alesina–Dollar 2000; Hoeffler–Outram 2011; Szent-Iványi 2015) These include: political and strategic motivations like supporting allies or gaining new ones; business interests, in terms of supporting donor-based companies and producers; and security-related motivations, such as creating regional stability, containing epidemics, combating terrorism, or reducing flows of migrants.

The international development regime is guided by a number of globally agreed norms, most importantly the Sustainable Development Goals (SDGs). These goals were accepted by the UN General Assembly in 2015, and include 169 development targets in seventeen groups that need to be achieved by 2030, including: ending poverty and hunger, creating quality education, promoting gender equality, affordable and clean energy, promoting responsible consumption and production, and protecting life on land and water, etc. (UN 2015) The SDGs succeed the Millennium Development Goals (MDGs) accepted by the UN in 2000, and present an ambitious and comprehensive global development agenda to guide the activities of donors and developing country governments.

There is some tension between the motivations for providing aid and the declared normative goals of donors. Clearly, some motivations of donors can undermine poverty reduction concerns. Giving support to corrupt regimes to win political support, for example, will not contribute to reducing poverty in most cases. There are arguments, however, which state that many of the security-related challenges faced by rich countries are consequences of poverty and failed modernisation processes in developing countries, therefore reducing poverty can benefit donors by reducing the effects of global poverty related challenges for them. Giving aid to reduce poverty can thus be seen as an "enlightened" self-interest of donors.

Aid effectiveness

Despite the significant amounts of resources channelled to developing countries in the decades following World War II, as well as global visions of development like the MDGs and now the SDGs, many have questioned the effectiveness of the international development regime. (Easterly 2006, 2009; Moyo 2009) There is much anecdotal evidence to show that aid is not effective in reducing poverty and promoting economic growth. Many African countries have received billions of dollars in aid since their independence, and yet per

capita incomes are hardly higher in real terms than they were fifty years ago. Aid is seen to have been wasted on large, unproductive "vanity projects", or ended up in the Swiss bank accounts of corrupt dictators and their cronies. This popular picture of aid is one interpretation of reality, and suffers from heavy distortion by the media. In other views, aid has done much good, ensuring the availability of vaccines across the globe, eradicating several diseases and getting children into education. The more scholarly debates on the topic, however, tend to reinforce the negative conclusions.

The academic literature mostly argues that aid either has no effect on development, or that the effects are too small to be meaningful. There are many factors that decrease the effectiveness of aid. Donors have been accused of not taking recipient development priorities into consideration, for instance, of being unpredictable, and of providing uniform solutions in different contexts. They have attached flawed conditionalities to their assistance, used aid to promote their exports, and placed significant administrative obligations on recipients. Perhaps worst, they have failed to learn from their failures. (Aldasoro et al. 2010; Riddell 2014) Recipient countries are not without blame either: problems with governance, including corruption, rent-seeking politics, and systems of political patronage have contributed significantly to decreasing the effectiveness of foreign aid. Countries that introduce good policies, govern well, have low levels of corruption, or are more democratic tend to use aid more effectively than developing countries that do not meet these criteria. (Burnside–Dollar 2000; Kosack 2003; Doucouliagos–Paldam 2010)

Some argue that aid has heavily distorted both political and economic structures and processes in developing countries, (Moyo 2009) making the state weaker in the process. Aid can provide significant incentives for corruption. Governments may see aid revenues as more desirable than collecting income through taxation, which can weaken democratic structures. (Moss et al. 2008) Aid can also be a disincentive for reform. Aid can lead to a deterioration of the competitiveness of export sectors by raising the prices of scare inputs like skilled labour. (Rajan–Subramanian 2011) Aid agencies in developing countries can attract skilled workers by paying premium wages, thus poaching talent and expertise from the private sector and government.

There have been strong international efforts after the turn of the millennium to increase the effectiveness of aid and provide solutions to these problems. Donor and recipient countries have agreed, in a series of "high level forums" (Rome in 2003, Paris in 2005, Accra in 2008 and Busan in 2011), to improve their coordination, increase transparency, ensure that recipients drive the development process with which donors align and ensure a stronger focus on results. (Martini et al. 2012) A process called the Global Partnership for Effective Development Cooperation has emerged from this to monitor how donors progress in implementing these principles. (UNDP–OECD 2016) Improving the effectiveness of aid has figured highly on the agenda of many donors, but progress has been generally weak. Some donors have done more than others. Donors like the United Kingdom, Sweden, and the EC have been at the forefront of implementing aid effectiveness measures. Others, however, like the United States, Japan, or the Eastern and Southern EU member states have done little to improve their practice. (Hoebink–Stokke 2005; Hoebink 2010)

The international development regime clearly has many flaws: it is driven by donor interests and not recipient country development concerns; it is fragmented into a high number of donors, and has strong problems with effectiveness. It is nonetheless the global

context in which the EU's international development policy operates, and having a good understanding of it allows an appreciation of the possibilities and limitations faced by the EU.

Origins and Evolution of EU Development Policy

Origins and development relations up to 1989

The origins and subsequent evolution of the EU's international development policy have been well documented in the literature, (see for example Mold 2007; Flint 2008; Holden 2013) and therefore this contribution only discusses this process to the degree that is absolutely necessary to understand the EU's current development practice. Until the early 1990s, the EU's development policy concentrated almost exclusively on former colonies of the member states. These countries, termed the African, Pacific, and Caribbean (ACP) group, had formalized relations with the European Economic Community (EEC, the EU's predecessor) under so-called partnership conventions, renewed every five years, that regulated their trade with the community and their access to financial resources. The first such convention was signed in 1963 between the EEC and eighteen ex-colonies in Yaoundé, the capital of Cameroon. The group of participating countries grew continuously; the first Lomé Convention signed in 1975 included forty-six ACP countries, and the Cotonou Agreement of 2000 had seventy-eight. (See also Sub-chapter: *Still a key partner? EU–ACP relations*)

In the framework of these agreements, the ACP countries were given quota- and tariff-free access to the EEC's market for industrial products (except for clothes and textiles), and a separate extra-budgetary fund, the European Development Fund (EDF) was created to finance development cooperation with these countries. Relationships between the EEC and the ACP, as well as the impacts of the partnership agreements are documented well in literature, (Flint 2008) but a few key observations need to be mentioned here. The conventions, and especially the four Lomé conventions between 1975 and 2000, at first were seen as highly beneficial for the ACP: EC aid was automatic with few conditions attached, and trade preferences were one-sided, meaning the ACP countries did not have to reciprocate by providing similarly favourable market access for European products.

In hindsight, however, these arrangements proved highly ineffective. Automatic aid turned out to provide disincentives for reform for recipient governments, and the lack of conditions fuelled corruption. There were no stipulations in the Lomé conventions for political dialogue. (Lister 1998) The trade concessions turned out to be formal, as there were hardly any industries in the ACP countries capable of exporting to the EU. Agricultural products were not eligible for preferences, and in fact faced the high tariffs imposed by the EU's common agricultural policy. (Laaksonen et al. 2006) After the Uruguay round of global trade negotiations and the birth of the World Trade Organisation (WTO) in 1994, the trade arrangements in the Lomé conventions came under increasing attack for discriminating against non-ACP developing countries and thus going against the principles of the WTO. (Alter–Meunier 2006)

Changes after 1989

The common international development policy underwent significant changes in the 1990s. The treaty creating the European Union in 1992, better known as the Maastricht Treaty, represented the first effort to provide a clear legal basis for the community's international development policy, and laid down the main goals of the policy area as well as a number of principles. (Hoebink 2004) The treaty identified goals as the reduction of poverty, the promotion of human rights, the rule of law, and good governance, and mentioned a number of principles intended to increase the effectiveness of EC aid. After the 1990s, the EC's development activities broadened beyond the ACP countries, which have more or less been the main beneficiaries of EC aid, and the only region towards which a coherent programme, in the framework of the partnership conventions, existed. The geopolitical changes, especially the end of the Cold War and the rise of international terrorist networks and new security threats, meant the EU needed to react. An international development policy focusing only on former colonies was no longer tenable for an integration with global ambitions.

The first step in creating a truly global development policy came in 1989 with the creation of the PHARE[1] programme to aid the transition countries in Central and Eastern Europe. This was followed in 1991 with the TACIS[2] programme, which targeted the countries of the former Soviet Union. The MEDA programme was created in 1996 to fund cooperation with the countries in the Mediterranean region, and to support the vision of creating a free-trade area between the region and the EU. A programme to support development and poverty reduction in Asian and Latin American (ALA) countries was also started in 1996. The final element of this new global programme structure, CARDS,[3] was put in place in 2000 to fund stabilization and reconstruction in the countries of the Western Balkans.

Table 1 shows how the allocation of EC aid changed between 1970 and 2015, with a clear indication of the decreasing importance of sub-Saharan Africa from the 1980s, mainly to the benefit of European countries. While the absolute amounts of aid provided to sub-Saharan Africa have actually increased between 1970 and 2015 due to the general increases in the EC's aid budget, the region's relative share has decreased. During the 1980s and 1990s, the EU's assistance has shifted from the focus on former colonies to a more balanced global coverage, although it is clear that the EU's "neighbourhood", i.e. countries in Eastern Europe, the Balkans, North Africa and the Middle East benefit disproportionately. Most of these recipients are middle-income countries, with relatively low levels of extreme poverty, at least when compared with countries in sub-Saharan Africa and parts of Asia. This implies that poverty reduction has become a lesser concern for the EC, and other considerations are driving its aid policy, including the need for stability and prosperity in the region, and providing pre-accession funding to candidate countries.

[1] Poland and Hungary: Assistance for Reconstruction of their Economies.
[2] Technical Assistance to the Commonwealth of Independent States.
[3] Community Assistance for Reconstruction, Development and Stabilisation.

