

THE MEDITERRANEAN IN WORLD POLITICS
Center for International and Strategic Affairs (Los Angeles)
Istituto Affari Internazionali
Castelgandolfo, 11-14/XII/1980

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Center for International and Strategic Affairs

University of California, Los Angeles

and

Istituto Affari Internazionali, Rome

"The Mediterranean in World Politics"

Castelgandolfo, Italy, 11-14 December 1980

THURSDAY, 11 DECEMBER

19.30 WELCOMING DINNER

Opening Remarks: Roberto Aliboni, Director IAI
Roman Kolkowicz, Director CISA

FRIDAY, 12 DECEMBER

8.00-9.00 BREAKFAST

9.30-12.30 MORNING SESSION

Speaker: Giacomo Luciani
"The International Economic Importance of the
Mediterranean"

Commentator: Mukerrem Hic

Discussion Chairman: Bolaji Akinyemi

13.00 LUNCH

15.00-18.00 AFTERNOON SESSION

Speaker: Senator Fernando Moran
"The Implications of Mediterranean Conflicts
for East-West and North-South Relations"

Commentator: José Medeiros Ferreira

Discussion Chairman: El Sayed Yassin

19.30 DINNER

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SATURDAY, 13 DECEMBER

8.00-9.00 BREAKFAST

9.30-12.00 MORNING SESSION

Opening Remarks: Admiral Giovanni Torrisi, Chief-of-Staff,
Italian Armed Forces

Speaker: Ciro Zoppo
 "Security in the Mediterranean and World
 Politics"

Commentator: Curt Gasteyger

Discussion Chairman: Antonio Sanchez-Gijon

13.00 LUNCH

15.00-18.00 AFTERNOON SESSION

Speaker: Commandant Serge de Klebnikoff
 "The Significance of the Mediterranean for the
 Persian Gulf Crisis"

Commentator: Roberto Aliboni

Discussion Chairman: Yehoshafat Herkabi

19.30 DINNER

SUNDAY, 14 DECEMBER

8.00-9.00 BREAKFAST

9.30-12.00 Institutional Cooperation and Joint Research on Mediterranean
 Problems, and General Discussion



Center for International and Strategic Affairs

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"The Mediterranean in World Politics"

Castelgandolfo, Italy, 11-14 December 1980

LIST OF PARTICIPANTS

Tunde Adeniran, University of Ibadan, Nigeria

Bolaji Akinyemi, Nigerian Institute for International Affairs, Lagos

Roberto Aliboni, International Affairs Institute, (IAI), Rome

Karl Birnbaum, Austrian Institute for International Affairs, Luxemburg

Colonel Luigi Caligaris, Ministry of Defense, Italy

Marcello Colitti, ENI, Rome

Maurizio Cremasco, IAI, Rome

Ambassador Luigi Vittorio Ferraris, Italian Ambassador to Germany, Bonn

Curt Gasteyger, Institute Universitaire de Hautes Etudes Internationales,
Geneva

Yehoshafat Harkabi, The Hebrew University of Jerusalem, Israel

Mukerrem Hic, Institute for the Study of the Economics and Politics
of Europe and the Middle East, Istanbul University, Turkey

Michael Intriligator, UCLA, Los Angeles

Paul Jabber, University of California, Los Angeles

Abdul Aziz Jalloh, Institute of International Relations, University of
Yaounde, Cameroon

Commandant Serge de Klebnikoff, Secretariat General of National Defense,
Paris

Roman Kolkowicz, Center for International and Strategic Affairs,
University of California, Los Angeles

Charles Loveridge, American Embassy, Rome

Giacomo Luciani, IAI, Rome

Lucien Mandeville, CERSA, Toulouse

José Medeiros Ferreira, Institute of National Defense, (IDN), Lisbon

Cesare Merlini, IAI, Rome

Senator Fernando Moran, INCI, Madrid

Bona Pozzoli, IAI, Rome

Peter Ruof, Ford Foundation, New York

Antonio Sanchez-Gijon, INCI, Madrid

General A. Shalev, Center for Strategic Studies, Tel Aviv University

Stefano Silvestri, IAI, Rome

Alain Sorbara, CERSA, Toulouse

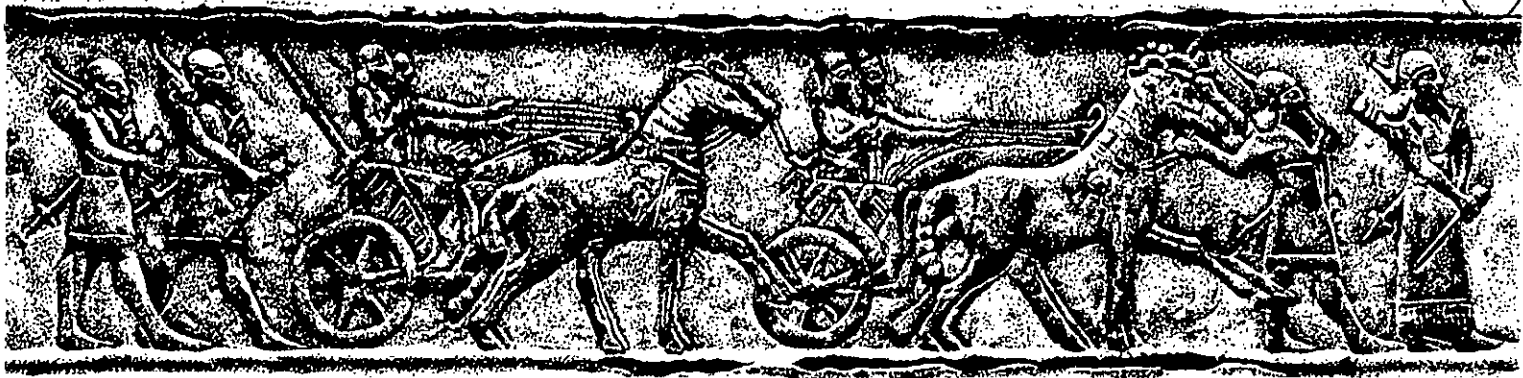
Domenico Tantillo, ENI, Rome

Admiral Giovanni Torrisi, Chief of the General Staff, Italy

Italo Trapasso, ENI, Rome

El Sayed Yassin, Al Ahram Center, Cairo

Ciro Zoppo, University of California, Los Angeles



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ROME

COMMENTS ON SERGE DE KLEBNIKOFF'S PAPER ON
"THE SIGNIFICANCE OF THE MEDITERRANEAN FOR THE
CRISIS IN THE PERSIAN GULF"

BY

ROBERTO ALIBONI

PRESENTED AT THE CONFERENCE ON
THE MEDITERRANEAN IN WORLD POLITICS

11-14 DECEMBER 1980

CASTELGANDOLFO, ITALY

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Comments on Serge de Klebnikoff's paper on "The Significance of
the Mediterranean for the Crisis in the Persian Gulf"

by

Roberto Aliboni

1. Personally, I agree with all the main propositions of Mr. De Klebnikoff's paper except for a single point where my disagreement is radical. I will try to summarize Mr. De Klebnikoff's main points in order to show where I disagree. Then I will try to develop some comments.

2. According to Mr. Klebnikoff's analysis: a) the Middle Eastern countries are getting more and more volatile and unstable; they are more than ever divided whereas conflicts among them are rapidly escalating; b) since the Southern European countries continue to be overwhelmingly dependent on Middle Eastern oil, these growing conflicts, making supplies more difficult, make them more and more vulnerable; c) taking advantage of this Mediterranean-wide weakness, the super-powers are more and more able to intrude in the area and install themselves firmly; d) to counteract these trends, the Mediterranean nations should organise it so as to guarantee their economic interests and their political evolution, in particular to warrant the Arab countries to become more independent from both an economic and a political point of view.

3. In this intellectual frame, my first impression is that the role of the superpowers is presented in a partial way. But apart from this the point where I strongly disagree is the identification of the Mediterranean nations as a consistent and credible action on the international scene. De Klebnikoff's frame leaves out the Western European countries and the European Community without taking into account that a) the Southern European countries are strongly linked

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- to the Central European countries within the Western community whose interests, despite a number of conflicts, converge also in the Mediterranean and oppose the Soviet Union's interests in the region;
- b) because of oil, there is a North-South conflict between the majority of the Arab countries and all of the European countries even though, admittedly, the Southern countries may be affected more than the Northern ones. I believe therefore that in order to discuss the relation between the Mediterranean and the Gulf one should define a Euromediterranean region as a partner of a Middle Eastern region rather than entail the existence of a Mediterranean community as cohesive, as to be uniformly opposed to the two superpowers. It is correct to envisage a cooperation towards a larger independence, but one should realistically consider that the way to this cooperation is paved with a number of significant conflicts and contradictions.

4. Having accounted for this different definition of the regional actors, I will now try to make some remarks on what should be the role of Europe (or the Euromediterranean countries) in the relation between the Mediterranean and the Gulf. I think that two preliminary remarks are in point: a) because of the fact that her own strategic interests, namely oil supply, are in danger, Europe is urged to make decisions and take up responsibilities of a political nature within what we may call the "high politics" of the international relations; b) the very fact that Europe is involved in the "high politics" makes a conflict with the United States possible and an understanding of it necessary; in the end the Middle East is just one aspect of a growing conflictual relation within the Alliance, which primarily concerned détente and will probably concern Southern Africa.

Therefore, the crucial issue as far as the relations between the Euromediterranean area and the Middle East are concerned is how will Europe set up a Middle Eastern policy which will serve her interests without disrupting the Alliance, i.e. the US-Europe as well as intraeuropean relations.

5. So far the different perceptions and interests of the Western countries have not been easy to reconcile. At present the most urgent issues are that of the Palestinians and that of the Iran-Iraq war. I will try to analyse the European point of view in relation to that of the United States.

It seems to me that the principle aim at the roots of the European Middle East policy is that of defusing the Palestinian problem in order to create the conditions which would allow the Middle Eastern countries to be more independent and less instrumental in the superpowers' confrontation.

Why the Palestinian issue first? As I see it, the importance of defusing the Palestinian issue is related to the fact that the consequence should be a significant simplification and clarification of the inter-Arab relations. If one removes the Palestinian issue from the inter-Arab scene a number of important countries, like Jordan and Saudi Arabia, will finally be free to express their moderation without being prisoners of their fears of political subversion and social revolution. A related important outcome would also be that the domestic contradictions which are now channelled by the Arab regimes into the Arab-Israeli conflict will instead require a domestic clarification. Rivalries will not cease but they will become clearer in their nature and will not allow a superpower intrusion as easily as they have done so far. By the way, I would say that this process of clarification, thanks to Egyptian-Israeli peace, has already begun. It is this solution to the Arab-Israeli conflict, as partial as it may be, that explains the

present growing conflicts among the Arab countries, their divisions but also the emerging non-aligned attitude of countries such as Iraq. In my view this explains the priority the Europeans are trying to give to the Palestinian issue.

6. I do not think that the points I have just mentioned are really controversial between Europeans and Americans, despite the American dramatization of the European initiative on the Middle East during 1980. The final aim of Carter's administration was also to solve the Palestinian issue, allowing the Palestinians the right of self-determination. Autonomy was understood to be a transitional solution even by the US. The Euroamerican divergence started as soon as it became clear that the Begin government was aiming forcibly at the West Bank annexation and that the American administration was unwilling and unable to revive the peace process and the autonomy talks because of the elections. It was not a disagreement on the goal but on the ways to reach it.

Despite his blunt statements on the Palestinians, I think that Reagan will change the framework - perhaps with the so-called "Jordanian option", perhaps with a different Israeli government - but his goal will also be to solve the Palestinian issue. So it seems to me that, despite many difficulties, in the near future there is a basis for a Euroamerican understanding on the Palestinian problem. This will certainly allow Europe to help stabilise the relations between the Mediterranean and the Gulf.

7. Where I see a major risk of disagreement is in the Iran-Iraq conflict. This disagreement, furthermore, may also negatively affect the Euroamerican understanding on the Palestinian issue just mentioned. Some European countries - but also some Americans - emphasize the perspective of a non-aligned Iraq, allied with Jordan and Saudi Arabia, as the hard-core of a future Arab stability which should also help to solve the Palestinian problem. This line endangers the full alliance of Egypt with

the Western countries and may set up the conditions for a new alignment within the East-West dimension of the Middle Eastern countries. On the other hand, some other European countries and seemingly the official policy of the United States, praise the Egyptian alliance - also as an essential factor of the new military build-up in the Red Sea-Gulf-Indian Ocean region - and at the same time are aware of the fact that Israel will hardly accept an Iraqi perspective.

Another important aspect of these Western attitudes towards Iraq is that from the point of view of the global relations they may bring about the mistake of dropping Iran. Furthermore, one should consider that a positive attitude of Iraq towards the Arab-Israeli conflict may entail a price for Egypt, whereas no peace can be conceived by Israeli and the Western countries unless it involves Egypt. In this case a more flexible attitude is requested on the part of both the Americans and the Europeans. While the Europeans should be in charge of that attention towards the territorial integrity of Iran which cannot be given by the Americans because of the hostages, all of the Western countries should keep a very low profile towards Iraq looking for a solution where there will be neither a clear victory nor a definite defeat.



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COMMENTS ON CIRO ZOPPO'S PAPER ON
"THE SECURITY AND POLITICS OF THE MEDITERRANEAN
AND INTERNATIONAL SECURITY"

BY

CURT GASTEYGER

PRESENTED AT THE CONFERENCE ON
THE MEDITERRANEAN IN WORLD POLITICS

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Comments on C. Zoppo's paper on "The Security and Politics
of the Mediterranean and International Security"

by Curt Gasteyger

1. Defining the central question

Taking up some of the interesting observations in C. Zoppo's paper I would consider the following interrelated questions to be at the center of our discussion about the future of Mediterranean security and its link with international security.

First, whether and to what degree has the Mediterranean become (or is becoming) part of the growing interaction between a continuing East-West rivalry (or confrontation) and its extension into, and linkage with, conflicts in the Third World (i.e. the North-South dimension). Second, to what extent, if at all, does the Mediterranean remain a region "in its own right", with its specific problems in terms both of security and economic development. If it does, is this desirable or should the Mediterranean countries (as some of them claim) be more closely linked to the central balance with the deterrence umbrella that goes with it?

Zoppo in any case argues that the latter is bound to happen in view of the advent of new weapons and will thus alter fundamentally the security structure of the Mediterranean area. This contention seems rather sweeping and rests as a number of questionable assumptions.

2. Continuity and change

Any appraisal of the present situation in the Mediterranean and its possible future evolution has to be put into its proper historical perspective. This will show that:

- as NATO's Southern flank and through the Arab-Israeli conflict the Mediterranean has been linked to the central balance ever since the advent of the "Cold War" and the ensuing Western policy

- of containment. If not in fact then certainly in Soviet perception; where no such link existed the Mediterranean is not in a situation which differs very much from that of other areas (e.g. the Middle East, the Pacific);
- the Mediterranean was never anything more than at best a geographic region whose various parts were (or are) always also oriented towards, or associated with, their respective "hinterland": Europe, Africa, the Middle East, the "Socialist Camp". Hence the fact that the Mediterranean became more often than not an area into which spilled conflicts which had their roots not in the Mediterranean itself. The East-West conflict is one of them.
- the fusion of internal events with external events (which Zoppo says is a rather new development and most visible in the Mediterranean) is neither all that new nor all that specific to the Mediterranean. As a matter of fact we should certainly be aware of many important changes there but at the same time not overrate them or underrate some continuing features characteristic for the Mediterranean for a long time. There is, in other words, more continuity in change than we tend to accept.

3. Greater Instability?

3.1 The Mediterranean countries

When I first got interested in the Mediterranean area (in 1967) one of its salient features was the actual or latent instability of practically all countries - an instability, however, moderated by autocratic regimes or leaders of different sorts.

Of the 15 littoral countries only 3 were democracies of a "traditional" brand: Italy, Turkey and Israel; France had de Gaulle; Spain Franco; Portugal Salazar; Yugoslavia Tito, Greece the Colonels; Egypt Nasser; Algeria Ben Bella: all of them have now disappeared - with the various consequences for stability we know. (The other 5 are: Albania with the ever-lasting Hoascha, Tunisia with Bourguiba; Syria with a

sheky regime, Libya with Ghadafi, and Morocco with King Hassan).

Practically all, whether democratic (again) or not, are today either politically less stable or in an economic crisis, or both. Again, one has to ask whether this concentration of change and instability is unique to the Mediterranean, - and hence merits special attention - or merely an accident of history and geography. I am much less sure than Zoppo that it is the former.

3.2. External powers

Hence too, we see change but equally a lot of continuity or lack of movement. The US 6th fleet's role has no doubt changed from strategic to diplomatic (it was always both but with different emphasis). This may change backwards again with the US partial comeback to the Eastern Mediterranean in the wake of Camp David, new basing rights in Egypt and conflicts in the Gulf.

The Soviet 'Eskadra' much discussed and feared in the late 60's and early 70's did not have a "breakthrough"; its psychological impact has worn off. Compared with the overall Soviet naval build-up the Soviet position in the Mediterranean is still tenuous, with no new or not more naval facilities than ten years ago. It is a fair assumption that this will not change dramatically in the foreseeable future. Does this still matter in view of Soviet "Eurostrategic" weapons? Probably contrary to Zoppo I think it does matter.

Finally, the United Kingdom has, for all practical purposes, disappeared from the Mediterranean scene whereas France has returned. But on the whole the situation, in strategic terms, has not substantially changed as far as Western Europe's

military presence in the area is concerned. Neither Greece's entry into the EC nor the (mainly German) support for Turkey or Spain's reluctant interest in joining the Alliance are likely to modify this in the next few years.

4. Changes and prospects

But there are, of course, major changes which will affect the future politico-strategic constellation of the Mediterranean and its importance to the West and, to a lesser degree, the Soviet Union.

- 4.1. Western Europe both for internal and external reasons, has become much more vulnerable economically in the last ten years. This is bound to affect its attitude to at least three countries or regions: the USA, the Soviet Union, and the Middle East.
- 4.2. There has been an important shift in the balance of forces on the continent in favour of the Soviet Union. Again, this will affect the attitudes of Europeans and enhance the importance of events in the Mediterranean (such as, for instance, a substantial increase of the Soviet "Eskadra" or Turkey's future relationship with the Alliance).
- 4.3. The introduction of "Eurostrategic" weapons on the Soviet side which, as Zoppo rightly points out, the vulnerability of both West Europe and the Mediterranean. But I think he is too pessimistic when he says (on page 26) that this trend is continuing. The Cruise Missiles will, in turn, increase Soviet vulnerability, and we should at least ask the question how this will affect Moscow's behaviour. Will it not become more "cautious"? This is very much a function of Soviet objectives which remain undefined in Zoppo's paper.

- 4.4. From here follows that Zoppo's statement about future superpower intervention (on page 6) must be substantially qualified.

One of the striking features of recent years is the decline of superpower influence (leaving aside open military intervention as in Afghanistan - which, incidentally occurred precisely because Moscow had not succeeded in exerting influence by other means). Also there is the effect of mutual neutralization, likely to increase as both superpowers will be confronting each other in areas where they have not been simultaneously present in comparable strength. This has generated greater assertiveness of allied and non-aligned countries as well as their attempt to adjust to a changing power balance. Turkey has been doing so for quite some time, but is far from being the only country to do so.

- 4.5. The geostrategic advantage of the Soviet Union is becoming more evident as most areas of interest and conflict are in her vicinity. This will increase again the need for the U.S. to secure facilities in and around the Mediterranean.

- 4.6. West Europe has shifted its position on the Arab-Israeli dispute.

This makes the consensus with the USA on some major issues of common interest even more tenuous or difficult:

- the assessment of nature and direction of Soviet threat and how to deal with it;
- the scope and nature of "détente" in general;
- energy and energy dependence (including dependence on Soviet oil and gas);
- how to deal with the Middle Eastern crisis and related issues.

All these are questions which, beyond the developments in the armament field, deserve closer scrutiny than they were given in Zoppo's stimulating paper.



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COMMENTS ON GIACOMO LUCIANI'S PAPER ON
"THE INTERNATIONAL ECONOMIC IMPORTANCE OF
THE MEDITERRANEAN"

BY

MUKERREM HIC

PRESENTED AT THE CONFERENCE ON
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COMMENTS ON
Dr.G.LUCIANI'S PAPER ENTITLED "THE INTERNATIONAL
ECONOMIC IMPORTANCE OF THE MEDITERRANEAN"

by:Dr.Mukerrem Hiç (x)

Flows vs. Issues: Major World Economic Issues and Their Impact
and Reflections on the Mediterranean

Dr.Giacomo Luciani has made a thorough and detailed study of the specificities concerning the recently increased international economic importance of the Mediterranean (Med), and I find I have only a few minor points to take issue with him. Therefore, rather than dealing with these specific points, I have decided to emphasize and reinterpret what I see as some of the basic politico-economic events and issues evolving around the world and reflected in the Med. All of these events or issues are, however, also mentioned by Dr.Luciani's paper as the root causes of the flows that he directly deals with. Therefore, I will have achieved no more than changing the system of sub-headings of his paper, inserting the basic issues as the sub-headings instead of the flows that they give rise to. On the way, some nuances of opinion in a few instances between myself and Dr.Luciani will also become apparent.

First let me state the two important properties of the Med, which Dr.Luciani's paper makes clear, as the following:

1) Med, an "inland" sea uniquely situated within three vastly different continents, hosts a very heterogeneous group of riparian and connected countries. We have wide differences in the stage of development as between these countries, different economic systems implemented and different political alliances as well as historical rivalries and hostilities on its own (such as the Greco-Turkish hostility and rivalry). Therefore, the military defense of the Med as a geographical area or "unit" is bound to rest on a disparate and unstable political milieu, creating political difficulties, tensions and conflicts.

(x)The commentator is full professor of economics, Istanbul University, Economics Faculty, and director, Europe and Middle East Economic and Relations Research Institute, related to the above Faculty.

2) The Med, as a geographical entity itself, gives less important common economic traits to riparian countries. These can be summarized, along with Dr. Luciani, as agriculture and Med crops, fisheries, sea-bed minerals, and tourism. The importance of the Med, however, has risen more recently as a transport link for the Middle East (M.E.) oil. Also along with Dr. Luciani, we may cite that tourism is quantitatively a very important resource of the region (the only country not having utilized this potential fully being Turkey). We should also note that significantly all South-Europe Med countries (Italy, Spain, Portugal, Greece, Turkey) are agricultural surplus countries.

Let us now recapitulate the major economic flows including oil transportation linkage, which have increased the international economic importance of the Med, and trace these flows to their basic causes or events. Drawing on Dr. Luciani's thorough presentation, these are :

1) Since the OPEC oil price rises, oil transportation routes and alternatives, and Med as a transport link for M.E. oil to Europe and the West is the most important recent economic event or question. Dr. Luciani rightly devotes a great part of his paper to elaborate on the specificities of this problem. He deals effectively with alternate transportation linkages, including various Med pipelines, the Suez canal, Cape Horn and the VLOC's, and the respective political vulnerabilities of these alternatives. Another set of flows caused by oil price rises is the transfer, use and recycling of the petro-dollars by OPEC countries via bank deposits, financial investments, imports and arms sales. Dr. Luciani supplies valuable data on most of the above excepting arms sales. Another related event is the economic development efforts of the OPEC countries fueled by oil income, the "absorption capacity" of the respective OPEC countries, imports of investment goods, durables and construction undertakings as well as flow of Western private capital, technology and skilled manpower to these countries from Europe, all defined within the "absorption capacity" of respective OPEC countries. Dr. Luciani supplies data on this latter set of flows insofar as it is possible to do

so. Other flows of less importance are imports of OPEC countries in the M.E., North Africa(N.A.) and Near East (N.E.) of agricultural produce from the Med. South-European countries^② trade linkages with them and construction undertakings as well as flow of semi-skilled workers, the latter, particularly from Turkey. Major source of semi-skilled workers to OPEC countries, it becomes clear from Dr.Luciani's paper is, however, other less-endowed Arab countries as well as some Asian countries.

2) Another set of flows evolve around the EC and the South-Europe Med countries. The flow of workers from such semi-developed South-Europe Med countries as Italy, Greece, Spain, Portugal and Turkey to the EC --about which Dr.Luciani also supplies data -- stems basically from the surplus labor (or capital scarce) character of this group of countries or their relative under-development. Flow of workers from N.A. countries to France has also occurred due to similar economic structures and because of the historical, cultural and economic ties of these countries with France. It should be underlined here that this flow of workers from Med South-European countries to the EC slowed down after 1974, not because of growth and increased employment opportunities in the countries of origin, but because of slowed growth and increased unemployment in the host EC countries after the oil price rises. The situation poses a very serious long run threat to the countries of origin, particularly to Turkey, hence indirectly to the economic and political security of the region.

The flow of private capital versus governmental or bank credit and aid to these four countries (or five, if we continue to include Italy), on the other hand, depend as much on the economic policies they pursue as on the degree of their development. Turkey, for instance, with a "closed" economic regime, hostilities for quite some time towards private capital, ends up receiving a minimal amount of private capital from the EC and the West with increasing importance of governmental and bank credit and aid. These can also be followed from the data Dr. Luciani supplies. Agricultural exports of the said countries, on the other hand, take their place in the trade with the EC countries in Dr.Luciani's related table.

