



ABSTRACT WORKING PAPER 2.3

The geography of trade relations between the EU and the ENP countries: Empirical analysis and implications for theory and policy-making

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ABSTRACT

The European Neighborhood Policy (ENP), launched in 2004, is a unified European Union (EU) policy framework towards the EU neighboring (ENP) countries. The objective of the ENP is to strengthen the prosperity, stability and security of the (enlarged) EU countries and the ENP countries. Even though the ENP is distinct from the process of EU enlargement, the ENP countries operate under conditions of "neighbourhood Europeanization". The paper studies the geography (i.e. the size, the composition and the direction) of trade relations (i.e. imports and exports flows) between the EU and the ENP countries, conducting an in-depth empirical analysis and providing empirically-based responses to a series of research questions: What is the size, the composition and the direction of trade activity between the EU and the ENP countries? What changes, if any, can be recorded, diachronically? What is the impact on the trade balances of the EU and the ENP countries? What is the pattern of integration between the EU and the ENP countries? Which

theoretical school tends to be confirmed? Is there evidence of “developmental gap”? What are the implications for the prospects of income convergence, in the long-term? Is it possible to detect (trade) relations of dominance among the EU and the ENP countries? Is there a corresponding distinct spatial footprint? Is it possible to acquire new knowledge and critical insight on the issues of EU integration? Providing a clear picture regarding the geography of trade between the EU and the ENP countries (the EU-ENP trade), the paper aspires to offer valuable insight to both (economic integration) theory and policy-making.