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CHANGE AND CONTINUITY IN WESTERN POLICIES TOWARDS THE MIDDLE EAST

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Introduction

With the end of the Cold War, the imperative necessity of giving priority to global stability in international relations with respect to regional circles is fading away. Tendencies towards regionalism (as opposed to previous prominence of globalism/mondialism) are increasing, both economically and politically. At the same time, nations are re-acquiring a degree of freedom in acting internationally. Even Western nations, linked as they are by the effective network of multilateral institutions created after the Second World War, are affected by an important trend towards re-nationalizing their foreign and security policies.

These two post-Cold War main tendencies, regionalism and re-nationalization, are not necessarily consistent: re-nationalization can weaken existing regional institutions and even prevent new ones from emerging.

On the other hand, regionalism and re-nationalization may be mutually reinforcing, though not necessarily in a cooperative rather than conflictive direction. In a less internationalist and multilateral world, in which cooperation still prevails, these two tendencies can coalesce as the platform for a sound division of labour among nations. But, if re-nationalization degenerates into isolationism or conflict, let alone chauvinist competition, regionalism may easily become an instrument of hegemony by local powers, intended to reinforce the latter against rivals.

Whether current regionalism will translate into new forms of international protectionism and exclusion --let alone into new attempts at searching for *Lebensraum* and whether re-nationalization will shift into international conflict of national and opposed interests is not something we can know at present and is not a subject this chapter will deal with.

In the current transition, re-nationalization is a kind of competitive relationship which tends to preserve a fair character and does not necessarily detract from international cooperation and peaceful relations. On the other hand, regionalism is being construed as a factor intended to increase international cooperation and stability by strengthening its local components and giving more flexibility to the whole international system. Multilateralism and universalism are not ruled out. Multilateralism, for example, was an important ingredient of the early foreign policy formulations made by Clinton administration. But, as a matter of fact, the architects of the emerging post-Cold War world tend to use multilateralism and universalism in combination with important elements of bilateralism, particularism and even unilateralism, according to an eclectic approach which differs basically from the classical design which used to prevail after the Second World War.

These questions are obviously relevant to what will be the future relations between Western nations and the MENA area (Middle East and North Africa, referred to here in a broad sense, as including the Near East or Levant, the Persian Gulf region and the Maghreb area). Regionalism is both a growing tendency and an important aspiration in this area, as is witnessed not only by the fact that the Arab-Israeli negotiations are associated to a large extent with the creation of a form of regional economic cooperation, but also by the launch of fresh local initiatives - though at the fringes of the region - like the Black Sea and the Caspian Sea schemes

of regional cooperation.

But, for regional initiatives in southern regions to be effective - in particular in the MENA area - effective cohesion and a working North-South regionalism are needed from Western nations and their groupings, among which the European Union (EU) should have a prominent role. The world which was brought into being by the end of the Cold War is definitely asking for more regional responsibility to be taken on by the Western nations concerned. The underlying question of this chapter will be regionalism, though Western cohesion will be also tackled by the section on trans-Atlantic relations and their impact on regionalism across the Mediterranean. The chapter will take into consideration continuity and change in Western policies towards the MENA region and will also consider whether an effective regionalism is going to emerge in this new context.

Trends towards regionalism and the Euro-MENA region[1]

If shares in total trade (imports plus exports) are taken into consideration, it emerges clearly that the MENA countries can hardly be considered of critical importance from the point of view of both the European Union and the US. This is also true for Japan, though with the exception of the Persian Gulf area, whose share of Japanese total trade amounts to about 6.5 per cent

Conversely, as important as Japan and the US can be as markets for the MENA countries, they cannot compare with the overwhelming role the EU plays in the trade of the MENA countries.

These observations can be easily discerned in tables 1 and 2 (in the appendix). For the EU (at Twelve) the AMU (Arab Maghreb Union) area is worth about 1.5 per cent of its total trade, the Levant about 1 per cent and the Persian Gulf area about 2 per cent. As for the US, the pattern is very similar, though shares tend to be slightly larger than the EU's. The AMU and the Levant are even less important for Japan, which - as just pointed out - focusses on the Persian Gulf.

On the other hand, the EU represents a share of about 65 per cent in the AMU's total trade; a share of about 40 per cent in the Levant's, and about 25 per cent of that of the Persian Gulf. Only Japan manages to compete with the EU in the Persian Gulf area, as it represents a share of about 18 per cent in the total trade of the Persian Gulf.

If Turkey is brought into the picture, trends are absolutely similar: while Turkey is a negligible factor for the EU, the latter is an extremely important market from a Turkish point of view (about 50 per cent). Also, the US and Japan are important markets for Turkey but cannot compare to the EU.

Further insights stem from a comparison of MENA's trade links with the US, Japan and EU and those with other main non-Western, non-industrialized areas: Africa south of the Sahara, Asia, Latin America and the European East (which for the time being includes Central Asia as well).

In the case of Japan, relations with Asia are clearly important and predicated on a tendency towards mutual dependency: Asia represents 33-36 per cent of total Japanese trade and, conversely, Japan represents about 17 per cent of the total non-industrialized Asian trade.

The same can be said with respect to US relations with Latin America, as the US represents a Latin American total trade share amounting to about 40 per cent and, viceversa, Latin America corresponds to a share of about 14 per cent in US total trade. Even US relations with Asia show a not negligible and well balanced tendency to mutual relations, with two shares of 14 and 17 per cent respectively.

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[1] The author wishes to acknowledge gratefully the collaboration of Nicola Pedde in researching the statistical data used in this section.

The EU is connected by evident regional links to three regions: Africa south of Sahara (for which the EU market represents about 40 per cent of its total trade), the European East (with a fast growing share correponding to 48.5 per cent in 1993) and the areas included in the MENA region, which show shares going from about 68 per cent in the case of the Maghreb and about 58 per cent for Turkey through about 40 per cent and 25 per cent in the cases of the Levant and the Persian Gulf area respectively. However, in contrast to what is happening with US and Japan regional links, these areas are of very little trading value from the point of view of the EU.

