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Strategic Action in EU Foreign Policy: The Euro-Mediterranean Partnership

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ABSTRACT

The European Union's foreign policy continues to perplex scholars and practitioners alike. Arguably the most controversial aspect of the European integration process, a single European foreign policy remains a distant prospect. The Union's persistent inability to translate its economic weight into effective political influence has frequently seen it marginalised on major international issues, and left searching for a role in the rapidly changing post-Cold War world. Yet more than ever it is expected to assume its share of global responsibilities and to take the lead in developing a new security order for Europe.

In the absence of capabilities to undertake foreign policy strategies in the politico-security sphere, the EU has relied instead on its foreign economic policy to provide it with the instruments to secure a place for itself on the world stage. Through its long established control of access to lucrative European markets and its substantial financial aid budget, the Union has acted as a magnetic force on the regions around it. With this influence have come expectations of the Union as a benevolent force for economic, political and social change.

The Mediterranean basin represents a crucial test of the effectiveness of EU foreign policy. Faced with a region whose future stability is inextricably linked to European security, the Union's capacity to react to events matters far less than its ability to undertake forward looking and genuinely transformative strategic action that will make a meaningful and long-term contribution to security and stability.

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Abbreviations

ACRS	Arms Control and Regional Security working group
AHLC	Ad-Hoc Liaison Committee
AMU	Arab Maghreb Union
CAP	Common Agricultural Policy
CBMs	Confidence Building Measures
CEECs	Central and Eastern European Countries
CFSP	Common Foreign and Security Policy
Coreper	Committee of Permanent Representatives
CSBMs	Confidence and Security Building Measures
CSCM	Conference on Security and Cooperation in the Mediterranean
DG	Directorate General (European Commission)
EC	European Community
ECU	European Currency Unit (now Euro)
EDF	European Development Fund
EEC	European Economic Community
EIB	European Investment Bank
EMP	Euro-Mediterranean Partnership
EP	European Parliament
EPC	European Political Cooperation
ESC	Economic and Social Committee (EU)
EU	European Union
FIS	Front Islamique du Salut
FLN	Front de Libération Nationale
FTA	Free Trade Area
G7	Group of seven industrialised nations
G77	Group of 77 non-aligned countries
GATT	General Agreement on Tariffs and Trade
GIA	Groupe Islamique Armé
GMP	Global Mediterranean Policy
GNP	Gross National Product
HCE	Haut Comité d'Etat
IMF	International Monetary Fund
MEDA	Mesures d'Accompagnement
MENA	Middle East and North Africa
NATO	North Atlantic Treaty Organisation
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
OSCE	Organisation for Security and Cooperation in Europe
PA	Palestinian Authority
PHARE	Poland and Hungary Aid for the Reconstruction of Economies
PLO	Palestine Liberation Organisation
PPEWU	Policy Planning and Early Warning Unit
PS	Parti Socialiste
REDWG	Regional Economic Development Working Group
RMP	Redirected Mediterranean Policy
SME	Small and Medium Sized Enterprise
UGTA	Union Générale de Travailleurs Algériens
UN	United Nations

UNESCO
UNRWA
WEU

United Nations Educational, Scientific and Cultural Organisation
United Nations Relief and Works Agency
Western European Union

PREFACE

Two points of information are necessary before acknowledgements. All interviews cited in the text are numbered. For reasons of confidentiality, the key to the interviews is available by request from the author. Monetary amounts are expressed in ECUs/Euros wherever possible.

My thanks must first of all go to the numerous officials and academics who gave up their time to meet me during the course of my research. Many people found time for me at the end of a day of meetings. Their assistance was absolutely critical to understanding the diplomacy behind the Euro-Mediterranean Partnership. In particular, I have to single out a Council Secretariat official who, despite a very hectic schedule, made a point of contacting me during visits to Brussels. I must also mention the late Derek Fatchett, whom I met in February 1999 shortly before he died. Our discussion about Algeria was the most illuminating of all the interviews conducted during the research period.

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INTRODUCTION: EUROPEAN FOREIGN POLICY AND STRATEGIC ACTION

This thesis is a study of the development of the European Union's external Mediterranean policy during the 1990s. The period has seen the EU's relations with the majority of non-member states of the Mediterranean littoral absorbed into an innovative policy 'framework' - the 'Euro-Mediterranean partnership' (EMP). The EMP is based on the negotiation of Euro-Mediterranean Association Agreements, an upgraded form of previous agreements, and an ambitious and innovative multilateral political declaration and work programme. Over the same period, Mediterranean security has become an increasingly salient issue for the Union, testing both its crisis management capabilities and its long-term security strategy for the region. It is with the latter in particular that this thesis is concerned.

