

# DER MITTELMEERRAUM, DIE TÜRKEI UND DER NAHE OSTEN

## **The Security Political Situation In The Mediterranean Area**

### **Introduction**

Developments around the Mediterranean area in the post-Cold War years have underlined the fundamental fact that this geostrategic location continues to be dominated by a mosaic of distinct subregional constellations, each evolving according to their own indigenous pattern of relations.

An analysis of the society of states which are geographically proximate to the Mediterranean basin reveals two prominent international regions: the geographical space which borders the north-west sector of the Mediterranean which is labelled the European Union, and the geographical area covering the south-eastern flank of the basin which is labelled the Middle East.

The three subregions encompassing the Mediterranean are southern Europe, the Maghreb, and the Mashreq. Each of the subregions continue to follow different evolutionary patterns and there is very little to indicate that any of them will significantly integrate with their counterparts across the Mediterranean any time soon. Relations in Southern Europe are largely co-operative dominant, with this group increasing its intergovernmental and transnational ties with the rest of Europe on a continuous basis. In contrast, conflictual relations have consistently hindered closer co-operation between countries in both North Africa and the Levant. Relations also remain primarily limited at an inter-governmental level, with cross-border types of interaction limited to the energy sector.

The geopolitical shifts that have occurred in the Mediterranean since the Barcelona conference in November 1995 and the course of events at the Malta Euro-Mediterranean ministerial conference in April 1997 and the informal Euro-Mediterranean ministerial meeting in Palermo in June 1998, have made it blatantly clear that a strategic reassessment on how to implement the goals outlined in the Barcelona Declaration is necessary. Such an exercise must take into consideration the particular subregional trends that are currently manifesting themselves if the Euro-Mediterranean Partnership (EMP) objectives are to be successfully realised.

The fact that the Malta and Palermo Euro-Mediterranean ministerial meetings took place without achieving any lasting breakthrough in the Middle East peace process (MEPP) demonstrates that while the success of the EMP is dependent upon advancement of the MEPP, the EMP has had very little influence, if any at all, on the MEPP.

### **Geopolitical Overview**

The thaw in cold war relations in the Mashreq which systematically spread to other parts of the Middle East after the historic Israeli-Palestinian peace agreement of 1993 has all but collapsed. Aspirations that the Middle East peace process would become more comprehensive with the inclusion of both Syria and Lebanon have now been replaced by efforts to preserve the fragile peace. Neither the Europeans nor the Americans have been able to influence Israeli Prime Minister Netanyahu's more hard-line approach to the peace process that has resulted in a freezing of peace negotiations since March 1997.

In March 1997, comprehensive co-operative relations in the Middle East seemed to have all but disappeared. At a meeting in Morocco of the Jerusalem Committee which met to discuss developments in the Middle East, foreign ministers of sixteen countries that included six EMP Mediterranean Partner countries, (Saudi Arabia, Bangladesh, Guinea, Egypt, Indonesia, Iran, Niger, Jordan, Lebanon, Morocco, Pakistan, Senegal, Iraq, Syria, Mauritania, and the Palestinian Authority), unanimously deplored the decision by Israel to go ahead with the construction of Jewish settlements in Jerusalem. This meeting was followed by an Arab League meeting in Cairo that urged the suspension of normal relations with Israel and a revival of the economic boycott against Israel.<sup>1</sup>

Any hope of revitalising the peace process took a back seat in 1997 and most of 1998. Middle East leaders and the United States have been preoccupied with the possibility of another showdown between the United Nations and Iraq and the increase in terrorist activities throughout the region. The European knee-jerk reaction to the situation led by France and supported by Egypt has been to call for a new Middle East peace conference to search for alternative proposals to break the stalemate.

In the Maghreb, efforts to promote more co-operative relations have also been at a standstill in recent years. Internal strife in Algeria and international sanctions against Libya have stifled attempts to reactivate the notion of a more integrated Maghreb as was outlined in the Arab Maghreb Union Treaty of 1989.<sup>2</sup> The European Union's more active policy towards Algeria and tentative developments in the Lockerbie affair in 1998 have done little to remove these barriers preventing further intra-regional co-operation.

Along the northern shores of the Mediterranean, Southern European countries have also had to contend with an increase in turbulent relations in their vicinity. Animosity between Greece and Turkey reached quasi-hostile intensity in early 1996 when a dispute over the sovereignty of a number of Aegean Islands resulted in an escalation of military movements on both sides. Efforts to formalise a set of good neighbourly principles between Greece and Turkey have proved unsuccessful.<sup>3</sup> Diplomatic interventions by the European Union and the United States to broker a peaceful resolution to the Cypriot issue have also not brought Athens and Ankara closer together. Further West, stability in Bosnia received a boost in December 1997 when U.S. President Clinton announced that U.S. troops would remain stationed in the region until a more secure peace was achieved. In contrast, 1998 has witnessed a spread of instability in the Balkans with clashes breaking out between Serbs and Kosovars in Kosovo.<sup>4</sup>

Rather than undermine or diminish the significance of the EMP and other initiatives to nurture trans-Mediterranean security initiatives, the quasi-conflictual pattern of relations in several pockets of the Mediterranean underlines further the necessity and urgency to create an all inclusive multilateral security process in the area.