Table 1.
Allocation of European Commission aid among regions, percentages

	1970–75	1980–85	1990–95	2000–2005	2010–2015
Europe	1	2	7	16	28
North Africa	5	6	7	7	8
Middle East	4	1	4	6	6
Sub-Saharan Africa	61	53	43	31	29
North & Central America	3	3	5	4	4
South America	2	2	3	3	3
Asia and Oceania	19	18	11	12	12
Unspecified	5	15	20	21	10

Source: Edited by the author, based on OECD.stat 2017.

The decreasing share of sub-Saharan Africa in the EU's aid allocation was not the only signal of the changing relations between the EU and the ACP region. In 2000, a new partnership agreement between the EU and the ACP, signed in Cotonou, a city in Benin, represented a marked departure from the earlier conventions. It introduced political dialogue between the two regions, and all signatory countries needed to acknowledge that respect for human rights and democratic principles are central to development (even though it would be difficult to classify most of the ACP countries as truly democratic). Some observers have noted especially Article 96 of the agreement, which allowed the EU to start a consultation process with countries where these democratic principles were violated flagrantly, and ultimately the EU can suspend aid to a country under this article. (Portella 2007) Between 2000 and 2016, Article 96 has been applied in fifteen cases, including Zimbabwe, Guinea-Bissau, the Central African Republic, and Togo. The Cotonou Agreement did not fix the EU–ACP trading system, which proved too contentious in the negotiations, and the Lomé system was simply extended until 2007.

Creating a coherent system

By the turn of the millennium, it was clear that the new network of regional programmes lacked coherence. The EU's development activities were fragmented and had no single strategic framework. Beyond the large programmes like the EDF, PHARE, MEDA, or ALA, the EC had a total of thirty-five financial instruments, focusing on different regions or themes, to fund cooperation with developing countries. (ODI 2007) There was a lack of communication among the parts of the EC involved in the different programmes, which led to unnecessary duplication of efforts and ineffectiveness. Clare Short, the U.K.'s secretary for international development at the time, even dubbed the EC the worst aid agency in the world. (The Guardian 2000)

The EC's development policy clearly needed reform, with a focus on creating greater internal strategic coherence. After a short policy statement in 2000, a detailed, single strategic framework for EC aid was finally accepted by the three main EU institutions in 2005. (European Union 2006) Called the *European Consensus on Development,* it was a landmark

document. It laid down the main priorities and principles with which EU development policy needed to align throughout the world. These included poverty reduction as the main goal of development, acknowledging that poverty is a multi-dimensional concept and requires a complex approach. It emphasized the importance of ownership by the recipient countries, partnership in setting and reaching development goals, the importance of political dialogue, the involvement of civil society, as well as the promotion of gender equality. It also included a number of principles related to aid effectiveness, most importantly policy coherence. This meant that EU policies other than development should not, at the very least, undermine the development of poor countries. EU agricultural policy, fisheries policy, energy policy, and trade policy, among others, have all been shown to have negative indirect impacts on developing countries, thus negating any potentially positive effects of development aid. Furthermore, the *European Consensus* talked at length about differentiation, i.e. the need to tailor assistance to the specific recipient country context, and take the performance and needs of the partners more strongly into consideration in aid planning and programming. Given that EC aid is meant to complement member state efforts, the *European Consensus* also identified the areas where the EC has a comparative advantage over individual EU member states acting alone. This list was rather long, and included supporting trade and regional integration, sustainable resource management, infrastructure development, water and energy, and rural development and agriculture.

The *European Consensus* also included a number of requirements for member states, and so its focus was not EC aid only. Most importantly, there was a call for member states to increase the amount they spend on aid to 0.7% of their GNIs by 2015 (a requirement originating from the UN in the 1970s; see also Clemens–Moss 2007; the requirement for the post-2004 member states was only 0.33%). According to the principle of complementarity, member states should also make efforts to specialize their development policies and focus on a limited number of sectors and countries where they have a comparative advantage over other donors. The document also strengthened the role of the EC as the coordinator of member-state aid efforts.

Generally, the *European Consensus* has been evaluated as successful in bringing coherence and creating a clear strategic framework for the EC's development efforts. Although the implementation of the consensus was rather slow, (Carbone 2013) especially in getting all EC delegations in partner countries on board, by 2010 its impact was being felt. The *European Consensus* was not a legal document though. It was accepted as a joint declaration by the European Commission, the Council of the EU, and the European Parliament, and should at best be seen as soft law. The requirements in the *European Consensus* for member states are non-binding. The EC has no way of enforcing that member states actually reach the 0.7/0.33% targets. Indeed, only one member state, the U.K., made significant efforts to reach the 0.7% target by 2015, although four other member states (Denmark, Luxembourg, the Netherlands, and Sweden) were already spending this much, as well. Even the aid increases in the U.K. were not driven by the EU or any desire to align with EU recommendations, but by domestic politics. (see Lightfoot et al. 2017) The EC has few tools to ensure that member states actually specialize according to their comparative advantages, or engage in coordination efforts. While the EC has published a number of guidelines in the spirit of the *European Consensus,* including an Operational Framework on Aid Effectiveness that includes more details on the division of labour between donors,

all of which have been endorsed by the Council, (Council of the European Union 2011) it cannot force member states to adopt these.

In 2011, the EU updated (but did not replace) the *European Consensus* with a document called *Increasing the Impact of EU Development Policy: An Agenda for Change*. (European Commission 2011) This introduced a number of changes, with the view to increasing the impact of EC aid. Most importantly, it shifted the goals of EC aid from poverty reduction to the promotion of inclusive and sustainable growth for human development. While this might seem like semantics, it actually represented an ideological shift. Since the acceptance of the MDGs, donors have tended to emphasize poverty reduction and talk less about the tools through which it is achieved. The promotion of economic growth through aid was seen as discredited, given how growth often did not have positive effects on the poor, and only led to greater inequalities. Explicitly emphasizing economic growth, however, meant a return to this older rhetoric, and possibly a realization that poverty reduction without growth is rarely sustainable.

The Agenda for Change also added a new set of priorities to EC aid: the promotion of human rights, democracy, and other key elements of good governance. While the EC's aid policy has become increasingly political since the 1990s, the promotion of democracy in recipient countries, although mentioned in the Maastricht Treaty, rarely was voiced so explicitly. This may reflect a shift in development thinking, where inclusive (democratic) institutions have been increasingly seen as prerequisites for development. (Acemoglu–Robinson 2012)

These major policy and strategic reforms following the turn of the millennium have been accompanied by a number of lower-level, less visible, but perhaps no less important reforms. The EC changed the way it planned and programmed its aid by introducing country strategy papers (CSPs). These documents are jointly created by the EC and the recipient country to identify the main development challenges for the country and the main areas for EC assistance. The CSPs were seen as key policy tools in aligning EC aid with recipient country priorities and ensuring national ownership. (ODI 2007) A process of "deconcentration" also began after 2000, shifting tasks and responsibilities away from headquarters in Brussels towards delegations of the EC in the recipient countries. Delegations received much greater responsibilities in planning assistance, as well as making decisions related to implementation.

More recent reforms, including the revision of the complicated and fragmented structure of financial instruments, and the acceptance of a "new" European Consensus are discussed in the following section.

The European Commission's Current International Development Practice

Legal background and key norms

The 2000s brought significant reform to the EU's international development policy, turning it from one of the world's worst aid agencies to a "good" one. (Department for International Development 2016)

Many important details on the principles guiding the EC's development policy are provided in Part five of the Treaty on the Functioning of the European Union (Treaty of Lisbon), which deals with the EU's external actions. Specifically, Chapter 1 in Title 3 details the key principles guiding the EC's external development policy, as well as the EU's vision on development. The most important provisions of the treaty include the following three points. First, development policy is conducted within the framework and under the principles and objectives of the EU's external relations (Article 208, Paragraph 1). This means development policy ultimately should serve the foreign policy interests of the EU, or at least be coherent with these. Second, "Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty" (Article 208, Paragraph 2). Thus, poverty reduction is identified in the Treaty of Lisbon as the main goal of EC aid. Third, the EC's development policy complements those of the member states, and member states maintain their own international development policies. The EC nonetheless has the responsibility to coordinate the actions of member states in their bilateral policies (Article 210). The treaty thus defines development policy as a "shared parallel competence" between the EU and its member states.

The *European Consensus* of 2005 and the *Agenda for Change* were replaced in the summer of 2017 with *The New European Consensus on Development.* (European Union 2017) The 2005 and 2011 documents needed updating to reflect the changes in the broader international development system, most importantly the acceptance of the SDGs. The *New European Consensus* also aligns development policy with the EU's broader external relations strategy. (European External Action Service 2016)

None of the principles, issues, and responses discussed in the *New European Consensus* however, are actually new. The document consolidates the changes in the EU's development policy and external environment since 2005. It reaffirms poverty reduction and long-term eradication as the main goals of EC aid, and brings EU development policy in line with the SDGs, most importantly by calling for an integration of the environmental and climate aspects of development into EC and member states' policies, an issue on which the previous consensus was rather silent. The implementation of the Paris Climate Agreement of 2015 is given special emphasis, and to this end the *New European Consensus* calls on member states and the EC to create a more coherent and consistent EU development policy. The need for an EU that acts in a unified manner is reiterated, as the document calls on member states to fund joint programmes, work on joint implementation, and pool resources. It emphasizes tailoring development policies to country contexts. The *New European Consensus* maintains the emphasis on economic growth introduced in the *Agenda for Change,* but the long discussions on peace, peace- and state-building, and managing migration show the growing importance of these issues.

How is development policy funded?

