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The Euro-Mediterranean dialogue: prospects for an area of prosperity and security



*A report edited by the Foundation for European Progressive Studies
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FOREWORD

Ernst Stetter

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The official starting point of the EU-Mediterranean relations – after the less known Global Mediterranean Policy (GMP) launched in the 1970s – was the ambitious initiative of the Euro-Mediterranean Partnership (EMP, or Barcelona Process), established by the Euro-Mediterranean Conference of Ministers of Foreign Affairs, held on 27 and 28 November 1995 in Barcelona. The aim of the Partnership was to strengthen relations with the Southern Mediterranean Partners through three main objectives and to lay down a broad framework of political, economic, financial, social and cultural relations with these countries. This process has been going on for 13 years now, but its efficiency and success are doubted for several reasons. The breakdown of the Middle East Peace Process has a huge effect on the progress of the EMP, mainly on the political and security chapter. Due to this factor, the political and cultural dimension, which is considered to be more successful, is also hindered and, according to analysts, the results certainly leave room for improvement. The predominance of the European Union in this process is also a target of criticism, because it gives the impression of inequality among the members of the Barcelona Process. The proposal put forward by Nicolas Sarkozy during his electoral campaign¹ to establish a “Mediterranean Union” cannot only be seen as an alternative to Turkish membership in the EU, but also as a sign of dissatisfaction with the existing EMP. According to the original plan, which created serious tension between France and Germany, the Mediterranean Union would have ten member states, five from the northern shore and five from the southern shore; it would have been entirely independent and would not have been a part of the Barcelona Process. In her speech,² Angela Merkel warned Sarkozy that if the Mediterranean countries wanted to establish a union completely apart from the other European countries, such a union would be a crucial test for Europe, with the result that Germany would turn more towards Eastern European countries, while France would turn more towards southern countries.³ In the end, the proposal was integrated in the Barcelona Process under the name “Union for the Mediterranean” (UfM) and it certainly gave a boost to relations between the northern and southern coasts of the Mediterranean Sea. On the occasion of the Conference of Foreign Ministers in Marseille, held on 3 and 4 November 2008, the project was given a concrete form by the designation of Barcelona as the headquarters of the UfM and by the determination of a new institutional architecture. But the question is: will this new structure ensure a closer and more efficient process? This project was so dear to the French presidency of the EU, but what will happen next?

Convinced that there is a need for a Mediterranean policy based on solidarity, dialogue, cooperation and exchange, the Foundation for European Progressive Studies (FEPS) – which aims at being a leading and unifying force on the intellectual social-democratic European scene – and Italianeuropei – an Italian think tank designed to promote a Europe-minded political culture – decided to publish a report on EU-Mediterranean relations. The objective would be to analyze the state of play of the EU initiatives towards that region. In order to give a balanced image of the EMP and to enable the reader to have an overview of different opinions, the report consists of articles written by a number of authors from both the northern and southern shore of the Mediterranean region. The report is divided into three main parts, each of them focusing on different topics. The first part offers a historical overview of the past European projects in the Mediterranean. The second part gives an analysis of the economic relations between the two shores of the Mediterranean Sea. The

The Barcelona Process is the starting point for the Euro-Mediterranean relations, but after 13 years its efficiency and success are doubted for several reasons

third part is a collection of articles giving an assessment of the political dialogue between the EU and its Mediterranean partners. The report concludes with a critical work on the future prospects of the Barcelona Process and the UfM.

This publication, edited and introduced by two independent think tanks, will be helpful in our task of supporting a consolidation of the Euro-Mediterranean area, which has to be based on democratic principles, respect for the rule of law and human rights, the strengthening of regional cooperation and of social and environmental integration.

1. N. Sarkozy, *Mon projet: ensemble tout devient possible*, 2007, p.15, available on www.sarkozy.fr/download/?lang=fr&mode=programme&filename=monprojet.pdf.

2. Joint press conference of N.

Sarkozy and A. Merkel, Palais de l'Élysée, Thursday 6 December 2007, www.elysee.fr/documents, pp. 2-3.

3. For more information on French-German relations and their effect on the progress of the EMP, please

consult the study of Jacques-Pierre Gougeon, political scientist and professor on the following site: www.feps-europe.eu/index.php?id=133.

Introduction

THE MEDITERRANEAN, SEA OF ALL CONFLICTS OR PLACE OF ALL ENCOUNTERS?

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Making the Mediterranean area, this “liquid continent” as the historian Braudel put it, into a relevant place for an ambitious diplomatic and political development was certainly no easy task. The idea itself was marked by suspicion. To some, the concept of *mare nostrum* was wrong because it was a follow-up to imperialist and colonialist-inspired theories formulated in the 19th and 20th centuries in European countries. To others, the aim of the Mediterranean Sea was to divide the Arab countries in search of their mythical unity: you still hear this criticism, for instance, when listening to Libyan leaders. Very few Arab intellectuals are interested in this idea with the notable exception of Taha Hussein. After World War II, the Cold War and the colonial or colonialism-related conflicts, e.g. the Suez Crisis, had drawn around the Mediterranean insuperable political barriers. We had to wait for a brand new international context at the end of the Cold War, as is recalled by Federica Bicchì, and the starting – in Madrid – of the Middle East peace process for the idea to seem a bit more realistic. The idea of a relevant Mediterranean political area remains – to date – very European; indeed, the Americans, would prefer the idea of the Middle East and North Africa (MENA), a much bigger territory that would stretch from Marrakech to Bangladesh.

If we may risk a neologism, “Mediterraneanism” was first and foremost the subject of Southern European politicians and intellectuals who were the founding fathers of the process. Here we must pay tribute to great statesmen like Italy’s Aldo Moro, but also to the constant commitment of progressive forces like the Italian Communist Party, the Spanish and – to a certain extent – the French Left, as well as Greece’s PASOK. Diplomats were also very active and influential: e.g. diplomats from former Yugoslavia, from Boumediène’s Algeria, from Cyprus, Malta and Libya. The first meetings were not without conciliation. Indeed, the islands of the Mediterranean played the same role in this process as the palaces on Italy’s lakes did for international agreements between the two wars: i.e. brilliant intellectuals met in these beautiful settings, made many cultural references, endlessly discussing our common roots, without even noticing the empty chairs in the rooms because some of the guests who had been invited from the southern shore of the Mediterranean just could not get a visa to join the group.

In fact, over centuries, the Mediterranean was rarely a “peaceful lake” to pick up on the terminology of these meetings; the sea was much more the stake of a fierce struggle for domination: the Greeks and the Persians, Rome, Carthage and Egypt, the Crusaders and the Muslim kings, the Spaniards and the Ottomans, rivalling European colonial powers benchmarked the history of the area’s major conflicts. On many accounts, irredentism is the term that best defines the last century in the Mediterranean area, which was dominated by border conflicts. Each party refused to forget its lost *grandeur* and territories: irredentism existed on all sides i.e. on the side of the Arabs, the Turks, the Kurds, the Panhellenic movement, the Zionist movement, the Great Syria, *et cetera*. Still today, political conflicts

like the dispute over Cyprus or the Western Sahara issue and, of course primarily, the Israeli-Palestinian conflict – to which Álvaro de Vasconcelos has rightly dedicated his contribution – remain major obstacles to political progress in the Mediterranean area. Moreover, the bilateral connivance maintained by the Europeans and the southern leaders in the worst “backward-looking and well-understood interest” is nothing but an easy solution and one of the main reasons for the lack of movement and good governance. The lack of unity in the Maghreb has a cost and the simple opening of the border between Algeria and Morocco would generate a growth surplus for both countries. The lack of political understanding is paralyzing the Mediterranean area.

The second major challenge to be met is the lack of completion of the global process of democratisation. There has been no change in political colour: in the 54 years of its existence, the Tunisian Republic has had two presidents and the second one is about to be re-elected; Egypt, which is less “stable”, has had three presidents and the last one is preparing his son to become his successor; Libya has been ruled by the same man since 1969; and there are many more examples along the same lines. Military regimes have turned into clans and cliques, republics have become dynasties, centralized economy has been turned into privatized economy, but only to the benefit of those close to the regime, and they all dream of adapting the Chinese political model to their countries. For all of them, the almost exclusive focus of the world on the War on Terror – an absurd concept that has already lost its credibility – created a tremendous opportunity for the regimes in place that felt the mounting of international criticism. The only beacon of hope is that traditional monarchies seem to have a great ability to evolve, which is only apparently paradoxical. There is also little or no progress in governance. The local *élites*, comfortably settled within the system, are not really contributing to turning economic growth into development, as demonstrated by many economic surveys especially those by Jacques Ould Aoudia. The rule of law is not really progressing; an increasingly active civil society is faced with endless monitoring. And this is precisely and undoubtedly the second major obstacle to the progression of Euro-Mediterranean cooperation. Conflicts between states and the persistence of authoritarianism are indeed compelling the European partner to adopt a much more proactive policy. The regional dimension must become a major dimension in the partnership. We must push strongly for regrouping and for the development of sub-regional projects that give priority to European aid; but we must also give priority externally to “defusing” those conflicts that prevent regional rapprochement, as is the case with the Union of the Arab Maghreb and within the framework of contacts between neighbouring states. We must also be convinced that the only guarantee for true long-term stability in the South resides in the real opening up of the political field.

To deal with these real problems, we really must avoid adding others. Very often, security and demographic fantasies have served as the sole justification for the Mediterranean policy in Europe: hence, the Mediterranean policy only boils down to defending Europe’s interest. At different paces but much faster than the United Nations could ever have foreseen, all countries around the Mediterranean – except maybe Gaza – have started their demographic transition. So, in the long run, there will be no unavoidable imbalance and there will be no demographic invasion either. However, the demographic transition only sees its effects being felt slowly, as is the case of the policy encouraged by President Bourgiba who pushed for schooling for girls, the raising of the minimum age of marriage for women and the promotion of women. Today already, the distressing and tragic sight of the *pateras* on the coast of Spain, and the idea of the Mediterranean Sea that has become the grave of thousands of young people intent on crossing the sea at all costs and risking their lives are much more related to the faraway conflicts and crises taking place in the Middle East or in Black Africa. In Algeria that is rich in reserves and considerable resources, there is no justification for young people becoming *harraga*¹ exposed to certain death on decrepit boats, except for the endemic lack of good governance that is leading to the impoverishment of the population in a rich country. Ferruccio Pastore, basing himself on the

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fact that Mediterranean boat people remain a symbolic image of Fortress Europe, provides a more subtle and instructive analysis of this migratory phenomenon.

The different chapters in the history of the Mediterranean are part of an ambitious global project for economic, social, environmental and cultural convergence that cannot be entered upon reluctantly. The destinies of Europe and the Mediterranean are indissolubly bound together: more than just a moral obligation, solidarity is political evidence and this new political environment could be called the Euro-Mediterranean area.

But first, it means that we have to be clear about what Europe means to us: it must be the construction of a group of countries sharing values and common ambitions. Historical and geographical considerations – scholarly and lyrical as they may be – may never serve the purpose of establishing tight borders: Europe is an entity with a variable geometry. One option would have been to build it with a Carolingian supranational core but as soon as the UK joined another approach was chosen, which makes it really hard to justify denying entry to Turkey. All the hypocrisy and unsaid arguments from those with this particular hidden agenda deny even the thought of having a true Euro-Mediterranean ambition. Personally, it seems hard to me to defend a Mediterranean project for Europe whilst remaining hostile to Turkey entering the EU. The Mediterranean area is a matter for Europe, for the whole of Europe. It is certainly not the back draft of former colonial powers and neither is it a way of preserving any country's private domain either. One of the achievements of the Barcelona Process is precisely that it brought the acceptance of the fact that the future of those living around the Mediterranean is a matter for all Europeans, from the Arctic Circle to the Black Sea and Gibraltar. In that sense, the initial idea of the Mediterranean Union defended by Nicolas Sarkozy was outdated and had to be condemned because it confirmed the sharing of spheres of influence proposed in the conferences of the 19th century and because it was the bearer of the notion of exclusivity. After all the Euro-Mediterranean area is to be an ambitious vision for Europe.

This political ambition must be embraced and displayed. Too often, in order to convince people who are reluctant about something, politicians highlight the argument of Europe's security, or the guaranteeing of controls over migratory flows, or even selective immigration. So cooperation with the South would only be within the well-understood interest of Europe. This security-based approach is timid, shocking and insufficient. This project is not first and foremost defensive; its prime aim is not raising higher walls in asking our partners from the South to watch over our moat. Besides, we can see that the separation between ministers of the Interior and security bodies is what works best, autonomously, with or without the Barcelona Process. It is also one of the only effective realities of South-South contacts in this area that is in all other things split by state borders. Sometimes, the Arab League gives the impression of limiting its practical scope to regular meetings of its ministers of the Interior in Tunis. That has nothing to do with our project.

Our project is primarily a development project. Economists are wondering about the root causes of the absence of true economic development in the Mediterranean Arab states – Tunisia excluded, because the country benefited from the modernization of President Bourguiba even if it is now regressing with his successor. Here are countries that applied all the required structural adjustments, that skimmed their state apparatus, that gave up the idea of "the developer state", then imposed budgetary austerity, that are now opening their markets to northern economies, convinced that free trade can work miracles, that regularly receive lessons in governance as if the South was the only area where people only get rich if they are close to power. And yet, the results are still missing. Obviously, the liberal visions of Reagan and Thatcher that still used to dominate at the time of the Barcelona agreements are unfruitful if not disastrous. Instead of always towering over our partners with our fashionable ideas, let us try to really develop things together, with the true tenants of modernity; let us try to find ways and means to re-establish trust in those societies where

demographic change is so fast, where the situation is already so far from the traditional social relations we know, but has not yet entered into a fully institutionalised and formalized economy.

Should the issue of democracy and human rights be at the core of our Euro-Mediterranean ambition? Some say raising it would be counterproductive. Not only can we not accept this argument but it is also a stab in the back for all those fighting for democracy in the South. Of course, the idea is not to imagine that we could impose democracy from the outside or through brute force; neither is it to pretend that there is a single mechanical way towards progress. All societies necessarily have to go through the same process, but in their own ways. Democracy is not a matter of crusading. But justifying with the phoney arguments of relativism and culturalism, the most opportunistic, the most complacent and the most short-term *Realpolitik* is not acceptable! We must insist on the universal nature not of models, but of principles and we must make sure that this goal is not constantly contradicted in practice by double standards that are so harmful for values. The idea is not to list the inefficiencies and violations of law; that is the legitimate role of Non-Governmental Organizations. But a consistent policy in this field must denounce regression and encourage progress, bearing in mind that democracy has a cost and that it is easier to open up the political scope and introduce reforms in times of expansion. Many legal instruments are available: the support and protection granted to local actors working for democracy, vigilance as to the implementation of international commitments signed by the states themselves, the most fitting use of conditionality clauses and – if necessary – of targeted sanctions depriving predatory clusters of the facilities and comfort provided by cosmopolitanism, *et cetera*. Of course, such an approach can only have meaning if coordinated at a European level and the role of the European Parliament is central.

Finally, the success of a Mediterranean process means living in peace with Islam. The daily lives of the people of the southern shores of the Mediterranean are fed with images from the North and the media invasion of large European and/or Asian television channels is one of the significant factors for the transformation of Arab societies in the Mediterranean area. The caricatured visions that are too often distilled in the media – and more particularly the phobia of Islam that has slowly crept into our societies – have a very strong impact on the South and are unfortunately used to justify the symmetrical discourse of the southern countries and a return towards a more fundamentalist identity. Whether practicing believers or not, Muslims have the permanent feeling of being unjustly harassed. The battle will be won the day our societies finally learn to accept each other the way they are: societies where European Muslims, citizens like everybody else, who respect the law exactly like everybody else, will have obtained the right to people's indifference. Besides, it would be a return to the origins because – intellectually speaking – the Mediterranean Sea has never been a closed sea. Our Greek and Roman heritage, as demonstrated by the great historian Arnaldo Momigliano, was fed by the wisdoms of ancient Egypt, Persia and India. The medieval age of reason would have freed itself from theology later in time if it had not been for Ibn Rushd (Averroës), as Alain de Libera said.

Tomorrow, the success of the Mediterranean project will be judged on its ability to mobilize all the actors in the societies concerned, way beyond politicians and diplomats. Decentralized cooperation should not be underestimated and neither should those who “spread modernity” and give new meaning to exchanges between societies. The Euro-Mediterranean perspective should be at the heart of the next European election campaign.

Obviously, the liberal visions of Reagan and Thatcher that still used to dominate the minds at the time of the Barcelona agreements are unfruitful if not disastrous

1. The word *harraga* in Arabic means “he who is burning”. However, this term has come to indicate the thousands of young Algerians who leave from the northern shores of Africa to reach Sardinia by boat.



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EURO-MEDITERRANEAN RELATIONS IN HISTORICAL PERSPECTIVE

Federica Bicchi

Introduction

Euro-Mediterranean relations go back a couple of millennia and much ink has gone into describing the Mediterranean as the “cradle of civilisations”. The period since the end of World War II is particularly important for understanding current events, as it shows a deep change in the type of power that European countries have exerted on their southern neighbours. Before the war, the vast majority of the area stretching from Morocco to Turkey was under colonial rule, in one form or another, and European imperial countries had a tight control over internal and international affairs of North African and Middle Eastern countries. This is still true today because the memory of colonial times remains deeply engrained in Arab public opinion, but the truth is that European states were never to recover that absolute power. Decolonization followed as a consequence of liberation movements and of the limits imposed by the new reality of the Cold War on European foreign policies. What emerged out of the ashes of national colonial policies and in the context of the Cold War was a European presence centred on the European Communities (EC), later the European Union (EU). The EC/EU has become the means by which Europeans have tended to address their Mediterranean neighbours, despite the parallel existence of national foreign policies, which in some cases maintain a degree of relevance. The historical trajectory therefore shows that EC/EU member states, weakened by the international context, gradually turned to the EC/EU to deal with their southern neighbours. As Arab regimes have lost political momentum in international affairs,

the EU has become a leading actor in Euro-Mediterranean relations.

The process has not been continuous, though. The development of the EC/EU foreign policy towards the Mediterranean countries has undergone a series of ups and downs. At first, following on the heels of decolonization, there was a long period of relative neglect in the 1960s. In 1972, the EEC first launched an initiative, under the name of the Global Mediterranean Policy (GMP), focusing on the Mediterranean countries as a homogeneous group. It can be argued that with the GMP the EEC invented the Mediterranean and called it into existence, as it chose to emphasize the common interests of states as diverse as Arab coastal countries, Spain, Israel, Turkey, Greece and Cyprus. This period of activism ran out of steam shortly afterwards and was followed by another long period of neglect of Euro-Mediterranean relations by the EC/EU during the southern enlargement in the 1980s. With the end of the Cold War, a second period of activism started. It began with the Renovated Mediterranean Policy (RMP) in 1990, and it led to the adoption of the ambitious Euro-Mediterranean Partnership (EMP) in 1995. We are still witnessing the effects of this period of activism, which has also included the extension of the European Neighbourhood Policy (ENP) to the Mediterranean countries, launched in 2004, and, in July 2008, the Union for the Mediterranean (UfM). While the EMP was particularly innovative, the ENP and the UfM have brought change to the status quo, but they have represented a less ambitious attempt on the part of the EU to address relations with the Mediterranean

Euro-Mediterranean relations go back a couple of millennia and, although the process has not been continuous, the period since the end of World War II is particularly important for understanding current events

countries. This long period of activism might thus be coming to an end.

This work will focus on the two periods of activism and the various initiatives they produced, thus providing a brief overview of Euro-Mediterranean relations with an emphasis on the EC/EU side of the story.

From no policy to the Global Mediterranean Policy (1972)

At the beginning, there was little. During its early years the EEC signed several agreements with nearly all its southern neighbours, but these agreements were uncoordinated and did not single out the Mediterranean as an area distinct from others. Each problem was examined individually and was given a different solution. The result established a pyramid of privilege. At the top, there were trade agreements, accompanied by some social provisions and financial aid, signed on relatively generous terms with Greece (1962) and Turkey (1962), followed by the preferential agreements with Morocco (1969) and Tunisia (1969). Less favourable agreements were signed with Israel (1964, 1970), Lebanon (1968), Spain (1970), Malta (1971), Cyprus (1973) and Egypt (1973). These agreements tackled trade and offered concessions on industrial goods exported to the Common Market, but agriculture was generally ruled out of the picture, while future prospective developments toward membership were included in the agreements with Greece and Turkey only.

As the first enlargement of the EEC to include Denmark, Ireland and the UK began to loom on the horizon, raising the issue of amending this patchwork of agreements to include the new countries, member states started to discuss the possibility of revising the agreements. During the first six months of 1972, a lively discussion took place among member states and EC institutions about how to frame relations with southern neighbours. France led the discussion and introduced a parallel between Portugal (one of the founding members of the European Free Trade Association, EFTA), on the one hand, and Spain and Israel, on the other.

France observed that the EC had a free trade agreement with EFTA and thus with Portugal, an authoritarian country. It could thus negotiate one with Spain, which also had an authoritarian regime, and also with Israel, which had similar economic conditions to Spain. In the general discussion and with specific inputs by the Commission and other member states, the parallel was then extended to include all Arab Mediterranean countries. On that basis, the GMP – and the idea of formulating a global approach to a Mediterranean region lying at the southern border of Europe – was set up in October 1972.

At the heart of the GMP was a new generation of agreements, predominantly about trade, the main elements of which were to be the same for all participating non-member Mediterranean countries. The usual exceptions were on the one hand, Greece and Turkey, which maintained their more preferential agreements with the EC and, on the other, Libya, which did not show any interest in participating. But the rest of the countries, from Spain to Cyprus, from Morocco to Jordan, were offered the establishment of free trade areas for industrial goods and limited concessions in the agricultural field, generally in the format of new cooperation agreements. The EEC was to lower its tariffs to imports of industrial goods and then phase them out by January 1977. The creation of free trade areas implied that Mediterranean countries would do the same, but the issue of reciprocity was highly contentious. The United States put up fierce opposition to the creation of what could be seen as a Euro-Mediterranean trade bloc, while Mediterranean countries agreed in principle and defected as soon as possible after the entry into force of the agreements. Therefore, the GMP's main innovation for most of the countries involved consisted of free access for Mediterranean industrial goods to the EEC (with some notable exceptions such as textiles). Nevertheless, it was an important innovation. The underlying rationale was to create economies of scale for Mediterranean countries, thus overcoming the limitations of their internal markets and encouraging development. Trade provisions were

The GMP was set up as a new set of agreements, predominantly about trade, involving all Mediterranean non-member states

The GMP did not succeed in achieving its goals, as its approach offered a new type of interdependence, at a time when Mediterranean countries were still trying to pursue independence

accompanied by financial protocols addressing, among other issues, technological transfers, workers training and financial cooperation in the form of soft loans and grants. Finally, the GMP envisaged common institutions, which were a first embryonic attempt at a political dialogue. Bilateral cooperation councils and committees were established with every participating Mediterranean country and met regularly to revise the functioning of the agreements.

However, this wide array of provisions did not achieve the developmental goals for which they were designed, although they contributed to ease economic and even political relations. Mediterranean exports to the EC did not increase significantly except in a few cases. This was due to several factors. There was an effective bias in favour of European agricultural products. Moreover, the 1970s was a period of recession and high inflation in Europe corroded the effective value of financial provisions. There was a latent, and at times not so latent, opposition to the GMP on the part of the United States. Most notably, there was a mismatch between the "economies of scale" approach embedded in the GMP, which suggested an export-led process of development, and the prevailing approach to economic development among Arab Mediterranean countries, which relied on a strategy of import-substitution. In other terms, the GMP approach offered a new type of interdependence, at a time when Mediterranean countries were still trying to pursue independence. Still, the GMP was a cooperative endeavour. The adoption of a regional scheme was a leap forward for European member states, compared to the previous scatter of different provisions which lent itself to a *divide et impera* interpretation. Institutionalized dialogues offered a forum for cooperation, and free access for industrial goods of Mediterranean countries remains a staple of Euro-Mediterranean relations nowadays. It could also be argued that in the middle term, the GMP, with its emphasis on equal concessions to all participants, contributed to the shift in the mindset of Europeans toward the Arab-Israeli conflict, which became evident in the Venice Declaration in 1980.

The southern enlargement of the EC, which took place in the 1980s, also hampered the potential impact of the GMP. As regimes changed in the three countries (Greece, Spain and Portugal), the previous main political obstacle to accession was lifted and delicate transition processes gave a chance to the EC to play a role as an anchor to the new democracies. The southern enlargement was probably the main contribution of member states to stability in the Mediterranean in the period under examination. However, it sanctioned *de facto* the partition of the Mediterranean region as defined in the GMP, as there was no bridging mechanism between the "ins" and the "outs" (unlike the 2004 enlargement, which led to the ENP). The accession of Greece, Portugal and Spain meant that the EC was busy in negotiations first and in efforts to absorb the new members afterwards.

The EC devised positive measures to increase the level of development of the new members and it aimed to support their agricultural markets via the Common Agricultural Policy (CAP), thus diverting resources. At the same time, the southern enlargement entailed that the EEC improved its self-sufficiency. Economies across the Mediterranean were (and still partly are) quite similar, both in type of industrial development (e.g. textiles) and in agricultural production. With the entry of the new members, EC self-sufficiency in key areas of typical Mediterranean production went up to 100% for products such as tomatoes, potatoes and olive oil. Therefore, during the 1980s, the Mediterranean non-member states became less important to their European neighbours, and they ended up paying part of the price for the hugely successful southern enlargement.

The new post-Cold War activism

The end of the Cold War opened a new period of European activism toward the Mediterranean. Member states focused their attention on the role and responsibilities the EU could assume in the shifting context of post-1989 international affairs, and the Mediterranean was one of the areas toward

which they directed their efforts. Policy proposals developed over a longer time period than in the case of the GMP, each aiming to improve on the package deal that the EU could offer Mediterranean non-member countries.

The first of such efforts came as the Cold War was ending. The European Commission started talking about a Renovated Mediterranean Policy already in 1989, as it stressed the need to balance relations with the East and the South. The RMP, adopted in 1990, increased the funds for the Mediterranean and introduced a new way of spending money, by promoting multilateral networks, decentralised cooperation and public/private partnership. Although the RMP did not address trade, nor did it give new political momentum to Euro-Mediterranean relations, it raised issues that were later to characterise the EMP, the ENP and even the UfM.

As soon as the RMP was adopted, proposals to go beyond it were put forward. The policy entrepreneurship this time was predominantly in the hands of Spain, which formed a set of solid alliances with Italy and then with France, to promote a new initiative for the southern neighbours. After the fiasco of the Conference on Security and Cooperation in the Mediterranean, which failed to gather enough interest in 1990, the result was the EMP, launched in Barcelona (hence the shorthand label of "Barcelona Process") in November 1995.

