
Challenges and Prospects

ROBERTO ALIBONI and ABDEL MONEM SAID ALY

The contributions in this volume deal with a set of political, economic and security trends which affect the implementation of the Euro-Mediterranean Partnership (EMP), established in November 1995 by the Barcelona Declaration. Meanwhile, what about the evolution of the Partnership itself and its prospects?

As this volume is being published, four and a half years have elapsed since the establishment of the EMP. The balance sheet is less positive than could be expected at the time the Barcelona Declaration was signed, particularly from the point of view of the European Union (EU). In fact, even though the EU's Mediterranean partners may complain about asymmetries, shortcomings and delays in the implementation of the Partnership, both the economic basket and the special political relationship instituted by the EMP – in which Southern Mediterranean countries were mainly interested – are working. On the other hand, benefits from the European investment in a Euro-Mediterranean security relationship – with its expected feedback in terms of strengthening the Union's Common Foreign and Security Policy (CFSP) – are tardy, to say the least. As evidence of this is the fact that, after almost four years, negotiations on the Euro-Med Charter for Peace and Stability – an agreement that aims to make the EMP more effective in broad security terms – has made very little progress and looks very vague in terms of its potential contents.¹

An overall evaluation of the Partnership, however, must take into consideration the fact that it has survived a number of very difficult political issues, thus providing evidence that it is considered by both Israel and Arab members – although much less so by Turkey – as a very positive element in their increasingly important relationship with Europe. Furthermore, in 1999 a set of factors affecting security issues, such as the new EU-CFSP structure and the government in Israel, changed. Such changes may produce significant changes in the Euro-Med Partnership.

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To provide an evaluation of Euro-Med Partnership achievements to date and to provide some indication of its future, we will consider two main points:

- (a) the international context in which the Partnership has developed, the challenges it is facing and changes under way;
- (b) the future of EU policy in the Middle East.

Four Years of EMP: Developments and Challenges

As noted above, the EMP can only be properly evaluated in terms of the developments and challenges that occurred in the years since its inception, together with the possible impact of recent changes. Developments and challenges came from both the international context and EMP's own internal development. The most important challenges were related to (a) weak institutional aspects in the EU integration process; (b) the weakness of trans-Atlantic co-ordination and common understanding in dealing with the regions to the south of Europe; (c) the more rapid Western and European co-operation with Eastern Europe compared to the Mediterranean and the Middle East; (d) hesitations in developing horizontal and multilateral ties in the field of economic co-operation; and (e) mutual mistrust with respect to political reform in Southern Mediterranean countries, in particular over human rights and democratization.²

Up to mid-1999, when the Treaty of Amsterdam, which provided for reform of the CFSP – unsatisfactory although it may be – was finally implemented, the EU acted in the EMP on the basis of the old CFSP framework. In broad terms, this prevented the EU from acting cohesively and decisively in bringing its weight to bear within the EMP. CFSP weakness has played an important role in shaping reductive Southern Mediterranean perceptions of the EU as well as of the EMP role in the Middle East Peace Process. It also played a negative role in preventing more structured security co-operation from taking place within the EMP. Despite Arab mistrust towards NATO, it appeared at times that Arab EMP Partners considered NATO as a more credible security partner than the EU, should formal security co-operation be established. Algeria, for instance, overtly came to this conclusion. In this respect, the ambivalent attitude of EU member states towards, the Western European Union (WEU), their security and defence structure, was an important factor. Ultimately, while NATO made some progress in its approaches towards its partners in the NATO Mediterranean dialogue, WEU members prevented the WEU from acting effectively so that no progress was possible, both in the WEU Mediterranean Dialogue and in the EMP.

The enduring weakness of the CFSP has not reduced the EU's ambition of playing a more visible political role in the Mediterranean and the Middle East although the absence of such a political status has frequently been pointed out

by the EU's southern partners. Many Southern Mediterranean analysts, such as those contributing to this book, stress this weakness as a cause of the EPM's poor performance in the implementation of the proposed 'area of peace and stability'. In conclusion, there is no doubt that, quite apart from other factors in the Barcelona Declaration, the difficulties of the EMP in achieving an understanding on security policies and security co-operation have been generated to a significant extent by the state of the CFSP within the Union.