Such processes also offer the possibility of extending co-operative patterns of relations at several levels. First, is the solidifying of north-south relations with the EU becoming

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<sup>1</sup> International Herald Tribune, 'Arab States Recommend Sanctions on Israel', 1 April 1997, p. 1.

<sup>2</sup> Joffé, George, (1994): 'The European Union and the Maghreb', in Gillespie, Richard, (ed.), *Mediterranean Politics*, Vol. 1, Pinter Publishers, pp. 22-45.

See also Camier, Alice (1991): *The Countries of the Greater Arab Maghreb and the European Community*, Commission of the European Communities, DE 68, Jan.

<sup>3</sup> International Herald Tribune, 'Greece Rejects Call By Turkey to Talk', 13 February 1998, p. 6.

<sup>4</sup> Coufoudakis, Van, (1996): 'Greek Foreign Policy in the Post-Cold War Era: Issues and Challenges', *Mediterranean Quarterly*, 7/3, pp. 26-41.

more deeply involved in Mediterranean issues. Second, is the aspiration that south-south relations will be strengthened as Mediterranean countries become more aware of the opportunities that exist in their neighbouring states. Third, is the fact that the process offers the Mediterranean countries involved with an exclusive opportunity to become more integrated into the international system itself. After years of being marginalised, the Mediterranean now has a chance to again become an active crossroads of co-operative international relations.

### **Time to Evaluate**

At this stage it appears logical for Euro-Mediterranean countries to dedicate their diplomatic resources to defining a practical package of confidence building measures that would create the necessary atmosphere within which a more elaborate security arrangement can be fleshed out at a later stage.<sup>5</sup>

When it comes to the direct risks and threats that the Euro-Mediterranean area needs to address these can primarily be classified into three specific time-oriented categories: the short term, the medium term and the long term.

In the short term, the Mediterranean countries must introduce a basic type of confidence building measure network that will enable them to manage and contain the large number of security challenges that risks upsetting stability across the Euro-Med area. The long list of “soft” security issues that could derail co-operative relations include maritime safety, environmental pollution, narcotics trafficking, and the flow of illegal migration.

At the moment there are no elaborate mechanisms to contend with security crises such as an accidental collision at sea between transport tankers crossing through the Straits of Sicily, or the alarming rate of degradation which is currently taking place in the environmental sector. One must also mention the proliferation of drug consignments which are reaching ever deeper into the civil societies of the Mediterranean, and the accentuation of illegal migratory flows from south to north which risks destabilising the legal structures of the state.

A confidence building initiative that can be introduced within the framework of the EMP is that of establishing a Euro-Mediterranean Development Centre (EMDC). The EMDC's principal objective would be to promote the dissemination of information relating to the Euro-Mediterranean process in an effort to enhance the level of transparency when it comes to taking decisions about the allocation of funds. Given the fact that ECU 2.2 billion of the appropriated 5 billion have already been committed to projects in the Mediterranean, such a measure should take place as soon as possible.<sup>6</sup>

As further progress is registered in each specific chapter of the EMP it is clear that there will be a need to monitor closely the large number of intra-regional co-operative ventures that will be endorsed. Apart from its intrinsic value, such a co-ordinating centre

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<sup>5</sup> Aliboni, Roberto (1997): 'Confidence Building, Conflict Prevention and Arms Control in the Euro-Mediterranean Partnership, Perceptions, Dec. 1997 - Feb. 1998, pp. 73- 86;

see also Tanner, Fred, (1997): 'The Euro-Med Partnership: Prospects for Arms Limitations and Confidence Building after Malta', *International Spectator*, xxxii/2, pp. 3-25.

<sup>6</sup> Agence Europe, 'EU/Mediterranean', 6 February 1998, p. 2.

will help overcome inconsistencies in the process and facilitate informal exchanges of views on a wide variety of subjects of common interest.

In line with the general framework of co-operation envisaged in the Barcelona Declaration of 1995, the EMDC's chief objective will be to encourage development in the following sectors:

- at a macroeconomic level, with the maximum degree of convergence between economic, monetary and budgetary policies
- promoting investment by standardising trade regulations and customs legislation
- Systematic monitoring of initiatives that the EMP is seeking to operationalise such as industrial zones and centres of special services.
- enhancing co-operation in sectors as diverse as science, technology, education, infrastructure, environment and tourism
- strengthening dialogue on social issues, including the narco-industry, migratory trends and cultural exchanges

The overall objective of the EMDC will be to assist in upgrading sectoral co-operative arrangements that currently take place in the energy, tourism and infrastructural sectors. Such measures are an indispensable part of the procedure that will have to be established if the goal of creating a free trade area is to become a reality.

The EMDC will in the first instance become a clearing-house of EMP information. Its main goal will be to build a Euro-Mediterranean community of values by strengthening the co-operative regimes that were outlined in the Barcelona Declaration.

In the medium term, the societal issues that the EMP will need to address if the living conditions of Mediterranean citizens are to improve, includes the promotion of food production, trade exchanges, industrial co-operation, debt rescheduling and relief, and an upgrade in investment capital particularly in the communication, transport and tourism sectors, which are the very growth areas of the economies of most developing countries across the Mediterranean. Closer co-operation between the countries concerned will also facilitate the promotion of alternative sources of energy such as solar and wind energy which would make production costs cheaper and more sustainable.