The observations above suggest that proximity is a relevant and effective factor in North-South trade relations. They also suggest that trade between industrialized and non-industrialized areas is less shaped by an international than a regional pattern of relations. In this picture the oil-dominated Japan-Persian Gulf relations seem to provide a special case, as they are regional-like in their character even though they cannot be held to be properly regional because of the absence of geographical proximity.

Another evidence is that there is a tendency of non-industrialized regions to depend on their industrialized partners more than the other way round. This tendency is quite well-known. Nonetheless, one has to note how strong it is with respect to the non-industrialized areas regionally connected with the EU.

Emerging regionalism is confirmed by the flows of resources going from private Western banks to the main developing areas taken into consideration in this chapter. These flows are shown in table 3 (appendix). A good deal of these resources are extended to support Western exports. For this reason, their geographical pattern is similar - although not identical - to that of export flows.

What emerges from table 3 is that for the EU's banks the European East, Latin America and Asia are more important than the markets of the MENA countries (though the relative importance of the Persian Gulf and the Maghreb is not to be underestimated). On the other hand, for both Japan and the US there is a close correlation with the regional pattern pointed out above: Asia is the first destination of Japan's private funds and Latin America is the second; viceversa, Latin America is the first US destination and Asia the second one. This picture confirms what is emerging from data on trade: it reveals that Japan and the US have more balanced mutual relations with their respective regional partners, Asia and Latin America, whereas the EU is more unilateral. While the EU is definitely an important market for its neighbouring regions, the latter are not necessarily the EU's most important commercial partners. It must be noted, however, that the European East, whose share in the EU's total trade is of reduced importance, receives from the EU banks a remarkable amount of resources. This suggests that the ranking and the role of the European East in the emerging regionalism of the EU is bound to change, matching the EU's political drift towards this area.

To conclude, data on international aid can also be taken into consideration. Tables 4 and 5 in the appendix provide data on gross flows of total official aid and on net total receipts flowing from the EU, US and Japan towards the developing areas selected for our analysis. Table A, included in the text, provides the shares of these developing areas with respect to total official flows from the three main components of the Western industrialized world. Gross official flows include mostly concessional resources, whereas net total receipts include a variety of non-concessional resources, and their yearly amounts are thus influenced by restitutions related to interests and capital extended by donors. For this reason, net total resources account more for the quality of aid, while gross total official aid is a better indicator of donors' political aims and - from our point of view - a more significant indicator than net total resources.

Tab. A - EU, US and Japan: shares of gross total official flows by main regions, 1988-92

	EU	USA	JAPAN
MENA countries	16.3	38.8	7.8
MENA countries & Turkey	18.6	39.4	10.6
Africa south of Sahara	40.3	11.6	10.1
Asia	23.4	24.5	65.9
Latin America	17.7	24.4	13.4
(million US$):			
MENA countries	*19,614*	*26,317*	*4,571*
MENA & Turkey	*22,358*	*26,762*	*6,177*
Total flows	*120,331*	*67,848*	*58,448*

Source: see tab. 4 in the appendix

These data also shed light on the tendency towards the emergence of regional patterns of relations, but they show an important political difference with respect to data considered in the above, a difference which reflects the persistence of the US global role.

Japan is strongly committed to supporting Asia (66 per cent); on the other hand, its commitment towards Latin America is not negligible either (13.4 per cent). Latin America (24.4 per cent) and Asia (25.5 per cent) play an equally important role in the US aid. These figures confirm a clear tendency to regionalism in both the Western hemisphere (between the US and Latin America) and Far Eastern Asia (between Japan and the neighbouring Asian areas). Furthermore, it is worth noting that either Asia or Latin America tends to be the second most important partner for the US and Japan respectively, thus confirming a further Asian-Pacific regional trend beside the ones in the Americas and the Asian Far East.

The EU's aid commitment is in turn heavily concentrated on Africa south of the Sahara. While the latter is definitely part of its regional neighbourhood, another very important neighbouring area, the MENA area, receives (even if Turkey is added to MENA countries) a less important share of EU aid than Asia. Also, aid to Latin America is as important as that extended to the MENA area.

Considering the regional-like trade relation developed by Japan with the Persian Gulf area, we can note a similar contradiction. Despite recent efforts, Japan's aid commitment to the Persian Gulf does not match its trade relation with this area.

The striking feature of the picture, however, is that the US emerges as the most important concessional donor to the MENA area. This stems basically from the US commitment to support Israel and Egypt. If these two are not countries taken into account, the EU share is significantly higher than the American one (11 vs 8 per cent ; 13.5 vs 9 per cent if Turkey is included).

In conclusion, there is no doubt that with the end of the East-West confrontation international trade, like many other trends, tends to shift from universalism to geopolitics. Along with tendencies to renationalization of Western foreign policies, regionalism in international trade is a main feature of the current transition from the Cold War. But as soon as a political factor, like international aid, is taken into consideration, it appears that regionalism is somehow lame. The picture above shows that the post-Cold War tendency to regionalism, remarkable on the American continent, in Asia and in the Asian-Pacific area, is weak in the Euro-MENA area. Furthermore, if

security is introduced into the same picture, it is clear - from aid directions as well as from widely-known military and political factors - that security in the Euro-MENA region is almost entirely secured by the US.

From the viewpoint of political economy, the Euro-MENA area appears not unlike it used to be during the Cold War, with the US providing pivotal political and security inputs in the region and Europe and Japan in free-riding or near-free-riding positions. Against such a background of continuity, however, after the end of the 1990-91 Gulf War there are pressures towards changes inside the Western circle with respect to international responsibilities and burdens. In the following, we will discuss whether continuity is going to prevail over change in Western policies towards the MENA area or whether the reverse will be true.

