The ACP in the European Union's network of regional relationships: still unique or just one in the crowd?

Karen E. Smith

This chapter analyses the European Union's relations with five broad regional groupings: the ACP countries, the Mediterranean, Asia, Latin America and Eastern Europe. The Union prefers to deal with third countries collectively. It lays out regional strategies, sets up aid programmes on a regional basis and concludes specific kinds of agreement with countries in a particular region. The EU has important bilateral relationships with industrialised countries (notably the United States), but most of the developing countries that the EU deals with fall into one of the five groupings considered here.

This regional focus dates from the Community's beginnings and its relations with the African associates and ex-colonies. The African emphasis was unsuccessfully opposed by 'globalist' member states (Germany and the Netherlands), which supported a wider network of development cooperation centred on the poorest countries (Grilli, 1993: 335–6). With enlargement to the UK in particular, the African focus grew into the Lomé partnership with African, Caribbean and Pacific states. The Community later added countries to its network of relations, but always following the regional approach originally set out in the Yaoundé and Lomé Conventions.

Relations with the ACP as a regional grouping thus formed the model for the Community's relations with other countries. Furthermore, the basic building blocks of the EC–ACP relationship – trade preferences, aid and institutionalised dialogue – were extended, on a more limited basis, to other regions. Throughout the Cold War period, the ACP countries were at the top of the Community's 'pyramid of privileges' (see Grilli, 1993: 150–1). Other groups of countries (the Mediterranean, Latin America, Asia) appeared further down, while the Eastern European countries were not even on the pyramid.

The pyramid of privileges has since shifted such that it is almost unrecognisable: the regions closer geographically to the Union have risen in importance. The ACP countries are no longer privileged to the extent they once were. The globalists have won the argument in that there is a wider EU role in the

world, although the regionalist legacy remains in the EU's preference to deal with third countries collectively.

The EU-ACP relationship is also no longer as unique as it once was. From serving as the model on which the Community's development cooperation relations were based, the EU-ACP relationship is now catching up with more recent policies towards other regions. Most notably, it is becoming 'politicised', in that political objectives such as the protection of human rights and conflict prevention assume much greater significance, and the EU's policy is now 'intended to shape the political complexion and policy preferences of recipient governments' (Bretherton and Vogler, 1999: 136). Politicisation really began in earnest with respect to Central and Eastern Europe at the end of the Cold War, where the EU's main aim was support for political and economic reforms. Politicisation reflects the view that sustainable development can take place only in a context of security, democracy and freedom (Council of Ministers, 1991; Arts, 2000: 21–50, 118–21). Implementation of this view is closely related to the Union's developing status as an international actor. Since the end of the Cold War, the Union has been trying to project a more united stance in international relations.

The EU's growing international status has another implication for the ACP countries. Its relations with third countries develop as a result of various political and economic driving forces. The old colonial ties to the ACP countries are no longer enough to keep them high up on the pyramid of privileges. To explore why the EU-ACP relationship is losing its uniqueness, this chapter examines the evolution of the Union's policies towards the five regions. Firstly it notes the expansion of the Union's commitments, globally and in the EU's neighbourhood, and sets out the key reasons behind this expansion. It then analyses why and how there has been change in the Union's relations with each of the five regions.

The end of the Cold War: geography as determinant of foreign policy?

In 1973 the Community member states took offence when Henry Kissinger, in his infamous 'Year of Europe' speech (Nuttall, 1992: 86), implied that the Europeans, working within their new framework of European Political Cooperation (EPC), could only have regional interests (that is, close to Europe), in contrast to the global interests and reach of the US. Ironically, although at the time EPC was concentrating on the Conference on Security and Cooperation in Europe and the conflict in the Middle East, the Community's most extensive network of external relations lay in Africa and could not really extend to the European neighbourhood, given Cold War realities. Now there are fears that the African dimension is fading, as the Union strengthens relations with countries closer to home – such that Africa has been described as the 'forgotten continent' (Harding 1999).

The end of the Cold War has been a crucial turning point. Suddenly, relations with countries that once lay behind the Iron Curtain became, first of all, *possible* and, as a result, the Community's European neighbours became larger and larger recipients of aid (as well as of other policy initiatives, such as association agreements and, eventually, the offer of membership). Between 1976 and 1997, Africa was still the largest recipient of EU aid, and aid to Africa even increased over this period, but by the mid-1990s it was clearly no longer the privileged aid recipient. Aid to other regions, notably Central and Eastern Europe, North Africa and the Middle East, grew considerably, particularly in the 1990s. For example, in 1986 44.7 per cent of EU aid was committed to the ACP countries, and none at all to the Central and Eastern European countries. In 1997, 33.1 per cent of EU aid went to the ACP, while 18.4 per cent went to the Central and Eastern European countries (Cox and Chapman, 1999: 2–4). Furthermore, the ACP has virtually disappeared from the list of top recipients of EU aid. In 1970–74, thirteen of the top fifteen aid recipients were ACP countries. In 1996–97, only two were. The others had been replaced by countries in Europe (Russia, some Central and Eastern European countries, some former Yugoslav republics) and countries around the Mediterranean (Cox and Chapman, 1999: 3). More recently, Africa has indeed dropped below the Central and Eastern European countries. Under the new European Development Fund (June 2000) the member states pledged 13.5 billion Euro in new grants for seventy-six ACP countries over the next seven years. This equals 1.93 billion Euro per year. In addition to grants, the European Investment Bank will lend the ACP countries up to 1.7 billion Euro over seven years. An additional 9.9 billion Euro of previous EDF resources remains uncommitted. The total for the ACP is thus 3.5 billion Euro per year. But the ACP are falling behind the Central and Eastern European countries on new commitments (not even considering per capita or per country commitments): the grant commitment to the ten Central and Eastern European countries for 2000–6 will top 3 billion Euro per year.

