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AN INTERPRETATION FROM ITALY**

by Roberto Aliboni

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by Roberto Aliboni¹

The Euro-Mediterranean Partnership (EMP), established by the ministerial conference held in Barcelona on 28-29 November 1995, is the framework in which the European Union (EU) is going to develop its new Mediterranean policy in the years to come. Partners to the EU in this undertaking are twelve Mediterranean non-member countries (MNCs) of the Middle East and North Africa (MENA) area with more or less longstanding relations with European institutions². This paper describes the most important aspects of this policy and comments on its rationale and prospects.

Mediterranean instability and European security

As with Eastern Europe, the new relationship the EU is now seeking to articulate with the MNCs stems primarily from security and stability concerns. Ongoing trends of political and economic instability in the region affect European security perceptions. The EU proposal to its twelve Mediterranean partners to set up an EMP is the collective European policy response to security challenges emanating from Mediterranean instability.

Security and instability are hardly new problems in the area. However, the end of the Cold War, the collapse of the Soviet Union and the growing role Asian and Latin American countries are acquiring on international markets have added new important dimensions to old challenges. Consequently, although the completion of the bilateral treaties between Israel and the negotiating Arab countries remains the cornerstone of the peace process, the need to further the process by securing regionwide conditions for disarmament, socio-economic development and political normalization is just as important. Besides, while the ongoing peace process focusses on the Near East and is predicated on the US political role, the new challenges involve the wider MENA area and require a growing European regionalist engagement. Proximity is bound to assume a more important role as soon as the peace process goes into the stage of consolidation and normalization. It is in this new post-peace landscape that the EMP is expected to perform at its best, beside other multilateral and international cooperation spheres like the MENA Economic Summit, and the REDWG (Regional Economic Development Working Group) and ACRS (Arms Control and Regional Security working group), both set within the multilateral dimension of the Madrid Conference.

Weak national consensus and socio-economic underdevelopment

In the changing Mediterranean situation, the EU is called on to help provide a response to two of the many factors of instability: first, the absence or weakness of pluralism and consensus in Arab domestic politics; second, the worsening of economic and social conditions throughout the MENA area. A few words must be said about these two trends before dealing with the EMP and its policies.

1. Director of Studies, Istituto Affari Internazionali (IAI), Rome.

2. Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority. Cyprus and Malta, however, are candidates to become members of the EU.

Since the revolution in Iran in 1979, European public opinion has been more and more impressed by the rise of political Islam in the MENA area and its blatant anti-Western attitude. It tends to perceive Islamism in itself (and eventually Islam as a culture) as a challenge to its security. There is no doubt that the West is regarded by Islamists as an enemy in many respects, in particular because Western culture is seen as an instrument of global power and oppression in the disguise of universal values and because the West is believed to support the regimes the Islamists are strenuously fighting against. One should not overlook, however, that Islamists are primarily opposed to domestic regimes and participate beside other forces in national political processes. Islamists must be regarded as part of a wider domestic opposition against largely delegitimized governments strongly determined to hold onto power.

The varying segments of the opposition have differing views about the reasons current Arab governments are delegitimized. According to the Islamists, governments have proved unable to assert Arab and Muslim interests, like the liberation of Palestine, mainly because they became subservient to the West and do not comply with the *sharia* (which causes the spiritual corruption that eventually explains their political incompetence). Present governments are accused of the same incompetence and subservience to Western interests by old-fashioned nationalists. On the other hand, the argument put forward in liberal quarters is that "political participation and palpable improvement in the quality of life ... was sacrificed on the high altar of Arab nationalism"³. Given that the regimes have neither achieved the objectives of nationalism nor delivered an improvement in the quality of life, they have lost legitimacy and should restore the political freedom that their citizens have sacrificed in vain.

In this framework, it is only obvious that Europe is attracted by the liberals, while looking more than suspiciously at Islamists, but the central question from the point of view of European security pertains less to the individual arguments and goals of the opposition than to the fact that current governments deny pluralism and are unable to integrate the opposition forces into some form of national consensus. This is the real factor from which instability springs and, therefore, the factor which affects European security and has consequently to shape EU Mediterranean policies.

As for MENA socio-economic development, things are more evident. The worsening of social and economic conditions in the region with respect to other less developed regions has become clear in the nineties. A report published by the World Bank in October 1995⁴ points out that in the last decade the MENA countries suffered the largest decline of real per capita income (approximately 2% a year) of any developing region and a 0.2% annual decline in productivity. As a consequence of this decline in productivity, the MENA countries achieve about half the output per unit investment of East Asian countries. This economic decay coalesces with high rates of population increase to stir both high unemployment and migrations. Poverty and unemployment are the most important - though certainly not the only - factors in thickening Islamist ranks and feeding extremism. In this framework, migration is characterized by a widespread need to assert identity from a cultural but sometimes even a political point of view. This creates attrition inside Europe and contributes to make Islam - whether political or not - to be perceived by Europeans as a security risk or threat.

3. "Saad Eddin Ibrahim, "Crises, Elites and Democratization in the Arab World", *The Middle East Journal*, 2, 47, Spring 1993, pp. 292-305.