Another major factor which has had a negative effect on the Partnership has been the absence of trans-Atlantic co-ordination and understanding with respect to the Mediterranean and the Middle East. In a sense, this lack of co-ordination is an aspect of the weak status of Europe's CFSP. In the 1990s, many Europeans maintained that the US did its best to prevent a European security and defence identity from emerging. However, others claim that European governments, not the Americans, were responsible for failing to enforce the CFSP. Whatever the truth, EU-US synergy in the region, explicitly mentioned in the first common goal of the December 1995 'New Trans-Atlantic Agenda',³ has not worked. The reshaping of NATO's command structure proved very divisive in the Mediterranean. The inability of the Alliance to reach a compromise on this structure prevented the anticipated re-integration of France into NATO's military structure, a factor that would, in general, have been very positive for Europe and the US, in order to conduct a more consistent and effective common policy in the region south of the Mediterranean.

Beside the issue of NATO reforms, there were other differences between EU and the US over the Mediterranean and the Middle East in the 1990s. One such difference involved the status of Turkey with respect to the EU. Other important differences related to policies towards the so-called 'rogue states' – Libya, Iraq and Iran. In general, the US would have preferred to see Europeans linking the Mediterranean area to the Middle East and the Gulf more explicitly and taking more responsibility in the latter arena. All these differences are reflected in the fact that, while the Europeans felt committed to the 'Mediterranean', the Americans – with some exceptions⁴ – used to talk more about the 'Greater Middle East'.⁵

The impact of trans-Atlantic relations on the EMP can be presented in a broader context. In fact, the EMP has not only been affected by trans-Atlantic differences over the Mediterranean and the Middle East but also by the fact that, in Eastern Europe, NATO and the EU have acted harmoniously and constructively. Both the North Atlantic Co-operation Council and the Partnership for Peace initiatives have developed well. The same is true for the European Association Agreements signed between the Union and Central and Eastern European countries. Despite differences and recurring tensions with

the Russian Federation, the Western allies pursued with determination their respective enlargement policies towards Eastern Europe in the 1990s. The East-South gap, which was to be narrowed by the EU decision to proceed with the Euro-Mediterranean Partnership in 1995, has thus gradually re-emerged. Despite these developments, it continues to be the case that the Euro-Med Partnership ensures constructive political relations between the EU and Southern Mediterranean countries. The Euro-Mediterranean relationship cannot work in isolation, however. Persisting trans-Atlantic differences over the Mediterranean and the Middle East, as well as the re-emerging gap between processes of integration and stabilization north and south of the Mediterranean have clearly exposed the danger of the EMP becoming weak and irrelevant.

Such risks have, of course, affected the political and security dimension more profoundly than the commercial and economic aspect of the Partnership. Although economic, commercial and financial relations developed more quickly and substantively than the 'area of peace and stability' and the 'human-social' dimension envisaged by the third 'pillar' of the Barcelona Declaration, in the first four years of the EMP some deficiencies in the field of economic co-operation clearly emerged. Despite greater interest in the economic side of the Partnership, the attitude of the EU's Southern Partners with respect to the EMP economic agenda has become 'unilateral'. Southern Partner interest in developing South-South relations remained very limited, to say the least. Conversely, there is no doubt that, first and foremost, they sought to develop their own individual relations with the EU.⁶ On the other hand, a trend towards politically-based sub-regional coalitions emerged which may prove detrimental to the kind of overall regional economic co-operation the EMP would like to pursue. The rapprochement between Turkey and Israel and the renewed Arab engagement to pursue a common Arab trade area, primarily a political rather than an economic perspective, may weaken the outlook for region-wide economic co-operation.

This suggests that it could be anticipated that the development of horizontal ties among Southern countries would be very slow and uneven. On the other hand, the Euro-Mediterranean free trade area will only succeed if there are some significant developments in South-South commercial and economic relations. Within the region, particularly amongst Arab states, the geo-economic logic of the EMP is really valued and the political use that governments can make of regional economic perspectives tends to be over-estimated.

Such 'realism' can be understood, however. As a consequence of the stagnation of the peace process during the years of the Netanyahu government, politics and national security have reasserted their stark pressures on regional governments. This development hindered international

co-operation, let alone security co-operation. From this point of view, the downgrading of the Middle East peace process has been the most important specific factor determining the poor performance of the Partnership in trying to develop co-operative security in Euro-Mediterranean relations.