The emphasis on the neighbourhood came through in several key documents in the 1990s which consider where the Union should concentrate its energy and resources. In June 1992, the Foreign Ministers submitted a report to the Lisbon European Council on potential areas for CFSP Joint Actions vis-à-vis particular countries or groups of countries (Council of Ministers, 1992). The report specified three priority areas for EU foreign policy. All are neighbours: Central and Eastern Europe, including the Commonwealth of Independent States and the Balkans; the Mediterranean, especially the Maghreb; and the Middle East. Under the Amsterdam Treaty, the EU may resort to 'Common Strategies' under the CFSP in fields where the member states have important common interests. In December 1998, the Vienna European Council decided that the first CFSP Common Strategies would target Russia, Ukraine, the Western Balkans and the Mediterranean/Middle East. Again, the emphasis was clearly placed on the neighbourhood.

The post-Cold War foreign policy priorities of the Union have thus been defined as 'regional' in the sense of the European region. Certainly the substance of policy seems to bear this out: the enlargement project, the huge aid commitments to the Balkans, the recent attempts to reinvigorate the Euro-Mediterranean partnership. But is this the whole picture? Christopher Piening, the author of a book notably entitled *Global Europe*, maintains that the EU has assumed 'the status of an emerging global power' and he aims to 'show just how wide-ranging the EU's international role has become, both geographically and substantively' (Piening, 1997: 1, 11). The end of the Cold War boosted the EU's global role. It is in fact now *expected* to act internationally by outsiders, EU policy makers and the public. Its freedom of manoeuvre to do so has expanded since the end of bipolarity made room for an actor such as the EU. Firstly, the member states could act together for their collective interests, as superpower competition no longer set the limits of autonomous action. For example, the extent to which the EU has encroached on the traditional US sphere of influence in Latin America would have been inconceivable during the Cold War. While the Community was active in Central America in the 1980s, it is unlikely that the member states would ever have effectively countered American policy there (assuming they would have been able to muster the resources to do so). The transatlantic relationship was far too important to put at such risk. And secondly, the instruments that the EU can wield – predominantly civilian – have acquired more influence in a world of countries seeking to reform their political and economic systems.

The EU is certainly becoming a global player. It gives more aid to more countries around the world than it has ever done before. It has concluded trade and cooperation or association agreements with virtually every country or regional grouping in the world. It is engaged in political dialogues with numerous countries: in 1998, there were 156 meetings between the EU (presidency, troika or full Council) and third countries or regional groupings (Cameron, 1999: 34). In 1999 and 2000, the EU held high-profile summits with Latin American countries and with African countries. It has been trying to build a partnership with Asian countries, through the Asia–Europe meeting (ASEM). The EU is not limiting its ambitions to a regional role. Its global ambitions are even officially declared: under Article B of the Maastricht Treaty, one of the EU's objectives is 'to assert its identity on the international scene'.

Whence the pressures for involvement?

The end of the Cold War provided the opportunity and necessity to prioritise relations with the neighbours, as well as the opportunity for a stronger global role. But within this context, more concrete reasons for EU involvement internationally need to be identified. What is driving the expansion of the EU's international relations? Several reasons can be identified: external pressures, member state interests and European interests. Some of these contribute more

to setting the regional priorities of the EU, others more to fuelling the EU's global extension. But a mix of most, if not all, of these reasons has contributed to the EU's involvement in the five regions.

External demands

The expectations of outsiders that the EU will pay them some attention have grown exponentially as the EU has evolved. These expectations may be unrealistic, and they may stand no chance of being adequately addressed. But the EU has certainly been under considerable external pressure to respond to the many demands on it for political dialogue, aid, trade agreements, association, membership, and so on. External demands grew particularly with the completion of the single European market (which sparked fears of a 'fortress Europe') and have not diminished. Several writers (Schmitter, 1969; Ginsberg, 1999) have termed this 'externalisation': development of the internal market generates outsiders' pressure for compensation, to which the member states must respond collectively.

But external demands are not just related to the international effects of the internal market. There are high expectations that the EU will spread peace, security and prosperity. These demands are considerably stronger from neighbouring countries, and from the US and other outsiders who clearly expect the EU to take responsibility for its European neighbours. Why and how the EU responds specifically to such expectations reflect the other factors below.

Member state interests

One or more member states (acting together) may also lead a concerted push for the EU to become involved with a region. Although the Commission has often made proposals for strengthening relations with regions, it is usually acting within a context already receptive to stronger relations because of member state pressure.