In the longer term, the creation of a flexible security framework that is already addressing soft security issues as those outlined earlier will set the stage for tackling more sensitive security challenges which include intolerant fundamentalism, demographic expansion and outright conflict.

At this point in the Euro-Mediterranean partnership process a concerted effort should be made to investigate the feasibility of setting up a Euro-Mediterranean Maritime Coastguard (EMMC). The EMMC would be mandated to carry out stop and search exercises in four principal areas: maritime safety, maritime pollution, narcotics trafficking, and the transport of illegal migrants.<sup>7</sup> Such an early warning and crisis prevention mechanism should be introduced in accordance with the principle of consent and open to any of the Euro-Mediterranean partner states that wish to participate in such a flexible soft security arrangement. In order to ensure that this security model can become

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<sup>7</sup> Calleya, Stephen C., (1997a): 'The Euro-Mediterranean Partnership Process After Malta: What Prospects?', *Mediterranean Politics*, 2/2, pp.1-22.

operational in the shortest period possible, the EMMC should consist of sectoral types of soft security co-operation.<sup>8</sup>

For example, any two or more EMP members can formulate co-operative alliances in specific sectors, such as that pertaining to narcotics trafficking without having to wait until all partners are in a position to introduce such actions. Such a plan of operation will enable the EMMC to evolve along subregional security faultlines in the first instance until it becomes feasible to establish a fully fledged Euro-Mediterranean Coastguard at a later date.

In addition to strengthening political and security channels of communication, the establishment of such a Euro-Mediterranean conflict prevention network will assist in cultivating more intense crisis management mechanisms in an area where these are lacking. In order to ensure that such a flexible security arrangement becomes operational, its primary mandate may be limited to the following codes of conduct : fact-finding and consultation missions, inspection and monitoring delegations. Such traditional rules of engagement may also be supplemented by operations that include the facilitation of humanitarian relief particularly in times of natural disasters. At a later stage, situation centres may be set up around the Mediterranean to monitor activities under this mandate.

It is only after such a threshold has been arrived at should a concerted effort be made to spell out the parameters of a security charter which will include both confidence building and crisis prevention measures and seek to further advance regional disarmament. The establishment of a Euro-Mediterranean security charter will also assist in creating a climate where the partner countries can develop command and control mechanisms to intervene as early as possible in crisis situations. Acting only after an aggressor has acquired territory or access to natural resources is to force the unwelcome choice between a massive military response and a major strategic debacle. The later the international community and security organisations intervene, the larger the cost and the less chance to restore stability.

### **The Political Dimension**

What are the prospects for a more active and effective EU external policy towards the Mediterranean and the Middle East? The positive steps registered between the Palestinian Authority and Israel during the Euro-Mediterranean conference in Malta in April 1997 shed light on the positive influence the European Union can have on the outcome of regional relations.

To date, the European Union remains an economic hegemon in the Mediterranean area. All the countries in the basin are highly dependent on conducting trade with Western Europe. The aspiration of creating a EuroMediterranean free trade area by the year 2010 as stipulated in the Barcelona Declaration of 1995 and the negotiation of “association agreements” with the Mediterranean partner countries in the interim augur well for a more assertive EU economic role in the Mediterranean.

*Whether this process will enable the EU to establish a more proactive political role with its southern periphery is however no foregone conclusion. Such an outcome will depend largely on how successful Brussels is in implementing its*

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<sup>8</sup> Calleya, Stephen C., (1998): ‘Crosscultural Currents in the Mediterranean’, Mediterranean Quarterly, 9/3, pp. 41-60.

*goal of establishing a common foreign and security policy as envisaged in the Maastricht and Amsterdam Treaties. Harbingers of a more active EU foreign policy towards the Middle East would be wise to recall that European attempts to influence regional dynamics have met with limited success in even the recent past: the Bosnian fiasco is a valid case in point.*

On the other hand, European Union diplomatic overtures since the launching of the Barcelona process tend to suggest that EU member states are in fact realising more effectively their goal of pooling their diplomatic resources into a single decision-making process. Although national interests continue to supersede the notion of a collective security approach to regional affairs, the EuroMediterranean process is at least providing the EU with a mechanism through which it can interact with the Mediterranean in a more coherent and systematic manner.

Nevertheless, the European Union will have to advance carefully if it is not to upset the concept of “balancing” in relations between Mediterranean states and their external patrons. If the EU is perceived to be attempting to dominate intra-Mediterranean patterns of interaction, the latter could retaliate by becoming less co-operative in their dealings with specific EU member states that have substantial political and economic interests in the area. The consequences of such a turn of events would be very high if such a trans-Mediterranean backlash were to include the key oil and gas producers.

The European Union must also formulate an external affairs strategy towards the Middle East that does not appear to be duplicating Washington’s endeavours to broker a peace settlement in the region. Failure to adopt such a policy will only result in a wastage of already scarce resources and could also lead to a situation where the European involvement in the Middle East is regarded more through a competitive lens than a complementary one.