The central claim of the thesis is that the Euro-Mediterranean Partnership demonstrates the EU's capacity to undertake strategic foreign policy action in its own right. This capacity is principally located in the EU's first pillar (the European Communities), in traditionally been labelled 'external economic relations'.¹ Active, as opposed to merely reactive, foreign policy emanates from the EC acting as the 'agent' of the European Union.² While the Union has spent much of the 1990s attempting to develop a stronger common foreign and security policy-making mechanism, it is the Union's 'foreign economic policy' that consistently has the greatest, if not always a highly visible, impact on the outside world.³ This argument rests on the idea that an inclusive and expansive view of

EU foreign policy should be adopted. Distinguishing external economic relations from foreign policy has become increasingly anachronistic in an international system in which trade and finance have become 'high politics.' A broad view of EU Mediterranean policy is required if the policy - and its significance, achievements and difficulties are to be understood.

A number of secondary hypotheses flow from this argument. First, we should expect the EU's strategic action to focus on so-called 'soft security' and 'soft power', implying the eschewal of a traditional politico-military concerns in favour of the economic, societal and environmental aspects of security.⁴ Conflict prevention rather than conflict resolution, is the Union's main strength in foreign policy. That is not to suggest that politico-military security is irrelevant for the EU; the brutal wars in the former Yugoslavia have vividly exposed its deficiencies in that realm. But what matters most are the EU's enduring qualities as a 'civilian power', deploying resources that derive from its status as a regional economic power to secure its objectives.⁵

Second, the notion that economic policy instruments provide the foundation for strategic action suggests that there ought to be greater 'consistency' between pillars I and II.⁶ In other words, we should expect to find economic policy instruments being more effectively and systematically deployed in pursuit of the Union's political objectives, since that is where its real strengths as an international actor lie.

Third, the emphasis on pillar I and external trade policy as the bases of strategic action has important implications for the way strategy is formulated and policy is made. The delegation of policy competence from the Member States to the Community in this area is one of the longest established and most highly developed features of European integration.⁷ We should therefore expect a

significant degree of supranational autonomy in the policy process, with the Commission playing a key role in shaping policy and negotiating with third countries on behalf of the Union. By extension, we might also anticipate a stronger sense of common European interests in the development of policy.

This introductory chapter examines the ontology of EU foreign policy, assesses the state of the art in EU foreign policy studies, and sets out a framework for the analysis of strategic action. Section 1 explores the complex nature of EU foreign policy and gives a brief overview of the Union's competencies in that area. In section 2, the theoretical problems associated with the study of EU foreign policy are examined from a variety of analytical perspectives. Section 3 sets out a framework for the analysis of EU strategic action, arguing that particular attention must be paid to the policy-making process in order to understand the transition from strategy as plan into strategy as policy. It moves on to outline the content of each chapter of the thesis.

1. The Elusive Pursuit of EU Foreign Policy

Making sense of EU foreign policy is far from straightforward. As Christopher Hill argues:

apart from a very small group of diplomatic practitioners and specialist commentators, few Europeans (let alone those on the outside looking in) have a clear conception of the multiple layers and contradictions that go up to make what is often called "European foreign policy".⁸

A first problem is the complex multi-institutional, multi-procedural nature of the EU foreign policy-making process. A bewildering array of treaty articles, European Court of Justice judgements and informal agreements among the institutions and member governments have shaped the EU's *acquis politique*, the totality of the Union's competencies and output in the foreign policy domain.

Institutional competencies for policy-making and external diplomatic activity vary with the issue in question and the treaty articles associated with it. In many cases, of which EU Mediterranean policy is a prime example, foreign policy strategies are composites of measures that emanate from several sources and are thus subject to wide range of decision-making rules and procedures.

