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DCFTA : a key instrument of EU policy

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Introduction

The month of October 2015 marked the official beginning of negotiations for the Deep and Comprehensive Free Trade Agreement (DCFTA) between Tunisia and the European Union (EU). One month later, in November 2015, the European Commission published its new strategy concerning policies vis-à-vis the bordering countries to the east of the EU and the south of the Mediterranean, which are now labeled “neighbors.” Taken together, these developments represent a new European Neighborhood Policy.

Between 2011 and 2015, following the Arab Uprisings and a succession of failed policies that produced neither peace nor prosperity in the region, the EU launched a review of its policies towards its neighbors through the adoption of an advisory approach. The DCFTA seems to play a key role in the new European Neighborhood Policy, but the countries from the south of the Mediterranean- notably Morocco and Tunisia- seem reticent to engage in these negotiations. What role does the DCFTA play in the EU’s strategy, and what is its relationship with the European Neighborhood Policy? In this article we will review the origins of this European Neighborhood Policy and we will study in greater detail the EU’s strategy vis-à-vis North African countries as well as role of the DCFTA’s within this strategy.

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1- The Origins of the European Neighborhood Policy and Its Evolution

The 1970s: The Defining Years For A European Policy Vis-A-Vis The Southern Mediterranean Region

Abbreviations:

DCFTA : The Deep and Comprehensive Free Trade Agreement

MFA : Macro-Financial Assistance

EIB : European Investment Bank

EBRD : European Bank for Reconstruction and Development

EEC : European Economic Community

EuroMed : Euro-Mediterranean Partnership resulting from the Barcelona Process

FEMIP : the Facility for Euro-Mediterranean Investment and Partnership

ENI : European Neighborhood Instrument

ENPI : The European Neighborhood and Partnership Instrument

MEDA : Adjustment Measures

NENP : The New European Neighborhood Policy

ENP : the European Neighborhood Policy

EU : the European Union

UfM : Union for the Mediterranean

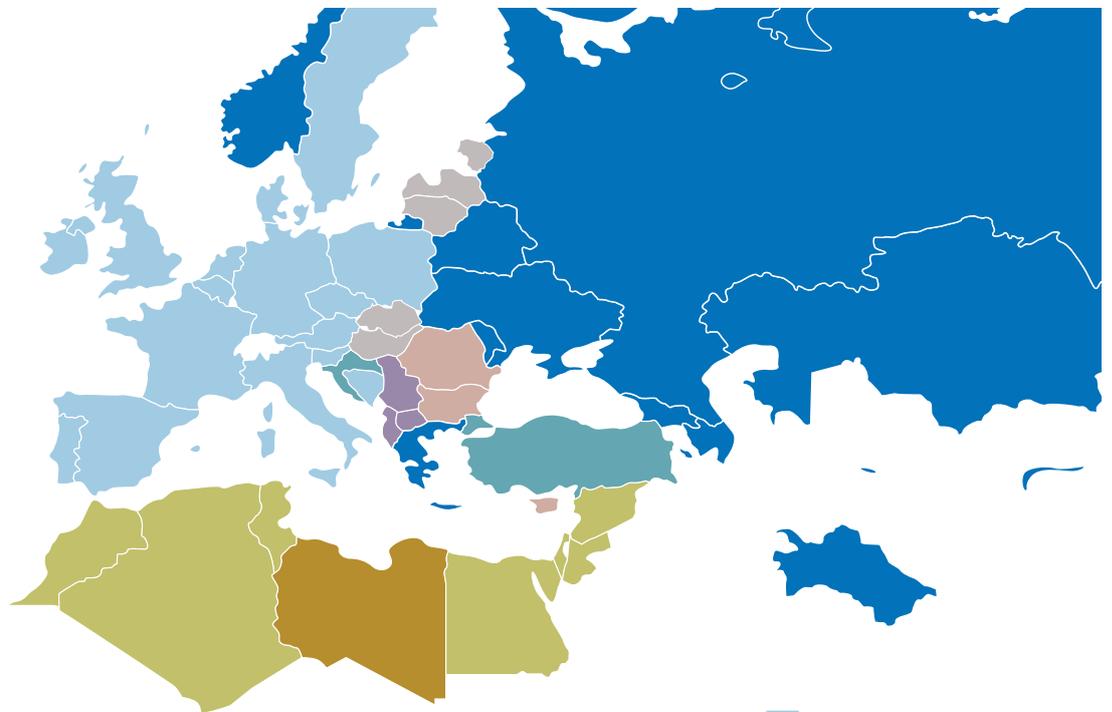
The year 1972 saw the emergence of a coherent European policy for the Mediterranean: The “Comprehensive Mediterranean Policy.” It introduced a regional approach for the Mediterranean that went beyond the bilateralism which had been applied up until that time, and became a turning point in relations between Europe and the Mediterranean region. Within the framework of this new policy, cooperation agreements were signed by many Mediterranean countries- including Tunisia- all of which came into effect between 1978 and 1979.