The fluid nature of contemporary international relations in the Middle East certainly offers the European Union with an opportunity to upgrade its influence in this geostrategically proximate region. One option that could assist the EU in becoming more effective in the region is to introduce a political mechanism that will allow it to adopt a more regular, rapid and flexible type of involvement in the Middle East.

This could take the form of creating a specific ad hoc committee or supporting in a more dynamic manner the existing special envoy team that would constantly update the EU Commission and the Council of Ministers about regional patterns of relations and peace process developments. The introduction of such a committee or special envoy would also facilitate communication flows between Europe and the Middle East protagonists, a measure that could help boost confidence building in the area.

The Middle East stalemate is not only detrimental to the region itself but is also having a negative impact upon regional relations across the Mediterranean area. International initiatives such as the MENA process and the Euro-Mediterranean process that have attempted to spur intra-regional co-operation are being held hostage as a result of the lack of progress in peace talks.

If a breakthrough does not emerge in the next few months the international community under the leadership of the United States should step back from the current stalemate and conduct a complete re-assessment of the situation. As things stand, the peace process is going nowhere. The European Union must also do more than simply accept its subordinate role in the region – it is a major economic player in the Middle East and should seek to play a more important political role. For some reason the EU has not

realised that the Mediterranean area which includes the Middle East is its backyard and until it seeks to play an important role in this geo-strategic zone its aspiration of projecting a common foreign and security policy will remain a fallacy.

When it comes to re-thinking how to accommodate both the Israelis and the Palestinians a number of strategic models could serve as a useful guide. A Westphalianization blueprint would call for the immediate recognition of a Palestinian state. A Finlandization model would establish a neutral Palestinian state. A Vaticanization model would lead to the establishment of a religious trusteeship. A Sinaification approach would call for an international peacekeeping force to monitor agreed upon borders. A Bosnification model would seek to replicate some of the provisions adopted in the Dayton peace plan, while a Brusselization approach could be considered when it comes to discussing the future of Jerusalem, with the disputed city perhaps becoming the administrative capital of both Israel and Palestine.<sup>9</sup>

Given the direct bearing the Middle East peace process is already having on the evolution of the Euro-Mediterranean process, playing a more direct role in the Middle East peace process certainly seems a logical course of action for the Europeans to consider in the run up to the next millennium.

### **The Economic Dimension**

Stability across the Mediterranean is crucial if the necessary investment capital required to ameliorate economic conditions in the area is to be successfully attracted. The difficulty in attracting private investment to the Mediterranean area in the current uncertain climate is clear. Although international investors are searching for new markets to support now that the Asian region has suffered such a traumatic implosion, there is nothing to indicate that the Mediterranean is set to capture a significant proportion of this investment.

In this respect it should be noted that growing disparities between per capita incomes on the Northern and Southern shores of the Mediterranean have continued to increase, even in states such as Morocco and Tunisia, where stringent economic reforms and structural adjustment programmes have been introduced. The significant extent of economic disparities in the Mediterranean along a north-south axis is evident when one compares the 1994 annual average World Bank figures of \$18,000 per capita income to the North, and only \$700 per capita to the South.

The 4.6 billion ECUs agreed at the Cannes Summit in July 1995 to fund the Euro-Mediterranean initiative over a five year period still only represents about half of the 7.4 billion ECUs earmarked for East and Central Europe over the same period, where the population totals 96 million people, as opposed to 230 million people in the Mediterranean basin. Moreover, the funds the EU are dedicating to the Mediterranean for the 1995-1999 period is less than one third of the trade surplus it achieved with the 12 Mediterranean partners and Libya in 1995 (13.7 billion ECU) and less than half the trade surplus it registered with the same area during 1993 (12.1 billion ECU) and a little more

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<sup>9</sup> Thanks to Bjorn Moller for sharing his insight during the 'World Visions' conference at the University of Aarhus, Denmark, December 1997.



than half the surplus obtained during 1994 (9.3 billion ECU), (EUROSTAT, 1997).<sup>10</sup> (see appendix three).

If economic disparities in the Mediterranean are to be addressed and narrowed in a credible manner the EU will have to identify and operationalise a series of co-operative cross-border projects that will act as a catalyst to increase the interest of international investors to this part of the world. Otherwise, the objective of establishing a more economically balanced Euro-Mediterranean area will not transpire. Although free trade in itself is likely to increase the level of trade between the northern and southern countries of the Mediterranean, there is nothing to guarantee that this will necessarily reduce the wide level of economic disparities that currently exist. In fact, an increase in EU exports to the Mediterranean would only exacerbate the negative balance of payments which countries in the south are experiencing.<sup>11</sup> (see appendix two and four).

The harsh economic realities that Mexico has had to confront since signing up to the NAFTA agreement is indicative of the negative impact the introduction of free trade measures can have upon developing countries. In effect, the creation of a free trade area could end up reinforcing current North-South and South-South divides as riparian states of the Mediterranean find it more and more difficult to attract international investment.

In the short to medium term it therefore appears essential that some type of a compensation fund be created for those sectors of the population in the least developed countries of the Mediterranean that will suffer most of the socio-economic brunt that free trade could bring with it. Such political action will also give credence to the EU claim that its main interest is to ameliorate socio-economic living conditions throughout the Mediterranean area.