It must also be stressed that co-operation with respect to human rights and democratization was another issue where there was no substantive progress within the EMP. Furthermore, regional security, human rights, the rule of law, and democratization were further dimensions in which the EU intended to make political investments in establishing the Partnership but was disappointed. Progress here was prevented by a number of circumstantial and structural factors. One of these was the return to 'realism' triggered by the standstill in the Middle East peace process which is discussed below. Other factors included the extremely violent internal conflict in Algeria, which broke out in 1992. This conflict helped to make the implementation of the EMP's 'human dimension' and its democratization agenda very problematic, both with respect to Algeria as well as to the EMP as a whole. In fact, the common policies envisaged by the Euro-Med Partnership to monitor and guarantee human rights, the rule of law and democracy amongst its members could not have operated in a situation of extreme and open violence like that prevailing in Algeria.

Political conditionality – the cancellation or suspension of economic aid to compel Partners to comply with EU notions of human rights – could not be enforced, for example. It was evident that this instrument was quite irrelevant to the ongoing situation in Algeria. Not would only any EU request for the respect of human rights have fallen upon deaf ears, but the application of conditionality could have resulted in increased instability. Attempts at enforcing political conditionality would, therefore, have resulted in another case of ineffective international sanctions.

Most Southern Partners consider political reforms, particularly human rights, as a highly destabilizing structural factor. The window of opportunity for political reforms which opened up at the beginning of the 1990s closed very quickly in response to the upsurge of political Islam and domestic violence. Today, all Southern Mediterranean regimes tend to consider EU insistence on the achievement of political reforms as an interference, exacerbated by European domestic xenophobia, as well as European willingness to provide asylum to individuals and organizations they see as terrorist. Cultural relativism amongst Southern Mediterranean governments also increased in the 1990's, although this was less a cultural than a political concern, for they feared that more globalization would prove to be even more destabilizing. These factors, as a result, have prevented the EMP from developing a common discourse and action over human rights and democratization, an area which the EU had expected to make an important contribution to security, stability and co-operation.

New Factors

A set of new factors emerged in 1999, which may have a considerable impact on future developments. In general, this impact should prove to be positive, as is the case with institutional reforms in the EU. Other factors may prove to be more ambivalent, however, as is the case, for instance, with the consequences of NATO's new strategic doctrine as outlined in the April 1999 North Atlantic Council anniversary meeting.⁷

Developments concerning Serbia and NATO's military campaign in Kosovo have accelerated decisions by Western allies to upgrade the European Military and Security Identity (ESDI) by allowing for its development within NATO. In Washington, ESDI has been accepted more clearly and firmly than expected – despite Turkey's opposition. At the same time, the British government, by changing its long-standing opposition to the idea, has given impetus to the creation of an effective joint European military capacity. This in turn has allowed for the incorporation of the Western European Union (WEU) into the EU, thus paving the way for the setting up of a new common European dimension of security and defence. How this new dimension will be institutionally and militarily structured is still to be decided. In any case, these developments will make US and EU policies towards the Mediterranean and the Middle East more convergent than they have been in the 1990s and will therefore reduce contemporary East–South gaps and imbalances. This should be beneficial for the EMP.

Another development that may prove beneficial to the EMP is CFSP reform, finally introduced in 1999. The establishment of the High Representative of the CFSP – with its new instruments for early warning and policy planning – as well as improved co-ordination between the Commission and national governments, reflected in the composition of the new troika, should make the CFSP more cohesive. As a more cohesive entity, CFSP should make, in turn, the EU role in the EMP more credible and effective, for it should amplify the EU's authority and speed up decision-making within the EMP.

Unfortunately, this overall strengthening of European and Western instruments is not necessarily welcome to the Southern, particularly the Arab, side of the Partnership, for the Kosovo campaign and the outlines of the new NATO strategic approach that have emerged suggest to the South a less co-operative and more unilateral and intrusive Western and European policy, rather than one based on co-operation.