The various flows between the said countries and the EC should, however, be best studied against the background of the enlargement of the EC to encompass these four countries. Lack of space, need for narrowing down the scope of his paper, the very wide range of issues that Med encompasses, availability of material on the specialized subject of the enlargement of the EC, leads Dr. Luciani to deal with the last topic only briefly.

In addition to the flows and problems created within the Med region due to oil price rises and the question of the enlargement of the EC, there are other world issues that have direct bearing on the course of events and flows taking shape in that region. As Dr. Luciani also refers to them, these are:

- 3) The general question of economic development of LDC's, in particular Western and EC cooperation and aid to the less developed countries of the Med, in a milieu of rising oil prices.
- 4) The political rivalry of the superpowers, the USA and the USSR, particularly as it bears upon the M.E., N.E. and the oil situation; the dilemma faced by the USA and the West in resolving the Arab-Israeli conflict, safeguarding Israel's right to exist and the defensibility of its territory while keeping the Arab world -- or much of it -- within the Western flanks, a key role being played in this regard by the Palestinian issue and the PLO.
- 5) The broader question of selecting economic and political regime and alliances as between the West and the East, the rivalry between the two basic economic systems: capitalism (mixed economy of sorts) and state socialism as well as the role of Islam as they bear on the M.E., N.A. and N.E. countries, Arab socialism, evolving ties of the moderate vs. radical Arab states.

In the South-European Med countries the rivalry of the economic systems and superpower rivalries and infiltration takes on different dimensions, such as the rise of radical leftist and, as a reaction, radical rightist including radical religious movements, terrorism and separatism that these movements gives rise to. Excepting Italy, ^{and Spain} Euro-communism does not seem

to be in the works for those countries nearer the USSR, such as Turkey, and possibly Greece.

For the case of Yugoslavia, on the other hand, the issue presents itself as maintaining its independence from the Soviet central orbit, a political feat of very significant military and economic importance.

Different Perspectives on Oil and Related Issues

The importance attached to these different issues and problems and their solutions vary according to the different countries or group of countries involved. Taking, for instance, oil price rises and related issues, from the point of view of the EC countries continuous supply and the safe transport of oil from the M.E., N.A., and N.E. countries and the Med transport linkages is considered of prime importance. This calls for the avoidance of serious instability within the said regions, containment of the unstable political situations that already exist and their alleviation. Imports, arms sales, financial investments of Arab countries, flow of Western private capital, are also important for retrieving the petro-dollars that the OPEC countries gain, and in this regard competition exists between the USA and the European countries.

In the quest for new petroleum reserves, we understand that the Med offers only limited scope despite projected increases in explorations in the future. These points become clear from Dr. Luciani's paper. The Aegean which is one of the few areas in which explorations can be made is considered in Turkey as offering only limited potential or prospects. As Dr. Luciani rightly remarks, the Greco-Turkish dispute over the Aegean has kept the number of explorations in the Aegean severely restricted. Luckily, however, like all other Greco-Turkish disputes, the heat is off, the danger of an armed clash is nil, and the question is up for prolonged discussions, negotiations, politicking and bargaining.

For developing alternate energy resources, Dr. Luciani mentions the vast potential of natural gas in the deserts and the oilfields which go unused, waiting for the technology to be developed for transporting and making use of them.

From the point of view of the Arab countries, the political question evolves around the Israeli-Arab conflict and the Palestinian issue within the context of heavy superpower rivalry. Economies of oil-producing countries differ among themselves both with regard to their oil reserves and their "absorption capacity" (note here that the term absorption capacity looks at the matter more from the point of view of the West and Dr. Luciani is careful not to use this term or concept). Those countries with less oil reserves favor higher oil price rises and a more restricted yearly production. For economic development ~~almost~~ all have drawn ambitious projects and programmes. But, as Dr. Luciani also notes, there is a great deal of waste and inefficiency involved on the one hand and inflation on the other. Industrial plants are constructed, Dr. Luciani cites examples, with excess capacities not only for the national boundaries but also worldwide, attesting to gross misallocation of "national" as well as "world" resources. Lack of technology and skilled, including semi-skilled, manpower further raises the costs of such investments. These, the M.E. and OPEC countries have to transfer from the West, by means of private investment flows and flow of skilled manpower. They get their semi-skilled manpower from non-oil-producing Islamic countries and some Asian countries. Since their petro-dollars are limitless, their absorption capacity is defined in large part by their respective population. The long run political and social effects of the increase in their material wealth, building up of modern, highly capital-intensive industry, increased education of the oil-producing countries remain, as Dr. Luciani rightly notes, an ^rintiguing subject for speculation, possibly political and social turmoil.

The OPEC countries, in the wake of their eagerness to maximize their wealth by taking advantage of their oil near-monopoly, and to reach stages of material well-being (note that I want to refrain from using the word and concept economic and social development) which took the advanced European countries centuries of hard work and industry (alternately European growth and development is explained in terms of centuries of exploitation and oil price rises as de-exploitation) often failed to grasp the interdepend-

ences of the world economy. Too fast rises in oil prices cause great disruptions in the Western economies and this, in turn, would create economic as well as political problems for OPEC countries, particularly the more moderate M.E. countries. But, the long run political consequences of slowed growth that arose in the non-oil-producing LDC's (making the bulk of the world population) on account of oil price rises is less readily acknowledged. The grave ^{economic} situation of the 3rd World and its detrimental political consequences are grasped more by the advanced Western countries, and these countries as well as international financial institutions have stepped up credit and aid facilities to finance the oil gap of the LDC's. This aid, however, is still grossly insufficient. The OPEC countries, on the other hand, though paying lipservice to providing aid to the 3rd World, have actually done precious little. Thus, for the 3rd World, the pie has been grasped from them, to be divided between the OPEC and the developed and industrialised countries.

Luckily, the non-oil-producing Mediterranean countries in semi-developed stages such as Greece and Spain were less hit. Of the four, the Turkish economy was the worst hit by oil price rises. Yet, if she is aided to develop her vast hydro-electrical power potentials through W.B. and Western credits -- and also pursued wiser economic policies and development strategies -- she too can eventually avoid a catastrophe.

The future of the oil issue portends even greater trouble for the Western countries and those countries allied to the West, including the moderate Arab states. One is the unprecedented magnitudes the quantities related with oil will reach in future. It is dubious whether the economics of very high oil prices will continue to be "manageable" and whether possible political turmoils be prevented. Secondly, there will be increased rivalry from the USSR. This rivalry is already present on two points. First, any gain by the USSR in OPEC countries and adjacent states would mean cutting off of oil supplies to Europe and the West. Secondly, it would mean gaining military strategic footholds in the Med for use in further gains. Thirdly, in the future the USSR will also be developing oil production gap.

Some Comments on the
Enlargement of the EC.

Although Dr. Luciani, as mentioned before, did not deal with the question of the enlargement of the EC at any great length and directly, and I feel he is absolutely justified to do so, nonetheless, I would not like to let the matter go without making some broad comments. Greece's entry to the EC is commendable more so for political and less for economic reasons for the advanced countries of the EC. Her deeper entrenchment in the Western and NATO flanks is an indirect gain for Turkey as well. Acceptance of Spain and Portugal for membership will create problems but is likely to proceed and end in the positive direction. Spain's Med background will make the EC an agricultural surplus group and also create some problems and tensions with France to be resolved eventually. Portugal is less economically developed, but a smaller country, hence is less of an economic burden to the EC in exchange for broad-minded political gains and necessities. Dr. Luciani notes that Turkey's entry may be further away due to fear of the EC from the flow of Turkish workers and granting them freedom of movement. Instead visa is imposed on all Turks visiting EC countries that host guest workers. Dr. Luciani also notes ^{that} Turkey cannot possibly survive in the future if she does not join one of the two integration movements, the EC or the Arab. Turkey is the least developed of the four countries but with the largest population and a high population growth, indicating greater economic problems for the advanced EC countries in case of entry. Turkey's latest efforts for an early application for membership -- with a long transition period -- is now sustained because of the temporary military takeover to suppress growing terrorism and separatism, as well as growing radical movements of both left and right. The early application was viewed by the EC as a result of the Greek-Turkish rivalry and the acquiring of veto powers by Greece by the beginning of 1981, hence it was not found very convincing. Yet, this was a more fabricated factor offered by Turkish proponents of EEC membership than the real ones behind. Similarly, Turkey's Islamic identity was a more fabricated reason offered against Turkey's EEC membership by the Turkish radical leftists when ^{they} ~~they~~ commu-

nicated with the Europeans. Their real motivation, however, is not really to have Turkey build "organic" ties with the Islamic Arab world but to halt Turkey's advances in the direction of the mixed economic system and Western alliances ~~and organic ties~~, and instead put her on a course towards neutrality and eventually the soviet bloc. Dr. Luciani is right when he asserts Turkey may not survive if she does not join the integration movement. But the real options are not between the EC and the Islamic Arab world; it is between the EC and the Soviet bloc. Again unlike Dr. Luciani, I am less inclined to call the political and economic developments evolving within the Arab countries as "integration" but Dr. Luciani himself seems to accept this as a reassessment. The response of the EC to Turkey as of present seems to be to give her adequate economic aid to bail her out of her present economic crisis and at the same time give her necessary military aid to strengthen her as an indispensable NATO force, but to keep her out of the door of the EEC -- at least for the foreseeable future. Such a strategy towards Turkey, however, can live only for a limited period. Eventually the radical leftists -- including those who at present claim an Islamic identity for Turkey -- would get the point across to the Turkish public opinion that the West treats Turkey simply as an inferior outsider and paid soldier. Gradual shift of Turkey away from the Western camp towards neutrality, disintegration and the soviet bloc, on the other hand, could spell disaster for the security of the M.E. and Europe and alter the balance of power in the Med radically. Therefore, as the price to be paid for Turkey by the EC is high due to her under-development, the military and political stakes are also as high and even higher.

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Center for International and Strategic Affairs

University of California, Los Angeles

AND

ISTITUTO AFFARI INTERNAZIONALI

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THE SIGNIFICANCE OF THE MEDITERRANEAN FOR THE CRISIS IN THE PERSIAN GULF

BY

SERGE DE KLEBNIKOFF

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DISCUSSION PAPER

Conference on the Mediterranean in world politics

Castelgandolfo , Italy

" THE SIGNIFICANCE OF THE MEDITERRANEAN FOR THE PERSIAN
GULF CRISIS "

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Serge de KLEBNIKOFF

French Institute of International Affairs (IFRI)

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THE SIGNIFICANCE OF THE MEDITERRANEAN FOR THE PERSIAN GULF CRISIS

Throughout its history the Mediterranean basin has been considered a zone of primary importance. Today, more than ever, the strategic role of the Mediterranean is indisputable. Simultaneously, it is :

- a meeting place because we find there
 - ° 3 continents (Europe, Asia and Africa)
 - ° 3 religions (Christian, muslim, jewish)
 - ° 7 races (latin, slavic, greek, albanese, turkish, arab, jewish)
 - ° 2 types of economies (industrial and agrarian)
- a passage way because it links together
 - ° the Atlantic Ocean to the Indian Ocean and then to the Pacific
 - ° the Black Sea to these previously mentionned shipping spaces
 - ° the Euro-arab land masses to the Asiatic land mass
- a point of confrontation because in this basin there is an encounter of
 - ° Pan-slavic, Pan-arab and European ideas
 - ° the military forces of NATO and the Warsaw Pact
 - ° liberal and marxist systems

As much as a listing of these fundamental characteristics helps to underline the importance of the Mediterranean, it seems important not to stop there as though the question was exhausted. Indeed, any geopolitical analysis of the Mediterranean basin requires,

first of all, taking into consideration a certain number of fundamental elements which characterize this region and whose nature is more or less permanent.

Among these fundamental facts, we should emphasize, firstly, the unity or at least the profound similarity which exists among all the countries which border on this sea. Here we have an obvious fact even if the vicissitudes of politics or the distorting influences of ideological considerations still tend to obscure it for certain observers. This similarity results primarily from the climate and from its consequences on the kind of life and activities of the inhabitants. It is also the result of psychological and sociological factors which characterize their behavior, their way of seeing things and their set of values. Finally, and despite innumerable rivalries, divisions, oppositions or wars for which the Mediterranean has been the theatre, the similarities have been accentuated by the extraordinary mixture which had taken place throughout centuries among populations, in a zone where exchange and communication have always been particularly intense.

However, this unity, or rather these similarities, cannot disguise the existence of profound disparities which are evident between the East and the West as well as between the North and the South.

Between East and West, there is, firstly, the historical opposition between the Latin and Byzantine worlds which is not only a religious opposition but also a difference in mentality, and which the history of the past millenium - and in particular the existence of the

Ottoman Empire , only accentuated. It is also this distance which separates the Eastern arab world from the Western, perhaps because the influences which were exerted on the two were different. The result was not a clear even cut, but a difference in sensibilities and even mental structures which, added to the geo-political specificity of their respective situations and of their historical heritages, can bring about real oppositions.

It is necessary to underline another important break, that which separates North and South. The Mediterranean is not an island. Its shores are attached to continents. Due to this fact, very different influences were exerted on the northern shore, beginning with Central and Northern Europe traditionally drawn towards the South, and the southern shore profoundly marked by Africa. This North-South cut, which reflects in a way that of Europe and Africa, was made more obvious by the arab conquest during the time in which arab domination extended over the southern part of the Mediterranean, and where exchanges with the North were limited.

It is , however, necessary to underline the fact that these manifestations of disparity have been somewhat compensated for, above all in what concerns the North-South factors, by historical phenomena. In undergoing the impact and attraction of the Black world (in which arab influence-and that of Islam-has not stopped increasing), the Arab world has always had an intense desire to distinguish itself in asserting if not its superiority, at least its specificity. Its ties with Europe, through religion, commerce and colonization, have enrooted this

desire to remain mediterranean despite everything. In the same manner, the fact that the majority of the countries on the northern shore of the Mediterranean have not participated much in the industrial and technical revolution , and so remain developping countries, has permitted them to keep alive their feeling of mutual solidarity and of belonging to a specific universe.

Finally, it is necessary also to recognize, with some exceptions of course, that most of the Mediterranean countries have found themselves for a long time in a state of dependance and political or social subordination. This is true in the North as well as in the South, in the East as well as in the West, even if this subordination has not always been of the same amplitude, nor perceived in the same manner.

The weight of power , for several centuries, was clearly directed towards the North. This phenomenon attained its paroxysm in the 19th century, making the Mediterranean - in the past the center of the civilized world - a kind of semi-abandoned zone. Today, as we said in the beginning of our presentation, a new factor of unity is being created, based on the strategic importance of the Mediterranean. This factor will weigh especially heavily since the pendulum is now tending to reverse its course.

Taking into account these general considerations, what are the main problems which presently characterize the situation of Mediterranean countries ?

The first problem is without question the common goal of decolonization. Certainly this has been more or less realized in the political areas, although through independent structures- foreign influences continue to be powerfully felt on many states of this region. But more than this formal independence, it is a real capacity of action and influence to which they strive. And above all, this demand is doubled by a more and more sharp awareness of the necessity of an economic decolonization that would permit them, precisely, to make their weight felt in the balance of power of the present world. In fact here, the Mediterranean problem rejoins the problem of all the Third world countries. It is easy then to understand the historical and symbolic significance of the petroleum operation. This is what gives the arab countries their strongest asset in playing a fundamental role in this great undertaking of recuperation of wealth that should be useful not only to a one particular country, but liable to give back to a complete region its capacity to act and influence on a much bigger scale.

Associated with this aspiration, but sometimes also in conflict with it, there is another point that has to be underlined : The search , often difficult, for a new model of civilization and political organization. This question constitutes for many countries the essential condition for achieving independence from the domination of the old classes inherited from the colonial period.

Certainly the road will be long for some countries that give a different meaning to terms like proletariat, youth or working class,

for countries where the need for authority and cult of leadership is still much alive, for countries where the concept of democracy is often perceived only in the form of strong equillitarian aspiration. Added to the divisions already mentionned (races, ethnic groups or religion), these different elements in fact slow down the social progress to which these countries aspire.

All these problems are also expressed on the political level where the differences of race, of wealth and of development - and also of ideologies, contribute perpetually to the creation of new rivalries. These rivalries are the characteristic of the Arab world and they reach their paroxysm in the relations of the arab countries with Israel. But we have to remember that these rivalries have not spared the northern border of the Mediterranean : Italy and Yugoslavia, Greece and Turkey ... All this creates a serious instability which is in itself one of the principal problems of this area. It is a considerable handicap for the unity of the Mediterranean.

However nobody can deny the solidarity which units the arab world above and beyond the regional differencies and the verbal disputes. The community of interests, the need for subsidies, the multiple economic ties, the wars and the conflicts with the North are as much an occasion to observe the arab countries evolving towards common positions.

This could appear less true in the northern side of the Mediterranean where other elements of rivalry come into play. In spite of that, certain signs - particularly certain diplomatic tendancies - show

a common desire for union. Some countries are even suggesting a neutralization of the whole area, which would be - in their eyes - an essential condition for its final emancipation.

This last preoccupation, nevertheless, throws into relief one of the essential elements of the present mediterranean question : the predominant role played by the two Super powers.

For a long time, France and Great Britain were the only super powers. Thirty years ago, their influence was still important in the North as well as in the South, even if it was contested, between the two world wars, by Italy and Germany. France's and Great Britain's withdrawal after the 1956 Suez crisis widely opened the way for the entry on the scene of the two super powers, the United States and the Soviet Union, whose rivalry in this region has since become an essential element of destabilization. This phenomenon was of course predictable for the Mediterranean has always been an strategic area. But its importance has been considerably increased by the discovery and exploitation of its petroleum wealth, and by the dependence on it in which the world - and notably Europe - has placed itself. Because of this, it has become , in the real sense of the word , a vital zone the control of which is an object of fierce competition among world powers.

The conclusions emerging from these general observations can be the following :

- The Mediterranean is a zone still linked to a past too recent to be abolished. It is still subject to weighty structures in the North as well as in the South. -

- It is still an object of claim rather than a subject. It is still unequally but generally under-developed. It is the prey of rivalries whose roots are at the same time religious, colonial, psychological and ethnic.

- However, it is also in the process of change : economic change accentuated by the pressure of vital energy sources and the role of petroleum, social change due to the demographic explosion and the rise of new classes, political change whose development is of course still hesitant.

- On the international scene, it entered world politics in becoming a privileged zone of confrontation among superpowers, a crucial security area (southern flank of Nato), and for Europe , a key sector.

Now that we have covered the main points concerning the mediterranean reality, let us analyse the consequences of the Persian Gulf crisis and the role the Mediterranean could play in helping to solve the problem.

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I will not cover the historical account of the events which have shaken the Gulf countries in the recent years. Everyone knows the conditions in which are taking place , on one hand the Iranian revolution, and on the other the armed conflict between Iraq and Iran. At this

time, it is difficult - and I won't attempt it - to predict the outcome of these two closely related crises.

However, even if the outcome is not clear, it is possible to examine the effects which these events have already had on the Mediterranean countries, and what might be their reactions.

At the risk of astonishing you, I must here confess that the consequences that I draw from the Persian Gulf crises are very pessimistic, because the differences and splits already mentioned again take their full meaning.

Two observations are worth developing :

- on one hand, the Mediterranean countries in the North or in the South, cannot conceal their weakness, dependence, in fact their political, economic or military " vulnerability ".

- on the other hand, more than ever, the superpowers have the opportunity to consolidate their presence in the region.

Let us first consider the " vulnerability " of the Mediterranean countries and point out the implications of the crises in the Persian Gulf.

The vulnerability of the arab world can be expressed essentially in two statements :

- 1°- Panarabism is once again in crisis. This movement - object of all the efforts of the Arab Nation, finds itself, whether it likes it or not, opposed to Panislamism. The Irak/Iran conflict opposes two islamic countries, but also an arab and a non-arab country. This fact, which

is not unique (consider the case of Western Sahara), reveals again the precariousness of these two concepts.

Even in face of the threat represented by the revolution in Iran, the arab countries have not been able to adopt a common attitude. The traditional discussions between the governments called " moderate " and those called " progressist " have again surfaced. The fragile consensus which emerged from the arab summit conference in Bagdad in 1978, between the " hard line " (Algeria, Libya, Syria, South Yemen and PLO) and the " Silent majority " (principally the moderate regimes) has again collapsed.

The support of Tehran expressed by the first group can be explained much less by the sympathy which Ayatollah Khomeiny might inspire than by the fears which any increase in Iraq's power awakens. Syria, at sword's point with Iraq, can only dread its success. Strongly opposed to the jordano-iraqi rapprochement, Damascus is also against King Hussein. Algeria, for ideological reasons as much as because of Iraq's support of Morocco in the Sahara problem, is - without stating it officially - on the side of the Iranian regime; by the way, Algeria represents Iranian diplomatic interests in Washington. More complex, the case of Libya, henceforth allied with Syria, is not less exemplary. Fighting against Morocco and Egypt, Tripoli is naturally inclined to support Tehran even if the Iranians assign Khadhafi an important role in the disappearance of the Imam Moussa Sadr. And finally, the P.L.O. does not hide its pro-iranian enthusiasm even if this enthusiasm has been considerably tempered since the spectacular embrace of Mr Yasser

Arafat and Imam Khomeiny.

In contrast, the group of countries reputed to be moderate has clearly taken a position, if not in favor of Iraq, at least against Iran. Morocco and Jordan, for example, give their entire support to Baghdad. Even if this support is more moral than material, it has been officially stated. The evolution of Jordan's position is somewhat remarkable: In the space of three years, King Hussein shifted from a plan to unite with Syria, to a sort of "peace agreement" and military support to his former stronger opponent, Saddam Hussein. Egypt, which cannot accept an Iraqi military victory which would be too clear, offers its aid to any attempt at overthrowing the present Iranian regime.

The split, the traditional character of which must be recognized - at least on the political scheme -, risks greatly to reappear at the next Arab or Islamic summit conferences which are to be held in the near future. Consequently, it is difficult to see how an Arab or Islamic mediation could put an end to the present conflict. But the most serious consequence is, in fact, the new failure of the Arab world in its effort to become a regional power.

-2°- The second statement is due to the change in the power relationship in the Israeli-Arab conflict which - one must recognize - now occupies the background of the international scene. Because of this new situation, its development again risks being delayed.

In the short term, at least, the conflict between Iraq and Iran has resulted as a consequence in the completion of the "neutrali-

zation " of Israeli's eastern front, composed of Syria, Jordan and Iraq.

Syria was already too implicated in the lebanese affair and undermined by internal problems, to seriously threaten Israel. The recent treaty with Libya should not appreciably modify its military capacity. At the same time, Iraq turns to have preoccupations other than the fight against the " Zionist state ".

According to Tel-Aviv, this new development significantly dispels the danger weighing on Israel. On one hand, Iraq is, for a time, diverted from its plan to be leader of the countries that would refuse the Camp David agreements. On the other hand, Egypt is not any more a threat to Israel's security.

Nonetheless, the Israelis fear that an eventual success of the Iraqi army would ultimately reinforce its power in the region. So, with uneasiness, they denounce France's delivery of nuclear equipment to Baghdad, and watch the progressive improvement in quality and quantity of Iraq's conventional armaments.

In fact, Israel is more and more worried by the tightening of ties between Baghdad and Amman which , as it is stated in Tel-Aviv, prove a hardening of Jordanian policy, until now relatively moderate. An eventual military union would be even more serious because the Jordanian military equipment is also improving very fast.

It is easy now to measure how linked the Iraq-Iran crisis and the Israeli-arab conflict are.

Now to those principal ideas, we can add other elements : the dangers of an excessive military build-up in a region already deeply

unstable, the acquisition in huge quantities of more and more sophisticated weapons etc.. All these considerations are not factors conducive to peace.

But the developments in the vulnerability of the Arab mediterranean countries should not mask the weaknesses of the southern European states. The Gulf crises have had a main effect of defining the limits of their independence. South European countries , in fact , are also victims of the Iraq-Iran conflict. This is a reality and it can be demonstrated easily.

Two essential ideas can be brought out :

-1- The economic dependence of the Southern European countries limits considerably their political freedom. Without giving in to the temptation to present once again the figures concerning the Iranian and Irakian petroleum exports to Europe, it should be mentioned that the first consequences of the conflict were to stop the shipping of Iranian and Irakian oil from the Gulf (24 September), then the interruption of the Eastern Mediterranean shipments of Irakian crude oil (26 September). At that time, the Iranian and Irakian exports were respectively 0,5 and 3,2 million barrels/day.

Iraq alone exported to Southern Europe 50% of its production :
France 500.000 b/d (23% of its total imports of oil), Italy 450.000 b/d,
Cyprus 150.000 b/d , Spain 150.000 b/d , Yugoslavia 120.000 b/d .

These figures permit the measurement of the field of action of the European countries in regards to the conflict which preoccupies us.

Such a dependence forbids a government to adopt any hostile attitude towards one of its oil suppliers. This explains the care and the neutrality profused by the European countries which are prisoners , in a way, of their energy policy.

This same dependence explains the little haste on the part of the European countries concerned by an eventual military action in the Gulf. Above and beyond the essential fact that any military action would be considered as an interference in internal arab questions (at least for the moment), it is obvious that such an initiative would only have the result of completely interrupting the oil supplies.