The *New European Consensus* lays down a vast number of areas towards which the EU needs to devote attention and resources. The EC's aid spending comes from two sources: the European Development Fund (EDF) and the EU's common budget. The EDF, originally created in 1957 to provide support for the colonies and overseas territories of the founding

members, is outside of the EU's budget and replenished by member states on a regular basis. It provides support for the ACP countries and for the Overseas Countries and Territories (OCTs), essentially the few remaining colonies of member states. The current EDF, running between 2014 and 2020, is the 11th replenishment, and includes €30.5 billion. Spending is regulated by the partnership agreement between the EU and the ACP countries, which, until 2020, is the Cotonou Agreement.

Development funds in the EU budget are meant to finance aid to all other regions, although ACP countries can be eligible for some funds. Within the budget, Heading 4, entitled *The EU as global player* includes funding for all EU external action, including development aid. Under Heading 4, the budget is divided further into a number of regional and thematic financial instruments, listed in Table 2. The system of financial instruments was reformed in 2007, cutting down the complex network of around thirty-five instruments and programmes to just nine, significantly streamlining the system.

Table 2.
Budgetary instruments under Heading 4

Instrument	**Purpose**	**Budgetary allocation for 2014–2020 (bn euros)**
Instrument for Pre-accession Assistance	Financial support for countries in the process of accession to the EU.	11.70
European Neighbourhood Instrument	Supporting cooperation and partnership with countries in the EU's neighbourhood, i.e. Eastern Europe, North Africa and the Middle East.	15.43
Development Cooperation Instrument	Combating poverty in developing countries, mainly but not exclusively in Asia and Latin America.	19.66
Partnership Instrument	Supporting the external dimensions of internal policies and addressing major global challenges (non-ODA).	0.95
Instrument for Stability and Peace	EU fund for preventing and responding to crises around the world.	2.34
European Instrument for Democracy & Human Rights	Provides support to non-governmental actors for the promotion of democracy and human rights.	1.33
Instrument for Nuclear Safety Cooperation	Supports higher levels of nuclear safety, radiation protection, and the application of efficient and effective safeguards of nuclear materials in non-EU countries.	0.25
Humanitarian aid	Provides assistance and relief for victims of natural or man-made catastrophes.	0.15
Instrument for Greenland	Supporting sustainable development in Greenland.	0.27
Total		55.81

Source: European Commission 2014

There have been many discussions about merging the EDF with the EU budget in the past decades, especially since the EDF violates the EU's budget unity principle, wherein all expenses and revenues of the EU need to be entered into a single document. (CVCE 2016) While both the EDF and the budget are implemented by the EC, they have different rules for implementation, which complicates EC international development policy. Given that member states contribute directly to the EDF according to pre-negotiated keys, EU institutions have a limited role in making decisions related to it. Decisions are made by the EDF Committee, where member states are represented and have votes proportional to their contribution. The EP has been the strongest advocate of EDF "budgetization", perhaps because the EDF's extra-budgetary position means the Parliament has little scrutiny over it. (D'Alfonso 2014) Budgetization has not happened so far because the ACP countries do not want to lose their dedicated fund and fear that, if budgetized, funds in the EDF could be diverted to fund development cooperation with other regions, or be used for totally different purposes more easily. France has championed this ACP view most strongly, and is seen as the most vocal opponent of the EDF's budgetization.

Beyond the funds from the EDF and the common budget, the European Investment Bank (EIB) plays a role in funding development projects. The EIB, a non-profit bank owned by the EU member states, raises capital by issuing bonds on financial markets and provides concessional loans for large-scale development projects which contribute to European goals. While the overwhelming majority of projects funded by the EIB are in Europe, it has provided loans for projects in around 160 countries.

Key actors

Within the EC, the Directorate-General for International Cooperation and Development (DG DEVCO) is responsible for designing and implementing the EU's development policy. DG DEVCO works closely with other EC Directorate-Generals (DGs), and especially the European External Action Service, to ensure the coherence of EU development policy with other aspects of external relations. DG DEVCO plans and proposes policy frameworks, strategies, and other guiding documents for development policy, all of which must be approved by the council. Together with the partner countries, DG DEVCO plans how aid is actually spent, identifying the most suitable ways for disbursing resources and identifying specific projects. This is done through the country strategy papers, which are the central documents for planning assistance on the country level. In the past years, there have been strong efforts by DG DEVCO to ensure that the drafting and review of the CSPs is a genuinely inclusive process, involving not only the recipient government, but also civil society and other actors. Nonetheless, it has been pointed out that this is not easy with all recipients, as many countries have weak governments and negotiating capacities. (ODI 2007)

In some cases, DG DEVCO also manages the resources and tendering procedures, but usually this is done by the recipient countries. All calls for development tenders and grants financed with EU funds in developing countries can be found on DG DEVCO's website. Tenders refer to procurement of goods and services for specific development projects, while grants allow non-governmental organisations to bid for funding to implement their development project ideas, provided these fit the priorities of the EU.

The delegations of the EC in recipient countries represent the EU and are at the forefront of implementing the EC's development policy in terms of managing projects, collecting data, and ensuring regular consultation with the recipient country's government and other stakeholders.

Allocation of funding

The regional allocation of EC aid, and how it has shifted in the past decades, has been discussed in section three (Table 1). While aid often is associated with large infrastructural projects, such as roads and power plants, the sectoral allocation of EC aid in Figure 2 shows that this is not the case for the EC's development policy. The largest sector the EC funds is social infrastructure, which includes healthcare and education. This is in line with the EU's emphasis on poverty reduction, as improving these sectors has a clear and relatively fast impact on the lives of the poor. The EC also provides a large amount of its assistance as budget support; it simply pays money into the national budget of the recipient state. The EC monitors budget support carefully, and such funding is covered by the CSPs as well, but the recipient government makes the decisions on how the funds are actually allocated.

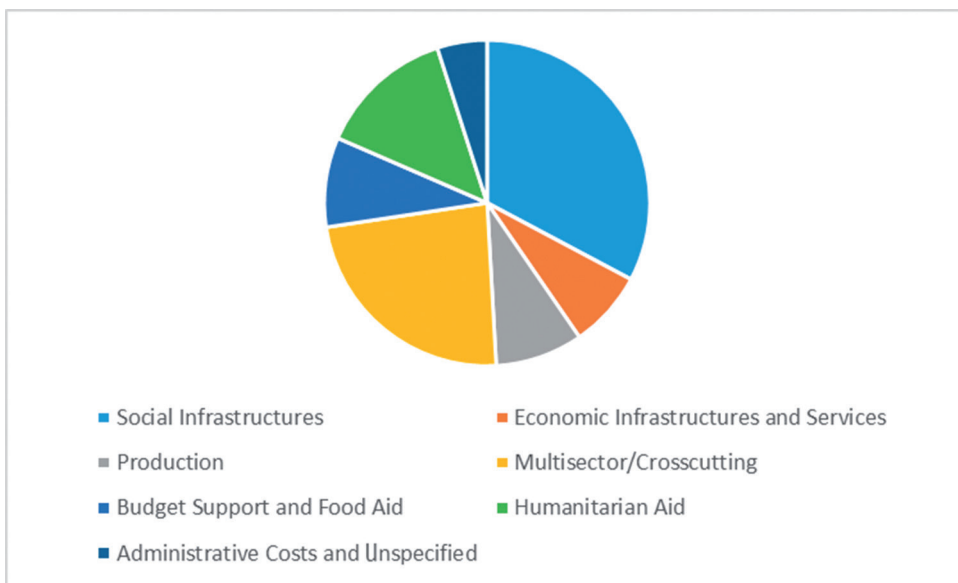

Figure 2.
Sectoral allocation of EC aid

Source: European Commission 2016a, 29–30.

Still a key partner? EU–ACP relations

As Table 1 shows, the relative importance of the ACP region has declined in the EC's international development policy over the past three decades. The region is the only one with which the EU has a bespoke partnership agreement, however, and benefits from its dedicated funding mechanism, the EDF. Yet the Cotonou Agreement is set to expire in 2020. Initial consultations on its successor began in 2016, with the actual negotiations set to start in 2018. The EC has published a communication on the future of the partnership in 2016. (European Commission 2016b) The most important issues voiced by the EC include bringing the partnership agreement up to date with the SDGs, as well as the EU's existing strategic frameworks for external relations and development. New challenges include state fragility, terrorism, and migration. Poverty has been reduced, and there has been significant economic growth in many ACP countries since 2000, but this has not benefitted every country equally, leading to greater heterogeneity. Trade between the EU and the ACP has also increased. The new agreement will have to take all of these changes into account, and feature even stronger political dialogue.

Political dialogue has been seen by the EC as a successful element in the Cotonou Agreement, (European Commission 2016b, 24.) but its full potential has not been reached. The EC also calls for greater flexibility towards the new agreement. ACP countries, on the other hand, view the political dialogue element as a way for the EU to promote its own values, and the EU is seen as highly selective when it intervenes. (CONCORD 2014) Nonetheless, ACP countries see the EDF as a key source of funding and would like continued access to it.

The EU–ACP trading system also needed significant reforms after 2000, but these proved too contentious and were not included in the Cotonou Agreement. To reform the trading system, the EU began negotiating economic partnership agreements (EPAs) with sub-regions within the ACP group after the turn of the millennium, but these progressed slowly. The EPAs were positioned as free trade agreements in which the ACP countries would also grant market access to the EU's products. This proved highly controversial, and the EU was accused of promoting its trade interests as opposed to poverty reduction and development goals.