In reality, the EMP, whatever its shortcomings, was established as a co-operative venture, but their vision of its security component corresponds to the security picture outlined in the new NATO strategic doctrine approved in Washington. Just to give one example: migration is expected to yield new

forms of trans-Mediterranean co-operation in the EMP, but is identified in the new NATO strategic concept as a threat which may lead to intervention. Furthermore, whilst human rights differences are being debated in the EMP with a view to consensus and co-operative action, in the NATO concept the same differences of opinion may result in interference and military intervention. The question, therefore, is what policy will the EU adopt in seeking policy convergence with NATO, will it be closer to the declared co-operative values and aims of the EMP or to NATO's interventionist guidelines and objectives.

In fact, the military restructuring currently taking place in NATO has not yet established mechanisms for trans-Atlantic political co-operation and decision-making. While NATO cannot act as the political focus of trans-Atlantic co-operation, there is as yet no such alternative focal point. As things stand, the question is what political purposes will the more flexible and potentially separate military powers of the US and the EU that are expected to emerge pursue? What kind of co-operation, both in security and in other fields, will the EMP pursue, if military policies and instruments are more closely linked to NATO? These questions continue to be particularly relevant to the issues which have divided the US and the EU in the 1990s in the Mediterranean and the Middle East – rogue states, Turkey, Palestine and other aspects of the Middle East Peace Process. These are all political issues which cannot be solved by a stronger and more flexible military organization.

With regard to the Middle East Peace Process, the election of a Labour-based government in 1999, under Ehud Barak as premier, has revived the peace process, which the Netanyahu government had effectively closed down. This good news none the less raises questions for the EU and the EMP. In the context of trans-Atlantic *rapprochement* and a successful peace process, what would the role of the EMP be and how sensible was the contemporary separation between the EU's Mediterranean and wider Middle Eastern policies? Perhaps the EU's policies would have to be revised even before EMP objectives were reviewed.

In fact the Middle East Peace Process is playing a more decisive role than envisaged in the Barcelona Declaration for the EMP for the Declaration excludes EMP interference in the Middle East Peace Process. Yet, at the 1997 Malta ministerial meeting, the EMP Partners accepted that the attainment of a just and lasting peace in the Middle East was crucial to the notion of security within the EMP. For this reason, the EU's role towards the Middle East process will not only be important in the context of future developments, but is extremely important in the present situation as well.

The Middle East Challenge

European initiatives in the Middle East have taken place in three directions. First, despite its observer status at the Madrid Middle East Peace Conference and after customary diplomatic contacts in the Middle East by the European Presidency, the EU appointed Ambassador Miguel Angel Moratinos as a special representative to the Middle East peace process. His mission is to communicate with all the parties concerned with the Arab–Israeli peace process; to monitor the peace negotiations among the parties and to contribute to its success through mediation; to communicate to the parties the necessity of respecting fundamental principles of democracy and human rights as a contribution to the implementation of agreements; to monitor actions by the parties that may damage the permanent status negotiations; and to report to the European Commission.

Second, the EU supported the multilateral component of the peace process and sponsored the Regional Economic Development Working Group (REDWG), which carried the burden of integrating the Middle East economies into the global economy. The EU was also active in the MENA economic conferences in Morocco, Jordan, Egypt, and Qatar and, beside funding and supporting many of these activities, the EU has been the largest financial sponsor of the Palestinian National Authority, with a contribution that amounted to \$650 million (1994–99) in addition to emergency funding for Palestinian needs that resulted from the repeated Israeli closures of the occupied territories since 1996.

Third, the EU launched the far-reaching Euro-Mediterranean Partnership Initiative, focusing on the three areas of co-operation discussed above: (a) political and security co-operation in the areas of arms control, regional security, terrorism, organized crime, and drugs; (b) economic co-operation through the Mediterranean free trade area by the year 2010, and a favourable climate for investment, technology transfer, and environment protection; (c) co-operation in the areas of cultural and social development to enhance democracy, civil society and respect for human rights. The EU committed Euro 4,685 million for the EMP during the 1995–99 period and plans new funding for the future. The EU initiative effectively complemented other Middle East initiatives, by bringing Syria and Lebanon into the process of transformation of the Middle East and adding new areas for co-operation, such as the fight against terrorism, crime, and drugs, alongside trade issues as well as political and social development. However, despite this growing European commitment in the Mediterranean, European influence on the Arab–Israeli peace process and the Middle East is still inadequate. Europe's initiative to transform the Middle Eastern vision from geo-politics to geo-economics has not escaped the fate that also awaited American sponsored initiatives for regional transformation.