- March 1969: the signing of the first commercial agreement, CEE-Tunisia
- April 25, 1976: the signing of the first cooperation agreement, CEE-Tunisia

The 1990s: The Attempt To Develop A Zone of Free Trade With The South Of The Mediterranean

The year 1995 marked another turning point in the evolution of European policies vis-à-vis the Southern Mediterranean region. The EU wanted to become the leader for the process of regionalization in the Mediterranean, and thus launched the EuroMed Partnership- also called the “Barcelona Process.” The aim of the EuroMed Partnership was to develop an economic free-trade zone, and from that time until the year 2010 it gradually established several agreements for bilateral collaborations with the purpose of liberalizing commerce. The regional bilateral accords allowed the EU a much greater flexibility compared to what they would have had with multilateral negotiations. These bilateral accords enabled Europe to move away from the more restrictive multilateral forum of the World Trade Organization, which necessitated that all member states reach a consensus and put it in writing. This forum shift has affected all of the “neighborhood” countries from the south of the Mediterranean.





Map 1: Euromed partner countries
Source : European Commission

- Member States
- New Member States
- Member States in 2007
- Candidates
- Future candidates
- Euromed partners
- Observer status in the Partnership

The Barcelona Process put in place a range of instruments that would allow the European Union greater ease in establishing its desired free-trade zone, which is composed of three dimensions: Policy and Security, Economy and Finance, and Social, Cultural, and Human factors. We are particularly interested in the sections involving economy and finance, such as the partnership agreements which initially liberalized commercial exchanges in the industrial sector and then progressed to cover the agricultural sector. Additionally, we are interested in financial assistance instruments as it is the domain through which the legislative and institutional transformations vital to the organization of a free-trade zone are secured in exchange for financial loans and grants.

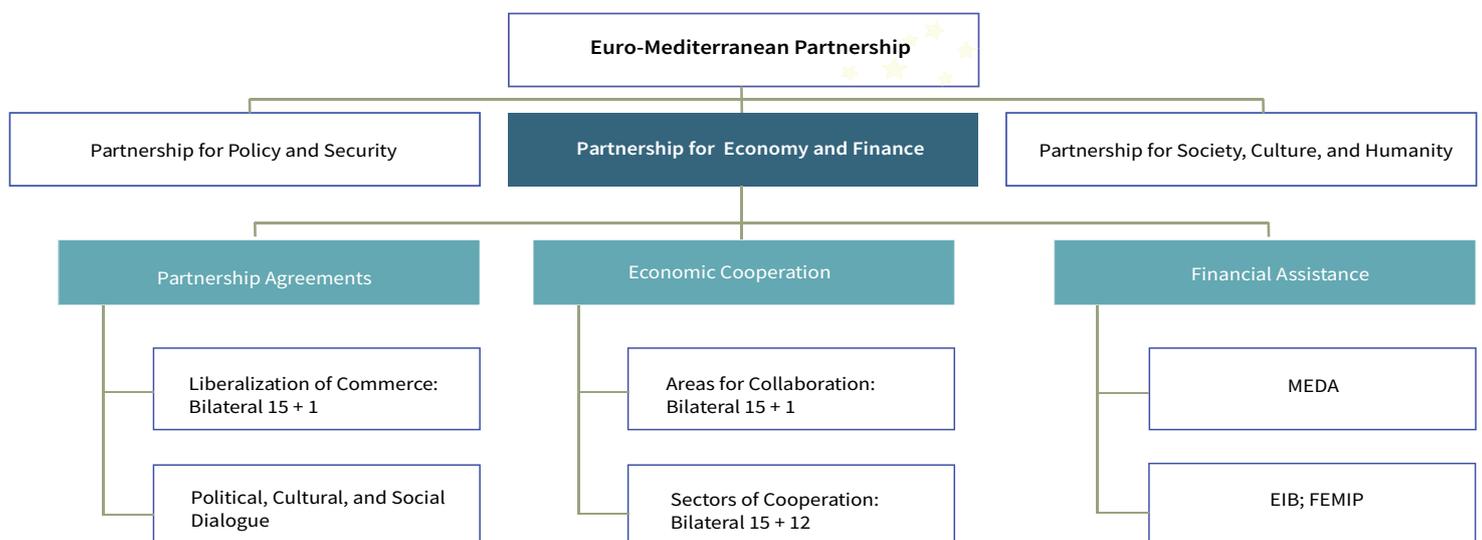


Figure 1: Structure of the Economic Partnership Source: Brachet J. (2007), The Euro-Mediterranean Partnership: The Role and Impact of the Economic and Financial Dimension - [Our translation]

