

# It is still not too late for Europe to change its misguided Mediterranean thinking



EU policymakers have largely ignored the structural needs of Arab countries when fashioning co-operation policies. But **Samir Aïta** says that with influential voices in the Arab World now re-thinking their priorities, Europe too should update its policy agenda

In what seemed almost a farewell message, Amr Moussa, Secretary General of the League of Arab States, called at its recent Syrte summit in Libya for the creation of a strong regional co-operation scheme that would include Turkey, Chad and Iran. He also asked Arab leaders to consider carefully all the consequences if the peace process with Israel fails, and at the same time called for a substantial increase in the Arab League's budget. Difficult as it is to achieve common policies among Arab states, Amr Moussa's statement reflects a paradigm change in the region that Europe clearly needs to understand and digest.

Turkey has become an important player in the Middle East, and now describes its own opening of borders – somewhat exaggeratedly – as a "second Schengen". Meanwhile, despite the growing European clamour against Iran, many Arab countries now recognise the need to normalise relations with Tehran in the interests of

peace and stability in Iraq and the Gulf. All this against a background of substantially increased inter-Arab investment, developing trade relations with Asia and with Arab countries now ranking as the third major investors in Africa.

The Arab world is changing, and will change further – maybe at a faster pace than one might expect, and it is often the region's local crises that have helped to move it forward. As to Europe, its assets consist of a moribund Euro-Mediterranean partnership in the shape of its neighbourhood policy, its now faded hopes of a European-GCC partnership, and lots of speeches about the Union for the Mediterranean. Is it any wonder that what is really needed is a serious review of European policies towards the Arab world?

The Barcelona process that in the mid-1990s followed the Madrid peace conference at that time brought hopes of

peace and prosperity. But while Madrid had addressed peace between Israel and the Arab states on the basis of land for peace, Barcelona's focus was only on the Mediterranean. The Euro-Mediterranean partnership that resulted posed a dilemma as a whole from the start: economic, social and political co-operation was presented as taking place between Europe as a continent and the Mediterranean. Most European countries participating in the process were non-Mediterranean ones and the EU proved much more interested in its new comers to the East. The Arab countries on the southern and eastern sides of the Mediterranean had no land name and no proper regional organisation to engage with the EU.

These problems go far beyond semantics. Major difficulties became embedded in the Barcelona process right from the start. At a political level, the premise was that grouping Israel with its immediate neighbours and with the Maghreb would foster the peace process and thus bring growth and prosperity. We now know that this premise was false, even if the European Commission still insists on pushing Israel into all sorts of co-operation schemes despite the Gaza invasion of late 2008, the destruction of EU-funded infrastructures, the Goldstone report and Israel's stubborn continuation of its settlement policy in the Palestinian territories. In addition, three countries in the Barcelona deal quickly moved on to other goals: Malta and Cyprus towards integration in the Union; Turkey to a never-ending accession process.

Other political considerations, and socio-economic ones too, raise questions about

why other Arab countries, including those still in a state of "non-peace" with Israel, were not involved in the Barcelona process, and why regional co-operation schemes in the Middle East, notably the League of Arab States, were set aside.

The Arab Mediterranean countries involved in the process were all labour-rich and oil-poor, excepting the oil and gas producing Algeria and Syria. It is worth noting that those two countries were the most reluctant to move ahead with the partnership agreements. Jordan, which is not Mediterranean, was included, and Libya (an oil-rich but labour importing nation) was not. One might speculate on what the positive peace, stability and shared development perspectives might have been had the partnership been open from the beginning both to it and to Sudan and Iraq. And one could also wonder whether for the Iraqis the possibility of a European partnership might have helped build a different future for their country, as opposed to submitting the country to international sanctions? The same goes for Sudan and the crisis in Darfur.