The EMP was a major change in Euro-Mediterranean relations. It was a radical departure from previous practices and it aimed to create a new partnership among neighbours, testifying the EU's willingness to become actively involved in the area. It was very innovative in three respects: the multilayered institutional structure of dialogue; the number of topics on the agenda; the new approach to economic questions and to development. These novelties testified to the EU's attempt to transform geographical closeness into actual collaboration and partnership. Subsequent initiatives have built upon them, without dismantling them, thus leaving the EMP firmly in place up to today.

The multilayered institutional structure comprises three parallel levels. The traditional bilateral channel is based on councils and committees (now called association council and association committees), composed of member states, the Commission and each Mediterranean country with which the EU has concluded a trade agreement. There is a unilateral channel, which is also not completely new, centring on the provision of aid. The new component of the unilateral channel is the degree of planning that the Commission puts into the endeavour and the relative transparency of the planning documents, which for the EMP go under the name of Country Strategy Papers. The absolute novelty is represented by the multilateral channel, which has grown into a substantial forum for multilateral political dialogue. Questions dealt with bilaterally were, under the EMP, first developed as general themes. Member states met with the 12 Euro-Mediterranean countries, together with EU institutions' representatives, at all levels from ministerial meetings down to working groups. The only attempt at a meeting of heads of state and government in November 2005 was, however, not very successful, for a variety of reasons.

The range of topics on the agenda for bilateral and multilateral meetings has been very broad and is the second substantial innovation brought about by the EMP. The Barcelona Declaration was organised in three parts (also referred to as "baskets" or "volets"). Alongside the economic and financial basket was a political and security basket and another encompassing the social, cultural and human dimension. Whereas the GMP and the RMP were confined to purely economic matters, this wide agenda opened up the possibility for participant states to address potentially every imaginable issue of relevance to Euro-Mediterranean relations. The dialogue under the first basket has ranged from respect for sovereignty and territorial integrity, to good governance, security and confidence building measures. The development of a dialogue on democracy and human rights, however limited, is particularly noteworthy in breaking previous patterns of interaction, both in bilateral and in multilateral relations.

The EMP was a major change in Euro-Mediterranean relations. It was a radical departure from previous practices and it aimed to create a new partnership among neighbours, testifying the EU's willingness to become actively involved in the area

Both the GMP and the EMP displayed a strong region building component, which has had positive and negative consequences

Especially after 9/11, much of the dialogue has shifted to questions of terrorism and cooperation in the area of justice and migration. While it was to be expected that the dialogue on the second, economic, basket would be far reaching, the discussion on the third basket has also touched upon a broad range of subjects.

The third novelty introduced by the EMP is the new approach it offers to economic issues, in the form of the creation of a free trade area between the EU and the Mediterranean non-member countries. The idea is not new, as the GMP originally addressed it but had to drop it in the face of opposition by Mediterranean countries (and the US). It has resurfaced with the EMP and in the new generation of association agreements negotiated since 1995 with nearly all Mediterranean countries (Turkey now being a candidate country). The new agreements include an indicative deadline for the introduction of a free trade area in industrial goods in 2010. Tunisia, in fact, already reached this stage in 2008, while others lag far behind (notably Syria and Libya). The essence of the economic aspect of the EMP thus concerns the opening of Mediterranean markets, for long protected by high tariff barriers, to European competition. Although it might sound straightforward, this shift is causing dramatic transformations in Mediterranean economies. An early estimate of the consequences of this process in Morocco indicated that one third of the local industries would go bankrupt, one third would need major restructuring and one third would manage relatively well. The transition should be helped by an increased financial contribution, which until 2006 went under the name of MEDA (and since then has become part of the European Neighbourhood Partnership Instrument, ENPI). The amount of funds however is not enough to fill the gap, but the transition is accepted in most Mediterranean countries as probably the last chance to tie their economies to an increasingly globalized international market economy. Negotiations on agriculture have also started, although the EU is imposing a longer timetable on this aspect.

The GMP, and even more so the EMP, displayed a strong region building component, which has had positive and negative consequences. Both initiatives attempted to address neighbouring countries with the same set of instruments and the same type of concessions. The EMP also added a multilateral institutional framework, within which participants discussed the broad lines of cooperation before specifying details in bilateral fora. The upside of this has been the creation of a multilateral setting that has brought together Arab countries and Israel even at the lowest point in Arab-Israeli relations. Although the number of declarations and condemnations increased at times, participant countries negotiated in a "business as usual" way even when the worst stages of the Second Intifada unfolded. The flip side of this has been that the EMP has begun to resemble a "UN of the Mediterranean", with the regional dialogue not only setting the pace for bilateral discussions, but also *de facto* slowing down cooperation with more active partners.

The ENP targeted this problem and freed bilateral cooperation from regional constraints and from the ongoing lack of progress in Arab-Israeli relations. The EU cannot claim any more to have a region building strategy for the Mediterranean, as the ENP is very much against multilateralism, but it can show a dramatic increase in cooperation with selected partners. In the case of Morocco, the differential approach to cooperation of the ENP is exactly what Morocco was asking for in order to overcome the restrictions of the EMP. It offered the chance, for instance, to tackle the issue of a "wide" free trade area, including the adoption of EU regulatory standards, between the EU and Morocco. With the integration of Morocco in the EU aviation area, including its security standards, Morocco has gone beyond cooperation between the EU and the US as expressed by the "open skies" agreement. Morocco is expecting a big return in terms of tourism from this development and has invested heavily in infrastructure to achieve such an aim. In yet another example of cooperation, Morocco has participated in the ESDP mission Althea by sending troops to Bosnia.

Although the number of troops was relatively small, its participation entailed integration in the European Security and Defence Policy (ESDP) framework, which for instance meant sharing classified information. Therefore, while other more reticent partners (Algeria, Egypt, Syria) have maintained a cautious approach to cooperation with the EU, others (Morocco, Israel, Tunisia) have greatly benefited from the opportunities offered by the ENP at the bilateral level.

Compared to the ENP, the UfM does not exhibit a clear political rationale in its current format. It certainly did in Nicolas Sarkozy's original proposal, which unleashed very interesting intra-EU dynamics. The original plan presented in 2007 centred on the creation of a "Mediterranean Union", which would have grouped together all countries bordering the Mediterranean – and would have cut the EU in two as a consequence. But the reaction of Northern European countries and of Germany in particular, afraid of having to pay for the project, brought that plan to an end. All the 27 EU member states were eventually included in the formulation of the UfM, which in July 2008 aimed to relaunch the EMP, now under the new label of "Barcelona Process: Union for the Mediterranean".¹

As a consequence, the UfM seems to differ from the EMP more in terms of emphasis, rather than of substance. It aims to attract private capital to match public spending, thus elaborating on a principle first introduced by the RMP. It also strives to create sub-regional projects centring on infrastructure, which might in turn lead to an increase in "minilateralism" among EU member states and some Mediterranean partners. It would strike a middle way between the EMP's emphasis on multilateralism and the ENP's on bilateralism. However, it is still very early to tell, whether the UfM is going to have a substantial impact beyond the initial successful meeting of heads of state and government in Paris.

Conclusions

In the last fifty years, therefore, Euro-Mediterranean relations have seen an

increase in scope and importance of the EC/EU foreign policy initiatives. From the early days of uncoordinated trade agreements to the more ambitious initiatives of the post-Cold War period, the content and the form of the dialogue among neighbours, as framed by the EC/EU, has evolved up to the sophisticated and multilayered framework currently in force. In economic terms, the EU is nowadays the main partner for Mediterranean markets, while in political terms the United States has maintained a privileged role because of the Arab-Israeli peace process. Still, the Europeans have managed to create a multilateral forum where political discussions do take place and have consistently addressed security challenges through economic instruments. The momentum has generally rested with the European side of the relationship, as Arab countries remain divided and engulfed in tense or hostile relations with Israel. This has given the Europeans an edge in negotiations, thus helping them to keep a position of advantage over their southern neighbours. As terrorism and migration have become top priorities, the Europeans have come to increasingly value cooperation with the Mediterranean countries. The likely developments in Euro-Mediterranean relations in the near future, therefore, are for little change in the institutional format but continuation of the dialogue on an ever-broadening set of issues.

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from the member countries decided to drop the prefix "Barcelona Process".



The economic dialogue

THE ECONOMIC PARTNERSHIP BETWEEN THE EU AND MEDITERRANEAN COUNTRIES: A LONG-TERM PERSPECTIVE

Alfred Tovias

Increasing economic dependence of the Mediterranean countries on the EU

With successive EU enlargements, the EU's presence in the economic life of Mediterranean non-member countries has become overwhelming; fewer options are open to them; trade, aid, market, migrant, technological, monetary and service (tourism) dependence have with time mechanically increased. Ever better economic relations with the EU's economic bloc have become a must for all of them. Of course oil producers (e.g. Algeria, Egypt, Syria) can escape this predicament for a while longer than others (e.g. Morocco, Jordan, the Palestinian Authority). An aggravating factor common to all of the countries under focus is that most of their neighbouring countries to the South are largely arid, sparsely populated and extremely poor. Beyond the Sahara desert are further neighbours with small markets, few resources. Not surprisingly, then, a country like Morocco has repeatedly stated that it wants «more than association, less than membership» with the EU. Together with Jordan and Tunisia, it has on more than one occasion shown that it has no patience with stagnating simple free trade area relations (imposed, for instance, under the umbrella of the Euro-Mediterranean Partnership, EMP, already launched in 1995), and waiting until other laggard Arab countries start implementing their Free Trade Association Agreement (e.g. Syria).

Why an EMP in the first place?

For the European architects of the EMP, its heart lay in its economic programme (or “basket” in EMP jargon). The leading idea was to create an “area of shared prosperity” by promoting economic stability, followed by growth in North Africa and the Eastern Mediterranean. Two guiding principles seem to have been behind this: first the economic situation in that region had to improve in such a way as to deter as much as possible desperate and/or frustrated people from migrating north. Secondly, the way to improve the economic lot of the South was by having the target countries liberalize their imports from the EU and by “anchoring”, an idea taken from Bretton Woods institutions, with two possible meanings for the same principle: the deepening of the existing levels of asymmetric economic interdependence between the economic hegemon, namely the EU, and each individual Mediterranean country; shoring up efforts made by local governments to modernize their economies (in the Washington Consensus jargon “anchoring economic reforms”).

Why an European Neighbourhood Policy (ENP) targeted to Mediterranean countries?

The 1995 EMP dealt only with reciprocal tariff elimination in industrial products, while the vocation of the ENP launched in 2003 was to go beyond that stage and

tackle Non Tariff Barriers (NTBs) as well. Therefore the ENP logically comes well after the EMP has been duly implemented, as single markets come after free trade areas and/or customs unions. Incidentally this reasoning explains why some Middle East and North Africa (MENA) experts have quickly dismissed the ENP; for them it looks like "putting the cart before the horse". Why start speaking about «having a stake in the European Single Market» (one of the new items in the ENP) when the simple exercise of eliminating tariffs both by the EU (on agriculture) and by the MENA countries (on everything) has not been implemented yet? By way of example, the Egypt-EU Association Agreement entered into force (only) in 2004 and must last between 12 and 15 years, which means industrial tariffs are to go only more or less by 2020. It is quite surprising, to say the least, that the EU is proposing to eliminate NTBs when customs duties on agricultural goods have not been yet agreed upon, not to mention that there are no calendars for their elimination.

Given all this, it is quite surprising that a coalition of EU member states was founded in 2003 to ask the European Commission to extend the ENP (originally addressed to Eastern European states) to Mediterranean Arab countries and Israel. If it is easy to understand why Northern European member states were in favour, it is less obvious why Southern European countries were. The former have been traditionally in favour of more trade, rather than more aid, to Mediterranean countries. In particular, the UK and Germany have favoured more liberal trade policies to be applied to Mediterranean agriculture. Exactly the opposite has been traditionally defended by Spain, Portugal, Greece, Italy with France torn in the middle, willing to protect its southern farmers but also its former colonies, Morocco and Tunisia. In addition, the EMP and Barcelona Process were the brainchild of Spain and France and therefore it is strange that they were in favour of a new policy, the ENP, that could shadow the Barcelona Process. The only reason for the Southern Europeans' reversal in 2003-04 that this author can see is the launching by the United States in 2002 of its Middle East Partnership Initiative leading rapidly to the

conclusion of free trade area agreements with Morocco, Tunisia and Jordan, with the incentive of having agriculture included. Apparently, both Spain and France, to keep one step ahead of the US, have found it useful now to give also Morocco and Tunisia access to the Internal Market (IM).

Some international experts working for international and development agencies such as the World Bank or independent think tanks such as the Forum Euro-Mediterranéen des Instituts Economiques (FEMISE) tend to dismiss the added value of the ENP for Arab Mediterranean countries because the EU *acquis* is only "a" model, but not "the" model. The argument is that the benefits of adjusting to the IM are not so significant as justifying the acceptance of the costs of adjustment to this developed country model of governance. The author of these lines tends to disagree. The ENP is a departure from previous EU policies which rejected an *à la carte* approach to economic integration. After all, enlargement of the European Economic Area adopts an "all-or-nothing" approach to the matter. As the Swiss did, Mediterranean neighbours should grab with both hands the opportunity brought by this change of heart of the EU.

Conditionality in the EMP and in the ENP: anchoring economic reforms

Until the adoption of the ENP in 2003 the economic concessions that the EU offered in the context of the EMP for the establishment of a "zone of shared prosperity" through a "real partnership" were not only insufficient but also too back-loaded to tempt Mediterranean politicians to "tie their hands". The attractiveness of the "old" EMP as an anchor for policy reform in Mediterranean countries could have been increased had the association agreements contained more tangible and immediate trade concessions – especially in agriculture, processed food and with respect to the rules of origin. By the same token, the reliance of the EMP on financial assistance (e.g. MEDA funds and European Investment Bank loans) was a misguided strategy for two reasons. First, the contractual framework implied by the EMP was neither "complete" nor "fair"

The UK and Germany have favoured more liberal trade policies to be applied to Mediterranean agriculture

“Offering a stake in the EU’s Internal Market” (the new ENP carrot) could paradoxically be the economic roadmap imposed by the EU for anchoring policy reform on willing Mediterranean countries

enough to ensure that partner governments would embark on it and remained committed to economic reforms. Secondly, even if the “completeness” and “fairness” conditions had been satisfied, the impact of financial aid on policy reform was and always has been “fungible”. It is very difficult to ascertain that economic reforms undertaken under EU aid conditions would not have been undertaken in the absence of such aid. If this is impossible to ascertain, financial aid conditionality ceases to be an anchor for policy reform and degenerates into a framework for income transfers. The opening of new export markets through EU concessions, on the other hand, reduces the domestic pressure on the reforming countries directly and allows Mediterranean politicians to strike alliances with export-oriented producers. This is exactly what the 2003 ENP is all about in the economic field. In fact, “offering a stake in the EU’s Internal Market” (the new ENP carrot) could paradoxically be the economic roadmap imposed by the EU for anchoring policy reform on willing Mediterranean countries. And their finance ministers must be all for it, since in contrast to the Association Agreements (AAs) concluded under the EMP there is no loss of fiscal revenue when eliminating NTBs. On the other hand, much opposition to reform must be expected not only by local import-competing firms or production factors, as is the case with sheer tariff liberalization in the context of the old EMP, but also by sectors of the public and/or civil society at large, because integration in the Single Market could be seen by many as questioning national identity. This leads to the question whether approximation of laws by Mediterranean partners to EU Law is suitable. This depends on whether the law to be adapted corresponds to the objective needs of the Mediterranean neighbour in terms of size of its market, standard of living, environmental and labour standards and development level, to cite just a few relevant variables. The ENP might be asking just too much of middle-income developing countries.

The neglect of migration under the EMP and ENP

The EMP was quite silent about migration.

On the other hand, interestingly, some of the cooperation agreements signed under the framework of the first Global Mediterranean Policy of 1972 (e.g. EC-Morocco 1976, EC-Tunisia 1976) contained quite explicit social security provisions that were then actually transposed to the new Association Agreements signed under the EMP (e.g. that of Tunisia of 1995; that of Morocco in 1996). However, none of these agreements contained provisions on visas or border management.

At the time the ENP was conceived (2003), the Commission’s experience in Justice and Home Affairs (JHA) matters was still limited (for instance a special Directorate-General had been created only in 1999); until then a small task force was in charge of JHA issues. It is not surprising then, that the Commission’s input in developing the migration aspects of the ENP has been quite limited and circumspect. A communication on the ENP regarding its objectives in the domain of JHA timidly lists eight measures towards a new regime: a long-stay visa policy; an efficient and user-friendly system for small border traffic, facilitating movement of citizens of neighbouring countries to participate in EU programmes and activities; visa free access to holders of service and diplomatic passports; a common approach to integration of third country nationals; assisting neighbours in combating illegal migration and in implementing return policies and the conclusion of readmission agreements.

Much of what the Commission proposed is based on the existing Schengen *acquis*; what is not mentioned is of course free movement of third country EU residents to seek employment all over the EU and simple suspension of visa requirements imposed on ENP partners’ citizens.

Most of the Mediterranean countries covered by the ENP have by now drawn up an Action Plan (AP) in cooperation with the European Commission. Regarding migration issues, the Action Plans explore some possibilities regarding visas for short stays, establishment, asylum and border management. In reference to visas, Mediterranean partners concerned aspire for

a dialogue and more concretely on processing visa applications more efficiently. The Morocco AP suggests Morocco's participation in researching and observing the migration phenomena and that it should benefit from EU programmes on migration. The AP also wants to address irregular migration to the EU overland from Sub-Saharan Africa to the EU via Morocco.

In the Tunisia AP, a proposal is made for the free movement of Tunisians legally residing in one of the EU member states for the purpose of employment. But the proposal does not go beyond a general regime to be applied by the EU to all those residents of third countries with more than five years of residence.

In sum, the ENP does not offer many new carrots in the domain of migration but adds a lot of sticks or new obligations. Neighbours are called by the EU to act as a buffer, something likely to create friction between Mediterranean partners and their eastern and southern neighbours (mainly in Sub-Saharan Africa). There is not much incentive for the Mediterranean Partner to cooperate with the EU if no additional benefits are offered by the EU in the form of development cooperation, aid or market access for goods or, indeed, for services. In this respect, it is worth noting here that most bilateral agreements dealing with migration issues involving non-member countries are signed by individual EU member states, not by the EU. These agreements deal with seasonal employment, project based workers, guest workers, internships, training and apprenticeship, cross border employment and working holidays.

With the changes introduced by the Amsterdam Treaty the EU took over from the member states some tasks previously dealt with by individual member states in their relations with Mediterranean countries. The clearest example was the mandate received in 2000 by the Commission to negotiate with Morocco a readmission agreement. Certainly negotiations are still largely intergovernmental, but it is a first step. Another indication of the new role of the

EU as an entity and Mediterranean partners came in December 2004 when an agreement between Morocco and the EU was signed allocating 40 million euros to Morocco for management of border control in the framework of the MEDA II Programme. The duration of the agreement is four years.

Why have the EMP and ENP failed to draw inward investment into Mediterranean partner countries?

Time and again over more than 35 years of EU relations with Mediterranean countries, EU and World Bank experts have maintained that the lack of inward foreign direct investment (FDI) in the Southern Mediterranean was due to the lack of meaningful economic reform and deregulation. But the difficulty that most Southern Mediterranean countries have in attracting FDI does not come in the main from red tape, arbitrariness and corruption, as is supposed, but from the lack of human capital and *savoir faire* (compare e.g. with India). Why does India attract FDI in high tech industries/service activities and MENA countries do not? Is bureaucracy there less heavy than in Arab countries? After all, FDIs do flow to MENA when OECD countries need something from there and nobody seems to be bothered by bureaucracy and corrupt practices (crude oil/gas). And why has Turkey not attracted FDI after all the reforms (including the elimination of red tape) it has made over the years? One should look quite thoroughly into the correlation by countries and sectors between implemented reforms and subsequent FDI flows. From the empirical evidence, it seems the link is much more tenuous than what is always assumed and that the problem is more one of lack of professional competence and *savoir faire* than of red tape.

Another critical factor is that whereas Spain, Portugal, Greece and all the new member countries from Central and Eastern Europe drew investments because they were offered membership, nothing of the sort has ever been offered to Mediterranean non-member countries (apart from Turkey). While the accession

In the Tunisia AP, a proposal is made for the free movement of Tunisians legally residing in one of the EU member states for the purpose of employment

While the accession process ends once-and-for-all with membership (a Catholic marriage, with no possibility of divorce), the EU's external economic policies are bound in time and subject to revision (including reversal) every so on

process ends once-and-for-all with membership (a Catholic marriage, with no possibility of divorce), the EU's external economic policies are bound in time and subject to revision (including reversal) every so on. The EU has had until now several Mediterranean Policies (e.g. the 1972 Global Mediterranean Policy, the 1990 Renovated Mediterranean Policy, the 1995 EMP, the 2003 ENP and now the 2008 Union for the Mediterranean). These are policies that can be reversed, stopped altogether or amended. These chance elements are surely taken into account by potential investors.

Are the additional incentives offered by the ENP likely to draw more inward investments than the EMP? The record seems mixed. It is already clear that the initial Action Plans fall short of some Mediterranean countries' initial expectations. They expected they would be admitted to all EU programmes and that the four freedoms would soon be extended to them. Official documents speak now of «a measure of economic integration» rather than «a stake in the Internal Market». According to Schumacher and Del Sarto, given the reluctance of Southern European EU member states to speak about the four freedoms, these were removed from European Commission's speeches. In fact, there are no direct references to the four freedoms as from the publication of the 2004 EU's Strategy Paper, while they were still mentioned in the 2003 Wider Europe European Commission Communication.

With respect to services, the EU would like to start with financial services, IT, transport and energy. On the whole (probably with the exception of energy) these are sectors regarding which Mediterranean neighbours do not have comparative advantage. As for financial services, the EU has rejected the possibility of conferring an ENP passport on financial services providers in the Euro-Mediterranean area (since it would imply accepting the principle of mutual recognition). Regarding temporary migration under Mode 4 of the General Agreement on Trade in Services (GATS) the jury is still out.

In the field of agriculture, the ENP has been

slow in offering Mediterranean partners something significant beyond the AAs signed under the EMP, quite silent on the matter. This is rather absurd, as agricultural lobbies in Southern Europe are now much weaker than 10-20 years ago when Spain and Portugal entered the EU and even since the EMP was adopted. The Commission's apprehensions seem unwarranted. If *delocalisation* is accepted for textiles, why not for flowers, olive oil, fruit and vegetables? Is it also not easier to convince European governments that it is better to "delocalize" to neighbouring countries than to China? There are also profound political economy reasons to strengthen agriculture in the Arab world. Just as a majority of the labour force is employed in agriculture in most Arab Mediterranean countries, much of private savings remain invested in the land and the modernization of agriculture including its closer integration with industry and services, notably tourism, is a key avenue for the accumulation of capital and the encouragement of entrepreneurship. Therefore agricultural protectionism in the EU precludes strengthening the national bourgeoisies of Mediterranean countries. To cap it all, in recent years, the Commission has been stressing that negotiations with MENA countries on further agricultural trade liberalization were made dependent on progress of negotiations at the multilateral level in the context of the Doha Round. But now the Round is off and the Commission has no more excuses. An important point here must be made in relation to the IM in agricultural products: for the relocation of Mediterranean agriculture to Northern Africa to succeed, Arab countries must eliminate restrictions on buying land there (as this now applies to new member states, to the dismay of some political parties in Poland).

The record of the EMP so far: a total failure?

The EMP has failed in some key aspects but has not been a total failure. There was and there is no reason whatsoever "to throw out the baby with the bath water". There are

even some achievements of which all members of the EMP can be proud, such as the creation of the Anna Lindh Foundation and the vitality and resourcefulness of networks such as FEMISE and the Euro-Mediterranean Study Commission (EuroMeSCo). It is also unbecoming and totally inappropriate to blame any failings on the lack of motivation of non-Mediterranean members of the EMP as compared to Mediterranean members, when it is blatantly clear that at least two key and notorious non-Mediterranean states like Germany and Sweden have been nurturing the EMP since the beginning.

There is some consensus that the economic partnership has not been successful. However it also appears that there is no consensus whatsoever on the reasons for this odd result.

The French involved in the Mediterranean Union project (see later) have blamed the failure by and large on a feeling by Mediterranean Partners of not "owning" the Barcelona Process and the exclusive EMP focus on trade and adjustment. This in turn, so the argument goes, resulted in fostering "cold" rivalry and competition, rather than a sense of community easily achievable if there had been highly visible very specific cooperative ventures and projects. For Arab countries involved in the EMP, it has been the aggravation of the Israeli-Palestinian conflict since the failure of the Oslo Process which has been the main culprit. This is rejected by Israeli experts, who stress that the EMP was not created to lead to peace in the Middle East and for the resolution of open conflicts in the Mediterranean (between Algeria and Morocco or between Cyprus and Turkey). Together with British, German and Scandinavian scholars, they stress that the EMP was a North-South development-through-trade programme and that it failed for three reasons. First and foremost, because the EU has excluded from the AAs agricultural goods and labour-intensive services, and the accumulation of origin rules have taken a long time to be introduced; secondly, because the Arab members of the EMP have failed to reform economically and thirdly, because association is far from being membership.

The Union for the Mediterranean: low expectations

Experts concur that the timing chosen by one of the candidates, Nicolas Sarkozy, to become President of France in spring 2007, to launch this pet project was appropriate. It was high time to do some serious stock-taking about a Process that was 12 years old and languishing, all this when new centres of economic power were emerging elsewhere on the international scene, such as in Eastern (China) and South Asia (India), the Southern Cone (Brazil), with Russia back as an energy power after 15 years of absence. And everybody seems to agree that the main value of Nicolas Sarkozy's proposal is that it contributes to renewing the debate about the geo-economic importance of the Mediterranean region.

The slogan used by French negotiators to sell the project to the other 43 potential members of the UfM has been to present it as «a Union of projects for a project of Union» («une union de projets pour un projet d'Union»).

President Nicolas Sarkozy has stressed that the private sector would (or should) take the lead in financing the projects, but that of course some financial public institutions would be called on for financial support and expertise (e.g. the European Investment Bank, EIB). The project approach is nothing new. It was tried during the Oslo Process when in parallel the so-called US-inspired MENA Business Conferences were organized in Casablanca, Amman and Doha. In the end, the idea came to nothing when the Oslo Process failed. Contrary to what President Nicolas Sarkozy states, this is not the Jean Monnet approach he so keenly mentions in his press conferences.