Member states push for EU action either because the EU will 'add value' to, or supplement, their own activities (it may have more appropriate or even more potentially influential policy instruments), or because unilateral action is considered ineffective or impossible. Individually, the member states could not make much of a global impact (as some of them did in bygone days) but together they can. The member states recognise that there is a 'politics of scale'. They will 'carry more weight in certain areas when they act together as a bloc than when they act separately' (Ginsberg, 1999: 438). The European level is often seen as appropriate for pursuing economic or security interests. Enhancing trading and investment opportunities or ensuring access to natural resources are motivations for the member states to press for EU involvement with a particular region or third country. The EU's policy instruments (aid, trade, diplomacy) are suitable for dealing with the new security threats, including ethnic disputes, violations of human rights, economic deprivation and international crime, which may affect one or more member states in particu-

lar. This does not mean that the member states are always eager for EU action. As intergovernmentalists would remind us, member states often block collective action because they view it as inimical to their own interests. But on occasion, the logic of the politics of scale can prevail.

European interests

Many observers might doubt that the European Union itself could have foreign policy interests. As David Allen has argued, foreign policy is intrinsically linked to the 'idea of a state with a set of interests identified by a government' (1996: 303). But the member states and EU institutions do seem to share a number of objectives and interests. These can be considered 'European interests', which 'reflect an indigenous and unique European quality' (Ginsberg, 1999: 439) and help to explain why the EU has expanded its international reach. These interests include a sense of EU responsibility, security, countering US hegemony, and promoting human rights and democracy.

Sense of EU responsibility Outsiders' demands are more likely to be met with greater attention the more they invoke or resonate with the EU's 'historical' responsibility to deal with them. The oldest of these historical responsibilities is towards the ex-colonies. More recently, the member states seem to share a very powerful sense of responsibility towards Eastern Europe – and it cannot be shirked easily, precisely because of geographic proximity. The Cologne European Council noted in June 1999:

The six months since the Vienna meeting [European Council, December 1998] have, in various ways, again clearly brought out the importance of all these regions [Russia, Ukraine, the Western Balkans and the Mediterranean/Middle East] to the European Union not only as partners in its external relations but also for the stability and security of our continent and its immediate neighbourhood. The European Union both has a special responsibility and is in a special position to work in close partnership with all of its neighbours to achieve these objectives.

Security In the post-Cold War period, a number of violent conflicts have broken out on the EU's periphery – in the former Soviet Union, south-eastern Europe and Algeria. The EU has not dealt with these crises very well. Its civilian policy instruments are inappropriate for handling conflicts. But some involvement usually follows because the EU and the member states cannot afford to ignore the situation (because of geographical proximity), or because the EU is expected by others (such as the US) to become involved. The member states share common interests in the neighbouring regions because the political and economic stability of these areas is important for the Union, and because direct threats to the security of the Union could arise there.

Security is thus one factor that would clearly encourage the EU to concentrate resources and energy on its neighbourhood. But mopping up

after conflicts and trying to prevent further ones is a task that the EU seems to be better at, and it has the appropriate civilian instruments for it. This is one distinctive way in which it can play a leading role internationally. Conflict prevention has become a key EU objective – especially in Africa (see chapter 5).

Counter US hegemony On several occasions, the EU has become involved in a region in an explicit or implicit attempt to balance the US. During the Cold War, US policy was perceived to be potentially dangerous, as in Central America, because it could lead to superpower clashes or simply exacerbate instability or insecurity within the region. The member states considered it imperative to express a different Western voice. Since the end of the Cold War there has been competition with the US to support various regional schemes (in Asia and Latin America) – a competition clearly related to securing economic advantages (see M. Smith, 1998). These driving forces led the EU to cast its net further afield than the neighbourhood.

Respect for human rights, democratic principles and the market economy, and efforts for regional integration Since the end of the Cold War, the EU has pursued the objectives of promoting human rights, democratic principles and the principles of the market economy with notable, though not always consistent, vigour. Promotion of human rights and democracy has become an increasingly visible aspect of its international identity. It is a key CFSP objective as well as an official development policy objective (Articles 11 and 177, consolidated Treaty on European Union). A human rights clause is now to be included in every formal agreement that the Union concludes with third countries. This would allow the agreement to be suspended if one of the parties violates human rights or democratic principles (agreements with other European countries include principles of the market economy). Aid is to be suspended in case of violations, and is to be increased to countries that have good or improving human rights and democratic records. Countries trying to reform their economies are also supposed to be given special help, while those that are not could receive less assistance.

To this one could also add ‘propensity to cooperate within regional schemes’. The existence of a regional cooperation framework is likely to gather EU support, and all the more so if that framework is well functioning. There are economies of scale in dealing with groupings of countries, and groupings often share problems that it makes sense to deal with collectively. But more importantly, the EU – as a regional bloc itself – has sought to spread the message of regional cooperation. The export of the Community model is believed to provide the basis for peace and stability, economic development and prosperity (Edwards and Regelsberger, 1990). These (putative) guiding principles of EU foreign policy contribute to both its neighbourhood and international roles.