This factor, in turn, calls for a serious re-examination of the peace process itself, for the consequent deadlock has handicapped the smooth evolution of EMP as well. The deficiencies of the peace process can be summed up as follows.

First, the philosophy of the process is based on gradualism and the mutual acceptance of the Palestinian and Israeli peoples to coexist with each other. Although this approach has merit and has enjoyed support, it has also given those who oppose the process on religious or historical grounds the opportunity to sabotage it at very little cost. This in turn raises serious questions among the majority about the intentions of their opponents. This has been even more the case when timetables set for the evolution of the process have not been respected. This defect has been exacerbated by the fact that the Israeli leadership was strongly opposed to the entire process until the elections in Israel in 1998. In fact, several members in the Israeli government continue to express their opposition to this day. The end result is agreements that are not properly implemented, or procrastination over fulfilling agreements, as well as concessions to settlers and Jewish religious extremists when agreements are implemented, if only in part. It is compounded further by the fact that the final status of the negotiations on the Palestinian question is not defined, so that there is no guide to the way forward for negotiations and opponents can thus seek to insert their own objectives. Such a result guarantees the continuation of the conflict.

The second defect is related to the frame of reference of the entire process, which is often ignored in the detailed negotiations. The international community had envisioned a two-state solution to the Israeli-Palestinian dispute ever since the Partition resolution of 1947. In fact, the Israeli declaration of independence was based clearly on that resolution, which remains the only document in which Israel borders are defined. Security Council Resolution 242 is clearly based on the formula of exchanging land for peace. Israel will withdraw from the territories it occupied in 1967 in exchange for peace, thus allowing the Palestinians the right of self determination. Israel implicitly accepted such a principle when it recognised the PLO as the sole representative of the Palestinian people. However, during the subsequent, prolonged negotiations, Israel more often than not, has ignored this frame of reference and has acted as if the West Bank, Gaza and the Golan were disputed areas which it has the right to settle and annex on the grounds of security, religion or for economic reasons. Israeli settlement policy has ran counter to all legal and moral principles recognized by the community of nations, has increased the influence of Jewish extremists in Israeli society and has fanned Islamic fundamentalism in Palestinian society.

The third defect reflects the structural imbalance of power that surrounds the negotiations. Israel has secured a position of superiority in conventional

and non-conventional weapons to ensure peace in the Middle East through fear of its massive military power. To a degree, Israeli violence and the settlement policy were a reflection of the Israeli notion of an armed peace under its own control, which is a nightmare for Arab, in particular Palestinian, expectations of national security. In interview after interview, the former Israeli prime minister defined Israeli peace with Arab countries, including Egypt, in terms of deterrence, power politics and Israeli military superiority, completely ignoring the notion of withdrawal from Arab territories as the basis for peace. Sometimes he appeared to be reversing the land-for-peace formula in order to gain the land for Israel in exchange for giving peace to the Arab countries. This approach weakened the peace process; for the international community, despite its awareness of this strategic imbalance, has let Israel indulge in major violations of agreements that no other party could have achieved, at the price of concessions from the Palestinians that they could not afford without enhancing fundamentalist opposition. In fact, the international community has been ready to accept the perpetuation of this imbalance by ignoring Israel's nuclear proliferation and its refusal to adhere to the Non Proliferation Treaty (NPT). The current Israeli leadership has not yet done anything to counter these experiences.

The fourth defect is a direct result of the obsession of current regional leaderships and elites with geo-politics rather than with geo-economics. For them, history is always defined in terms of the past, not in terms of the future. There is no parallel in the Middle East to the founding fathers of the European Community. Even when Shimon Peres, the former prime minister of Israel, called for a New Middle East, his ideas were mocked both in Arab countries and in Israel, particularly by current Israeli leadership. Consequently, the geo-economic components of the peace process, in terms of the multilateral negotiations or the economic agenda of the EMP, were seen as a concession from Arab countries, as a test of will for Israel, and an aspect of crisis management for other countries. The end result has been a lack of strategic understanding among regional leaderships about the regional future; and the absence of active support for Mediterranean Partnership or for a Middle Eastern community.