US interests in the MENA area

Within the reshuffling that is taking place in American foreign policy and national security priorities after the end of the Cold War, the MENA areas, particularly the Middle East and the Persian Gulf, continue to hold a prominent place. US diplomacy is duly and effectively leading the Madrid negotiations between Israel and the Arab neighbouring countries, both on the bilateral and the multilateral side. Aid to Israel and Egypt is maintained. The dual containment doctrine continues to be applied to Iran and Iraq and, despite the current administration's preference for non-military tools and the objective financial problems the US is undergoing, the Clinton administration promoted a limited military intervention against Iraq in 1993. Unlike the Balkans, the US has never ceased to consider the Middle East and the Persian Gulf stability as a global interest worth its direct intervention and attention.

The global relevance of these two areas stems, first of all, from the persistence of the longstanding US commitment to both Israel's survival (by securing peaceful cohabitation in the region) and oil price stability [Morris]. Another constant and major global issue concerns proliferation of weapons of mass destruction [Kemp]. Though proliferation goes beyond the MENA area, there is no doubt that this area plays a special and prominent role with respect to the future of anti-proliferation efforts and policies. For this reason too, the MENA region will maintain a global meaning as long as the US pursues an anti-proliferation policy.

While the Middle East conflict, oil stability and anti-proliferation are largely known and explored issues, there is in the area a fresher issue involving global US interests which deserves a few comments: the political evolution in Central Asia and Transcaucasia.

These two areas are adjacent to the MENA area proper and are broadly regarded as an extension of the Middle Eastern world [Lewis: 104]. At the same time, they are included in the Russian "near abroad" sphere and their leaderships seem willing to bring about their countries' independence by preserving strong links with the Russia Federation within the CIS (Commonwealth of Independent States). The current state of warfare in Tajikistan testifies to an Islamist opposition to this political course. However, that independence in the new Central Asian republics has to be attained outside Russian influence is a widely shared feeling in the Middle East, even by non-Islamist opinion. Public and governmental reactions in the MENA region to events affecting the Muslim population in Chechnya have also shown that the Russian "near abroad" is regarded by MENA countries as part of their own world and that events there have an impact on their security (not unlike Bosnia).

Caught between Russia and the MENA regions, Central Asia and Transcaucasia may present the US with difficult trade-offs between stability in Russia and in the MENA regions and

convey tensions in what remains of the global relationship between the US and the Soviet Union's heirs. So far, the West has turned a semi-blind eye towards Russian policies in these areas, so as to avoid the risk of destabilizing present pro-Western leadership in Moscow. But Russian evolution may change, either under the present leadership or a under a chauvinist one. In this case Central Asia, with its oil and its proximity to the Middle East may become an area of conflict and global concern, the US would hardly be able to neglect.

Can a kind of bipolar tension be revived beyond Central Asia, Transcaucasia and the ambiguities included in the very notion of "near abroad"? Quite naturally, Russia will develop relations with the MENA area, and retain some influence on it. In particular, it is already active with respect to the neighbouring Gulf region, where it is trying to evolve its natural economic interests. But it is also suspected of carrying out policies which may bring about nuclear proliferation in Iran. Nonetheless, there is no doubt that Russia 'will be too weak and self-absorbed to be much more than a shadow of the former Soviet Union for much of the coming decade' [Marr: 211].

As a consequence, US strategic and global stakes in the MENA region are definitely reduced and the picture of the US interests that has been reported at the outset of this section may prove somewhat conventional and should be somehow reconsidered. We may put the argument this way: there is no doubt that solving the Middle East conflict, protecting oil sources and avoiding proliferation continues to be an interest that the US is pursuing as a consequence of the global character of its national security, but one may wonder how and to what extent the implementation of these global interests will be affected by the compelling economic limits to the US power which the Clinton administration has already recognized. One can also wonder whether the US interests in the MENA area will survive the possible advent of a Republican administration predicating its foreign policy on the isolationist trends the present Republican majority in the Congress is espousing. Without going so far, the way the US tries to remain the sole superpower while reducing its burden is not indifferent to the quality of its global interests in the MENA region, however persistent they may be.

In order to reduce burdens, while remaining a superpower, under the Clinton administration the US began by betting on regionalism and devolution, both in a framework of enhanced multilateralism. While the implementation of regional economic cooperation in the Western hemisphere (NAFTA, North America Free Trade Area) and to a lesser extent in the Asia-Pacific area (APEC, Asia-Pacific Economic Co-operation Forum) is successful, the combination of multilateralism and devolution predicated on an expanded political and military role of both the EU and the United Nations proved to be a failure or so it has been perceived in the US political arena after the events in Bosnia as well as in Somalia [Asmus]. After these failures, the Administration's foreign policy is proceeding empirically, amidst oscillations and short term adjustments. It is too early to say whether the intervention in Bosnia will be a turning point. At the same time, the Republican majority in the Congress casts an isolationist flavour on the overall conduct of US foreign policy.

The structure of Clinton's early foreign policy gave a rational account of how the US could remain a superpower, exercise a world leadership and pursue global interest by redistributing burdens in a framework of more diffuse and less vital security threats. But, if burdens cannot be redistributed, the superpower has to shoulder them by itself. And, if it is too indebted and too economically weak to act, it is compelled to reduce its global commitment still further.

This is not yet the case, but if a non-isolationist US fails to provide a clear response in due time, trends towards an ever-reducing US global commitment and perceptions that US commitment is dwindling will become a reality. Today, this tendency is already at work, and can

be described as an eroding continuity in the US global commitment towards the MENA area. Nobody knows if and when, but everybody accounts for such an erosion in outlining a strategic appreciation of the US commitment in the near future.