All of the above are positive reasons for EU involvement with a particular region, further from and closer to the EU itself. The implications for the ACP countries are clear: these forces dilute their privileged status.

A cautionary note about the EU's capacities to act on these forces must be introduced at this stage. Beyond the obviously crucial need for the member states to agree to act collectively vis-à-vis a given region in the first place, there are two reasons why the EU might be unable to translate its ambitions into effective international action.

Overstretch

Christopher Hill (1993) has pointed to the danger of raising expectations that the Union cannot possibly meet, given its limited capabilities and institutional shortcomings. The EU does not have unlimited resources. In fact, its budgetary resources are quite modest. They cannot be spread around indefinitely without jeopardising the resources promised already. Not only have the member states been unwilling to increase the Community budget (the ceiling remains 1.27 per cent of EU GNP), they have also been unwilling to consider significantly increasing the portion of the budget (around 7 per cent) devoted to external action. Thus the temptation has been to reduce assistance to some regions (the Mediterranean) and transfer those resources to others, notably the Balkans.

Nor is the 'attention span' of the EU unlimited. Foreign ministers and Commission officials cannot be expected to deal adequately with an ever increasing list of responsibilities. Already the General Affairs Council is so overloaded that it is virtually paralysed, unable to coordinate policy (Working Party, 1999).

Frustration

Outsiders do not have unlimited influence, and the EU in particular has had a difficult time translating its capabilities into real influence. Conflicts are never easily resolved by outsiders – and the continuing conflicts in the Middle East and Africa make it very difficult for the Union to exercise influence. If countries or regions persistently fail to respect human rights, democratise, implement market economic reforms or cooperate, then the EU's attention could easily shift elsewhere.

Neither of these two negative factors would necessarily lead to a privileging of neighbouring regions over further-flung areas including the ACP. But they do point to the difficulties that the EU faces in following through on its declared international ambitions, and could lead to readjustments or even a contraction of those ambitions.

The next section of this chapter explores the extent to which the Union's policies towards the five regions have evolved, and why. It begins with the ACP countries, the oldest of the EU's regional relationships.

The EU's regional relationships

The ACP

The Lomé Convention, which linked the Union and seventy-one African, Caribbean and Pacific countries was, in Christopher Piening's words, 'the centrepiece of the EU's efforts to provide help to the Third World' (Piening, 1997: 169). The Convention was so central because of the strength of former colonial ties (mainly with France) and the clear sense of historical responsibility shared (more or less enthusiastically) by the member states. With the dissipation of those factors – through enlargement and the addition of other areas of responsibility as well as a lessening of French interest (see chapter 7) – the EU–ACP relationship has diminished in relative importance and acquired a much more 'normal' aspect.

According to the first Article of Lomé IV (1990–2000), the Convention was to promote and expedite the economic, cultural and social development of ACP states, and to consolidate and diversify their relations in a spirit of solidarity and mutual interest. The instruments used to reach these objectives included trade preferences, aid and institutionalised dialogue. Under Lomé, 99 per cent of ACP exports entered the EC duty free, with no reciprocity for Community exports. This preferential system, however, did not improve the ACP trading position. The relative value of trading preferences has been decreasing as world trade is liberalised and other countries benefit from better access to the Community market. The WTO is pressing for the elimination of trade preferences (see chapter 3). Thus what was originally one of the unique instruments in EU–ACP relations has fast lost its appeal.

Development assistance to the ACP countries is provided primarily through the European Development Fund. Uniquely, this is not funded by the EC budget but is instead pledged by the member states separately. However, in other ways aid to the ACP countries is becoming similar to other aid programmes, in that it is now conditional. In the early 1990s, political conditionality was imported from other aid programmes, notably Central and Eastern Europe, where it first appeared.

Conditionality – necessarily an imposition of donor views – represents a shift in another of Lomé's principles, that of the 'partnership of equals'. The partnership was embodied in an innovative institutional structure for co-operation and dialogue between the two parties, which involved an EU–ACP Council of Ministers, a committee of ambassadors and a consultative EU–ACP joint assembly. The institutional structure is now less obviously unique, as the EU has set up institutionalised relations with other regions. The EU–ACP joint assembly remains distinctive, although the European Parliament is engaged extensively in dialogue with parliamentarians in many other third countries (see in particular Piening, 1997).

The Cotonou Partnership Agreement (2000) revises many of Lomé's key provisions, and looks remarkably similar to other frameworks for cooperation

between the EU and third countries/regional groupings. It has three main components: political dialogue, support for development, and economic and trade cooperation. Political dialogue assumes a more central role, and is to emphasise the consolidation of democracy, respect for human rights, and measures to ensure peace and security. The Community's aid programmes are to be reformed to increase their effectiveness, and conditionality has expanded to include good governance. As set out in chapter 3, the new trading regime has been designed to comply (eventually) with WTO regulations and reflects concerns that trading preferences have not improved the ACP countries' trade positions. All but the least developed countries (which will be given special GSP treatment) are to form regional sub-groupings, and a series of economic partnership agreements, creating free trade areas, are to be negotiated with these sub-groupings. These agreements would be implemented by 2008 at the latest.