As of 2017, EPAs have been signed with most ACP regions or individual countries, and some have already been implemented. The final agreements provide a number of favourable asymmetries for the ACP countries, including lengthy transition periods for the ACP countries in opening their markets to EU products, the possibility of excluding products and provisions for infant industry protection deemed sensitive. (European Commission 2017a) The EU provides full, tariff- and quota-free market access for the ACP countries. As with Article 96 of the Cotonou Agreement, the trade benefits can be suspended for violations of human rights though. It will take time to tell how successful the EPAs will be in boosting the development of the ACP countries, but they clearly show how the EU's approach to trade preferences has changed.

Current Challenges

Diversion of aid

There are strong tensions between the declared purpose of EU aid (sustainable poverty reduction) and how aid, as a tool of foreign policy, actually is used. Aid can be used for a number of purposes other than poverty reduction, including "buying" influence with recipient governments, or pursuing other goals that might not be compatible with poverty reduction. In the past decade, the EC has faced a number of accusations of diverting parts of its aid budget from poverty reduction. Three such diversions are discussed here briefly: securitization, climate change adaptation, and mitigation and managing migration.

The securitization of aid refers to using aid for security related purposes, mainly increasing the security of the donor. (Duffield 2007) These security concerns of donors, and thus discourses over securitization, have become increasingly prominent since the 9/11 terrorist attacks in 2001. The securitization of aid influences how, to whom, and for what purposes aid is given. Aid is thus diverted towards countries where security challenges for donors are most apparent, and for purposes such as supporting peace operations or strengthening the local police. These may conflict directly with the goals of poverty reduction, or may simply leave fewer resources for it.

Concerns over the securitization of EU aid have been rather strong, especially since the topic of security has become increasingly prominent in EU documents and the EU undertakes more and more missions in the framework of the Common Security and Defence Policy. (Furness–Gänzle 2016) The issue of state fragility figured strongly in the original European Consensuses and has been emphasized in the new one. There have also been strong calls for greater coherence between EU missions and aid funding. Most research on this topic finds evidence that EU aid has been securitized, (Keukeleire–Raube 2013) and clearly some aid spent by the EC has security objectives rather than development ones. (Furness–Gänzle 2016) There are questions whether this really is a deliberate policy of securitizing aid, or should rather be interpreted as efforts to increase coherence among the EU's external policies.

Given the increasing challenges of climate change, donors are under pressure to support adaptation and mitigation efforts. The UN Framework Convention on Climate Change, accepted at the Rio Convention in 1992, mandated rich countries to provide support for climate change to poor countries. At the Copenhagen climate talks in 2009, donors committed to mobilizing $100 billion per year by 2020. This should be in addition to existing aid commitments, but donors have the possibility of "repackaging" their existing aid into climate aid. In practice, it is difficult to tell whether aid has been diverted from poverty reduction to climate change adaption. There is no clear boundary between climate aid and development aid. (Donner et al. 2016) Many aid projects can be counted as both: installing solar panels in villages in the Sahel reduces both poverty as well as the need for these communities to use greenhouse gas-emitting energy sources. (Donner et al. 2016)

This means it is difficult to tell how the EC is doing in this regard. The EC sees itself as a global leader in the fight against climate change and is an important contributor to the Green Climate Fund (GCF) and REDD+ (an initiative to combat deforestation), as well as a number of other international initiatives. It is putting a larger emphasis on climate-resilient

development projects, (European Commission 2015) since long-term sustainable poverty reduction is only possible if climate change is taken into account. Many would argue that rather than speaking of a diversion of aid, therefore, greater coherence is needed between climate change funding and development aid.

Managing migration has become one of the largest foreign policy priorities of the EU after the 2015 refugee crisis. There is a common perception that foreign aid can be used to support the amelioration of the living conditions in the sending countries, and thus reduce the push factors for migration. There is, however, little evidence that development aid can reduce migrant flows in the short run, and most studies point out that aid can do little to alter the prevailing political and economic circumstances. (Herrero Cangas–Knoll 2016)

Another possible use of aid, however, can be to target the border control and migration systems of recipient countries to improve them and ensure that "tighter" borders keep potential migrants within their countries. The EU has taken this latter route. It received heavy criticism for its 2016 deal, in which Turkey was given 6 billion Euros in humanitarian aid in exchange for re-admitting migrants and tighter controls along the Aegean coast. (Collett 2016; Gogou 2017) In 2015, the EU created the Emergency Trust Fund for Africa, with the goals of fostering "stability in the region to respond to the challenges of irregular migration and displacement, and [contributing] to better migration management". (European Commission 2017b) While the fund officially aims to address the root causes of migration, many critics have pointed out that the EU is using it to draw African countries into tighter cooperation on migration management, return, and readmission. The trust fund drew €1.8 billion from the EDF, and has been seen as a diversion of development funds. Most of the projects under the trust fund thus have far focused on border, security, and irregular migration management activities, and while these can have a positive impact on human development trends, this is by no means automatic. (Herrero Cangas–Knoll 2016)

What impact does the EC have on member states?

Significant research has emerged in the past years on whether the EC is able to influence the bilateral development policies of its member states. A large body of recommendations and soft law was created after the acceptance of the *European Consensus* in 2005, which included a number of soft regulations for member states. Given that there is no way to enforce the implementation of these, key questions are whether states comply, and why or why not.

Research on these issues can be placed in the broader framework of Europeanization. This theory, broadly conceived, aims to explain the domestic impact of the EU (or lack of it) in the member states. The basic model on Europeanization, advocated by Risse, Cowles and Caporaso (Risse et al. 2001, 6–12.) states that laws, institutions, methods, processes, norms, behavioural rules etc. originating from the EU level may be incongruous with relevant legislation of the nation states. Depending on how large this gap is, pressures arise for the nation state to adapt to the "European way" of doing things. These pressures are mediated through domestic institutions, however, and a multitude of factors will influence whether and how the country actually changes its policies. These factors can include formal

and informal national institutions, veto points, and even the more general economic and social context of the country.

The two main ways for Europeanization to happen are through conditionality and socialization. (Checkel 2001; Schimmelfennig–Sedelmeier 2005) Conditionality usually refers to cases where the EU has strong tools to enforce regulations, either in the form of incentives or punishment. Member states are obliged to comply with any hard legislation accepted by the EU institutions. Non-compliant member states may be pressured heavily by the EC and may even be brought to the European Court of Justice. In the case of accession countries, conditionality can be just as explicit, as the EU can have even more leverage on these countries than it has on its members (i.e. their accession process can be stalled if they do not comply).

There are, however, many policy areas (including international development) where hard law is limited and Europeanization relies on much softer processes – a more constructivist approach to Europeanization emphasizes the importance of longer-term social learning. To be part of the "European family", you must act European. This involves the internalization of European values and formal rules, as well as the gradual development of the conviction that that is the only proper way to act. While Europeanization through conditionality can be rather explicit and quick, social learning is a slow process and more difficult to identify in practice.

Most of the research examines socialization processes and whether these have led to convergence between EU and member state bilateral development policies. Many contributions have looked at the Central and Eastern European countries, but have found evidence only for "shallow" (Horký 2012) or "reluctant" (Lightfoot–Szent-Iványi 2014) Europeanization. The Central and Eastern European countries have adopted European rhetoric in the field of development, but have not followed by reforming their aid programs and bringing them closer to EU requirements.

The broader picture for the entire EU reveals a modest degree of Europeanization; (Orbie–Carbone 2016) however, even if there is convergence with the norms of the EU, it is difficult to say whether Europeanization is the cause or it is driven by other factors. For the Nordic countries, for example, it has been argued that it is not that their development policy is being Europeanized, but that the EU's has been "Nordicised". (Elgström–Delputte 2016) Thus, the convergence between EU and national development policies is not driven by the EU influencing its members, but rather a group of members influencing the EU. The Nordic countries, as well as some "like-minded" member states such as the Netherlands and the U.K., have been seen as the major drivers behind the EU's development policy. The EU's socialization effects on member state development policies are therefore relatively weak.

The impact of EC aid in recipient countries

The ultimate question regarding the EU's development policy, and aid provided by the EC, is how effective it is in reducing poverty – its declared goal. Determining the impact of aid provided by a single donor in specific recipient countries is notoriously difficult. The immediate outputs from aid projects – new schools, trained healthcare professionals,

roads built, new economic policies – are usually visible and easily identifiable. These outputs are not usually indicators of impact though. Are children more likely to attend those new schools, more likely to learn, more likely to get better jobs later and achieve higher incomes? Are the new healthcare professionals really able to help sick people? Do the new roads really decrease transport costs, thus stimulating economic activity, leading to more jobs, lower unemployment and thus lower poverty? Do the new economic policies really achieve their goals in promoting businesses, exports, employment, etc.?

Such questions are difficult to answer. Linking the amount of aid to actual development impacts (ultimately, fewer poor people) is not easy for a number of reasons. (Morra-Imas–Rist 2009) First, can observed decreases in poverty be proven to be a result of aid and not some other factor? The number of poor people in a country depends on many circumstances, such as government policies, institutions, the business cycle, foreign investment and even the weather, which makes it difficult to single out the effect of aid. Most of these factors are outside the control of donors. In most developing country contexts, several donors are active, and isolating the impact of a single actor is, again, difficult. There is often no counterfactual data. What would have happened without aid? The impacts we are interested in can be difficult to quantify and expensive to measure. Measuring income or health requires expensive surveys, and donors may not budget or plan for these. Donor agencies may have incentives against showing failure, moreover, as this could lead to a decrease in their budgets. This would mean they have fewer incentives to undertake serious evaluations.

It is therefore hard to say anything about the impact and effectiveness of individual donors, even ones as large as the EU. Many EU documents place a heavy emphasis on increasing the effectiveness of aid, and the EU has been a key driver behind the development of the global aid effectiveness agenda. The EC's publications on its aid policy focus on outputs though, and not on impacts. The EC produces an annual report on the implementation of EU external funding, for example, but it is a mainly descriptive account of the year's events and what the EC has financed, with very few details on actual impacts. (European Commission 2016a) Nonetheless, the EC has made strong efforts to improve the way it provides aid, (OECD 2012) and while this is no guarantee that there are fewer poor people as a result, it probably represents steps in the right direction.

