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Euro-Med: European Ambitions in the Mediterranean

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The European Union is carving out a sphere of potentially vast influence in the Euro-Mediterranean basin, while also cultivating special relationships further south in the Arabian Peninsula. European ambitions do not directly challenge US security policy in the Middle East. Rather, they parallel US interests in the Caribbean Basin and Latin America: for a large regional free trade zone open to imports and foreign investment.
Most Americans and many Arabs, Israelis, Turks and Europeans think of Uncle Sam as the superpower in the Middle East—an avuncular hegemon, waging peace and war, picking favorites and ostracizing errants, dispensing guns here and butter there. Certainly, this image of a Goliath casting a shadow from the Straits of Gibraltar to the Straits of Hormuz is more than a mirage. American investments in Arab oil, Arab petro-investments in the US and the penetration of Middle Eastern markets by American firms are all significant. The US sells more weapons—and sends more economic aid—to the Middle East than to any other region. US battle readiness and strategic advantage from the Mediterranean to the Persian Gulf are unrivaled. Over the last decade, the US has intervened ostentatiously in the region’s hot spots, and the US continues to rattle its sabers ominously from time to time. So Yankees are widely regarded as the power brokers in the entirety of the Middle East and North Africa.

Look out, Uncle Sam, the Europeans are coming. What used to be the European Economic Community (EEC) formed the European Union in 1992, creating the world’s largest, most powerful supra-national federation of sovereign states. Pursuing economic integration, enlargement and common foreign policy initiatives, the European Union is carving out a new sphere of potentially vast influence in what it calls the Euro-Mediterranean basin (Euro-Med), while also cultivating special relationships further south in the Arabian Peninsula. Euro-Med does not directly challenge US policies in the Middle East and North Africa. Rather, Europe’s ambitions south and east of the Mediterranean parallel US interests in the Caribbean Basin and Latin America: for a large regional free trade zone open to imports and foreign investment. If successful in its expansive aims, the multifaceted Euro-Med project could very well be a force for the twenty-first century.

**Euro-Med Engagement**

The 27-member Euro-Med Partnership, launched at the much-ballyhooed Barcelona Conference in 1995, consists of three “baskets.” The economic basket is paramount. Aiming to establish a Mediterranean free trade zone by 2010, the 15 members of the European Union promised aid through the Mediterranean Development Assistance (MEDA) program in exchange for market reforms. The strategic basket, whose ultimate goal is the creation of a “common area of peace and stability,” has started slowly, with some statements and initiatives on human rights and political reforms. Although under-funded in comparison to MEDA, the multidimensional socio-cultural basket of research, conferences and projects on Mediterranean antiquities, history, ecology, contemporary arts and the like seems to have captured intellectual imagination—as well as commercial interest—especially in France, Spain and Italy.

There are three concentric circles of Euro-Med engagement. Three aspirants to full-fledged membership in the European Union—Cyprus, Malta and Turkey—are assessed periodically for their progress toward meeting a range of EU accession criteria, including human rights standards. The 12 partners in the envisioned Mediterranean free trade zone are these three plus Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, the Palestinian Authority, Lebanon and Syria. All of these have signed or are negotiating association agreements. Beyond the Mediterranean basin, Brussels is also negotiating a free trade agreement with the Gulf Cooperation Council (GCC), itself a free trade zone comprised of the Gulf monarchies.

The impetus for the Barcelona Process, as Euro-Med is also known, came from several directions simultaneously. After the formation of the World Trade Organization, the European Community hoped to enhance markets and investments in foreign countries close to home. Xenophobes fearful that Arabs and Turks will overrun a continent were crying for policies to stem immigration, while the deteriorating situation in Algeria in the mid-1990s raised the specter of Islamist radicalism spilling into Europe. In addition, French and British colonial legacies and Italian, Spanish and Greek merchant empires underlie particular interests that those countries hoped to advance via Euro-Med engagement. At the same time, their preferences for programs in the newly independent states notwithstanding, northern European companies sought direct outlets to the Mediterranean region. Lastly, of course, North Africa is both a source of petroleum for Europe and its gateway to more oil in the Persian Gulf.