4. World Bank, *Claiming the Future. Choosing Prosperity in the Middle East and North Africa*, Washington DC, October 1995.

The Euro-Mediterranean Partnership

(a) regionalisation

In order to face these challenges to Mediterranean stability and European security, the Declaration approved at Barcelona singles out two main instruments of collective cooperation: (a) the "regionalisation" of Euro-Mediterranean economic cooperation; (b) the establishment of a mechanism for regular political cooperation and the implementation of a common area of peace and stability.

The EMP agenda for economic cooperation is centered on the implementation of a free trade area (FTA) by the year 2010 and - implicitly - on a variety of radical changes which would enable the Arab economies to take advantage of the growth opportunity provided by the FTA.

The establishment of the EMP will put an end to the non- reciprocal industrial preferences enjoyed so far by the MNCs within the framework of their past agreements with the EU. As a consequence, while maintaining the free access to European markets for their industrial products (and, thanks to the Uruguay Round, expanding this access to several previously protected products, such as textiles), the MNCs will have to do away with protection and permit free access to EU industrial products. At the same time, EU agricultural protectionism will not be eliminated, though there is a general expectation that it will be significantly reduced.

This agenda is a very serious challenge for the MNCs, for it will bring about an extensive exposure to EU competition without providing any significant additional market. Indeed, one may wonder why they accepted it. The almost unanimous response⁵ is that the MNCs had no other way out, as the agreements made under the Uruguay Round will erode their European preferences anyway and, if they don't proceed now to make their economies reasonably competitive, they will become very soon more and more marginal and poor. Having no alternative but to enable their economies to compete internationally, the chance of doing it within a regionalist scheme may ease the task. In fact, under the perspective of what is now called "open" or "new" regionalism, the FTA is regarded as a way of stimulating economies on the supply side, of compelling less developed countries to improve productivity and of creating a "public good" which will generate externalities. Another opportunity is offered by the fact that they can pursue this option in a framework in which they would be assisted by the EU.

For these reasons, the debate is centred, rather, on the strategies the MNCs should adopt - such as deregulation, incentives to domestic and foreign investment, public finance and other macroeconomic policies - in order to go through such a difficult transition. We won't enter into this debate here, but it must be noted that the EMP contemplates a number of policies to help the MNCs' transition. First, financial aid has been increased considerably (even though per capita aid remains three times lower than that devoted to the Central-Eastern European countries). It now amounts to 4.685 billion ECU (approximately 6 billion US\$), which will be coupled by a similar amount in loans from the EIB, the European Investment Bank. Second, unlike what used to happen with the old association agreements, these financial resources will not be previously allocated on

5. See Gérard Kebabdjian, "Eléments d'une prospective Euro-Méditerranéenne", in Robert Bistolfi (sous la direction de), *Euro-Méditerranée, une région à construire*, Publisud, Paris, 1995, pp. 57-100; Nazih N. Ayubi (ed.), *Distant Neighbours. The Political Economy of Relations between Europe and the Middle East/North Africa*, Ithaca Press, Reading, 1995; I. Bensidoun, A. Chevallier, "Les échanges commerciaux euro-méditerranéens", *Economie Internationale* (Paris), 58, 1994, pp.111-130; Victoria Curzon Price, "The European Economic Area: Implications for Nonmembers in General and Mediterranean Countries in Particular", in E. Ahiram, A. Tovias (eds.), *Whither EU-Israeli Relations? Common and Divergent Interests*, Peter Lang, Frankfurt a. Main, 1995, pp. 87-106.

a country-by-country basis but will be engaged and disbursed according to partners' individual ability to perform and succeed in reaching assigned targets. Thirdly, the multilateralization of the market as well as the establishment of South-South regional links inside the FTA is regarded within the EMP's agenda as an essential condition for the Partnership's success. The simultaneous enlargement of the market to all the non-EU partners should act as an important demand-side advantage emanating from the FTA. For this reason, beside economic restructuring and assistance in reducing socio-economic gaps within the MNCs, part of the EMP's financial aid will be devoted to supporting regional economic cooperation and development. Moreover, the rules of origin will be construed so as to give preference to products including as much import as possible from other FTA partners.

(b) political cooperation for peace and stability

The EMP provides an entirely new element in the EU-MNCs relations by establishing a mechanism for a Mediterranean political cooperation (MPC) and by planning the implementation in the area of a "common area of peace and stability". Though the MPC may be related to all the components of the EMP, there is no doubt that it will above all inspire and direct the implementation of the common area of peace and stability.

The MPC is a very light mechanism. But it is also very innovative, in that it is not linked to specific objectives - as in other Mediterranean cooperation schemes. It is directed first of all to the broad task of establishing political consultation *per se*. In this sense the MPC, as light as it may be, is a genuine institution, dissimilar from, for example, the NACC (North Atlantic Cooperation Council) or the Partnership for Peace but belonging to the same kind of conflict preventive institutional multilateralism.