These hesitations sometimes end in profound contradictions. Such and such an European country tied to one protagonist or the other, by economic agreements - not to speak of armament supplies , sees sometimes itself suddenly forced to interrupt if not cancel treaties already signed. It is easy to measure the consequences of such a situation for countries which are therefore marked both in their image and in their power.

-2- More important perhaps than the economic dependence, the lack of cohesion of the European states adds to the vulnerability of the north flank of the Mediterranean.

Everyone knows that there are conflicts inside the alliances (the case of Cyprus, for example), that economic competitions bring crises regularly. Defense efforts are very unsuffisant since the gear of an imminent military threat has dulled. It is true that on the North

coast of the Mediterranean, there are countries belonging to the Atlantic alliance as well as the socialist bloc and the non-aligned movement. It is also a fact that the economic situation can vary considerably from one country to another, that military force does not necessarily serves the same interests. From Spain to Turkey, the diversity is considerable.

What some call " the American omnipresence " does not contribute to European cohesion. Without protective barriers, Europe has troubles avoiding the constraints born of the growing role of economic and monetary factors. The lack of a real autonomy also weighs heavily : With or without political union achieved, we must realize that Europe has no monopoly, and is in no domain rich or strong enough to create a total dependence on the part of anyone else. Fixed onto an East-West perspective, Europe has trouble getting away from pressures from the two superpowers. This is of course a source of problems as everyone tries to secure the maximum of advantages, either in the larger framework of its " bloc " or in the use of privileged ties.

Since I have just mentionned the pressure of the two superpowers, let us try to analyse now how they have benefited from the recent international events in the Gulf area.

It is clear that - because of the crisis between Iran and Iraq, both the United States and Soviet Union have improved their positions in the Mediterranean and contiguous areas.

The fear inspired by Iranian threats permitted the United States to reinforce its political influence while building up its military presence. The risks of a spread in the conflict to the Arabian peninsula

caused a more clear-cut polarization , even though not necessarily irreversible , of the Gulf states who finally accepted openly what they had before managed to avoid : The american protection. At the same time, Egypt intensifies its military co-operation with Washington to the point of lending " facilities " destined for Rapid Deployment Forces. This american reinforcement has improved notably the credibility of the U.S. commitment, much aroded in the last five years.

The overall question for Washington is to put itself in a position to act if necessary. It is clear that the United States have no problem of oil supply. The defense of the interests of the European and Japanese allies derives from a precise political and strategic objective : To install themselves in an area where their influence was in part eliminated.

It is as well obvious that the Soviet Union is working to consolidate its position in the total area of crises of the Eastern Mediterranean. Less embarassed than the Americans because it also does not depend on Gulf petroleum, it has no hostages in Tehran and has diplomatic relations with Iran and Iraq, the Soviet Union gains significant advantage from keeping a foot in both camps.

Its goal seems , first, to be to take advantage of the frustrations of Iraq's neighbors . The friendship treaty signed recently with Damascus replies to this preoccupation while crowning a long effort to approach Damascus. For this, the Soviets had to appease the Iraqi by giving them compensations and aid. At the same time, their role of weapons supplier permitted them to exercise discreet pressure. By the way,

we must here stress the importance of the political and military treaty signed by Syria and Soviet Union, for its consequences risk being immense far all of the region.

Soviet second goal concerns the long term. It is probable that the USSR seeks to become an arbiter of the conflict , or at least play a role in the eventual negotiations between Tehran and Baghdad. If this happened, it could then impose itself as an active partner in other crisis solving process , like the Israelo-arab conflict from which it has been for so long excluded.

In conclusion, the Iraq-Iran conflict adds to the " opportunities " already offered to the USSR by Iran's instability.

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These factors accepted, what can the Mediterranean countries do to assume a peace-keeping role particularly in the Middle-East ? My answer will be very clear : Before thinking about acting in any field, the Mediterranean countries should recover their identity and take in hand a certain number of their interests. The economic, political and cultural interests of these countries cannot be indefinitely confounded with those of Northern Europe or, even worse, be sacrificed to those of a superpower.

Now, of course, some would advocate the formation among bordering countries of an organisation, whatever its form, that would have as objectives :

- the elaboration of a common policy for energy, investments, markets and employment on the Mediterranean scale, followed by the installation of appropriate structures,

- An agreement on maritime law, especially the delimitation of economic zones; exploitation and defense of the environment.

- A security policy aiming , in a more or less brief delay, at the withdrawal of foreign fleets, the dismantling of bases and a redefinition of passage rights to the Bosphorus, Suez and Gibraltar.

- A setting up of a model of development and culture, in fact an original style of society.

It goes without saying that an organization capable of realizing such projects does not yet exist ! But the fact that we can conceive of such an organization which would deal with important problems that neither Europe nor its direct neighbors have mastered, is indicative of something new. In a time where blocs are no longer monolithic and where multipolarity emerges, these hopes are not entirely baseless.

The essential problem is whether such a mutation of Mediterranean countries is acceptable to the U.S. and the USSR . In other words, can Mediterranean exist without the Superpowers ? In a recent book, Charles Zorgbibe gives part of an answer. To proponents of security through the exclusion of the superpowers whose interference , as they say, is at the origin of all the conflicts in the area, Charles Zorgbibe replies in underlying the difficulty of diagnosing the exact cause of crisis : Is it sure that the local conflicts result essentially from the manipulation of the superpowers ? The case of Cyprus and Lebanon raises

doubts. To the same proponents who advocate a Mediterranean controlled by a regional police force, without the presence of any american or soviet fleet, he answers with another question : Is it sure that local conflicts would gain by being regulated by interested parties ? There, again, the answer is not easy.

Charles Zorgbibe analyses also what other proponents have called the security of the Mediterranean " through the moderation of the great powers ". He recognizes the fact that its most recent promoter, Henry Kissinger, did try to introduce it in to-day's realities of international life. The Kissinger doctrine is certainly seductive, but the idea of a return to a system of balance of power appears henceforth illusory. The diplomacy of an equilibrium supposes, as he said, the existence of at least three principal actors of comparable strength. At this time, on the politico-military chessboard, the European partner and a fortiori the Mediterranean one, is not of sufficient stature.

It is therefore a question of creating this mediterranean partner, of defining its shape, of giving it some content, of building it stage by stage, through the national experience of each bordering country.

Let me here take up the exact terms of Mr Hedi NOUIRA, the former Prime Minister of Tunisia, who recently wrote in a French magazine :

" The bases and principles of a durable co-operation in the Mediterranean call first for the same consensus which produced the Helsinki Declaration concerning European security and co-operation. Secondly ,

they call for the totality of conventions and agreements which organize the economic relations between the various partners. Finally, they rely on the historic ties which unite all the nations bordering the Mediterranean; these ties which are so numerous, and so deeply rooted in our societies; these ties which are the basic constituent of our values and our vision of the world ".

" The idea of co-operation ", adds Mr NOUIRA, " aims - at this level, at transcending the schemes of inequality and of decolonization to put into effect a perfect multilaterality, that is a policy of concentration based on complementarity and solidarity, likely to exalt the common potential while respecting the integrity of each partner ".

It seems to me that there are at least two important international instances that are able to serve as a framework for the elaboration of a Mediterranean entity : the Conference for Security and Co-operation in Europe (C.S.C.E.) and the commission for the Euro-arab dialogue.

Let us look at the C.S.C.E. : Under the constant insistence of a certain number of participating and non-participating states, a privileged place was vowed in the final Act of the Conference of Helsinki for only one specific extra-european region : the Mediterranean. We must recognize that this result, the implications of which are considerable, was initially the fruit of non-participating states (Algeria and Tunisia) followed by members of the Conference such as Malta, Yugoslavia and Cyprus. For all these non-aligned countries, it was impossible to admit that the Mediterranean serves the superpowers simultaneously as an arsenal and a place for

permanent opposition. The movement was launched; it should never be allowed to stop.

The Final Act comprised a specific document giving the position of the Conference on Mediterranean problems. However, its recommendations have not yet been followed by actions.

The reasons for this lack of progress are triple : First, the Mediterranean declaration of the C.S.C.E. was a text that did not call for specific measures. Secondly, the arab countries appeared cautious in regards to a text in whose elaboration they had not really participated. Finally, the majority of countries concerned continue more than ever to deal with regional problems in the perspective of the two blocs. The real implementation of the Declaration demanded precisely the opposite.

But after Helsinki, there was the conference of Belgrade, in 1978. Presently, another conference is taking place in Madrid. Also, even if the difficulties have not been smoothed out, we can assume that it is through the C.S.C.E. that the Mediterranean reality will make its way. For example, the meeting in Madrid could in particular take up an already old idea of conference on security and co-operation in the Mediterranean in which will participate all the bordering countries and several others. Now, we have to admit still that such a conference could not take place without the two superpowers.

The second instance, the Commission for the Euro-arab dialogue, seems to offer even better conditions to build a real co-operation between countries bordering the Mediterranean. Created in 1973, it had to surmount numerous difficulties before being able to work in a positive manner. For

a long time, the problem of the P.L.O.'s preliminary recognition blocked the process of discussions between European countries and the Arab world.

After an interruption of almost two years, this euro-arab dialogue has just resumed. On November 12 and 13 1980, all the delegations assembled in Luxemburg. Certainly, once again, the Arab League delegation stressed the seriousness of the Middle-East conflict, its threats to the arab world and Europe, and the situation in occupied territories and in Jerusalem.

However the President of the Nine European countries and the leader of the arab delegation made it clear that recognition of the P.L.O. would not , in any case, be a prerequisite condition to the most important decision of the meeting : i.e. the convening of a conference of Foreign Affairs ministers in June or July 1981.

Bringing the Euro-arab dialogue to such a level is an initiative whose implications could be immense for the future of the Mediterranean concept. Of course, these discussions will have to be able to surmount questions as difficult as those of the recognition of the P.L.O. or the energy problem.

The problem is henceforth clearly stated. This Mediterranean co-operation has become necessary in whatever framework it can develop. More over, it is urgent to achieve some results despite the fact that all attempts to advance in this direction are impeded by at least three major obstacles : The tension due to Middle-East conflicts, the increasing disparity in development between the North and the South,

and the growing vulnerability of the European economy in regards to energy sources.

Each of these three obstacles can be handled effectively, but this implies an effort in several equally important directions :

- Peace efforts to base the settlement of conflicts on a basis of international law and right,

- Effort towards co-operation and economic security, in revising the terms and the fields of mutual co-operation in the direction of a more harmonious adaptation to the economic environment and a better mastering of reserves and potential influxes,

- Effort towards political co-operation through a qualitative change in all sectors of the Mediterranean life and economy.

The Mediterranean will be able to take her part in the promotion of peace, well-being and balanced co-operation among all the States of the region, only when she will get free of her mortgages, free of the israelo-arab confrontation, free of the North-South imbalance and finally free of all the different weaknesses many times mentioned.

It is then - and only then - that we will imagine the Mediterranean countries playing a decisive role in crises like that which currently are settling fire to the Gulf area.

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Center for International and Strategic Affairs

University of California, Los Angeles

AND

ISTITUTO AFFARI INTERNAZIONALI

ROME

THE INTERNATIONAL ECONOMIC IMPORTANCE OF THE MEDITERRANEAN

BY

GIACOMO LUCIANI

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DELL'ISTITUTO AFFARI INTERNAZIONALI

The International Economic Importance of the Mediterranean

Introduction

The Mediterranean was the fundamental center of economic life until the end of the XV Century.

At that time, Venice was the principal economic and military power over the Sea. Her decline, which coincided with the decline of the Mediterranean in world history, was brought about by the opening of Atlantic routes to the East, around Africa; and by the long drawn confrontation with the Ottoman Empire. The latter factor was not, however, decisive: the Ottoman did not become the ruling power in a prosperous Mediterranean, substituting Venice in the same fashion as Venice had substituted other Italian cities and Constantinople. Rather, the centrality of the Mediterranean in the world system declined.

The opening of the Suez canal might have arrested the decline, but did not really reverse the trend. After World War II, notwithstanding the increasing economic importance of some bordering regions, namely Western Europe and the Arab Gulf oil producers, the economic importance of the Mediterranean continued, in relative terms, to diminish.

Until recently, the strategic value of the Sea was mainly linked to its geographical position. It allowed the deployment of flexible naval forces with multiple tasks, contributing simultaneously to the defence of Western Europe, access to Middle Eastern oil, and to the central strategic balance.

Today, there are elements which suggest that this trend is reversing. The international economic importance of the Mediterranean is increasing, although certainly nowhere near the level of its past glory. These economic developments will necessarily change the political and strategic environment prevailing in the Mediterranean, altering the global strategic significance of the region.

In this paper I shall briefly review the major economic development in the Mediterranean, and sketch a few political and military implications.

For purposes of clarity I shall distinguish between those developments which are happening in the Mediterranean region, i.e., in and among the political groupings bordering the Mediterranean, and the Mediterranean basin strictu sensu, i.e., above or within the waters, over the seabed or along the shores. Clearly the two aspects are strictly interconnected, they involve however different phenomena and variables.

I. The Mediterranean as basin

A number of related factors are increasing the economic importance of the Mediterranean basin. A clear distinction can be drawn between factors linked to the presence of natural resources and factors linked to the Sea as a transportation facility (waterway). We shall deal with the latter, however, only as far as oil is concerned. The following discussion is then organized according to different criteria: a) hydrocarbon exploration and production; b) oil transportation; c) the development of natural gas resources as a regional energy source; d) other resources including fisheries; e) the protection of the Mediterranean environment.

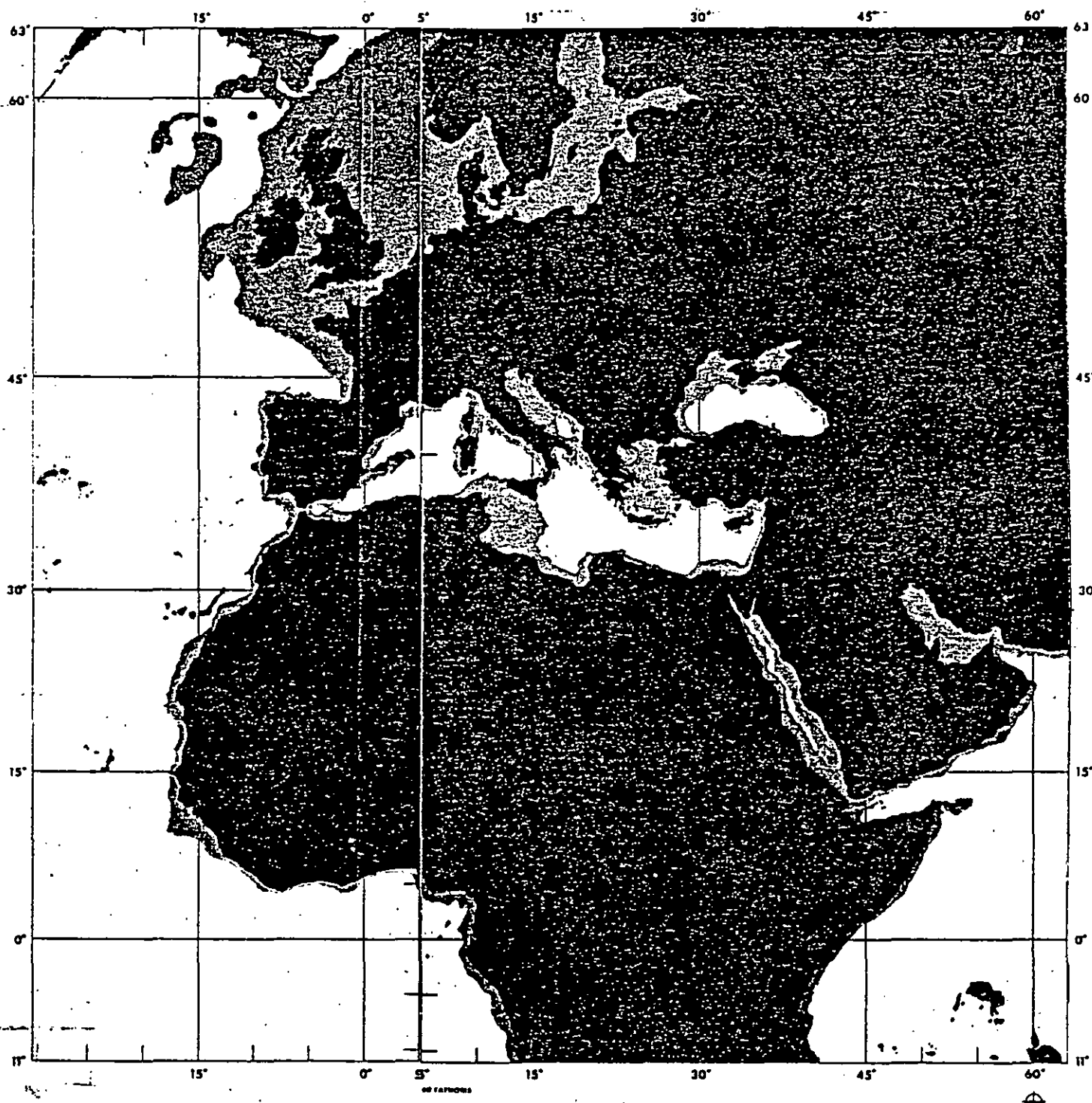
a) Hydrocarbon exploration and production

There has always been some exploration activity for hydrocarbons in the Mediterranean. Since 1973 this has picked up considerably. A "giant" oil or gas field has yet to be discovered in the Mediterranean, though even the smaller fields are worth exploring for.

Geologically the Mediterranean is characterized by a variety of very different formations. Furthermore, the Mediterranean, though it is a closed sea, is on average very deep (a fact which has considerable importance also for other economic activities - such as fishing - and for strategic interests). The sea has a total surface area of around 2,000.000 km². Only 15% is covered by less than 200 mt. of water, 7% has a depth between 200 and 1,000 mt., while 78% has a depth above 1,000 mt. (Fig. 1). Exploration activity is feasible today only in the first portion, but in a few years exploration up to 1,000 mt. will be economically viable. The consequences of exploration at greater depth cannot yet be predicted.

Given these general conditions, the most promising areas are the Gulf of Valencia, the Gulf of Lions, the Adriatic off Italy and Albania, the Tunisian and Libyan offshore, the Medina Bank (midway between Malta and Libya), the Egyptian coast. Most of

Figure 1 : The Mediterranean at 500 fathoms (915 mt.)



Source: E.R. Anderson, "Single Depth Charts of the World's Ocean Basins at Depths to 3,500 Fathoms", NEL Report 1252 Set I, US Navy Electronic Laboratory, San Diego - Cal., December 1964.

recent exploration activity has taken place around Italy, leading to around 35 discoveries (including both gas and oil).^{*} More recently, exploration activity has picked up off Tunisia and Egypt. Political conflict between Tunisia and Libya slows down exploration activity in the Gulf of Gabes and off Djerba. The conflict between Malta and Libya stopped exploration underway on the Medina Bank this summer. The conflict between Greece and Turkey negatively influences exploration in the Aegean.

Expectations are that the exploration activity will gradually intensify in coming years, reaching a plateau of around 70 wells drilled per year. If exploration can pick up in waters between Tunisia, Malta and Libya, as well as north of Libya, the size of average finds would probably grow (while the number of yearly finds is likely to be constant around 7).

Table 1
Offshore exploration wells drilled in the Mediterranean
(1968-1977)

	1968-72	1973-77
Italy	87	75
Spain	16	46
Greece	5	5
France	3	-
Morocco	1	-
Malta	1	1
Algeria	-	1
Tunisia	7	39
Libya	3	20
Egypt	6	7
Lebanon	-	-
Syria	1	-
Turkey	2	6
Yugoslavia	-	2
Israel	3	-
<u>Total</u>	<u>135</u>	<u>202</u>

^{*} Data in Table 1 summarize the evolution of exploration activity in 1968-77.

b) Oil transportation

The age of the supertankers (VLCC) coincided with the rapid increase in the importance of Middle East petroleum in world oil supplies. The Arab-Israeli conflict was a permanent incentive to reduce reliance on Suez, and effectively blocked any proposal to modernize the canal. That same conflict crippled the existing network of oil pipelines carrying crude from Iraq, Kuwait and Saudi Arabia to the Mediterranean. The Tapline was sabotaged repeatedly - a prospect which did not encourage investment in increasing its capacity. Only Iraq maintained significant Mediterranean outlets. All her lines passed through Syria, however; a source of continuous friction between the two countries.

VLCCs were the logical answer. Today, however, they appear to be increasingly anachronistic. The ecological hazards which this operation presents is a case in point. More significantly, however, the sea lanes they traverse could be interdicted in at least two points: a) in the Gulf itself as a consequence of military activity in the region (1) and b) in the proximity of the Cape passage as a consequence of a deterioration of the internal situation in South Africa leading to a civil war or through an increased Soviet military presence in the region.

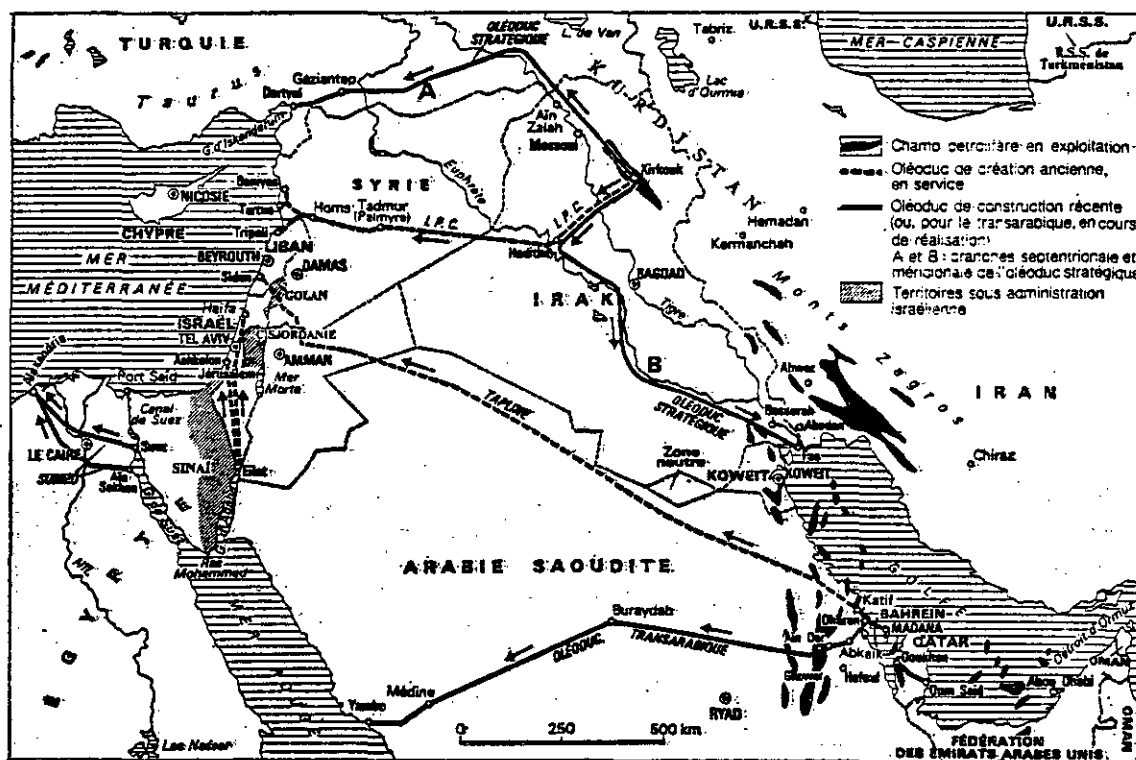
Growing concern with these two threats has led to a number of attempts to diversify transportation routes. Egypt, for example, has undertaken, in order to allow the transit of larger carriers (not yet VLCC's however) and to link, via the Sumed pipeline, the Red Sea to the Mediterranean. Saudi Arabia is building an East-West pipeline, which will carry oil from the eastern fields to the Red Sea port of Yanbu. Iraq too has diversified her Mediterranean outlets, by building a pipeline across Turkey to the Mediterranean port of Ceyhan. She has also connected her northern fields (Kirkuk) to the southern ones (Basrah) with a so-called strategic pipeline, capable of operating in both directions. These developments are pictured in Fig. 2.

These developments have different implications. The Sumed and the enlarged Suez canal are alternatives to the Cape route. They do not allow diversification from the Gulf however. The reverse dilemma applies to the East-West Saudi Arabian pipeline.

- (1) The problem is not just Hormuz, which is less vulnerable than is usually imagined. Rather, the problem is a general vulnerability to military aggression or terrorist attack anywhere in the Gulf.

For a variety of reasons, including Saudi Arabia's little desire to depend on Egypt for such an important aspect of her economic life, (Syria docet, the Iraqis would say), the two systems are in practice much more independent than one would suspect. At the same time, if Saudi Arabia wishes to become less dependent on the Cape route, she has no other alternative than to depend on Egypt.

Figure 2 : Pipeline systems in the Near East



Only the resolution of the Arab-Israeli conflict and a serious increase in the capacity of the Tapline could lessen this dependence. As far as Iran is concerned, she has no possibility of any Mediterranean outlet except through Turkey, a difficult proposition for oil coming from the southern fields. She could, however, make herself independent of the Gulf ports by building a pipeline to carry oil to a point east of Hormuz.