**Invitation to an Elite Party**

It has also been suggested that after the US seized the peace process from Europe at Madrid and Oslo, the Euro-Med conferences served as an alternative to the moribund multilateral tracks of the US-orchestrated Arab-Israeli negotiations. Every US administration has favored one-on-one bilateral negotiations between Israel and its Arab neighbors, and a focus on this conflict even to the exclusion of other issues. Washington puts most of its eggs in a few baskets, with generous aid to Israel and Egypt and a special security relationship with Saudi Arabia. If the US tends toward unilaterals and bilateral approaches, the Euro-Med framework is inherently multilateral. Euro-Med invites everyone to an elite party, casting a broader and potentially more viable net around issues of common concern like the environment, shipping and communications.

The total European Union budget for spending in the 12 Mediterranean countries has been running at nearly a billion euros per year, including MEDA grants, loans from the European Investment Bank and other sources. Some 86 percent of these funds are spent on classical economic development projects and/or support for structural adjustment in the low- and middle-income countries of the Arab Mediterranean. The remainder goes toward Euro-Med activities involving most or all partners, including summits and conferences. A billion euros a year is modest compared with

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some five billion dollars in annual US aid to Israel and Egypt, but its wider distribution buys the Union more regional economic leverage. Particularly in North Africa and in Lebanon-Syria, European consultants and brands are conspicuous. Whereas US aid includes military as well as economic assistance, all EU assistance is for civilian purposes. So the EU can legitimately claim to be the largest provider of development assistance to the needy countries of the southern Mediterranean, and the main source of non-military funding for the Middle East peace process.

Despite their qualms about sitting down together, Middle Eastern governments have strong incentives to enter multilateral trade talks with virtually all of Europe. Turkey groused about seating a “terrorist” state, Syria, and complains that Greek malfeasance is blocking its accession bid, but neither Turkey, nor Israel, nor any Arab Mediterranean state except Libya is likely to decline an invitation to participate, even as a junior partner, in the European club. Greeks, Turks and Cypriots, and Israelis and Arabs, have all participated in large-scale talks on a wide array of subjects, even security issues.

**Bureaucrats and Business Concerns**

Often dismissed in the US press as the bumbling bureaucrats of Brussels, the EU has indeed not launched Euro-Med with great speed or skill. After several missteps, MEDA I was redesigned to match the structure and function of the larger program (known by the acronym PHARE) to promote post-communist transitions to capitalism in Central and Eastern Europe. Its complex and ambitious Program for Decentralized Cooperation, designed to promote multiple linkages between European and Arab towns (Euro-Med Urbs), universities (Euro-Med Campus) and media (Euro-Med Media), initially faltered on sheer logistics. In early 2001, MEDA II and other programs were placed under the Europe-Aid Cooperation Office, established in 2001 to rationalize the EU’s foreign aid programs. In the meantime, the Balkan morass claimed ever more resources, the significant package of assistance to the Palestinian Authority was suspended for at least six months in 2000-01 and the relative unity of Barcelona dissipated amidst debates on the common currency, expansion, immigration and other matters.

Such problems notwithstanding, Euro-Med is building a vast network of ministerial summits and lower-level partnerships in every sector imaginable, from agriculture to zoology and space technology to micro-credit. There are meetings every month of youth, women, union leaders, journalists, scientists, businesses, bankers, diplomats or bureaucrats. Predictably, Euro-Med conferences have been most productive in the least political areas of narrow common concern, such as among marine ecologists, tourism companies, Francophone filmmakers and aficionados of Roman or Moorish design. Talks on broader, heavier issues like terrorism, smuggling, immigration and protectionism have made little progress. Certainly, the peace initiatives designed to bring Israel together with its four immediate neighbors under the Euro-Med framework (dubbed Peace-Media, Peace-Urbs and Peace-Campus) had scarcely gotten off the drawing tables when the last of the Clinton peace efforts failed in the summer of 2000. Paltry though their fruits have been during the past five years, over the next cycle the multilateral conversations of Euro-Med may well produce something greater than the sum of their parts. After enough conventions, declarations and organizations have been established in the Euro-Med framework, a Euro-Mediterranean basin with strategic, economic and cultural (as well as ecological) dimensions may begin to take shape.