The latter was anything but business-oriented. Jean Monnet believed in strong supranational structures to bind sovereign countries together so that they could not run away the moment there was a crisis. In turn, this would preclude private firms from fearing for their investments. He applied these ideas to the European Coal and Steel Community (ECSC). Nothing of the sort is present in the final product approved by the

There is some consensus that the economic partnership has not been successful. However it also appears that there is no consensus whatsoever on the reasons for this odd result

Clearly, the effectiveness of the UfM agenda will be improved if all EU member states and not only some of them are involved; for the Mediterranean partners this is essential

heads of state on 13 July 2008 in the Paris Declaration for the creation of a Union for the Mediterranean.

In terms of contents, the UfM overlaps with the economic basket of the EMP. But whereas the latter focused on trade "integration", the stress of the UfM is on trade "facilitation": infrastructure projects; improvement of production factors (e.g. educational and environmental projects). Clearly, the effectiveness of the UfM agenda will be improved if all EU member states and not only some of them are involved; for the Mediterranean partners this is essential. If all participate, projects will have to be taken more seriously and there will also be more

financial support. This seems critical at a time of financial meltdown and loss of private investment appetite.

A final word of caution: if one of the keys to the potential success of the UfM is, as it is alleged, its pragmatism and business-like approach, then it seems inappropriate for the projects to be at the same time highly visible and large. For once, visibility is likely to deter several Arab countries from cooperating with other Mediterranean partners with whom economic relations are frozen for political reasons (e.g. other Arab countries or Israel). Secondly, large can mean unmanageable. All 43 UfM members involved should beware of "white elephants".

EURO-MEDITERRANEAN TRADE RELATIONS

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Introduction

The European Union (EU), as the world's largest trading entity,¹ has been and continues to be involved in a large and complex network of trade arrangements with the outside world. In this context, the EU enjoys longstanding trade links with the Eastern and Southern Mediterranean countries/Mediterranean Partner Countries (MPC).² Evidently, the trade policy regime adopted towards these countries has first and foremost been intended to be a contribution to their economic development by means of preferential market access. The Euro-Mediterranean Partnership (EMP) – also referred to as the Barcelona Process – launched in 1995 is the current framework under which the relations between both sides are institutionalized.³ At the heart of this policy is its economic package whose centrepiece is the establishment of a Euro-Mediterranean Free Trade Area (EMFTA) by the target year 2010.⁴ This is being accomplished through the gradual liberalization of bilateral trade between the EU and each partner country of the Mediterranean region as well as amongst the Mediterranean countries themselves (South-South). Yet, more than a decade since its inception, it is unquestionable that the overall outcome of the Barcelona Process has not been very satisfying in a number of areas, including trade.

Thus this paper proposes to provide an overview of trade links between the EU and its partners in the Mediterranean region, focusing particularly on the period since the launch of the EMP. It starts with a succinct background that outlines the various policy arrangements with specific emphasis on their trade component. Then the paper

takes a critical look at how trade links have progressed so far, both “vertically” and “horizontally”, and highlights their salient trends. Finally, it concludes by pinpointing some of the policy measures that could be instrumental in boosting trade integration.

Policy frameworks

The EU's Mediterranean policy dates back to the 1960s, and since then the development of this policy has gone through various phases. These phases can be seen as a reflection of the different approaches attempted by Europe towards its Mediterranean neighbours. The initial phase corresponded to the first generation of bilateral agreements that were the upshot of a policy lacking both coherence and global vision. The EU simply reacted to the requests of its neighbours by concluding a patchwork of agreements ranging from association agreements, preferential trade agreements to non-preferential agreements.

Dissatisfaction with these arrangements was concerned with both their scope, judged to be too narrow in certain instances, and their length of time, judged too short in others.⁵ This led the EU to come up with what was then called a Global Mediterranean Policy (GMP) in the early 1970s; an initiative aimed at setting up trade and cooperation agreements with all Mediterranean countries within the framework of an overall and uniform policy. The initiative also included financial assistance and non-trade related areas, particularly social issues. The cooperation agreements signed during the 1975-77 period were of unlimited duration and provided for tariff-free entry to the EU for most Mediterranean countries' industrial

The EMP policy, formalised at the Barcelona Conference in November 1995, set out to build a space for dialogue, exchange and cooperation that would ensure peace, stability and economic and social development in the Mediterranean region

products and limited tariff preferences for their agricultural exports. Even though these agreements provided for reciprocal treatment – that is the gradual elimination of tariffs on EU exports – no timetable was specified for this purpose. As such, they proved to be unilateral preferential trade arrangements.

These agreements were updated, in the form of additional protocols, in 1987 to take account of the southern enlargement to Portugal and Spain. Still many of the Mediterranean countries continued to express their disappointment as they saw their preference margins eroding. This prompted the European side to embark on a real reassessment of its policy towards the Mediterranean region, starting from the early 1990s.⁶ Yet the key catalyst was the end of the Cold War and the rapprochement towards Central and Eastern European Countries (CEEC). The shift in the EU's external priorities was met with growing sense of anxiety by its southern neighbours who focused their demands for parity of treatment with CEEC.⁷ It was the 1992 Lisbon European Council summit which highlighted the need to give proper weight to the relations with the Mediterranean. In 1994 the Essen summit endorsed the Commission's proposal for a new partnership that was formally approved during the Cannes summit in 1995.

The EMP policy, formalised at the Barcelona Conference in November 1995, set out to build a space for dialogue, exchange and cooperation that would ensure peace, stability and economic and social development in the Mediterranean region.⁸ These ambitions are nothing if not grandiose; and thirteen years (1995-2008) since its inception the degree of success on the multilateral side is still not as hoped for.⁹ Nonetheless, notable progress has been made on the multi-bilateral front – EU and each Mediterranean country individually – via the negotiation and conclusion of Euro-Mediterranean association agreements to replace the cooperation agreements of the 1970s.¹⁰

One major objective of the agreements is

the promotion of trade via the provision for the gradual establishment of a space where movement of goods, capital and services would be free from all barriers.¹¹ The free trade area to be established implies that the MPC continue to benefit from free access to the European market for most of their exports of manufactures while they must gradually open their markets to European products.¹² As for agriculture, the EU did not envisage immediate and complete liberalization in this sector because of its sensitive nature. All things considered, the trade regime provided for in this sector entails a combination of free access for some products and reduced customs duties and tariffs quotas for others. In a nutshell, the EU did not intend to offer an all-encompassing free trade area. Yet this limited liberalization did not exclude the possibility for negotiations with a view to granting each other further reciprocal concessions in farm produce.

To steer this process of negotiations, a Euro-Mediterranean roadmap for agriculture – known as the Rabat roadmap – was adopted in November 2005. The intention was to achieve greater agricultural trade liberalization. At this point, it seems that negotiations have advanced in recent years, and some parties can point to some progress being achieved. In 2008, preliminary agreements have been reached with both Israel and Egypt to further liberalise trade in agricultural, processed agricultural and fish and fishery products.¹³ With Morocco negotiations are believed to be at an advanced stage, and with Tunisia negotiations have recently been launched.¹⁴

Of importance to the general framework for relations between the EU and the MPC is the European Neighbourhood Policy (ENP) which came as a result of the 2004 enlargement.¹⁵ The aim is the development of a new approach towards closer integration with its immediate neighbours in Europe, Central Asia and the Mediterranean. This approach intends to offer a closer political relationship and economic integration that goes beyond the existing one. The Action Plans, being the main instrument to achieve such goals, are tailored to reflect the EU's relationship with

each country, taking into consideration its needs and capabilities.¹⁶ This consists of jointly defining a set of priorities for reform in a number of areas; and the incentives on offer for the progress made in those areas might be a greater integration into European programmes and networks, an increased assistance and enhanced market access.¹⁷ Even though assessment of the progress attained in implementing the ENP is taking place regularly, it will take time before a more conclusive judgement can be made.¹⁸

Reviewing some trade patterns

The purpose here is basically an attempt to examine a number of salient trends in EU-MPC trade relations. These are issues related not only to the development of trade in both its “vertical” and “horizontal” dimensions, but also to the current state of play on the trade and investment liberalization.

Growth of trade

As Table 1 reveals, the value of EU-MPC merchandise trade has witnessed a substantial increase since 1995 – more than triple. This steady growth is the brighter side of the trade links. Both sides experienced

relatively high rates of export expansion. Hence from 1995 to 2007, the EU exports to the MPC rose by almost 157% from around € 46.6 billion to nearly € 120 billion and its imports from the MPC expanded by 254% from € 30.3 billion to € 107.1 billion. The total trade increased by roughly 195% from € 76.9 billion to € 226.7 billion. Turkey, Algeria and Israel remain the major EU trader partners, representing approximately 70% of the MPC trade in value terms in 2007.

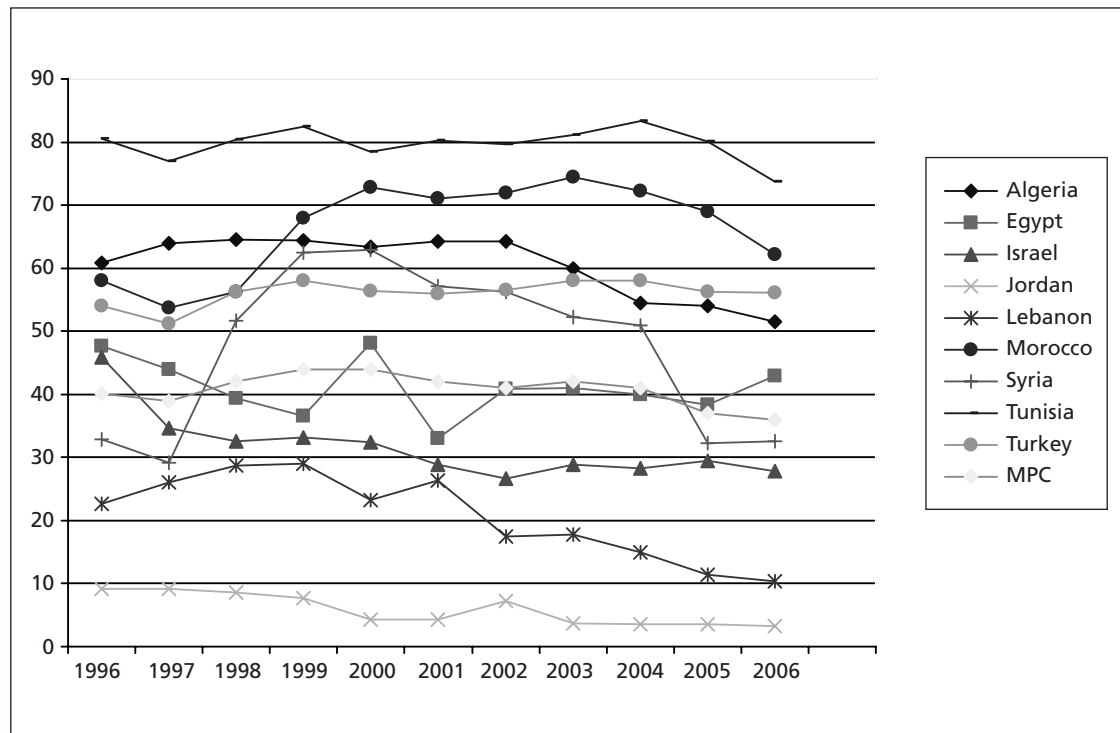
When this trade growth is considered from the MPC’s perspective, a different picture emerges. Consequently, the recorded increase of exports to the European market, when measured in terms of share in their total exports, proves to have stagnated, and even slightly declined for these countries as a group in recent years (Figure 1). However, there are variations between these countries – countries like Jordan, Lebanon and Syria are the ones who saw their export share of the EU market dip more than the rest. This may be due to geographical diversification of their exports. Also this trade expansion cannot be dissociated from the soaring global energy prices in the last few years – bearing in mind that 22.3% of EU total imports from the MPC consisted of energy in 2007.¹⁹

The recorded increase of MPC’s exports to the European market, when measured in terms of share in their total exports, proves to have stagnated

Table 1. EU trade in goods with Mediterranean partner countries, 1995-2006 (€ million).

	Imports					Exports				
	1995	1998	2001	2004	2007	1995	1998	2001	2004	2007
Algeria	4,844	6,807	16,034	15,253	21,173	4,727	5,784	7,508	9,511	11,203
Egypt	2,191	2,527	3,138	4,235	7,034	5,017	7,597	6,905	7,606	10,382
Israel	4,658	6,921	9,568	8,750	11,349	9,663	10,892	14,449	12,889	14,302
Jordan	135	159	151	284	222	1,046	1,139	1,830	1,988	2,662
Lebanon	111	154	305	243	308	2,471	2,823	3,063	3,358	3,312
Morocco	4,017	5,334	6,241	6,586	7,847	4,728	6,603	7,476	8,912	12,308
Syria	1,735	1,465	4,136	2,567	3,382	1,378	1,534	2,089	2,480	3,210
Tunisia	3,352	4,290	6,188	6,754	8,956	4,156	5,784	7,965	7,621	9,538
Turkey	9,245	13,624	20,217	32,733	46,867	13,391	20,580	20,266	40,129	52,641
MPC	30,288	41,281	65,978	77,405	107,138	46,577	62,736	71,551	94,494	119,558

Source: Eurostat, *External and Intra-European Union Trade Statistical Yearbook 1958-2006*, Office for Official Publications of the European Communities, Luxembourg 2008; European Commission, *Bilateral Trade Relations*, available on ec.europa.eu/trade/issues/bilateral/data.htm, accessed 17 November 2008.

Figure 1. Evolution of Mediterranean countries exports to the EU, 1996-2006 (percentage value).

Source: Based on data derived from UNCTAD, *Handbook of Statistics 2008*, available on stats.unctad.org/handbook/ReportFolders/ReportFolders.aspx?CS_referer=&CS_ChosenLang=en, accessed 15 November 2008.

Another salient pattern is that the trade expansion has been in favour of the European partner. Indeed, it is noticeable that the evolution of trade between the two regions has not led to a better trade balance in EU-MPC trade exchanges. In view of that, the development of the trade balance saw, with the exception of Algeria and Syria, an overall deterioration to the detriment of the MPC. This long-standing trade deficit has become a persistent feature of their trade with the EU.

Table 2 provides a glimpse of the extent of such deficit, which differs from one country to another. With a rate of coverage (the coverage of imports by exports) of 94% in 2007, Tunisia looks in a much better position than Jordan and Lebanon with 8.3% and 9.3% respectively.

Still a typical North-South pattern?

Despite changing over time, the trade structure of EU-MPC commerce continues to

some extent to reflect that of North-South Relations. Table 3 shows that about one-third in the value of Mediterranean exports to the EU consists of primary products with energy occupying a dominant position in the total exports of some countries (Syria 86%, Algeria 71% and Egypt 43.4%). It is evident that exports of industrial products have become important, albeit, recording some decline in 2007.

About one-fifth of manufactured goods was composed of textiles and clothing. This sector accounted for nearly 34% of Moroccan exports of industrial goods, followed by Tunisia and Turkey with nearly 32% and 26% respectively in 2007.²⁰ While the commodity composition of exports exhibited a shift towards a higher share of manufactures, or some degree of diversification away from traditional exports, this remains confined to some Mediterranean countries, particularly Turkey, Israel and to some extent to Tunisia and Morocco.

Table 2. EU trade balance with Mediterranean partner countries, 1995-2007 (€ million).

	1995	1998	2001	2004	2007
Imports	30,288	41,281	65,978	77,405	107,138
Exports	46,577	62,736	71,55	194,494	119,558
Balance	16,289	21,455	5,573	17,089	12,420

Source: Eurostat, *External and Intra-European Union Trade Statistical Yearbook 1958-2006*, Office for Official Publications of the European Communities, Luxembourg 2008; European Commission, *Bilateral Trade Relations*, available on ec.europa.eu/trade/issues/bilateral/data.htm, accessed 17 November 2008.

Table 3. EU trade with Mediterranean partner countries by product grouping, 2003-07 (percentage value).

Product Group	Imports			Exports		
	2003	2005	2007	2003	2005	2007
Primary products	32.8	34.9	33	12.8	14.3	15.8
<i>of which:</i>						
Agricultural products	8.0	8.0	7.0	7.1	6.1	6.4
Energy	22.5	24.5	22.3	2.8	4.9	4.9
Manufactured products	61.6	59.4	53.7	84.5	83.5	70.1
<i>of which:</i>						
Machinery	11.4	11.1	7.8	26.4	25.6	20.1
Transport equipment	7.5	11.8	9.7	14.6	18.1	11.8
<i>of which:</i>						
Automotive products	5.4	7.0	8.0	10.8	11.7	8.9
Chemicals	4.7	4.3	4.6	15.3	14.7	14.2
Textiles and clothing	24.8	19.4	17.5	7.3	5.3	4.7

Source: European Commission, *Bilateral Trade Relations*, available on ec.europa.eu/trade/issues/bilateral/data.htm, accessed 17 November 2008.

On the other hand, manufactured products were the EU's main category of exports to the MPC in 2007, representing more than 70% of the total. Approximately half of these exports were particularly machinery, chemicals and transport equipment. As for primary products, their share remained 14% with the bulk consisting of food products. The EU exports to the Mediterranean countries have mainly been concentrated in technology intensive manufactured products. This contrasts with a significant part of Mediterranean manufactures requiring low technology and based on a comparative labour-cost advantage.

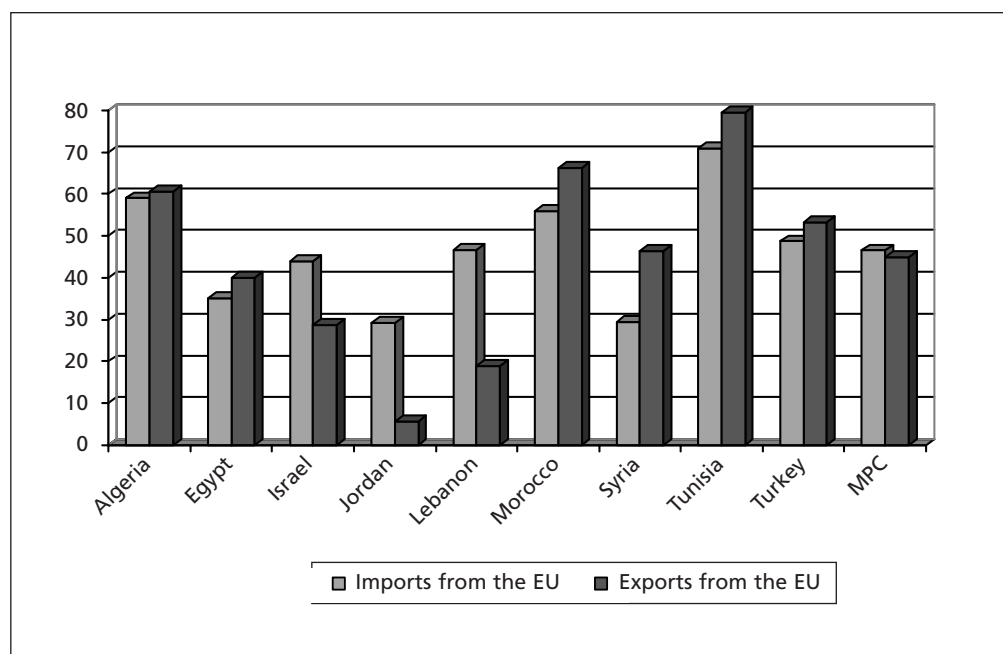
High degree of market concentration

A strong concentration of Mediterranean exports towards the EU market is another trend that characterises EU-MPC trade relations. The MPC could view the EU as their largest single market.

The EU took about 45% of their exports and provided almost 47% of their imports on an annual average during the period 1996-2006 (Figure 2). If this demonstrates the importance of the European market, the same cannot be said about the EU.

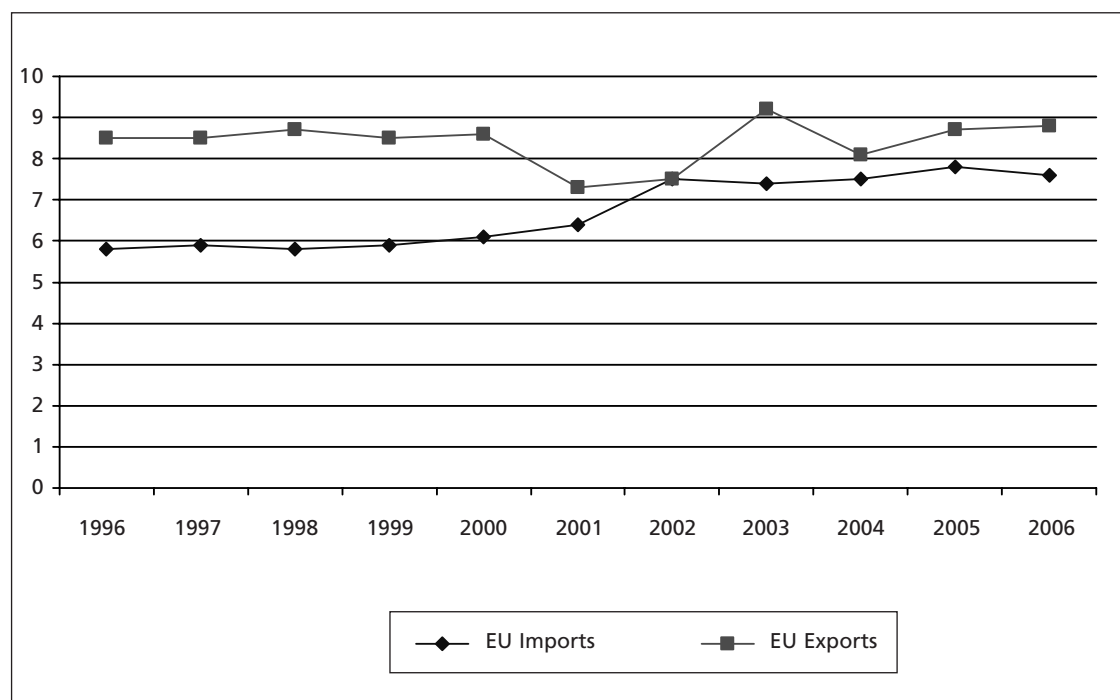
The MPC account for a much smaller share in extra-EU's total trade, representing around 8.4% of its exports and just about 6.7% of its imports on average over the

Figure 2. Share of EU in the Mediterranean partner countries trade, 1996-2006 (annual average).



Source: Eurostat, *External and Intra-European Union Trade Statistical Yearbook 1958-2006*, Office for Official Publications of the European Communities, Luxembourg 2008; European Commission, *Bilateral Trade Relations*, available on ec.europa.eu/trade/issues/bilateral/data.htm, accessed 17 November 2008.

Figure 3. Share of Mediterranean partner countries in the EU trade, 1996-2006 (percentage value).



Source: Calculations based on data derived from IMF, *Direction of Trade Statistics Yearbook*, Washington DC 2003 and 2007.

period 1996-2006 (Figure 3). This situation suggests that the development of trade has not helped reduce the asymmetrical pattern that continues to characterise trade relations between both sides. It is also the case that the MPC have been less successful in promoting more geographical diversification of their exports and imports. For countries like those of the Maghreb region (Algeria, Morocco and Tunisia), the EU has been and continues to be their major trading partner, accounting for more than two-thirds of their total external trade.

Regional trade integration in the Southern Mediterranean

Besides the “vertical” dimension of trade liberalization – between the EU and the Mediterranean partner countries individually – the EMP, in the same way, put much emphasis on the “horizontal” dimension to encourage free trade between these partners themselves.²¹

Along these lines, the Barcelona Declaration considered that «cooperation on a voluntary basis, particularly with a view to developing trade between the partners themselves, is a key factor in promoting the creation of a free trade area». Enhancing regional trade between Mediterranean countries has not been a success story in the past, as illustrated by the failing Arab Maghreb Union (AMU), a regional grouping created in 1989.²² It seems that the EMP, launched more than a decade ago, has not had any serious bearing on the Maghreb countries to promote their intra-regional trade within the AMU framework, or even on a bilateral basis. It remains limited and cannot compare in a satisfactory way with other regional trading schemes. For instance, intra-regional trade has shown no upward change since 1990; on the contrary, it went down from 2.9% in 1990 to 2.0% in 2006.²³ Still the share of intra-AMU trade could be well below this proportion if it were not for the importance of energy in trade exchanges and the effect of the soaring energy prices experienced in recent years.

The Arab-Mediterranean Free Trade Agreement (AMFTA) between Egypt, Jordan, Morocco and Tunisia signed in February

2004, and the conclusion of other bilateral free trade areas – such as Morocco and Turkey, Tunisia and Turkey, Israel and Jordan, Egypt and Turkey, and Syria and Turkey – may reflect the momentum imparted by this policy.²⁴ By boosting horizontal integration and preparing economies for complete trade liberalization throughout the region, this type of regional arrangements are perceived as building blocks in the process that is expected to lead to the formation of the future EMFTA.²⁵ Yet again the progress has been painstakingly slow. The AMFTA, which entered into force in July 2006 and became operational in March 2007, has a long way to go before the benefits of regional integration can be reaped. At this stage, the level of trade is still very modest, amounting to slightly more than 1.5% of their total external trade in 2006 – Jordan accounted for the biggest level of almost 3%.²⁶

It is worth mentioning that the issue of promoting these sub-regional blocks is being facilitated through the Pan-Euro-Mediterranean rules of origin, which determines the access to the Euro-Mediterranean markets.²⁷ As a matter of fact, it was at the Palermo Conference in March 2002 that the Euro-Mediterranean trade ministers agreed to the extension of the pan-European system of cumulation of origin to all the Mediterranean partners. Extending the pan-European system of cumulation of origin to all Mediterranean partners might be instrumental in fostering trade exchanges and developing economic cooperation, particularly the potential for closer intra-industry links. On the whole, integration in the Mediterranean region is far from being a reality, and it remains to be seen how the extension of this system and its implementation can lead to a change to the current situation of low levels of trade exchanges in the Mediterranean region (Table 4).

Liberalization of services and investment
The issue of liberalization of services and investment between the EU and the MPC is an essential component of the association agreements linking both parties. Peter Mandelson, former EU Trade Commissioner, was reported to have said that «Our common objective is the establishment of a

For countries like those of the Maghreb region (Algeria, Morocco and Tunisia), the EU has been and continues to be their major trading partner, accounting for more than two-thirds of their total external trade

Table 4. Trade between Mediterranean countries, 1996 and 2006 (\$ million and percentage).

	1996			2006		
	World Total	MPC	Percentage MPC	World Total	MPC	Percentage MPC
Algeria	20,205	1,320	6.5	78,630	4,796	6.1
Egypt	16,653	956	5.8	60,157	4,731	7.9
Israel	50,277	544	1.1	94,200	2,523	2.7
Jordan	5,783	584	10.1	18,826	1,946	10.3
Lebanon	8,713	761	8.7	13,535	2,477	18.3
Morocco	14,298	437	3.1	38,335	1,851	4.8
Syria	12,866	1,194	9.2	31,198	5,510	17.7
Tunisia	13,268	590	4.4	28,270	1,335	4.7
Turkey	65,561	3,332	5.1	224,972	8,994	4.0
MPC	207,524	9,718	4.7	588,123	34,163	5.8

Source: Calculations based on data derived from IMF, *Direction of Trade Statistics Yearbook*, Washington DC 2003 and 2007.