The fifth defect has been that the peace process was always a government-to-government process from which popular aspirations were excluded. Even when normalization of relations was envisioned, it was expressed in terms of the economic gains that would inspire Arabs and Israelis to accept each other. However, both peoples are not merely economic entities that look for gains in the open market of global capitalism. Nor are they indulging only in the pursuit of happiness, overlooking the historical and cultural complexes that control their lives. Indeed, it was extremely difficult for Israelis to overlook the historical legacy of the struggle against the many Gentiles who had

crushed their dignity over centuries. And, as the present is a mere extension of the past, it was easy to see in the Arabs the extension of that powerful enemy now determined to push them to the sea. It was even more difficult for the Arabs to overlook the historical legacy of colonialism, in which small number of colonial soldiers dominated their lives for centuries by the sheer use of military power and technological prowess. Israel neatly conformed to this experience of the past with its military and technological superiority and its close association with the West. An Arab will easily recognize the question that was asked by an Algerian Sheikh when he was told that the French colonial troops had actually come to Algeria to spread Western civilization and modernity. The Sheikh asked: 'But why have they brought all this gunpowder?' Hearing talk of peace with Israel today, an Arab would ask the same question, only replacing gunpowder by nuclear weapons. These historical memories cannot be dealt with by the peace process alone; nor can they be resolved just by economic normalization. It requires people-to-people contacts that allow for understanding historical complexes, cultural patterns, and human and societal limits.

The sixth defect arises from America's paradoxical role in the negotiations. On the one hand, the US has been the major mediator in the Arab-Israeli conflict from October 1973 onwards. It was the country that supervised the Egyptian-Israeli peace treaty in 1979. It was the country that designed and encouraged the Madrid peace process along its bilateral and multilateral tracks, and in 1994 it oversaw another peace treaty between Israel and Jordan. Even when the Oslo Accords were drawn up in Norway, the US took over the entire process. In fact, the US has guarded its position as the sole mediator in the process jealously and looked suspiciously at any other mediation initiatives from Europe, the USSR, or more recently Russia, either as a complicating factor in its efforts or as outright subversion.

On the other hand, the US, because of its domestic politics, is not an impartial third party to the conflict. The influence of the American Jewish community in domestic politics is far-reaching and affects the foreign policy agenda. Hence, more often than not, American national interests are defined in terms of Israeli interests. This, in turn, handicaps American mediation to such an extent that, at times, mediation between the American administration and the American Jewish community seems to be as necessary as between the US and Israel. Furthermore, the US is a global power and, after the cold war, is the only remaining superpower with world-wide responsibilities and interests. Consequently, the time and interest that the US administration can devote to the Middle East peace process is not limitless. This factor is also complicated by the American presidential and congressional election cycles which create mediation vacuums at critical moments in the negotiations.

Although the lack of progress in the Arab-Israeli peace process was a major reason for the retardation of the European initiative in the

Mediterranean, other reasons also exist. First, despite the expanding process of European integration, the EU is not a state that is capable of defining interests and formulating a coherent foreign policy. EU policy towards the Arab-Israeli peace process has therefore been based on the lowest common denominator of mutual interest among European states. From an Arab point of view, although EU declarations on the principles of an Arab-Israeli settlement are satisfactory; the ever-closer relationship between the EU and Israel calls the credibility of these declarations into question. Furthermore, EU member states have not spoken with one voice when major issues, such as Israeli settlement policy, have been discussed at the UN General Assembly. This, in turn, has placed serious limitations on Ambassador Moratinos' mission in the Middle East. In fact, he has to ensure that his initiatives are not only acceptable to the major parties to the Middle East conflict but also to major European powers.

Second, the EU attempt to complement US moves in the Middle East has led to an abdication of European responsibilities and interests. In many ways European efforts were also involuntarily affected by US domestic constraints. These tend to force Washington to adjust its politics to the wishes of the Jewish lobby and hence to the Israeli government. Under his mandate to track the US, as the European version of Dennis Ross, as Ambassador Moratinos would usually describe himself, he could not depart significantly from the American vision of peace in the Middle East.