The institutional character of the MPC may prove too ambitious with respect to the actual political cohesion of the EMP (and therefore generate controversies or conflict) but it may also be the only way to build up the common area of peace and stability envisaged by the Barcelona Declaration, which is in turn just as ambitiously predicated on the implementation of a long list of principles related to pluralism, democracy and human rights. Such principles (like human rights) are either eminently controversial in Islamic-Western relations or blatantly disregarded by many MNCs.

It is difficult to predict whether and to what extent the Arab regimes will comply with these principles and enable the common area of peace and stability to materialize. To some extent the principled common area approved at Barcelona is the price the Arab MNCs had to pay to strengthen relations with Europe, in view of the fact that, after the end of the Cold War and as soon as the bilateral peace treaties in the Near East will be concluded, US interest towards the MENA area will decrease, the need to reconstruct the economy will prevail and Europe will necessarily become the area's most important partner. Given this perspective, whatever the EU will do or become, as EMP members the MNCs will retain the advantage of having a say. But, in order to preserve such a say, they will have to contribute to developing the EMP and, with it, the principled common area that it includes. In order to ensure a substantial degree of compliance and implementation of the principles underlying the common area of peace and stability, the MNCs' preminent political interest in developing the EMP will be no less important than EU political conditionality and the access to Arab civil societies provided to the EU by the EMP.

What will be the substance of the EMP's common area of peace and stability? Beside cooperation in the field of "soft security" (organized crime, terrorism and drugs problems, etc.), the pursuit of the principles on which peace and stability are predicated within the framework of the EMP means that the EMP will concentrate on attempting to develop and reinforce a Mediterranean framework for crisis management, in particular a capacity for preventive diplomacy and crises

prevention. The conditions for such a development in the Mediterranean are different from those prevailing in the OSCE area, particularly in Central and Eastern Europe. In most of the OSCE area there are diffuse and vital interests towards developing regional political integration and ensuring the survival of collective security which - with the exception of the Mediterranean countries which are candidates to become members of the EU - may be absent or much weaker in the Euro-Mediterranean area. Nevertheless, preventive diplomacy and crises prevention are accepted and even welcomed by many MNCs because, while allowing political cooperation with the EU, they are less intrusive than other instruments of collective security.

With respect to the variety of instruments of preventive diplomacy and crises prevention developed by the OSCE in the nineties⁶ and the direct role the OSCE has been able to assume in managing prevention functions, it is possible that a more cautious or traditional diplomatic approach will prevail in the Mediterranean. For this reason, the proposal put forward by the Barcelona Declaration and stressed by France during the Conference to establish a Euro-Mediterranean Pact and to proceed along the lines of the experience provided by the Pact of Stability in Europe makes sense. In relation to specific crises, a number of round tables with the participation of the interested countries could be held within the EMP. The round tables would make discussions and negotiations possible and give the collective EMP institutions an adequate and effective role. In European diplomatic quarters the establishment of a Mediterranean Pact of Stability is regarded as less ambitious and more feasible than the setting up of a Centre for Conflict Prevention along the lines of the one working within the OSCE. But for the time being there is no reason to rule out the possibility of establishing such a Centre.

Apart from prevention and crises management, other security-related aspects, like the establishment of Confidence Building Measures, armaments reduction or control and anti-proliferation policies may remain outside of the EMP (though the Declaration talks of them). In principle, these issues should be tackled in other contexts, like the Mediterranean Dialogues started by both the Western European Union and NATO, or would require a more definite profile of the EU's Common Foreign and Security Policy. For the time being, there will be limits to the substance of a shared Mediterranean area of peace and stability and this area will be based less on military-related security than on a comprehensive concept of security. Nonetheless, whatever these limits and the instruments the Euro-Mediterranean partners will select to start implementing the common area of peace and stability, this EMP dimension will emerge as a crucial factor in carrying out Mediterranean cooperation, also because stability and peace are essential conditions for economic reconstruction and foreign direct investment.

Conclusions

The EMP is the result of a remarkable and successful effort by the EU to innovate and reinforce its Mediterranean policy. This effort has been marked by both continuity and change. Continuity is secured by the assertion of the European democratic identity, embedded in the principles of democracy, freedom, pluralism and respect for human rights which have been incorporated into the Barcelona Declaration; also, by the privileged role assigned by the same Declaration to decentralized cooperation, the interaction of civil societies and the development of cultural relations within the EMP. Change is reflected in the articulation of a new structured strategy of

6. Ministry for Foreign Affairs, *The Challenge of Preventive Diplomacy. The Experience of the CSCE*, Stockholm, 1994, pp.11-32;

Werner Bauwens, Luc Reyckler (eds.), *The Art of Conflict Prevention*, Brassey's Atlantic Commentaries No. 7, Brassey's, London, New York, 1994.

regionalism, predicated on the establishment of an FTA as well as in the search for a common area of peace and stability aimed at providing security and supporting economic development.

For the time being, several important challenges to security and stability, such as migration, have a minor role in the EMP. If the EU members manage to agree upon a common policy towards migration, the latter may become a major issue to deal with in the framework of EMP crises prevention. In any case, the newly-born EMP can be regarded as an important platform for the improvement of EU security towards the Mediterranean areas and the upgrading of the coherence and impact of the EU's Common Foreign and Security Policy.