Under the five-year work programme agreed at the 2005 Barcelona summit, bilateral negotiations with Egypt, Morocco, Tunisia and Israel on the liberalization of trade in services and the right of establishment have already been initiated in 2008 and are expected to continue in 2009

genuine free trade area around the Mediterranean by 2010. The liberalization of services and investment is an essential part of our strategy to achieve this. The gains that investment and services liberalization can bring to both European and Mediterranean countries are considerable, larger even than those accruing from the liberalization of trade in goods». ²⁸ Yet it took the EU years before deciding to open negotiations with the MPC in this respect. Under the five-year work programme agreed at the 2005 Barcelona summit, bilateral negotiations with Egypt, Morocco, Tunisia and Israel on the liberalization of trade in services and the right of establishment have already been initiated in 2008 and are expected to continue in 2009.

It is noteworthy to mention that the services sector in the MPC accounted in 2006 for almost 59% of their gross domestic product (GDP) on average – Israel 76.2% and Lebanon 75.5%. ²⁹ It is one of the most dynamic sectors and is expected to grow faster once the liberalization process materialises. But the present situation reveals that the share of this sector is very limited. According to the latest available data, the

share of the MPC in the EU's total trade in services – the EU accounts for 26% of world trade in services – with the world is currently 3.9% (exports) and 7.6% (imports). ³⁰

A similar situation characterises the state of foreign direct investment (FDI) which remains very low as well. Again the MPC share of EU's total direct investment abroad did not exceed 3.2% – bearing in mind the fact that the EU is the source of 42% of world FDI. ³¹ It was more or less the same state of affairs in previous years: 2.9% in 2002, 3.1% in 2003 and 2004. ³² The biggest amount of FDI flow to the MPC (about € 5.6 billion) was in 2005. The increase was mainly due to Turkey, with € 3.3 billion, thus accounting for 59% of total EU outflows to MPC. In sum, the MPC are among the lowest recipients of European FDI, which compare unfavourably with other countries – Russia and South Africa (€ 9 billion each), China and Ukraine (€ 6 billion each). ³³

Concluding remarks

Trade has always been at the centre of EU-MPC relations. This has been the case even

if, at different periods of time, Europe has endeavoured to enlarge the scope of its cooperation to other areas. From the preceding review, it is clear that the development of trade relations between both sides has not produced the anticipated results. The successive policy frameworks adopted in this respect have, on the whole, suffered from their inherent limitations which reflected the changing circumstances that have affected the EU and its overall commitments. Nevertheless, the trade performance of the MPC in the European market might have been worse without the preferential access granted.

The less satisfactory outcome thus far lies in the fact that the development of trade relations featured a decidedly unbalanced pattern. Many Mediterranean countries have been experiencing a recurrent trade balance deficit; a situation linked to their export performance. The trade growth recorded has, to some degree, been associated with the impact of the energy factor (soaring prices); and may be viewed as less significant when measured in terms of market share. The MPC could have gained more from trade without the restrictions imposed on their farm produce. Further liberalization in areas such as agriculture, services and investment is therefore of crucial importance for the development of EU-MPC trade relations. Any progress in this regard could well impact favourably not only by boosting and diversifying trade, but by promoting industrial integration and investment in the Mediterranean region as well.

It seems that the trade liberalization between the EU and the MPC, particularly

since the inception of the Barcelona Process, has not gone beyond the stage of shallow integration – that is the removal of barriers to exchange at the border. Yet the ENP may possibly prove to be a positive step in the right direction. In this regard, Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy, contended that «what we are offering is a move from “shallow” integration to deeper economic and regulatory integration. We can take our relationship beyond trade, beyond mere cross-border exchanges, to include common technical norms and standards, intellectual propriety rights, competition rules, consumer protection and so on».³⁴ This raises the question whether the ENP can offer the possibility to move towards deep integration. Of course only time will tell given that this is a long and laborious process.

Last but not least, the official launch of the Union for the Mediterranean (UfM) last July in Paris is the latest European initiative towards the MPC – albeit originally it was a brainchild of French President, Nicolas Sarkozy.³⁵ It is seen as providing a regional dimension that is expected to complement existing bilateral focus of the ENP. In this regard, even though issues related to energy, the environment, security, education and science have initially been identified as areas for future regional cooperation, the precise contours of the entire process are still not well defined.³⁶ Hence, at present it seems premature to draw any conclusive judgement as to the way the UfM is going to develop and how it will impact on sectoral issues such as trade links between both shores.

At present it seems premature to draw any conclusive judgement as to the way the UfM is going to develop and how it will impact on sectoral issues such as trade links between both shores

1. With a total value of € 1,240 billion of exports (Extra-EU-27) and € 1,426 billion of imports in 2007, the EU remains the largest exporter and the second importer (behind the United States) on a world scale.

2. The Mediterranean partner countries covered in this study are: Algeria, Egypt, Israel, Jordan,

Lebanon, Morocco, Syria, Tunisia and Turkey. The Palestinian Authority is not included because of lack of reliable data.

3. Originally (1995), the Barcelona Process involved, in addition to the EU-15, 12 Mediterranean countries: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco,

the Palestinian Authority, Syria, Tunisia and Turkey.

4. The EMP also covers political and security as well as social, cultural and human issues. Migration was added as a fourth key issue in November 2005.

5. A. Aghrout, *From Preferential*

Status to Partnership – The Euro-Maghreb Relationship, Ashgate Publishing Limited, Aldershot 2000, p. 67.

6. C. Piening, *Global Europe – The European Union in World Affairs*, Lynne Rienner Publisher, Boulder and London 1997, pp. 78-80.

7. C. Bretherton, J. Vogler, *The European Union as a Global Actor*, Routledge, New York 2006², p. 155.

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12. After a twelve-year period (1996-2008), Tunisia now has a free trade area in industrial products with the EU.

13. In the case of Egypt, the agreement will give something like 90% of European exported products completely free access on the Egyptian market. In return, the EU will allow Egyptian farm produce free access into its market with the exception of some products that are viewed as most sensitive, and for which some protection is to be maintained (tomatoes, cucumbers, artichokes, courgettes, table grapes, garlic, strawberries, rice, sugar, processed products with high sugar content and processed tuna and sardines). For more details, see "Agreement reached to liberalise trade in agricultural and fishery products between the European Union and the Arab Republic of Egypt", Press Release, IP/08/1104, Brussels, 4 July 2008. Concerning Israel, see "Agreement reached to liberalise trade in agricultural and fishery products between the EU and Israel", Press Release, IP/08/1233, Brussels, 1 August 2008.

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ENERGY SOBRIETY: A NEW PARADIGM IN THE MEDITERRANEAN

Samir Allal

Energy, the environment and cooperation in the Mediterranean: a new topic of debate, viewed globally for the first time

The Mediterranean today is an "uneven playing field" between European and other countries. It is an area torn between opportunities for regional integration and the latent risk of economic and cultural rifts detrimental to the inhabitants of the region. It mirrors North-South disparities, where control of natural resources – particularly water and energy – and environmental protection has become a fundamental challenge and an underlying cause of conflict. Talking of the Mediterranean is in vogue and the energy issue has become an urgent priority. The summit in Paris on 13 July 2008, held under the auspices of the Barcelona Process: Union for the Mediterranean, has imbued Euro-Mediterranean relations with a new political momentum. This first summit represents an important step forward for cooperation within the region, at a time when global economy is facing grave concerns. In the energy field, the Mediterranean area is characterised by two manifest and significant disparities: a disparity between the countries of the North, richer and larger consumers of energy, and those of the South; and disparities in reserves of energy resources, which are more heavily concentrated in three countries, namely: Algeria, Libya and Egypt (holding 5% of world natural gas reserves and 3% of oil reserves). The extent of these reserves has probably been underestimated. The supply potential for oil and, in particular, gas is extremely promising. In addition, expanding

North-South and East-West electricity interconnections is an objective that could produce numerous benefits within the region. The Mediterranean is also rich in renewable energy resources, particularly solar and wind power, in the South and East. The Nobel Prize winner in Physics, Carlo Rubbia, has frequently observed that every year in the Sahara it "rains" the equivalent of one barrel of oil per square metre in the form of solar radiation.

Nevertheless, the financial – and now economic and social – crisis, the energy crisis (despite the very temporary fall in oil prices), concerns over supply security and the need to move towards low-carbon economies to adapt to climate change, have only served to underline the need for and interest in rationalization and the launch of complementary policies geared to energy efficiency and energy sobriety within the region. This complementarity could be expanded to include intensive cooperation not only in respect of energy savings and renewable energy, but also on infrastructure and issues relating to a common energy policy.

Access to energy, energy security and environmental constraints represent a considerable challenge for the region's economic and social development. Such development may simply be curbed or even rendered impossible by energy insecurity and a deterioration in the local and global environment. It will only be possible to respond to the challenge by embarking on a structured programme of Euro-Mediterranean cooperation focused on a new energy system model compatible with

sustainable development, with the aim of «meeting the needs of the present without compromising the ability of future generations to meet their own needs». There is thus no alternative to a new energy system within the Mediterranean – a sustainable system based on much wider accessibility in the South of the Mediterranean and on sobriety in terms of energy efficiency and renewable energy development in countries in the North, but also those in the South and East of the Mediterranean basin. It is, however, impossible to ignore that the present energy system poses a problem of access to modern forms of energy for a large percentage of the population, precludes any real possibility of development and escape from the poverty spiral for at least one in five inhabitants, and, moreover, is based on modes of consumption whose carbon and pollution load is already a cause for concern.

Hence, the new energy paradigm called for involves devising an "energy system" which incorporates not just the energy sector (the supply side) but also energy consumption (the demand side) and which guarantees development compatible with achieving an optimal energy service in terms of resources, financial and social costs and local and global environmental protection. Replacing "energy supply" with an "energy service" will bring new actors to the foreground, namely: businesses, communities, families and professionals from the construction, transport, manufacturing, agricultural and services industries. Cities and local communities will thus become the facilitators and driving force of these new policies.

Energy demand in the South and East to be four times higher than in the North of the Mediterranean: a scenario heralding increased risks and a halt to development

By 2025, primary energy demand in the Mediterranean could grow by a factor of 1.5, given that the Southern and Eastern Mediterranean countries (SEMCs) show rates of growth in energy demand four times higher than in the northern countries

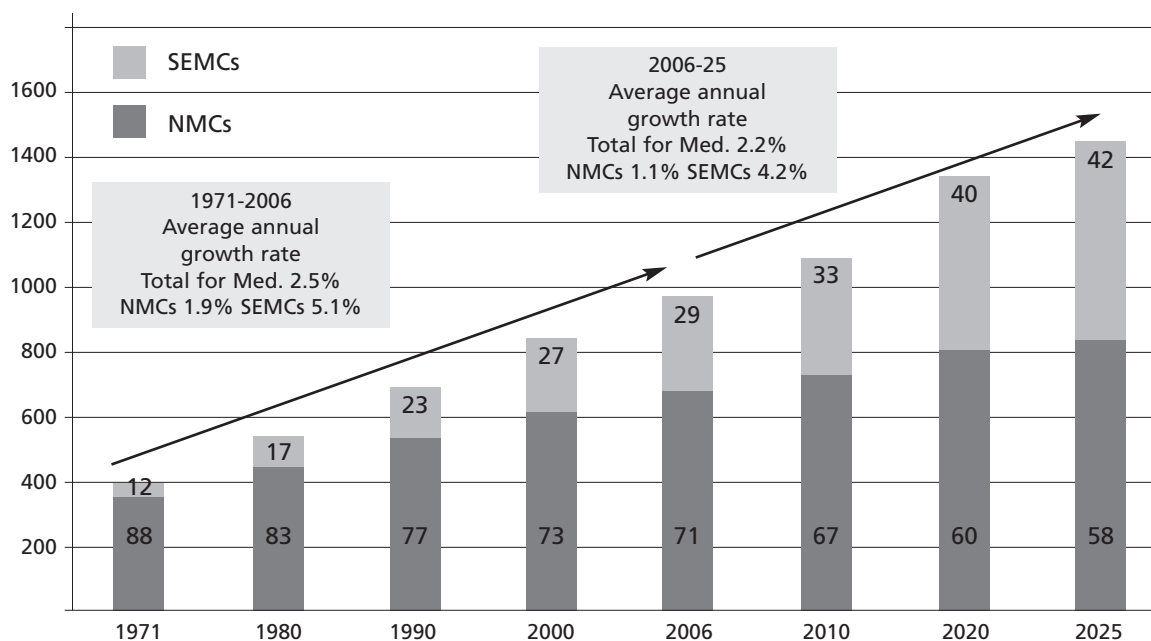
(NMCs). The former would then represent 42% of total energy demand in the Mediterranean basin, as against 29% in 2006. According to the estimates of the Observatoire Méditerranéen de l'Énergie (OME), Turkey could become the second highest consumer of energy in the region. Fossil energy sources (oil, gas and coal) make up 80% of the Mediterranean countries' energy supplies (94% for SEMCs and 75% for NMCs). Four countries (Algeria, Libya, Egypt and Syria) are exporters of hydrocarbons and supply 22% of gas imports for the whole of the Mediterranean basin. All other countries are net importers of energy. In the NMCs, the transport sector has shown the greatest growth in consumption for thirty years and is in the lead position, representing 32% of total energy consumption. All sectors in the NMCs have significantly increased their consumption. The industrial and residential markets are the largest consumers, responsible for 35% and 27% respectively of energy consumption in 2005.

This trend scenario suggests increased risks and impacts and that development will come to a halt, with the following forecasts: between 2006 and 2025, CO₂ emissions produced by energy consumption could increase by 55% in NMCs and by 119% in SEMCs. In 2025, SEMC emissions, while being 1.8 times lower per capita compared to emissions in NMCs, could represent 47% of emissions in the region, as against 33% in 2006. Energy dependence could considerably increase both for SEMC importers (rising from 77% in 2006 to 88% in 2025) and for NMCs (going from 68% to 73% in the same period). There are likely to be increased social and economic risks linked to rising supply costs and their repercussions on the energy bill of countries, families and businesses.

The energy situation suggested by this scenario would thus be one where the almost unavoidable consumption of oil would increase considerably, despite the fears of depletion of reserves, and where global efficiency would deteriorate, despite the threat of climate change. No sustainable development is compatible with this energy model and paradigm. The continuation of

It is impossible to ignore that the present energy system poses a problem of access to modern forms of energy for a large part of the population, precludes any real possibility of development and escape from the poverty spiral for at least one in five inhabitants

Figure 1. Primary energy demand in the Mediterranean.



Source: Observatoire Méditerranéen de l'Énergie.

The continuation of current energy consumption trends in the Mediterranean will come up against insuperable limitations, exacerbate the disparities between rich and poor countries and contribute to development skewed towards cities

current energy consumption trends in the Mediterranean will come up against insuperable limitations, exacerbate the disparities between rich and poor countries in the region and contribute to development skewed towards cities at the cost of rural areas and to a widening social gap.

The aspiration to economic and social development is legitimate and, for this reason, demands energy. The OME's energy outlook (based on likely trends) takes it for granted that continued development according to the current energy model of industrialized nations (a model which developing countries adopt as a benchmark to be reached) is so problematic and costly that, solely taking energy into account, economic and social development would be radically compromised – and not just in the poorest countries. Moreover, to continue down this path would inevitably exacerbate the risks of climate change.

The necessary stepping-up of greenhouse gas emission reduction policies in the region must, as a priority, be accompanied by a

policy of intensive climate change adaptation. The potential for energy savings and carbon reduction in the Mediterranean is considerable. It will depend partly on the technologies promoted and partly on the new patterns of behaviour encouraged. Numerous reliable estimates indicate that, within the next twenty years, there will be a reduction potential in the order of 20% of consumption (even higher if energy prices continue to rise). James Hansen's team at NASA's Goddard Institute recently published the results of research highlighting that the risk threshold which should not be exceeded is around 380 ppm of CO₂ in the atmosphere (a limit which has effectively been exceeded for five years). Acknowledging adaptation needs would contribute to greater acceptance of a stepping-up of greenhouse gas emission reduction policies.

The issue of adapting to climate change has for a long time been a taboo subject and has remained on the margins of debate over climate and cooperation policies, because it particularly concerns developing countries with limited means and/or climate conditions that are already difficult. The

issue would open up the floodgates to financial claims from countries who were not among those chiefly responsible for climate change. This is a political debate which those mainly responsible for CO₂ emissions have for a long time sought to avoid. Besides, adaptation would seem to be inseparable from processes of development and social evolution that are difficult to define, with policy implementation costs that are impossible to quantify with precision, whilst mitigation would immediately come into effect with a goal (reducing CO₂ emissions), tools for implementation (those from market ecology, namely, tradable permits and/or taxes) and an anticipated result (avoiding global warming).

Mobilization and capacity-building of the actors involved (public institutions, local authorities, the private sector and civil society) would be indispensable in confronting the governance challenge, within the context of an energy system that adheres to a shared ethical vision of sustainability. This shared ethical vision would, however, be incomplete without consensus and solidarity allowing everyone to benefit from development. Hence, measures taken both on the demand side (reduced energy consumption but with same-service provision) and on the supply side (production and supply of energy products to satisfy consumption demand) need to be placed on an equal footing. This assumes massive public and European-level investment – and consequently a realignment of budgets – in key transition sectors, including transport, construction, energy efficiency and renewable energies, but also education, research, training and culture.

The reappropriation of the energy issue by the people is without doubt the aspect of this new energy paradigm that is most interesting and has the most bearing on the future. This does not mean that the solution is simple but that compatible development within the Mediterranean is a major issue, requiring respect of very rigid limits without which survival will not be possible. We are now seeing prospects emerge that did not exist before and which dictate the need for

a shift in paradigm. This is what has led us to rediscover Progogine and Schroedinger – the potential and the responsibility of human beings as actors shaping history and as custodians of this planet.

Reconciling growth and the finite world: no alternative to a compatible energy system based on accessibility and sobriety

Currently we are faced with a very rigid energy system, over 80% – reliant on three major non-renewable and polluting fossil energy sources: oil, coal and natural gas. The solution to the problem lies with three principal approaches: measures to improve energy sobriety, which must be put in place at various levels – regional, national and local; adaptation, which will be a costly and painful process for the poorest countries; and higher prices for oil and coal.

The main challenge lies in understanding how to simultaneously respond to "rapidly rising" energy needs in SEMCs, combat greenhouse gas emissions and remain competitive while reining in consumption in an increasingly free and competitive market. Everyone today concurs that any progress in the area of controlling energy consumption and the promotion of renewable energy sources in the Mediterranean will permit a reduction in overall risks and contribute to reducing the energy dependence of business. Energy efficiency nevertheless seems to be the poor relation of Mediterranean energy policies. Improving energy efficiency is often held up as a guiding objective of energy policies and the Barcelona Process, but it still lacks a quantified and precise framework and sufficient resources, which in the end damages the credibility of this objective.

Energy consumption in buildings often represents more than 30% of final energy balance sheets. It is rising rapidly in SEMCs, particularly with the spread of inexpensive air-conditioning units, leading to a sharp increase in peak demand. The very diverse nature of the building sector – incorporating old, new, individual, collective, residential and service-oriented constructions – offers

Everyone today concurs that any progress in the area of controlling energy consumption and the promotion of renewable energy sources in the Mediterranean will permit a reduction in overall risks and contribute to reducing the energy dependence of business

While transport in emerging countries in the Southern and Eastern Mediterranean represents a smaller share of energy consumption than in the northern countries, it is growing exponentially and it is based almost exclusively on oil-based products in a manner that is clearly not sustainable

strong but uneven energy saving potential. Exploiting this potential requires tailored and structured investment together with regulations that encourage economization and apply to all the actors involved. Combining measures in relation to buildings and fittings would enable energy savings of between 30-40%, with additional investment costs of less than 5%.

Cities around the Mediterranean, particularly large metropolises, are areas of high-energy consumption where many saving opportunities may be identified. Yet still few concrete initiatives have been undertaken, often due to a lack of systematic management of interventions. Auditing local-community energy consumption, mass transport planning and the optimization of urban waste or sludge management are good examples of solutions which put together generate development and benefits for the environment.

While transport in emerging countries in the Southern and Eastern Mediterranean represents a smaller share of energy consumption than in the northern countries, it is growing exponentially and is based almost exclusively on oil-based products in a manner that is clearly not sustainable. Models that provide alternatives to "total car dependence" are needed that make use of long programming cycles, are heavily capitalist-oriented (especially in respect of mass transport) and involve collective change.

Often, the concept of energy saving is used to refer solely to the performance of apparatus (such as power plant output, vehicle consumption, heating and air-conditioning units and so on). Consequently, when cooperation organizations and energy policies deal with energy management, they mainly focus on improving the performance of such apparatus. This is certainly a very important aspect but alone it is not sufficient. In the Mediterranean, the issue of infrastructure (including buildings, means of transportation, urban development and local area management) is crucial. In this regard, cooperation programmes that focus on energy efficiency and promoting local

and renewable energy sources, specifically tailored to local areas, are fundamental.

In order for it to take hold among economic actors in the Mediterranean (businesses, communities and families), energy management needs to combine tangible with intangible investment, so as to impact on behavioural patterns and organisations (loans for the former and subsidies for the latter: energy audits, institutional support, adjustments to regulatory or tariff frameworks and so on). While energy efficiency or renewable energy investment involves additional costs at the outset, this difference can be reduced by the user due to the savings achieved subsequently – on the condition, however, that there is innovation in terms of the conception and financing of energy systems. Innovative mechanisms that influence the decision-making of an investor – whether it be the state, a community, a business or a family – represent a key challenge for local economies and for development banks. The mechanisms and forms of financing in emerging and developing countries still need to be developed.

Today we are increasingly placing our trust in the workings of the market. However, if market prices are a good indicator for investment in the fields of energy efficiency and alternative energies, how can we rely on prices that are relatively volatile in order to make optimal forecasts and decisions regarding infrastructure, urban development and so on? And if the market is relatively short-sighted, how is it possible to rationalise in these areas while focusing, instead, on a long-term perspective? Clearly this key question raises queries regarding the role of the state *vis-à-vis* the market with respect to rationalization in energy management and renewable energy policies in markets that are increasingly deregulated, and the role of international and Euro-Mediterranean cooperation.

All things considered, in the fields of energy savings and renewable energy – areas where the social gain is high, with an economic gain that is higher than the short-term financial one – can we confine ourselves to relying solely on the workings of the

market? How much influences will the state have over future decisions? Will it simply guide decisions by supplying information and correcting distortions? What is the right combination of sector-specific energy policies to implement in order to respond to various concerns but also various limitations? What place and role will Euro-Mediterranean cooperation have? What level of consistency needs to be achieved between national energy policy priorities and the role of Euro-Mediterranean cooperation? In short, if the state needs to intervene, but in a context of "openness to competition", what vehicle, what institutional apparatus, what mechanism needs to be put in place to reach the objectives of sustainability?

Experience has shown that heavy investments in energy sobriety have not been generated spontaneously through the workings of the market alone but as the result of the implementation of carefully formulated policies, which incorporate economic, institutional and regulatory components, with the backing of significant public intervention mechanisms, including: research and development programmes for the improvement of industrial processes, construction techniques and materials, engines, electrical apparatus and so on; regulations on energy consumption, particularly with respect to buildings but also, in certain cases, motor vehicles and electrical apparatus, energy efficiency rating labels, compulsory energy audits for large consumers (including the manufacturing, service and transport industries); public awareness campaigns for consumers and training programmes for technicians and managers; financial incentives (including subsidies, concessional loans and tax relief) to encourage innovation, demonstration of or investment in rational energy consumption techniques; and, finally, the establishment of institutions, agencies and service companies for the design and implementation of programmes and projects.

The participation of citizens in these programmes and projects is important. The success of programmes assumes public awareness of them but also that information regarding them is made widely

available to achieve the most effective mobilization of public opinion and of all relevant stakeholders. It is necessary to ensure that people are aware and then back their initiatives to come up with solutions that they themselves have endorsed. A one-way policy issued by a centralised administration based on controlling consumption can only be counterproductive. Indeed, beyond the measures taken by governments, perhaps the most important are changes in mentality. In this regard, it is true that change is very slow. Nevertheless, there are some examples, that have emerged in various contexts, of groups that advocate the notion of a certain level of sobriety in everyday life and which, accordingly, demonstrate the truth of the maxim coined by La Rochefoucauld as far back as the 17th century: «Temperance is the love of health, or the inability to overindulge». We should not aspire to a sobriety that is based on an inability to overindulge; but by the same token, if love of health leads to greater moderation in the way we consume energy, we will all benefit. A profound shift in energy paradigm that replaces the priority of supply with the priority of demand will radically change the relationship of citizens with energy systems.

Conclusion: without structural intervention, the goal of sustainable development within the region will not be achieved

Cooperation policies in the energy field implemented over the next ten years in the SEMCs will be decisive. Although they present very different situations, the Mediterranean countries all have room to manoeuvre to improve the efficiency of their energy consumption and to contribute to sustainable development in the energy sector, albeit at different paces within each country. The issue of financing this energy saving investment remains the weakest aspect of Euro-Mediterranean cooperation. The causes of this problem stem particularly from the fragmentation of projects and from the fact that they are not, in general, the main concern of those who could make them work.

What level of consistency needs to be achieved between national energy policy priorities and the role of Euro-Mediterranean cooperation?

We find ourselves faced with the need to forge a "green New Deal" in the Mediterranean which hinges on energy sobriety, to pave the way for a radical change in our modes of consumption and production, thereby enabling all citizens within the region to live a different and better life

Without structural measures (for instance, the provision of public transport and programmes for the construction of energy-efficient accommodation), the goal of sustainable development within the region will not be achieved. The search for an acceptable compromise between trust in the market as regards prices, resort to state intervention for the promotion of new technologies, and focus on a cooperation strategy for energy and the environment, represents the key challenge for sustainable development in the Mediterranean, notwithstanding that the priorities of individual states are not always reconcilable in this field.

Consequently, we find ourselves faced with the need to jointly forge a "green New Deal" in the Mediterranean which hinges on energy sobriety, to pave the way for a radical change in our modes of consumption and production, thereby enabling all citizens within the region to live a different and better life. Is this an utopian vision? Not at all. Rather, it is the most realistic option – the one that calculates the risks not so as to acknowledge our powerlessness but to tailor our responses to the nature of the challenges which face us.

At a time when world economies are facing serious concerns, the Mediterranean basin is taking on a special relevance. The multiplication of Mediterranean solidarity projects is a privileged tool for setting up a future of peace and prosperity. The energy field can play a primary role as on the one hand it lies at the core of economic and development activities, and, on the other hand, because of the many opportunities it offers to build new forms of solidarity. The mobilization and re-focusing of world economies on the investments in clean energies and natural infrastructures are the best chance for a real growth in the Mediterranean and for fighting climate change.