The conclusion of this discussion about US interests in the Middle East is that the MENA area emerges as an area where US global commitment shows a strong continuity. At the same time, the broad evolution of American foreign policy provides the feeling of a commitment that is being generally eroded.

Japan and the MENA areas

Japan's relations with the MENA countries [Sugihara, Allan; Lincoln] are dominated by geographical and political remoteness and almost entirely shaped by the importance of both oil imports and the alliance with the US.

Unlike European public opinion -- and with the exception of a few leftist intellectual circles supporting Palestinian and Arab nationalism as part of Asian nationalism -- Japanese public opinion feels the Middle East and its cultural and political life to be substantially alien. Consequently, the Japanese government, within the framework of an overall low-profile foreign policy, never felt the need to evolve policies involving a special committment towards towards the MENA countries. After the end of the US occupation, Japan recognized the state of Israel and based its position on the Middle East conflict on the 1967 UN Resolution 242, but avoided entering into details and becoming embroiled in regional politics. Further developments, towards both the Arabs and Israel, have been reactive in their character and sooner or later coupled to balancing acts. What Akifumi Ikeda [159] says with respect to Japanese policy towards Israel applies more generally to the Japanese policy towards the Middle East: the latter is based upon a 'determination to accomodate the two sometimes conflicting political necessities - to maintain a good relationship with the United States on the one hand, and to avoid being targeted by the Arabs as a non-friendly nation, let alone a potential enemy', thus remaining exposed to strategic vulnerability over oil.

One can discern two different periods in Japanese Middle Eastern policy. There is a first period, prevailingly dominated by oil vulnerability from 1973 through the mid 1980s, when the dramatic transformation of Japan's productive structures brought about just as dramatic a reduction in oil imports (from oil shares in total imports amounting to around 30 per cent to less than half this figure). In the subsequent period Middle East policy has mostly been dictated by the strategic relation with the US and the necessity to counter American and Western criticisms about Japan's neomercantilism and its un-cooperative role in the international economy. It was in this framework that Japan started a first program of expanded international transfers in 1986, and approved in June 1993 a further five-year program under which it plans to disburse about US$ 120-125 billion. In the same context, it contributed US$ 13 billion and other important financial transfers at the occasion of the 1990-91 Gulf War.

By referring to its constitutional limitations and the renunciation of warfare after the Second World War defeat, in the international arena Japan maintains its inability to enter the Middle Eastern political economy more decisively by contributing security inputs as well as economic resources. Recently Japan agreed to send a small military unit to the Golan Heights within the contribution it is making towards the peace process in the Near East region, but this move is only symbolic and while Germany is beginning to move towards assuming some international military responsibility, Japan is still far away from such an evolution. Its contribution

will continue to be economic and financial, and will continue to rely on the US for what regards security and foreign policy. There is therefore a tendency to continuity in Japan's interests and policies towards the MENA area.

However, change may be compelled by an eroding US willingness or ability to play its traditional roles with respect to the Middle East. Allan [24] points out that 'With the United States prepared to act as champion of the interests of the industrialised world there is no need for Japan to exert an independent Gulf policy'. Our previous analysis tells that there is today an element of unpredictability over the extent to which the US will continue to act such way.

Furthermore, one cannot overlook tendencies towards changes in the character of Japan's economic relation with the MENA area. A notable change is due to the fact that since the mid-1980s Japan has been slowly but uninterruptedly moving from a passive policy whereby its huge trade imbalance with the Gulf region and the Middle East was supposed to be solved automatically by international recycling through a pro-active policy of government-promoted investments in and financial transfers to the regions in question. In relation to a past situation in which Japan recognized its vulnerability with respect to the Middle East but left its defense to be provided by the broad working of the international economy, Japan is today providing economic resources within its bilateral policy to make up for its dependence on this unstable region. There have been attempts at supporting Egypt and Algeria and, in the last years, Japan lent about US$ 4 billion to Iran, in accordance with its trade security interests.

The emerging regional-type relation between Japan and the Gulf region reveals both continuity and change in Japan's policy towards the MENA areas. Change is witnessed by the fact that this regional-type relation is bringing more political awareness to bear on Japanese Middle Eastern policy. Continuity is provided by the weakness of such a change and the persistent absence of security contributions to MENA stability, a task that is left to the US.

EU's interests in the MENA region

Unlike the US and Japan, Western Europe and its expanding Union are geographically close and culturally intertwined with MENA areas. Proximity makes the crucial difference. The EU shares oil concerns with Japan and the US and, because of its trans-Atlantic ties, tends to be more directly involved than Japan in US global concerns, but there is a wide range of specific regional issues which affect European security and interests only. Furthermore, repercussions stemming from global issues materialize, more often than not, in the regional context and involve the European territory.

Geographical proximity brings about intense human contacts. Movements of persons, which began to take place well before the end of the Cold War, must today be understood as the major risk for European political and cultural stability and for its ordinary life. Many kind of risks are included in today's European perceptions towards the MENA areas, but movements of people and their cultural implications are definitely regarded by Europeans as their primary source.

There are varying dimensions in the European perceptions related to movements of people across the Mediterranean sea. The most evident and important is immigration of people with economic motives. Immigrant people now number many millions with two important concentrations in France, from the Maghreb, and in Germany, from Turkey. The demographic increase in the Near East and the Maghreb, which is expected to equalize populations on the two sides of the Mediterranean sea in the next few decades, is something European opinion is now largely aware of. This merely enhances the European perception of exposure to and invasion by

people from regions south of Western Europe, even beyond reality.