A recent study (2) predicted that by 1985 as much as 425 million tons a year of Mideast oil might be moving to Western markets by routes other than the traditional one around the Cape of Good Hope. In 1979

(2) "World Oil and Tanker Outlook to 1986", by Internaft Ltd. privately Saudi Arabian-backed London Tanker consultants.

and 1980, the comparable figures were 225 million and an estimated 205 million, respectively.

The study predicts that by 1985 the East-West Saudi Arabian line will boost Red Sea exports of Saudi crude and refined products to 3.5 million barrels daily (175 m. tons a year). This would swamp the projected 1982 capacity of the Sumed pipeline in Egypt. Saudi exports from Yanbu would also help to nearly quadruple laden Suez Canal tanker transit by 1985 to about 2.6 million b/d, up from 700,000 b/d in 1979. Present Sumed capacity of 1.6 million b/d is projected at 2.4 million in 1982. A good part of it is already allocated to non-Saudi oil.

If anything, this study underestimates the increase in Mediterranean oil traffic. It was concluded before recent events in the Gulf. In fact, it assumes that over the next five years there will be no resumption of oil exports from the Tapline, and that exports from the Iraqi pipelines will remain about static. It projects export shipments of 450,000 b/d from the Iraq-Turkey line, 200,000 b/d from the Iraq-Banias line and 150,000 b/d by Syria from Tartous. These levels are well below the maximum capacity of the three lines which at present is 2.1 million b/d/ (3). If we modify the Internaft assumptions, accounting for Iraqi use of the three lines at full capacity, and add the exports of Mediterranean rim oil producing countries, we reach a figure of 10.4 m.b/d for oil transported across the Mediterranean (Table 2). This would represent approximately 30% of Opec exports.

Current events in the Gulf indicate that countries in the region will increasingly want to have outlets on the Mediterranean. Most reports confirm that the worst hit facilities are refining and loading installations in the Gulf. The Iraqi pipe system suffered only minor damage. Its outlets on the Mediterranean, being on third parties' territory, are safe. VLCC loading facilities are a target to which serious damage can easily be inflicted. A pipeline, on the other hand, though highly vulnerable, rarely suffers substantial damage.

Hence, barring serious conflict among Arab countries, the share of Middle Eastern oil shipped across the Mediterranean will be further increased by the end of the 1980s.

Table 2

Estimate of crude oil Mediterranean shipments in 1985.

	in million b/d
Sumed	2.4
Suez Canal	2.6
Iraq-Turkey	0.7
Iraq-Banias	} 1.4
Iraq-Tartous	
Libya ¹	1.8
Algeria ¹	1.0
Other Mediterranean producers	0.5
	<hr/> 10.4

¹ The figures represent average Libyan and Algerian production in January-August 1980. Maximum sustainable output capacity for the two countries is estimated today at 2.1 m. b/d for Libya and 1.2 m.b/d for Algeria (PIW, 27/10/80, p. 11).

c) Development of gas resources as a regional energy source

The oil producing countries in North Africa and the Middle East also command huge gas resources. Table 3 gives figures on current estimates. These figures however must be considered conservative, because most OAPEC countries have not systematically searched for natural gas. Algeria is the only exception. Significantly, we have no more than an initial assessment of gas resources available in the Gulf. The North West Dome, which Shell has evaluated for the government of Qatar, has proven reserves of 0.9 trillion cu. mt., and possible total reserves of between 2 and 3 trillion cu. mt. The field was first discovered in 1972, but development has been delayed by Qatari doubts given that an initial investment of 3 to 4 billion dollars would be needed (4). More recently, a German

(4) F.T., 11 May 1979, p. 3.

Table 3 : World Natural Gas Reserves by Countries and Main Areas (billion cubic meters) (a)

	1961	1965	1970	1975	1977 (b)
Algeria	1,400	1,800	3,000	3,570	3,540
Libya	100	210	850	750	728
Nigeria	10	80	170	1,250	1,218
Other countries	15	30	400	400	391
AFRICA	1,525	2,120	4,420	5,970	5,877
Saudi Arabia	1,260	1,580	1,500	1,800	2,407
Iraq	630	600	600	770	793
Iran	1,820	2,380	6,000	10,600	14,160
Kuwait	920	980	1,000	900	892
Other countries	360	580	750	1,600	2,129
MIDDLE EAST	4,990	6,120	9,850	15,670	20,381
NORTH AMERICA	8,700	9,260	9,750	8,070	7,592
CENTRAL-SOUTH AMERICA	1,570	1,785	2,250	2,650	3,073
WESTERN EUROPE	420	3,165	4,245	4,890	815
FAR EAST AND THE PACIFIC	555	950	1,645	3,120	3,476
COMMUNIST COUNTRIES	2,365	3,220	13,565	23,780	27,046
WORLD TOTAL	20,125	26,620	45,725	64,150	71,328

(a) data at year and

(b) provisional data

Source: ENI, Energia ed Idrocarburi, 1977.

consortium led by Wintershall discovered a new reservoir offshore Qatar which was termed "very large" (5). These are just initial results in a new exploration effort, and point to the existence of a huge potential.

The problem with gas is transportation. The inability to economically transport natural gas is what made this resource worthless in the desert. Even today it is still being flared off at the rate of 18 billion cubic meters (a year!). (6)

The problem can be solved, in part, with only minor difficulty. Propane and butane can be liquefied under slight pressure, and it is now convenient to separate them from other associated gases. Suspended liquids can also be separated, yielding natural gasoline. Methane, however, remains a large, untapped resource.

In the sixties, it appeared that liquefaction and transportation in special LNG ships might prove a solution. Algeria, however, is the only Arab country that undertook a serious program of development of her natural gas resources based on LNG technology. Libya still has a medium size LNG plant partly owned by Exxon, which exports 2/3 of its output to Italy and the rest to Spain. Abu Dhabi has an LNG plant to process gas from her offshore fields. The output is exported to Japan.

For a variety of reasons, Algeria recently came to the conclusion that LNG technology is not an appropriate answer to the problem of developing gas resources. This move was clearly shown by the decision to drop plans for an Azzew 3 LNG plant. Besides being extremely costly, liquefaction plants seem to be less reliable than was expected. Other developments, chief of which was the restructuring of the market from global to a region dimension, also discouraged Algerian plans. Large discoveries on the North American continent led to a decline of US interest in Algerian LNG production. Japan, though it has a program involving greater reliance on gas as an alternative to oil, places the emphasis on LPG rather than LNG (7). As far as the latter is

(5) MEES 17 March 1980, p. 3., FT 13 May 1980, p.4.

(6) The figure is for associated gases that were flared off from the world's oil wells in 1979. This amount exceeded the 17.5 billion cu. mt. that was moved commercially in international gas trade as pipeline gas and LNG. (PIW, September 22, 1980). Of course, the percentage of associated gases which are flared off is highest in the Arab Gulf countries.

(7) See G. Fodella, "Japan and Oapec countries in the 1980's", IAI document, October 1980.

concerned, Southeast Asia promises both sufficient reserves and the advantage of regional diversification of energy supplies.

Hence, exploitation of gas resources in the Arab world is linked to the possibility of in situ transformation or utilization, or, to the building of gas pipelines which would allow its utilization in the whole Mediterranean region. As two recent studies clearly pointed out, possibilities of local exploitation are limited. (8)

Therefore one could view the pipeline across the Mediterranean connecting Italy to Algeria through Tunisia as a first link in a rapidly developing Mediterranean network (this pipeline has a maximum capacity of 12.4 billion cu. mt./y). A doubling of the capacity of the Italo-Algerian pipe (to at least 18 billion cu. mt. /t), is almost taken for granted. Algeria has received a similar request from Spain, while Greece is interested in linking with the Italian pipeline system across the Adriatic.

The development of Middle Eastern fields, either by creating a network of gas pipelines through Turkey and Greece, or through Egypt and Lybia and across the Sea, is a more distant proposition; but one which appears to be increasingly realistic. The Algerian Oapec symposium on gas utilization held last June recommended, among other things, "linking the Arab countries with gas pipelines and encouraging them to set up joint industrial and electricity projects". (9) What is fascinating in this perspective, is that such a network would be a major inducement to industrialization, thus providing a base for increased regional integration and economic development.

These developments are conditional upon political factors far more than they are upon economic ones. Increasing tensions and conflicts between Mediterranean countries could make any vision of a regional gas grid into a bittersweet memory. On the other hand, the prospect of Central Europe becoming increasingly dependent on the Soviet Union for her gas supplies (10) and the need to offer

- (8) The studies are in a paper by Aman R. Khan submitted to the latest Opec-Oapec Oxford Energy Conference (September 1980); and in a paper by Francesco Cima of ENI (Snam Progetti) submitted to the Oapec gas symposium in Algiers, (July 1980).
- (9) MEES, 7 July 1980, p. 6.
- (10) A long term agreement was reached between West Germany and the USSR on energy supplies in July 1980. Discussions are underway to define a project involving a 2,700 mile long pipeline that would carry 40 billion cu. mt. of gas annually from Western Siberia to Western Europe. FT 17 January 1980, p.1. ; FT 3 July 1980, p.1.

some solution to stabilize democratic institutions in Southern European countries, are powerful arguments in favour of a Mediterranean wide natural gas utilization plan.

(c) Other resources including fisheries.

Relative to the importance of energy, all other Mediterranean resources must appear of less importance - however this is globally a wrong impression. If we include the environment among Mediterranean resources, and tourism among the economic activities connected to the Sea, we would see that the numbers involved, in terms of value added and even more employment generated, are extremely substantial. Tourism is a sector in rapid growth in the long run. Furthermore, we might witness in due course of time the same kind of evolution that can be seen in the United States - a tendency to transfer economic activity to the South also because of a better environment. This, however, is not for today.

Apart from tourism, Mediterranean resources would include sea-bed minerals and fisheries. No published study exists on the first aspect, while the literature on the second is abundant.

Fishing is an important activity for some riparian countries, especially because of the high number of people it employs in areas which are otherwise extremely poor.

Table 4 shows data on total catches by countries in 1973 and 78 in the Mediterranean and the Black Sea. Taking into account that both Soviet and Turkish catches come mostly from the Black Sea, it is easy to see that two countries (Italy and Spain) realize a disproportionate share of total Mediterranean catches. Because Spain is more active in the Atlantic, the Mediterranean is vastly more important to Italy in relative terms. Most other countries realize small catches, at the same time they are totally dependent on the Sea.

It is not at all surprising, in these conditions, that conflicts have erupted time and again between Italy and other riparian states, mostly Tunisia and Libya. The seizing of Italian fishing vessels is recurrent, and a considerable nuisance in diplomatic relations. It is interesting to recall that most often the vessels, belonging to fleets operating from Sicily, have Italian officers and Tunisian crew.

Table 4: Total nominal catches by countries in the Mediterranean and
Black Sea, 1973 and 1978

<u>Country</u>	<u>1973</u>	<u>1978</u>	<u>Mediterranean catches as % of total in 1978</u>
Albania	4,000	4,000	100
Algeria	31,200	34,143	100
Bulgaria	5,300	12,017	11.7
Cyprus	1,500	1,245	99
Egypt	9,600	11,770	11.8
France	49,600	40,490	5.1
Gaza Strip	4,200	4,700	100
Greece	54,600	69,758	65.8
Israel	4,200	3,500	13.5
Italy	334,200	336,947	83.8
Lebanon	2,400	2,400	96
Libya	2,900	4,803	100
Malta	1,600	1,064	100
Morocco	19,600	31,991	10.9
Romania	6,300	7,114	5.2
Spain	122,500	150,449	10.9
Syria	700	1,361	37.4
Tunisia	31,700	54,600	100
Turkey	152,900	138,174	88.9
USSR	285,900	290,905	3.2
Yugoslavia	30,500	37,465	59.4
Others	200	130	-
TOTAL	1,155,600	1,239,026	

Although the Mediterranean is not a rich sea, there is a considerable potential for expansion of fishing activities, provided that a cooperative approach prevails among riparian states. Table 5 shows data on potential catches for 1985 elaborated by the FAO (11), according to which a doubling is possible (to 2 million tons per year).

A further increase in the productivity of the Sea would be possible by the diffusion of methods of coastal aquaculture. A recent study (12) showed that there are many common needs and opportunities that could be met most effectively through a regional aquaculture project. The data in Table 6 show the possible increase in production for 1985 and 1990. The study calls for the establishment of a Mediterranean Regional Aquaculture Project (MEDRAP), which would facilitate the sharing of currently available culture technology, joint planning of coastal aquaculture development activities, development and pilot-scale testing of new culture techniques.

Thus fisheries are a case which is politically important because it might establish a Mediterranean climate either of confrontation or cooperation, depending on the solutions adopted. Developments in this field might have indirect implications for other problems of greater immediate relevance.

(e) Protecting the environment

Without going into details on this complex subject, it is worth recalling here that in May 1980 15 out of 18 countries surrounding the sea agreed to what is the first treaty to deal directly with pollution originating on land (13).

- (11) FAO, Secretariat du CGPM, Perspectives du développement des pêches jusqu'en 1985 dans les Etats Membres du CGPM Etud. Rev. CGPM, (54) : 53-76. Other references on this point are: M. Zei, Perspectives for Mediterranean Fisheries and Aquaculture, Ocean Management, 3 (1978), 219-233 ; S.J. Holt, Managing Fish Stocks, The Role of International Organizations in the Mediterranean Area, Marine Policy, April 1978.
- (12) FAO-UNDP, Development of Coastal Aquaculture in the Mediterranean Region. ADCP/MR/79/5.
- (13) FT, 17 May 1980, p. 5. ./.

Table 5

Quantités pêchées en Méditerranée et en mer Noire en 1970*, potentiel et demande prévue pour 1985

milliers de tonnes de poids vif

	Captures actuelles (1970*)					Potentiel		Demande prévue (1985)	
	Espèces démersales ^{1/}	Espèces pélagiques	Crustacés	Céphalopodes	Total	Espèces démersales ^{2/}	Espèces pélagiques	Total	Min. Max.
Méditerranée occidentale et centrale									
Algérie	5	18	1	1	24	350			38 57
France	18	28	0	0	46				52 71
Italie	131	126	14	29	300				335 432
Libye	4	4	-	-	8				12 32
Malte	0	1	0	0	1				1 2
Maroc	1	11	0	0	12				84 110
Espagne	42	63	4	10	119				139 202
Tunisie	13	11	1	2	27				41 63
Yougoslavie (Albanie)	5	22	0	1	28	350			34 63
	4	...	-	-	4			
Total	223	284	20	42	569	350	1 000		736 1 032
Méditerranée orientale									
Chypre	1	0	-	-	1	75			1 2
Egypte	12	1	1	0	14				11 30
Grèce	52	26	2	-	80				88 123
Israël	1	2	-	-	3				4 5
Liban	1	1	-	-	2				5 7
Turquie	1	1	0	-	2				3 4
(Syrie)	1	...	-	-	1			
Total	69	31	3	0	103	75	1 000		122 174
Mer Noire									
Turquie	24	98	1	1	124	75	500		177 271
Bulgarie	2	3	-	-	5				5 11
Roumanie	2	3	-	-	5				5 9
(U.R.S.S.)	36	198	1	-	235			
Total	64	302	2	1	369	75	500		187 291
TOTAL GENERAL	356	617	25	43	1 041	500	1 000/ 1 500/	1 500/ 2 000	
TOTAL CQPM	315	419	24	43	801				1 045 1 497

1/ Y compris poisson non trié et non spécifié

2/ Y compris la majeure partie des crustacés et des céphalopodes

Table 6

POTENTIAL PRODUCTION OF SELECTED SPECIES BY AQUACULTURE IN 1985 AND 1990
(in tons)

Estimated Production	Sea Bass	Sea Bream	Mullet	Sole	Eel	Oyster	Mussel	Shrimp	Total	Estimated increase in production
For: <u>France, Italy, Spain</u>										
1978	655	1 310	3 020	351	1 810	5 050	13 700*	0	25 896	1
1985	1 950	2 800	3 520	620	2 700	6 400	17 000	400	35 390	1.4 times the 1978 level
1990	7 100	8 000	4 550	1 400	4 700	8 000	22 000	1 500	57 250	2.2 times the 1978 level
For: <u>Cyprus, Egypt, Greece, Israel, Libya, Malta, Morocco, Tunisia, Turkey, Yugoslavia</u>										
1978	220	590	3 051	75	1 290	420	2 200	0	7 846	
1985	1 610	1 460	6 371	75	1 500	1 570	3 500	410	16 496	2.1 times the 1978 level
1990	7 350	10 750	13 600	750	2 800	3 600	6 100	1 850	46 800	6.0 times the 1978 level
For: <u>All 13 countries</u>										
1978									33 742	
1985									51 886	1.5 times the 1978 level
1990									104 050	3.1 times the 1978 level

* Production in Italy is unofficially estimated at 35 000 t, instead of 5 100 tons. If this is so, mussel production can amount to 43 600 t in 1985 and 48 400 t in 1990

The agreement is politically important because it is an example of regional understanding which might develop into something of more general interest. Besides, control of pollution is a crucial factor, directly affecting tourism, and eventually affecting the geographical distribution of industry as well. From this point of view, the agreement has important North-South implications.

II. The Mediterranean as a region

a) Mediterranean development and subregional integration processes

The rapid increase in the price of oil since 1973 has caused significant changes in the structure of international trade. Both values and quantities have changed markedly. The differential effects among different countries have led to substantial changes in geographic flows as well. Since most of Middle Eastern oil goes to Western Europe and most of the imports of Arab countries originate from the same area, the weight of TransMediterranean Trade over world trade has increased.

This assumes, of course, that the definition of "Mediterranean region" includes more than riparian countries. Such a definition might not be exact in geographic terms, but it is more meaningful in economic and political terms. Indeed, the Mediterranean is the interface between different processes of economic development and economic integration, which involve groups of countries other than just riparian ones. If we want a meaningful definition of the Mediterranean region, we must go beyond the terms of riparian states, to deal in terms of country groupings which are divided by the Sea. We may look at these country groupings as subregions of a widely defined "Mediterranean Region".

The two main groupings are the EC on one side and the Arab countries on the other. A process of economic integration is underway among countries within each of these groupings. This process is a fundamental factor in their present and future development. While the importance of the integration process is clear in the case of EC members, the parallel process among Arab countries is less advanced and progress is not as visible, or at least not visible in the same terms. It is, however, significant and constitutes the major political challenge to the Arab countries themselves and the principal subject of Mediterranean relations.

the importance of

A passing note should be made about Eastern European countries to Mediterranean affairs. In my view these countries have played a marginal role until now and it is likely that their role will be scarcely relevant in the future. Furthermore no Cmea country borders on the Mediterranean.

This leaves a certain number of countries which do not participate in either of the two integration processes. (14) The list includes Yugoslavia, Albania, Malta, Cyprus, Israel and Turkey.

Needless to say, the situation in each of these countries is markedly different from the other. Turkey, for example, cannot survive without participating in one of the integration processes. The political dilemma is which one. I tend to think that the same applies to Israel. On the other hand, one can conceive of the other four countries staying very much where they are: in between the two blocs. In the case of Yugoslavia and Albania things could hardly change without raising major East-West problems, while Cyprus and Malta are small countries that can still prosper by finding a suitable niche (economically speaking). (15)

Thus the international economic importance of the Mediterranean is the outcome of the processes of economic integration both within Western Europe and the Arab countries, and among the two blocs.

The process of European integration including the problems related to the enlargement of the EC have been extensively covered elsewhere and need no expansion here. I shall focus on some aspects of economic integration among Arab countries and pay special attention to the way the two processes interrelate.

(b) Industrial growth in the oil producing countries

The process of industrialization underway in the oil producing countries is a major factor in Mediterranean economic relations. Fuelled by oil revenues, this process is continuing. The danger that rapid development might create social instability and political turmoil, has led some governments to revise some of their investment priorities. The fundamental choice in favour of

(14) Greece is a member of the EC effective January 1st, 1981. Spain and Portugal are candidates for membership and I assume that they will become members.

(15) I do not necessarily mean that this is what Cyprus and Malta should or will do.

industrialization, however, has not been abandoned by any country.

The obstacle that these efforts must surmount are however increasingly large, and the Mediterranean dimension is crucial to their success.

Most oil producers have abundant oil and financial resources, but are constrained by the small size of the labour force of the domestic market. This has led to strong bias in favour of large scale projects with a very high capital to labour ratio. The availability of oil made downstream integration into refining and basic petrochemicals an obvious choice. Energy intensive projects designed to utilize otherwise wasted resources, such as gas, are a less obvious choice. We can see instances however in the aluminium smelter in Bahrein and in various steel projects based on direct reduction.

With the exception of aluminium, all of these projects would add new capacity to industries which internationally are already suffering from overcapacity. Also, competition is intense in these markets and they are integrated at the global level.

If there was a global lack of productive capacity in these industries, the oil producing countries could base their industrialization on acquiring a growing share in these global markets. The importance of the regional markets and of regional economic integration would be reduced. The present state of overcapacity however means that it will be difficult to capture a stable market share globally. This will necessarily increase the emphasis on the regional Mediterranean market, and at the same time stimulate diversification into other countries.

Algeria, which is pursuing a highly ambitious industrialization program, was always conscious of the importance of regional market outlets. In the negotiations that led to the signature of the cooperation agreement with the EC in 1976, Algeria adopted a tough stand on provisions for trade in industrial products requesting free unlimited access to the Community markets. Eventually the agreement granted the Algerian request with two exceptions: cork and refined petroleum products. In the case of the latter the agreement permitted free entrance of Algerian exports only within certain ceilings. (16) The ceilings were accepted by the Algerians only because they were temporary and because they corresponded to the immediate export potentials of the country. (17)

(16) A ceiling of 1.1 million tons was imposed for the first year, with a 5% increase for following years; no ceiling would apply after 1979; see Agence Europe, 19/20 1.76, p. 4.

(17) Statement of Ambassador Ait Chaalal in Agence Europe, 24.1.1976, p. 6.

Therefore it is clear that the Algerian government is well aware of the regional implications and prerequisites of its industrialization drive. This aspect of Algerian policy was not modified by the recent revision of investment priorities within the Algerian planning process. (18) Although there has been a reorientation in favour of agriculture, and less emphasis on state intervention in the industrialization process, the new (III) five-year plan for 1980-85 still allocates \$ 39 bn to industry, out of a total outlay of \$ 104 bn for the five years. (19)

Other oil producing countries appear less aware of the regional dimension in their industrialization process. They pursue projects oriented to the global market. However they are experiencing growing difficulties. With the possible exceptions of Kuwait and Bahrein, progress has been much slower than expected.

The case of Saudi Arabia exemplifies the way in which a globally oriented industrialization strategy slowly turns into a regionally oriented one. The plans for a very ambitious investment program in downstream oil to be organized around two industrial poles (in Yanbu and in Jubail) were already publicized in 1974. However, the Saudi government wanted to form joint ventures with multinational corporations which were requested to hold a substantial stake in each project. In this way the Saudi government was seeking a guarantee against poor management and marketing difficulties. Since refining and petrochemicals were plagued by excess capacity until well into 1978, the response from multinational corporations was less than enthusiastic. (20)

Negotiations dragged on, and it was only in 1980, with the launching of the new development plan, that the first joint ventures were announced. Saudi Arabia agreed to link allocations of "incentive crude" to companies undertaking joint ventures; promising to provide 500 b/d for each million dollars invested. (21)

(18) FT 14 January 1980, p. 3.

(19) FT 1 August 1980, p. 3.

(20) The response was very different depending on the corporation. Shell and Mobil (the former a company excluded from direct access to Saudi oil until 1980), were most forthcoming to Saudi wishes. See G. Luciani *Compagnie petrolifere e paesi arabi negli anni '80*, IAI documenty, April 1980.

(21) *ibid.* pp. 117 - 120.

If at first this policy appears a consolidation of the globally oriented industrialization strategy, further consideration leads to a contrary conclusion. Even if a clear cut decision has yet to be made, companies entering into joint ventures will find it extremely difficult to market refined oil products or petrochemicals on the Northern American market.* Competition will also be very intense on Far Eastern markets because of similar investment being undertaken by other oil producing countries and the NIC's in Southeast Asia. Since Europe is the one region most interested in stable crude supplies, and the companies undertaking joint ventures in Saudi Arabia are well entrenched on European markets, it is in Western Europe that the largest part of Saudi downstream products will be marketed. The Mediterranean dimension will therefore turn out to be crucial, even if at present it is not perceived as such.

An indepth discussion of the individual industrialization strategies of the oil exporting countries in the Arab world, would demonstrate that the Mediterranean dimension is essential to most of them. Only small countries like Kuwait or Bahrein appear to have the right mix of population, skills, resources, and financial needs to obtain a share of the global market sufficient to their needs. For the others, the global market is too competitive and the purely Arab market is too narrow. The alternative to a process of Mediterranean integration could only be a substantial abandonment of the ambition to industrialize rapidly.

The industrialization strategies of the non oil producing Arab countries are markedly different. In most cases they are geared to the subregional Arab market. It is only Tunisia that needs access to the European market for her manufacturing activities; an access granted with limited exceptions under the cooperation agreement signed in 1976. However, the Mediterranean dimension is, indirectly, very important even to countries such as Jordan. Her development would be affected if the oil producing countries were to scale down their industrial ambitions.

(c) Factor movements in the region: i - capital

The process of industrialization in oil producing countries stimulates, in a variety of ways, important movements of capital. These flows must be added to other investment flows into Southern European countries, mostly Spain, to have a full picture of movements of capital in the Mediterranean.