The world market of the environment-

related products and services should double from \$1,370 billion to \$2,740 billion by 2020, according to the recent study carried out by the United Nation Environment Programme (UNEP) "Green Jobs: Towards decent work in a sustainable, low-carbon world".

Moreover, according to the study, half of the above mentioned market concerns energy effectiveness and the other half concerns durable transport and water supply. Finally, the number of jobs related to alternative energies could reach 2.1 million employed in wind power and 6.3 million in solar thermal power before 2030.

The Mediterranean Solar Plan, launched in the framework of the Union for the Mediterranean, may allow the region to undertake a long-lasting model of economic growth able to create new jobs. In order to do that, all the parties involved have to strengthen mutual dialogue and cooperation. Moreover they should consider their comparative respective advantages and the added value that each one can produce. The EU countries and the non-member Mediterranean countries should be ready to firmly support, at the highest political level, the strategic investments for energy sobriety and renewable energies which will be identified. In this way they will contribute to creating an investment-favourable climate for business.

The primary aim is to create the conditions to launch the first phases of the Mediterranean Solar Plan, that is usually defined as a financial framework to support a first set of projects. This framework will include not only the setting up of the projects, but also the approval of the local authorities and the participation of the private sector. The European Commission has started taking on some serious risks connected to these schemes. Thanks to this initiative, some highly innovative programmes – like those we can find in energy sobriety and renewable energies – have already been able to benefit from these financial resources.

EURO-MEDITERRANEAN RELATIONS: FOCUS ON INFRASTRUCTURES

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For some time now, the Mediterranean has not been the closed sea it was in the past, a cradle and meeting point of major world civilizations. It has, however, remained one of the most important and strategic areas in the world.

With the Barcelona Declaration of November 1995, a predominantly strategic and military outlook – aimed at controlling a region still of prime significance from the point of view of oil trade and even more so in terms of the (in part ideological) contraposition between political and military blocs – was replaced by a more multidimensional approach to the Mediterranean, based on three distinct but heavily interconnected areas of partnership: a political and security-based partnership, aimed at forging an area of peace and stability; an economic and financial partnership, geared towards creating an area of shared prosperity; and a social, cultural and human partnership, to develop human resources, and foster understanding between cultures and dialogue between civil societies.

Within the Barcelona Declaration, particularly the section dealing with economic and financial partnership, the topic of infrastructure – and particularly transport infrastructure – is not given a high priority, perhaps not even high enough to reflect the pivotal importance of transport networks in the economic development of countries and large areas (as well as of local economies). Nevertheless, the issue was not entirely neglected, so much so that the Barcelona partners undertook to work towards identifying priorities for «the

establishment of an efficient transport system» and, in the work programme annexed to the 1995 Declaration, they set out the following areas as focal points for cooperation in the field of transport: the development of an efficient multimodal trans-Mediterranean combined sea and air transport system, through the improvement and modernization of ports and airports; the development of East-West land links on the southern and eastern shores of the Mediterranean; and the connection of Mediterranean transport networks to the trans-European transport network in order to ensure their interoperability.

Even before the Barcelona Declaration, the Maastricht Treaty of 1992 introduced into the Treaty of Rome a provision envisaging the building and development of a trans-European transport network (TEN-T)¹ to contribute to the establishment of the internal market, promote overall harmonious development of the European Community, strengthen economic and social cohesion and reduce disparities between the levels of development of the various regions and the backwardness of the least-favoured regions.

Thus, by 1996, the programme outlined by the Treaty was translated into guidelines for the TEN-T network contained in Decision 1692/96/EC.

Among the characteristics of this multimodal network, two in particular are worth highlighting here: the potential linkage to networks of third countries; and the functioning of ports “forming part of the network” as interconnection points between the European Community and third countries.

Indeed, subsequent EU instruments dealing with the TEN-T networks add to the conviction of the existence of a transport infrastructure policy focused on the port system and hence on Euro-Mediterranean relations

The first of these above-mentioned characteristics of the TEN-T networks evidences a significant alignment with the objectives of Euro-Mediterranean political action. Indeed, the European area of the Mediterranean constitutes the border between the EU and third countries in North Africa, the Middle East and the Caucasian States facing onto the Black Sea, if we consider the latter as a sub-basin of the Mediterranean and take into account the recent expansion of the Union to include Bulgaria and Romania.

The other salient feature of the TEN-T networks – namely, the inclusion of ports as primary connecting points between the EU and the rest of the world – would seem to indicate that primary importance was also accorded by EU institutions to ports by reason of Euro-Mediterranean partnership arrangements (the subject of express agreement by many EU member states) involving Southern European ports.

Indeed, subsequent EU instruments dealing with the TEN-T networks add to the conviction of the existence of a transport infrastructure policy focused on the port system and hence on Euro-Mediterranean relations, including: Decision 1346/2001/EC, which, in setting out the characteristics of ports included within the TEN-T networks and “common interest” projects with respect to such ports, further emphasizes the characterization of port hubs as interconnection points in an intermodal network as well as links with third countries (and, clearly, with other partners of the EU); Decision 884/2004/EC, which confirmed the incorporation of maritime ports as “transport infrastructure” within the TEN-T networks, identifying development priorities for the said networks including ports (for instance, the establishment and development of maritime shipping, and the optimization, improved efficiency and promotion of intermodality). It also proposed the inclusion among priority common interest projects (extending to facilities and infrastructure for ports) of projects for the Motorway of the Baltic Sea, the Motorway of the Sea of Western Europe (the Atlantic), the Motorway of the Sea of South-Eastern Europe (connecting the Adriatic, the Ionian and the Eastern

Mediterranean Sea as far as Cyprus) and the Motorway of the Sea of South-Western Europe (connecting Spain, France, Italy and Malta).

Yet despite these guidelines, which in the various EU instruments appear to potentially leave room for EU infrastructure development in keeping with Euro-Mediterranean policies, the concrete measures taken by the responsible authorities in Brussels do not appear to have gone in this direction.

In general terms, it should be noted that common policy on transport and transport infrastructure has, unfortunately, not developed coherently, with the result that today the European mobility system is facing uneven growth across the various modes of transport and congestion of the major road and railroad networks.

More specifically, however, with regard to Euro-Mediterranean policies, the following additional observations need to be made. An essentially “continental” focus seems to underpin the TEN-T networks and the choice of priority projects for these networks, as well as for pan-European “corridors”. The former become increasingly denser towards Central-Northern European areas, whilst the latter have been mostly oriented towards the east, in the direction of the most recent EU entrants and, recently, to beyond the EU’s land borders. Moreover, the policy regarding the Motorways of the Sea (which, as noted, are also components of the TEN-T networks) is aimed at facilitating initiatives of interest to at least two member states.

Hence, the Euro-Mediterranean element seems to have essentially “failed” (or more precisely, the objective has not been pursued) to the extent that EU policy on transport infrastructure has not translated into coherent measures for the growth of flows of goods to and from the South; in other words, the port system, particularly in the Mediterranean, and railroad links between ports and European transport axes have not been given priority.

In addition to these European-level “failings”, there have also often been similar

limitations in national policy on infrastructure – as is the case with Italy. Indeed, Italy has not adequately taken advantage of the strategic location of its ports in the south of the country and the proximity of those on the Ligurian and upper Adriatic coasts to central European areas by allocating sufficient resources to them.

If we consider that, in 2004, around 128 million tonnes of Italian import/export goods already came from or were headed towards Mediterranean third countries, it becomes evident that the problem cannot and must not be ignored and should, in the view of the author of these lines, be addressed through action at the European level, in agreement with all the Mediterranean countries of the EU, and through internal measures adopted by each of them, aimed at: “refocusing” transport infrastructure policy guidelines; developing an investment policy geared to fostering growth of port infrastructure; and promoting the expansion of an overland transport network (including rail routes and internal logistical hubs) heavily integrated with the national port network.

Within these broad frames of reference, specific priority could be given to the development of bilateral integrated chain projects (for instance, between Italy and individual Mediterranean third countries), particularly with respect to Mediterranean products, through which it would be possible to put in place tangible (including

logistical platforms and networks) and intangible (including chains of communication, information flows, agency networks, technological resources and so on) infrastructure that facilitates the mobility of goods and products between Europe and the southern shores of the Mediterranean.

However, any consideration of the Mediterranean as an opportunity for Europe should not overlook the problematic situations that may arise on the European side with regards to North African and Middle Eastern countries. This is particularly the case for port infrastructure networks, specifically those that are major European transshipment hubs (those in Italy and Spain especially), which are witnessing the emergence of strong competition from ports with similar operations that are either just starting up or have only been operating for a short time, mainly on the coasts of Morocco, Tunisia and Egypt.

Clearly, this aspect cannot be addressed by any single EU country alone. Without detracting from the advisability, in the case of Italy for instance, of evaluating specific policies for the reduction of costs in the transshipment sector, it would seem appropriate for the EU to adopt measures aimed at simplifying infrastructure development policies throughout the Union, and at encouraging the consideration (in third countries also) of environmental and social factors as well as the sustainability of development, and the ratification of and strict compliance with international laws governing transportation.

Specific priority could be given to the development of bilateral integrated chain projects (for instance, between Italy and individual Mediterranean third countries), particularly with respect to Mediterranean products

1. The Trans-European Networks (TENs) is a programme aimed at

developing a system of high quality road, rail, telecommunications, and

Energy networks throughout the European Union.

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INVESTMENT IN THE SOUTHERN MEDITERRANEAN

George Joffé

The anticipated improvement in growth and foreign investment failed to arrive, however, and the belief grew in Europe that cross-Mediterranean competition, not aid, might do more to stimulate economic growth and job creation

One of the greatest challenges in the economic development of the Southern Mediterranean region has been the failure of the region to attract sufficient private foreign investment as part of the process of economic liberalization and restructuring that has been underway since the early 1980s. The restructuring process itself was a response to the heavy foreign debt that regional states had incurred as a consequence of the first and second oil price shocks of the 1970s, as control of oil prices moved out of the hands of international oil companies towards producer states and then, as a result of the Iranian revolution, became dominated by the demand-supply equation of the international oil market.¹ The recycling of the consequent foreign exchange surpluses amongst oil producers to oil consumers in the developing world where oil demand was inelastic was a major contributor to the foreign debt crisis that faced many of them in the 1980s.

The response to this, in turn – enshrined in the Washington Consensus endorsed by both the International Monetary Fund (IMF) and the World Bank – was to seek export-oriented liberalization of the economies of the states affected, with concomitant liberalization of foreign currency regimes and the reduction of the role of the state in the economy, so that foreign investment would provide the necessary capital and technological innovation for economic modernization and development. It was a response that, insofar as it was based on trade-related growth, was also enshrined in attempts by the EU to engage with South Mediterranean states from 1969 onwards in that the provisions of the cooperation and association agreements they signed before

1995 sought to encourage industrial development and thereby employment growth through privileged access to the European market.²

After 1992, this principle was extended from a purely bilateral approach between the EU and individual South Mediterranean states to include a multilateral component under the Renovated Mediterranean Policy (RMP). This was designed to create regional conditions to stimulate growth and create the infrastructure that foreign investors would need if they were to be persuaded to invest in the Mediterranean region in preference to the more traditional destinations of China, South-East Asia and Latin America (see Tables 4, 6 and 7). The anticipated improvement in growth and foreign investment failed to arrive, however, and the belief grew in Europe that cross-Mediterranean competition, not aid, might do more to stimulate economic growth and job creation, both of which were seen as the best means for preventing outward migration into Europe and for stimulating prosperity within the region.

Out of this experience grew the concept of the Euro-Mediterranean Partnership (EMP) or, as it is better known, the Barcelona Process, a comprehensive security- and trade-based initiative to push for accelerated economic development in the South Mediterranean region through industrial modernization spurred by free trade between the EU and the South Mediterranean region, which began in November 1995. It eventually brought together twelve South Mediterranean states in a cooperative venture based on the EU's own experience of constructing European economic and political integration, together with the lessons learned from the 1975

Conference on Security and Cooperation in Europe, held in Helsinki, which had ushered in *détente* during the Cold War.³ As part of this process, the initiative also sought political and social reforms that would help to promote economic development by entrenching the rule-of-law and democratic accountability and transparency within the region. Implicitly, market integration in the South was to be encouraged so as to allow local states to benefit from complementarity and economies of scale and, alongside the proposed structural reforms, to encourage foreign investors.

Unhappily, the anticipated increase in foreign direct investment inflows still failed to materialize largely, it appears, because the South Mediterranean region offered little comparative advantage to private foreign investors over other parts of the world. Quite apart from official aid under the MEDA programmes (Tables 2 and 3) and soft loans through the European Investment Bank (EIB), even private European investment was very limited, running on average at 1% of total outward EU direct investment between 2000 and 2006. In common with flows from elsewhere, this began to rise in 2006 but still only totalled 2% of the total, at € 4.6 billion.⁴ For countries such as Morocco, Tunisia, Jordan and Egypt which had relatively limited natural resources through which to generate rent for investment, alongside remittance flows, this was a serious disappointment, even though the EU itself had provided significant aid for development.

Further, albeit very limited, aid appeared after 2002 (Table 1) from the United State's Partnership Initiative with the Middle East and North Africa (USMEPI). At the same time, the European Commission included the Mediterranean in its new European Neighbourhood Policy (ENP) initiative in which bilateral comprehensive political and economic restructuring agreements, based on positive conditionality were introduced, to run alongside the existing Euro-Mediterranean Partnership. Then, in 2007, French proposals for a Union for the Mediterranean (UfM), based on private sector investment to stimulate regional growth were also incorporated into the EU's

economic development package for the South Mediterranean.

None of this, however, compensated for the restricted inflows of direct foreign investment upon which hopes of economic growth and technology transfer had been based. Up to the mid-2000s, Middle Eastern and North African (MENA) states were consistently close to the bottom of the foreign direct investment recipient league, well below the favoured target areas of China, South-East Asia and Brazil even though significant numbers of them were oil-rich. Indeed, many of the non-oil economies only received about half the expected levels of foreign investment, despite repeated economic reform and restructuring. The reasons for this were complex but certain common features began to emerge.

First, there was the problem of comparative advantage; even though – indeed, perhaps because – MENA states were close to Europe, they offered little comparative advantage to foreign investors. Wage levels were too high to attract investment that could find much cheaper labour elsewhere. Second, despite phenomena such as trade creation and trade diversion, domestic markets were too small and market integration seemed a distant dream, even though the EU offered limited advantages under its cumulation policies.⁵ Then physical, communications and financial infrastructure (both domestic and regional) were too primitive and did not provide an integrated regional service. Educational and skill levels, furthermore, were inadequate and often inappropriate and the domestic industrial base too small to benefit from economies-of-scale because of the lack of regional market integration.⁶ Beyond this legal systems were hardly independent, giving rise to investors' fears about sanctity-of-contract and dispute resolution, and domestic financial markets and banking systems were generally inadequate and often dominated by the state, even though virtually all states had passed investor-friendly investment legislation in the years since the end of the 1980s.

Up to the middle of this decade, the complex of problems described above

Up to the mid-2000s, Middle Eastern and North African (MENA) states were consistently close to the bottom of the foreign direct investment recipient league, well below the favoured target areas of China, South-East Asia and Brazil even though significant numbers of them were oil-rich

Not only have oil rich economies, particularly in the Gulf, amassed immense surpluses – now diverted into sovereign wealth funds – but the non-oil economies have seen a surprising burst in their growth rates

appeared to block any meaningful progress towards accelerated economic development in the South Mediterranean region. Growth rates, on average, remained stubbornly below the 5 to 7% range conventionally cited by the World Bank for meaningful economic development within developing economies and inflows of direct private foreign investment remained at about half the expected levels, even when portfolio equity investment was included. Since the rise in oil prices began some five years ago, the situation amongst MENA economies has significantly changed. Not only have oil rich economies, particularly in the Gulf, amassed immense surpluses – now diverted into sovereign wealth funds – but the non-oil economies have seen a surprising burst in their growth rates. Thus Tunisia saw growth of 5.2% in 2006 and 6.7% in 2007, with an expected level of 4.9% in 2008. Morocco, which enjoyed 7.8% growth in 2006, saw it fall to 2.1% in 2007 – because of the poor harvest – but anticipates growth of 5.3% this year.⁷ Egypt enjoyed growth rates of 6.8, 7.1 and 7.2% in 2006, 2007 and 2008 respectively, whilst the comparable figures for Jordan are 6.3, 6.0 and 5.6% growth. Even Syria saw growth rates of 5.1% in 2006 and 6.6% in 2007, although it is projected to fall to 2.1% in 2008, whilst Lebanon saw growth rise from 0.0% in 2006 to 4.0% in 2007 and 4.5% in 2008. Israel, meanwhile, maintained steady growth at 5.3% in 2007 and 4.0% in 2008.⁸

One reason for the ebullience of the non-oil economies in the MENA region has been that Gulf sovereign wealth funds have been investing heavily in infrastructural projects and in other assets in recent years. In part, this has been because of reluctance in the Middle East to invest solely in the United States and Europe – a mark of the disaffection that has dramatically increased towards the West as a result of American policies towards the region, in which Europe (or, at least, some European states) is seen to have participated. There have also been significant payments of aid from the Gulf as well to states such as Morocco, which received two grants worth \$800 million to help deal with the vertiginous rise in energy and food prices during 2007 and 2008. Not surprisingly, the majority of the projects

funded by oil money have been in the infrastructure sector – the Century City site around Tunis Lagoon, the Amwaj site along the Bou Regreg by the Moroccan capital, Rabat, the Bay of Algiers proposal and the Tangier-Mediterranean project, also in Morocco. In Egypt, the Arab United Bank Group in Bahrain has bought into the Ahli United Bank. The major construction projects have been funded and were being constructed by the new groups that have emerged in recent years in the Gulf; Sama in Tunisia and around Rabat in Morocco, Emaar in Algiers and Dubai Ports World – which also manages Algeria's major ports and has a build-operate-transfer contract for a port in Egypt – in Tangier. There are investors from the developed world as well – Renault in Morocco and Canada's SNC Lavalin in Algeria, for example – and there are many smaller investments as well, although virtually all are based on direct investment, rather than portfolio equity investment. Nor is investment from the Gulf a new phenomenon. However, the arrival of Gulf investors linked to the new companies created by government fiat in Dubai or through sovereign wealth funds, themselves recent creations, was a genuinely new development.⁹

Such engagement was repeated in Lebanon and Syria, although here there was a greater reluctance to commit massive sums because of the continuing instability caused by the situation in Palestine and tensions between both countries and Israel. Similar constraints applied in Jordan, too, although there the government's unceasing search for external rents was partly assuaged by Saudi Arabia's continuing willingness to provide much of Jordan's 110,000b/d of crude at subsidised prices and a new agreement with Iraq for 10,000b/d of crude, rising soon to 30,000b/d at well below prevailing world prices. The United States, too, increased its aid by 43% up to 2011, consisting of \$360 million a year in economic assistance and \$300 million a year in military aid.¹⁰ North Africa, in short, has been the investment story of recent years, with Israel and Turkey following trends more typical of the developed world. There were even proposals by three Gulf banks last August to raise \$2.8 billion for two funds designed to stimulate further

investment in infrastructure and agriculture in the region.

In the past four months, such confidence has evaporated. The combination of the financial collapse in western capitals and the collapse in oil prices has now rolled into the Gulf and the South Mediterranean region. The threat it poses is already evident in gross domestic product (GDP) projections for 2009; 3.6% in Tunisia, 3.8% in Morocco (largely because an excellent harvest is expected, otherwise it would be far lower) and Tunisia, 5.4% in Egypt and 0.2% in Syria – all significantly lower than for previous years and likely to fall still further. The effect on investment and other capital inflows is likely to be even more severe. Although official aid may not be affected, remittances from Europe and the Gulf, crucial to countries such as Morocco and Jordan, are certainly going to be severely reduced as unemployment in Europe expands over the next year and as the Gulf States take precautions to protect themselves. Dubai and Bahrain, in particular, are vulnerable for they have limited oil reserves and have already begun to face the chill winds of recession. Yet even the major oil producers are worried as oil prices fall precipitously and the revenues to replenish the sovereign wealth funds decline. Nor are regional banks immune for both Abu Dhabi and Kuwait have already begun to make provisions to shore up bank liquidity.

The result of such concerns has already begun to show. There have already been heavy lay-offs of staff in the Gulf, particularly in Dubai, although both Qatar and Abu Dhabi have taken up some of the employment slack. However, at the same time virtually all the major development projects in the region are now on hold, except for the Tangier-Mediterranean project which is well advanced and Renault's plans for a car assembly plant. There are questions about the Bou Regreg project financing; the Algiers Bay project has stumbled against both Algerian legalism and continued financial commitment and there are growing concerns over the Tunisia lagoon proposals. Many smaller projects are also being suspended or delayed until the fog over global finances has cleared. This, of

course, has serious implications for the projects themselves but there are much wider implications as well for oil-rich states, especially given the collapse in oil prices. Both the World Bank and the United States Department of Energy have announced that the commodities boom of the past five years, which pushed up prices 140%, has come to an end and that oil consumption in the next two years will fall by up to 500,000b/d. This will mean ever weaker oil prices until demand improves but, for OPEC states that seek oil at \$75 per barrel, the immediate outlook is bleak.

It is particularly bleak for those oil exporters in the Middle East and North Africa which are high capital absorbers, states with large populations such as Iran, Iraq and Algeria, where oil revenues guarantee not just consumer supply and consumer subsidies but also the investment for growth. Foreign exchange reserves might be seen as a hedge against the hard times to come, but not every state has made such provision or, indeed could do so. Thus Iran, which was expected to have reserves of over \$100 billion now probably has only \$11 billion left because the Ahmadinejad government has subsidized consumption for the sake of electoral popularity. In Algeria, where the reserves are officially set at \$126 billion, leaks from within the regime suggest that they have already been heavily raided to preserve consumer prices and that the figure of \$37 per barrel used to calculate the level of budget revenues for 2009 is a vast underestimate in terms of the revenue flows that will actually be needed. In Iraq, the continuing crisis over the oil industry and the squabbling between central government and the regions will almost certainly mean that oil investment will stop and sales will decline. It is, perhaps, only the Gulf States that are really ready to weather the storm without too much danger and then only if they have vast oil reserves. Their budget surpluses are expected to fall to between 3 and 5% of GDP, compared to more than 20% in the recent past but they will have to redeem the reckless expenditure promises of the past.

Quite apart from the regional problems over future investment funding, the state of the

In Iraq, the continuing crisis over the oil industry and the squabbling between central government and the regions will almost certainly mean that oil investment will stop and sales will decline

MENA region must also face the fact that private investment flows in the wider world are also going to drastically decline. The World Bank has warned that it expects the fastest downturn in foreign direct investment since the Second World War. Growth rates in 2009 are expected to drop in the developing world from 7.9% in 2007 to only 4.5%. Indeed, if China and India are excluded from the figures, the actual decline in growth rates will be to around 2.9%. Investment growth in middle income economies – typical of the MENA region – will decline from 13.2% in 2007 to around 3.5% next year, whilst overall flows will fall from \$1,000 billion in 2007 to \$530 billion next year. For countries in which the proportion of the population which is economically inactive is high, such declines – even if they do not turn negative – have very serious implications in terms of living standards. And up to half of the populations of regional states are below the age of thirty, an age bracket that suffers particularly highly from unemployment.

The outcome of these declines in foreign investment, even if they do not result in net capital outflows, is bound to impact upon populations and governments very severely. It should not be forgotten that MENA states have suffered heavily over the past three years from the explosion in commodity prices, because of increased Chinese and Indian demand for commodities from oil to foodstuffs and because of America's sudden foray into food-based ethanol production. Allied to this has been the consequence of speculation on commodities as financial operators sought more secure havens for capital as the financial crisis worsened. This

led to widespread riots and unrest throughout the region – in Egypt, Tunisia, Morocco and Algeria. Now unemployment caused by the decline in investment and the recession, particularly in Europe, will intensify the misery caused by that consumer crisis. Even if governments seek to ease the pain through consumer subsidies, their freedom to do so will be severely constrained as their foreign exchange reserves fall – Morocco, for instance, calculates that it only has sufficient funding for consumer protection over the next year. When government support runs out, disaffection, violence and worse may follow.

In short, the past reliance on free trade and foreign investment as the twin-motors to revive the economic fortunes of the South Mediterranean world appears to have been misplaced. Despite the efforts of the past fifteen years, these countries appear to be as vulnerable as ever, never having achieved their investment objectives except in recent years because of Gulf generosity. Now that this has gone, held back by the harsh realities of global finance, they stand exposed with few alternatives on which to rely. The prescriptions of the past for economic liberalization and the exclusion of the state seem to have little to offer in the future and these states now stand at a threshold in which they must rebuild their futures or face worsening popular anger. As elsewhere in the world, this will see the state abandon its designated neo-liberal role as facilitator and return to its earlier role as economic actor. The only problem is that the states in the MENA region have so little with which to bolster their claim to such engagement.

1. Whilst this was true of Morocco and Tunisia, which began economic restructuring in 1983 and 1987 respectively, Algeria, where foreign debt was essentially due to loans raised under the Valorisation des Hydrocarbures (VALHYD) plan for the development of the liquefied natural gas industry in the 1970s and 1980s, resisted full IMF-style economic liberalization until 1994

despite a debt service equivalent to 78.8% of foreign exchange earnings in 1988 and 68.4% in 1991. It subsequently fell to 40% in 1999, 21% in 2001 and is forecast at 2% in 2007. See www.trade-info.cec.en.int?doclib/docs/2006/fed/tradoc.

2. The trade relationship with the North Mediterranean was such that

Europe has been by far the largest South Mediterranean market since the end of the colonial era and this pattern of dependence has increased over time. In 2002, for example, the MED-9 group of countries imported 30.57% of their total requirements from the EU and exported 26.18% of their total exports to the Union. The comparable figures for the MED-12

group were 45.57% and 53.81% (see Table 5). The MED-9 consists of Morocco, Algeria, Tunisia, Palestine, Egypt, Jordan, Israel, Lebanon and Syria. The MED-12 consists of these states plus Turkey, Malta and Cyprus – now MED-10 since Cyprus and Malta have joined the EU. There are no statistics included in these figures for Palestine.

3. Morocco, Algeria, Tunisia, Egypt, Jordan, Lebanon, Syria, Palestine, Turkey, Cyprus, Malta and Israel. The political and security provisions provided for cooperative regional security, respect for human rights and democratic governance, alongside cooperation over social matters and civil society. In economic terms, all the states enjoyed bilateral association agreements providing for free trade in industrial goods with the EU except Turkey, which had a customs union, and Israel which had a full free trade agreement. Libya had observer status from 1999 onwards and is currently negotiating a closer relationship with the Union. Since

Malta and Cyprus became full EU members in 2004, the number of participating states has dropped to ten.