One of the central goals of the EMP is the creation of a free trade area by the year 2010. This is to be systematically realised by implementing the second chapter of the Barcelona Declaration that is dedicated towards the establishment of an economic and financial partnership between the twenty-seven countries with the ultimate aim of creating an area of shared prosperity.<sup>12</sup>

- How realistic and feasible are such goals given the enormous socio-economic disparities which exist across the Euro-Mediterranean area?
- What can one expect to emerge in the run up to the new millennium in respect to this dimension of the Euro-Mediterranean partnership process?

A prerequisite to spurring the existing low levels of intra-regional economic relations in the Mediterranean to a free trade or common market level of integration is the maintenance of co-operative relations between the countries in the Euro-Mediterranean process, particularly those located along the southern and eastern shores of the basin.

The recent increase in hostilities between Israel and the Palestinian Authority, Syria and Lebanon's indifference to the peace process in general, the escalation of tension

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<sup>10</sup> Eurostat, 'EU Trade Surplus with Mediterranean Hits 13.7 Billion ECU', 7/97.

<sup>11</sup> Rhein, Eberhard, (1998), 'Euro-Mediterranean Free Trade Area For 2010: Whom Will It Benefit?' Friedrich Ebert Stiftung, pp. 129-142.

<sup>12</sup> Marks, Jon, (1996): 'High Hopes and Low Motives: The New Euro-Mediterranean Partnership Initiative', *Mediterranean Politics*, 1/1, pp. 17-19.

See also Calleya, Stephen C., (1997): *Navigating Regional Dynamics in the Post-Cold War World, Patterns of Relations in the Mediterranean Area*, Dartmouth, pp. 205-210.

between Greece and Turkey, the failure to negotiate a settlement to the Cypriot stalemate, and European concerns on the increase of violence in Algeria, are just some of the examples which one can mention to illustrate the fragility of peaceful relations in the area.

Light has been further shed on the plethora of obstacles that one has to overcome before the concept of partnership building can take root in the economic sector by the Middle East-North Africa (MENA) economic process. Only after four summits in Casablanca, Amman, Cairo and Doha in 1994, 1995, 1996, and 1997 respectively, was significant headway registered in the direction of setting up a Middle East development bank.<sup>13</sup> It therefore comes as little surprise that the concept of establishing a Mediterranean development bank is something for the distant future.

A more realistic and crucial short-term goal is that of spurring horizontal types of economic co-operation to complement the to date dominant vertical forms of economic interaction that characterise Euro-Mediterranean economic and financial relations. As part of its effort to foster more intense south-south economic forms of co-operation the Euro-Mediterranean process has dedicated a substantial proportion of its resources since November 1995 to encouraging cross-border types of commercial ventures. The result has been the spontaneous emergence of Euro-Mediterranean chambers of commerce, industrial federations, trade fairs, and export promotion agencies.

At a bilateral level, the European Union has already signed Association Agreements with Morocco, Tunisia, Israel, the Palestinian Authority, and Jordan and is currently negotiating similar agreements with all its Mediterranean Partners. The EU regards this as a natural progression towards creating a Free Trade Area in about twelve years. The EU is however concerned that the deadlock in the Middle East peace process may slow down further progress in this area. Negotiations with Lebanon are blocked. Those with Egypt have run into agricultural problems, and although the Commission has a brief to negotiate with Syria it is not clear how the negotiations will develop. The agreement with the Palestinian Authority cannot be implemented due to Israel.<sup>14</sup>

An increase in private flows of capital to the Mediterranean will only result if the countries concerned move away from dependency upon the energy sector and the low margin ends of the textile and tourism markets towards high value-added industries such as specialised tourism and garment and component production. There is also a necessity to diversify in investment instruments, so that larger flows of portfolio investments bolster the performance of Mediterranean stock markets.<sup>15</sup>

The EU now stands alongside the World Bank and the IMF as the EuroMediterranean region's main partners in economic dialogue. But it ultimately remains the Mediterranean countries' task to become more competitive if they are to integrate further into the rapidly evolving global political economy. The EMP must therefore concentrate on finding the most effective way to act as a catalyst towards realising the goal of re-establishing a common EuroMediterranean area of prosperity.

At the same time, an analysis of the ability of international organisations to influence regional relations reveals that while they are often capable of having an impact on the regional patterns of relations they are unable to alter the basic pattern of regional

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<sup>13</sup> See Special Report on Cairo Summit, MEED, 15 November 1996, pp. 9-18. See also MEED, 22 November 1996, p. 6.

<sup>14</sup> Agence Europe, 'EU/Mediterranean', 6 February 1998, p. 2.