Third, European initiatives have emphasised geo-economic concerns much more than geo-political agendas in the Middle East. In a region that is still in the process of transformation, such approaches cannot be sufficient. Neither Israelis nor Arabs can sacrifice their geo-political agendas on the altar of economic gains. In fact European efforts should seek to facilitate the peace process and should not be a substitute for it.

Re-tuning Euro-Med Relations

The challenges just described are not helping the EMP to develop as easily and quickly as it was commonly expected when the Partnership was designed. Nonetheless the outlook of the Partnership – and, more broadly speaking, of Euro-Mediterranean relations – remains positive, provided that the Partners are ready to make difficult choices and hard decisions. The cost of such developments should be judged against the cost of a possible deterioration in relations as a result of the collapse of the Arab-Israeli peace process, possible crises in the Gulf, and the spread of instability as in Algeria or Turkey. The EU is faced with a strategic choice in the Middle East between benevolent indifference and constructive response to Middle Eastern concerns. Its response will condition the success of its Mediterranean policy and the EMP.

The case for benevolent indifference can be supported by the fact that Europe itself is undergoing a transformation. In the last few years, the foreign policies of European countries and of the EU have been concentrating on four areas:

- (a) the consolidation of European integration;
- (b) the consolidation of the world capitalist system through trans-Atlantic and WTO links towards full globalization;
- (c) neutralizing the possibilities of international destabilization after the collapse of the Soviet Union, and attempting to integrate the former Soviet bloc into the world order by expanding NATO and integrating Eastern European countries into the EU;
- (d) preventing regional crises from disturbing global development as in Bosnia, Kosovo, the Arab–Israeli conflict and conflicts in the Gulf.

European attitudes towards the Middle East have placed the Arab–Israeli crisis in the global context. All-in-all, European policies have been successful in helping to ensure Israel's security and acceptance in the area and in ensuring gulf security, as well as continued oil flows from the Gulf to the West, and to Europe in particular. The Middle East, given its level of development, does not offer a tempting market except in arms supplies. As oil prices fluctuate and as the West has learned to deal with the consequences of the energy crises of the 1970s, the Middle East has become less important. Arms supplies, however, particularly from the US, France and the UK, have been flowing to the area in large amounts over the past two decades, despite the hyperbole over regional security and disarmament.

The case for a constructive response should, however, be more encouraging. First, Western dependence on Arab and Middle Eastern oil will continue well to the twenty-first century. A recent study by a Houston-based consulting firm⁸ indicates that world oil demand is expected to rise in the future. In East and South Asia alone, demand is projected to grow by 3.5 per cent per year through 2000 before levelling off to around two per cent annually in the 15 years to 2015. The study expects the Middle East to provide 80 per cent of this incremental demand, or about 8.5 million b/d in the next 20 years over and above what it is providing today. The US Department of Defence also issued a report in May 1995⁹ outlining the enduring American strategic interests in the Middle East. The study points out that the world will become even more dependent on Gulf oil in the early twenty-first century than it is today.

Second, the Middle East is undergoing a painful process of transformation that breeds violence and disintegration. No matter what the reasons for this

state of affairs are, the West, particularly Europe, will not avoid the consequences, for fundamentalist and nationalist violence of all sorts will not be confined to the Middle East region alone. The case of Algeria is merely a prelude for what may come. Because of the region's proximity to Europe geographically as well as historically, events in the Middle East have always had a spill-over effect in the North of the Mediterranean.

Third, the Middle East has the potential to become a viable economic partner to Europe although it is not so today. It was in the past during the oil boom days and it could be even more so in the future. With major economic reforms – some already under way – the Middle East market may become more attractive.

If Europe wishes a constructive response to the Middle East, it will have to take a more daring and active role than it is taking today. It is to be expected however, that Europe will be able to become more pro-active as its own integration process moves towards completion. Yet, even now Europe could do more for the resolution of the Arab–Israeli conflict, for example. Any such initiatives, however, should meet the following requirements:

- (a) it should contribute to basic European interests in the region;
- (b) it should be accepted by the parties concerned in the region and beyond;
- (c) it should be in harmony with the basic global transformations in the post-cold war era; and
- (d) Europe should bear the costs implicit in such a role because in politics, as in life, there is no free lunch. Any effective European role will require trade-offs and there will be a price to pay.