4. Data available on ec.europa.eu/external_relations/euromed/docs/meda_figures_en.pdf.

5. Rules of cumulation or “rules of origin” are used to determine the formal nationality of a product when it is the result of manufacture in more than one country. This then determines the type of tariff barriers that the product will face upon export and, in the EMP, is crucial in determining when a product is considered to be manufactured within the free trade area or outside it.

6. Although the EMP had as its ultimate objective the integration of South Mediterranean markets, this was not expected to be complete before 2010 and was, furthermore, to be completed through spontaneous initiatives by the states themselves. Past attempts at integration, from a United Nations-

inspired initiative in the 1960s, through the ill-fated Treaty of Concord and Fraternity and the Arab-African Union in the 1980s, to the Maghrib Arab Union signed in Marrakesh in 1989, did not, however, inspire much confidence that they would be able to achieve this. The only active initiative to date, the Agadir Agreement between Morocco, Tunisia, Egypt and Jordan has yet to show significant benefits.

7. Business Monitor International, *North Africa Monitor*, London December 2008.

8. Business Monitor International, *East Med Monitor*, London December 2008 and January 2009.

9. N. Norbrook, *North Africa: Pumping in the Petrodollars*, in “The Africa Report”, December 2008-January 2009.

10. Business Monitor International, *East Med Monitor*, London December 2008.

STATISTICAL APPENDIX

Table 1. United States-Middle East Partnership Initiative (\$ million).

	2002	2003	2004	2005
Economic development	6	38	32	23
Political development	10	25	20	22
Educational development	8	25	22	14.4
Women’s empowerment	5	12	15.5	15
Totals	29	100	89.5	84.4

Source: mepi.state.gov/mepi.

Table 2. European Union MEDA support (€ million).

	MEDA I (1995-99)	Percentage paid	MEDA II (2000-06)	Percentage paid
Bilateral funding				
<i>Algeria</i>	164.0	18	338.8	42
<i>Palestine</i>	111.0	53	522.3	93
<i>Egypt</i>	686.0	23	592.5	117
<i>Jordan</i>	254.0	43	331.4	104
<i>Lebanon</i>	182.0	1	132.7	137
<i>Morocco</i>	660.0	19	980.1	94
<i>Syria</i>	101.0	0	179.7	51
<i>Tunisia</i>	428.0	39	517.6	95
Total bilateral	2,586.0	25	3,595.1	93
Regional funding	471.0	47	1,052.1	68
Total funding	3,057.0	29	4,647.2	87

Note: According to the MEDA budget projections, funding under MEDA I (1995-1999) was set at € 3,435 million, with an additional € 4,808 million in soft loans from the European Investment Bank. Funding under MEDA II (2000-2006) should have totalled € 5,350 million, with European Investment Bank loan funding up to 2007 of € 6,700 million.

Source: ec.europa.eu/external_relations/euromed/docs/meda_figures_en.pdf.

Table 3. European Neighbourhood and Partnership Instrument (constant 2004 prices).

Year	2007	2008	2009	2010	2011	2012	1013	Total 2007-13
€ million	1,433	1,569	1,877	2,083	2,322	2,642	3,003	14,929

Source: K. Smith, *The Outsiders: the European Neighbourhood Policy*, in "International Affairs", 81/2005, p. 760.

Table 4. Direct investments (€ billion).

	2001	MED-9	MED-12	2002	MED-9	MED-12
Flows	Inflow	0.4	1.2	Inflow	0.7	0.6
	Outflow	1.5	3.2	Outflow	1.3	4.0
	Balance	1.1	2.0	Balance	1.2	3.4
Stocks	Inward	4.1	7.9	Inward	4.6	8.5
	Outward	15.0	26.5	Outward	16.9	30.5

Note: In 2002, the MED-12 group provided 0.7% of the Union's inflows of direct investment and absorbed 3.07%.

Table 5. External trade.

a. Trade in services (€ billion).

2001	MED-9	MED-12	2002	MED-9	MED-12
Imports	13.1	20.4	Imports	11.3	19.3
Exports	11.5	14.2	Exports	10.4	13.4
Balance	-1.6	-6.1	Balance	-1.5	-5.9

Note: In 2002, the MED-12 group provided 6.31% of the Union's imports of services and absorbed 4.09% of its services exports. The MED-12 group represented 5.2% of the Union's total trade in services, compared with the MED-9 at 3.5%, America at 37.5%, Switzerland at 11.2% and Japan at 4.5%.

b. Trade in goods (€ billion).

		1980		1990		2002	
		MED-9	MED-12	MED-9	MED-12	MED-9	MED-12
European Union	Imports	13.0	14.7	20.3	27.7	43.0	66.3
	Exports	17.8	20.9	24.0	34.7	50.2	80.2
	Balance	4.8	6.3	3.7	7.0	7.3	13.3
	Share in European Union total (%)						
	Imports	4.6	5.2	5.0	6.9	4.3	6.8
	Exports	8.4	9.9	6.8	9.8	5.0	8.0
World	Imports	30.6	32.1	62.2	65.7	164.2	176.0
	Exports	24.0	24.6	41.4	43.0	113.4	123.2
	Balance	-3.3	-7.5	-12.7	-22.7	-28.1	-52.8
	Share in European Union total (%)						
	Imports	2.3	3.0	2.2	3.3	2.1	3.3
	Exports	2.2	2.4	1.6	2.3	1.7	2.5

Note: MED-12 trade with the European Union grew on average by 7.14% per year between 1980 and 2002. The MED-12 group generated 6.75% of the Union's imports in 2002 and absorbed 8.04% of its exports.

The South Mediterranean's trade dependence on Europe has not lessened significantly in recent years, indeed, if anything, it has increased. In 2002, 30.57% of MED-9 imports and 45.57% of MED-12 imports came from the EU which also absorbed 26.18% of MED-9 and 53.81% of MED-12 exports.

c. Trade by commodity (€ billion).

	Agricultural Produce	Energy	Machinery	Transport Materials	Chemicals	Textiles
MED-9						
Imports	3.0	16.4	3.8	0.8	2.6	7.0
Exports	4.5	1.1	12.3	5.8	6.7	4.7
Balance	1.5	-15.3	8.5	5.0	4.1	2.3
MED-12						
Imports	5.3	16.6	7.3	4.2	3.1	16.3
Exports	6.4	2.0	21.6	10.3	11.9	6.4
Balance	0.7	-14.6	14.3	6.1	8.8	-9.9

Note: The MED-9 consists of Morocco, Algeria, Tunisia, Palestine, Egypt, Jordan, Israel, Lebanon and Syria. The MED-12 consists of these states plus Turkey, Malta and Cyprus. There are no statistics included in these figures for Palestine.

Sources: www.trade-info.cec.eu.int/doclib/docs/2004/fed/tradoc_113276.xls.

www.trade-info.cec.eu.int/doclib/docs/2004/fed/tradoc_113468.xls.

Table 6. Inward direct investments (€ million).

	2000	2001	2002	2003	2004	2005	2006
Algeria	304	1,329	1,133	644	709	869	n.a.
Egypt	1,327	567	678	202	1,005	n.a.	n.a.
Israel	5,551	4,029	1,766	3,355	1,643	3,552	11,397
Jordan	931	155	80	387	526	1,235	2,489
Lebanon	n.a.	n.a.	n.a.	2,630	1,603	2,215	2,224
Morocco	463	3,130	510	2,049	720	1,278	2,213
Palestine	67	21	10	16	39	37	n.a.
Syria	292	123	122	141	223	398	n.a.
Tunisia	844	543	868	511	511	620	2,608
Turkey	1.053	3,612	1,203	1,537	2,326	8.080	15,721

Source: Eurostat, *Euro-Mediterranean Statistics*, European Commission, Luxembourg 2007, available on trade.ec.europa.eu/doclib/docs/2008/may/tradoc_138834.pdf.

Table 7. Global foreign direct investment flows (\$ million).

	Flows						Net Flows		
	FDI inflows			FDI outflows					
	2004	2005	2006	2004	2005	2006	2004	2005	2006
<i>World</i>	<i>742,143</i>	<i>945,795</i>	<i>1,305,852</i>	<i>877,301</i>	<i>837,194</i>	<i>1,215,789</i>	<i>-135,158</i>	<i>108,601</i>	<i>90,063</i>
Developed World	418,815	590,311	857,499	745,970	706,713	1,022,711	-327,115	-116,402	-165,212
Developing World	283,030	314,316	379,090	117,336	115,860	174,389	165,694	198,456	204,701
<i>Africa</i>	<i>18,018</i>	<i>29,648</i>	<i>35,544</i>	<i>2,059</i>	<i>2,272</i>	<i>8,186</i>	<i>15,959</i>	<i>27,376</i>	<i>27,358</i>
North Africa	6,616	3,528	23,324	167	464	834	6,449	13,064	22,490
<i>Latin America & Caribbean</i>	<i>94,290</i>	<i>75,541</i>	<i>83,753</i>	<i>27,762</i>	<i>35,743</i>	<i>49,132</i>	<i>66,528</i>	<i>39,798</i>	<i>48,010</i>
Brazil	18,146	15,066	18,782	9,807	2,517	28,202	8,339	12,549	-9,420
<i>Asia & Oceania</i>	<i>170,722</i>	<i>209,127</i>	<i>259,773</i>	<i>87,516</i>	<i>77,845</i>	<i>117,072</i>	<i>83,206</i>	<i>131,282</i>	<i>142,661</i>
West Asia*	20,839	41,554	59,902	8,078	13,413	14,053	12,761	28,141	45,849
South, East Asia	149,160	167,190	199,531	79,383	64,333	103,014	69,777	102,827	96,517
China	60,630	72,406	69,468	5,498	12,261	16,130	55,132	60,145	53,338
India	5,771	6,676	16,881	2,179	2,495	9,676	3,592	4,181	7,205
<i>East Europe & CIS</i>	<i>40,258</i>	<i>41,169</i>	<i>69,283</i>	<i>13,995</i>	<i>14,620</i>	<i>18,689</i>	<i>26,263</i>	<i>26,549</i>	<i>50,594</i>
Russia	15,444	12,766	28,732	13,782	12,763	17,979	1,662	3	10,753
MENA	27,455	45,082	83,226	8,245	13,877	14,887	19,210	41,205	68,339

Notes: *Middle East, excluding Israel but including Turkey, with net flows of \$2,024 million in 2004, \$8,725 million in 2005 and \$19,186 million in 2006. If Turkey is excluded, the MENA figures for net flows drop to only \$17,186 million for 2004, \$32,480 million and \$49,153 million.

Source: UNCTAD, *World Investment Report 2007*, United Nations, New York and Geneva 2007, available on www.unctad.org/en/docs/wir2007_en.pdf.



The political dialogue

UNION FOR THE MEDITERRANEAN: THE POLITICAL AND SECURITY AGENDA

Álvaro de Vasconcelos

*Is the Union
for the
Mediterranean
the necessary
stimulus to give
new impetus
to Euro-
Mediterranean
relations?
What needs to
be done to
achieve this
objective in the
political and
security field?*

A little discussed aspect of the Union for the Mediterranean (UfM) is its political and security agenda. However, much of what needs to be done in the region, including in the area of social-development, depends on it. This is certainly true for regional cooperation, a hostage of the lack of progress in the Middle East peace process, and of other regional crises. Regional cooperation moreover depends on the success of economic reforms, which would follow rule of law reforms.

The difficulties of the Barcelona Process over the years have been due to the deadlock in political cooperation among the states of the region: did those difficulties disappear with the diplomatic success of the 13 July Paris Summit? Is the UfM the necessary stimulus to give new impetus to Euro-Mediterranean relations? What needs to be done to achieve this objective in the political and security fields?

To answer these questions, one must bear in mind the real difficulties faced by the Barcelona Process in achieving the goal of creating an area of peace, development and democracy, established in 1995. For most analysts it is obvious that the main difficulties of the Euro-Mediterranean Partnership (EMP) are political in nature. They can be reduced to the persistence of serious crises, exacerbated by the Iraq and Lebanon wars, and to the lack of progress in increasing the political convergence between the two shores of the Mediterranean.

The Israeli-Palestinian conflict, which seemed to move towards a settlement, following the Oslo peace process and the Madrid conference, has been deteriorating

over the last decade. After the failure of Camp David at the end of the Clinton administration, President Bush abandoned all diplomatic initiatives until the last year of his mandate. According to Aaron David Miller and Robert Malley, the Bush administration has not only abandoned the peace process, but also contributed to the deepening of the divisions within the Palestinian political forces when it refused to recognize Hamas' victory in the 2006 elections: «Since Hamas's electoral victory, US policy has helped strengthen radical forces, debilitate Palestinian institutions, undermine faith in democracy, weaken Abbas and set back the peace process».¹ The tensions in the Middle East have seriously worsened, primarily with the war in Iraq and subsequently with the 2006 Israeli-Lebanese war. A war, it should be remembered, that involved two states of the Mediterranean Partnership.

In the Maghreb, the Western Sahara conflict and its consequences for Algeria-Morocco relations – the border between the two countries has been closed since August 1994 – undermined the regional dynamic created by the Arab Maghreb Union in the 1980s. It is certainly not enough to state that the purpose of the Barcelona Process was not to settle regional conflicts; a Euro-Mediterranean community, or Union, however, cannot be built unless these conflicts are solved. Furthermore, the protracted conflict in the Middle East has made political cooperation between the member states of the Partnership in the multilateral framework extremely difficult.

The construction of a Euro-Mediterranean community of democratic states is the grand

project, coherent with the principles and values set out in the Barcelona Declaration. Nonetheless, very limited progress in relation to democratic reforms has been seen over the last 15 years in most Southern Mediterranean countries. Some examples of political liberalism exist, as in Morocco, Jordan or Lebanon, despite the serious political problems the latter is confronted with. In most of the remaining countries, political reforms have stagnated and there are even cases of regression. The lack of democratic progress is justified by the majority of statesmen from Southern Mediterranean countries by the need to contain the spread of political Islam – an objective that is supported by the majority of the Union member states. In the meantime, the European attitude towards political Islam has begun to change, with an increased understanding of the consequences of maintaining the *status quo* and the need to support a process of gradual reform.

An important *acquis* in the preparation of the 2005 Summit was the European Commission's acknowledgment that the inclusion of democracy and fundamental rights on the agenda was critical. However, this position found little support among most Southern Mediterranean states and among many Europeans. If any progress occurred in Euro-Mediterranean relations in the field of political reforms, it is on the bilateral dimension of the Neighbourhood Policy. In short, what many states of the South object to is the political conditionality principle, which is an essential component of the communitarian method and the basis of the success of the democratic inclusion of the European continent. They were opposed even to its moderate application in Euro-Mediterranean relations. They also disagreed with the growing differentiation introduced by the European Neighbourhood Policy (ENP). This allows those willing to implement the necessary reforms to advance further in economic and political integration with the EU, as happened last October when Morocco achieved advanced status relations with the EU member states.

It is fundamental to move forward as the lack of prospects of joining the Union, together with the lack of clarity about ENP's

ultimate goals, are major reasons why the political conditionality of the ENP has so long been ineffective.

It is clear that with the UfM some European states wish to give an answer to the criticism about the unilateral character of the political conditionality approach. In order to make up for the perceived lack of "ownership" of the process by the Southern Mediterranean partners, a co-Presidency and the creation of a permanent Secretariat were decided. The project was reformed and now integrates the communitarian framework. The 13 July declaration states without ambiguities: «The Barcelona Process: Union for the Mediterranean, building on the Barcelona Declaration and its objectives of achieving peace, stability and security, as well as the *acquis* of the Barcelona Process, is a multilateral partnership with a view to increasing the potential for regional integration and cohesion».²

Having been absorbed by the Barcelona Process, the UfM initiative not only will face the same challenges but will also carry the burden of a certain heritage from the initial Mediterranean Union process. These challenges may make the UfM capacity to truly renew Euro-Mediterranean relations more difficult.

Neither the Middle Eastern conflicts, nor the existing tensions and disputes in the Maghreb magically vanished on 13 July. Indeed, the whole controversy surrounding the formula used in the final declaration to refer to the Israeli-Palestinian question demonstrates the point. The Palestinians declared that they were not informed in advance of the content of the final text and objected that the traditional two-state solution to the Israeli-Palestinian conflict was not mentioned. The Marseille ministerial conference, held last November, corrected this situation, reaffirming the traditional approach. But the issue of democratic reforms, the attitude towards political Islamism and the question on how to make immigrants and their communities full actors in the Euro-Mediterranean process of inclusion remained unsolved.

A legacy of the Mediterranean Union project is the complicated question of

The aim is the construction of a Euro-Mediterranean community of democratic states, but very limited progress in relation to democratic reforms has been seen over the last 15 years in most of the Southern Mediterranean countries

The Union needs to define a foreign policy that is consistent with its fundamental values and that cannot be reduced to the Partnership

making the co-Presidency system work, and ensuring that the new Secretariat, which will operate in Barcelona, does not weaken the Commission's role. The first steps of the co-Presidency system have been difficult due to the absence of a political cooperation mechanism among the Southern Mediterranean states that could make the decision-making process more flexible. The paralysis of the process that may result could be further aggravated by the fact that Egypt – which is providing the southern presidency for the first two years – will also represent the non EU-member European countries. The latter joined the Barcelona Process after the Paris Summit, but the EU remains the appropriate framework for solving their problems.

For all these reasons the Paris Summit can be considered a diplomatic success: it preserved the political *acquis* of Barcelona, a result which was by no means guaranteed at the outset. But the most important steps remain to be taken. The Union needs to define autonomously a foreign policy that is consistent with its fundamental values. This policy cannot be reduced merely to the Partnership; on the contrary it has to allow for a wider European involvement in the fields of crisis resolution, support for democratic transformations and protection of human rights.

As for the new United States President, Barack Obama, he must make the Middle East a top priority from his first day in office,

and this means first and foremost accepting to speak with Hamas. The Islamist movement that won the elections needs to be integrated into the peace process. This evolution of the US position would certainly be facilitated if the European Union started a discussion with Hamas on the conditions for taking the movement off the list of terrorist organizations. This would certainly be the initiative with the strongest impact on Euro-Mediterranean relations that the EU can take; it will not be easy to find a consensus among the EU member states, but starting the process would be a step forward and significantly influence Southern Mediterranean public opinion. But, above all, the success of the UfM depends on the ability to find the political support of civil societies in both the EU and Southern Mediterranean countries, and consequently to achieve the goals established in 1995. This means that interaction and cooperation between the various political, economic and civil society actors, from Europe and from the southern partners, should be strengthened, on the basis of their shared interests: human rights, social cohesion and environmental protection. As the EU Institute for Security Studies report prepared for the Paris Summit states: «Those shared affinities are the only solid basis for Euro-Mediterranean interaction and cooperation».³ This is the plural cooperation that the political stimulus of the Paris Summit is expected to facilitate.*

1. See R. Malley, A. D. Miller, *West Bank First: It Won't Work*, in "The Washington Post", 19 June 2007. It must be acknowledged that both served in the Clinton administration.

2. See *Joint Declaration of the Paris Summit for the Mediterranean*,

Paris, 13 July 2008, available on www.ue2008.fr/webdav/site/PFUE/shared/import/07/0713_declaration_de_paris/Joint_declaration_of_the_Paris_summit_for_the_Mediterranean-EN.pdf.

3. See *Union for the Mediterranean, building on the Barcelona Acquis*,

ISS Report 1, May 2008, Paris.

* This is an updated version of a text first published in Spanish: Á. de Vasconcelos, *El día después de la cumbre*, in "Akfar/Ideas", 19/2008, pp. 40-42, available on www.afkar-ideas.com/?page=summary&id=3872#.

THE CRUMBLING BRIDGE

Can migration again be turned into an asset for Euro-Mediterranean relations?

Ferruccio Pastore

The Mediterranean region represented a vital demographic reservoir for post World War II European reconstruction and the subsequent economic boom. While the Iberian and Italian peninsulas progressed in their demographic and migratory transitions, countries on the eastern and southern shores gradually emerged as vital recruitment basins: since the 1950s, all through the 1960s and early 1970s, migration from Yugoslavia, Turkey and North Africa crucially fed Western European labour markets. But over the last thirty years, human mobility across the Mediterranean has radically changed: from a welcome economic reality to a disturbing social phenomenon. The social, economic and cultural bridges that have been built through migration across the decades are now in a poor state. Nevertheless, and in spite of the intensive, increasingly coordinated and successful European efforts to control and stem flows, migration remains one of the key Euro-Mediterranean connecting factors. Although neglected in the early phases of Euro-Mediterranean cooperation migration is now becoming prominent in the political relations between the two regions.¹ But the issue is still being framed in very partial and often ideologically distorted terms. The aim of this brief paper is to assess the role of migration in the current Euro-Mediterranean relations and to weigh concrete opportunities for a strongly needed strategic change.

The threat from the sea: how media are shaping Euro-Mediterranean perceptions

In a country like Italy, unquestionably one of the most geographically exposed to unauthorised cross-Mediterranean migration among EU member states, the latest Ministry

of the Interior's estimates point out that, in fact, only 13% of all undocumented migrants arrive by sea.² Many more are those who make it either by overstaying a short-term visa (64% of the total, in 2006) or by other fraudulent means, such as false work contracts or forged passports (23%). Even on a European scale and in absolute numbers, the phenomenon of clandestine maritime migration to the EU is limited: in 2007, there were less than 50,000 arrivals, which is certainly less than 10% of the overall yearly irregular intake.³ In spite of its relatively limited dimensions, irregular immigration⁴ across the Mediterranean is a major catalyser of media attention and collective imagination. In the Italian case, peaks of media coverage of migration issues are systematically associated with mass crossings and the oft associated maritime tragedies.⁵ But the vicissitudes and sufferings of contemporary boat people from Africa to Europe are a well-sold journalistic product not just in Southern Europe: to give a recent and prominent example this year's European Parliament Prize for Journalism was awarded to an article by Pete Pakarinen for the Finnish website "Verkkouutiset", describing the hardships of East African migrants in Malta.⁶ Why has undocumented maritime migration to such minimal geographical appendixes of the EU's territory such as the Sicilian island of Lampedusa, the Canary Islands, Malta, Cyprus and the Eastern Cyclads become such a central icon of contemporary immigration to Europe? One possible answer is that this type of migration, although quantitatively marginal, gains political relevance because it is highly concentrated in peripheral (and, in general, relatively poor) regions of the EU; as such, it raises thorny political questions about who should bear the costs of

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European integration and gives ground to ever stronger claims for burden sharing by border states. But a deeper reason why these contemporary boat people have become the symbol *par excellence* of Mediterranean migration to the EU is probably the fact that they embody at best an image of immigrants as ambiguous and two-faced figures – simultaneously and almost indistinguishably “perpetrators and victims” – which is becoming dangerously widespread in European public discourse. In most journalistic and many pseudo-scientific accounts irregular migrants by sea are confusedly portrayed, on the one hand, as “perpetrators”, i.e. smugglers, often disregarding the concurring responsibility of the corrupt state apparatuses of some of our North African partners (and essential energy providers). On the other hand, boat people are depicted as “victims”, but in purely humanitarian terms, without drawing serious political conclusions from the unacceptably high death toll associated with the reinforcement and externalisation of migration controls around the EU (see Figure 1).

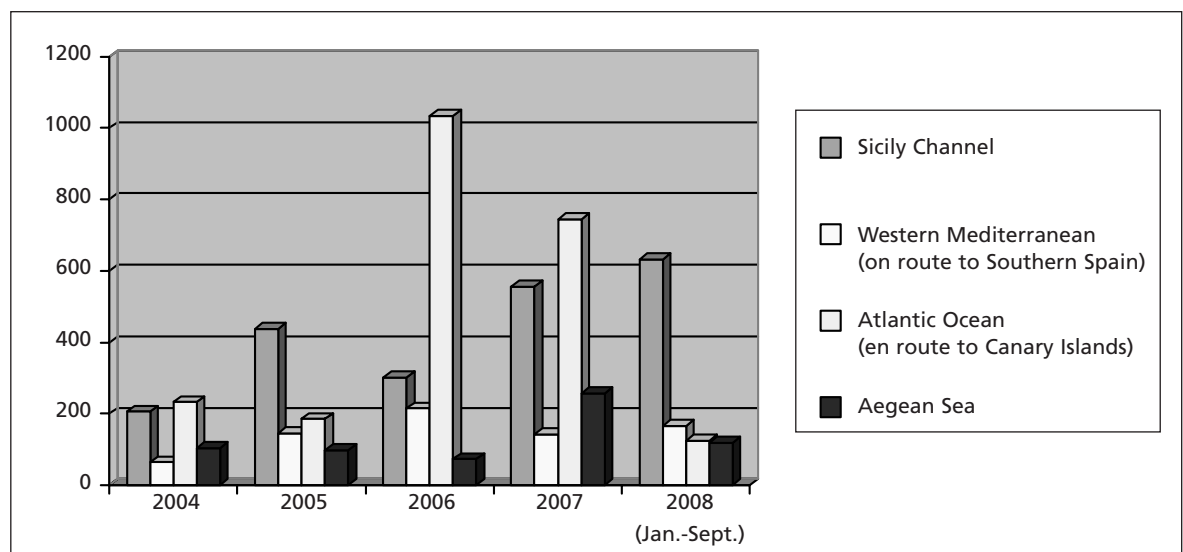
maritime human smuggling by the mass media carries with it an idea of powerlessness of European states in front of unplanned and unwanted immigration. This is largely a myth. We have already stressed the relatively limited number of apprehensions upon disembarkation at EU maritime borders as compared with the total number of irregular migrants’ apprehensions and with the estimated total undocumented foreign population in the EU. The peak of 49,999 crossings to Italy in 1999, largely a side effect of the Kosovo war which boosted demand and prices thereby rejoicing Albanian smugglers, has never been reached nor even approached ever since. In the Spanish case, the record number of 32,000 irregular arrivals in 2006 was met neither in 2007 (18,000 arrivals) nor in the first months of 2008 (10,000 arrivals from January to September).⁸ Besides numbers, what is more revealing when investigating the effectiveness of migration controls in the Mediterranean is the geography of maritime irregular migration. Since the early 1990s, this has been all but static (Figure 2).