Beside immigration due to economic motives, the possibility of new waves of refugees, after those provoked by the war in the Lebanon and the Islamic revolution in Iran in the 1980s (and those now coming from the former Yugoslavia and Albania), are also feared by governments and peoples as the outcome of a spreading and mounting instability in the two areas of crises which surround Europe on the East and the South. Cultural tensions or conflicts which might come from the establishment of Islamic regimes in the MENA areas may bring about flows of refugees in Europe. Opinions differ as to the actual importance of these flows of refugees, but concerns are anyway very lively and there is nervousness.

Whatever the future numbers of people moving to Western Europe from the southern and eastern shores of the Mediterranean sea, the not negligible numbers of legal and illegal residents tend more and more to behave and to perceive themselves as members of communities with an identity to be asserted or opposed with respect to their host societies. To this challenge Western European societies provide varying responses and show different degrees of flexibility. All in all, the profound secular political culture developed in modern European history, which has drastically and definitely reduced the role of religion by establishing a humanistic society, is widely shared. As witnessed - behind the scenes - by the the Bosnian issue, there is a fundamental reluctance to accept organised and conscious Muslim political entities within the European territory. This is in contradiction with the indifference stated by European constitutions with respect to gender, race and religion, but it is also true that Islam is far from being secularized and beyond legitimate requests of cultural character (like wearing head-coverings in state schools) there are political ambiguities.

Western Europe did not expect - and is not prepared to accept and manage - such a cultural and human entaglement, but the entanglement is to a large extent irreversible. A majority of Europeans hesitate to realize that this unexpected development cannot be reversed. As a consequence both the governments and the EU have no agenda and keep on providing very weak and uneven policy responses. The most serious risk the Europeans are incurring is not that their policies tend to be restrictive and, all in all, shortsighted, but that they are proving unable to introduce a clear-cut and common policy towards peoples relentlessly moving for different motives to Europe from Muslim countries.

It is this entanglement and the European inability to respond to it with determination that eventually makes Europe's agenda towards political-social change in the Arab countries so timid and irresolute, particularly towards the rise of Islamism. Fears of terrorism are - a legitimate - part of this European predicament, but not the most important part. Another important factor is the deep uncertainty about how Europe has to deal with diversity, an uncertainty reinforced by the broad post-modernist trends prevailing in Western societies today [Gellner; Ahmed]. But the most important factor is the secret awareness that there is a North-South entanglement in Europe itself which does not allow for neutrality or detachment. Were the Mediterranean Arab-Muslim world to be seen as more distant and distinct by Europe, decisions and evaluations with respect to the current political struggle between old nationalist regimes and Islamist movements in the MENA regions could be directed by international realism only and would be less agonizing.

Recently, Western European states came to adopt a more relaxed stance on Islamism, following the US position, stated in recent years by Assistant Secretary of State Edward P. Djerejian [1992; 1993]. A more relaxed attitude will be helpful anyway, but proximity and cultural entanglement will not allow the Europeans really to conduct a policy predicated on distinctions between religion and politics, moderates and extremists, civil societies and regimes in power. Such a policy can work in the distant American continent but makes less sense in the daily close

relations which characterize Euro-MENA relations.

From this picture, it can be argued that in the EU case change prevails over continuity. The EU situation towards the MENA areas is truly different with respect to the recent past and, while public awareness of this change is somehow poor, the change is important and demands resolute policy innovations and the strengthening of both EU and trans-Atlantic cohesion.

Euro-MENA regionalism and trans-Atlantic relations[2]

Because of the entanglement considered above and its implications, the case for regionalism in the Euro-MENA relations, from the standpoint of international political economy, is particularly strong. There is a solid linkage between the EU need for more security with respect to instabilities coming from the South and the MENA need for EU social and economic support in order to attain stability. The other regions that are emerging in North America, the Far East and the Asia-Pacific region, are dealing with challenges similar to those the EU is facing, but there is no doubt the the Euro-MENA regional relation is weaker and more problematic for at least three reasons.

First, while movements of populations towards Japan cannot compare with those flowing across the Mediterranean, it is true that immigration towards the US is just as important as that towards Europe, but the EU seems far less prepared than the US to deal with cultural pluralism and mass immigration. Moreover, those migrating to the US - like immigrants into Europe from the European East - are not hostile or suspicious towards their host country and culture; more often than not, they are ready to accept it.

Second, and probably most important, unlike regional relations in North America and Asia, the EU-MENA regional relation - as mentioned in the first section of this chapter - is grossly unbalanced: there is no proportion between the overwhelming importance of the EU for their regional partners and, on the other hand, the negligible importance these partners have in EU trade. Furthermore, there is only a weak consistency between the EU's security and political requirements and financial transfers towards MENA countries. Ironically, this imbalance has survived almost 25 years of Mediterranean economic cooperation and, all justifications notwithstanding, it does not argue in favour of the quality of such cooperation [Wilson; Bensidoun, Chevallier]. An effort is now taking place in order to strengthen EU cooperation with MENA regions [European Commission], which should hopefully establish conditions for developing a stronger and better balanced regional relation. This effort has been approved by the Euro-Mediterranean Conference of Barcelona (27-28 November 1995).

Third, because of the important global interests surviving in the MENA areas, any regional relationship between the EU and MENA is bound to be strongly intertwined with trans-Atlantic relations. This means that in reinforcing and innovating its regional relations with the MENA areas, the EU has to take into consideration the impact of both US relations in the same area and the implications of trans-Atlantic relations. From the narrower point of view of this chapter, it means that changes and continuity in both US and EU relations with the MENA countries are affected by trends in trans-Atlantic relations. This is the issue this chapter will consider before coming to its conclusions.