Conclusions

This contribution has attempted to provide a comprehensive overview of the EU's international development policy, focusing on foreign aid provided by the EC. It placed the EC into the broader international development regime, provided a historical account of the evolution of its development policy, discussed the most important details of its current practice, and explored some key challenges and issues. Three key findings emerge from this exercise.

First, the EU's development policy has grown and expanded significantly since its inception. It has developed from a small programme focused on former colonies to a coherent global policy aligned with the external policy interests of the integration. The policy not only expanded the number of countries it covers and the amount of resources at its disposal, but also changed from a qualitative perspective, increasing the effectiveness of aid resources. While elements of post-colonialism are still present, the policy is now truly an instrument

supporting the EU's global ambitions. The EU's common development policy will likely be forced to contract after Brexit however; the U.K.'s contributions to the EDF and EU budget will be missed, as they make up around 13% of the EC's development resources. (Lightfoot et al. 2017) Brexit also may promote important shifts in the common development policy.

Second, development policy should be seen as an expression of the EU's actorness. But, just how much is the EU able to act as a single, unified actor in international development? With 28 member states all acting as donors, and the EC, in essence, acting as a 29th donor, is it possible to talk about unified action? While the EC is meant to coordinate European development efforts, it does not really have the tools to carry out this role. Some member states, especially the Nordic countries, align their development policies well with EU requirements, but there is much less evidence of "Europeanization" among the eastern and southern members. Each member state seems to follow its interests and priorities in international development; a single European voice is often difficult to discern. A number of EU-level policies weaken the effects of development policy by hurting developing countries. Ensuring greater coherence among these policies is seen as the most important way to increase the impact of the EU in the developing world.

Third, there are clear contradictions between what aid is meant for and how it is actually used. The diversion of aid from poverty reduction to other goals, including managing migration or increasing security, is clearly present in the EU's practice. Foreign aid is a tool of foreign policy, and it would be unrealistic to expect any donor, even the EU, to not use aid to further its short-term interests. As long as the founding treaties and strategic documents express lofty (and worthy) principles such as eradicating poverty or promoting the respect for human rights, however, not adhering to them will leave the EU open to criticism.

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The V4 and the EU

Alex Etl

Introduction

The case study on V4 (Visegrád Group or Visegrád cooperation) is special in a book dealing with the EU's regional and bilateral cooperation. This is because the group went through a fundamental transformation since its foundation in 1991. In the beginning, it was a vague initiative, aiming to facilitate cooperation among its members, who had freshly regained their independence. Soon the V4 became the common denomination of four countries, all eager to join the European and Euro–Atlantic integration process. Having completed their accession successfully in 2004, members turned the group into a sub-regional cooperation within the EU, whose goal is to protect its member states' common interest and strengthen their collective voice. Meanwhile, after 2015, the V4 also started to appear as an alternative to that of the European mainstream.

This chapter explores how the EU–V4 relations have changed through the course of transformation from an external, regional domain to an internal partnership. Keeping in mind the fact that the V4 has become an integral part of the European Union, the analysis clearly necessitates slight modifications, compared to other case studies of the book. Thus the chapter is constructed as follows. The first part will start with the V4's historical background between 1991 and 2004. It proceeds with the introduction of institutional relations, which in this special case will mostly focus on the V4's institutional positions within the European Union. The second part of the study will demonstrate the challenges and opportunities ahead the EU–V4 relations. One the one hand, it will focus on the role of the "Visegrád brand", and highlight its importance for the Group, while it will also introduce the added value of the V4 to the EU's external relations. On the other hand, the analysis will also highlight political, social and economic challenges of the Visegrád Group, to point out some problems which could fundamentally undermine sustained effective cooperation among the V4. The chapter concludes, based on V4 voting patterns in the Council of the Ministers of the EU, as well as demographic and economic challenges, that internal division in the V4 prevents greater long-term cooperation.

Historical Background, 1991–2004

In 1991, the Visegrád Triangle's (with its original three members: Czechoslovakia, Poland and Hungary) appearance on the European political scene filled in the power vacuum in the region left by the dissolution of the Soviet Union and the break-up of the Eastern Bloc. The quick and unexpected demise of the bipolar world order established a fundamentally new geopolitical

situation on the European continent, especially in the region that existed – as Jenő Szűcs famously pointed out – in an in-between position, bordered by the so-called "West" on the line of the Elbe–Leitha rivers and by the "East" on the line of the eastern Carpathian Mountains and the forests between Poland and Russia. (Szűcs 1983, 1–2.) This region is usually called East-Central Europe or Central Eastern Europe, which serves as dual discursive framings: "simultaneously in Europe and not yet European", while also distinct from the East. (Kuus 2004, 473.)

The countries of this geographical region also shared certain societal and economic traits, and have a common history, including the various tragedies of the 20th century. The rapid structural changes of the late eighties and early nineties, including the fall of the communist regimes, as well as the establishment of democratic political systems and free market economies, provided a chance to return to the disrupted course of developing nation states in the region. During the early nineties, six main options emerged for the region, which also meant different security guarantees. These included, orientation towards the East (i.e. Russia); neutrality; maintenance of independent foreign and security policies for each nation; integration on a Pan-European level (OSCE); integration on a regional level; and integration into the Euro–Atlantic/Western European structures. (Tálas 2008) The new situation evoked potential threats in addition to the emerging opportunities, as the fear from the return of Russia as well as the example of the Yugoslav wars highlighted the latent tensions and the vulnerability of the new European security environment. This, along with the promise of development and modernization, pushed the V4 countries quickly towards the Euro–Atlantic integration processes.

In parallel to this, the need for stability also led to the emergence of new, regional frameworks, with the Visegrád Declaration as their first manifestation, signed by the Polish President Lech Walesa, the Czechoslovak President Vaclav Havel and the Hungarian Prime Minister József Antal on February 15, 1991. The declaration emphasized the similarities between the three countries. Instead of concrete measures though, it rather defined flexible areas of future cooperation, including the harmonization of activities with European institutions and consultations on security issues; endeavouring free contact among citizens; as well as increased cooperation in the fields of economy, infrastructure, ecology, free flow of information and minority rights. (Visegrad Declaration 1991) During this initial phase, the member states achieved significant successes regarding the elimination of their totalitarian regimes; the withdrawal of Soviet troops from their territories; and the reshaping of their economic systems. (Dangerfield 2014, 76.)

The transformation period ended in 1992 though, and was followed by a six-year deadlock, due to the dissolution of Czechoslovakia and the emergence of the autocratic Vladimir Meciar Government in Slovakia, which found itself isolated. On the other hand, Vaclav Havel's successor, Vaclav Klaus also downscaled the role of the Visegrád cooperation. (Fawn 2013, 342.) Since the Visegrád became practically paralyzed, it could not provide an effective platform for regional cooperation. This provided room for the emergence of a new forum, the Central European Free Trade Agreement (CEFTA), which served as a "proxy" to preserve some key elements of the V4. (Dangerfield 2014, 77.) Since the Visegrád Group was technically not functioning, the official accession of the Visegrád countries to the EU started independently. Hungary and Poland both submitted their application for membership in 1994; the Slovak and Czech applications came in 1995 and 1996, respectively.

While the V4 was sometimes seen as a platform that can facilitate negotiations with the EU, the role of the Group remained at least questionable in this regard. (Dangerfield 2014, 78.) On the one hand, the more developed Visegrád countries (at that time: the Czech Republic and Hungary) regularly emphasized that their performance should be evaluated separately. (Czyz 2007, 133.) On the other hand, the general perception assumed that the West needed a new puffer zone in the region for the stabilization of Europe, but this did not mean that the EU wanted to strengthen the internal cohesion of the Group, as it could have fundamentally improved the four countries' negotiating positions during the accession period. (Inotai–Sass 1994, 9–12.)

Although accession to the EU was not necessarily the main focus of the Visegrád cooperation, the V4 started to revitalize after 1999, due to the resignation of Klaus and the electoral defeat of Meciar in 1999. (Fawn 2013, 343.) The first step on this road was taken when the prime ministers of the four countries accepted the declaration on *Contents of the Visegrad Cooperation* in Bratislava. (Contents 1999) As the Czech Republic, Hungary and Poland were already NATO members, their support for the Slovak accession became a priority of the V4 besides cooperation in the fields of education, culture, science and infrastructure. Additionally, the Group implemented a non-institutionalized, but practically permanent system of cooperation, based on the annually rotating presidencies, the regular meetings of prime ministers and other government members as well as state secretaries and ambassadors. They also established the International Visegrad Fund (IVF), the only institutionalized body of this flexible system.

In 2002, the European Council closed the negotiation processes with 10 applicant countries, including all Visegrád members, who signed the accession treaty in April 2003. (Czyz 2007, 136). During the next months all four Visegrád countries held referenda on the EU accession with a voter turnout between 45 and 60%. Roughly 83% of the voters supported membership in Hungary; 92% did so in Slovakia, while only about 77% did in the Czech Republic and Poland. The V4 countries joined the European Union on 1 May 2004, transforming their relations with the EU member states and within the Visegrád Group.