<sup>15</sup> Marin, Manuel, (1997): 'Partners in Progress', Euro-Mediterranean Partnership, Vol. 2, London, pp. 7-8.

alignment and conflict within such international regions. Contemporary EU involvement in the Mediterranean is a good example of an international organisation's limited ability to influence regional dynamics. In reality, the EU's Mediterranean policy is best seen as a boundary management exercise, rather than a boundary transformation one. Its principal aim is to safeguard the process of regional integration in Western Europe from that of fragmentation which is active throughout the Middle East.<sup>16</sup>

### **Prospects for the Future: A Regional Assessment to 2010**

A number of indicators extant today can be used to project the strategic environment in the Mediterranean to 2010. Unless these indicators change significantly, the environment for the first ten years of the next century will be set by the year 2000. The speed with which the events in Europe and the Middle East are moving makes it likely that the shape this part of the world will take by 2010 will be clearly discernible by the end of this century. The United States and Europe will continue to depend on the Persian Gulf and North Africa for much of their energy supplies. They will however be joined by the likes of China and India that will need to satisfy their growing energy demands and therefore access to these areas will remain a high foreign policy priority.

In the first half of the 1990s the Mediterranean showed signs of becoming a co-operative dominant area. But in the past two years there has been an increase in conflictual relations throughout the Mediterranean and a resultant shift to an indifferent type of region. Fault-lines along a north-south and south-south axis have become more apparent, with no sign of a process of regional transformation taking place.

As relations stand, two scenarios are possible: the first is one in which a number of Mediterranean countries manage to integrate at both a regional and international level, while the rest collapse completely. The second is one in which the majority of countries in the Mediterranean fail to integrate and are marginalised from the international political economy.

As patterns of relations across the Euro-Mediterranean area stand, the majority of littoral countries in the Mediterranean are unlikely to integrate into the global political economy that is emerging. Transnational ventures will remain limited, with states in the area more concerned with intra-state issues than with inter-state types of co-operation.

What is thus required is an urgent concerted effort by the Mediterranean states themselves to create a transnational network upon which cross-border types of economic and financial interaction can take place. If the Mediterranean is to compete and prosper in the global village of tomorrow it must nurture an environment where people, products, ideas and services are allowed to flow freely. At the moment there are too many bottlenecks in the system.

In contrast to the co-operative South-East Asian and Latin American developing regions, the Mediterranean currently consists of a number of subregional constellations, i.e., Southern Europe, the Maghreb, the Mashreq, the Balkans, that are evolving along separate and distinct paths. Perhaps the label that best describes the pattern of relations in the area is "fragnegration" which denotes the integration efforts being pursued by the EU Southern European countries and the fragmentation type of relations that continues to dominate the southern and eastern shores of the basin. In fact, the lack of cohesion and

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<sup>16</sup> Calleya, Stephen, (1997), *op.cit.*, p. 186.

unity achieved to date somewhat mirrors regional dynamics manifesting themselves across central Africa.

During the first ten years of the new millennium the United States will shift its foreign policy concerns in the region further east, focusing on the management of relations in the Mashreq and the Persian Gulf. The rest of the Mediterranean will become a European Union sphere of influence once a common foreign and security policy is introduced. In the interim, the EU will continue to contain instability that may emerge along its southern periphery. In the short-term, its priority will be to achieve internal cohesiveness through the successful introduction of economic and monetary union. In the medium term, the EU's objective will be to integrate as many central and eastern European countries as is feasible.

As the situation stands, the Mediterranean EU candidate countries, Cyprus and Malta, will have to formulate constructive foreign policy programmes that demonstrate their ability to cope with EU membership criteria if they are to become full members in the next phase of enlargement. The stalemate between Greece and Turkey over Cyprus is unlikely to be resolved in time for the Mediterranean Island to be included in the next tranche of applicants. Despite EU pronouncements to the contrary, the EU will not be prepared to adopt the Cypriot stalemate as it stands. The return of Malta's pro-EU government in September 1998 will certainly boost Malta's chances of becoming a full member in the short term, but the EU is likely to request that Malta adopt a consensual foreign policy position vis-à-vis the EU before membership is granted.

In the meantime, both Malta and Cyprus would do well to dedicate their limited resources to nurturing niche industries, particularly in the service sector, that can tap into the regional and international investment markets of tomorrow. In contrast, Turkey is destined in the short to medium term to remain an EU orphan. Turkey's sheer size, religious and cultural traits, and human rights record will prevent it from becoming a member.

The Mediterranean has shifted from an imperial British lake in the nineteenth century to a superpower sea in the twentieth. On the eve of the twenty-first century, the Mediterranean is more akin to a fault-line between the prosperous North (the haves), and an impoverished South, (the have-nots). The key development to watch in the Mediterranean in the next decade will be to see whether the phase of co-operative competition that has dominated post-Cold War relations to date is eventually superseded by an era of conflictual competition. This is sure to happen if states on the lower echelons of the economic development table come to the conclusion that they are not going to be able to improve their economic situation. If this age of indifference scenario does take hold, disorder will dominate Mediterranean relations and as resources are depleted, the region will become an economic wasteland. (see appendix one).

In the post-Cold War world that has emerged, the patterns of relations in the Mediterranean have already moved away from a co-operative security dominant framework to a more competitive security based model. If contemporary trends continue, the Mediterranean is destined to become a geo-strategic zone of indifference. Soft security risks will multiply, demographic growth will exacerbate economic problems, and the developed world will adopt a selective engagement approach towards the area.

The only way this scenario can be avoided is if the Euro-Med Partnership process is overhauled, international institutions such as the World Bank and the IMF become more

aggressive in their dealings with the region, and the Mediterranean countries themselves adopt a self-help mentality.