EU countries' policies towards MENA regions have always been strongly conditioned by the primary strategic necessity of preserving NATO cohesion. Strategic considerations have also

[2] Part of this section is a slightly revised and updated version of a passage drawn from my article 'Institutionalizing Mediterranean Relations: Complementarity and Competition', *Internationale Politik und Gesellschaft* (Bonn), No. 3, 1995, pp. 290-99. I am very grateful to the Friedrich Ebert Stiftung for permitting the publication of this passage.

constrained Japan's policy with respect to MENA areas, but during the Cold War era disputes between Europeans and Americans were more resounding and substantive: for example, the Japanese pro-Palestinian stance cannot compare with the importance assumed by European moves to support the Palestinian people and the PLO politically and economically. With the end of the Cold War things have changed. There are no major disputes between the US and the EU about the Mediterranean and the Middle East today [Salamé]: there are dissensions in Europe about continuing sanctions against Iraq and, to a lesser extent, Libya, and Europeans are not convinced about the rationale of "dual containment" in the Gulf, but there is agreement on most important policies, such as proliferation and Islamism.

The end of the Cold War has resulted in a lower profile for the EU in the Middle East and unprecedented compliance with the US. Western Europe, including France, chose to align with the US in the Gulf and agreed to make a special economic contribution to the Arab-Israeli negotiations, even though in Madrid the EU and Europeans were unceremoniously excluded from political negotiations. To be sure there are elements of competition, as for example in the Casablanca Economic Summit process. This process is putting forward a scheme of regional cooperation that may overlap with current EU attempts at establishing its Euro-Mediterranean Partnership. Nevertheless, cooperation and synergies seem to prevail: as the Madrid negotiations began to stagnate, the break-through was provided by the Oslo European-sponsored Israeli-Palestinian agreement.

Nonetheless, contradictions spring from the deep changes that are taking place within the Atlantic Alliance. The difficult process of transformation of US foreign policy as the sole remaining superpower is one important factor giving rise to these contradictions. Within the effort of devolving responsibilities in a reinforced multilateral context by the Clinton administration, the US expects the EU and the European countries to shoulder more responsibility in neighbouring areas, including the Mediterranean and the Middle East. Unlike Bush's policy, Clinton's was sincerely in favour of an expanded and reinforced EU Common Foreign and Security Policy (CFSP), as planned by the Treaty of Maastricht. As we have already seen, successive events, in particular the Bosnian crisis, have made US administration more cautious and uncertain about any EU role.

Unless there is a turn towards isolationism in US foreign policy, most recent events makes present trans-Atlantic relations towards the MENA regions very similar to the traditional combination of multilateralism and unilateralism which prevailed in the Cold War and with the Bush administration.

Since the area is not covered by the Atlantic Alliance, the US sees the establishment of any Euro-Mediterranean institution going beyond economic cooperation and international aid as a risk: if the US is not included in that institution, it could be faced with European or Euro-Arab policies that contrast with US national security interests or NATO interests; if the US is included, its role in the region --in the Arab-Israeli circle as well as in the Gulf-- could be unduly constrained by endless and inconclusive collective diplomacy.

Thus, after a brief period of time during the early Clinton administration, the US stance towards Europe's role in the Mediterranean, the Middle East and the Gulf is going back to ambiguity: an increased European role is desired, but the extent and limits of that role are not clear.

Europeans are not helping to solve the American dilemma. The end of the Cold War has been accompanied by a tendency towards renationalization of foreign policy which is hindering and slowing down the formation of the CFSP and the defence policy set out by the Maastricht Treaty. This evolution is contributing to prevent Europeans from taking on substantive

responsibilities in the Mediterranean area (as has been the case in former Yugoslavia). Together, European hesitations and American doubts are generating a kind of vicious circle.

Also, the alliance with the US and the survival of a US military presence in Europe is perceived by the Europeans as strategically crucial for avoiding disruptions in European integration and the reappearance of fault lines and conflicts among European nations. In this sense, many Europeans more or less consciously see greater political and military autonomy from the US as a factor that could accelerate American disengagement from Europe and fear the possibility of an eroding US presence in the area.

Yet there is ambiguity here, too. Europe would like to take on more international responsibility but is unable and unwilling to give precise indications about the extent and the limits of this responsibility with respect to the US.

The debate on these trans-Atlantic problems, aimed at working out a division of labour, has progressed but remains open. The Treaty of Maastricht has essentially reconciled emerging contrasts between NATO and the EU defence identity by construing the WEU as the European pillar of the Atlantic Alliance (rather than the defence pillar of the EU). Interlocking between the Eurocorps and NATO has also been agreed on. Finally, an optimal variable geometry has been worked out by the creation of the Combined Joint Task Forces (CJTF) approved by the North Atlantic Council in January 1994. The CJTF can provide the Europeans with the (American) logistics, intelligence and mobility they now lack, thus allowing for autonomous European military operations under WEU, multinational or national umbrellas, for example under the newly established Eurofor and Euromarfor.

Nevertheless, CJTF military operations are inconceivable outside the framework of a prior political agreement between the US and its European allies. This kind of political agreement can no longer be anticipated automatically by NATO today as it was at the time of East-West confrontation. After due transformations, the Atlantic Alliance could become the locus for common political decision-making [Asmus et al.], but this direction does not seem very convincing. NATO proved unable to reconcile the allies' political differences in Bosnia even though these differences risked discrediting the military credibility of the Alliance. Possible crises needing management in the Middle East may be even more complex and divisive. In conclusion, where can the US and the EU take common political decisions about areas like the Mediterranean and the Middle East? The question of a trans-Atlantic political forum for common US-EU decision making (though mainly with respect to Eastern Europe) has been tabled many times but no answer has been provided so far.

If the question is not solved, the ambiguities pointed out above will remain. The US would like Europeans to shoulder more of the burden in the Mediterranean, but without assurances of a forum for making prior joint political decisions, Americans will not feel confident about the outcome. Thus they tend to retain the upper hand on security policies and to oppose the establishment of any CSCE-like Mediterranean-centered institution dealing with security. By the same token, without a common forum, Europeans will not be encouraged to take on increasingly clear-cut political and security responsibilites in the Mediterranean and the Middle East.