The MEDA (structural adjustments) is the EU's principal financial instrument and consists of direct financial transfers into the State budget via loans and/or donations. It also entails the technical assistance programs designed to guide the government in implementing the required changes. The distribution of these funds is conditioned on a restructuring of the legal and institutional contexts. . Similarly, loans from the European Investment Bank (EIB) and the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) are given to facilitate the strengthening and equipping of infrastructures. According to the EU's own assessment, these types of financing have contributed to states adopting measures for the liberalization of commerce, the restructuring of public and private enterprises, the reformation of the financial sector, and the improvement of methods targeting social expenditures ("Targeting Social Expenditures")¹. The Commission granted a sum total of €1.97 million for bilateral cooperation with Tunisia during the period from 1995 to 2008².

The Barcelona Process has been a failure even according to its own aims of liberalizing commerce and establishing a free-trade zone. As it stands, the Barcelona Process has failed to achieve these objectives, and it is for this reason that the EU decided to review its policy vis-à-vis the Southern Mediterranean³.

The 2000s: From The Barcelona Process To A European Neighborhood Policy

Following the failure of the Barcelona Process to promote the development of a "zone of shared prosperity," and faced with the reality of geopolitical interests and aspirations of other world powers in the region (such as the United States, among others), the EU attempted to revitalize the Process and review its policies regarding the Southern Mediterranean. It re-named this effort the European Neighborhood Policy (ENP) in 2004. The ENP came into being during the process of expansion to include countries from Eastern Europe⁴.

On the one hand, the ENP's objective was more ambitious than that of the Barcelona Process: the ENP no longer focused only on commercial laws in order to liberalize trade, but also on the integration of European "norms" (EU *acquis*), which went beyond the accords of the association. It integrated the countries from the south of the Mediterranean into an assembly more vast in scope than that which encompassed the assembly of Eastern European countries⁵ neighboring the EU. The talk is no longer of "partners" but of "neighbors," with a focus on developing "closeness" with the EU's periphery.

On the other hand, the approach and methods utilized have changed. The EU decided it would no longer adopt a comprehensive Mediterranean approach with the goal of developing one homogenous area, but rather a differentiated country approach. The concept of differentiation means that each country advances by differing degrees within a regional integration strategy requiring integration of all or part of the EU's regulations (EU *acquis*) - but without integration into the European Union. What is more, the principal of a stricter conditionality requires an accelerated process of economic and institutional restructuring in exchange for obtaining finances. The ENP has thus surpassed the Euro-Mediterranean Partnership from the Barcelona Process. Some have called this new policy "Minus Europe," although there are others who have christened it "Barcelona Plus" (Euro-Mediterranean Study Commission, 2005).

¹ COMMISSION EUROPÉENNE, *Evaluation of Economic Cooperation between the European Commission and Mediterranean Countries, EuropeAid, 2003.*