Rather than undermine or diminish the significance of the EMP and similar trans-Mediterranean initiatives such as the Mediterranean Forum process, the quasi-conflictual pattern of relations in several pockets of the Mediterranean underlines further the significance of such processes in the area. The success or failure of trans-Mediterranean initiatives will actually determine whether the Mediterranean becomes a crossroads of tension, outright conflict and an economic wasteland, or whether it becomes a co-operative zone of peace, prosperity and tolerance. On the eve of the new millennium, multilateral initiatives must constantly adapt to the rapidly changing regional security dynamics they are attempting to stabilise if they are to avoid becoming irrelevant. This is the challenge strategists must confront in the Mediterranean area.

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Appendix one

*MEDITERRANEAN GEO-POLITICAL SCENARIOS IN THE YEAR 2010*

INTEGRATION	CO-OPERATIVE SECURITY	COMPETITIVE SECURITY	INDIFFERENCE	FRAGMENTATION
Renaissance	Flexible relations	Gradual Growth	Fault-lines Intensify	War
Mediterranean Region	Core/Periphery	Status Quo	<b>Subregional Instability</b>	Apocalypse
Prosperity	Stability	Boundary Management	Marginalisation	Clash of Civilisations
Transnational dominant	Haves/Have Nots	North-South divide	Wasteland (resource depletion)	
Pax Mediterranea	CSCM	Euro-Med Partnership	Euro-Med Collapse	Meltdown
10%	20%	25%	35%	10%

Appendix two

**EU trade flows with the Mediterranean Basin by individual countries**

by Mediterranean Countries

	EU-EXPORTS				EU-IMPORTS				EU-TRADE BALANCE			
	1994 share	1993 Bio ecus	1994	94/93 %var.	1994 share	1993 Bio ecus	1994	94/93 %var.	1993 Bio ecus	1994	1993 as % of total trade	1994
Malta	4,1	1,76	1,87	6,0	2,8	0,86	1,01	18,0	0,90	0,85	34,5	29,7
Turkey	19,3	11,78	8,87	-24,7	20,8	6,54	7,61	16,2	5,24	1,26	28,6	7,7
Morocco	9,5	4,24	4,38	3,3	10,1	3,39	3,71	9,2	0,84	0,67	11,0	8,3
Algeria	10,1	4,12	4,62	12,1	16,0	6,32	5,86	-7,3	-2,21	-1,24	-21,1	-11,8
Tunisia	8,2	3,63	3,77	3,9	8,3	2,49	3,04	21,8	1,14	0,73	18,6	10,8
Libya	4,4	2,74	2,04	-25,6	16,3	6,14	5,96	-2,9	-3,40	-3,92	-38,3	-49,0
Egypt	9,9	4,42	4,57	3,3	7,7	2,23	2,80	25,3	2,19	1,77	32,9	24,0
Cyprus	4,4	1,88	2,00	6,3	1,7	0,72	0,62	-13,7	1,16	1,38	44,7	52,6
Lebanon	4,8	1,74	2,20	25,9	0,2	0,06	0,09	40,8	1,68	2,11	92,9	92,1
Syria	3,5	1,36	1,61	18,2	4,3	1,67	1,57	-5,5	-0,30	0,04	-10,0	1,1
Israel	19,5	7,57	8,96	18,3	11,3	3,42	4,14	21,1	4,15	4,82	37,8	36,8
Jordan	2,3	0,95	1,04	8,9	0,4	0,28	0,15	-45,4	0,68	0,89	54,9	74,5
Mediterranean Countries	100,0	46,20	45,90	-0,6	100,0	34,12	36,55	7,1	12,07	9,35	15,0	11,3

\* All figures have been rounded except for the % variance which as calculated using the full figures

## Appendix three

### EU TRADE SURPLUS WITH MEDITERRANEAN

#### HITS 13.7 BN ECU

#### Exports up sharply by 10%

The EU's trade surplus with the 13 Mediterranean countries<sup>\*1</sup> rose to a "remarkable" 13.7 bn ECU in 1995, according to a report<sup>\*2</sup> today from **Eurostat, the Statistical Office of the European Communities in Luxembourg**. In 1994 the surplus was 10.4 bn.

The report says trade relations with the **Mediterranean** are of major importance to the EU, although their share of total EU external trade has shrunk somewhat in recent years. In 1995 their share of all EU exports and imports amounted to 9.3% and 7.2% respectively.

In 1995, EU imports from the **Mediterranean** countries rose by 4% over 1994. Exports were up sharply by 10% after a slight fall of 0.5% the previous year.

#### Turkey most important supplier

Petroleum products, clothing, textile yarns and fabrics, and fruits and vegetables were the most important imports in 1995. Together they made up 60% of all EU imports from these countries.

EU exports to the area were concentrated mainly in machinery and transports equipment - 38% of the total - and miscellaneous manufactured goods (32%).

**Germany, France and Italy** accounted for more than 60% of both exports to and imports from the **Mediterranean** basin. On the other side **Turkey** (26%), **Israel** (16%) and **Algeria** (12%) accounted for more than half of the EU's total trade flows with the region.