All in all, it would be unfair to say that there is trans-Atlantic competition or conflict with regard to the Mediterranean and the Middle East. There are uncertainties in both the US and Europe about strategic perspectives. But uncertainties and inconsistencies do not come from competition or conflict; they come from the absence of a unifying strategic vision. Trans-Atlantic relations are not fuelling competition or hindering cooperation in the Mediterranean today, but they are not encouraging it either.

This situation of flux suggests that continuity tends to prevail as far as the impact of trans-

Atlantic relations on the MENA areas is concerned. This may imply difficulties for the EU's overdue task of innovating and reinforcing its regional relations with the MENA countries and it may weaken regionalism as a factor of change in the international political economy.

Conclusion

There is a remarkable continuity in Western interest towards the MENA regions. These regions, in particular the Near East and the Gulf area, are still regarded by the US as global issues both relevant for US national security and for the stability of the West (and the broad international community). At the same time, the EU and Japan both continue to make only a modest contribution to taking on security responsibility towards the MENA area.

Because of this continuity, trends to regionalism seem weaker in the MENA regions today than elsewhere, such as in the Western hemisphere, the Far East and the Asia-Pacific area. Trends to re-nationalization - as they emerge from trans-Atlantic relations - are also producing a weak impact on Western policies towards the MENA area. In fact, there is no doubt that the end of the Cold War raises new perceptions in the eyes of the three main components in the Western coalition - the USA, the EU and Japan - and pushes them to single out more clearly individual, national interests towards the Middle East, an area which used to be very closely associated with Cold War entanglements and almost excluded from independent policies. Still, a collective approach towards the Middle East continues to prevail in Western policies, though it is not always properly multilateral.

This kind of continuity, however, is not entirely good for the future of Western-MENA relations. While the persistence of a collective approach is positive, this very persistence is called in question by the weakness of trends towards regionalism, particularly by the fact that the EU is still unable to take up a larger economic, political and military role towards MENA regions. On the other hand, whether the EU is going to upgrade its role in this area is something that is not dependent on the EU cohesion and political will only, but also on an adequate transformation in trans-Atlantic relations. Trans-Atlantic ability or inability to change will eventually be the most important factor that will shape the future of Western policy towards the MENA regions.

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Tab. 1 - Main non-industrialized areas: shares in the total trade of the EU, US and Japan (1991-93)

	EU[1]			USA			Japan		
	1991	**1992**	**1993**	**1991**	**1992**	**1993**	**1991**	**1992**	**1993**
Arab Maghreb Union[2]	1.52	1.42	1.50	2.22	0.34	0.34	0.21	0.19	0.17
- Libya	0.46	0.39	0.40	-	-	-	0.02	0.02	0.02
Levant[3]	0.89	0.91	1.09	1.19	1.24	1.26	0.43	0.57	0.55
- Israel	0.46	0.43	0.52	0.79	0.79	0.83	0.25	0.29	0.29
Persian Gulf[4]	1.88	1.91	1.95	2.59	2.45	2.14	6.59	7.07	6.04
- Iran	0.59	0.59	0.51	0.08	0.07	0.05	0.91	0.91	0.64
Turkey	0.64	0.64	0.82	0.37	0.39	0.44	0.19	0.18	0.24
Sub-Saharian Africa[5]	1.97	1.90	1.86	0.03	1.80	1.66	1.28	1.41	1.67
Asia	5.43	5.73	7.10	18.92	20.02	20.90	31.19	33.82	36.55
Latin America	2.24	2.22	2.45	13.87	14.76	14.63	3.72	4.06	3.97
European East[6]	3.51	3.08	4.09	0.84	0.82	0.94	1.27	0.84	0.76

Source: IMF, *Direction of Trade Statistics, Yearbook 1994* (Washington DC: 1994)

notes
(1) Twelve
(2) Algeria, Lybia, Mauritania, Morocco, Tunisia (Arab Maghreb Union)
(3) Egypt, Jordan, Israel, Lebanon, Syria
(4) Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates
(5) Africa except Arab Maghreb Union and Egypt
(6) Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovak Republic, Ukraine, former Yugoslavia (Bosnia-Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia); Albania not available.

Tab. 2 - EU, US and Japan: shares in the total trade of main non-industrialized areas (1991-93)

	EU[1]			USA			Japan		
	1991	**1992**	**1993**	**1991**	**1992**	**1993**	**1991**	**1992**	**1993**
Arab Maghreb Union[2]	65.61	65.61	68.36	5.13	5.80	5.41	3.99	4.58	3.89
Libya	77.19	74.05	76.06	0.42	-	-	1.08	1.09	1.28
Levant[3]	38.06	38.44	40.37	10.69	11.51	12.96	3.18	4.35	4.53
Israel	42.14	42.52	41.06	23.55	22.19	23.14	5.08	5.26	5.15
Persian Gulf[4]	25.68	26.48	25.36	11.88	11.68	11.35	17.08	18.66	17.37
Iran	44.78	46.74	43.98	2.15	2.14	2.22	13.87	13.76	12.51
Turkey	46.41	41.91	57.77	9.02	8.27	9.90	3.75	3.14	4.14
Sub-Saharian Africa[5]	41.36	41.06	35.30	11.49	12.25	12.56	6.14	5.96	6.98
Asia	14.36	14.05	13.93	17.44	17.31	17.55	17.63	16.73	17.35
Latin America	22.88	21.43	17.90	37.70	38.09	42.69	5.83	5.71	5.54
European East[6]	33.17	47.57	48.45	7.92	8.72	8.00	1.22	0.92	1.18

Source: IMF, *Direction of Trade Statistics, Yearbook 1994* (Washington DC: 1994)

notes
see tab. 1

Tab. 3 - Main Developing Areas[1]: Cumulated total receipts (net) from Western and Arab donors, 1988-92 (million US$)