The ACP grouping is the largest grouping with which the EU deals. The economic partnership agreements will likely loosen the ACP grouping, which is considered too big to cooperate effectively and efficiently. In this way, too, the ACP will become more 'normal'.

Contemporaneously, the EU has directed more attention to Africa outside of the Lomé framework. The spread of conflicts in Africa has prompted the EU to launch initiatives to try to prevent or manage conflicts there, as Gorm Rye Olsen elaborates on in chapter 5. In May 1998, the Council approved a CFSP Common Position on 'human rights, democratic principles, rule of law and good governance in Africa', which clearly links the CFSP and the Community's aid programmes (Council of Ministers, 1998). The extent to which the EU's relations with Africa, in particular, have become wide ranging was obvious at the first EU–Africa summit, held in Cairo in April 2000. The summit covered, among other issues: regional economic cooperation, trade, private sector development, investment, research and technology, human rights, refugees, peace building, terrorism, food security, health, education and the environment. Yet it also produced few achievements and tellingly did not set up a regular schedule of further meetings at ministerial or senior official levels, although a second summit is to take place in 2003. This contrasts with commitments made to some other regional groupings.

The ACP countries, and Africa in particular, are still of concern to the EU and there is still a lingering sense of responsibility for the former colonies. As Marjorie Lister points out, it is highly unlikely that the long-established EU–ACP relationship would simply be wound up: institutional inertia', if anything, would keep it going, and EU aspirations for a global role could hardly be taken seriously if the ACP countries were left off the map (Lister, 1997: 149–54). But there is clearly frustration with the failure of the EU's policy instruments to lift the African economies and, more recently, to consolidate democracy and respect for human rights and prevent conflicts. What is happening, though, is not a shift *away* from the ACP states, or at least African states, but a normalisation of relations with them, in that those relations are becom-

ing more like the EU's relations with other regions: more political and encompassing a wider range of concerns.

Mediterranean non-member countries

Before the end of the Cold War, more attention was paid to the Mediterranean than to most other non-ACP countries. In the 1960s, limited commercial agreements were concluded with some Mediterranean states, while association agreements linked the Community with Greece and Turkey. In the 1970s, the Community tried to establish a 'Global Mediterranean Policy', but it involved little more than upgrading or concluding individual agreements with the Mediterranean countries (see Gomez, 1998: 137–9). The member states also sought to formulate common positions in EPC with regards to the Middle East conflict, although this went little beyond declaratory diplomacy. The Euro-Arab dialogue began in 1974, between EPC and the Arab League, although it fizzled out after the Camp David accords and Egypt's expulsion from the Arab League.

This situation changed radically in the early 1990s, largely as a result of internal pressures from southern member states (whose number had increased with the 1986 accession of Spain and Portugal). These member states were vociferous in their concerns that the region was being neglected compared with Central and Eastern Europe and yet posed as much, if not more, of a political and security challenge to the Union. The 'eastern dimension' had to be balanced by a 'southern' one (see Barbé, 1998). Security concerns included risks to stability from religious fundamentalism and underdevelopment – whose direct impact on the EU would be via increased illegal immigration – as well as harder security concerns such as the spread of chemical and biological weapons. The Commission was also active – prodded by the Commissioners in charge of Mediterranean policy, the Spaniards Abel Matutes and then Manuel Marin. In addition, the Mediterranean countries feared that the single European market and the events in Eastern Europe would further isolate them, and pressed for closer ties.

In June 1992, in their Lisbon report, the Foreign Ministers considered the Mediterranean and the Middle East to be priority areas for the CFSP. The Commission then published a number of proposals for strengthening relations. The culmination of these activities was the Euro-Mediterranean Partnership, launched by a high-level conference in Barcelona in November 1995, under the auspices of the Spanish presidency. The Barcelona conference brought together the Foreign Ministers of the EU member states and twelve Mediterranean countries (Jordan included, as well as the Palestinian Authority but not Libya). The conference agreed on a detailed work programme on the basis of three pillars: strengthened and regular political dialogue, the development of economic and financial cooperation, and greater emphasis on the social, cultural and human dimension (Euro-Mediterranean Conference, 1995). These objectives are to be implemented by concluding Euro-Mediterranean associa-

tion agreements, setting up a Euro-Mediterranean Assistance Programme (MEDA) and engaging in regular dialogue. The Barcelona conference also adopted an extraordinary (non-binding) declaration of principles, including respect for democratic principles and human rights, the peaceful settlement of disputes, and the prevention of terrorism and drug trafficking. A Charter of Stability to implement these principles has still not been agreed.

Three Euro-Med countries are also EU membership candidates: Cyprus, Malta and Turkey. The first two have already started negotiations; Turkey was told by the December 1999 Helsinki European Council that it could open negotiations once it fulfilled the political conditions (democracy and protection of human rights). The three already had concluded association agreements and will not sign Euro-Med agreements. They are included in the MEDA programme.

