

EUROPEAN  
NEIGHBOURHOOD POLICY  
AND THE SOUTH: ARE  
ECONOMIC INSTRUMENTS  
ABLE TO REDUCE SECURITY  
CHALLENGES?

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# The challenges of the South

- Growing population
- Bad economic structure
- Unemployment (youth)
- Rising political tensions
- (Islamic) radicalisation
- Migration pressure
- Environmental concerns

# Economic instruments



- Trade policy
- Financial assistance
- Privat capital flows
- Legal migration, mobility

# Economic instruments in the Euro-Med Framework

1995 Euro-Mediterranean Partnership

Euro-Med Free Trade Agreements

MEDA I (1995-99) EUR 4.6bn

MEDA II (2000-2006) EUR 5.3bn

2004 ENP

ENPI (2007-2013)

# ENPI (2007-2013) commitments

Part 2 - Mediterranean countries	2007	2008	2009	2010	2011	2012	2013	Total
Algeria	57.0	32.5	35.6	59.0	58.0	74.0	50.0	366.1
Egypt	137.0	149.0	140.0	192.0	92.0	250.0	47.0	1,007.0
Israel	2.0	2.0	1.5	2.0	2.0	2.0	2.0	13.5
Jordan	62.0	65.0	68.0	70.0	116.0	120.0	139.6	640.6
Lebanon	50.0	50.0	43.0	44.0	33.0	92.0	143.0	455.0
Libya	2.0	4.0	-	12.0	10.0	25.0	30.0	83.0
Morocco	190.0	228.7	145.0	158.9	156.6	207.0	334.9	1,431.1
Palestine*	452.7	387.0	352.6	377.9	413.7	224.0	313.7	2,521.7
Syria	20.0	20.0	40.0	50.0	10.0	48.4	51.0	239.4
Tunisia	103.0	73.0	77.0	77.0	180.0	130.0	135.0	775.0
Sub-total bilateral programmes	1,075.7	1,011.2	902.7	1,042.8	1,081.3	1,172.4	1,246.2	7,523.3
Regional and Interregional programmes	152.7	146.5	196.7	165.6	233.3	301.0	323.1	1,518.9
<b>TOTAL Mediterranean countries</b>	<b>1,228.4</b>	<b>1,157.6</b>	<b>1,099.4</b>	<b>1,208.4</b>	<b>1,314.7</b>	<b>1,473.5</b>	<b>1,569.3</b>	<b>9,051.2</b>

# ENPI (2007-2013) disbursements

Part 2 - Mediterranean countries	2007	2008	2009	2010	2011	2012	2013	Total
Algeria	51.3	46.1	47.9	28.1	42.9	30.3	37.3	283.8
Egypt	170.3	148.1	151.0	106.2	39.1	93.2	28.2	736.0
Israel	2.8	2.7	2.5	3.5	4.5	3.5	3.6	23.0
Jordan	46.1	63.6	49.0	92.0	76.3	91.6	96.6	515.1
Lebanon	32.6	43.5	24.6	26.1	14.1	29.3	79.3	249.5
Libya	-	1.2	1.3	0.6	8.0	2.9	7.7	21.6
Morocco	227.5	224.9	200.7	170.1	151.5	110.1	84.1	1,168.9
Palestine*	381.4	425.9	327.8	325.5	322.3	264.7	305.5	2,353.1
Syria	34.1	26.5	31.2	18.4	18.8	1.8	29.4	160.3
Tunisia	97.9	56.0	74.4	68.5	114.3	145.2	80.3	636.6
Sub-total bilateral programmes	1,043.9	1,038.5	910.3	838.9	791.8	772.6	752.0	6,147.9
Regional and Interregional programmes	106.9	97.7	99.8	156.8	115.6	118.3	97.1	792.1
<b>TOTAL Mediterranean countries</b>	<b>1,150.8</b>	<b>1,136.2</b>	<b>1,010.1</b>	<b>995.7</b>	<b>907.3</b>	<b>890.9</b>	<b>849.1</b>	<b>6,940.0</b>

# Economic instruments in the Euro-Med Framework

- 2008 Union for the Mediterranean
  - Focus on infrastructural projects (transport, energy, environment)
- Revisions of ENP
- 2016 Global strategy