	EU	France	Germany	Italy	Spain	USA	Japan	Arab countries
Arab Maghreb Union	5,245.6	629.7	1,522.6	2,506.1	596.8	636.5	-478.8	1,601.7
Levant	5,027.6	-104.1	2,458.2	610.7	-101.4	21,771.0	1,713.8	4,804.0
Egypt	2,478.4	-555.4	892.8	500.3	-101.7	6,739.0	913.8	3,024.2
Israel	429.4	-67.9	637.3	-45.1	-12.7	14,342.0	6.5	-
Persian Gulf	3,368.3	274.6	1,549.4	1,515.3	-5.5	-331.0	-1,134.2	338.0
Iran	5,746.4	337.7	2,069.2	2,742.3	185.5	-44.0	-588.2	45.1
Turkey	5,999.6	1,346.9	3,634.0	-157.0	93.4	2,167.0	2,642.5	772.7
Sub-Saharian Africa	41,276.1	8,793.4	7,647.1	5,707.3	193.9	4,866.0	5,183.9	835.5
Asia	39,371.1	7,543.1	16,153.9	3,601.5	619.1	34,422,0	63,738.3	3,5240
Latin America	26,394.7	3,276.3	33,786.5	4,238.3	918.2	8,254.0	22,425.6	-33.4

Source: OECD, *Geographical Distribution of Financial Flows to Developing Countries* (Paris: 1994)

notes:
(1) See notes to tab. 1 (Kuwait, Libya, Qatar, Saudi Arabia and the UAE, as donor countries, are not included in previously defined areas)

Tab. 4 - Main Developing Areas[1]: Cumulated total official flows (gross) from Western and Arab donors, 1988-92 (million US$)

	EU	France	Germany	Italy	Spain	USA	Japan	Arab countries
Arab Maghreb Union	9,002.8	3,537.4	1,424.5	1,887.2	446.8	2,578.5	1,848.7	2,133.4
Levant	8,832.1	1,050.3	4,910.5	1,019.4	15.9	23,303.0	2,591.2	5,162.7
Egypt	5,566.9	756.7	2,915.5	706.6	5.9	15,600.0	1,490.1	3,152.5
Israel	1,485.6	27.8	1,163.5	139.2	0.5	6,988.0	8.1	-
Persian Gulf	1,779.7	45.8	1,547.4	26.8	0.9	436.0	131.2	493.1
Iran	327.6	29.7	255.4	11.2	0.2	-	32.5	45.1
Turkey	2,743.3	297.7	1,766.7	277.5	3.3	445.0	1,606.3	1,576.5
Sub-Saharian Africa	48,536.3	14,607.0	11,682.1	6,400.1	363.6	7,894.0	5,918.8	1,229.7
Asia	28,128.9	3,607.7	12,996.1	2,046.0	490.4	16,639,0	38,525.6	5,611.2
Latin America	21,308.1	3,700.9	8,490.1	4,111.9	949.7	16,553.0	7,826.0	28.9

Source: OECD, *Geographical Distribution of Financial Flows to Developing Countries* (Paris: 1994)

notes:
(1) See notes to tab. 1 & 3

***Tab. 5 - International claims of selected areas' and countries' banks (*million of US$ - stocks at the end of the year)**

	EU[1]		Japan		USA		Germany		France		Italy		Spain	
	1993	**1994**	**1993**	**1994**	**1993**	**1994**	**1993**	**1994**	**1993**	**1994**	**1993**	**1994**	**1993**	**1994**
All countries	355,522	392,165	141,015	149,470	88,712	94,644	109,562	117,640	67,805	72,710	28,562	30,268	15,658	19,111
European East[2]	70,485	67,148	8,805	5,735	1,798	2,407	41,358	39,548	5,296	4,410	8,352	7,437	578	582
Latin America	86,995	92,738	18,763	13,642	52,586	57,417	25,994	57,085	12,210	54,843	5,531	18,664	8,340	9,950
Subsaharian Africa	14,061	15,464	130	72	1,009	593	1,809	1,707	6,437	6,748	1,040	1,041	493	357
Asia	63,066	88,086	72,704	93,347	17,175	19,640	12,476	17,687	18,696	23,510	2,758	3,206	646	953
MENA countries	42,854	47,085	8,472	7,265	6,128	5,342	7,749	13,007	12,347	12,563	7,085	5,322	2,180	2,175
Maghreb[3]	14,489	13,152	2,063	2,080	1,014	1,044	978	1,342	4,618	5,092	3,604	3,283	1,682	1,872
Levant[4]	5,479	5,259	124	161	1,116	1,194	742	802	1,783	1,746	228	298	206	82
Pers. Gulf[5]	22,886	28,674	6,285	5,024	3,998	3,104	6,029	10,863	5,946	5,725	3,253	1,741	292	221
Turkey	10,253	8,350	2,633	1,999	1,818	1,200	3,572	2,877	1,941	1,984	730	688	257	271
Libya	86	91	1	-	-	-	6	3	3	7	-	-	-	-
Iran	5,593	7,651	1,735	709	5	14	2,224	4,309	815	1,253	391	369	246	31
Israel	1,319	1,562	43	65	418	467	350	401	130	167	107	163	79	11
Egypt	2,812	2,59 7	83	79	119	113	190	171	1,284	1,227	77	88	190	64

Source: Bank for International Settlements, Basle (IAI's elaboration)

notes

(1) Fifteen. Data for Greece and Portugal are not available; Danmark's and Ireland' data are not available on a country-by-country basis

(2) see tab. 1 (Albania included)

(3) see tab. 1

(4) see tab. 1: the Lebanon is not included because reported as an offshore centre

(5) see tab. 1: Bahrain is not included because reported as an offshore centre