The Mediterranean is a region which multinational corporations clearly overlooked in the past. Available data show that manufacturing investment was very limited before 1973.(22) Investment in the oil and mining sector was of course substantial, but most corporations saw their assets, in part or in full, nationalized. Thus even after 1973 the investment flow from DAC countries towards the Northern African region has been a diminishing share of their global investment activity; passing from 4.5% in 1967 to 4.2% in 1976. Direct investment into Spain, on the other hand, rose considerably from 3.9% in 1967 and 5.4% in 1973 to 6.2% in 1976. (23)

The data on direct investment are, however, misleading. Most capital flows to Northern African Arab countries take place under different forms. Because of the control policies adopted by most of these countries, important transfers happen as financial investment: participation into joint ventures, long term credit or short to medium term export financing. The data in Table 8 show conclusively that the latter form of financial arrangements is exceptionally important for Algeria and increasingly so for Greece, Morocco, Tunisia, Egypt and Turkey.

The reason for this pattern is that in most non-industrialized Mediterranean countries, investment schemes are actively promoted by governments through state enterprises. This leads to transfer of productive capacity through a variety of contractual arrangements ranging from "Turn-key" plant sales to joint ventures. Only a few countries have adopted a lower profile, limiting themselves to an attempt to attract direct investment from multinational enterprise. This second approach has generally proven to be less successful, because the process of decentralization of labour intensive low-technology industries is less advanced in Western Europe than it is in Japan or the USA. At the same time, those European countries, such as West Germany or the Netherlands, which have a clearly visible decentralization strategy, generally favour initiatives in other regions: such as Eastern Europe, Latin America or Southeast Asia.

On the other hand, the "demand for industrialization" coming from the Arab Mediterranean countries is now leading to the conclusion of contract for what one might call "turn-key" industrial pole sales. What is sold is not one plant, but a complex of integrated production facilities including all necessary infrastructure.

(22) G. Luciani - The Multinational Corporations' Strategy in the Mediterranean, *Lo Spettatore Internazionale*, 1, 1976.

(23) IAI, "Effetti dell'allargamento della CE sulla politica italiana per lo sviluppo", mimeo. page 100.

Table 7: Direct Investment Flows from DAC countries to some LDC's 1969-1977

Source: OECD

Million US Dollars

	1969	1970	1971	1972	1973	1974	1975	1976	1977
Greece	5.4	9.8	9.4	14.4	87.8	142.6	43.2	45.9	-5.47
Spain	105.4	240.3	127.4	365.5	509.1	667.7	577.8	235.0	407.35
Portugal	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.
Algeria	85.0	80.2	0.6	41.4	40.4	8.4	29.4	43.6	-10.77
Morocco	-0.3	4.8	4.1	6.8	5.5	-25.7	5.0	0.5	10.18
Tunisia	3.7	3.7	8.6	13.8	14.7	17.8	-7.3	-28.9	2.92
Libya	152.0	283.2	103.7	150.9	193.4	-2.8	-576.3	262.8	8.26
Egypt		0.7	2.3		0.7	0.1	2.6	17.0	9.23
Turkey	-1.5	4.2		0.5	25.6	23.6	47.4	-4.8	-19.24

Table 8: Export credits from DAC countries to some LDC's (1969-1976)

Source: OECD

Million US Dollars

	1969	1970	1971	1972	1973	1974	1975	1976
Greece	169.1	118.8	237.1	-11.3	16.8	132.0	9.3	485.1
Spain	11.6	66.5	57.3	65.2	67.2	133.2	154.7	30.8
Portugal								
Algeria	92.3	146.7	413.6	212.0	97.1	507.2	1593.1	1456.8
Morocco	-3.5	51.4	14.6	17.3	-37.2	-5.5	181.9	189.6
Tunisia	51.8	-2.7	-1.9	3.7	45.3	-12.9	-0.6	121.2
Libya	1.8	44.1	25.1	-110.2	68.2	77.5	-96.1	-70.6
Egypt	-3.7	38.8	159.1	-10.1	-113.4	-38.6	105.0	154.9
Turkey	31.0	5.9	27.4	29.5	158.7	294.5	91.0	181.9

These trends have led to the emergence of West Germany as the most dynamic source of capital movements in the Mediterranean region. Germany is the one country active both in "decentralizing" direct investment and in the transfer of technology and productive capacity under other financial arrangements.

A full picture of capital movements in the Mediterranean would require a discussion of both inter-Arab and Arab-European capital flows. As far as inter-Arab movements are concerned, the data are seriously deficient. At most they cover only official transfers between governments. These capital flows are substantial, and have been concentrated on "front-line" states, including, up to the conclusion of the Camp-David agreement, (24) Egypt. However, no light is thrown on private capital movements, which are increasingly important, and which are the main stimulus behind the rapid development of Arab financial markets. (25)

The flow of financial resources from Arab countries to the European capital markets cannot be considered entirely a Mediterranean link. Most of those financial resources are channelled through European based international capital markets for eventual reinvestment elsewhere. Arab investment in national assets or financial instruments in European countries are only a small fraction of the total. The reason for the latter pattern appears to be largely political. The EC has failed until now to perform a role of her own in the long term placement of Arab financial assets in Europe. Bilateral deals at the official level are the exception, and they have evident political drawbacks. The most recent example is a DM 3bn loan by the Saudi Arabian Monetary Agency to the Bundesbank. (26) The taking of equity positions in European companies has always been met with great fanfare and excessive suspicion by the media and political circles, effectively discouraging this kind of investment. The potential, however, is clearly there.

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(24) Nayla Sabra, Arab Financial Assistance to Red Sea Arab Countries IAI document, October 1979.

(25) A.F. Sawaya, Beyrouth Centre bancaire et financier; and other papers submitted to the Regional Financial Conference, Beirut 8-10 May 1980.

(26) The same could be raised to a total of DM 6 bn within 1980. World Financial Markets, April 1980, p. 2 ; FT, 18/4/80 p. 3.

(d) Factor movements in the Mediterranean: ii - labour

Labour migration in the Mediterranean is very intense, constituting one of the most important economic linkages between the countries in the region. Qualitatively the most important phenomenon is inter-Arab migration, but migration from Southern European countries including Turkey to other EC members is also very large. Trans-mediterranean migration flows exist in both directions: to Europe mostly from the Maghreb and from Europe mostly to the oil exporting Arab countries.

No complete survey of Mediterranean migration flows exists, but partial estimates allow one to get an overall view of the importance of this phenomenon.

The most recent estimates on inter-Arab migration flows were formulated by Giuseppe Pennisi in a study focussing on the Red Sea region. (27) Pennisi's estimates for the late '70s are summarized in Tables 9 and 10. It is clear that these flows are huge both in absolute numbers and as a proportion of wage employment either in the country of origin or of destination. Pennisi projects an increase in the number of migrant workers in the 1980s, as shown by the data in Table 11.

Palestinian migration is not covered by the preceding data. An estimate of the geographical distribution of the Palestinian population in 1975 is found in Table 12. Data on Lebanese migration are even less precise. According to J. Ducruet (28) Lebanese migrants in 1975 were approximately 2 million. Only a minority of these, however, stays in the region. Between April 1975 and April 1977 the net migration from Lebanon is estimated at 272,000 units.

Migration from the Maghreb to the Arab East does not occur on a comparable level. Birks and Sinclair (29) estimate that in 1975 less than 50,000 workers from the Maghreb had migrated East, of these 41,000 went to Libya.

Migration from the Maghreb and Southern European countries is again a massive phenomenon, even if the present size of it is reduced relative to the early '70s. Data in Table 13 show data for the year 1974, when the phenomenon reached its maximum extension.

- (27) Giuseppe Pennisi, Development Manpower and Migration in the Red Sea Region, May 1980, to be published by DOI, Hamburg
- (28) J. Ducruet, s.j. "Les migrations internationales de main d'oeuvre au Moyen-Orient", paper presented at the Regional Financial Conference, Beirut, 8-10 May 1980.
- (29) Birks J.S. and Sinclair C.A., "International Migration in the Arab Region: Rapid Growth, Changing Patterns and Broad Implications", ILO document, mimeo, Dec. 1978.

Table 9: Migrant Workers in the Red Sea Region by Source and Destination
in the Late 1970s

<u>Source/ Destination</u>	<u>Bahrain</u>	<u>Kuwait</u>	<u>Libya</u>	<u>Qatar</u>	<u>Saudi Arabia</u>	<u>UAE</u>	<u>Others</u>	<u>Total (by source)</u>
Egypt	5,000	60,000	340,000	20,000	200,000	15,000	260,000	900,000
Jordan	5,000	60,000	30,000	5,000	200,000	10,000	40,000	350,000
PDRY	5,000	15,000	-	5,000	140,000	10,000	25,000	200,000
Somalia	-	10,000	-	-	30,000	10,000	20,000	70,000
Sudan	-	20,000	10,000	-	90,000	10,000	10,000	140,000
YAR	5,000	10,000	-	-	400,000	10,000	35,000	460,000
Others	30,000	100,000	100,000	70,000	260,000	200,000		
					Total (by source)			2,120,000
Total (by destination)	50,000	280,000	480,000	100,000	1,340,000	280,000		2,530,000

Source: G. Pennisi, op. cit. Table III - 9

Table 10: International Migrant Workers from/to as a Proportion
of Wage Employment in the late 1970s

Egypt	19%	Kuwait	70%
Jordan*	115%		
PDRY	125%	Libya	68%
Somalia	50%	Qatar	66%
Sudan	14%	Saudi Arabia	77%
YAR	150%	UAE	93%
Bahrain	50%		

Source: G. Pennisi, op. cit. Table III-10

* About 60% of Jordanians from West Bank and Palestinians registered as Jordanians with countries of origin are excluded.

Table 11

Labor Exporting Countries' Migration to the Region in the 1980s

No. of Migrant Workers to Other Countries of the Region

	<u>Late 1970s</u>	<u>Late 1980s</u>
Egypt	640,000	940,000
Jordan	310,000	400,000
PDRY	175,000	175,000
Somalia	50,000	80,000
Sudan	130,000	190,000
YAR	425,000	425,000
	<u>1,730,000</u>	<u>2,210,000</u>

Source: G. Pennisi op. cit., Tab. IV-7

Table 12

Repartition Geographique de la Population Palestinienne en 1975 (+)

<u>Pays</u>	<u>Effectif</u>	<u>Pourcentage</u>
Israël	436.000	13,57
Gaza	395.000	12,29
Rive Ouest du Jourdain	775.400	24,12
Rive Est du Jourdain (jordanie)	641.700	19,96
Syrie	183.200	5,70
Liban	285.000	8,86
Koweit	204.000	6,35
Arabie Séoudite	74.000	2,30
Autres pays du golfe	26.000	0,80
Egypte	42.000	1,31
Irak	30.000	0,93
Libye	9.000	0,28
Autres pays arabes	9.000	0,28
Etats Unis	24.000	0,75
Autres pays étrangers	81.000	2,50
Total	<u>3.215.300</u>	<u>100,00</u>

(+) Dr. Issa Najib, Situation Démographique du peuple palestinien (O.N.U. Commission Economique pour l'Asie Occidentale, dacty. Mars 1979)

Table 13

Number of Migrant Workers in 1974 (estimates)

Paese d'immigrazione Paese di emigrazione	Germania	Svizzera	Francia	Belgio	Paesi Bassi	Lussemburgo	Austria	Svezia	Gran Bretagna	Totale
Portogallo	81.000	3.000	475.000	4.000	4.000	9.000 ¹	—	1.000	10.000	588.000
Spagna	160.000	75.000	265.000	34.000	19.000	2.000	—	2.000	17.000	574.000
Italia	405.000	306.000	230.000	70.000	10.000	11.000	2.000	3.000	—	1.037.000
Jugoslavia	495.000	23.000	50.000	3.000	9.000	1.000	166.000	23.000	—	770.000
Grecia	223.000	5.000	5.000	6.000	2.000	—	—	8.000	—	249.000
Turchia	585.000	14.000	25.000	10.000	33.000	—	29.000	2.000	—	698.000
Finlandia	5.000	1.000	1.000	—	—	—	—	105.000 ⁴	1.000	113.000 ⁵
Marocco	14.800	—	130.000	30.000	23.000	—	—	—	—	197.800
Algeria	—	—	440.000	3.000	—	—	—	—	—	443.000
Tunisia	10.600	—	70.000	—	1.000	—	—	—	—	81.600
Altri	415.600 ¹	158.000	209.000 ¹	70.000	57.500 ⁴	18.000	32.000	53.000	1.772.000	2.784.000
Totale	2.395.000	585.000 ²	1.900.000	230.000	158.500	41.000	229.000	197.000	1.800.000	7.535.500

¹ di cui 100.000 austriaci.

² permanenti e annuali; non inclusi 152.000 stagionali e 98.000 frontalieri.

³ soprattutto africani e originari di paesi Cee diversi dagli italiani.

⁴ non inclusi 22.000 originari delle Antille e del Surinam.

⁵ 15.000 secondo i dati portoghesi.

⁶ 100.000 secondo i dati svedesi; 110.000 secondo i dati finlandesi.

⁷ non inclusi 1.000 finlandesi in Danimarca e 2.000 in Norvegia.

Source: OECD: L'Observateur de l'OCDE, n. 76, July-August 1975, p. 14.

Finally, we have no exact estimate of the number of Europeans working in the Arab world. Available information indicates that the total must be in the region of several hundred thousands.

Paradoxically we might say that the development of a new Mediterranean economy is manifested by movements of people rather than goods. Movements of people are a powerful factor of economic integrations, because they stimulate financial and trade flows. At the same time there are serious dangers to the country of origin, which must not be overlooked.

Avoiding details, we may say that migration is a most important economic factor and at the same time a very difficult political problem. There is freedom of movement within the EC. Cooperation agreements between the Community and Tunisia, Algeria and Morocco include provisions covering some aspects of migration. On the other hand, the political management of inter-Arab migration flows is very much in its infancy. Finally, in the case of Turkey, migration might be the most important

stumbling block in case a decision was made to request admission to the EC.

(e) Mediterranean Trade

Trade is usually the first item in any discussions on economic interdependence. I have kept it as the last item, because in the Mediterranean region trade is just one aspect of economic interdependence and trade statistics give an inaccurate vision of reality. Inevitably discussions on trade exaggerate the importance of oil, and of exchanges between the large Gulf exporters and the Northern European countries; giving the impression that from an economic point of view the Sea is something of a black hole. They also underestimate "horizontal" linkages between Mediterranean countries, because, as we tried to point out in the previous paragraphs, these linkages tend to have the nature of factor movements rather than exchange of finished goods.

Trade, however, is increasingly important in the Mediterranean context. Data in Table 14 show the evolution in the contribution of exports to the formation of GNP for a group of Mediterranean countries strictu sensu. A sharp tendency to an increasing contribution is evident for most countries, including some which are not oil exporters (Tunisia, Cyprus, Malta). In Table 15 there is yearly data on the evolution of the "degree of openness", defined as the ratio of exports plus imports to GNP. This indicator increases for all the countries in the area. In 1976 it reached an average value above 60%, while in 1967 it was around 35%. True, this is due to a large extent to the increase in the price of oil. The political impact of this tightening of interdependence however is also there.

Without engaging here in a full fledged discussion on Mediterranean trade, there are two points which are worth mentioning. The first is that the trade balances of most riparian states, with the exception of Libya but including Algeria, are generally in the red or, at most, in a precarious equilibrium. What is interesting is that these trade difficulties are not related to the industrial sector. To the contrary, the data in Table 16 show that the ratio of exports to imports of manufactured goods is relatively stable, and for some countries even increasing (Greece, Spain, Malta, Syria). On the other hand, while agricultural imports in many of these countries are increasing very fast, their exports are stagnant. From this point of view we must come to the conclusion that the Mediterranean is facing an agricultural crisis which is a time bomb in the economic development of the region.

Table 14

Contribution of exports to the formation of GNP (4%)

Countries	1963	1976	Absolute variations 76-63
Greece	10	17	+ 7
Portugal	18	26	+ 8
Spain	10	14	+ 4
Cyprus	32 (4)	52	+20
Malta	53	85	+32
Yugoslavia	17	20	+ 3
Italy	13	27	+14
Algeria	-	33	-
Morocco	20	27 (1)	+ 7
Tunisia	17	36	+19
Libya	52	53 (1)	+ 1
Egypt	19	22 (1)	+ 3
Jordan	16	25 (1)	+ 9
Lebanon	-	20 (2)	-
Syria	25	23	- 2
Turkey	6 (5)	9 (3)	+ 3
Israel	21	31	+10

(1) = 1975

(2) = 1972

(3) = 1973

(4) = 1965

(5) = 1966

Source: IAI, "Effetti dell'allargamento della CE sulla politica italiana per lo sviluppo", mimeo, Tav. A-1

The second aspect is the geographical distribution of Mediterranean trade. Its evolution is shown by the data in Table 17. The evidence here is somewhat mixed. The importance of the EC as a trading partner is very high for all countries concerned. However the importance of EC trade is the increase for some countries and the decrease for others. We might perhaps spot a tendency towards greater homogeneity, with countries traditionally less related to the EC increasing their ties, and countries traditionally linked to the Community attempting to diversify.

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Table 16

Ration Exports/Imports for non agricultural products

Countries	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Greece	0.13	0.14	0.18	0.18	0.17	0.22	0.30	0.34	0.31	0.30
Portugal	0.67	0.63	0.66	0.59	0.60	0.62	0.65	0.55	0.57	0.47
Spain	0.27	0.36	0.38	0.40	0.54	0.52	0.50	0.43	0.45	0.47
Cyprus	0.25	0.28	0.21	0.26	0.20	0.20	0.19	0.20	0.36	0.31
Malta	0.29	0.31	0.29	0.28	0.36	0.48	0.53	0.46	0.54	0.52
Yugoslavia	0.65	0.64	0.64	0.53	0.53	0.67	0.63	0.52	0.52	0.68
Italy	1.13	1.23	1.15	1.07	1.14	1.17	0.99	0.84	1.05	1.00
Algeria	-	-	-	0.74	0.74	0.99	0.93	1.40	1.37	-
Morocco	0.58	0.51	0.48	0.48	0.50	0.56	0.64	1.01	0.67	0.57
Tunisia	0.50	0.63	0.59	0.60	0.53	0.50	0.56	0.79	0.61	0.49
Libya	3.03	3.37	3.74	5.52	4.84	3.38	2.68	3.60	3.00	3.59
Egypt	0.35	0.44	0.55	0.44	0.38	0.51	0.66	0.43	0.26	0.30
Jordan	0.13	0.14	0.13	0.08	0.08	0.17	0.16	0.33	0.20	0.29
Lebanon	0.42	0.29	0.27	0.30	0.31	0.38	0.38	-	-	-
Syria	0.13	0.15	0.15	0.23	0.25	0.28	0.29	0.59	0.56	0.40
Turkey	0.08	0.09	0.11	0.12	0.15	0.11	0.18	0.17	0.12	0.13
Israel	0.70	0.52	0.49	0.48	0.46	0.52	0.45	0.41	0.43	1.04

Source same as Table 4

On the other hand, inter-Mediterranean trade appears to be increasing for almost all the countries considered, and in many cases very sharply so. The two exceptions, Italy and Jordan, stem from the fact that this table excludes Gulf countries. The importance of that region as export markets for both countries has grown sharply in the period under consideration.

Conclusions

The main conclusion that might be drawn from this broad review is that Mediterranean economic relations are complex and multi-faceted. The potential for a rapid development of economic linkages in the region clearly exists. To turn such a potential into reality depends on the creation of an appropriate political framework of Mediterranean cooperation.

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Table 17

Geographical distribution of exports of Mediterranean countries (1968-76)

P A E S I	A N N O	C E E	EUROPA MERID. (1)	NORD AFRICA (2)	MEDIO ORIENTE (3)	TOTALE AREA MEDI- TERRANEA
GRECIA	1968	52.05	7.23	3.34	2.02	12.59
-	1976	49.98	2.44	7.88	2.69	25.42
PORTOGALLO	1968	16.65	2.00	0.91	0.96	6.36
	1976	51.47	2.52	1.02	0.89	8.19
SPAGNA	1968	40.33	0.66	3.63	0.63	4.92
	1976	46.43	1.70	6.17	1.46	15.72
CIPRO	1968	34.84	6.60	1.14	1.97	9.71
	1976	33.25	3.72	6.29	23.42	35.04
MALTA	1968	55.60	2.07	6.17	1.72	9.96
	1976	69.05	0.27	11.43	0.15	17.11
JUGOSLAVIA	1968	33.08	3.47	3.24	1.46	8.17
	1976	27.07	2.03	3.22	0.91	18.33
ITALIA	1968	40.06	6.59	3.07	2.05	12.49
	1976	47.82	5.07	3.49	2.63	11.76
ALGERIA	1968	82.60	1.44	1.93	-	3.37
	1973	64.66	9.94	1.59	-	11.53
MAROCCO	1968	66.75	5.33	2.41	-	7.74
	1976	46.78	7.09	0.63	0.08	14.65
TUNISIA	1968	50.47	5.50	9.96	3.08	18.55
	1976	51.83	16.33	4.41	2.82	45.03
LIBIA	1968	84.27	6.15	0.03	0.40	6.55
	1975	49.51	5.90	0.07	1.64	29.19
EGITTO	1968	13.41	5.60	1.91	1.75	9.25
	1976	21.67	6.41	2.31	1.97	19.79
GIORDANIA	1968	0.42	7.10	0.12	22.18	30.24
	1976	3.66	0.28	1.73	13.70	17.74
LIBANO	1968	12.00	2.72	7.13	7.96	17.81
	1973	11.64	2.16	11.80	9.17	23.13
SIRIA	1968	19.06	1.55	3.97	25.60	31.12
	1975	47.48	12.09	1.57	8.05	34.46
TURCHIA	1968	43.79	4.08	0.55	6.41	11.08
	1976	49.23	1.96	1.62	4.72	19.33
ISRAELE	1968	38.45	4.73	-	0.57	5.29
	1976	36.56	2.23	-	0.51	7.48

(1) Greece, Spain, Malta, Yugoslavia

(2) Algeria, Morocco, Tunisia, Libya, Egypt

(3) Lebanon, Syria, Turkey, Israel.

Source: same as Table 14.

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Potential economic conflicts between different Mediterranean actors along the North-South axis are numerous. There are the problems of access to technology and industrial know-how, access to markets for manufactured products, freedom of movement and assistance to migrant workers. There is the agricultural issue. There is the question of exploitation of marine resources and protection of the Mediterranean environment. There is the problem of managing financial flows in order to accommodate the needs of both potential lenders and potential borrowers.

Will a convenient framework be agreed upon? The chances do not seem very high in view of past failures. However, there is progress.

The political leadership must realize that the alternative to rapid development of Mediterranean economic linkages is frustration of development ambitions. This would affect negatively the industrial countries of Western Europe, because they are dependent on imported oil. It would affect negatively non oil exporting Arab countries, because it is very difficult that a process of Arab integration can progress if there is no parallel process of Mediterranean integration. It would affect negatively the Arab oil exporters, because they would be obliged to scale down their industrial ambitions.

Not only would this lead to domestic instability but it could have serious implications for East-West relations because of the continuing importance of the Mediterranean for the East-West balance and the direct presence of superpower forces in the Sea.

This leads us to a double consideration. On one hand, it is necessary to reach a broad political agreement on Mediterranean economic relations also because of security imperatives. In recent years this has become increasingly evident as far as Southern European countries are concerned. The enlargements of the EC is easily criticized on purely economic grounds. Its rationale, however, is to be found in the political implications and indirect strategic importance. The burden that it will impose upon the Community ought not to be forgotten. In the case of Turkey, admission is more difficult, but European countries moved to provide economic relief, essentially again for political purposes. The Community, however, has not succeeded as yet in reaching the broad political agreement with other Mediterranean states which is necessary. Part of the problem is in inter-Arab conflicts and tensions. Though the Community could have got farther had she been ready to take up a more active role, in particular to act explicitly in favour of Arab economic integration. Clearly, there are costs to be born along this way. Europe's allies should recognize the nature of the problem.

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The second consideration is that, given the difficult regional environment in the Mediterranean, it would be preferable to rely less on this region, both the sea itself and the riparian countries, in maintaining the East-West strategic balance. The present military posture exacerbates the danger of North-South problems leading to an East-West confrontation. Paradoxically, American bilateral interest have sometimes led the US to take positions which are not conducive to a regional agreement. A regional agreement would serve American objectives in the Mediterranean much better than naval diplomacy, acute crises notwithstanding. Thus, on purely military grounds, it is necessary to think of a different force deployment which would preserve the strategic balance in a way less vulnerable to interference from North-South conflict in the Mediterranean. The application of new technology makes progress along this line quite possible. On wider political grounds it is necessary to accept the principle of a "division of labour" which would involve more than just an ancillary role of European forces in support of American ones whenever they are not up to the task.



Center for International and Strategic Affairs

University of California, Los Angeles

AND

ISTITUTO AFFARI INTERNAZIONALI

ROME

COMMENTS ON FERNANDO MORAN'S PAPER ON
"THE IMPLICATIONS OF MEDITERRANEAN CONFLICTS FOR
EAST-WEST AND NORTH-SOUTH RELATIONS"

BY

JOSÉ MEDEIROS FERREIRA

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Comments to FERNANDO MORAN's paper

"The implications of Mediterranean conflicts for
East-West and North-South relations"

Senator Moran's paper contains a very useful methodology to deal with the topic which we are supposed to discuss: "The implications of Mediterranean conflicts for East-West and North-South relations".