# ENI (2014-2020)

## Annex: MFF 2014-20 – Heading 4, "Global Europe" (Commitments in million euros (current prices))

	2014	2015	2016	2017	2018	2019	2020	Total
Development Coop. Instr. (DCI)	2 309.51	2 467.69	2 636.07	2 805.41	2 988.23	3 180.13	3 274.60	19 661.64
Euro. Neighbourhood Instr. (ENI)	2 112.97	2 027.28	2 084.40	2 159.84	2 243.24	2 358.38	2 446.52	15 432.63
Instrument for Pre-Accession (IPA)	1 573.77	1 605.25	1 637.35	1 670.10	1 703.50	1 737.57	1 771.13	11 698.67
Stability (IfS)	314.47	320.77	327.27	333.90	340.53	347.36	354.43	2 338.72
EIDHR	179.30	182.89	186.60	190.07	193.84	197.73	202.32	1 332.75
Partnership Instrument (PI)	113.30	119.23	126.33	134.39	143.87	154.68	162.96	954.76
Other subheadings*	1 731.69	2 025.90	2 144.96	2 138.30	2 211.80	2 292.15	2 298.03	14 842.83
<b>Total</b>	<b>8 335.01</b>	<b>8 749.01</b>	<b>9 142.98</b>	<b>9 432.01</b>	<b>9 825.01</b>	<b>10 268.00</b>	<b>10 509.99</b>	<b>66 262.00</b>

Source: [European Commission](#)

\*Security (CFSP), Humanitarian Aid, Civil Protection+ERCC, EVHAC, INSC, Macro-financial assistance, Guarantee fund for external actions, Agencies, Other, Margin



# Trade agreements

## □ Euro-Med FTA

limited scope (agriculture, service sector not included)  
and limited impact

missing regional agreements („hub-and-spoke“)

Missing dynamic effects of liberalisation: not attractive  
for FDI, limited domestic investment capacity

DCFTAs? (Morocco, Tunisia, Egypt, Jordan)

# EU-med trade, 2006-2016

	EU imports			EU exports			Balance
	million Euro	Yearly growth, per cent	Per cent of extra- EU	million Euro	Yearly growth, per cent	Per cent of extra- EU	million Euro
2006	128592		9,4	114771		10,0	-13821
2007	134784	4,8	9,3	124221	8,2	10,1	-10563
2008	151654	12,5	9,6	137495	10,7	10,5	-14157
2009	107265	-29,3	8,7	121239	-11,8	11,1	13974
2010	133333	24,3	8,7	150714	24,3	11,1	17381
2011	132237	-0,8	7,6	161916	7,4	10,4	29680
2012	155499	17,6	8,6	175207	8,2	10,4	19707
2013	146480	-5,8	8,7	179427	2,4	10,3	32947
2014	139396	-4,8	8,2	177494	-1,1	10,4	38098
2015	133608	-4,2	7,7	184987	4,2	10,3	51378
2016	131942	-1,3	7,7	186244	0,7	10,7	54302

# Med trade partners

Partner	Total trade	%	Partner	Exports	%	Partner	Imports (bn USD)	%
<b>World</b>	664,6	100	World	247,5	100	World	417,2	100
<b>1. EU28</b>	293,6	44,2	1. EU28	120,2	48,6	1. EU28	173,4	41,6
<b>2. China</b>	66,4	9,2	2. USA	28,4	11,5	2. China	60,0	13,2
<b>3. USA</b>	55,6	8,4	3. UAE	8,1	3,3	3. USA	27,2	6,5
<b>4. Russia</b>	24,7	3,7	4. Iraq	7,8	3,2	4. Russia	22,2	5,3
<b>5. India</b>	16,6	2,5	5. China	6,4	2,6	5. South Korea	12,6	3,0

# Political economic aspects

- Political regimes unchanged
- Economic reforms: privatisation, liberalisation
- Political clients, family – crony capitalism
- Growing inequalities, growing discontent – Arab spring

Fair development, inclusive growth vs. Economic status quo unchanged

# Conclusions

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Failed partnership?

□ EU:

neoliberal approach, low commitment, decreasing attractiveness

Med:

Political economic background, decreasing interests

# Conclusions

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Security challenges are there:

civil wars, failed states, spread of radical Islamism,  
migration

Solution:

Larger commitment? More differentiation? Security-  
based cooperation (resilience)?



Thank you for your attention!