The International Visegrad Fund (IVF) started its operation in 2000. Its main aim is to facilitate cooperation between the citizens of V4 at the grassroots through grant programs, scholarships, as well as cultural and scientific projects, which are to the present day open for applicants from the Western Balkans or Eastern Europe. The IVF thus directly and indirectly strengthens the spirit of cooperation, and the V4's common identity, through direct engagement. The IVF secretariat is situated in Bratislava; its annual budget is approximately EUR8 million. Its main governing body is the Conference of Ministers of Foreign Affairs, and it is led by the Executive Director. (International Visegrad Fund)

Institutional Relations within the EU

Since the V4 became an integral part of the European Union, technically there are no institutionalized relations between the EU and the Visegrád Group, as the EU itself provides platforms for this. Therefore, it is impossible to analyse the institutionalized relations between the two parties. Instead, the next section will provide a general overview concerning the presence of the V4 in the EU institutions.

As different observers pointed out, the general perception concerning the future of the V4 in 2004 was that the group would disappear, since it had lost its relevance. (Fawn 2013; Czyz 2007) Shortly after accession though, the four prime ministers accepted the Kroměříž Declaration and guidelines regarding their future collaboration. The document highlighted areas for potential cooperation within the V4 and the European Union. These included cooperation on culture; education, youth exchange; science; civic dimension; cross-border development; infrastructure; environment; security; defence and Schengen; consultation about the current issues of common interest; active contribution to the EU's Common Foreign and Security Policy, with a special focus on the European Neighbourhood Policy; consultation in the area of Justice and Home Affairs; cooperation within the European Economic Area; preparation for the accession to the Economic and Monetary Union; and active participation in the European Security and Defence Policy. (Guidelines 2004) The guidelines also emphasized the role of cooperation with NATO and other international organizations, as well as with other countries in the broader Central Eastern European region. (Guidelines 2004) The most visible platform of this cooperation with third parties became the so called V4+ format. Although the V4 membership remained inexpansible, from this time, the V4 started to develop flexible relations with other countries (most notably with Romania, Bulgaria, Austria, Slovenia) and with different other regional formats as well (e.g. V4 + Baltic).

The Visegrád Group also increased its representation in European institutions. The most visible aspect of this was the election of Donald Tusk as president of the European Council in 2014. V4 members also filled important positions within the European Commission. (See Table 1.) Generally speaking, the Polish positions are somehow stronger in this regard (Regional Policy, Financial Programming and Budget, Internal Market, Industry, Entrepreneurship and SMEs) but it is also important to note that Slovakia gave two vice presidents of the Commission since 2004.

Table 1.
V4 portfolios in the European Commission

Commission	Hungary	Poland	Czech Republic	Slovakia
Prodi	Regional Policy	Trade	Health and Consumer Protection	Enterprise and Information Society
Barroso I.	Taxation and Customs Union	Regional Policy	Employment, Social Affairs and Equal Opportunities	Education, Training and Culture
Barroso II.	Employment, Social Affairs and Inclusion	Financial Programming and Budget	Enlargement and European Neighbourhood Policy	Inter-Institutional Relations and Administration (Vice President)
Juncker	Education, Culture, Youth, Sport	Internal Market, Industry, Entrepreneurship and SMEs	Justice, Consumers and Gender Equality	Energy Union (Vice President)

Source: Edited by the author.

The relative weight of the V4's institutional presence is symbolized by the group's representation in the European Parliament. The Czech Republic, Hungary, Poland, and Slovakia altogether have 106 MEPs in the current European Parliament, which is a significant number, if we keep in mind that Germany has 96, while France has only 74 representatives. As Table 2 demonstrates this number is fragmented among the different fractions of the Parliament but the majority of the V4's MEPs sit with the three biggest fractions: the European People's Party, the Progressive Alliance of Socialists and Democrats, and the European Conservatives and Reformists. An important element of the V4 brand is that its aggregated representation is bigger than any country's share in the European People's Party and in the European Conservatives and Reformists fractions; this is overshadowed by the fact that neither the member states nor the fractions can oblige the MEPs to vote together, while other country groupings can have bigger voting power within the given fraction.

Table 2.
The Visegrád Group's MEPs in the European Parliament 2014–2019

	Czech Republic	Hungary	Poland	Slovakia	V4 Total	Fraction Total
Group of the European People's Party (Christian Democrats)	7	12	22	6	47	216
Group of the Progressive Alliance of Socialists and Democrats in the European Parliament	4	4	5	4	17	190
European Conservatives and Reformists Group	2	0	19	3	24	74
Group of the Alliance of Liberals and Democrats for Europe	4	0	0	0	4	68
Confederal Group of the European United Left – Nordic Green Left	3	0	0	0	3	52
Group of the Greens/ European Free Alliance	0	2	0	0	2	51
Europe of Freedom and Direct Democracy Group	1	0	1	0	2	45
Europe of Nations and Freedom Group	0	0	2	0	2	37
Non-attached Members	0	3	2	0	5	18
Total	21	21	51	13	106	751

Source: European Parliament MEPs www.europarl.europa.eu/meps/en/search.html?politicalGroup=4269

In addition to these quantitative data, it was an important step for all four countries to hold the Presidency of the Council. First the Czech Republic in 2009, then Hungary and Poland both in 2011 and finally Slovakia in 2016. As such, all of them experienced one of the most difficult institutional tasks within the European Union. It also became a common practice

that the Visegrád Group issues joint position papers or non-papers to influence the debate within the Union concerning any actual agenda points. (Törő–Butler–Grúber 2014, 373.) There are regular consultations among the V4 countries on different levels within the EU that provide opportunities to harmonize their positions. (Törő–Butler–Grúber 2014, 374.)

Opportunities and Challenges in the Way of the V4

In contrast with the deadlock of the mid-nineties or with the general scepticism after the EU accession, the Visegrád Group successfully consolidated its positions within the Union and preserved its relevance. For 2010, the voices which described the V4 as a negligible cooperation were marginalized. The second part of this study aims to point out that this was mainly the result of the flexible nature of the group which made it possible for the Visegrád Group to become a brand. After identifying the characteristics of this brand, the analysis will draw attention to those political, societal and economic differences within the V4 which constitute the biggest obstacles in the way of the Group.

The V4 as a Brand

There is a general agreement in the literature that the Visegrád Group has become a brand during the last decades. (Dangerfield 2014; Fawn 2013; Törő–Butler–Grúber 2014) According to the Oxford Dictionary, a brand is a *"a type of product manufactured by a particular company under a particular name"* but it is also a *"particular identity or image regarded as an asset"*. (Oxford Dictionary) These two approaches reveal a lot about the nature of the Visegrád, as well. On the one hand, it is clear that the brand needs a company, in this specific case the Visegrád Group, constituted by the four countries. This can be seen as the internal dimension of the brand. On the other hand, a brand also projects an image which can be recognized by outsiders only. In other words, the brand has to be perceived by others, it needs an external dimension, as well. In this specific case, this external dimension was historically the European Union, as the West was essential for the recognition of the V4. However, as a brand cannot exist without external recognition, it cannot be maintained without an internal dimension either.

On the external level, several examples highlight that the V4 is a well-recognized brand in the EU. Rich Fawn concluded – based on semi-structured interviews with foreign diplomats in Budapest and Prague – that most of the interviewees had a positive image of the V4, which can influence actions significantly. Fawn also emphasizes that there was no doubt regarding the survivability of the Group which is a striking difference compared to the attitude in the mid-nineties. (Fawn 2014, 4–8.) Nevertheless, it is also important to note that the brand of the Group is not necessarily seen as something positive. The most famous example in this regard was probably the criticism from former French President Nicholas Sarkozy, who accused the V4 countries with obstruction, due to their regular cooperation before European Council meetings. (Mahony 2009) Similarly, the international media can also frame the cooperation negatively, as it happened in the case of the famous Economist article entitled *Big, bad Visegrad.* (The Economist 2016) This negative branding has become

more and more visible during and after the 2015 migrant and refugee crisis in Europe which resulted in a common anti-migration policy on the level of the V4. However, negative branding is still branding and it supports the cohesive image of the Group.

As for the internal dimension, the brand building was a conscious process on the political level. As Rick Fawn highlights, Visegrád coordinators had already assumed in 2004 that the Group is recognized as a brand. (Fawn 2013, 347.) Quite explicitly, the politicians of the Visegrád countries tend to refer to the Group as a brand. For example, in 2013 the Polish Minister of Foreign Affairs, Radoslaw Sikorski stated that "over the last year we have strengthened the Visegrad brand and ties within the Group", while official statements of the V4 sometimes also refer to the cooperation as a *well-known brand.* (Ministry of Foreign Affairs of the Republic of Poland 2013; Ministry of Foreign Affairs of the Republic of Poland 2016) Fawn also points out that the International Visegrad Found serves as a the most important source of data regarding the Visegrád Group which led to an anomaly in the existing literature around the Group, as it became sometimes self-referential or positive towards the V4. (Fawn 2013, 340.) On the societal level, different opinion polls demonstrate the limits of brand building. According to the data of the Slovak Institute for Public Affairs from 2003, the Slovak society was the most aware of the V4, as 56% of the respondents knew what it is. (Helsusová 2003, 11.) This number was only 35% in the Czech Republic, 44% in Hungary and 39% in Poland. (Helsusová 2003, 11.) The Slovak Institute for Public Affairs conducted a similar research in 2015 which highlighted that 54% of the Slovak respondents heard about the V4, while this number was significantly lower in the other three countries (37% in the Czech Republic, 26% in Hungary and only 17% in Poland). (Gyárfásová–Meseznikov 2016, 1.) This also means that the awareness decreased in the Czech Republic, Hungary and Poland compared to 2003. In contrast with this, the Hungarian Nézőpont Institute published a similar opinion poll in 2017 which signalled higher numbers regarding public awareness (90% in Slovakia, 84% in the Czech Republic and Poland, and 76% in Hungary). (Nézőpont Intézet 2017, 1.) This could be the result of the increased attention the V4 got during the "migration quota debate" within the EU. However, these findings are overshadowed by the fact that only the 73% of the Slovak respondents could name all four member states. The number was 64% for the Czechs, and less than 50% for Hungarian and Polish respondents. (Nézőpont Intézet 2017, 1.)