European commercial interests are already being advanced through Euro-Med, both directly through European Commission contracts for MEDA projects (some 80 major tenders a year) and indirectly through commercial opportunities such as technology sales and financial services. If and when Euro-Invest really gets off the ground, exponential growth in such opportunities is predicted. Outside government and business circles, universities, think tanks and advocacy groups throughout the EU have discovered a potentially lucrative pot of Euro-Med grant money, access to which, according to some small European NGOs, is gained via a trendy cocktail circuit.

**Conflicting Objectives**

Liberal rhetoric about partnership and popular participation is not necessarily borne out in practice, for Euro-Med contains a number of contradictory goals and conflicts of interest. The oft-stated objectives of “decentralized cooperation” in the civic realm and at the grassroots level seem at odds with the highly centralized implication of national security officers in the Euro-Med dialogue. Far from advancing democracy and stability in the short term, structural adjustment policies threaten to exacerbate social inequalities and resentments.

Certain progressive tendencies seem built into the Euro-Med framework. In the area of democracy promotion, for instance, European social democratic parties have been more inclined than their Christian Democratic counterparts to seek MEDA grants for dialogue with Arab political forces. Some connections among international labor unions have been solidified already under Euro-Med. The discourses of
internationalism, feminism, environmentalism, human rights activism and sympathy for Palestinian victims of Israeli occupation are deeply embedded in European foreign policy pronouncements. Europeans like to see and portray themselves as possessing a moral leadership that disdains US militarism and imperialism. With the Bush administration retrenching on matters from global warming to the death penalty to Iraq sanctions to non-proliferation, this sense of relative self-righteousness swells. Perhaps naively, Europeans in the Middle East imagine themselves immune to what they hope are purely anti-American sentiments.

But clearly, the relationship between the 15 EU members and their 12 Mediterranean partners is based on a hierarchical North-South or core-periphery dynamic. With the exception of Israel, there are vast disparities in wealth between Europe and the lower Mediterranean. As in NAFTA, the free trade zone of the Americas, Southern countries worry that benefits will inevitably drift from the poorer countries to the capitalist core. Turkish, Egyptian and Moroccan negotiators have expressed alarm over the dangers of unequal exchange, pointing to the European intention of removing tariffs on services and most manufactures without concomitant attention to the terms of trade in food and textiles. A further measure of asymmetry is the southward flow of capital and the northward migration of labor.

Whereas southern Mediterranean countries must undertake many reforms as a price of admission to the European club, some Middle Easterners contend, European nations make few if any concessions in return. Moreover, although the thrust of Euro-Med is multilateral, each Mediterranean partner negotiates separately with the whole European Community on trade issues, giving the latter an overwhelming advantage. Such asymmetries guaranteed a Spanish victory in its dispute with Morocco over fishing rights, for instance. The EU charged so-called “dumping levies” on Egypt and Turkey for allegedly selling shirts in Europe below cost—an option hardly open to Cairo or Ankara to redress perceived European protectionism. Moroccans are instructed “to open up the economy, to destroy certain economic sectors, to free the media of government control and to radically alter traditional values,” one professor told an interviewer. A union representative added that “the EU is locked into a certain reform ideology that offers only frustration and dissatisfaction.”

Cause of Controversy

Aid packages and hefty infrastructural investments have wooed select ministries, business interests and research institutions in Israel, Turkey and several Arab countries to Euro-Med. Certain sectors—telecommunications and tourism are good examples—expect significant growth. Middle Eastern think tanks, universities and liberal NGOs have also been beneficiaries of European (as well as American) grants and contracts, while the intellectual elite attend more and more Euro-Med conferences.

Indeed, Western grants for studies, seminars and publications often critical of Arab regimes have become increasingly controversial as governments themselves dependent on foreign aid object to the flow of resources to non-governmental entities. On the one hand, regional governments raise some legitimate concerns about violations of the traditional bounds of sovereignty; on the other hand, their actions belie verbal commitments to respect basic freedoms of expression and association. Recognizing both implicit funder biases in the kinds of research supported and the dangers of prosecution, some Western-educated intellectuals have concluded that the costs of foreign funding outweigh the rewards.