² *Idem*

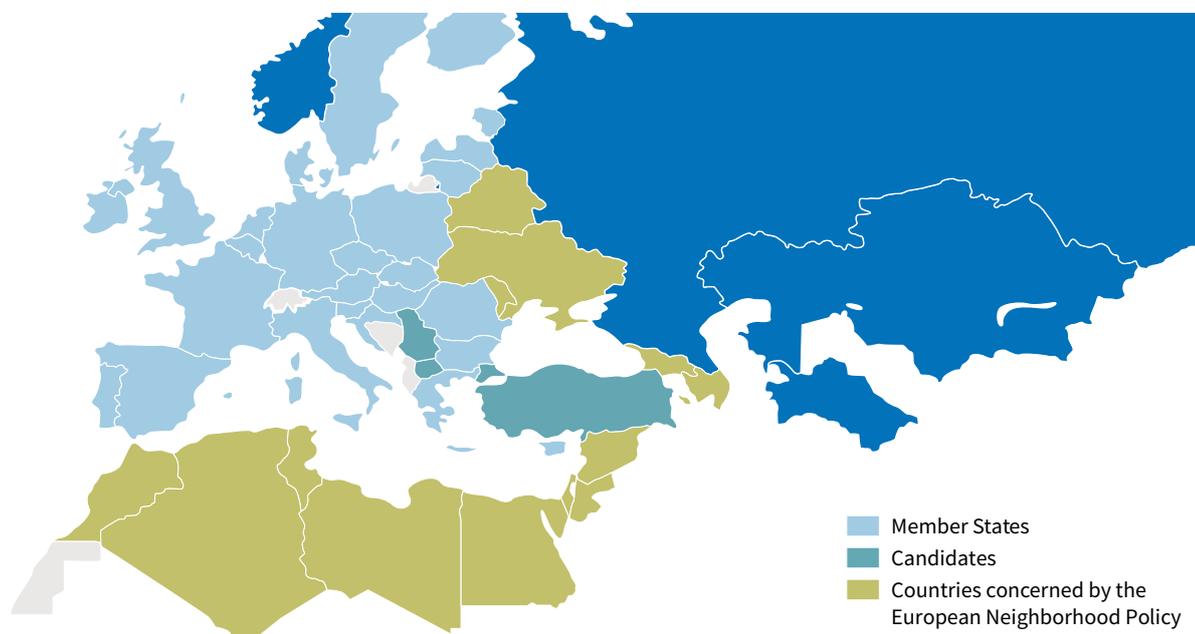
³ *Idem*

⁴ On 1st May 2004, member states in the European Union rose from fifteen to twenty-five Member States with the integration of Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia and Slovenia. Then, on the 1st of January 2007, Bulgaria and Romania joined the EU, followed in 2013 by Croatia. The Union now counts twenty-eight countries.

⁵ The ENP concerns:

Ten countries of the South: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Territories Palestinian, Tunisia,

- six Eastern countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.



Map 2: The geographic perimeter of the European Neighborhood Policy
 Source: EEAS, European Commission - Diagram designed by DG EPRS [Our translation]

New instruments- complimentary to or supplemental to existing instruments from the EuroMed Partnership's framework- were set in place to realize this newly developed policy for the assembly of EU neighbors (ENP). They are:

- a. The ENP individual action plans agreed upon by each country: These are the “paper trails” of policy negotiations between the Commission and neighboring countries (complimentary to the partnership agreements, the action plans are operational tools that fix a timetable for setting up priority reforms in the political and economic domains). Within this framework, Tunisia adopted the Neighborhood Action Plan EU-Tunisia in 2006.
- b. The European Neighborhood and Partnership Instrument (ENPI): Financial assistance in accord with respective conditionalities (this replaces the MEDA).

The ENP came into being at the same time as the EU's expansion to include ten Eastern European countries that were formerly part of the Soviet Bloc. This integration into the EU provoked tensions between France, Italy, Spain, and Germany. The latter was perceived by the others as receiving the greatest benefits from the integration of the EU's eastern neighboring countries. It is for this reason that France began the “Union for the Mediterranean” (UfM) in July 2008, which attempted to renew and revive the EuroMed Partnership. The UfM is comprised of 43 governments from the Mediterranean zone: The 23 member states of the EU and the ENP partners (9 Arab countries plus Israel, Albania, Bosnia, Herzegovina, Montenegro, Turkey, Monaco, and Mauritania). Contrary to the ENP, the UfM is an intergovernmental organization tasked with promoting integration through a project-based approach. Their agenda includes the development and financing of big projects in the domains of energy, transportation, etc.. The UfM has been added to the list of tools to be used by the ENP.

2011-2015: Taking Another Look At The ENP And Financial Support Accrued In Light Of The Arab Spring

Contrary to the dynamics that were claimed to characterize EuroMed, the ENP has been criticized for failing to promote dialogue between partners-. In light of the Arab Spring, the EU decided to respond to these changes in its southern neighborhood by launching a revision of its European Neighborhood Policy (ENP). From 2011 to 2015, the EU launched a re-examination of its ENP through organizing consultations with its partner countries and other concerned parties, including civil society organizations.