The successful build-up of Fortress Europe’s southern wall

In political terms, the emphatic coverage of

Two main factors have been driving this evolution in the irregular migration routes: on the one hand, shifts in push factors have certainly played a role. For instance, the relatively rapid Albanian way out of the

Figure 1. Migrants reported dead and missing at (or approaching) European borders (2004-08).⁷



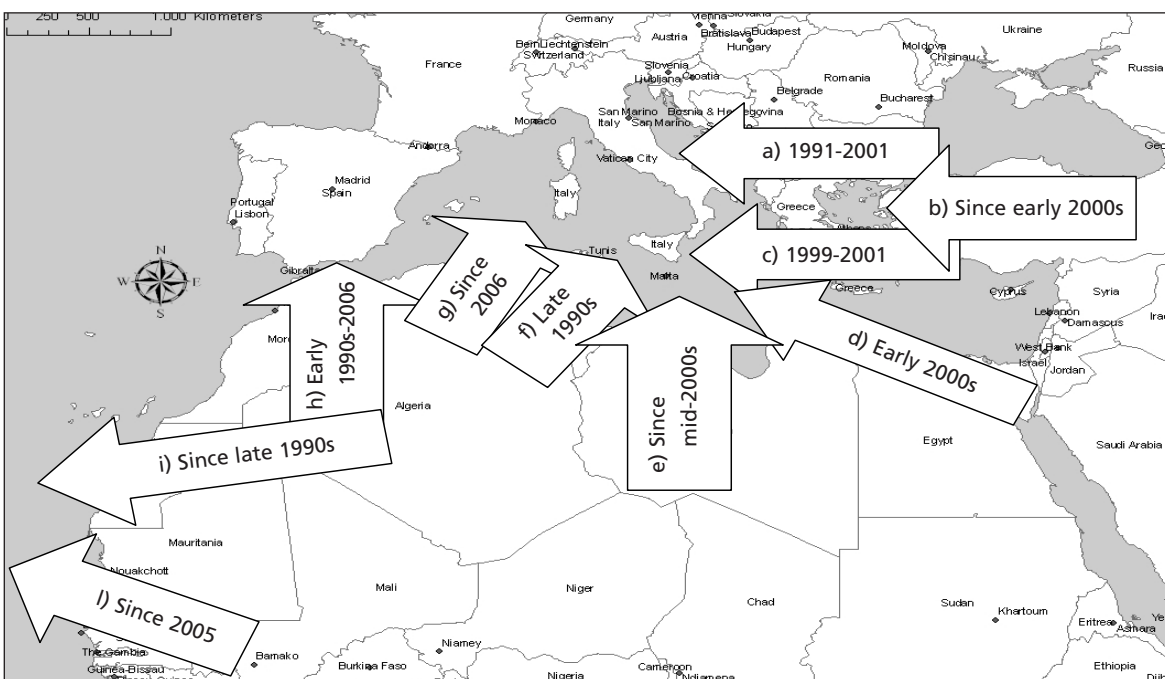
Source: Fortress EUROPE

1999 crisis has greatly contributed to the draining of irregular migration flows across the Adriatic. On the other hand, however, a decisive role was played by control policies, and particularly by the constant efforts of some member states and (more recently) of EU institutions to reinforce bilateral and multilateral cooperation with sending and transit states in the field of migration law enforcement. A complex network of readmission and police agreements was set up, matched by a whole set of legislative measures and administrative programmes in several key countries on the eastern and southern shores of the Mediterranean. The gradual build-up of migration controls in the region, based on an ever stronger “migration conditionality” imposed by European states and EU institutions was successful. As a matter of fact, important and well-established sub-regional smuggling markets were cut down or totally suppressed by gradually making them riskier and less profitable through enhanced law enforcement. As a result, as emphasized above, the

currently open cross-Mediterranean irregular migration routes are limited both in geographical scope and in capacity. Obviously, these achievements of international cooperation are not once and for all. For instance, direct arrivals to Southern Italy from the Egyptian coast, which had first been increasing and then curtailed in the early 2000s, have resumed – although in limited numbers – in the last couple of years.⁹ However, the broader meaning of the map shown below is clear: the southern maritime borders of the European Union were dramatically reinforced, through an expensive and complex mix of technical and political means, over the last couple of decades. In a law enforcement perspective, cracks and gaps obviously still remain (and it would indeed be foolish to expect a 100% effectiveness in this particular field, when this is generally not expected in any area of policing). But altogether, one can say that a strategic effort to seal the southern side of the EU from unwanted immigration has come close to full success.

The currently open cross-Mediterranean irregular migration routes are limited both in geographical scope and in capacity

Figure 2. Evolution of smuggling routes in the Mediterranean.¹⁰



Legend: a) Albania-Apulia (Otranto Channel); b) Turkey-Greek Islands (Cyclads); c) Turkey-Southern Italy (Apulia, Calabria and Sicily); d) Egypt-Southern Italy (Calabria and Sicily); e) Libya-Sicily; f) Tunisia-Sicily; g) Algeria-Sardinia; h) Northern Morocco-Southern Spain (Andalucia); i) Southern Morocco/Western Sahara-Canary Islands; l) Western Africa (Mauritania, Senegal, Guinea Bissau and other countries)-Canary Islands.

Table 1. Percentage of Africans in total stocks of legal immigrants (holders of valid stay permit), selected years (end of each year).

	1991	1996	2000	2003	2006	2007
Italy	35.0	28.7	28.1	23.8	23.6	n.a.
Spain	n.a.	18.3	29.2	26.3	23.5	21.1

Sources: for Italy, Ministry of the Interior; for Spain, Ministry of Labour and Immigration.

North African countries (and some Middle Eastern countries, like Turkey) are not just countries of origin for (irregular) migration flows to the EU any more. They have also become areas of departure for migrants (and theatre of operations for smuggling organisations) issuing from farther places, either in Africa or Asia

From a geopolitical point of view, the historical trend towards a greater cross-Mediterranean migratory closure is particularly significant, because it took place in a period in which the EU as a whole has been increasing its overall migratory intake, largely by opening its doors to labour mobility from Eastern Europe.¹¹ In other words, one can reasonably argue that, since the fall of the bipolar order in 1989-91, Western Europe has been closing itself in relative terms to human mobility from the South while opening to the East. Cross-Mediterranean migration systems, which had been playing a crucial role from the 1960s till the early 1990s, slowed down their growth while other migration system (not just from Central, Eastern and South-Eastern Europe, but also from Latin America) were booming. This is particularly evident when looking at the composition of the immigrant stocks in Italy and Spain, which have been among the largest importers of foreign labour in the EU since the beginning of the 21st century (Table 1).

Geopolitical metamorphoses: North Africa from sending to transit space

The restructuring of the European mobility space which we summarized with “more closure to the South, more opening to the East” is a long-term trend, which obviously does not cancel well-rooted, powerful and persisting cross-Mediterranean migration systems (linking, for instance, the Maghreb with Latin Europe, Turkey with German-speaking Europe or, at a smaller scale, Egypt with Italy). However, if the southern and eastern shores of the Mediterranean basin used until recently to be perceived “exclusively as migrant-sending regions” by

European states and institutions, this is no more the case.

Statistics on the nationality of undocumented migrants apprehended upon landing on south European shores (or rescued during the crossing) are certainly not very reliable: as a matter of fact, a false nationality can be declared in order to have more chances in the asylum procedure. But such statistics nevertheless provide essential insights on the composition of irregular cross-Mediterranean flows and, in particular, they clearly point out to an increase in the share of Sub-Saharan Africans among migrants landing on EU coasts (or transferred there after being rescued at high sea) since the beginning of the 2000s. In Italy, such share was a mere 3.8% in 2001 but it had reached almost 25% in 2006. As for the Spanish case, a slim 11.8% of the migrants landing in the Canary Islands in 1999 declared to be from Sub-Saharan Africa (as opposed to 88.2% of Moroccans), while this percentage had skyrocketed to 86.8% in 2004 and has probably further grown since.¹²

These figures reveal a new phenomenon: North African countries (and some Middle Eastern countries, like Turkey) are not just countries of origin for (irregular) migration flows to the EU any more. They have also become areas of departure for migrants (and theatre of operations for smuggling organisations) issuing from places farther afield, either in Africa or Asia.

In the policy discourse, this emerging type of international mobility has quickly and ever more widely been labelled, starting at least from the end of the 1990s, as “transit migration”. The use of such terminology generally implied – even in the absence of any serious and systematic study of these new and quite heterogeneous migrants’

trajectories – that these were persons temporarily entering some “transit country” in the European Union’s neighbourhood with the deliberate aim to continue their trip irregularly into the Schengen zone. In this context, «the term transit migration has become a political code for unwanted and often irregular immigration to the European Union. Notably countries that are labelled transit countries are held responsible by the European Union for unwanted migration from poor distant countries. And as such transit migration resembles a war cry that is directed at the neighbouring countries of the EU Transit Zones that are expected to keep this migration off EU territory». ¹³ What is essential from the point of view of this brief essay is the fact that EU neighbours, and especially North African governments, have not rejected the political construction hinged upon such a vague generalization of the concept of transit migration. On the contrary, ruling elites – from Rabat to Algiers, from Tripoli to Cairo and beyond – rapidly realised how interesting political opportunities were embedded in the emerging “transit paradigm”. By accepting (and, in some cases, even by autonomously emphasising) their new geopolitical situation as “transit countries”, North African states have been able to raise their negotiating power with the EU and its members and thereby gain access to new funding sources. In the meantime, by stressing this new role, several Arab regimes have been able to draw internal and international attention away from the complex and largely unresolved issues connected with their (still predominant) position as countries of origin (such as in the cases of Egypt, Morocco and now also Algeria)¹⁴ or of immigration countries in their own right (such as in the case of Libya).¹⁵

Cross-Mediterranean “legal” immigration: just a rhetorical counterbalance?

All Arab-Muslim countries are currently undergoing an accelerated demographic transition: fertility rates have dropped and population growth rates are slowing down almost everywhere. The transition is

particularly rapid in North Africa, i.e. in the main region for sending Arab migration to Europe.

According to some authoritative and encouraging analyses, such deep structural evolution will in the long term inevitably foster cultural and political convergence with the world’s most advanced democracies and with the EU in particular.¹⁶ In the short and medium term, however, economic growth and wider progress in human development in the region remain totally insufficient in giving enough economic and social opportunities *in loco* to the numerous and ever-increasing young generations.¹⁷ This explains why both present emigration and prospective migratory pressure from most Arab countries are still on the rise. As aptly summarized by Philippe Fargues:

«If we consider the structural factors there is every probability that emigration from the Arab countries will continue and will increase in the coming years. The external factors — the growth of the economic disparities between the non-oil-producing Arab countries (but not Turkey), and the destination countries of their migrants; Europe’s call for immigrant workers to maintain the size of its active population and to compensate for the arrival of smaller generations at working ages; and the labour demand of the Gulf countries where the increase in oil prices is translated into the growing demand for construction and services — will all remain in place at least for the coming decade. There is also the risk posed to the weak economies of the countries on the southern shore by the planned free trade area in the Mediterranean in application of the association agreements with the European Union in the framework of the Barcelona process. The internal factors of emigration (the “push” factors) will continue to play. They are a combination of demographic pressure on labour markets, unemployment and under-employment, low pay, etc. set against the backdrop of a deficit of governance. This creates a vicious circle from which the Arab countries (but not Turkey) are unlikely to emerge in the immediate future». ¹⁸

The problem is that, in spite of a growing awareness of the economic and

All Arab-Muslim countries are currently undergoing an accelerated demographic transition: fertility rates have dropped and population growth rates are slowing down almost everywhere. The transition is particularly rapid in North Africa, i.e. in the main region sending Arab migration to Europe

This persistent European political distrust of labour immigration hits African (including North African) migrants comparatively harder, in a context of EU expansion to the East and relative closure to the South as the one already mentioned

demographic need for more legal migration, the vast majority of European governments are still reluctant, mainly for political reasons, to open up their labour markets to third country nationals. At a broad rhetoric level, there is a shared belief that – as solemnly inscribed in the Preamble of the European Pact on Immigration and Asylum adopted by the European Council on 15 and 16 October 2008 – «the hypothesis of zero immigration is both unrealistic and dangerous». But, in practice, the EU member states which are actively pursuing a large-scale policy of legal immigration, i.e. not one limited to a narrow layer of very highly skilled personnel or to seasonal workers, are still a tiny minority (and a decreasing one, if one considers, for instance, the recent restrictive shift in Italian policy).

This persistent European political distrust of labour immigration hits African (including North African) migrants comparatively harder, in a context of EU expansion to the East and relative closure to the South as the one already mentioned. The political climate in the EU also affects the qualitative composition of current migration from Southern and Eastern Mediterranean countries (Third Mediterranean Countries, TMC) to the EU: «Only 10% of first generation migrants from Arab countries and Turkey to Europe are university graduates, but this figure rises to 58% for those emigrating to Canada and the USA.

This is explained by the immigration policies followed by the two sides of the Atlantic: which attracts qualified labour in North America, and blocks labour migration in Europe».¹⁹

In this context, the formal European engagements to widen Euro-Mediterranean legal migration channels, reiterated during the First Euro-Mediterranean Ministerial Meeting on Migration, held in Albufeira (Portugal) on 18 and 19 November 2007, still do not sound credible.²⁰

In this respect, the recent tightening of admission taps as a response to the burst of the housing bubble in the most open of all EU countries for North African migration, namely Zapatero's Spain, is a sign which does not allow for much optimism. More broadly, the recession looming all over Europe is already hitting "immigrant jobs" among the first and therefore reducing even further the scope for any active immigration policy.²¹

To conclude, it is worth mentioning also another political indicator showing that legal migration has little chance of gaining importance in Euro-Mediterranean relations, at least in the short and medium term. It is the fact that migration, initially indicated as one of the main items of the French initiative for the creation of an *Union Méditerranéenne*, has then been pragmatically scaled down as a priority in the concrete design of the "Union for the Mediterranean".²²

1. See F. Pastore, *Aeneas' Route. Euro-Mediterranean Relations and International Migration*, in S. Lavenex, E. Uçarer (eds.), *Externalities of Integration: The Wider Impact of the Developing EU Migration Regime*, Lexington Books, Lanham 2002, pp. 105-23.

2. Ministry of the Interior, *Rapporto sulla criminalità in Italia. Analisi, Prevenzione, Contrasto*, available on www.interno.it/mininterno/export/sites/default/it/assets/files/14/0900_rapporto_criminalita.pdf, June 2007, p. 336.

3. In 2006, the last year for which aggregate statistics are available at EU level, there were 516,195 apprehensions of irregular migrants all over the European Union (see European Commission, *A Common Immigration Policy for Europe*, MEMO/08/402, Brussels, 17 June 2008, available on europa.eu/rapid/pressReleasesAction.do?reference=MEMO/08/402).

4. In the context of this paper, the adjective "irregular" is preferable to the less neutral term "illegal", even if the latter has lately become predominant in the official EU

discourse. Given the mixed nature of cross-Mediterranean migratory flows, which include both clandestine economic migrants and legitimate forced migrants (i.e. refugees), the entirely negative term illegal is not just questionable from an ethical point of view, but also inappropriate in a legal perspective.

5. For Italy, see Ministry of the Interior, *1° Rapporto sugli immigrati in Italia*, December 2007, available on www.interno.it/mininterno/export/sites/default/it/assets/files/15/0673_Rapporto_immigrazione

_BARBAGLI.pdf, in particular Chapter XIV.

6. Pete Pakarinen, *A Thousand Bucks for a Hazardous Sea Voyage* (English version available on www.europarl.europa.eu/eplive/expert/multimedia/20081027MLT40665/media_20081027MLT40665.pdf).

7. These estimates are based on a systematic screening of different media sources. For an alternative (and more scientific, although geographically limited) counting method, see J. Carling, *Migration Control and Migrant Fatalities at the Spanish-African Borders*, in "International Migration Review", 2/2007, pp. 316-43.

8. See the table with "key facts and figures" at page www.unhcr.org/cgi-bin/texis/vtx/asylum.

9. See Monzini, *Il traffico di migranti*, cit., pp. 33-36.

10. This map summarizes the main findings of a years-long line of research condensed in the following publications: F. Pastore, P. Romani, G. Sciortino, *L'Italia nel sistema internazionale del traffico di persone. Risultanze investigative, ipotesi interpretative, strategie di risposta*, Working Paper 5, Commissione per le Politiche di Integrazione degli Immigrati, Dipartimento per gli Affari Sociali, Rome 2000; P. Ronzini, F. Pastore, G. Sciortino, *L'Italia promessa. Geopolitica e dinamiche organizzative del traffico di migranti verso l'Italia*, Centro Studi di Politica Internazionale (CeSPI) Working Papers, 9/2004, www.cespi.it/PASTORE/Wp9-cnr.pdf; P. Monzini, F. Pastore, G. Sciortino, *Schengen's Soft Underbelly? Irregular Migration and Human Smuggling across Land and Sea Borders to Italy*, in "International Migration", 4/2006, pp. 95-119; P. Monzini, *Sea-Border Crossings: The*

Organization of Irregular Migration to Italy, in "Mediterranean Politics", 12/ 2007, pp. 223-44; P. Monzini, *Il traffico di migranti per mare verso l'Italia. Sviluppi recenti (2004-2008)*, CeSPI Working Papers, 43/2008, available on www.cespi.it/WP/WP43-Traffico-Monzini.pdf.

11. Cfr. M. Cvajner, G. Sciortino, *Dal Mediterraneo al Baltico? Il cambiamento dei sistemi migratori italiani*, in R. Catanzaro, Giuseppe Sciortino (eds.), *La fatica di cambiare. Rapporto Cattaneo sulla società italiana*, Il Mulino, Bologna 2009 (forthcoming).

12. L. Coslovi, *Brevi note sull'immigrazione via mare in Italia e in Spagna*, CeSPI Research Notes, January 2007, available on www.cespi.it/PDF/mig-mare.pdf.

13. F. Düvell, F. Pastore, *Transit, Migration and Politics: Trends and Constructions on the Fringes of Europe*, A Summary paper written for the EU Network on International Migration, Integration and Social Cohesion (IMISCOE) and COMPAS, 2008, available on www.compas.ox.ac.uk/publications/papers/Duvell%20transit%20IMISCOE%20report.pdf. For a penetrating critique of the concept of transit migration, see F. Düvell, *Crossing the Fringes of Europe: Transit Migration in the EU's Neighbourhood*, Working Paper 33, Centre on Migration, Policy and Society (COMPAS), University of Oxford 2006; a broad description of transit dynamics in the European neighbourhood, including the in Mediterranean space, is provided by the papers presented at the international IMISCOE conference on "Transit Migration in the European Space" (Istanbul, 18-19 April 2008), available on www.compas.ox.ac.uk/events/past_conferences_events.shtml.

14. On this under-researched, but increasingly important case, see now A. Bensaâd, *Les migrations subsahariennes en Algérie*, CARIM Rapports de recherche 2008/01, Robert Schuman Centre for Advanced Studies, European University Institute, Florence, available on www.eui.eu/RSCAS/e-texts/CARIM-RR_2008-01.pdf.

15. On the Libyan case, of particular strategic relevance for the geopolitics of migration in the Mediterranean basin, see F. Pastore, *Libya's Entry into the Migration Great Game. Recent Developments and Critical Issues*, in V. Guiraudon (ed.), *The External Dimension of Immigration and Asylum Policies in Europe*, Berg Publishers, forthcoming; on recent developments in Italian-Libyan relations: *Migrazioni e relazioni italo-libiche. Come uscire da questa impasse*, CeSPI policy brief, June 2008, available on www.cespi.it/PDF/Pastore-Tripoli%2018-6-08_.pdf. The bilateral relations between the two neighbours have recently experienced a crucial evolution, with the signature, on 30 August 2008, of the "Friendship, Partnership and Cooperation Treaty between the Italian Republic and the Great Arab Libyan Popular Socialist *Jamahiriyya*" (text available on www.repubblica.it/2008/05/sezioni/esteri/libia-italia/testo-accordo/testo-accordo.html). This landmark agreement can be seen as an historical accomplishment of a years-long process of externalisation of migration controls from Italy to Libya: article 19, in particular, ensures that 50% of the resources necessary to set up a new system for the surveillance of Libyan land borders will be supplied by the Italian government; as for the remaining 50%, the two partners will jointly

ask the European Union to meet these additional costs.

16. Y. Courbage E. Todd, *Le rendez-vous des civilisations*, La République des Idées-Seuil, 2007. See also Y. Courbage, *Demographic Changes and Perspectives in the Southern Mediterranean Region*, in *Med.2007. Anuari de la Mediterrània*, Institut Europeu de la Mediterrània (IEMED), Barcelona 2007, pp. 35-39.

17. For the study of the complex relations between human development, economic growth and (social and geographical) mobility in the Arab societies, an essential source is still provided by the first series (2002-05) of UNDP's Arab Human Development Reports (ADHR; www.arab-hdr.org). After a stop, apparently due also to the controversies raised by such an innovative publication, a new series of ADHRs (2008-11) has recently been announced.

18. P. Fargues, *Introduction*, in P. Fargues (ed.), *Mediterranean Migration. 2006-2007 Report*, Robert

Schuman Centre for Advanced Studies, European University Institute, Florence 2007, available on www.eui.eu/RSCAS/e-texts/CARIM-AR2007.pdf, p. XV.

19. P. Fargues, *op. cit.*, p. XIV.

20. The first commitment taken by EU and MEDA Ministers in Albufeira was precisely to «Facilitate legal movement as one of the key elements of our cooperation, through promoting legal migration opportunities, being aware of the globally positive effect of legal migration in terms of development».

The full text of the Ministerial Conclusions is available on vEN/Noticias_Documentos/20071119Conclusoeseuromed.htm.

21. *The Autumn Economic Forecasts* released by the European Commission on 3 November 2008 (http://ec.europa.eu/economy_finance/publications/publication13290_en.pdf) give a very gloomy picture of the future of European labour markets. In 2009, employment growth is expected to turn negative

for the first time in more than a decade. The total number of the unemployed is expected to increase by 2.7 million in the EU between 2008 and 2010. From a migration point of view, it has to be noted that the economic and labour market outlooks are deteriorating more deeply and rapidly in some of the countries which have driven the European immigration growth in the last years, such as Spain, Ireland and the UK.

22. As a matter of fact, no migration-related project is included in the list of "key initiatives" decided by the Paris Summit for the Mediterranean (13 July 2008). According to the Annex to the Joint Declaration of the Paris Summit for the Mediterranean, these initiatives will be as follows: "De-pollution of the Mediterranean"; "Maritime and Land Highways"; "Civil protection"; "Alternative Energies: Mediterranean Solar Plan"; "Higher Education and Research, Euro-Mediterranean University"; "The Mediterranean Business Development Initiative".

WOMEN IN THE MEDITERRANEAN: AN UNTAPPED RESOURCE

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Emma Bonino

Given its geographic location, history, cultural ties, trade flows and security interests, Italy cannot avoid being involved with the Mediterranean region. It cannot and, more importantly, it has no wish to do so. Throughout history, the Mediterranean has always been a place of confluence and conflict between different cultures that has acquired a symbolic significance. It is precisely because of this strong tradition that the Mediterranean can hold itself up as representing a forum for dialogue and development of a model of peaceful coexistence for Europe.

Irrespective of whoever has been in power, Italy has always been ready to contribute passionately to the integration process within the Mediterranean region. It has worked closely – albeit using methods that have varied from time to time – shoulder-to-shoulder with our European partners and our coastal neighbours on the southern shores of the Mediterranean Sea.

Nevertheless, there have been two developments in recent years that we cannot ignore and which it is necessary to highlight, before moving on to the central theme: women. These developments raise critical issues which call for us to reflect on our identity as Italians and Europeans, and on how we wish to convey this identity to the outside world.

The Mediterranean as a geopolitical priority

The first development is a patent result of our Euro-Mediterranean policy. On the one hand, there is the Barcelona Process, whose first ten years the EU marked in 2005

without – it must be said – popping too many champagne bottles. On the other hand, we have adopted the European Neighbourhood Policy (ENP) in an effort to go beyond Barcelona. Clearly, we have further clogged an already busy Barcelona schedule with more diplomatic meetings and various other complications. But what have we achieved? What is the final result? And what are the evaluation criteria?

Clearly, with 2010 looming, we are still far from achieving a Free Trade Area. Nor have we seen great progress in governance in the South of the region, whether in terms of economic transparency or markers of democracy. A few economic indicators here and there have moved in the right direction (such as growth and competitiveness).

However, electoral processes have remained the same, in the same countries and under the same conditions. To say nothing of the tensions which continue to beset the Southern Mediterranean towards the West (the Sahara) and the East (Israel-Palestine and Lebanon-Syria). Regrettably in these regions, even today, peace conferences far outnumber those dealing with issues such as economic cooperation.

Doubtless, even we Europeans have made little progress towards achieving greater cohesion and demonstrating a greater capacity for integration. Naturally, I am referring to the difficulties encountered in the ratification of the Lisbon Treaty on the redistribution of institutional powers and competences, and the inability to raise public awareness among Europeans, let alone internationally, of the very essence of the "European success story", namely: the move (albeit partial) beyond national states

If truth be known, our common goal has never been to establish some kind of modern-day Monroe Doctrine. In the age of globalization, that would be simply inconceivable

towards an identity, a common area of freedom, free movement and shared values. In short, whichever way you look at Euro-Mediterranean policy (the Barcelona Process, the 5+5 Dialogue, Neighbourhood Policy or the Turkish accession process), it is very difficult to be impressed.

The second development is based on the fact that the Mediterranean is becoming increasingly less European. For instance, there is a strong, growing presence of Chinese and Indians in the region. My point is that the Southern Mediterranean no longer lives in endless anticipation of the arrival of the Europeans.

If truth be known, our common goal has never been to establish some kind of modern-day Monroe Doctrine. In the age of globalization, that would be simply inconceivable. However, the loss of Europe's "special relationship" with the Southern Mediterranean region would not merely impact on business. It is a much more strategic issue – and here I am thinking of geopolitical stability, management of migration flows, the threat of international terrorism and religious fundamentalism. It also relates particularly to the type of model of development, society and good governance that we wish to promote.

Faced with these two developments, we were pleased to see that, during the course of 2008, the issue of the state of Euro-Mediterranean relations was raised at the highest European political level, namely, through the French proposal for the creation of a Union for the Mediterranean (UfM) and the Italo-Spanish proposal for the establishment of the Mediterranean Business Development Agency.

If anything, it is the scope and objectives of these proposals that need to be examined, as since the launch in Paris last 13 July of the "Barcelona Process: Union for the Mediterranean" (as the initiative was finally called), there has not been much progress made. After four months, it has been agreed, with difficulty, that the Secretariat will be based in Barcelona. In respect to everything else, particularly the issues the UfM will deal with, who should participate in meetings and who should head the Union, it has to be said that there is still a long way to go.

With respect to the Union for the Mediterranean – a product of Sarkozy's "hyper-proactiveness", which is perhaps tactically useful but at times impromptu and confusing – the same can be said for other initiatives adopted in a group or unilaterally by EU member states: such initiatives cannot make up for the absence of a European-level policy. Only the latter can make us a credible counterpart, in this case in the eyes of other Mediterranean partners who need to have a totally clear understanding of the benefits they stand to gain by joining this Union. To date, there has been no such clarity.