Other regional actors—particularly forces in opposition to the regimes—remain skeptical of European motivations. Europe is hardly without its own colonial history and hegemonic aspirations in North Africa, the Arab east and the Arabian Peninsula. Balfour betrayals, the 1956 Suez invasion and the Battle of Algiers remain vivid in the collective historical memory. Today, as Turks, Kurds, Berbers and Arabs face religious and ethnic discrimination in France, Germany and much of the rest of Europe, some critics insist that European proselytizing about human rights is not always matched by fair treatment of immigrants and their children. Spain recently enacted a draconian “alien status” law seemingly aimed at North Africans.

Arabs generalize about the West as much as Westerners generalize about Islam. Currently, Arab nationalists as well as Islamists tend to view Europe and North America as a NATO-Washington consensus bloc. Europe is seen less as a counterweight to US hegemony than as a conspirator in a Western cultural project. Even if Europeans are more sympathetic to the plight of Palestinians and Iraqis than US policymakers, neither the EU acting as a whole nor Europe’s major individual actors (Britain, France and Germany) offer alternatives to US policies.

Still on the Sidelines?

Though they ostensibly share a common foreign policy, the 15 EU states neither speak with one voice nor share identical interests vis-à-vis the Mediterranean region. Northern Europe sees the Mediterranean differently than southern Europe. The large and small countries within Europe may have diverging or even competing commercial concerns. Northern European countries like Ireland and Germany are seeking foreign workers even as Spain seeks to keep them out, for instance. Not everyone is keen to invest in a zone of turmoil. Moreover, as in North America, some European
industries fear that jobs will be exported to low-wage zones overseas.

European Union members have different perspectives on their relationship to US policy, too, especially in the security arena. To date, NATO has overridden the EU: Britain and the continental powers have respected US management of Israeli-Arab negotiations and the isolation of Iraq, Libya and Iran. However much Europeans decry the utter failures of the US “peace process” and “dual containment” strategies, and think they could draw up better plans for brokering Israeli withdrawal from Palestine and tapping Iraqi oil, they show no sign of moving from the sidelines in these matters. Criticisms notwithstanding, there remain many arenas of cooperation between Europe and America.13

Europe is not going to influence economic, political and social circumstances in the Middle East and North Africa simply by declaring an intention to do so. The EU seems unlikely to tackle US security policy head on, in either the Arab-Israeli conflict or the Gulf, and there is scant indication that the US feels threatened by European initiatives in the region. But Washington is chasing twentieth-century demons into the twenty-first century. Its current policies, fixated on World War II, the Cold War and the 1970s oil embargo, are obsessed with sacrosanct borders and mutually exclusive conceptions of sovereignty. America’s double-minded insistence on peace with Israel and war with Iraq defies economic or strategic logic. Neither continued lopsided regional arms proliferation nor the indefinite perpetuation of political trade embargoes make sense today. By contrast, a European policy that simply approaches its southern flank in a “normal” way, looking forward rather than backward, searching for multilateral and bilateral agreements on trade, cultural exchanges, security consultations and other matters, could well be an advantageous policy for the coming decades. In this sense, the Mediterranean basin could emerge as a sub-region of the global economy under the influence of an expanding Europe.

Endnotes
1 On the issues surrounding Turkish membership, see Human Rights Watch, Turkey: Human Rights and the European Union Accession Partnership (New York: September 2000).
2 Libya has observer status at certain Euro-Med meetings, and might eventually become the thirteenth partner in the free trade zone.
3 Yemen may eventually be included in this agreement. On the EU-GCC relationship, see Nivien Saleh, “The European Union and the Gulf States: A Growing Partnership,” Middle East Policy 7/1 (October 1999).
11 “Their multinationals can now come in and dominate,” said a bitter Turkish businessman, “while our agricultural produce is not even given access to their market.” Quoted in Toby Ash, “Selling Free Trade to the Middle East (Euro-Mediterranean Relations),” Middle East Economic Digest, April 11, 1997.