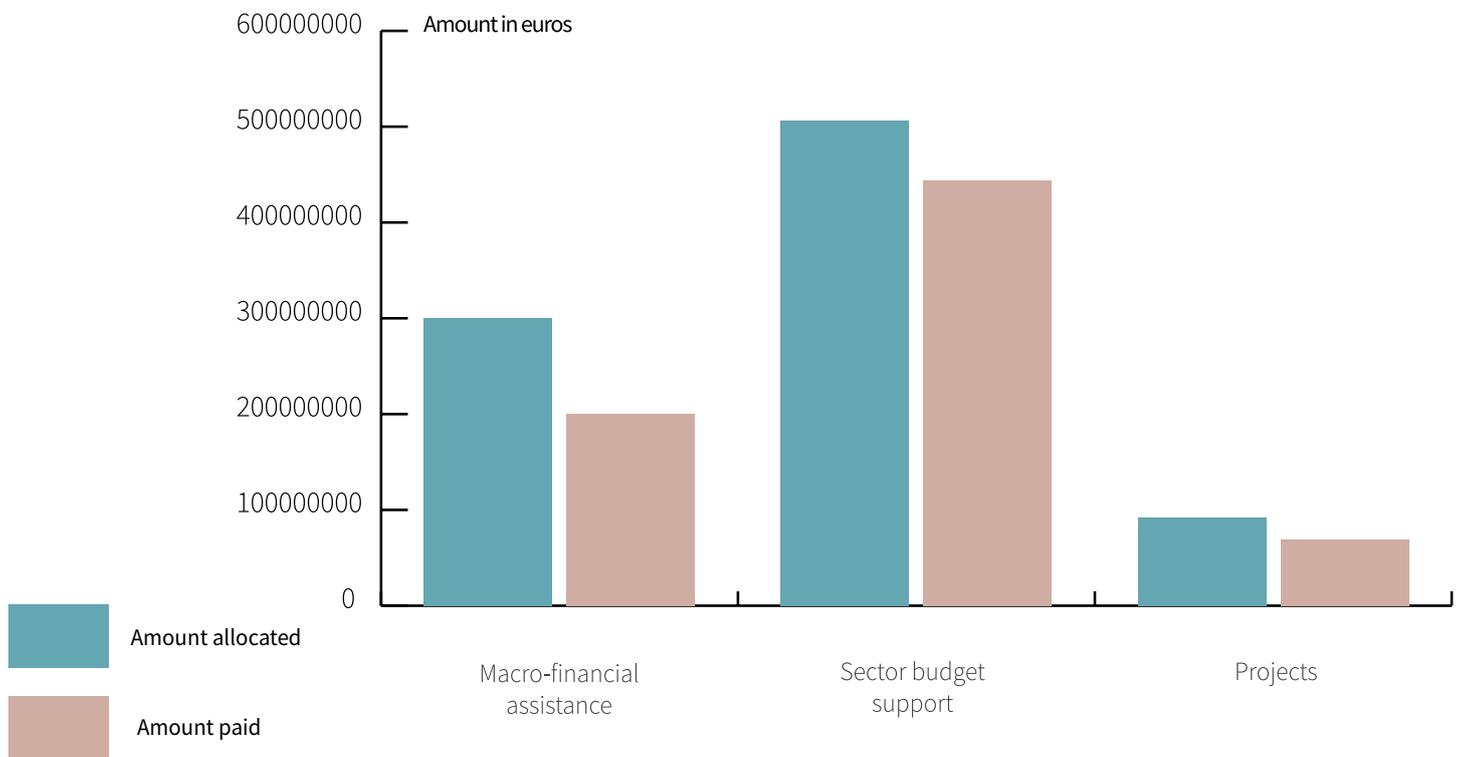
In tandem, the EU decided to increase its financing through the ENP, in a quid-pro-quo exchange for political, economic, and institutional reforms. In 2012 the EU granted special partner status to Tunisia, signifying Tunisia's commitment to a far deeper level of integration of European norms in accordance with the new differentiated country approach - a commitment which goes well beyond commercial regulations. This privileged partnership was subsequently translated into an action plan spanning from 2013-2017. The action plan contains required reforms pertaining to the restructuring of the State in regards to rights and democracy, a partnership for the adoption and mobilization of European standards in many different domains, reforms relating to public finance and fiscal measures, business affairs, public markets, etc.. The EU also launched negotiations for the Deep and Comprehensive Free Trade Agreement (DCFTA), so that the most important financing would be distributed in a quid pro quo agreement with respect to the reform timetable.

Starting from 2011, the principal financing accorded to Tunisia within the ENP framework included "initiative" mechanisms to jumpstart legislative, institutional, and political reforms for regional integration. These were composed principally of:

- General budgetary and/or sectorial support: Delivered through the Support Programs for Revitalization within the framework of the ENPI- and later the ENI- starting from 2014 (PAR 1 through 5 between 2011 and 2015). These are loans which are direct financial transfers into the State budget, in coordination with other international financial institutions. The disbursements are conditional upon the completion of political, institutional, and economic reforms.
- Macro-Financial Assistance (MFA): Loans accorded to States who are in a delicate situation or who are suffering from a crisis involving their payments balance.
- The financing of projects through the IEB or the EBRD which saw its mandate extend into the Southern Mediterranean countries in 2013: Loans to finance projects.

European bilateral aid for Tunisia has increased significantly. Between 2011 and 2015, bilateral aid was the subject of an evaluation by the European Court of Auditors, whose report was published in 2017 ⁶. The total amount distributed to Tunisia from 2011 to 2015 was equivalent to the total amount that had been distributed to Tunisia over a period of 13 years under the Barcelona Process. It is apparent that there exists a difference between the amounts allocated and those actually deposited on account of Tunisia's adherence to conditionalities.

⁶ COUR DES COMPTES EUROPÉENNE (2017), *Rapport Spécial, 'L'aide de l'UE en faveur de la Tunisie'*



Graphic 1: The main EU funding between 2011 and 2015 under the ENPI
Source : Report issued by the European Court of Auditors (2017)

The graphic contains the three principal types of financing: That of budgetary support, Macro-Financial Assistance, and the financing of projects within the framework of the ENPI's Funding Instrument.

The Court of Auditors highlighted, among other things, a tardiness in the realization of the reforms, even though the Tunisian authorities had signed themselves up for an important and ambitious reform process. According to the Court, the conditions for disbursement of the money transfers were too lenient, since they “did not persuade” the partners into advancing reforms.