Women in the Mediterranean

As with the rest of the world, women in the Mediterranean basin represent a great untapped resource. In this regard, I refer to both shores of the Mediterranean, as the issue of the largely under-utilised female potential closely concerns the Mediterranean countries of the EU as well. Promoting cultural exchange, networking, opportunities for dialogue and fostering relationships within the business world would contribute to the recognition of this potential along with all its similarities and differences, and to making a distinction between stereotypes and reality. Indeed, if there are two worlds whose diversity needs to be recognised, without falling prey to the most *clichéd* of stereotypes, they are women and the melting pot of the Mediterranean.

If we look only at the Mediterranean and the neighbouring Gulf states, it is immediately clear that there are profound differences between the Balkans and Egypt, between Turkey and the Middle East and between the Gulf states and the Maghreb – differences which have given rise to very diverse situations.

If we start by examining the issue of human and civil rights, we see states that have a legislation which is completely in line with that of the European states and have everyday social relations reflecting this, such as the Balkans. In other countries, such as some of the Maghreb states, modern legislation exists alongside traditions that

often, especially in rural areas far away from urban centres, contradict and disregard the legislation in many practices (including forced marriages, restricted freedom of action and limited access to education and employment). Finally, there are countries where legislation is, to a greater or lesser extent, completely aligned with the most fundamentalist tradition and therefore often provides a rudimentary (the Emirates) and at times extremely limited (Saudi Arabia) guarantee of rights.

In all cases, there are changes afoot. A recent example is the case of Egypt, where the efforts of the First Lady Suzanne Mubarak and other activists have led to the enactment of an almost radical law prohibiting female genital mutilation and early marriages, also underpinned by a very effective public awareness campaign.

In any discussion about the status of women in the Mediterranean area, it is also worth looking at the Persian Gulf, given that there are significant "communicating vessels" within the region. There is an increasing number of women in the Gulf area who have cleverly exploited the importance of their family of origin to break taboos and who today hold influential positions in politics (such as Sheikha Lubna Al Kassimi in the Emirates and Sheikha Moza in Qatar), in the business world (Al Olayan in Saudi Arabia) and the cultural sphere. They have also established transnational associations through which their voices are growing more and more powerful and are increasingly exerting pressure for reform. However, as often occurs, the situation on the ground is moving faster than the institutions.

In 2007, as Minister for International Trade, I organised a Forum for Women Entrepreneurs of the Southern Mediterranean and the Gulf. I believed that as minister I would be in a position to encourage greater participation by female entrepreneurs in the growing trend towards internationalization, partly through an increase in networking, and to contribute to boosting trade flows which, although satisfactory, were – and remain – below the levels of overall potential.

We were expecting around eighty participants but over 250 registered, which, together with the 200 Italian women who attended, created a truly unforgettable conference. With its vibrant buzz, lively speeches, the diversity of business sectors represented and even the variety of styles of dress, the audience made it clear just how superficial it is to think in terms of there being a "single type" of Islamic woman – like some faceless black shadowy figure. By further turning the spotlight on this potential, which has remained so invisible to many, it was finally possible to openly reveal its existence and show it off to best advantage. Veil or no veil, in all of these areas women are acquiring influence and economic independence, which can only help call into question their lack of complete equality of rights.

Hence, the question becomes: What can more advanced democracies do to facilitate a process everyone can benefit from? First and foremost, it is necessary to support and encourage signs of progress that emerge in the various countries of origin with all the means at our disposal, including diplomatic pressure and cooperation projects – particularly in the areas of female education and micro enterprises. As the Nobel Peace Prize winner Muhammad Yunus said: «It is better to grant loans to women than to their husbands».

There is no doubt that each of these countries offers contradictions and revelations, which add to our temptation to simplify and generalize. In Yemen, where it is still rare to see unveiled women, a visit to universities surprisingly reveals a high number of women who study and take degrees. It is also almost never mentioned that in this poor country, still beset by many problems, elections have been held for years – elections in which women may vote and stand as candidates. It may require a few more years before they are elected but, on the other hand, it is not as if Italy provides them with an exemplary model to follow. Yet alongside these positive developments, baleful traditions that are difficult to eradicate still persist. Even these, however, are no longer passively accepted by everyone. A case in point is that of Nojoud, the ten-year-old girl

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who managed to obtain a divorce from a court in Sana'a by demonstrating the violence perpetrated by her husband, a man three times her age (in Yemen, the law prohibits marriages under the age of fifteen, but an amendment passed in 1999 permits marriage before that age on the condition that it is not consummated before the bride reaches puberty).

Turkey is one of the countries experiencing most changes, courageously adapting its legal system to European standards, with a vibrant economy in which women often participate in a position of leadership, as with the head of the Turkish Manufacturers' Association (TUSIAD). Precisely because of its many contradictions, failing to help Turkey move even more decisively towards complete equality of rights and status is – and would be – a truly lost opportunity.

Perhaps the most striking contrasts, in a positive sense, can be found in the Gulf states, where women educated in the best colleges and universities in the world may manage astonishing fortunes on returning home, whilst adhering strictly to tradition in their private and social lives. Morocco provides a paradoxical example, as women, especially in the city, are totally emancipated and look on incredulously at emigrant women who return to visit their relatives, labelling them as "veiled women". Syria is another interesting case: a secular, non-democratic country in which women are nevertheless emancipating themselves.

These are the women of the Mediterranean region: not some monolith, some uniform and homogenous bloc, but rather a diverse and complex world, a great reserve of potential whose nuances need to be completely understood and appreciated. All of which confirms that a more open political regime corresponds with a more tolerant interpretation and practice of Islam. While, conversely, the more authoritarian the political system is, the more reactionary and misogynist the practice of Islam. As Ramin Jahanbegloo, an Iranian liberal intellectual persecuted by the Teheran regime, rightly insists: violence and intolerance are not the products of religion as such, but of the ideologisation of religion.

Female immigration: the case of Italy

Yet we can begin by doing something at home too, starting by fully protecting the rights of immigrant women – as obvious as that might seem. First of all, we need to ensure that they know their rights, they understand who to turn to when those rights are violated and they receive support to remove themselves from situations of rights abuse. This applies to wearing a veil, forced marriages, polygamy, so-called house confinement and so on. To give a good example where I was personally involved: in 2006, the Italian Parliament felt the need to enact a national law that until a few years ago would have seemed pointless, namely, a law outlawing female genital mutilation.

However, this is clearly not enough. The most recent Italian National Statistics Institute (ISTAT) figures for 2008 indicate that there are around 3.5 million (3,432,651 to be precise) immigrants in Italy today, half a million more than the previous year (493,729 or +16.8%). In addition, a recently published report entitled "Women of the Mediterranean. Integration made possible", based on a research carried out by the Fondazione Farefuturo with field surveys by the Istituto Piepoli, notes that the presence of women is the truly new factor in recent immigration flows (now characterised by equal numbers for both sexes). The report also highlights that women are, in their own right, an important "agent of integration" *vis-à-vis* their own family unit and the community to which they belong to. In short, women represent a clear *trait d'union* between identity and integration. Indeed, the Istituto Piepoli's surveys show that, for instance, almost 60% of the female sample surveyed viewed polygamy as an offensive practice, while only 37% of men agreed, with 11% believing that it is actually "beneficial" for women. 56% of women felt that Italian law should not make an exception for women wearing a veil, while those more in favour of such an exception were (Muslim) men. Women predominantly supported a mixed Italian and immigrant child education model, while comparatively more men preferred that special schools be established for

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foreign children. This latter position finds considerable support within the Berlusconi government, as we have seen during the recent debate on the Gelmini Decree.

If there is wide consensus today on the part of almost all political forces, both on the right and the left, over the notion that a contemporary state must of necessity remodel itself as a cosmopolitan state capable of internally generating the dynamics of globalization, the question must therefore be posed as to whether the legislative initiatives of Centre-Right governments in Italy, ranging from the Bossi-Fini Law to the recent so-called Security Package and anti-Rom laws, are the most appropriate response. From a more strictly political perspective, it must also be asked whether it is fitting – for a modern multicultural state – to exploit human diversity and as a consequence fear, a poor

man's version of that tried and tested weapon of Lega Nord supporters. Or even for more cultivated minds to exploit this sentiment, such as: Oriana Fallaci, who with her final trilogy (“The Rage and the Pride” being the first instalment) remains a point of reference for many exponents of the Centre-Right; Giulio Tremonti, who, with his book “La Paura e la Speranza” (Fear and Hope), chose to greatly fuel fear and engender little hope; or Marcello Pera, who predicted there would be an unavoidable “clash of cultures”. Leaving aside any ideology or particular political stance, it seems that the events unfolding today before our very eyes and the uncertain times that lie ahead tell us that the answer to these questions is «No» – partly because as Ramin Jahanbegloo puts it, the reality is that «today, we are not experiencing a clash of civilizations, but a clash of intolerances».



Prospects
for the future

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SIGNIFICANCE AND PROSPECTS OF THE UNION FOR THE MEDITERRANEAN

Richard Gillespie

Following the Euro-Mediterranean ministerial conference held in Marseille on 3-4 November 2008, there is now greater clarity on the extent to which the Union for the Mediterranean (UfM) initiative is actually transforming what has hitherto been known interchangeably as the Euro-Mediterranean Partnership (EMP) and the Barcelona Process. On the face of things, a distinctly new phase in Euro-Mediterranean relations has been launched with the UfM emerging unencumbered by the "Barcelona Process" prefix with which it was conferred at the Paris summit in July.¹ However, this "liberation" of the UfM from its parentage, – agreed to by Spain as a *quid pro quo* for French endorsement of Barcelona as the location for the new UfM Secretariat² – was qualified by the final declaration of the Marseille conference, for in this the UfM was described as «an important step forward for the Euro-Mediterranean Partnership».³ The reality is that, behind the rebranding, there is substantial continuity together with a degree of reinforcement, which Euro-Mediterranean relations were clearly in dire need of by 2008.

It is the new institutional arrangements, rather than the series of new Euro-Mediterranean projects that have been agreed upon this year, that constitute the most significant innovation. While the former have problems to surmount, they should help Euro-Mediterranean cooperation endure through the austere times of the international recession and will provide further opportunities for more ambitious initiatives at the policy level later on, once stricken economies have recovered.

Significance of the Union for the Mediterranean

At a strategic level, the launch of the UfM represents no real change in the structure of Euro-Mediterranean relations. If President Sarkozy's original idea for a Mediterranean Union (UM) had prevailed, this would have represented a genuine attempt to construct a purely Mediterranean region, although with many questions remaining to be answered, not least about sources of funding. The final design of the UfM, in contrast, confirms the status of the Euro-Mediterranean Partnership (EMP) as a product of the EU's Mediterranean policy, rather than being a partnership entered into through a process of compromise. The EU remains in the driving seat of the process, making some belated concessions to the principle of North-South co-ownership, but not actually refounding the Partnership on an equitable basis.⁴ In this sense, EMP has always been a misnomer. It is true that, around 1990, there was some advocacy in favour of a genuine multilateral approach towards cooperation, in the form of Spanish-Italian attempt to translate the Helsinki Process to the Mediterranean through the proposed Conference on Security and Cooperation in the Mediterranean (CSCM). But just five years later, in the context of the EMP, the "flagship" plan to create a Euro-Mediterranean Free Trade Area was based fundamentally on bilateral preparations through EU association agreements, and since then the "Europeanization" of the EMP policy agenda has increased.⁵ Meanwhile, the multilateral dimension of the Barcelona Process has become

The European Union remains in the driving seat of the process, making some belated concessions to the principle of North-South co-ownership, but not actually refounding the Partnership on an equitable basis. In this sense, Euro-Mediterranean Partnership has always been a misnomer

overshadowed by the European Neighbourhood Policy (ENP) launched in 2004.

In this context, much of the interest in the genesis of the UfM so far has resided in its significance for the relative influence of different EU member states. If Spain emerged as *primus inter pares* through the Barcelona Process, the original UM proposal clearly represented a reassertion of French ambition, to such an extent that it provoked widespread resistance within the EMP and from the European Commission. The eventual reconciliation of the initiative with the EU framework and the Barcelona Process has left it distinctly more difficult for France to predominate than would have been the case in an exclusively Mediterranean Union.⁶ The corollary of this is that, in the context of an enlarged EU of 27 and an enlarged Partnership of 44, it will be harder in the future for any individual Mediterranean champion among the EU member states to provide decisive orientation, leaving much resting on the uncertain efficacy of the new North-South co-Presidency of the UfM. Indeed, it is most concretely in relation to the new Presidency arrangements that the reversal for France becomes evident: whereas in a UM France would have co-presided for the first two years, in the real UfM, the realities of EU representation limit the French role to just six months.⁷

Europeanization of the French initiative has not extended to additional funding being found from the Community budget to underwrite the six new projects launched during the French EU Presidency (de-pollution; maritime and land highways; civil protection; alternative energies; higher education and research; business development initiative). The availability of financial support from other sources is a big unknown. A period of severe recession is hardly the optimal moment to be trying to diversify the sources of Euro-Mediterranean funding and to expect a reassuring response from the private sector. This is not to say that the project-based approach derived from French functionalist thinking is unwelcome: in particular, the idea of developing a Mediterranean Solar Plan in the energy field has elicited interest from a

variety of both northern and southern partners; and some of the projects do have the potential to raise the profile of Euro-Mediterranean cooperation and draw in new layers of participation. However, most of the initial six projects are simply building upon existing EMP activity and may struggle to attract additional funding.

While financial constraints may eventually dilute further the potential of the "union of projects" approach of the French Presidency, these projects have been adopted within the wider context of the EMP as a whole. As the Marseille declaration (incorporating an agreed work programme for 2009) makes clear, the UfM will continue to focus on the full range of EMP activity, organized on the basis of its pre-existing policy pillars. The way in which Arab-Israeli and other regional tensions have hampered the political and security dialogue is confirmed by the fact that this dimension receives less than a page of the document, whereas the economic and financial partnership and "social, human and cultural cooperation" both have some five pages of planned activity. The imbalance reflects not simply the current difficulty to move forward on security cooperation but also the way in which the early democratizing element had already been reduced largely to co-operation at the parliamentary level, before the current restructuring of the Partnership.⁸

The institutional arrangements associated with the UfM are much more innovative. First, the basing of the Secretariat in Barcelona will result in a headquarters for the Partnership that is not in the South but neither is it in Brussels. Its modest size will not prevent it becoming a hub for Euro-Mediterranean activity, especially in relation to the prioritized projects. Second, the allocation of Presidency and Secretariat roles to both EU and Mediterranean partner countries⁹ has the potential to introduce more meaningful collaboration between northern and southern officials. The fact that the responsibilities of the Presidency extend beyond the prioritized projects to all major aspects of the Partnership also opens the way potentially to a more strategic type of coordination than that provided by the European Commission in the past.

While financial constraints may eventually dilute further the potential of the "union of projects" approach of the French Presidency, these projects have been adopted within the wider context of the EMP as a whole

Adverse conditions

The prospects of the UfM are affected by a number of factors external to it. First, there is the inauspicious financial crisis and economic recession, affecting all the Euro-Mediterranean partners, but with particularly alarming consequences for most of the southern partners. The crisis makes more problematic the idea that the UfM will attract substantial funding from the private sector, or even from international financial institutions given the appeals for emergency support coming from a variety of countries elsewhere. It will also reduce the already far from encouraging levels of foreign direct investment in the Mediterranean partner countries. Moreover, it may well lead to a repeat of the kind of social unrest witnessed in North Africa in the late 1980s and early 1990s, which quickly rang the alarm bells in Europe and persuaded political leaders (with Southern European member states in the forefront) of the need to reinforce the EU's Mediterranean Policy. In such circumstances, a UfM that has stimulated fresh interest in Euro-Mediterranean cooperation this year may be considered entirely inadequate in twelve months' time.

Second, there are the wider developments affecting the EU's own effectiveness. With agreement still lacking on new governance structures for the enlarged EU, intergovernmentalism (as opposed to federalism) will continue to provide the keynote for cooperation within Europe, and a debilitated European Commission will find it hard to make a similar contribution to that which it made in the early years of the Barcelona Process, especially now that it will cease to monopolize the bureaucratic apparatus of the EMP. These recent European trends, now rationalized in the UfM's adoption of a "variable geometry" approach to cooperation around the prioritized projects, are problematic for Euro-Mediterranean region-building. There will be increased activity at the sub-regional level and less at the level of the whole Partnership. This has some benefits. For example, it may be the price to be paid for the inclusion of any new pro-democracy activity in the agreed UfM work programme for 2009, in the form of cooperation and

exchanges of experience in relation to elections. However, it is an approach that is bringing more differentiation (especially through the ENP, with its bilateral action plans) to Euro-Mediterranean relations, and in the medium-to-long term this could prove detrimental to South-South relations. In particular, the EU's granting of an "advanced status" to its relationship with Morocco at a time when regional rival Algeria continues to reject the Neighbourhood Policy may exacerbate the tensions between these countries, whose common frontier has been closed since 1994.

Third, there is the prospect of "contamination" of the UfM from the Israeli-Palestinian and wider Middle East conflict, which so badly affected the EMP in its original form. While there are some grounds for optimism arising from the indirect negotiations between Syria and Israel, the official recognition of Lebanon by Syria and the expectation of an imminent US effort under Barack Obama to revive the Middle East peace process, there is now a widespread perception that time is running out for a two-state solution. Divisions among the Palestinians and the difficulty surrounding coalition formation in Israel remain major obstacles to a settlement, for in addition to the complexity of the issues involved in the conflict itself, there is also a lack of representative peacemakers. In the absence of peace in the Middle East, the UfM will suffer from tension between its Arab and Israeli participants, especially on political occasions such as summits and conferences of foreign ministers, but also within the new Secretariat and Joint Permanent Committee (which now replaces the Euro-Mediterranean Committee). The participation of the Arab League in all meetings at all levels, as agreed in Marseille, is considered unhelpful by a number of EU participants.¹⁰

While the Middle East conflict has hung like a dark cloud over the Barcelona Process since 1996, it should not be forgotten that there are various other regional conflicts that seriously hamper region-building in the Mediterranean. Though it is arguable that the ever-closer relations between Morocco and the EU make it less likely that the former will use pressure in support of its

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territorial claims to Ceuta and Melilla, the EMP has not been a positive influence upon the Western Sahara frozen conflict, or on the attempts to resolve the Cyprus question. By placing emphasis on technical projects, the Sarkozy initiative may be criticized for behaving as if these conflicts did not exist – a criticism that has already been levelled against the European Neighbourhood Policy, described by Dorothee Schmid as a «policy for peaceful times».¹¹

Outlook for the new institutions

It is in these adverse circumstances that the new structures of the UfM must be assessed. What is positive about the new Presidency is its potential to give the Partnership a degree of personal leadership, beyond the bureaucracy, and to bring more coordination and effective prioritization into the extremely diverse range of Euro-Mediterranean activity. While it should also be a source of greater visibility for the Partnership, the Presidency will coordinate this activity through chairing summits, ministerial and senior officials meetings, the new Joint Permanent Committee and some meetings of experts. It is, however, to be a co-Presidency, in the spirit of North-South co-ownership. This has proved hard to operationalize given, on the one hand, the limits to EU “actorness” (which in practice means that two representatives will share the EU representation), and, on the other hand, the desire to ensure continuity, which has led to longer mandates being decided for the non-EU President (2 years, compared with 6 months for the EU Presidency). The arrangements may not be conducive to effective leadership since the co-Presidency will require a major coordination effort itself, while also needing to continuously confer with the individual countries and relevant EU and UfM institutions over matters such as the agenda for meetings.

The Secretariat at last gives the Partnership a supranational administrative body with an autonomous status and a headquarters in a Mediterranean country.¹² Spanish and Catalan determination to bring this institution to Barcelona can be expected to carry forward into national, regional and

local determination to make this body function effectively and to generate additional Euro-Mediterranean peripheral activity, not least at the level of civil society. Whether it can fulfil its dual role in relation to the new prioritized projects and in assisting the co-Presidency through the preparation of policy papers will not simply be a test for its own “joint” nature, through the introduction of co-ownership here as well. A key concern must be the potential for inter-bureaucratic rivalry to emerge between the Secretariat and the administrative structures in Brussels. Besides the bodies within the EU’s own institutions that are involved in the Partnership, there will be the new Joint Permanent Committee, representing all the partners and dealing with all the issues not dealt with in senior officials’ meetings (which focus chiefly on the political and security pillar). If, either for financial or organizational reasons, the overall structure of the UfM fails to jell, there will be pressure on the European Commission to become more involved in the work of the Secretariat.

Visibility is also to be pursued through raising the top level of policy deliberation to that of summit meetings, held every two years, with conferences of foreign ministers being held in the intervening year. If the Paris summit is an indication, these will tend to be public relations exercises rather than serious G8 type meetings. The numbers involved and the diversity of the countries represented would seem to preclude effective strategic decision-making and make a “mini-United Nations” a more suitable metaphor.¹³ The risk is that regional tensions will find expression at the apex of the UfM, leading some leaders to “grandstand” and others to boycott or block. No doubt with the EMP’s one previous summit in mind (the tenth anniversary conference held in Barcelona in 2005, boycotted by the Arab heads of state), the Marseille conference decided that the role of summits will be to “endorse” the strategic priorities emanating from the foreign ministers. This provokes the question of whether heads of state and government, of the larger countries in particular, will decide that it is worthwhile attending such summits, if they are seen primarily as photo-opportunities. Tony Blair,

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for instance, was known to have been reluctant to attend the Barcelona summit.

Overall prospects

In view of the above discussion, it is highly unlikely that the UfM will have a globally positive impact on Euro-Mediterranean relations, especially in the short term. Given that decisive breakthroughs towards peace settlements in the Middle East or over the Western Sahara are unlikely, one should not expect too much of the UfM, even if its new institutions do, in the end, manage to function well and some new sources of finance are generated to fund the new projects. Its eventual significance may simply be to give those Mediterranean partner states that already want to draw closer to Europe new opportunities to collaborate through the prioritized projects, without politically sensitive issues arising. Of course, this leaves the political differences unresolved – a major fact that contributes to tension and instability around the Mediterranean.

If the Middle East conflict persists, the additional activity that the UfM brings to the Partnership may tend to be concentrated in the Western Mediterranean. The absence of Libya is clearly a limitation, especially at a time when international cooperation in the field of energy is becoming so crucial. Yet countries such as Morocco and Tunisia are clearly enthusiastic about the new projects approved in Paris and are already responding to them (Morocco, for instance, by proposing to host a university with a Euro-Mediterranean vocation, to complement the one created in Slovenia).

Despite French efforts to present the UfM as a new process, it may more accurately be interpreted as a new track within the Barcelona Process and an initiative that has

resulted in institutional enhancement as well. As such, while its results will not be spectacular, its chances of survival are good. Given the diverse policy content of the Partnership, it has always been able to change emphasis when cooperation in one particular area has proved impossible.¹⁴ This will continue to be possible under the UfM, and indeed could be facilitated more, for the institutionalization of summits introduces a built-in opportunity for countries occupying the co-Presidency to bring forward proposals for new project priorities every two years. This is certainly perceived by Spain as an opportunity to reassert its own influence during its next EU Presidency during the first half of 2010. Though the UfM may be expected to drift a little during the forthcoming EU Presidencies of the Czech Republic and Sweden, there is expected to be another “big push” to inject renewed ambition into the project at that time.

What is clear is that in the enlarged Europe, the building of effective coalitions in support of Euro-Mediterranean activity is now more difficult. The future of the UfM will therefore be influenced also by whether France and Spain can become stable collaborators in this domain of latent national rivalry, while finding additional partners on a more *ad hoc* basis in Southern and Eastern Europe, as well as convincing key northern partners (such as Germany) of the need to develop the Partnership further. This does seem possible, given the way that the French initiative on the Mediterranean has also given rise to proposals from Poland and Sweden for an “eastern dimension” to be structured, thus creating more widespread support for the broad idea of pushing for greater regional differentiation in the context of the ENP. At the end of the day, as its name suggests, the future of the UfM will be decided at least as much in Europe as between the EU and its southern partners.

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1. Technically, the foreign ministers meeting in Marseille only “proposed” that the name be shortened to Union for the Mediterranean. See Council of the

European Union, *Final declaration, Barcelona Process: Union for the Mediterranean ministerial conference*, 15187/08 (Presse 314), Marseille, 4 November 2008, p. 3,

available on www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/misc/103733.pdf.

2. Until then, France had supported

the candidature of Tunis, but then decided to endorse Barcelona (in preference to Valetta) when Tunisia withdrew, in the face of European political reservations, less than total Arab support and (presumably) Israeli objections.

3. Council of the European Union, *op. cit.*, p. 3.

4. Even if the political will were present, it would be hard to regard it as an attainable objective given the marked asymmetry in Euro-Mediterranean relations.

5. See F. Bicchi, *The European Origins of Euro-Mediterranean Practices*, in E. Adler et al. (eds.), *The Convergence of Civilizations: Constructing a Mediterranean Region*, University of Toronto Press, Toronto 2006.

6. C. Echeverría Jesús, *El lanzamiento de la Unión para el Mediterráneo y sus consecuencias geopolíticas*, *Analysis of the Real Instituto Elcano*, 128/2008. This discussion leaves to one side the question of whether Sarkozy, following the enforced dilution of his design and in the new context of

recession, will continue to put as much emphasis on the Mediterranean as he did during 2007-08.

7. The EU part of the UfM Presidency will be shared between the rotating Presidency of the EU and the European Commission. Thus, the role currently fulfilled by France will pass successively to the Czech Republic and Sweden during 2009 before becoming an opportunity once more for a Mediterranean country in the form of Spain.

8. An interesting proposal to create a Euro-Mediterranean Regional and Local Assembly based on elected officials, to complement the activity of the Euro-Mediterranean Parliamentary Assembly, was merely noted at the Marseille conference.

9. Egypt is providing the southern co-President for the first two years. In the Secretariat, there will be a Secretary General chosen among the Mediterranean partner countries and five deputies, initially from the Palestinian Authority, Greece, Israel, Italy and Malta.

10. Israel fears that it will lead to

Arab boycotts of its own initiatives; the EU is keen to avoid an Israeli withdrawal from the Partnership; and there is also the longstanding problem of the Arab League's disunity and poor coordination, and of the fact that most of its members are not Mediterranean states.

11. Euro-Mediterranean Study Commission, *EuroMeSCO e-news* 17/2007.

12. The precise status of the Secretariat and its employees was not decided at the Marseille conference. The aim is to agree its statutes by February and to conclude a headquarters agreement in May 2009.

13. See A. Tovias, *Israeli Perspectives*, in Euro-Mediterranean Study Commission, *Putting the Mediterranean Union in Perspective*, Euromesco Paper, 68/2008, p. 27.

14. When cooperation in the field of hard security proved impossible, for instance, the EMP was able to produce new activity around Justice and Home Affairs issues (from 2002), thereby maintaining some focus on security.

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