The Euro-Mediterranean agreements provide for: institutionalised political dialogue; the establishment of a free trade area by 2010; economic, social, cultural and financial cooperation; and a human rights clause. Agreements have thus far been signed with Israel, Jordan, Morocco, the PLO (for the Palestinian Authority), Tunisia, Algeria and Lebanon.

MEDA is to promote socioeconomic development, regional cooperation and the Middle East peace process. As agreed at the Cannes European Council in June 1995, the MEDA I (1995–99) programme had a budget of 4.685 billion ECU – which represented a considerable increase on previous aid levels to the region, and began to redress the imbalance in comparison with aid to Central and Eastern Europe. The ratio of aid to the Mediterranean compared with that to Central and Eastern Europe went from 1:5 to 3.5:5. The Commission proposed cutting MEDA's budget (perhaps even by 25 per cent), officially because aid allocations had not been fully utilised, but also because the EU needs to find all the funding it can to fulfil its commitments in south-eastern Europe (CEC, 2000). The member states, however, agreed to allocate 5.35 billion Euro to MEDA for the 2000–2006 period. This will make it more difficult for the EU to meet its commitments elsewhere (the familiar problem of overstretch).

The political dialogue set up by the Barcelona declaration involves regular meetings of the foreign ministers, the Euro-Mediterranean committee of senior officials, and parliamentarians and local authorities. And since Barcelona, there have been numerous conferences and meetings to discuss various aspects of the partnership. The overall objective is to encourage the Mediterranean partners to cooperate among themselves, as well as to strengthen links with the EU.

However, there have been serious problems in fulfilling the promise of the Euro-Mediterranean partnership, as the region is torn by internal and external conflicts. It has been stymied particularly by the lack of progress in the Middle East peace process; this has overshadowed Euro-Mediterranean meetings and blocked the development of the relationship. There are periodic attempts to revive the partnership. The June 2000 Lisbon European Council

issued a Common Strategy on the Mediterranean, which merely restated current policy (European Council, 2000). But the collapse of the Middle East peace process in late 2000 is making it very difficult to strengthen the partnership; external events are frustrating the EU's strategy.

Asia

Of the five regions covered here, Asia is the most diverse. It encompasses some of the richest economies in the world (Japan, South Korea) and some of the poorest (Cambodia, Laos). Disputes and conflicts divide the region's countries (India–Pakistan and China–Taiwan, to name but two). As a result, devising a strategy for all of Asia is difficult, but the Union still locates its assistance programme under one 'Asia' heading. The Union's relations have developed on a bloc-to-bloc basis with ASEAN and on a bilateral basis with the remaining countries. The ASEAN relationship is the strongest of these although, as noted below, it is not free of problems. It reflects the importance of bloc-to-bloc ties, as well as the challenges of dealing with other individual partners (China, Japan) or not, as the case may be (Burma, North Korea).

After the Mediterranean, Asia was the next big area where the Community began to make inroads, attracted to another relatively successful regional cooperation scheme, ASEAN. Political dialogue with ASEAN dates from 1978. The foreign ministers meet every two years to discuss political, economic and development issues. Senior officials meet in the alternate years. In 1980, the Community concluded an economic cooperation agreement with ASEAN, which then consisted of Indonesia, Malaysia, the Philippines, Singapore and Thailand. The agreement provided for commercial cooperation economic cooperation, and development cooperation, and a regular dialogue at senior official level.

In its 1994 'Asia Strategy' the Commission argued that the Union must strengthen its economic presence in Asia if it wished to maintain its leading role in the world economy (Piening, 1997: 143). Yet political considerations have caused considerable tension in relations with ASEAN. ASEAN's membership has since expanded to Brunei, Vietnam and Burma/Myanmar. But the EU has imposed diplomatic and economic sanctions on Burma over its lack of democracy and respect for human rights. It has refused to allow Burma to accede to the EC–ASEAN cooperation agreement and the political dialogue has been troubled as a result. In addition, since the massacre of protesters in Dili, East Timor, in November 1991, Portugal (the former colonial power in East Timor) has blocked the conclusion of a revised EC–ASEAN cooperation agreement. With agreement on East Timorese autonomy and elections in Indonesia, the EU–ASEAN relationship could be revitalised. To that end, the Union has minimized the Burmese issue. It agreed to resume ministerial meetings with ASEAN – suspended in 1997 when Burma joined ASEAN – even if they include Burma.

In 1996, the Union also launched ASEM. This is clearly the EU's answer to the US-sponsored Asia-Pacific Economic Cooperation forum. It includes all of the EU and ASEAN member states (with the exception of Burma), Japan, China and South Korea. A summit is held every two years to discuss matters of foreign affairs, economic cooperation and other issues of interest to the participants. ASEM thus draws other (large and/or rich) Asian countries into a regional relationship with the EU.

Of the EU's aid to Asia, the South Asian countries receive the highest share (Cox and Chapman, 1999: 88). This reflects mostly the extent of poverty in the region rather than their importance to the EU. Relations with the South Asian countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) are bilateral, even though these countries set up the South Asian Association for Regional Cooperation (SAARC) in 1985. SAARC is much less of a success at regional cooperation than ASEAN, so the EU prefers to deal with certain individual countries. The EU holds regular foreign ministerial meetings with India and, less regularly, with Pakistan. In June 2000, the EU held its first summit with India. According to diplomats, this indicates the EU's awareness of India's 'economic and political clout' (Islam, 2000).