Establishing a visionary project for co-operation between a European bloc equipped with a strong integration mechanism and Arab countries divided in their policies and at best unhappy about Israeli hegemony, in any case involved taking unrealistically high risks. The more so since Europe, busily preoccupied with the implications of the fall of the Berlin Wall and the problems of integrating Eastern Europe, lacked the necessary means to launch some sort of an Arab Marshall Plan

that might make economic growth defuse regional tensions. A broader view of an Arab-European partnership would have certainly included the oil-rich Gulf countries, along with Yemen, Djibouti, Somalia and even the Comoros. The overall perspectives of the Barcelona process would certainly have changed.

From a European standpoint, it's worthwhile looking at Arab countries with a view to whether they possess oil or not, and whether they are labour abundant or importers of workers. The oil-rich countries are partners Europe needs for its energy supplies, but their low energy costs mean they have been able to develop petrochemical and other basic industries, and they want equal treatment for these

from European partners who are asking the same for their multinationals in oil-poor Arab countries. These oil-rich states also see their sovereign wealth funds as being there not just to save European banks that are in difficulty, but also as tools that serve a strategic symmetrical overlook. Moreover, when asked to finance the UPM projects, they answer that they are already heavily involved in inter-Arab projects.

Europe's failure to establish a strategic partnership with the GCC countries is certainly not in its own long-term interest. And EU insistence for making such a partnership conditional on human rights is made all the worse by the rise of Islamophobia in Europe, orchestrated as it so often is by opportunistic politicians. Europe's policymakers should therefore think carefully about the implications of the United Arab Emirates (UAE) awarding its nuclear power generation project to South Korea. Had there been a Euro-Arab dialogue with a focus on labour and infrastructure, involving both labour importing and the labour surplus countries, the whole issue would surely have had a very different outcome on various levels, including the levels of labour and human rights.

But the Euro-Mediterranean partnership focused instead on free trade and the freedom of European companies to set up operations in labour abundant Arab Mediterranean countries. These countries suffered a high unemployment rate already in 1995, which was expected to increase even further and cause rural to urban migration. And it took the MEDA and other European instruments more than 10 years to address the issues

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like job creation and labour rights, and even then not very seriously. Unemployment is the major problem in many Arab countries, where most of those people outside the state-owned sector who are employed are either in the informal economy or are self-employed. Migration to the GCC countries to find work and thus build up the initial capital to establish a business back home has become one model, with the others being that of going to Europe and profiting from European social services like health care and retirement insurance. Remittances still constitute the major social safety net for those left at home, and it is important to remember that many Arab countries still have to economically absorb substantial numbers of refugees, notably Palestinians and Iraqis along with people from Somalia and elsewhere in Africa.

Improving labour standards and rights in many of the Arab countries would have helped to limit migration, and thus sustain demand and growth on both sides of the Mediterranean. But it goes without saying that this could not have been done alone; Arab countries all need a qualitative leap in their economic and social infrastructures to tackle the development gaps between countries and within different regions.

Europe was content to fashion its policies towards the Mediterranean on the basis of the Washington consensus: labour flexibility and strict fiscal orthodoxy, while fiscal revenues not expenses were the major issue. Yet all the time what these countries really needed was substantial investment in their infrastructures and an improvement in their labour mobility.

So how might the relationship have developed if Europe had at the time the Barcelona process was taking shape maintained that development is far too uneven, both within each Arab country and along the Mediterranean? Europe was able to act with great efficiency across its programmes and regional development instruments for severely underdeveloped parts of southern and eastern Europe intent on joining the Union. And it could foster such mechanisms in the Euro-Mediterranean partnership instead of now dealing with the ever-expanding informal poor areas around major Arab cities, which are now being pointed to as the major sources of migration and the breeding grounds of extremism?

Of course Europe isn't responsible for all the ills of the Arab world. And it can have the policy it wants for itself with Israel. But it is clear now that peace between Israel and the Arab world is not going to be the major driving force for economic development in the region, nor would it be likely to change the inefficient, undemocratic and rent-seeking behaviour of some Arab leaderships. The forces that will do that extend far deeper in the Arab societies, and far beyond the relations with Europe.

Europe does, however, need to cross the Mediterranean and look much more closely at its neighbours' problems, needs and perspectives, and to adapt its policies as a consequence. □

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