The general guidelines for European action are twofold in nature:

- (a) Europe should add substance to its positions towards both Arabs and Israelis. European declarations should be supported not only by rewards for major agreement but also by a gradual process of penalty in the case of non-compliance. Europe has the economic leverage to do this;
- (b) Europe should reach a strategic understanding with the US regarding the Middle East as it did over Eastern Europe and the former Soviet bloc. To arrive at this strategic understanding, the EU should open dialogue with Congress and with the American Jewish community. The purpose of this strategic understanding should be to ensure the implementation of agreements mediated and approved by both Europe and the US.

Challenges and Prospects

Fortunately, there are no major disagreements between Europe and the US over the issue of peace in the Middle East. However, the limitations in America's active role in the region, as outlined above, provide an opportunity for more concerted efforts to harmonize policies towards the Middle East and the Mediterranean which are now hampered by the Arab-Israeli peace process. One possible way forward would be to conduct a Dayton-type conference to enforce not only the agreements on the Palestinian-Israeli track of the peace process, and to resume all the other bilateral and multilateral tracks; but also seek to create a general strategic understanding on other major issues of strategic importance in the south of the Mediterranean.

Reviving the EMP requires less the improvement of the EMP itself than a stronger and more effective European policy towards a resolution of the Arab-Israeli conflict and streamlining Western policies towards the Middle East. International and regional issues have caused numerous major difficulties in the implementation of the co-operative initiatives envisaged by the EMP, particularly in the context of the Arab-Israeli conflict. The EMP is a significant opportunity for both the EU and the Southern Mediterranean countries but it can only yield its fruits if the EU is enabled by its member states to reinforce its Middle Eastern policies and develop as a responsible actor in both international and regional arenas.

NOTES

1. Roberto Aliboni, *The Charter for Peace and Stability in the Mediterranean*, presentation to the Informal EuroMeSCo-Senior Officials Seminar on 'Euro-Mediterranean Security Dialogue' organized by the German Ministry of Foreign Affairs, Bonn, 19-20 March 1999 (mimeographed).
2. See George Joffé (ed.), *Perspectives on Development: The Euro-Mediterranean Partnership*, London and Portland, OR: Frank Cass, 1999.
3. H.G Krenzler and A. Schomaker, 'A New Transatlantic Agenda', *European Foreign Affairs Review*, 1/1, July 1996, pp.9-28.
4. Ian O. Lesser, *Southern Europe and the Maghreb: U.S. Interests and Policy Perspectives*, P-7968, Rand, Santa Monica, CA: 1996.
5. Robert D. Blackwill and Michael Stürmer (eds.), *Allies Divided: Transatlantic Policies for the Greater Middle East*, Cambridge, MA and London: MIT Press, 1997; D.C. Gompert and F. Stephen Larrabee (eds.), *America and Europe: A Partnership for a New Era*, Cambridge: Cambridge University Press, 1997.
6. George Joffé, *The Euro-Mediterranean Partnership: Two Years After Barcelona*, The Royal Institute of International Affairs, The Middle East Programme, Briefing No.44, May 1998. For more general comments on the economic relationship, see George Joffé (ed.), *Perspectives on Development: The Euro-Mediterranean Partnership*, London and Portland, OR: Frank Cass, 1999.
7. The Rand Corporation proposed a NATO policy agenda for the Mediterranean in February 1999. Rand is an important American contributor to the debate on the role of the Mediterranean in trans-Atlantic relations. See Gompert and Stephen Larrabee (eds.), op. cit. A set of European points of view are collected in a report issued by the Centre for Strategic

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and International Studies (CSIS) in Washington, which includes the proceedings of an international conference on 'Transatlantic Approaches to the Mediterranean: Impact of the New NATO on North-South Perspectives', organized by the CSIS and the Instituto de Estudos Estratégicos e Internacionais (IEEI) in Washington, DC, 7-8 May 1999.

8. Purvin and Gertz Inc., as quoted in 'The World Refining Industry to 2015: The Increasing Importance for Far East Markets', *Middle East Economic Survey*, 31 July 1995.
9. US Department of Defense, *US Security Strategy for the Middle East*, Washington, DC: US Department of Defense, 1995.