These data and figures point out a controversial process. On the one hand, the brand building can be seen as a successful effort on the external level. As some experts also pointed out during the last years, this image of the V4 became so successful that outsiders tend to assume a coherent Visegrád agenda in every case, even when there is no common interest. (Törő–Butler–Grúber 2014, 365.) On the other hand, the opinion polls highlight important limits of awareness on the internal level which also demonstrates that the brand is not only a political but also a social project.

The brand building is also supported by the V4's contribution to the foreign policy of the European Union. This area has three main aspects. Firstly, the group organized several meetings in the V4+ formats with external actors. These included the V4 + GUAM (Georgia, Ukraine, Azerbaijan, Moldova), the V4 + Western Balkans (Albania, Montenegro, Serbia, Kosovo, Bosnia and Herzegovina, Croatia, Slovenia), and other bilateral meetings (e.g. V4 + Israel). Secondly, shortly after the accession, the group started to advocate for the Eastern Partnership of the European Union. Finally, to some extent the V4 started to represent a role model for some EU candidate countries, most notably in the Western Balkan region. The group

emerged as an example, since it contributed to the stabilization of the region and also to the loose cooperation of its members in specific policy areas.

However, several authors pointed out that these efforts and advantages are rather visible than effective. Although the IVF provides grants for the Western Balkans and Eastern Partnership regions, there are no enhanced cooperation among the V4 and other, external actors. For example, Walsch demonstrated that in case of Bosnia and Herzegovina the V4 supported specific, low profile project and the Europeanization of the country, but did not show willingness for a more active role or a deeper engagement. (Walsch 2015, 438.) Similarly, Dangerfield highlighted that the V4 was rather an advocate of the ENP but not an initiator of the process, as larger EU member states or other intra-EU alliances (most notably between Poland and Sweden) played much greater role. (Dangerfield 2009, 1752.) The reason of this limited role can be that the Eastern European region is traditionally less important for the Hungarian foreign policy. (Rácz 2011, 159.) Moreover, seeing the V4 as a role model does not mean that it could be mechanically transposed to other regions, due to its specific geographic, economic, historic and political circumstances. (Rosteková–Rouet 2014, 192.) Nevertheless, the projected role model image can also add to the EU's foreign policy. Therefore, the Visegrád Group efforts contributed to the V4 brand building process, as they helped to project a coherent image of the group, but they did not make a fundamental difference in the EU's foreign policy.

Example for a successful V4 cooperation: Although the Visegrád Group cooperates in a number of political areas, only a few of these can transform into material successes. One of these is the Multiannual Financial Framework (MFF) – a seven-year framework which defines the EU's annual budgets. As such, it is an extremely important area for each member state. For some of them, a bigger budget is equal with bigger expenses, as they are net payers, due to their relatively developed economic situation. For others, an increased budget means extra financial sources, as they are net beneficiaries of the MFF. This system helps the convergence of less developed member states in different financial areas, with primarily the tool of cohesion policy. The V4 countries – together with all of the new member states – belong to the group of net beneficiaries, and therefore their direct financial interest is to obtain bigger resources. This was the case during the last MFF negotiation process as well, which prepared the budget for the 2014–20 period. During the negotiation phase, the Visegrád Group became the core pillar of the so-called "Friends of Cohesion" group, whose main aim was to protect the Cohesion policy's budget against potential cuts. As some observers pointed out, the V4 had to face a typical prisoner's dilemma, as the traditional net payer member states wanted to cut the budget, and started to approach them individually in order to offer small incentives for them to weaken the "Friends of Cohesion" group's resistance. (Kalan–Tokarski–Toporowski 2012, 7.) This was especially visible in the case of the Czech Republic, which had to balance between the two groups, as the country's relative economic positions differ from the other V4 members, which pushed Prague towards the reduction of the overall budget, while in parallel with the maintenance of the Cohesion funds. (Kalan–Tokarski–Toporowski 2012, 7.) Although the negotiations led to the overall cut of the MFF, the V4 could reach a significant success, as its members remained still the biggest net beneficiaries of the budget. For example, in 2014, Poland and Hungary were the two biggest net beneficiaries, EUR 13.748 and 5.681 billion respectively.

This number was EUR 3.004 and 1.010 billion in cases of the Czech Republic and Slovakia. For 2015, Poland remained the first and the Czech Republic the second net beneficiaries with EUR 9.483 and 5.699 billion. Hungary received EUR 4.636 billion while Slovakia EUR 3.095 billion. (European Commission) These data aimed to highlight the material successes of the Visegrád Group during the negotiation process but this does not mean that the Visegrád countries are the only beneficiaries of the MFF, as other members of the "Friends of Cohesion" Group are also among the biggest net beneficiaries (i.e. Romania – with EUR 4.519 and 5.154 billion and Greece with EUR 5.162 and 4.934 billion for 2014–2015).

Behind the Brand

Solidarity problems

Although brand building became a success story for the V4, this is not necessarily in line with internal cohesion and actual decisions of the Group.

Firstly, the power of the brand is countered by the actual voting tendencies in the European Union, and specifically in the European Council. It would be logical to assume that the V4 countries generally should vote together, in order to strengthen their own voice in the EU and to strengthen their cooperation for the common cause. However, Table 3 highlights that the analysis of the blocking attempts within the Council of the Ministers of the EU does not support this claim.

Table 3.
Voting tendencies in the Council of the Ministers of the EU

Total votes (1 January 2010 – 31 December 2017)	869
Votes when at least one V4 country was against a proposal or abstained	70
Votes when two V4 countries were against a proposal or abstained	17
Votes when three V4 countries were against a proposal or abstained	6
Votes when all V4 countries were against a proposal or abstained from the vote	0
Successful blocking attempts (when at least one V4 country was against a proposal or abstained and it was rejected by the Council)	0

Source: Council of the European Union – Voting Results www.consilium.europa.eu/en/general-secretariat/corporate-policies/transparency/open-data/voting-results/[1]

As Table 3 summarizes, the Council of the Ministers of the EU voted 869 times between 01 January 2010 and 31 December 2017. Although, the V4 voted together several times during

[1] The source of all voting results was the database of Vote Watch Europe and the chosen timeframe was heavily influenced by the fact that the data could be tracked down until 08 July 2014. According to the current rule the Council can vote with simple majority, qualified majority or unanimity. Simple majority needs the support of 15 members, while qualified majority is established if at least 55% of the member states – representing at least 65% of the EU's population – vote in favour of the proposal. This also means that a blocking minority can be established in the Council during qualified majority votes with four members, representing at least 35% of the population. Technically, the V4 is not able to create a blocking minority in itself, since it represents only 12.45% of the total population.

the analysed period, all of these examples were supportive votes. There were 70 occasions when at least one V4 country was against a given proposal or abstained from the vote. This is less than 10% of all votes. The first surprising result is that one can observe only 17 cases when at least one more Visegrád country also supported a blocking attempt. More importantly, only 6 cases emerge from the analysed time frame when at least three Visegrád countries tried to block a proposal together and there was no single case when the V4 as a coherent group rejected something in the Council of the Ministers of the EU. This also means that there were 47 blocking attempts when a Visegrád country was left alone by the group. This provides significant doubts regarding the efficacy of the Visegrád cooperation, when it comes to actual voting. These are further strengthened by the fact that the analysis provided no example, when a Visegrád country's blocking attempt was successful, since all 70 cases resulted in the approval of the given proposal.

Another interesting tendency emerges from the analysis of the blocking coalitions among the V4, since Poland and Hungary voted together 6 times, the Czech Republic and Hungary 5 times, which were the strongest blocking coalitions during the analysed period. It is difficult to decide if these can be seen as evidence of increased cooperation or as accidental patterns. Table 4 also demonstrates that other cases of cooperation regarding the blocking attempts are definitely based on an *ad hoc* practice.

Table 4.

Cases where two or three V4 countries tried to block a vote in the Council of the Ministers of the EU between 1 January 2010 and 31 December 2017

Czech Republic with Hungary	5
Czech Republic with Poland	2
Czech Republic with Slovakia	1
Hungary with Poland	6
Hungary with Slovakia	0
Poland with Slovakia	3
Czech Republic with Hungary and Slovakia	1
Czech Republic with Poland and Slovakia	2
Czech Republic with Hungary and Poland	1
Hungary with Poland and Slovakia	2

Source: Council of the European Union – Voting Results www.consilium.europa.eu/en/general-secretariat/corporate-policies/transparency/open-data/voting-results/

Furthermore, Table 4 suggests that there are several combinations (where the level of cooperation was rather low (e.g. Hungary with Slovakia or the Czech Republic with Slovakia). This also implies that there are striking differences between the interests of the Visegrád member states in some cases, which can further weaken the efficacy of the V4. Another important difference is that Bratislava was left alone by the other V4 countries during its blocking attempts only once, while Warsaw 18 times. As Table 5 summarizes, these are the two extremes in the group, which also shows that Poland and Hungary tend to be more isolated in the Council. The data possibly implies that Slovakia has a rather cooperative stance in many cases, than the other members of the group.

Table 5.
Cases where a Visegrád country was left alone during a blocking attempt between 01 January 2010 and 31 December 2017

	Number of those blocking attempts when the country was left alone
Czech Republic	13
Hungary	15
Poland	18
Slovakia	1

Source: Council of the European Union – Voting Results www.consilium.europa.eu/en/general-secretariat/corporate-policies/transparency/open-data/voting-results/

As such, the voting solidarity of the Visegrád Group is rather based on a misperception than on actual cooperation. There was no case during the analysed time frame when the V4 could successfully harmonize its member states' blocking attempt and reject collectively a proposal in the Council of the Ministers of the EU.