Although the method proposed seems more adequate to the study of East-West relations, one can see the intersection between these and the North-South dialogue.

Another point which is particularly developed in Senator Moran's paper concerns the problems derived from the situation in Western Sahara. The paper describes in detail the impact of this conflict in that important area of access to the Mediterranean. We do have to stress that although this conflict involves at least three Mediterranean countries it is located in the Atlantic. The importance of this conflict arises from the thesis that claims that the Mediterranean and its accesses are controlled from the land.

Taking as starting point the serious analysis of Senator Moran, particularly that "the Mediterranean sea and bassin is an important scenario for the overall balance between West and East" and that "the area is one of the essential contacts among the industrial european civilisation and the LDC", in this comment I would like to discuss some other issues and to present a few other case studies.

In the first place, in an area like the Mediterranean, the confrontation between the two super-powers occurs mainly through the indirect strategy. And the indirect strategy is particularly applicable to the international economic relations.

The North-South relations are characterized by the search for a new international economic order. As it is, in the North-South dialogue, in the Mediterranean, the North is mainly represented by the industrialized Western countries. As the Comecon countries only hold a small part of the international economic exchanges, they hardly have any influence in this matter. It is true that we can observe some developments in the relations between Syria and Irak with eastern countries like Roumania, Bulgaria and Hungary. But these economic agreements are still on a very small scale. Therefore it is in the hands of the western countries to make the North-South relations a positive factor. The western countries can also call attention to the insignificance of the communist industrialized countries as donor countries for development aid.

In the Mediterranean context, the North-South relations have caused the European-Arab dialogue. The European-Arab dialogue is a consequence of the '73 oil crisis and, after a certain decline in the year 79/80, it will be launched again next year with the meeting between the EEC and the Arab League. Up to now this European-Arab dialogue has been only a sort of juxtaposition of bilateral national policies. In any case it is one of the issues distinguishing the European countries from the overall policy of the U.S.A.

In general one can say that, in the Mediterranean context, the North-South relations have been established in such a way as not to allow the exploitation of the existing conflicts by extra-mediterranean powers. A high degree of empiricism and pragmatism has protected the Mediterranean area from the maximalist and universalistic methods which elsewhere characterize the way of dealing with the problems of a New International Order. Thanks to EEC, in the Mediterranean area,

the North-South dialogue becomes regionalised in what concerns certain problems of the world trade. E.E.C. has for example certain association treaties with some Mediterranean countries like Turkey, Israel, Morocco and Tunisia. As yet one cannot anticipate the consequence on the Mediterranean policy of E.E.C. of its enlargement with Greece, Spain and Portugal.

Other special cases in this field will now be analyzed. It is interesting to note, for example, that Yugoslavia that wants to introduce the North-South issues into the C.S.C.E. process in Madrid, like Malta does, strengthens its economic and commercial links with western countries. And Malta, which holds the same position in the C.S.C.E. process, failed its cooperation with Libya and keeps its refusal to repair Soviet Union war ships. These examples show that the western industrialized countries have the initiative in the field of strategic economic relations.

If most of the external commerce of south Mediterranean countries flows towards western Europe it is necessary to analyse the intersection with economic cooperation and strategic aspects. In this field Algeria, Egypt and Turkey present some particularities.

In the Algerian case, one can see a simultaneous growth of its economic cooperation with the West, particularly with the U.S.A. and with France, and of the reinforcement of its military equipment of Soviet origin.

The situation of Turkey is also a special one in what concerns its economic relations and its military equipment. It receives economic aid from the U.S.A. and from West Germany and NATO weapons but keeps an economic cooperation with the Soviet Union in certain strategic fields like electric energy.

We cannot also forget that the Egyptian policy in the Middle East conflict is largely due to the fact that it is an Arab country non-oil producer. This caused the military decision and the diplomatic position of Egypt in the Israeli issue. In fact, economic relations between Cairo and Moscow continue to decline and no new agreements have been concluded between the two countries since 1978. On the contrary, cooperation with the U.S.A. has grown since the Camp David agreement.

These examples are perhaps enough to demonstrate that the North-South conflicts are under control in the Mediterranean area except for the well-known energy crisis. But the international oil crisis can also affect the Soviet Union if this country does not exploit its oil mines in Siberia in time, and to do this it needs big investments which it can only find in the West.

If we consider the new Sea Law as part of the new international economic order, we may conclude that, in general, the strongest tendencies revealed in the IV Sea Conference favour, in the Mediterranean context, the Soviet aim of the "denial sea". It is only natural that most Mediterranean countries argue in favour of the extension of their sovereignties in the sea.

In the Mediterranean, the new Sea Law means that the straits and certain important sea ways will fall under the jurisdiction of national sovereignties. This may be anticipated to be a future cause of conflicts in the Mediterranean which may involve the Mediterranean countries themselves.

In relation to the straits it may be interesting to know the position of the Soviet Union towards the straits of Bosforus

and Dardanelles. In fact, the Soviet Union, who demands the internationalization of the seaways and straits everywhere in the world, seems to pursue a different policy as for their using the Bosphorus and the Dardanelles. Indeed, they do not demand the internationalisation of these straits but a right of co-determination about the use of these seaways. It insists on the Black Sea being an inland sea which belongs to the adjoining states of Roumania, Bulgaria, Soviet Union and Turkey. But the Soviet Union remains respectful of all the rules of the Montreux Treaty of 1936 according to which only Turkey has the sovereignty in these straits.

Conclusion

If the Mediterranean can be controlled from the land - "who controls the land controls the sea" - as it is suggested by the examples of the straits and of the extension of the natural sovereignties deriving from the new sea law, then J. SCHLESINGER is probably right when, in a recent interview to a French magazine (Politique Internationale, number 7), he declares that : "Pour l'Union Soviétique, les principales occasions à saisir dans les dix années à venir se trouvent au Moyen Orient. Les soviétiques ont été bloqués assez efficacement en Europe de l'Ouest. (...) Les russes sont également arrêtés à l'Est. Il ne leur reste donc qu'une seule zone frontalière moins dure : le Moyen Orient".

It remains to be seen whether the "Moyen Orient" means the area of access to the Mediterranean or rather the Persian Gulf. We should remember that, at the occasion of the Soviet-German Agreement, MOLOTOV had already suggested to VON RIBBENTROP to allow the Soviet Union freedom of action in Irak, Iran and the Persian Gulf.

During the 70's, in the East Mediterranean, the leading conflicts were the Arab-Israeli conflict and the Cyprus conflict. These conflicts created divisions inside Europe, on the one hand, and also divided Americans and Europeans, on the other hand.

In the beginning of the 80's we observe the aggravation of tensions in the Persian Gulf without knowing yet its effects. Anyway, recent events displaced the center of gravity of the conflicts where the two super-powers can involve themselves, from the Mediterranean to the Persian Gulf.

Could this be a deliberate strategy or rather that the Soviet Union is trying to use "opportunity targets"?

If it is a deliberate strategy it may mean that the Soviet Union feels beaten in the Mediterranean and tries to obtain in the Persian Gulf the leading position it could not get in the Mediterranean.

If we accept the hypothesis of the "opportunity targets", then it means only that the Soviet Union is trying to influence the development of the existing conflicts. In this case, the opportunity targets may occur either in the Persian Gulf or in the Mediterranean. And the center of gravity of conflicts that may aggravate the East-West relations will go on displacing itself. But, as we saw, always after the failure of the western countries in their economic or diplomatic policies with the countries of these regions. And from this derives the importance of the North-South dialogue for the Western countries. Except for the energy crisis, the initiative belongs to the Western countries.

José MEDEIROS FERREIRA



Center for International and Strategic Affairs

University of California, Los Angeles

AND

ISTITUTO AFFARI INTERNAZIONALI

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THE IMPLICATIONS OF MEDITERRANEAN CONFLICTS FOR EAST-WEST AND NORTH-SOUTH RELATIONS

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The Mediterranean at the cross-roads of the world situation.-

The polarization between East and West and the dialectical confrontation between the industrial North and the developing South are two of the three main factors that define the world situation in the last decades of the present century. The third is what can be named the world cultural enlargement.

Historians coincide that about 1964, more precisely when, the Cuban missile crisis was overcome, the UNCTAD was born and in the United Nations the theme of the new economic order came to the foreground, the confrontation and dialogue among the industrial and LDC substituted the opposition between the two military blocks as the dominant factor in world politics. Still, this dialectical dialogue is set in context in which the vital questions of war or peace depends essentially on the superpowers.

The three factors appear in all their strength and scope in the mediterranean area:

- The Mediterranean sea and basin is, as we will see, an important scenario for the overall balance between West and East, as well strategically and militarily as politically.

- The North and South banks of the sea are linked by essential economic and technological relationships. The area is one of the essential contacts among the industrial European civilisation and the LDC. Furthermore, some of the North African countries were in the recent past colonies of the European powers. The colonial experience cast an ambivalent and heavy shadow upon an already tense and complicated relationship, that established between the two terms antagonists in struggle for a new economic order.

- The mediterranean basin is perhaps the highest example of confrontation and synthesis of different cultures. It has, specially, been the arena where the three main monotheistic religions have opposed and influence each other: Christianity, Islam and Judaism. Which is even more significant, the Mediterranean has been the one scenario of Western expansion

and influence where Europe has encountered the greatest resistance to assimilation. The non-european societies have been succesful in keeping their own identities. The reason is of course the high degree of social integration, derived from such developed religion as Islam. With the exception of the French Departments in Algeria and Ceuta y Melilla part of the Non European territories has been incorporated as an integral part of any european power. The difference with other parts of the world appear, if we look back at the integration of the american and african lands under the metropolitan empires.

As proof of the lesser direct political dominance- not of lesser influence- the response of the traditional societies, in a modernisation process, nationalism appeared in Egypt and the Fertile Crescent not against the European powers, but in front of the domination of the Ottoman Empire and supported by the diplomacy of the europeans. It is as late as the thirties, and with greater impetus after World War II, that nationalism as an integrated ideology and action appear in North Africa. In contrast with other areas of the colonial empires, Africa and parts of Asia, this response is sustained by the integrated survival of the cultural values and supported by the native bourgeoisies which were not just intermediaries of the dominant powers, but have their identities anchored into a tradition developed without interruption during centuries.

The relations between North Africa and Europe are therefore much more complex than the typical established between a colonial people and their masters. Anticolonialism and antimperialism are, no doubt, two of the main tenets of neoarab ideology; they do not exhaust the meaning of arab-european relationship.

Effects of a conflict between two mediterranean nations.-

Any conflict between two mediterranean nations or an open confrontation developed in the Mediterranean would have repercussions on three sets of relationships:

- The balance of strategic and military power in the area;

- the state of the dialogue between the industrialized North and South;

-the cultural implications of the ideological language through which the conflict would be presented by the parties. The effects of the conflict will, however, differ in nature and scope depending on the actors: a) a conflict of the superpowers taking place in the Mediterranean;

b) one western power and a mediterranean noneuropean nation;

c) two mediterranean european countries;

d) two non european countries or two sets of non european countries.

The Strategic balance and the Mediterranean.

To understand how a conflict in the Mediterranean can affect the relations between West and East it is convenient to have some idea of the global strategic balance in Europe, and about the role that the area plays in it. To do so it is unavoidable to refer to some simple strategic concepts. The western strategists use to refer as M the actual balance at the momento of a surprise attack, that is to say the balance at any precise moment that has not been preceded by a major political crisis.

M + 30 means the situation that immediatly follows mobilization, either provoked by a surprise attack or a grave political crisis.

M + 90 is the balance in ultirior phases.

In order to reach an appreciation of the existing balance of forces in any of the above mentioned moments one can recur after the International Institute of Strategic Studies of London, to differerent systems.

Numerical comparisons. It consists in analysing the different systems of weapons, one after another. In the Mediterranean, for instance, the United States can deploy as much as thirteen air carriers. The Soviet Union, none.

Comparasion of competitive systems. For instance, to compare the naval units that try to survive to the systems that aim at destroying them. The number of submarine vessels with the antisubmarine systems (ASW).

Comparison of missions. One vital mission for the Atlantic Alliance consists in controlling the sea; the opposite mission of the Warsaw Pact is to deny that control (sea control versus "sea denial").

Even during the period dominated by the idea of "detente",

the superpowers thought was based in a number of analysis supported by geostrategic facts. These estimates are likely to be valid in the eighties.

At M the NATO forces will be deployed in two separate fronts. The Northern front is isolated from the Southern front by geographical barriers and by the neutral block of Austria and Switzerland.

The Warsaw Pact system is continuous as far as the borders of Greece and Turkey. The URRS is at the center of the system that comes to establish contact with the Atlantic Alliance in Northern and Central Europe. They are separated by the Black Sea and the Balkan States, where the URRS has not deployed her own forces but where are, evidently, forces belonging to the Pact.

The superiority of the Atlantic Alliance in the Southern front is, of course misleading. In the event of an attack, the Warsaw Pact will not likely start its movement from Hungary or crossing Yugoslavia, but will proceed against Greece or Turkey. In those circumstances the important Italian forces will be isolated from the theatre and far away.

We must account also for the logistic situation. The NATO logistic system in the central front is concentrated in a very narrow zone from Belgium and the Netherlands as far as Switzerland: that is to say, in direction North/South and compressed into a narrow stripe. The Warsaw Pact system runs from East to West, and is much deeper.

We ought to deal with all these elementary data in the present paper because they lead to the conclusion that the western logistic system depends on exterior naval support.

That brings us back to the role played by the Mediterranean theatre.

The control of the Mediterranean sea plays a double role in OTAN strategy:

a) that of keeping under menace the soviet soft belly, by the active presence at sea of aircarriers and submarines;

b) to maintain secure the logistic axis that, coming from the Atlantic, traverses the sea from end to end.

As to comparison of missions, at the start of a conflict the Warsaw Pact would be able to deny the control of the sea in important parts of the Baltic Sea in the Black Sea, Barentz and at specific points in the Mediterranean. But, in spite of recent alarms in some western circles about the reinforcement of the Soviet Fleet the american naval superiority is cleer and in the Mediterranean overwelling. In the Mediterranean the Soviet Fleet is unable to sustain a long war, lacking port facilities and with the well known difficulties to go out for the open seas. In fact, this sea can become a mousetrap for the soviets.

The american estrategic system based in a well balanced combination of fixed missiles, air- craft and subamarines (triad) is more flexible than its soviet counterpart.

This superiority in the Mediterranean compewsetes the relative unbalance in Central Europe.

All this analysis leads us to a concluison: the present mediterranean balance is vital to the parity in Europe.

The paper asks about the effect of a conflict in the Mediterranean on East-West relations.

Any conflict in the area that may change the present balance will be unacctable to the Atlantic Alliance. That does not, of course, mean that it is inadmissible a system established by the riparian States that would make more difficult the implication of the superpowers in local tensions. On the contrary, that system would coordinate with the essentials of the global balance.

The Mediterranean system. Local scenarios

The structure of the international system in the area will be decisive for the formation of one international conflict.

We can identfy:

- A global mediterranean system where the two extramediterranean superpowers play the essential role;
- Two different subsystems created around two conflicts; the palestinian problem and the one that is the legacy of the false solution given to the decolonisation of the Westerns Sahara.

The global system evolve around the staegic fact mentiones above.

The superpowers are a ways presenet, potentially or actually, in the subsystems. The y can intervene in the problems that are at the centre of the subsystem, goven certain conditions.

M Brecher ("The Foreign Policy System of Israel", Oxford University Pres, 1.977.pág. 49 and ss) gives his analysis of the system operating in 1968. The subsystem can be represented graphically by three circles or rings.

An inner circle, or core compounded by the countries that are engaged in direct confrontation: Israel, Egypt,Irak,Jordan, Lebanon, and Syria. All these countris have been in the central relationship since the foundation of the State of Israel and they likely will remain so antil a global solution is found.

A peripheric circle formed by countries which do not confront each other directly but that are connectd with the States of the core. Given certain circumstances the results of the central conflict affect the periphery; they also can participate indirectly in the confrontaion. Brecher includes in this category Turkey. Algeria, Cyprus, Ethiopia, Iran, Saudi Arabia, Tunisia, The reasons for doing so differ: Algeria because of her antisionist stand, her declared antimperaialism and her vocation of Third World leader; Tunisia due to the position adopted by Burguiba towards the palestinians from a early date; Turkey in account of ther condition of important regional military power; Saudi Arabia, at least since 1.966, because she became the financial supporter of the arabs and, to a degree, of the PLO.

An outer ring where we find Lybia, Morocco, Somalia, Sudan and the two Yemen.

From 1968 to 1980 there have been some changes in the subsystem:

- Into the core we must now include Saudi Arabia, key to any negotiated peace. So we must the Gulf States, specially Kwait and Iran.

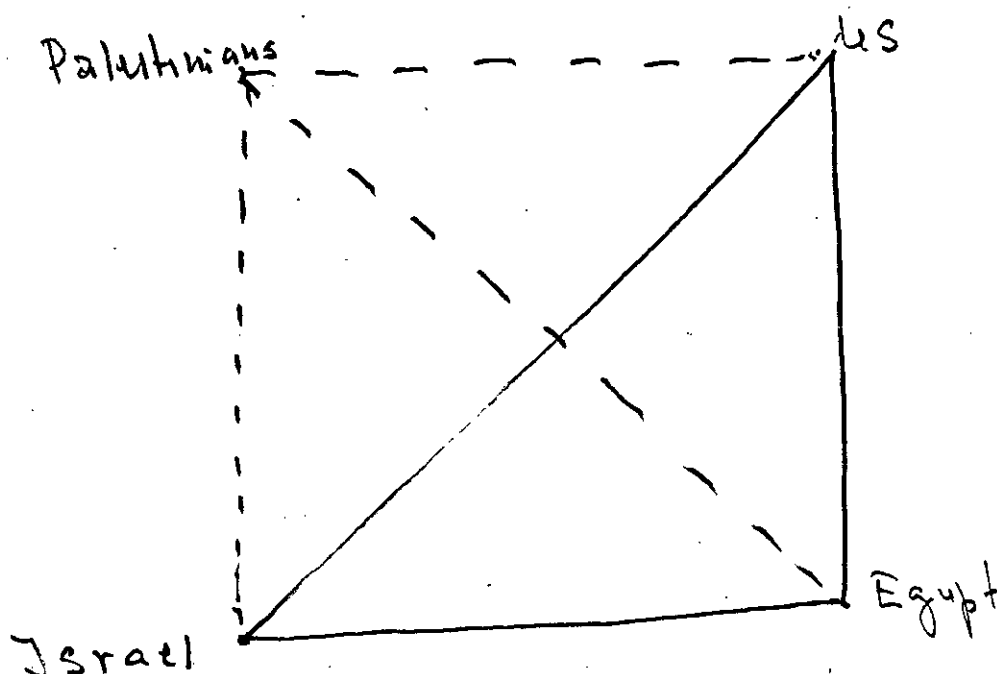
We must, above all, introduce in the inner circle the palestinians.

Lybia has come too, from the periphery, because her ability to back the countries of the rejection front.

- The connection between the regional system of the Middle East with the global system mainly created by the superpowers-is self-evident. Palestine has been and is one of the central themes in world politics. So is now the Gulf and the northern tier (Iraq, Iran, Afghanistan)

We must now refer to some developments that took place in the area. For a period the system seemed to consist mainly of four protagonists the two superpowers, the block of arab countries of the Front and Israel (The palestinians had not yet reached the condition of protagonists. This system appear to correspond with reached the condition of protagonists). This system appeared to correspond with reality at two moments: the diplomacy of small steps of Henry Kissinger and the idea, during 1977 and 1977 of convening the Geneva Conference. The new american policy since 1977 and the change of direction of Sadat, which created a new central relationship, triangular: Egypt, Israel, the United States. This trend leads to Camp David and the bilateral Treaties.

Camp David tries to substitute a quadrangular diagram for the circular of the core.



The diagonal Egypt-Palestinians and the sideline Israel-Palestinians are not drawn. (The Young episode at the United Nations is the manifestation of the failure to complete partially the figure)

The implications of the Palestine question on North/South relations are essential for world peace and stability. It will be pretentious to deal with them satisfactorily in a work of the nature of this paper. The main effect derives from the political climate that influences the economic and social relations. The energy crisis makes difficult the development of the industrial societies, increasingly thirsty of oil. The effect in the Third World was to create two different categories among the LDC: oil producing and oil consumers so helping to consolidate a trend in the contemporary world: the fragmentation of the economic systems. As Prof. Barraclough has insisted on recently, the general trend is fragmentation of the world economic order and the formation of subsystems. Not only fragmentation among industrial countries and, an increasing separation between the industrial block and the LDC, but as well among different groups of the latter.

For a long time the problem presented by the Middle East question was the risk of war. Since 1974 - coinciding with the world economic crisis - not just the danger of war, but the tensions derived from a no war no peace situation. A global solution is becoming urgent. And at this very moment the scenario enlarges itself to the Gulf and the Northern tier.

Since the expulsion of the Russians technicians from Egypt to the fall of the Shah of Iran, specially after the Sadat trip to Jerusalem in November 1977 we have watched in the Middle East something similar to a "pax americana". Since the new parity created by the result of the Yom Kippur war and the orientation of Sadat towards a negotiated bilateral peace, the United States appeared as the key to any real solution. The situation changed with the Iranian Shiite revolution. The Iraq-Iran conflict has added new factors and complications. The conflict has shown something already announced by some analysts: the superpowers are increasingly unable to control any given situation (That is not, of course, to say that they cannot influence and profit of any of these conflicts) The bipolarity is more and more unreal. To understand the essentials of peripheral situations through the lens of the East-West relationship is more and more unsatisfactory. But since 1976 to 1978, the United States were the only external factor that counted. Even if the Camp David blueprint has scarce

changes to succeed without a proper treatment of the Palestinians, and emergent people with a national vocation, and even if the other pieces of the puzzle (Jordan, for instance) failed to adjust themselves to the plan, no solution could be thought of without the United States; and no essential role for the URRS could be perceived. The first part of the argument remains valid. But the enlargement of the scenario makes the solution more complicated and introduces new actors.

The exclusion of the second world power from the Middle East scenario with the Iran revolution. The first manifestation of the new period is Afghanistan. Irak-Iran conflicts multiply the actors and the relationships. Above all, the Palestine question is not from now on understandable without the consideration of what is happening in the Gulf.

The second regional scenario of conflict in the Mediterranean basin that has an important impact on as well as West/East relations as on the dialogue North/South derives from the question of Western Sahara. It is undoubtedly a lesser problem than that of Palestine. But it creates an uneasy and at moments dangerous relationship between two of the most articulate countries in North Africa, Algeria and Morocco. It makes difficult for an European Mediterranean country, Spain, to keep a balance in her relations with the Maghreb. And it can make unstable an important strategic zone, the region of the Strait of Gibraltar. It could also if it develops without control, to affect another point of the highest importance for shipping traffic, Canary Islands.

The origins of the problem are well known. The lack of political purpose in the last years of General Franco regime resulted into a complete abdication in front of King Hassan expansionist policy.

He was unopposed in his aims of converting a decolonisation question into a territorial dispute. He was not resisted militarily or diplomatically when he forced a solution through direct and violent means (Green March). It showed the isolation and lack of will of a weak and unpopular government.

Putting aside the moral and legal aspects of the so-called solution of the Western Sahara by the Agreement of Madrid, November 1975, had Morocco and Mauritania been able to annex the territory without serious and lasting armed opposition from the inhabitants, the action would have had the following effects:

- a).- an important reinforcement of King Hassan political position in his country and a considerable increase of Morocco's international prestige;
- b).- a considerable negative impact in Algerian influence in African and international affairs.
- c).- a very unpopular repercussion on the Spanish public, specially, democratic opinion. But the resistance of the Saharui and the consolidation of Polisario as a liberation movement, the gradual recognition of the RADS by a number of States, the evolution of the question in the United Nations and in the AUO have changed the whole outlook.

The war of attrition between Morocco and the Polisario presents no hope of easy and quick military solution. Everything points out to a long struggle.

As now, the Saharian problem has not involved the superpowers. But the continuation of the conflict can affect both the North/South relations and the global strategic situation.

To one country, Spain, has created new difficulties in her relations with North Africa. The existence of two Spanish cities and several islets situated in North Africa surrounded by Morocco land waters, claimed by Rabat as integral part of the Realm, has already put periodically under stress the dialogue between Madrid and Rabat. The Saharian question makes things more delicate. The democratic political forces in Spain resent deeply the way employed by Morocco to oblige an authoritarian regime to cede and to abandon the native population.

Cooperation between the two countries is an imperative of geography and a normal consequence of historical and cultural factors. All that has been jeopardized by the wrong solution to that colonial question.

What is worse, the process going on in Western Sahara can reach a point that the major powers may be tempted to act, by one means or the other. The zone can become a point of friction of the two systems. All that can affect the Canary Islands, of great strategic importance. The Archipelago is placed in the sea lanes through which the oil that comes around Africa directs itself towards

Western Europe. With the of Madeira and Azores the stability of Canary Islands is essential for the western world. As a subproduct of the conflict in the Sahara, some countries of the African continent have presented to the council of Heads of State of AUO the case of the "africanization" of the islands. Something irrelevant in itself, but that has obliged the Spanish diplomacy to deploy considerable efforts in 1978.