Latin America

Until the 1990s, there was very little Community involvement with Latin America. Authoritarian regimes governed in many Latin American countries, the US was the dominant external presence in the region, regional cooperation schemes were ineffective, and the Community had no security interests there (Piening, 1997: 120–1). This began to change with enlargement to Spain and Portugal, the former colonial powers, but slowly. Even in 1993, Enzo Grilli (1993: 225) could write that 'the region has remained a marginal concern for the Community'.

The exception to this lack of involvement was Central America. In 1984, the Community/EPC launched the San José process, to try to resolve conflicts in Central America. The European approach contrasted with that of the US, which was seeking a military solution to the conflicts there. US involvement was also considered dangerous, in that it could spark superpower confrontation. The Community member states instead considered economic development and regional cooperation to be the most appropriate means for stabilising the region. The San José process is a political dialogue, originally aimed at supporting peace processes in Central America. As part of it, the Community signed a trade and cooperation agreement with the Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) in 1985, which was revised in 1993. The new agreement provides for trade preferences for certain exports to the EC, and economic and development cooperation in a wide range of areas (including environment and the fight against illegal drugs). It sets up an institutionalised dialogue, with ministerial meetings held every two years (Piening, 1997: 128).

With democratisation in Latin America, the establishment or reinvigoration of regional cooperation schemes, and an increasing awareness within the EU of the economic importance of Latin America, the EU in the 1990s began to strengthen its relations with the region. There was a distinct fear that if the EU did not act to boost trade, it would be shut out of the region by the US, which has promoted the North American Free Trade Agreement (NAFTA) and proposed a Free Trade Area of the Americas. Hazel Smith (1998: 166) has argued: 'The EU's impetus to closer links with Latin America derives from global structural economic changes. It was also partly a response to the economic interventionism of the Clinton administration. The designated beneficiaries of the EU's policy are European business and, more intangibly, the European global political presence.' Countering the soft security threat of the illegal drugs trade has also, however, contributed to efforts to strengthen relations with Latin America.

Aid is not the most important of the EU's policy instruments in this relationship. Of the five regions covered here, Latin America receives the lowest share of EU aid, reflecting the relative economic strength of many of its countries (and perhaps a reticence to grant assistance to countries that compete with the EU in the global economy, particularly in the agricultural sector). More important is the institutionalisation of EU–Latin American relations through regular political dialogue and the reaching of extensive trade and cooperation agreements.

The EU has dealt with Latin American countries primarily on a regional basis, although its biggest success thus far involves a single country, Mexico. In November 1999, the EU and Mexico concluded a free trade agreement. This quite remarkable agreement is clearly a response to NAFTA and rather a challenge to US foreign economic policy in its own backyard.

In 1990, the EC member states began a political dialogue with the Rio Group (Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela). Foreign ministers from both sides meet annually and discuss issues of mutual relevance, including the debt problem and drug trafficking. In 1993, the Community concluded a trade and cooperation agreement with the Andean Pact (Bolivia, Columbia, Ecuador, Peru and Venezuela). Talks with MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) led to an inter-regional framework agreement in 1995 and an association agreement in 1996.

In June 1999, an EU–Latin America summit was held in Rio de Janeiro, with thirty-three Latin American and Caribbean countries (including Cuba). The leaders adopted a wide-ranging declaration, including points on human rights and opposing the trade in illegal drugs. As a result of the summit, the EU opened talks with Mercosur on a free trade agreement. Cooperation with Latin America is increasing quite rapidly now, although the EU's reluctance to open its agricultural markets and the general problems of overstretch could slow these developments.

Eastern Europe

Until the late 1980s, the Community had hardly any dealings with the communist countries behind the Iron Curtain. The collapse of communism changed all this and several former communist countries are now set to join the EU in the first decade of the twenty-first century. The extent to which the EU shares a sense of responsibility towards its eastern neighbours is impressive. While there have been key actors pushing for enlargement (Germany, the Commission, the UK), all of the member states have agreed collectively to enlargement. Enlargement poses serious challenges to the EU, which have certainly not been dealt with swiftly or even adequately (causing consternation in the aspiring new member states), but the commitment to enlarge is arguably the EU's most important promise. The basic rationale for enlargement is to spread security and prosperity, by consolidating and guaranteeing democracy, the protection of human rights, market economy principles and good-neighbourliness in the east.

Ten countries from Central and Eastern Europe are in the EU's membership queue: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. Relations with these countries have been political right from the beginning. From 1988, the Community hoped to encourage its eastern neighbours to carry out political and economic reforms by making trade and cooperation agreements, aid, association agreements and finally EU membership conditional on satisfying certain criteria, including democracy, the rule of law, human rights, and respect for and protection of minorities. Fulfilment of the conditions was considered necessary to ensure stability and security in Europe, a traditional liberal internationalist view (and one that reflects the West European experience). The EU was willing to use both carrots and sticks to achieve these goals (see Smith, 1999). Political conditionality in this regional relationship has served as a model for other regional relationships.