Political, social and economic difficulties

The actual lack of solidarity highlights that there are significant examples, when the brand does not manifest itself in solidarity. The reasons for this can be captured in the clashes of interests within the Group, which are rooted in the four countries' political, societal, and economic differences. This is a natural consequence of a cooperation which consists of countries who are each other's competitors in some cases.

On the political level, there are traditional differences among the four states, which also originate in their different geographic locations. For example, while Hungary has more connections with the EU's Southern neighbours, especially with the Western Balkans, the other three countries and most importantly Poland are more connected to the Eastern strategic direction. Furthermore, several authors point out the general differences between the Czech/Slovak and the Polish/Hungarian attitudes towards the EU on a political level. In this regards the former group is considered generally more closely aligned with the European integration process, in contrast with Hungary and Poland. This internal division can also influence the cohesion and effectiveness of the V4, as their vision regarding the future of the EU might also be fundamentally different. Moreover, there have also been a number of cases, where the V4 was not able to develop a common stance. One of these areas is typically the Group's Russia policy, due to the four countries' different historical experiences, threat perceptions and economic interests with regards to Moscow. However, since the V4 is a flexible cooperation, these clashes are usually resolved behind the scenes, which makes it possible to hide the differences. Practically, in these cases the V4 does not represent a coherent stance, and the problematic issue does not appear on the agenda of the Group.

Besides these differences, Table 6 provides an additional insight to the political priorities of the four countries, through the summary of the V4 presidencies' agendas.

Table 6.
Presidential objectives and priorities of the V4

Year	Presidency	Objective 1	Objective 2	Objective 3
2000/2001	Polish	Promoting Visegrád in the EU/NATO member states and within the Group	Support Slovakia for NATO membership	Strengthening the identity of the V4
2001/2002	Hungarian	Promoting Visegrád in the EU/NATO member states and within the Group	Support Slovakia for NATO membership	Strengthening the identity of the V4
2002/2003	Slovak	Cooperation in the area of European integration	Cooperation with third countries and regional groups	Cooperation within international organizations
2003/2004	Czech	Schengen issues	Decide the future of the V4	
2004/2005	Polish	Consultations on the future financial perspective	Schengen issues	Participation in the Union's new neighbourhood policy
2005/2006	Hungarian	Strengthening the V4 identity and communication	Enhancing cohesion	Promoting transformation and modernization
2006/2007	Slovak	To make V4 a dynamic regional forum	Strengthening coordination	Improve public awareness
2007/2008	Czech	Streamlining V4 cooperation within the EU	V4 Communication and Information Strategy	Promoting Democracy and Human Rights
2008/2009	Polish	Deepen cooperation with ENP countries	Improve the free movement of persons	Green Visegrád
2009/2010	Hungarian	Cooperation with the Western Balkans and Eastern neighbours	Enhanced sectoral cooperation	Communication
2010/2011	Slovak	Enhanced sectoral cooperation	Cooperation with the Western Balkans and Eastern neighbours	Public awareness
2011/2012	Czech	Enhanced cooperation within the EU	Multiannual financial framework	Energy
2012/2013	Polish	Enhanced sectoral cooperation	Multiannual financial framework	Central European cohesion
2013/2014	Hungarian	Energy	Transport	Security
2014/2015	Slovak	Energy	Transport	Security
2015/2016	Czech	Cohesion	Energy	ENP
2016/2017	Polish	Strong voice within the EU	Synergies	Security
2017/2018	Hungarian	Dialogue on the future	Cooperation with EU partners	Migration

Source: Visegrád Group. Presidency Programs www.visegradgroup.eu/documents/presidency-programs[2]

[2] The Table necessarily contains some simplifications, as the Presidency programs do not follow the same structure. Sometimes they include more than three priorities, in these cases the first three are represented in the table. In other cases, the main goals are not explicitly labelled as priorities and the key words were chosen from the agenda of the given program.

The Table highlights that there are thematically recurring issues, which reflect on the current developments within the European Union. These are usually prioritized by consecutive V4 presidencies until the given issue remains relevant. (Examples for these areas are the multiannual financial framework or accession to the Schengen area). There are also a few issues, which are present in the agenda of the presidencies from the beginning. These concern the topic of communication or self-definition (identity), which demonstrates the importance of brand building for the Group. Similarly, enhanced sectorial cooperation appears as a permanently recurring issue on the V4 agenda. However, this is probably the most difficult problem for the Group, as the economic and societal differences described below will highlight it.

The V4 represents approximately 12.5% of the EU's population, but distribution among the four countries is unequal. Poland has a bigger population (38 million) than the other three states (altogether 25.8 million). The exit of the United Kingdom from the EU would increase the V4's population share to 14.3%. (Göllner 2017, 6.) All four states have a low fertility rate, however; 1.46 in the Czech Republic, 1.34 in Slovakia and in Hungary, and only 1.3 in Poland. (Mazurczak 2014) As Marcela Káčerová and Jana Ondačková pointed out, the ageing within the Visegrád Group has progressed much faster during the last twenty-five years than in Western Europe. This creates a number of social and economic challenges (including the increased pressure on the pension and health care systems). (Kácerová–Ondacková 2015) This is further strengthened by a relatively high number of emigrants, from the new member states to the more-developed Western countries, which usually affect the younger generations, exacerbates the problem. (Vargas-Silva 2012) The V4's positions within the EU, which are directly connected with its voting, thus could diminish in the long run.

Table 7.
Population of the V4 (in millions)

Czech Republic	Hungary	Poland	Slovakia	V4	EU without V4
10.6	9.8	38	5.4	63.8	444.2

Source: European Union. EU member countries in brief
https://europa.eu/european-union/about-eu/countries/member-countries/

As for the economic perspectives of the group, similarly difficult problems can emerge. As Table 8 illustrates, the EU accession generally had a positive impact on the V4 countries' GDP level. Nevertheless, the 2008 financial and economic crisis hit the group hard due to its strong dependence on EU markets. As EUROSTAT data suggests, the share of non-European economies in the exports of the V4 countries is less than 10%, what demonstrates a strong exposure to the EU markets. (Mroczek 2017) The main export partner for all four countries is Germany, and the V4 provides the biggest export market for the German economy. (World Integrated Trade Solution 2015) The Visegrád Group has not recovered yet from the 2008 crisis and none of the member countries has reached its pre-crisis GDP-level, which means its GDP share decreased within the European Union.

On the structural level, all four countries have a relatively weak and small middle class that has not become the engine of regional development. The main contribution of

the V4 is still at the supplier and assembler level, with a low added value within the EU. Another problem for the economy of the V4 is the relative weakness of the regional transport systems. This affects both the railway and motorway networks, which operate with just a few cross-border connections, and there is no Polish–Hungarian motorway corridor. (Manga 2014) According to the European Competitiveness Index, all four countries competitiveness values are between 0 and – 1, with the exception of two subregions: Western-Slovakia and the central part of the Czech Republic. (Annoni–Dijkstra–Gargano 2017) As a result of the above mentioned problems, the ESPON Vision Scenarios project only a marginal decrease of the structural unbalance between the centrum and the periphery of Europe for 2030. (Espon 2013, 10.)

Table 8.
GDP of the V4 in billion (current USD)

	Czech Republic	Hungary	Poland	Slovakia	V4	EU	Share within the EU
2004	119	103.7	255.1	57.2	535	13,795	3.88%
2008	235.2	157.3	533.8	100.3	1027	16,398	6.26%
2016	192.9	124.3	469.1	89.5	875.8	19,118	4.58%

Source: The World Bank https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2016&locations=HU-SK-CZ-PL&start=2004

There are also internal economic differences that further increase the internal problems of the group. The first problem, which makes cooperation difficult, is that the four countries are each other's competitors with regards to the capital investments. Furthermore, Slovakia was able to join successfully the Eurozone in 2009, which embeds Bratislava more deeply in the European integration. Secondly, the Czech Republic, with a well-developed industrial sector, is the wealthiest of the four though. According to the data of the World Bank, the level of the GDP per capita was 18,266 USD in the Czech Republic, 16,465 USD in Slovakia, 12,664 USD in Hungary and 12,372 USD in Poland in 2016. (World Bank 2016) With the exit of the United Kingdom from the EU, the Czech's relative position will improve, which could have a significant impact on the next multiannual financial framework negotiations and the internal cohesion of the V4. This also strengthens the assumption about an apparent division within the V4 on the Polish/Hungarian and Czech/Slovak axis.

Conclusion

This chapter aimed to introduce the nature of the EU–V4 relations while also to point out how the brand building process precipitated decisions within the Group. The first part summarized the historical and institutional background of the EU–V4 relations. The chapter proceeded with the analysis of the opportunities and challenges in the way of the Visegrád cooperation. The study shed light on the establishment of the "Visegrád brand", which can be seen as the biggest success of the Group. Regarding the challenges,

the chapter highlighted those political, social and economic factors which can negatively affect the future of the cooperation.

Keeping in mind the controversy between the success of brand building and the problems concerning the actual cooperation, the efforts of the V4 to create an alternative to that of the European mainstream, have certain limitations. This does not mean that the V4 is meaningless. Enhanced cooperation is possible, with regards to some specific policy areas (e.g. the multiannual financial framework) when the four countries interests are converging. In these cases, the power of the brand can have an outstanding role to strengthen the cohesive voice of the Group. However, the political, social and economic divisions among the four countries make the V4 inadequate to create a sustainable alternative to that of the European mainstream. Although the Visegrád brand can be easily maintained in the future, this will not manifest into a deeper form of cooperation.

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