Were the reaction to these risks the integration of the islands in the NATO system the countries in Africa would present the question year after year with some effect year with some effect on Spanish international relations and with certain impact in sectors of Spanish opinion. Spain needs as fluid and peaceful a foreign policy as possible in this period of establishing a sound democratic life after forty years of autocracy.

That is why Spanish democratic parties are keen so that a real and fair solution be found for the Sahara. It must be based on the respect of the principle of selfdetermination, as the legitimate mean to decolonize and on the balance

Spain being a part of the Western world this scenario, that involve three mediterranean countries, Spain, Morocco and Algeria, influences the mediterranean system, so important, as we have seen, to relations between West and East.

It has also effects on the North/South dialogue. Some years ago President Bumedian in an interview granted to Sulzberger, of the New York Times, explained what can be called the manifest destiny of the North African and European countries. Algeria as other nations in the zone is engaged in a race against a demografic explosion and a real revolution of rising expectations. To counterbalance those negative forces to development, she needs to achieve a rapid industrialisation and modernisation of her spcial and cultural framework. These nations can find technology and investment nearby in the european nations, namely, namely in the EEC, Spain, perhaps Yugoslavia. But in order that this relation do not become a political subordination it is convenient if not manzatory that the Mediterranean theatre may be as less ideological as . The colonial experience makes the North African countries fearful of political and military european factors. The natural relationship ca be devalued to the eyes of Northafricans if the powers intervene in the region and take sides in a contentious issue such as the Sahara. The always difficultd understandig between industrial nations and LDC will growt worse.

The two actual conflicts in the region, Palestine and Western Sahara, have therefore effects on West/East relations and North/South relations. Trough the study of how they influence them we can obtain some knowledge of the impact of mediterranean conflits in the gre-ta issues of to-day international politics.

Madrid, 13 th October, 1.980

STATO MAGGIORE DELLA DIFESA

III REPARTO
UFFICIO POLITICA - MILITARE

SECURITY, THE MEDITERRANEAN AND ITALY

by

Admiral G. TORRISI, Chief of Italian Defence Staff

Presented at the Conference on
THE MEDITERRANEAN IN WORLD POLITICS
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Castelgandolfo, Italy

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SECURITY, THE MEDITERRANEAN AND ITALY

Speech by Admiral G. TORRISI, Chief of Italian Defence Staff at the Conference held by CISA and IAI, Castelgandolfo.

Let me first thank you for giving me the opportunity to speak to such a distinguished audience about security in the Mediterranean, an area which through centuries has been the melting pot of the world's problems but that, nevertheless, has never received the right degree of attention especially from western countries.

Crises came and went with limited foresight on our side and, most of the time, were dealt with on a piecemeal basis and, quite a few times, western nations supported different sides or views.

Why has that happened? Strategic assessments of the value of the Mediterranean have been very controversial, ranking from those which defined the area as vital to the world to those which gave to it a very marginal value, and, what more, nothing has been seriously achieved or even tried so far to see whether the efforts of the west could be joined together in a common effort.

NATO, I am afraid, has not been an exception on this general trend as it has devoted quite limited attention to its Southern Region which, according to another Admiral, a British former Chairman of the Military Committee, had any right to feel "Lonely and neglected".

This lack of attention was due to many causes on which I will not dwell but certainly the eccentric geographic position of the Southern Region from the rest of NATO did not help.

Meanwhile, recently, things started deteriorating at a quite fast pace in the Mediterranean and in areas in its proximity, for an unfortunate coincidence of reasons, some internal to the Region and some external to it.

I believe that all this should have persuaded almost everybody that the world and the west, in particular, cannot afford the luxury of underestimating the importance of the Mediterranean which, not only, is the most direct connection of Western Europe with the third world but also represents a direct access to an area where most energy sources lie.

But strange as it might seem, the Soviet threat in South West Asia instead of emphasizing the role of Southern Europe has somehow blurred it and, because of that, we might find ourselves soon in a situation where the rest of Europe will continue to remain NATO's stronghold, with the contribution of forces of most NATO Countries, while the Southern Region Countries may have to rely very much on their own forces, with limited support from the outside.

Quoting Admiral HILL-NORTON again, (by the way, I like Admirals), "Too many eggs are left in NATO's central basket, at a time when eggs are scarce".

I am sure you all would agree with me when saying that one of the most important facets of NATO's deterrence credibility is the continuity of its

strategic posture throughout its boundaries; that continuity, however, would be lost if we kept strengthening the Central and Northern Region and started building a military presence, non NATO but Western, in South West Asia, while leaving a power vacuum in correspondence of NATO's Southern Region.

On the other hand, never before we have been so aware that, while NATO has a political and geostrategic barrier which inhibits linking its ground forces, not only between the Central Region and the Southern one, but also within the same Southern Nations, the Soviet Union can easily, by moving along interior lines, build up a new military effort almost anywhere along its boundaries, without considerable notice.

What should the Alliance do? Nothing, of course, as an Alliance, because of the limitations posed by its own treaty, limitation which cannot be lifted without giving the rest of the world the perception of undue interference outside NATO's boundaries; we then come to the division of labour, a new term which I believe is well known to all of you and is quite easy to explain.

If we agree, as we do agree, that Western Nations have many interests in common, not only within NATO but also in a wider context, we must accept that the additional burden put on the shoulders of some of us must be compensated for by a more substantial effort from the rest.

In more clear terms, the build up of military presence in South West Asia must not diminish NATO's politico-military posture elsewhere.

It must then be decided what can be done by the Nations which are not directly contributing to the formerly mentioned military presence.

I believe that, before taking a decision, each Nation should look, very realistically, first at its own politico-military dimension and, after, to the possible changes produced, not only to NATO's security, but to its own security by the possible diversion of military effort and political attention to the new area of the threat.

Accordingly, with that guidance in mind, we in Italy decided how best to contribute to our Allied's additional efforts and we came to the conclusion that it would have been more appropriate for us to play a more active role within the Mediterranean.

Why do we recognize that our role could be more active? In the past, remote or recent we, in Italy, have been rather slow in grasping or accepting the possibility of doing more in politico-military terms than required by NATO.

Several reasons contributed to this situation, but among them, probably the most influential, the general unwillingness of the country to formulate in clear terms its own defence policy.

Because of that, Italian Politico-Military posture was relegated in a very unimaginative and strictly executive role; almost all our forces were tasked and deployed according to NATO plans without really thinking whether we could, still confirming NATO's requirements, develop a more flexible capability for deterrence and defence.

I am glad to say that we have recently started to broaden our outlook and that we are paying more and more attention to what happens all around us and to our capability to meet our share of the new challenge. For the next future, our target will be to increase our burden sharing in the Mediterranean, by:

- building up, in concrete terms, our politico-military relations with all the countries in the Mediterranean which are either allied with us or see with some sympathy our approach to security problems.

By politico-military relations, I mean all that can be done in terms of military assistance in the broader sense;

- increasing our efforts in fostering a degree of cohesion between NATO countries in the Southern Region.

Something has already been achieved in the last months but much more should and will be done;

- taking up those politico-military tasks which we can realistically consider within our capabilities.

The case of Malta can be considered as an example of such a trend;

- increasing the mobility of our forces and their inter-service capability.

Strange as it may seem, by adhering too strictly to NATO's views we, in the past, almost diverted the efforts of our three services as, for instance, the area where the army plays its most important NATO role is also where the navy finds more difficult to act.

We may, now, I hope, be able to build up a task force which, although realistically quite small, will contribute to our security all along our maritime boundaries, also by conveying a clear politico-military message within the area;

- carrying out more training and exercises both with NATO and non NATO Western Countries, in the Mediterranean; and finally,
- improving equipment capability and readiness of all our forces.

All this may not seem overambitious but we wish to keep our feet firm on the ground, without aiming at targets which could prove too difficult to achieve or not credible because of our sheer limitations.

To implement this line of action we have in the last few years increased our budget by 3% or more and this is true also for the 1980, in spite of what has been said by some official or unofficial sources.

A large share of our obsolete equipment has been replaced and, if you could now visit our forces, you would, as every body else who had that chance, agree with me that a lot has been done.

I know that this not always appears in the world media which, unfortunately, because of not direct knowledge, base their judgment not on it but on repetition of stereotypes, and we all know that stereotypes are hard to die.

In conclusion, I believe that, for what is my own concern, I can be fairly optimistic if we will, as I have all reasons to believe, we will, continue in our efforts.

During my brief speech I focussed my attention on the Mediterranean and on the Southern Region and in this respect let me quote a recent statement by General ROGERS: "Rejuvenating the Southern Region must remain a top priority".

About my own Country, I will stress its importance to the west by quoting G. KENNAN who said, from a US perspective, "Our whole position in the Mediterranean and possibly in Western Europe, would be undermined" if Italy were no longer part of NATO.

For the future, Italy will not only remain a full partner in NATO but will also play a more active and efficient role, in a clear view of its own interests and obligations.

It seems that a new syndrome has now appeared somewhere in the West; it is the so described "Syndrome of inevitability"; I want to assure you that we are not affected by that syndrome or by any other syndrome preventing us to act seriously and quickly to improve our defence.



Center for International and Strategic Affairs

University of California, Los Angeles

AND

ISTITUTO AFFARI INTERNAZIONALI

ROME

SECURITY IN THE MEDITERRANEAN AND WORLD POLITICS

BY

CIRO ELLIOTT ZOPPO

PRESENTED AT THE CONFERENCE ON
THE MEDITERRANEAN IN WORLD POLITICS

11-14 DECEMBER 1980

CASTELGANDOLFO, ITALY

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THE SECURITY AND POLITICS OF THE
MEDITERRANEAN AND INTERNATIONAL SECURITY

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Discussion Paper for the Workshop

on

"The Mediterranean in World Politics"

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FOREWORD

This analysis is intended
as a framework for discussion.
It has been written with a
speculative approach to evoke
comments useful to the further
developments of the hypotheses
it contains.

THE SECURITY AND POLITICS OF THE
MEDITERRANEAN AND INTERNATIONAL SECURITY

At the height of the Pax Romana, established by Augustus almost two thousand years ago, the Mediterranean was a politically, economically and militarily integrated region. Since the end of that distant era, the Mediterranean has defied scholarly conceptualizations and political prescriptions alike which have attempted to treat it as a single entity.

Although it is highly unlikely that the Mediterranean will ever again become such a focus of history, it is becoming in the 1980's a fulcrum for international politics with potentially crucial consequences for international security.

For world security, it is the geopolitics of the Mediterranean region that most critically intersect the conflictual factors of East-West political and military relations and North-South economic and political relations. The 1980's will tend to add conflictual economics to the former, and conflictual military relations to the latter.

The Mediterranean is, because of its geography, the political, military, and economic junction of Europe, Asia and Africa--the major continents that form what Mackinder has called the "world island." Its eastern and southern shores, especially, have been a testing ground for the political ideologies, the economic systems, and the weapons of the Soviet Union and the United States. Except for Berlin in Central Europe and Cuba in the Caribbean, it is the only region in which actual or threatened local conflicts have risked escalation to nuclear war.

The world energy crisis that has been reshaping the world economy, altering political outlooks and raising questions about international security, was also born there in the crucible of the 1973 Arab-Israeli War. In fact, it is in the Arab-Israeli conflict that this threat continues to reside. For the 1980's, the Mediterranean will continue to bridge, in politically and militarily conflictual terms, the major concentration of industrial powers, with the area where most of the vital resource for the functioning and growth of modern economics is found. No European country--except Norway and Britain--can sustain a prolonged loss of major oil supplies without risking extremely serious economic and political consequences. Relatedly, the competition among Western countries for the security of oil supplies can seriously impair the political coherence of the Atlantic alliance, and further aggravate political instabilities in the Mediterranean.

As important as these considerations are, they are not sufficient links between the Mediterranean and international security. Two other related factors are of central importance. The first, and most important, is the relationship to European security of the politics and the military situation in the Mediterranean region. The second is the relationship of these Mediterranean conditions to conflicts in the Gulf area and adjacent African territories. Taken together, and related to each other, they clarify the geopolitical significance of the Mediterranean region for international security.

The 1980's have hardly begun, but it is already clear that the political, military and economic complexion of East-West politics will be increasingly dynamic.

Structural changes have been taking place in areas that affect the complex relationship between the Soviet Union and the United States and

their formal and tacit allies, and between the superpowers and Third World countries. These changes, which raise important questions about international political stability, and consequently international security, deal with: political and military relations between the American and Soviet superpowers; economic and political relations between major industrial countries (especially the United States, Europe and Japan), and actual, or potentially, resource-rich developing countries (Arab, oil-producing states in particular); and, between evolving military technologies (nuclear and conventional) and conflict resolution.

In the process that has marked the detente as a transition between the 1960's and the 1980's, a phenomenon of major significance for the future of the international system has been occurring. The politically instrumental distinctions between economic and political relations among states, between internal and foreign affairs--already tenuous--and between the central system of nuclear deterrence and regional conflict systems have been disappearing. These trends have been noted by Stanley Hoffman.

Eventually, and in the aggregate, the effects for inter-state behavior of the collapse of these functional and territorial boundaries can create acute problems for the deterrent, or central system, of international security. Fundamentally, what is needed is a different instrumental relationship between regional conflict and global nuclear deterrence.

One of the most critical aspects of the collapse of the boundaries between the central deterrent system and other sub-systems of international politics concerns the fusion between internal state politics and international politics. This is not an altogether new phenomenon in international politics but acquires particular significance for the 1980's for several reasons.

The focus of U.S.-Soviet rivalry, and of North-Southern interactions, has shifted to Africa and the Gulf, though it continues to include, the Middle East; and their axes are not only intersecting but are beginning to coalesce into a single process. These are regions where most nations have been established only recently, and where national identities are uncertain (the birth of Bangladesh and the Eritrean rebellion are illustrations), but also where the legitimacy of governments is qualified. In a less immediate way, and qualified specifically in regard to Greece, Turkey, Israel, Egypt and Syria, these characteristics also apply to the Southeastern shores of the Mediterranean. This problem for the politics of the Mediterranean arises precisely in terms of erasing the boundary between domestic and international politics. Palestinian and Basque irredentism, and the civil war in Lebanon, are sufficiently eloquent on this point.

Nation-building in these regions is obviously threatened by ethnic fragmentation. However, from the viewpoint of the importance of these factors to international security, it is also threatened by an ideological search for national cohesion as a way to legitimize rule and guide political and economic development.

The most critical link between internal and international politics, with relevance for international security, is forged in this nexus. Superpower intervention is politically rationalized through ideology at this juncture--although the basic rationale may in fact be security seen in terms of hegemony. Afghanistan is the most recent and clear example; but the American intervention in Vietnam, in the 1960's, also falls within this category.

To the political and economic factors that threaten to collapse the distinction between internal and external politics, that in turn undermine

international security, must be added technological developments in both nuclear and conventional weapon systems.

These technological developments are not only effectively destabilizing the strategic relationship between the Soviet Union and the United States, and the East-West military balance, they are also threatening the collapse of the boundary between the superpower deterrent system and regional conflict systems, by erasing another crucial boundary--that which has existed between nuclear and conventional arms.

Two not yet converging, but parallel, developments could finally obliterate this technological and military boundary between the central deterrent system and regional conflict systems altogether: additional nuclear proliferation in the Third World--including the Southern shores of the Mediterranean--and the adoption, by the superpowers, of limited nuclear war-fighting doctrines. Forceful attempts to separate general nuclear war from limited nuclear conflict (undeniably deterrent in motives) have already been made in the Schlesinger doctrine and may be seen in the U.S. presidential directive No. 59.

Until the mid-1970's, the functional and regional sub-systems of international politics, detailed above, had either remained isolated from the strategic deterrent system, or had been managed by the United States and the Soviet Union, unilaterally but in tacit cooperation, so that they did not threaten escalation to nuclear war.

The only incontrovertibly threatening escalation, that about Cuba in 1962, supports the observations just made. It galvanized the political detente, ushering in a decade of nuclear and strategic arms control agreements. Unfortunately, it also spurred the Soviets to great efforts to

close the strategic gap which favored the United States, and strongly reinforced the rationales, in Soviet and American military doctrines, for strategic superiority. These developments strongly impacted in the late 1970's, finally undermining the ratification of the SALT II Treaty, and will haunt the 1980's. The end of the detente in the relations between the United States and the Soviet Union, and its strong alteration in East-West relations in Europe, demonstrates the erosion of the boundary between the central deterrent system and the regional conflict systems.

Therefore, the crux of international security in the 1980's is the consequence of this erosion of conflict systems boundaries. It will equate direct superpower military intervention into internal rebellions or revolutions, in states strategically located (for territorial, economic, political reasons) in the conflictual Soviet-American space with national survival in the nuclear age.

The revolutionary impact of these changes on international security, in the context of the significance of the Mediterranean, may be explained succinctly by way of maxims as follows:

- o *The most critical issue of the nuclear age has now become neither the physical destruction of the United States or the Soviet Union by means of a strategic surprise attack, nor the blackmailing of either superpower, by its adversary, into unconditional surrender by means of strategic superiority.*

The high levels of U.S. and Soviet strategic forces, particularly deliverable nuclear warheads, and modern technology make these grand-policy goals unattainable and irrational. As William Hoehn has noted,

even a degree of U.S. inferiority, at all three levels (of the strategic triad of nuclear weapon systems), is unlikely to tempt the Soviets to initiate major nuclear conflict. The risks and uncertainties of conflict outcomes will ensure that the prospective costs look enormous against the potential gains.

Of course, this does not mean that the arduous task of maintaining U.S.-Soviet mutual deterrence, on technical and military grounds, has become less crucial. No gap between the strategic forces of the Soviet Union and the United States can henceforth achieve sizable proportions without tempting risks. Constant and demanding attention is required to maintain deterrence with strategic forces, in-being, capable of war-fighting. Should escalation to central war occur, national survival will ineluctably reappear as the only concern for the United States, the Soviet Union and Europe and Japan. But at that point the military means will have destroyed the political ends.

- o *It should be clear, as we enter the 1980's, that at the level of strategic warfare as it relates to the achievement of world hegemony, the traditional geopolitical concepts are obsolete. For the power that was balanced in the pre-nuclear balance of power process was essentially the military power to seize and hold territory, and to exploit for further conquest the human and material resources of the conquered territories.*

General war, even if only conventional, is not a tool for creating continental empires. Three systems operate in the context of international security: the strategic balance of terror between the United States and

the Soviet Union; the intermediate Eurostrategic system of deterrence, also nuclear but not strategic for the United States since it does not target American territory; and, the conventional balance of power.

These systems operate simultaneously, each according to different criteria but interacting in ways which military doctrine has not yet clarified in politically meaningful terms. Only the conventional balance works according to the tenets of the classical balance of power envisioned in geopolitical theories. However, the conventional balance cannot work without reference to nuclear war or, by itself, produce the requirements needed to create the conditions that might lead to the achievement of global or regional hegemony, based on territorial control by either the Soviet or American superpower. (Soviet hegemony over Eastern Europe was achieved as an immediate, and direct, consequence of World War II, before the development of the nuclear deterrent system.)

- o *Occasional territorial faits accomplis by a superpower in territories that are contiguous can occur, under circumstances of strategic stalemate.*

However, the territorial entity, in question, must be either historically definable as being in its sphere of influence, or not be definable as an ally or client of the adversary superpower. Members of NATO and the Warsaw Pact and Japan, and China, cannot be the objects of territorial faits accomplis. Moreover, a series of calculated piecemeal military annexations into contiguous territory--by either superpower (or any of its allies or clients) are not permitted or viable strategies.

The truisms that qualify this maxim have been developed most explicitly by the postwar experience of Europe. Until the 1980's, Europe has been the

only regional sub-system, of the central deterrent system, that has represented these qualifying truisms, mainly because European security, for historical reasons, has been the linchpin of international security. And this explains why--once the Cuban missile confrontation ~~has made~~ clear, in practice, the political realities of the nuclear age--Europe has become the most stable East-West security situation, and the fulcrum of detente.

These characteristics of Europe also explain why, ultimately, Europe is very vulnerable to the consequences of the changes being analyzed; and also why European security will remain in the years ahead the linchpin of East-West security. This growing vulnerability has been perceived by West European leaders and motivates their attempts to save the detente in Europe and to maintain a restrictively territorial and explicitly defensive definition for NATO's mandate. At the same time, it will create increasingly acute policy dilemmas for them with their major ally, the United States.

- o *The Soviet and American superpowers (and occasionally other nuclear powers) will intervene directly with military force into the national territory of Third World countries which represent a strategic political, economic, or military territory--defined as a vital national, or alliance, interest by the intervening power. The "point d'appui" of the intervention is defined, politically, with ideological justifications.*

This maxim is the crux--i.e., the challenge and the peril--of international security in the 1980's, and the most critical contemporary issue of the nuclear age. Beyond the reasons cited in the preceding analysis, this maxim is perilous because there exist no nuclear deterrent doctrines,

developed by the United States or the Soviet Union that fully integrate the attributes of conflict, in this context, into viable nuclear deterrence.

This maxim is also perilous because the inchoate concepts regarding the uses of presumed or actual nuclear strategic superiority that have been developed, deal primarily with politically symbolic or crisis management uses of strategic superiority. And, these have been derived either exclusively from the 1962 Cuban confrontation, or from the experiences of the Cold War crises in Europe; and the Arab-Israeli conflicts.

These crises dealt, directly and immediately, with the U.S.-Soviet strategic space--practically unencumbered by strategic considerations regarding other nuclear powers within or outside alliance systems. The conceptualizations, even more so the official doctrines, regarding escalation from local conflict to nuclear war remain at the level of vague generalizations of modest operational values, hardly a sufficient guide to rational superpower policies. This is particularly true in regard to conflicts in the Third World.

Given these conclusions, it is illusory to consider developing the requisite strategic doctrines or to attempt to prove, by extended analysis, the correctness of the maxim which deals with direct military intervention into internal conflicts in Third World countries, by the superpowers. It will suffice to illustrate from this maxim, and the others developed regarding international security in the 1980's, in the analysis of the significance of the security and the politics of the Mediterranean for international security.

The conditions that have been discussed regarding the disappearance of the boundaries between domestic and external politics, between political

and diplomatic affairs, between nuclear and conventional arms, and, very pertinently for security, between the central system of deterrence and regional conflict systems--and the issues raised by the maxims just outlined--all have their analogs in the Mediterranean region.

There are members of a major alliance, like Italy and Turkey, in NATO's southern flank. There are countries with a special security treaty with a superpower, like Spain. Israel especially, also Egypt, have informal but valid alliances with the United States. There are unaligned states like Yugoslavia, Algeria, and Libya. Some like Iraq, Algeria, and Libya are also oil-producing states. Others, like Lebanon, are deeply penetrated sovereignties where the distinction between domestic and external politics has hardly any significance. There are countries like Israel, Spain, and Morocco where irredentism is expressed violently by terrorist acts. In every country of the region, in varying degrees of political commitment, policy expression, and effectiveness, ideologies play a role in foreign policy and security. Because the Mediterranean is not a cohesive geopolitical region, either in terms of functions between the central system of deterrence and regional sub-systems, or in terms of political geography, three of the major aggregative processes already discussed are most useful in assessing the significance of the Mediterranean for international security:

- o *The weakening of the distinctions between domestic and foreign policy; with its corollary, the fusion between political and economic affairs. It is in this context that East-West and North-South conflictual interactions intersect, penetrating the internal political space of the countries bordering on the Mediterranean.*

- o *The increasingly rapid effacement of the boundary between the central deterrent nuclear system and regional conventional conflict sub-systems. In the Mediterranean this is being precipitated by the shifts in the strategic East-West balance, evolving technology, and arms transfers.*
- o *The potential erosion in the inhibitions against direct military intervention into internal conflicts by the superpowers and other major powers. For the early to mid-1980's this tendency is likely to apply essentially to the Middle East quadrant of the Mediterranean and particularly the adjacent Gulf area, both on its African and Asian littorals.*

The countries and the conditions discussed in this context are illustrative. However, they are, in fact, crucial components of the actual situation in the Mediterranean, relevant for international security in the 1980's.

East-West security and political interactions intersect with North-South economic and political ones within all the countries of the Mediterranean without exception. In some, however, this penetration is unprecedented and because the actual, or potential, impact of these countries on security in politics in the Mediterranean, it is of greater significance for international security.

In terms of the Gulf as a potential flashpoint of superpower conflict--due primarily to the peculiarity of oil politics--and also considering the pivotal East-West military equilibrium in Europe, Turkey, Israel, and Egypt are especially important. In the case of Egypt and Turkey, the weakening of the distinction between internal and foreign politics (and between

economic and political affairs) is intense enough to create actual or potential major domestic political instability. Because these Mediterranean countries also face national security threats of the first magnitude, their vulnerability to external factors are more acute. At the same time, their foreign and defense policies are critical for Mediterranean and international security.