The intensity of relations with the Central and Eastern European countries is matched by ever increasing assistance commitments. From a PHARE aid programme budget of 500 million ECU in 1990, the total amount of pre-accession aid has risen to 3.120 billion Euro per year from 2000 to 2006. This dwarfs the new aid commitments to the ACP.

The Union's commitment to the former Soviet republics (bar the Baltic republics, which are on their way to EU membership) has been less intense. In 1992, following the collapse of the Soviet Union, the Community decided to regulate relations with the new states by special Partnership and Cooperation Agreements (PCAs). These do not set up as intensive a trading or political relationship as a Europe Agreement. PCAs have entered into force with nine countries, including Russia, Ukraine and the three Caucasian states. Belarus, Turkmenistan and Tajikistan do not yet meet the political conditions for a PCA. The former Soviet republics receive aid under the TACIS (Technical Assistance to the Commonwealth of Independent States) programme. The TACIS budget for the 2000–6 period is approximately 4 billion Euro.

The Union has made no promises to enlarge eventually to the former Soviet republics, although several countries (Ukraine, Georgia, even Russia) have expressed their interest in joining. Russia and Ukraine, however, are singled out for special attention. Each was the subject of a Common Strategy; Russia in June 1999 and Ukraine in December 1999. There are obvious reasons for this. Russia is a crucial power, especially in Europe, and Ukraine's independence needs support. Within the EU, Finland has also been pushing for a comprehensive EU strategy on the northern dimension – encompassing relations with Norway, the three Baltic republics and Russia. The December 1998 Vienna European Council endorsed the idea, but the Kosovo war and the Chechen crisis led to a cooling of relations between Russia and the EU. By mid-2000 relations began to recover, reflecting the EU's reluctance to isolate Russia.

While the Union's record in the conflicts that have wracked the Balkans is rightly judged to have been inadequate, it has made more of a contribution by trying to consolidate peace. In fact, the Union is expected to lead the rehabilitation of south-eastern Europe. For example, in June 1999 the Cologne European Council declared that the EU would 'take a leading role in the reconstruction efforts in Kosovo' and reaffirmed the EU's readiness 'to draw the countries of this region closer to the prospect of full integration into its structures' (European Council, 1999: paragraphs 65 and 72).

After the 1995 Dayton peace agreement, the Union set up a special aid programme (OBNOVA), which has been updated since the Kosovo war and renamed CARDS (Community Assistance for Reconstruction, Development and Stabilisation). The Union has pledged a great deal of money for the programme: 5.5 billion Euro for 2000–6. Some of this money will come from resources redeployed from other programmes but a large sum (1.8 billion Euro) has still not been provided (CEC, 2000).

The Union is sponsoring the Stability Pact for south-eastern Europe to encourage stability and good-neighbourliness in the region. This is a framework for cooperation among the countries of the region (including Albania), in which special roundtables are to draw up proposals for measures on democracy and human rights, reconstruction and security issues, which will be funded primarily by the Union. The EU has also offered trade relations and other benefits, such as new Stabilisation and Association Agreements, to countries that protect minority rights, are ready to engage in cross-border cooperation and comply with the Dayton peace process. The only countries that have thus far met the conditions are the Former Yugoslav Republic of Macedonia and Croatia.

All of the Union's various initiatives are to be wrapped up in a Common Strategy on the Western Balkans – and one sign of the confusion and lack of coordination among them is the delay in agreeing it. Nonetheless, the responsibilities that the Union has tried to assume are very large indeed.

Conclusion

The periphery of the Union has become increasingly more important relative to more far-flung areas. The reasons for this include: greater pressures for EU action from its neighbours; more member states are concerned with developments closer to home; there is a growing sense of responsibility by the Union for its periphery; there are stronger economic interests there; and security concerns there are of more direct and immediate interest to the Union. Promoting human rights, democracy and the market economy among the EU's neighbours forms part of a strategy to spread stability and prosperity, thus ensuring the security of the Union as well.

But the EU is not retreating to the homefront, as is clear from its attempts to build stronger relations with Asian and Latin American countries. What is disappearing is a unique emphasis on the ACP grouping. The EU's relations with the ACP countries – and particularly Africa – are beginning to look much more like its relations with other regions. The policy objectives are similar, as are the policy instruments: dialogue, (conditional) financial and technical assistance, and institutionalised trade. The ACP will be more subject to the other forces driving the EU's global extension besides the sense of EU responsibility for the former colonies – just as other regions are. It will also be subject to the contrary forces of overstretch and frustration.

Whether the EU can actually fulfil the expectations stemming from its increasing commitments around the world is, of course, quite another matter. There are distinct signs of overstretch, which affects relations even with countries on the EU's periphery. Correcting this will require a willingness on the part of the member states to increase quite substantially the resources available to the EU for external relations. This challenge will co-exist uneasily with the forces favouring a 'global Europe' for some time to come. The periphery may, as a result, assume an ever greater importance. Globalists – including those now arguing for a strong EU–ACP relationship – will still have their work cut out for them.

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