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## Towards Euro-Mediterranean Regional Integration

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The Euro-Mediterranean Partnership, which was launched in Barcelona in November 1995, is the first real initiative designed to expand European economic integration towards the South. The objective is to apply in North Africa and the Middle East the model developed successfully in Europe, even though the conditions in this new region are different and the means available for doing so are more limited. In other words, the objective is to create a zone of economic development, democracy and peace through a process of integration, even though this is a strategy that can only yield its results in the long term.

One of the major reasons for this is that such an approach to regional security – and in seeking to create a zone of peace and stability, the Barcelona Process is acutely concerned with security – requires a far more complex approach than was the case in the past. It is not merely a question of conflict resolution but of building mutual confidence and trust within a context of political change and economic success. It is evident that peace and security cannot be established simply by resolving inter-state conflicts such as the Arab-Israeli conflict, for political, economic and social considerations, such as economic under-development, unemployment and illiteracy, also play a role, not to mention other issues including abuses of human rights, lack of the rule-of-law and democratic deficits. Dealing with such problems in ways that produce long-term and equitable effects is a slow and incremental process in which the mechanisms involved will require constant attention and modification as problems emerge.

The key and proximate objective is to establish a Euro-Mediterranean regional grouping which will be based on the construction of a common free trade area by the year 2010. The Barcelona Process, however, sought to reach beyond this economic horizon by intensifying cross-Mediterranean co-operation in political and social spheres as well, although in more tentative

ways than those proposed for economic change. Inevitably, however, the difficulties which confront the Process are, perhaps, as great as its potential for success, as the various contributions to this book make clear. Its contents have resulted from the academic activities of the group of institutes of international relations brought together in the EuroMeSCo network, a network created in response to the Barcelona Process with the encouragement of the European Commission as a confidence-building measure and involving the 27 countries within the Euro-Mediterranean Partnership.

The creation of an integrated free trade area in the Mediterranean has been hampered by the lack of South-South co-operation and has, to date, been limited to association agreements between the European Union and individual countries in the South, on a bilateral basis. Furthermore, agricultural trade issues, which are vital concerns for the Southern economies, have not been included in the association agreements. In addition – and perhaps even more important – the social consequences of trade liberalisation without substantive support measures is unlikely to be positive. The South Mediterranean is a region which, after all, has already undergone extensive and painful economic restructuring but still fails to attract significant amounts of foreign private investment which might, otherwise, ease the pain of further transition and restructuring. The MEDA (Mesures d'Adjustement) Programmes, which are European Commission five-year aid programmes offering private sector and regional funding to help ease the process of transition in the South Mediterranean partner countries is a positive initiative but insufficient to compensate for the social disruption that the transition process will cause.

Yet, without increased funds, the social and economic – and even the political – impact of the free trade area now under construction will have to depend on increased inflows of private investments, attracted by terms and conditions that the countries of North Africa and the Middle East will be able to offer. Unless there is a radical change in the nature of these flows, the outlook is grim, for investment, particularly from Europe, is not directed towards the southern shores of the Mediterranean. Amongst the reasons for this, alongside questions of competitive rates-of-return and comparative advantage, are the lack of attractive investment codes and inadequacies in judicial systems and the rule-of-law, as well as the market restrictions implicit in the lack of sub-regional economic integration, as Azzam Mahzoub, Hafedh Zaafrane and George Joffé point out. In short, increased investment flows towards the states of the South Mediterranean will depend primarily on the success of political reform there, particularly in the context of 'good governance'.

Indeed, this is the key question that is considered in the second section of this volume. May Chartouni-Dubarry, Gema Martín Muñoz and Mustafa Hamameh all discuss the difficulties facing a successful outcome of political

transition in the South Mediterranean region, a process which has been rendered both more delicate and more necessary by the social crisis which these countries face. The strengthening of democracy and the respect for human rights which forms a key element of the Barcelona Declaration is essential for the success of the Partnership.

Yet progress in these fields has been hesitant and limited, even though the creation of a Euro-Mediterranean regional grouping must involve the intensified participation of civil society on both sides of the Mediterranean in the process. Within the context of the Euro-Mediterranean Partnership, the global cross-Mediterranean, as well as the South Mediterranean and European sub-regional, dialogues on democracy and human rights must be overtly and expressly linked with a parallel debate on rights to religious and cultural diversity. Indeed, particular attention should be given to such issues of cultural and religious rights, as well as to the rights of migrants and to the right of free movement amongst the members of the Partnership. This is a process which should also evolve outside the confines of formal government, as civil societies on both the Northern and Southern shores of the Mediterranean reinforce their common bonds and interests.

These issues are often linked in Europe to wider security concerns. Yet, in this field, the Partnership has made little progress, as the contributions by Pascal Boniface, Mark Heller, Mohamed Selim and Fred Tanner demonstrate. At the same time, the Partnership has managed to maintain an open dialogue between the European Union and its twelve Southern partners, despite the blockages in the peace process, thus providing an important contribution to building mutual North-South confidence. In reality, however, most of the major security concerns do not reflect North-South concerns but involve sub-regional issues within the South itself – a domain which the Partnership does not cover. The free trade zone must, therefore, be complemented by cooperation in conflict prevention and arms control at the sub-regional and regional levels.

One of the most striking aspects of the current Partnership is the asymmetry that exists between the two regions – North and South – in institutional terms. The European Union is a clearly defined actor but the Maghreb and the Middle East are notable for the lack of institutionalized regional groupings. Interestingly enough, the free trade zone system should be able to contribute to a change in this situation. Membership of it should necessarily imply improvement in diplomatic relations between neighbour-states, as well as meaningful co-operation between the two sub-regions of the Maghreb and the Mashreq.

If this is to be achieved, association agreements between states in the South are essential as the first stage in constructing the integrated Southern region that the Union has proposed after 2010, which itself is an essential step

towards a genuinely integrated multilateral cooperative free trade region equally involvinmg all 27 states in the Partnership. Such sub-regional co-operation would be a vital tool for achieving the Partnership's objectives successfully and for creating a more balanced relationship across and within the Mediterranean region. Its success would ensure sub-regional integration which is key to the interests of the Partnership itself, whose members must use their best efforts to achieve peaceful solutions to the problems that they confront and which themselves prevent regional integration.

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