In each case, the superpowers play a singularly central role in military, economic, and political affairs, consequentially, linking the central deterrent system to the regional conflict situations. Israel, Egypt and Turkey (Greece, Syria, Iraq, Libya also, but less so) have received massive transfers of military hardware, and technical expertise, from the Soviet Union and the United States. France, Britain, and, more modestly, Italy have also contributed to this North-South flow of military technology relevant to East-West conditions of security. Egypt's experience has demonstrated most explicitly the strength of the links between domestic politics and foreign policy, while at the same time illustrating the collapse of the distinction between internal and external affairs, that occurs when national security plays a dominant role which includes ideological rationalizations.

The shift from the Soviet to the American sphere of politics and security, for reasons of national interests, directly linked with security, has brought dramatic changes in the economic structure, the national defense and domestic political orientation of this country. This has been more than a mere switch from Soviet military aid to American and Western weapons and equipment.

Together with sizable U.S. economic aid, has gone a reorientation of the economy toward the private sector, and a convergence in foreign policy with Western, particularly American, positions in regard to Iran,

Afghanistan, and Africa. Egyptian territory, together with that of Israel, is a key military staging area for the Gulf.

Israel has always been a special case, particularly for U.S. foreign policy, and its domestic political system remains less penetrated politically, although recently external economic factors have begun to impinge more on internal domestic stability. However, in regard to Israel, too, the distinction between functional political and regional security systems is becoming blurred. The essential links between national security and international politics show an increasing dependence on the American superpower, while revealing the uniquely strong leverage the United States has on the future of Israel's external policies. Again dependence is crucially a result of security requirements.

The "American-Israeli Memorandum of Agreement" of March 1979, which came in the wake of American-inspired Israeli territorial withdrawals from the Sinai, reveals the increase in Israel's dependence on the United States in the statement: "If a violation of the Treaty of Peace is deemed to threaten the security of Israel . . . the United States will be prepared to consider, on an urgent basis, such measures as the strengthening of the United States presence in the area, the providing of emergency supplies to Israel, and the exercise of maritime rights in order to put an end to the violation." The language, but above all the intent, of the statement is similar to that of Article V of the NATO Treaty--the key security article of the western alliance. Although Shai Feldman, from whom this passage is quoted, suggests that the Memorandum could serve as a possible model for superpower guarantees in the 1980's, and deems it stabilizing, the U.S. guarantee also shows the weakening of the boundary between the central

deterrent superpower system and the regional conflictual system of the Mediterranean.

Given the potential fragility of the Sadat government, it is worth considering the possibility of yet another change of foreign policy alignment in Egypt.

An orientation toward the Soviet Union would re-introduce a Soviet political presence in Egypt and increase the effectiveness of the sizable Soviet naval presence established in the Mediterranean on a permanent basis.

If this happened, it would come at a time when the appearance of the Soviet "Backfire" bomber and the Soviet SS-20 ballistic missile would couple with technological developments to effectively reduce the geographical space in which security operates in the Mediterranean, and when the problem of "grey areas" weapon systems would have increased. The political dynamics of the Mediterranean region would join with the washing away of the threshold between Eurostrategic and central U.S.-Soviet nuclear systems, and of that between Eurostrategic and conventional or tactical balances to increase the likelihood of escalation to superpower conflict. This outcome could erase the benefit that might accrue from formalizing the external obligations of the United States toward Israel.

The Middle East, and the southern shores of the Mediterranean, do not fit the historical context of Europe which stabilized the East-West political and military frontier in Europe. The Mediterranean remains, instead, a relatively fluid and shifting political frontier, ill-defined at the military level as well.

Whether the formalization of superpowers guarantees leads to the reduction of miscalculations by external powers with regional interests

and responsibilities is problematic. In the Middle East, because of the particular link between the economic and political importance of oil and the Arab-Israeli conflict this hypothesis requires more systematic treatment.

Of the three countries, Turkey is becoming increasingly crucial for Mediterranean security, and for international security in the 1980's. The intersection of East-West and North-South conflictual issues in Turkish internal politics and foreign policy--and in national security--is explicit and significant because of Turkey's membership in NATO and its particular political and geographic relationship to the Middle East and the Gulf region.

The Iranian revolution and the Soviet invasion of Afghanistan have refocused attention on Turkey, at a time when the erosion of the Soviet-American detente and trends in military technology are shrinking the political and security dimensions of the Mediterranean. Historically, Turkey has been at the crossroads between East and West as the guardian of the strategic Dardanelles against Russian encroachments. The changing political conditions in the Gulf have made Turkey again the major frontier facing the hegemonial tendencies of the Soviet Union, lately strengthened by the growth of Soviet military power. Thus the importance of Turkey is not limited to European security and East-West diplomacy in the Mediterranean, but reaches beyond to crucial political significance for the Mideast and the Gulf. Because no other member of the Atlantic Alliance combines a Muslim legacy with a Western political vocation, straddling Europe and the Middle East in more than geography, Turkey's role has no parallel in the complex of relations between North and South, and East and West in the Mediterranean and Gulf regions.

As we enter the 1980's, Turkey is in its worst crisis since joining NATO in 1952 and one of the most foreboding in the history of modern Turkey. The crisis investing Turkey extends to all sectors of the Turkish polity: the political system, the economy, foreign and defense policies. The distinctions among these sectors have nearly collapsed.

The crucial determinants of the crisis are to be found in the international changes, discussed, that link intrinsically domestic and international factors not simply for members of the Atlantic Alliance but all countries of the Mediterranean.

The changing technological and geo-political context of the American-Soviet rivalry, the revolutionary relevance of Islam's political legacy, the viability for the Mideast and the Maghreb of the Western political and economic models of development, and the capacity of the Atlantic Alliance to cope with threats to political cohesion and military effectiveness, exacerbated by the West's unavoidable dependence on Arab oil, all converge in Turkey's internal and foreign policy crisis. Turkey's particular conditions can make the consequences for Mediterranean political stability, European security and international security especially severe.

An analysis that surmounts the political passions aroused by the Greek-Turkish conflicts over Cyprus and over the maritime and airspace frontiers of the Eastern Mediterranean, would become aware that Turkey does not have to secede from NATO or abandon its military organization, for the current Turkish crisis to result eventually in conditions that would undermine critically the East-West military balance, and fault political alignments in the Mediterranean, further endangering the detente and hobbling American and West European efforts to deal with the political

and military challenges of the Gulf area. At issue in Turkey's national crisis are the future shape of Turkey's bilateral relations with the United States and the Soviet Union, of Turkish relations with Western Europe and the Arab East, and of Turkey's political and economic system--the most significant aspect of Turkey's Western vocation. One crucial aspect of the situation in Turkey is psychological and regards Turkey's national identity as a modern, democratic nation.

The common denominator for the agonizing search for foreign policy alternatives in economic, diplomatic, and military relations that has epitomized Turkey's national crisis has been a growing sense of alienation from the West, shared by Turkish political leaders and their constituents. In this regard, the policies of the United States are crucial referents because the bilateral relations between the United States and Turkey have set the compass for Turkish foreign policy since the Second World War. The changing nature of Turkey's relations with the Soviet Union and Eastern Europe, and with the Arab states of the Middle East and the Maghreb is directly linked with the crisis of national identity, although spurred by deteriorating economic considerations, and the Cyprus conflict.

Turkey is not likely to return, in the near future, to a neutralist foreign policy, which given the disparities in military and economic power between the USSR and Turkey, would have have to be "Finlandized" in important respects. Nevertheless, changes in Turkey's relations with the Soviet Union, with her Middle East neighbors, with the Western European countries, and especially the United States, significant for the alliance, are underway.

These cannot be altered, in their basic pattern, by the September 1980 military takeover. It is likely, on the other hand, that terrorism

and the legislative paralysis which afflicted Turkey, will be surmounted by means of the military takeover. It remains to be seen whether military rule will follow tradition and be temporary.

The convergence of economic, political, and security factors of a North-South character in foreign policy is illustrated by Turkey's attempts to change her relations with the Arab countries and Iran. Chronologically, the specific incentives for this were the need to find support for Turkey's policy on Cyprus and the oil problem. As a developing country, without oil, Turkey has been severely hit by the increases in oil prices that have followed the 1973 embargo. A growing awareness of Muslim politics has also played a role in Turkey's changing foreign policy.

The results achieved by Turkey's diplomatic efforts to forge closer political ties with the Arab states and Iran, to create the needed economic exchanges have been mixed and only moderately successful. Turkey's role as a geopolitical buffer against the Soviet Union, which has permitted the socialist Arab states of the Middle East to cooperate with the Soviet Union for their security interests without risking a possible application of the "Brezhnev Doctrine" as it was done in Afghanistan, has neither been noticed nor appreciated. The more successful Turkish efforts have led to oil imports almost exclusively from Iraq and Libya. The most considerable economic involvement has been with Libya, one of the radical Arab states and the most pro-Soviet.

The mixture of "Muslim" politics, Leftist radical ideology, and ultra-nationalism, already at work in Turkish internal politics--together with the massive economic crisis that prevails--could reinforce trends in Turkish foreign policy that undercut the East-West military equilibrium in the Mediterranean. For example, during the final phase of the negotiations

for renewing U.S. base rights in Turkey, in 1959, complaints by the Arab rejectionist states to Turkey, which alleged that intelligence gathered from U.S. bases in Turkey about military movements in the Mideast found their way to the Israeli general staff, resulted in NATO functions being defined more restrictively in the arrangements concerning U.S. operations in Turkey. Libya had to be reassured.

The impact of Turkey's economic and political crisis has been much more substantive, nearly irreparable, on Turkey's defense postures. Turkey, at the Eastern gate of the Mediterranean, occupies, in terms of the nexus between East-West security and North-South conflict, the most critical location in the Mediterranean. A simple summary of the condition of Turkish defense will suffice to describe the significance of the changes that have been occurring in the Mediterranean for international security.

Turkish military forces are responsible in NATO for an operational region that has a common frontier with Bulgaria to the North, the Western shores of the Black Sea, an extensive border with the Soviet Union and Iran to the East, and in the South, with Iraq and Syria. With the revolution in Iran, Turkey is now faced with all potentially hostile neighbors; including Greece, if viewed from a Turkish perspective.

The terrain and the opposing ground forces would make it difficult for the Turkish ground forces to defend forward, with mobility, in most of this perimeter. In Northeast Greece abutting Turkey, only a few kilometers separate Bulgaria from the Mediterranean. A forward Turkish defense in Thrace secures Greek as well as Turkish frontiers. However, in Turkish Thrace, the open rolling terrain favors an attacker's mechanized and armor forces. Estimates of Soviet and Bulgarian forces available for commitment in this area range from about 16 to 30 division equivalents, largely

mechanized with a favorable combat ratio of three to one in modern armor. Turkish and Greek forces combined facing them have been estimated at about 23 divisions. Additionally, the effect of Cyprus on Greek-Turkish relations hedges the cohesiveness of the defense.

In the East, although terrain is rugged at the border, the plains directly across from the Soviet Union in Northeastern Turkey favor military maneuver. Soviet forces available for this region consist of a minimum of 12, possibly 18, motorized divisions. The Soviet invasion of Afghanistan has shown the technical caliber of these divisions, the air and armor support available to them, and the speed with which they can be augmented. Turkey has available for defense about seven division equivalents; six of them being primarily infantry, with obsolescent equipment, backed by a few formations of light infantry, which must also cope with public order requirements due to Kurdish unrest. Whatever terrain advantage the Turks have could be negated by a Soviet airmobile assault. In addition, Iraq and Syria, well equipped with Soviet, and in the case of Iraq, also French, weapons could deploy about four divisions apiece against Turkey, with a four to one advantage in tanks--while retaining credible deterrence against Israel. Turkish forces are further weakened for East-West security purposes by the requirements of Turkish occupation in Cyprus.

On the ground, Turkish forces are quite weak and obsolescent. The major causes for this situation have been the U.S. arms embargo and the deteriorated economy. Following the 1974 U.S.-imposed arms embargo, equipment and weapon systems in the ground forces were so severely cannibalized that a sizable percentage of them may be beyond the stage of repair. It is generally, though not officially, admitted that the Turkish Army is

inadequate for the performance of its NATO missions. It could possibly defend Turkey against each of the countries it borders, one at a time, but not against an attack by the Soviet Union.

In the air, the situation is similar. Also because of widespread cannibalization, and a high rate of accidents because of aged aircraft, the Turkish Air Force would have greatly reduced combat effectiveness against the kind of Soviet or Soviet-made aircraft it must face in combat. It is questionable whether it could defend Turkish air space. Operational forces available to Turkey are mostly obsolescent aircraft--many manufactured in the 1950's. Against this capability are arrayed Soviet long-range forces composed of Backfire, Badger, and Blinder aircraft, posing conventional and nuclear threat. Even Bulgarian forces are more modern, and equipped for all-weather operations and electronic warfare.

The Turkish Navy too cannot fulfill its missions of controlling the Straits and protecting Turkish territorial waters, without considerable NATO support.

Prospects for Turkish defense do not reveal possibilities for the improvements required to make Turkish defense independently viable or capable of achieving its NATO missions within the foreseeable future. The state of the Turkish economy, the continuing aftermath of the U.S. arms embargo, and the Turkish commitment to diversification and autonomy in weapons procurement and production, itself a consequence of Turkish alienation from the U.S. caused by the embargo, are reasons enough for this prognosis; notwithstanding a Turkish defense budget much higher in percentage than that of any other member of NATO. Because of West German concern, and some U.S. efforts, there has been limited improvement in

qualitative and quantitative military inventories, but it will take more than the time available in the 1980's to rehabilitate Turkish defense. As a Mediterranean power, Turkey must always act in the shadow of the neighboring Soviet military presence.

Turkey is the forward and key location for NATO southern flank defense. Greece is not fully defensible without a Turkish forward defense in Thrace. The emasculation of Turkey's defense capability shifts the NATO defense line toward Italy and the "choke points" between Sicily and North Africa. This exposes the Western Mediterranean to more direct Soviet pressure, and also undercuts the Western position in the Middle East and the Gulf. A militarily viable and politically cohesive Turkey, not disaffected from the West, would reinforce conventional deterrence, helping to maintain the East-West military and political equilibrium in Europe, and also help sustain the unaligned stance of Yugoslavia.

In the nuclear era, deterrence of East-West military conflict is the only rational policy option. Some have argued, during the detente, that the extent and nature of a potential Soviet security threat to Europe has been unduly emphasized. Would they maintain their position after the invasion of Afghanistan, the failure of SALT II ratification, and the recent developments in the Eurostrategic and the Soviet-American strategic balance? An examination of the disappearing boundary between the central superpower deterrent system, wrought by evolving technology and the shifts in East-West military balances will be useful in answering these questions and in the assessment of the significance of the Mediterranean in international security.

The historic relationship between the Mediterranean and Europe gives politics and security in the Mediterranean particular significance for

European security. In turn, Mediterranean security because of the membership of France, Italy, Turkey, Greece, and Portugal in the Atlantic Alliance--and Spain's bilateral security treaty with the United States--cannot be assessed without direct reference to the state of East-West political and military relations in Europe.

The changes in military technology and in the U.S.-Soviet nuclear balance, and in the NATO-Warsaw Pact military equilibrium, that have taken place during the 1970's, have intensified the intrinsic relationship between Mediterranean and European security. Technology has tended to diminish the strategic significance of the Mediterranean in the militarily technical sense, incorporating the Mediterranean into the Eurostrategic space. On the other hand, the strategic significance of the Mediterranean countries in terms of international politics has increased, and seems likely to increase even more, in the 1980's. For the special connection with Europe combines through the Mediterranean's geographic location, and the character of its regional politics, with the oil politics of the Gulf to make the Mediterranean singularly relevant for international security.

An examination of the import of Mediterranean security and politics for international security cannot neglect the centrality of Europe to international security, and Europe's unavoidable link with the structural transformations in the international system. Europe's importance is explainable not simply by Europe's economic and political weight in the world. It is also the consequence of history, which once made it the central system of international politics. For the thirty-five years of the nuclear age Europe has been directly linked politically and militarily with the American-Soviet strategic balance, and has been the pivot for the global rivalry of the superpowers.

The fusion of East-West and North-South conflictual factors in the Third World will not displace Europe as the most crucial and direct link between the central U.S.-Soviet system of deterrence and the Mediterranean regional conflict system. It is conceivable, as noted, increasingly probable that regional conflict, in the Gulf, might escalate into nuclear conflict. But it is practically inconceivable that an East-West military conflict in Europe would not definitely raise a very severe risk of nuclear war on a global scale.

The speed and the character of the changes occurring in the Gulf, the Mediterranean, and other regional sub-systems of international politics would be less grave if they were not accompanied by changes in the European nuclear and conventional balance--themselves directly related to the technological and structural changes in the strategic relationship between the United States and the Soviet Union.

The impact of the central strategic balance and East-West political relations on the fate of Europe in the years ahead, remains, therefore, crucial to the issue of war and peace in the world. Until the 1970's, the security asymmetries that have afflicted Western Europe since World War II, in regard to the Soviet bloc, deriving from the facts of geography, military capabilities and politics were compensated for by the nuclear superiority of the United States vis-à-vis the Soviet Union, and America's economic strength. These compensatory mechanisms have been eroded and have become part of the problems of the 1980's, for European security, particularly in NATO's southern flank.

U.S. military and economic superiority not only compensated for the actual and potential geopolitical asymmetries working against Western

Europe, they also permitted American and West European leaders of the Atlantic Alliance to avoid facing up to the implications of this imbalance.

In the 1980's, it is no longer possible to avoid the consideration of the security and political implications of the changed geopolitical relationship between the Soviet Union and the nations of Western Europe, as they might affect relations with the United States in the context of international stability.

With or without arms control negotiations for SALT III or agreement on SALT II, qualitative and quantitative improvements in Soviet strategic forces and tactical nuclear forces and the quantitative increase in the conventional weapons of the Warsaw Pact have combined the ever present East-West geographical asymmetry in Europe with the U.S.-Soviet strategic stalemate to raise the problem of a possible decoupling between the strategic U.S. guarantees to Western Europe and the Eurostrategic and conventional military systems for the defense of Western Europe to a potentially acute level of political crisis.

The strategic stalemate will continue into the 1980's. Thus the threats to the security of Western Europe seems to be increasing and are not likely to dissipate in the 1980's. Whichever way the East-West balance is assessed, there can be little doubt that it has shifted adversely for the West, and that the margin of U.S. military capability relative to that of the Soviet Union is narrower today than it has ever been. These trends are continuing. In technical terms, the United States has lost the escalation dominance it enjoyed in Europe since NATO was founded in 1949. The dovetailing of these developments with the changing technological and political map of the Mediterranean is another factor that has increased the significance of the Mediterranean for international security.

Changing aircraft and missile technology is shrinking the Mediterranean-- whose North-South axis is already quite short--to the point where land-based systems may totally dominate the sea combat environment. The Soviet Backfire and SS-20 ballistic missiles, stationed in the southern military district of the Soviet Union, can cover militarily the whole Mediterranean region. And Western aircraft, sea-based and land-based, can reach them even from the Western quadrant of the Mediterranean. Thus technology has expanded the range of conventional, and tactical nuclear, regional forces to the point where the strategic space can become nearly indistinguishable from the regional one, further weakening the distinction between nuclear and non-nuclear.

The most telling effects have been on naval forces, including aircraft carriers. The carrier task forces of the U.S. Sixth Fleet have provided a major military tool for crisis management in the Mediterranean, and U.S. air support for the defense of Italy's frontiers with Austria and Yugoslavia, and for Greek and Turkish air defenses. This air support has also provided a backdrop for the defense of Yugoslavia.

The related air-to-surface missiles are becoming an even more serious threat to the Sixth Fleet than Soviet submarines; particularly in the Eastern Mediterranean. Because of these technological developments, Soviet ships in the Mediterranean are also in precarious situation. The increasing vulnerabilities to air attack of U.S., allied, and Soviet navies in the Mediterranean could bring political disaster, in an area where North-South military conflicts are in the offing like the Sahara conflict and the tensions between Libya and Malta. Advanced aircraft are widespread in the countries of the southern shores of the Mediterranean. The day may not be

far off when land-launched cruise missiles may also be found among the politically shifting states of the Mediterranean.

In addition to the severe access and redeployment constraints imposed on surface navies by the Straits, Gibraltar, the Suez Canal, and the "choke points" between Sicily and Africa, no floating aircraft carrier can be a match for the unsinkable carriers represented by the Mediterranean islands, and by the strategically placed Italian peninsula. The trends of conventional war technologies seem bent on favoring MacKinder over Mahan. Who controls the land, controls the sea. In the Mediterranean, the control of land-based airpower for purposes of naval warfare is invariably a political matter.

The confluence of political, economic, and security interests, as an expression of the weakening of the boundary between internal and external affairs can become directly connected with the impact of changing technology on the deterrent, crisis management, and warfighting uses of naval and air power in the Mediterranean basin.

The control of most of the riparian territory by formal, or tacit, allies of the United States creates a major potential air threat to the Soviet Eskadra which should inhibit Soviet incentives to engage directly American naval power in the Mediterranean. A counter to this argument would point to an escalation from a Soviet-U.S. naval engagement in the Mediterranean (the result of misperceptions or miscalculations) to strategic, nuclear superpower confrontation so rapid that the conventional military assets of NATO in the theater, including tactical land-based air power, would become largely irrelevant to the naval battle in terms of its original missions and its contemplated outcomes. If, however, because of

the consequences of strategic equivalence and related military and political considerations, escalation occurs initially only at the NATO Southern Flank level, the role of allied and U.S. land-based airpower becomes the most crucial and dominant aspect of the naval battle.

The requirements of an expanding battle area, both on the surface and in the air space, are one major consequence for the Mediterranean of emerging technologies. Anti-ship cruise missile technology has increased, by itself, the battle area tenfold. Unlike the traditional fleet engagements which were fought by opposing forces along a narrow corridor, missile armed ships and aircraft can attack from any quadrant at long ranges. The Soviets are also aware. Admiral Gorshkov has written that in view of the increased vulnerability of surface ships to missiles, in battles on the high seas, he would place major reliance on submarines and long-range aircraft to fight major battles.

The separation of NATO and non-NATO military contingencies has been a major political issue in the renegotiations of U.S. base rights in Turkey and Greece. It has been also a major focus for the political pressures brought against the government by Communists and Socialists regarding Italy's role in NATO. The Socialist and Communist opposition has opposed Spain's entry into NATO on the grounds that Spain would lose its foreign policy independence toward the Third World if it joined the Alliance.

Changing military technology and the elevation of the politics of oil to strategic meaning are creating conditions that could eventually obliterate the distinction between NATO and non-NATO contingencies in the Mediterranean and the adjoining Gulf.

This change would increase the escalatory potential of an American-Soviet naval confrontation in the Mediterranean so that it could become

hardly separable from a NATO-Warsaw Pact contingency.

The political diversity of countries in the Mediterranean and the nature of the region's geography makes difficult the development of a strategic synthesis. Nevertheless, the changes that have been wrought by military technology, particularly nuclear, to concepts about geography and military power have radically altered the strategic definition of the Mediterranean.

In terms of nuclear war, there are no genuine strategic military targets in the Mediterranean or strategic weapon systems. Although there are military forces, with nuclear capability stationed in several Mediterranean countries, and Soviet nuclear systems can target the territory of the Mediterranean countries, none of these forces, including those on French aircraft carriers, have strategic missions assigned to them. No American, Soviet, British, and French strategic launchpoints exist in the Mediterranean.

From the perspectives of the United States and the Soviet Union, strategic signifies nuclear and intercontinental. Moreover, until other nuclear powers, singly or together, can challenge the overwhelming nuclear superiority of either superpower, the nuclear deterrent system will remain essentially bipolar and global. This technological fact combines with the political orientation of Britain, France, (and China) the other nuclear powers, to place them in the American strategic space; notwithstanding the national control of their nuclear forces. Consequently, there is no military strategic balance in the Mediterranean and no strategic territories except as political objectives.

Technological development trends in weapons of the central deterrent system--like the U.S. Trident submarine and its Soviet counterpart,

increased missile accuracies at intercontinental range from 0.2 to 0.8 fractions of nautical miles, circular error probable, that are driving land-based strategic forces to mobility and concealment--continue to diminish the strategic importance of closed seas, like the Mediterranean, and superpower territorial peripheries.

At the same time, the U.S.-Soviet strategic stalemate has shifted, in regard to Europe, the cutting edge of nuclear deterrence to the Euro-strategic systems and tactical nuclears. Europe, in this context, includes the Mediterranean countries in NATO, and Spain. This level of deterrence might however decouple as well as escalate in severe crisis situations.

For geopolitical reasons, the conventional level of security in the Mediterranean is the only one that in circumstances of military conflict can retain strategic significance. But this is true only if there is a substantive decoupling between nuclear and conventional military environments. With regard to members of the Atlantic Alliance and Spain, whether she joins NATO or not, it is at this threshold that deterrence is likely to be tested, along with escalation to nuclear conflict. For the 1980's, it is difficult to envision a prolonged conventional conflict, reminiscent of the encounters of the Second World War, of more than a few days or weeks duration. The critical question, at this juncture, is: will it escalate to U.S.-Soviet nuclear confrontation? The answer, in the nuclear age, does not lie in the Mediterranean's *military strategic* dimension. It is to be found in the *political strategic* space for decision.

With the exception of very few strategic territories, defined in security or economic terms (Cuba, possibly Afghanistan, and Saudi Arabia) in the nuclear age world powers are more interested in shaping, or capturing

governments than in acquiring territory. In this context of the link between international politics and international security, the Mediterranean becomes significant for the 1980's.