**Turkey** also stands out as the most important EU supplier: in 1995 it was the source of some 24% (9.2 bn ECU) of all the Union's imports from the region. It was followed by **Algeria** and **Libya** (both 15% or around 6 bn ECU).

**Malta, Lebanon and Israel** recorded the highest levels of intra-industry trade<sup>\*3</sup> with the EU. Trade with **Syria, Libya and Algeria** was restricted largely to inter-sectoral exchanges.

#### Positive balances for all except Portugal

**France** and **Germany** recorded the largest surpluses: 3.7 bn and 2.7 bn ECU respectively. All Member States had positive balances - except **Portugal** with a small deficit of around 0.2 bn.

**Finland** and **Sweden** showed the most dynamic export growth in 1995: 27% and 24% respectively. **Ireland** recorded the highest percentage change in imports - a rise of 31%.

1. Malta, Cyprus, Turkey, Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Syria, Lebanon, Israel and Gaza-Jericho.



2. EUROSTAT Statistics in focus, External trade no 13/96, EU trade with the Mediterranean countries, results for 1995.

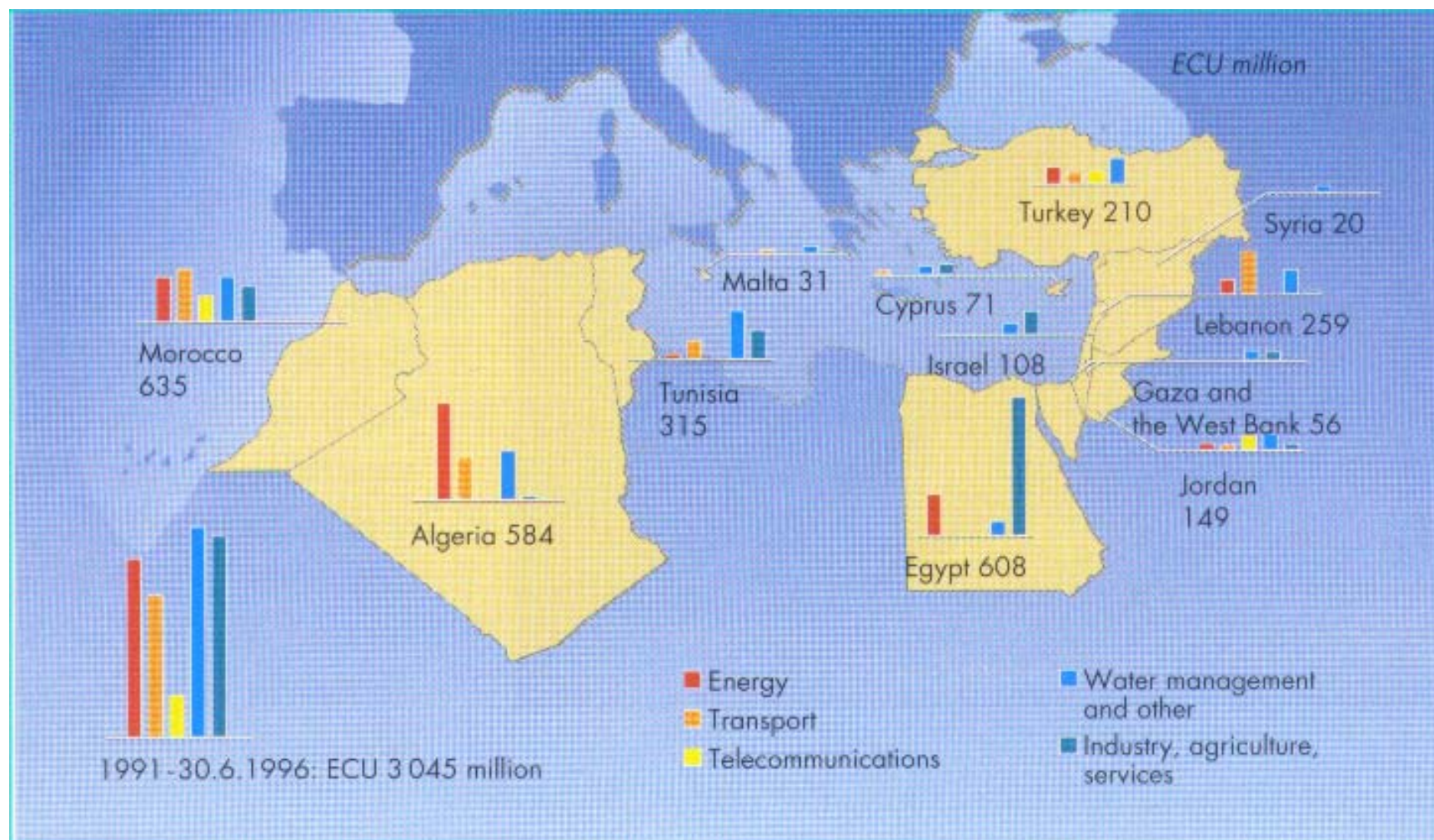
3. Intra-industry trade means that bilateral trade flows (exports and imports) are concentrated in the same industries.

EUROSTAT No. 7/97 28 January 1997

Appendix four

Financing provided by the EIB in the non-member Mediterranean Countries

1991 - 30.6.96 : ECU 3045 million (EIB June 1996)



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