It was also in 2014 that we saw an acceleration for the integration of Eastern neighboring countries into the EU marketplace without membership, through the backing of the “Eastern Partnership” with signatures from the DCFTA along with Georgia, the Ukraine, and Moldavia. In November 2015, the EU published its new ENP following a revision process- and the DCFTA was an integral instrument for it.

2- The New European Neighborhood Policy (NENP) For The Southern Mediterranean in 2015: New Strategies And Stakes For DCFTA

What Is The New Strategy Of The EU For The ENP?

The New European Neighborhood Policy (NENP) was published by the European Commission in a communiqué in November 2015 ⁷ following the revision process discussed above. The principal elements of the EU's new approach included:

- 1- Encouraging the In-Depth Application of the Principle of Differentiation:** maintain a country differentiated approach; that is to say, increase the level of integration of those countries that wish to go the furthest in approximation
- 2- The Reinforcement of Conditionality and the Incentive-Based Approach:** known as the “more for more” approach, in other words, states undertake more reforms in order to receive more funding.

⁷ COMMISSION EUROPÉENNE (2015) COMMUNICATION CONJOINTE AU PARLEMENT EUROPÉEN, AU CONSEIL, AU COMITÉ ÉCONOMIQUE ET SOCIAL EUROPÉEN ET AU COMITÉ DES RÉGIONS, Réexamen de la politique européenne de voisinage

3- The Reinforcement of Appropriately Modeled Reforms: through means of consulting with different actors, of creating spaces for dialogue with civil society, and consultations with authorities.

4- Increased Coordination With Other Financial Backers.

5- The Viewpoint of Access to the EU Market: an indispensable tool for the EU within the ENP's framework, in order to encourage the restructuring of legislative and regulatory reforms (aligned with EU norms) via the DCFTA.

6- A Lead Role in Communicating and Promoting the Positive Effects of Actions Carried Out by the EU: with the aim “to build up a positive discourse regarding aid and cooperation in the name of the ENP,” in neighboring countries through: shaping a diplomatic discourse with the public, supporting those authorities who best understand public opinion and who will support marketing campaigns demonstrating the benefit of reforms, supporting the media, and through scientific diplomacy- that is, facilitating the distribution of scholarships for study and research in order to promote support for the ENP among students and researchers.

The fundamental element of the NENP is alignment with EU norms without the prospect of membership for the neighboring countries, in return for a potential economic integration. Through mechanisms of conditional funding, the EU wishes to “encourage” its neighbors to strive for legislative and regulatory harmony in accordance with DCFTA negotiations and the advancement of the integration of EU standards. In return, partner countries are told they will eventually benefit from access to the EU's domestic market, all while retaining restrictions on the free exchange of people.

⁸ In the continuity of the privileged partnership with the EU in which one of the key instruments is the DCFTA, the negotiations have been officially launched in October 2015 and the EU published the texts related to its proposal.

The DCFTA ⁸ : A Key Instrument For This Strategy?

The DCFTA is a new generation of free trade accords that are being pushed on those countries which make up the ENP- namely, those neighbor countries from the south of the Mediterranean and Eastern Europe. These accords, collectively referred to as “the Deep and Comprehensive Free Trade Agreement”, are distinguished by two principal elements:

The “Complete” Dimension

This dimension signifies that the accords encompass all domains and sectors of activity: The liberalization of services, agricultural and fishing products, competition, investment, public markets, intellectual property, durable development, transparency, and customs procedures for aiding in commerce, among others⁹.

The “Deep” Dimension

This dimension refers to the required legislative and institutional approximation. It entails reconciling Tunisian norms and standards with those of the EU, and involves extensive legislation. This alignment with the “EU acquis” will encompass a large number of regulations: Laws regulating sanitation and phytosanitation (SPS), technical impediments to commerce, public markets, etc.. These agreements incorporate the principals, concepts, legal dispositions, and norms for community rights, which must be interpreted and applied by EU neighbors (including Tunisia) as if they are member countries of the EU, even though there is no hope for integration into the EU¹⁰.

The degree to which the legislation is able to succeed with this reconciliation is a prerequisite for access to the EU's domestic market for the export of third party products and/or services. This conditionality for pre-admission into the EU is designed to ensure a full alignment with EU norms and legislation. There are many

⁹ Van der loo, G., Van Esluwege, P. and Petrov, R. (2014), ‘The EU-Ukraine Association Agreement: Assessment of an Innovative legal Instrument’, EUI Working Papers 2014/09.

¹⁰ Maresceau M. (2013) ‘Les accords d'intégration dans les relations de proximité de l'Union européenne’, Les frontières de l'Union européenne. p.151-192

streamlined mechanisms incorporated into the DCFTA framework, such as progress reports and monitoring for the legislation's reconciliation process. However, legislative and regulatory reconciliation can never suffice for access to the EU's domestic market; for that, negotiations are needed. A prime example of this is found within the EU's proposal for Tunisia, in the chapter on sanitary and phytosanitary measures and their provisions. It reads: "To ensure the gradual reconciliation of Tunisian regulations to those of the EU," or in another instance, "[that] Tunisia succeeds in a gradual reconciliation of its sanitary and phytosanitary regulation to fit with the EU acquis."

The "deep" dimension- which is to say, legislative and regulatory approximation- is a fundamental element of the ENP and a prerequisite for "incentives" which are potential access to the EU's domestic market as well as the visa process. The DCFTA thus plays a key role in the realization of this prerequisite.

A Critique of the Chosen Approach Vis-à-Vis the South of the Mediterranean

The European Neighborhood Policy has been understandably criticized by many policy makers and researchers- for the unsuitability of its core strategy as well as the instruments it uses to achieve its professed objectives.

A Critique of the Normative Influence of the EU

The key element of the ENP, which has been strengthened over the course of several years- notably through the DCFTA- is the reinforcement of EU normative power. In this sense, it has been described by scholars such as Joseph Nye as an important form of "soft power": "The conception of the integration model that the ENP proposes is founded on its ability to transmit its norms. 'Soft power,' or, the power of attraction, is an essential attribute for international actors, to the extent that partner countries admire one's values, look to imitate them, and aspire to an equal level of prosperity and openness" (Nye, 2004)¹¹ [Our translation]. However, the EU norms and standards discussed here belong specifically to the EU. It is important to note that not all European norms are "universal", and the EU's commerce norms do not always correspond to international norms. Compared to the WTO's regulations, for example, they stray very far in terms of the liberalization of non-tariff barriers. In fact, when the EU finds itself faced with countries reticent to adopt particular norms in the context of multilateral negotiations such as the WTO, it shifts forums to bilateral negotiations (e.g. the DCFTA).

These attempts to secure the spread of EU norms overlook evidence that their increased incorporation often comes into conflict with the development objectives of southern Mediterranean countries, or may even block development altogether.

Conflict Between EU Norms and Development Objectives

It is important for Tunisian policy makers to take into consideration historical lessons around EU norm integration. Specifically, the rapid integration of EU norms can block the development of production capacity for Tunisian enterprises because they risk running into premature suppression from regulatory mechanisms and from regulations necessary to sustain the industrial or agricultural sectors. These include subsidies, or even incentives, which are seen by the EU to create commercial exchange imbalances. Likewise, if EU policies relating to competition were implemented in Tunisia, there would be the risk of endangering employment through weakening local enterprises that are not prepared to support competition from European enterprises. The same risks exist with the imposition of EU norms onto

¹¹ Fuguet J.L., Guilhon B., Roux.Cefi N. (2007), 'Les Pays Méditerranéens face à la politique européenne de voisinage (PEV)', Faculté des Sciences Economiques et de Gestion Université de la Méditerranée

public markets. In particular, the opening of public markets to foreign companies puts employment at risk, as well as the long-term sustainability of local enterprises. Countries maintain tariff and non-tariff barriers in order to protect a sensitive sector or a budding industry, as well as to preserve employment or macroeconomic objectives (e.g. the preservation of the balance of payments or sales, to assure tax incomes, etc.). Southern countries must keep these risks in mind during negotiations.

The Inadequacy of The ENP's Instruments for the countries from the South of the Mediterranean

The ENP was founded on a mechanism of conditionality. In exchange for eventual access to their domestic market, the EU necessitates that neighbor countries first reform their economic, legislative, and regulatory policies, norms, and standards in order to conform with those of Europe within a plethora of domains and sectors of activity (the “complete” dimension). Such major concessions can devastate national economies without even providing concrete “incentives”, such as the visa facilitation -as the member states are not yet ready to provide these guarantees - or the prospect of EU membership -. The countries from the Eastern partnership- that is, the Ukraine, Georgia, and Moldavia- have the ability to consider EU membership as they are within the actual geographic space of Europe, but what about countries from the south of the Mediterranean? The prospect of EU membership for these southern states remains inconceivable.

In a study entitled “The End of the Southern Neighborhood,” Kristina Kauch¹² evaluates the EU's negotiation leverage with North African countries within the ENP's framework. She underlines the inadequacy and unsuitability of the ENP for North African countries in light of the few prospects they are given in exchange for the integration of norms and the liberalization of the agricultural and service sectors:

“The European Neighbourhood Policy's underlying assumption of relative EU hegemony in the neighbourhood as a precondition for conditionality-based policies is expiring. In 2004, the European Neighbourhood Policy was conceived on the fundamental assumption of a permanent asymmetry of leverage/influence in favour of the EU towards its immediate neighbours. The entire neighbourhood was conceived as a “circle of friends”, or European satellites. In the Southern neighbourhood, this was never quite the case.”¹³ (Kausch, 2007, p.41)

In this way Kauch uses her study to analyze the power of negotiations the EU has vis-à-vis North African countries regarding economic plans, policies, and security. Based on the scores of different political, economic, and security factors (summarized in the table at the end of her study) for five ENP countries from North Africa (Tunisia, Morocco, Egypt, Algeria, and Libya), she has classified the countries into three categories:

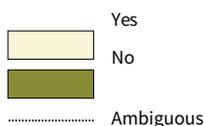
- **The “Satellite” countries:** states like Tunisia and Morocco, which are extremely dependent on the EU, and for that reason the EU has the maximum amount of leverage in negotiations.
- **The “Independent” countries:** states like Algeria and Libya, for whom the EU has little to no leverage ability in negotiations.
- **The “untouchable” countries:** states like Egypt, where the EU has little maneuver room on account of other powerful actors, such as the United States.

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(Kausch, 2007, p. 41).

¹² Kausch K. (2011), *The End of the Southern Neighbourhood*, IEMed. European Institute of the Mediterranean, 18 papers IEMed, +series with euromesco.

¹³ Idem.



Indicators	Morocco	Algeria	Libya	Tunisia	Egypt
Trade	Yes	No	No	Yes	Ambiguous
Development Aid	Yes	No	No	Yes	No
FDI	Yes	No	n/a	Yes	Yes
Remittances	Yes	No	No	Yes	No
Tourism	Yes	No	No	Yes	Yes
Political alignment with EU	Yes	No	No	Yes	No
Crisis management and security alliances	Yes	No	Yes	Yes	No
Strong domestic pressures	No	No	Yes	Yes	Yes
A high elite reform inclination	Ambiguous	No	Yes	Yes	No
Incentive power	Yes	No	No	Yes	No
TOTAL	Yes	No	No	Yes	No

Table 1: Indicators of relative «leverage» over North African countries

Source: Kristina Kausch, The end of the Southern Neighborhood, European Institute of the Mediterranean

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The ENP's rationale is today only applicable to the small number of countries belonging to the "satellite" type. With the rest, EU aspirations under the ENP framework should be drastically scored down, and complemented by more flexible cooperation schemes that respond to partners' interests and priorities.

”

(Kausch, 2007, p. 41).

In the table summary, it is apparent that Tunisia and Morocco are the most vulnerable of all the countries vis-à-vis the EU in negotiating the DCFTA, owing to their economic, political, and security dependence relative to the EU. The EU has all the leverage in regards to Tunisia: a state that is dependent from the standpoints of commerce¹⁴, tourism, financing, the transfer of immigrants to Europe, and IDEs coming from the EU. Within the domain of politics, Tunisia is equally vulnerable as a result of the political and cultural alignment of the elites on the side of the EU, and the absence of strong pressure from within the country. Morocco is as dependent on the EU as Tunisia is, but the presence of strong internal pressure around the question of the Western Sahara permits it some leverage when it comes to negotiations. Kauch concludes that : «The ENP's rationale is today only applicable to the small number of countries belonging to the "satellite" type. With the rest, EU aspirations under the ENP framework should be drastically scored down, and complemented by more flexible cooperation schemes that respond to partners' interests and priorities.»

(Kausch, 2007, p. 41).

¹⁴ Ben Rouine C. (2017), 'Historique des relations commerciales Tunisie-UE : l'heure du désenchantement?', Observatoire Tunisien de l'Economie

Conclusion

The European Neighborhood Policy (ENP) aims to define a “system of relations that the EU manages with its neighboring countries without any current prospect for membership” (Com, 104, 2003, final). The ENP rests principally on the concept of integration- that is to say, integration into EU norms by its neighbors (the “deep” factor) through the implementation of institutional reforms and regulations, and through the liberalization of many sectors of activity (the “complete” factor) in exchange for a potential prospect of participation in the EU’s domestic market. The DCFTA is thus a key instrument for the ENP. However, this strategy seems to usher in limitations for the Southern Mediterranean region, as a result of the unsuitability of its instruments for North African countries, who are unable to aspire to either EU membership or an easing of the visa process as part of this exchange. For the various reasons explained in this paper, the DCFTA appears to be an unattractive deal from the perspective of the southern Mediterranean countries which are facing enormous economic and political challenges. The negotiations opened with Morocco and then Tunisia, the two countries that are the most dependent on the EU, but with palpable reticence in light of the potential economic impacts in these countries. In April 2017, the EU granted a second Macro-Financial Assistance package to Tunisia, amounting to € 500 million. Some weeks later, the DCFTA process for negotiations was revived through the establishment of negotiation committees.

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