The diffusion of authority in EU external policy-making has increased in line with the general transfer of policy-making power from Member State to Community level. Since the acceleration of the European integration process sparked by the Single Market initiative, the externalisation of Community policies has given most policy sectors an international dimension.⁹ Trade negotiations, for instance, now routinely involve several Commission Directorates General, as well as a multitude of national ministries and non-governmental interests. In turn, the external dimension of the European integration process, most notably the impact of the Single Market initiative, generates demands from outsiders for membership, association agreements, trade agreements and other forms of formal relationships with the Union.¹⁰ To illustrate the point, the EU negotiated around 25 different free trade agreements (FTAs) in the 1990s with a range of partners, including Russia and *Mercosur*, as well as Mediterranean states.¹¹

The externalisation of internal policy also creates pressure for the Union to ‘speak with one voice’, since it is directly to the Union that demands are addressed. Yet the lack of a clear institutional locus for external policy continues to handicap the Union, exemplified by its Union’s uncertain status in international negotiations. On numerous occasions, third countries, and even the Member States themselves, have had to seek legal clarification of the Union’s powers.¹² The EU had, for example, ‘no clear policy on FTAs: they were mostly negotiated by Commissioners between whom the world was divided into regional

responsibilities...[and were] defended as a means to strengthen the Union's hand in their "patch" of the globe.'¹³

A second problem arises from the existence of multiple 'levels' of European foreign policy activity which are enmeshed with, and often analytically inseparable from, the Union's own foreign policy activities. The most significant of these remains the national level, expressed in the foreign policies of the Member States. Indeed, EU external policies are frequently specifically designed to complement, or be complemented by, national policies. Moreover, although the EU has acquired exclusive competence over many crucial areas of external economic relations, the Member States have stubbornly resisted a significant transfer of authority to the EU level over the traditional politico-security component of foreign policy. Admittedly, Article 5 of the EEC Treaty requires the Member States to abstain from any measure which could jeopardise the attainment of the EU's objectives. However, the ambiguity of the article leaves much scope for national foreign policies and national interests to act as a centrifugal force on the European foreign policy process.

At another level, the EU has become increasingly dependent on outside organisations in both the design and implementation of its external policies. Although the memberships of the EU and these organisations may overlap, they are rarely identical.¹⁴ The dependence of the EU on other organisations is almost total in the cases of defence and security policy. NATO continues to dominate European security and has arguably become an increasingly significant player since it acquired the ability to act 'out-of-area'.¹⁵ The eastern enlargement strategy of the EU, and NATO's own strategy for expansion, are inextricably linked, and it is virtually unthinkable that one can proceed without the other.¹⁶ In similar fashion, the use of NGOs to implement EU funded projects ranging from

support for democratisation to assistance for small businesses, has become standard practice. Policy might originate in the EU, but the implementation of it is often well outside its direct control. The recent scandal that emerged over the maladministration of EU funds, including programmes in the Mediterranean, exemplifies this control problem in external policy.¹⁷

The classification of the EU's external activities - has been facilitated by its separation into two (supposedly) distinct branches.¹⁸ External economic relations formed the first branch. Its bases in the founding treaties were the Common Commercial Policy (Articles 131-5), relationships with the overseas territories of the Member States (Articles 300-310) and the potential to accept new members (Article 237 EEC Treaty).¹⁹ It is primarily through these articles that the Union has been endowed with an extensive range of external policy instruments in pillar I. Policy-making in this area has a strong 'supranational' element, with many decisions taken according to the 'Community method'.²⁰

The literature on external economic relations has tended to treat them as 'low politics', focusing either on the economic implications of agreements for relationships with third countries, or on the effect the agreements have on the EU's status as an international actor.²¹ As Lodge argues, however, 'the Common Commercial Policy's scope is so wide that all manner of other issues fall into the supposedly "low political" competence of the EC'.²² The increased politicisation of trade, capital movements and money during the 1990s exposes the growing irrelevance of this distinction.

European Political Cooperation, later superseded by the Common Foreign and Security Policy (CFSP), has formed the second branch. Its creators saw EPC as part of the integration process, designed to foster coordination between the national foreign policies of the Member States and enable the Community to

collectively respond to the considerable external pressures that Western Europe faced at the start of the 1970s.²³ The aim was to empower the Community in the realm of 'high politics.' However, EPC was deliberately designed to run parallel to, rather than in conjunction with, the Community's external economic relations, and centred on informal consensus among the foreign ministries of the member states rather than on the Community's institutions.²⁴

Despite being little more than a mechanism for the coordination of national foreign policies, EPC has attracted growing interest from the academic community. The assumption, seemingly corroborated by the gradual codification of EPC's procedures, a handful of high profile diplomatic initiatives, and its increasing reliance on Community policy instruments and resources, was that an effective common foreign policy capability required a politico-diplomatic dimension; some sort of collective capacity to deal with political, security and even military issues. Two decades of little more than well-intentioned political declarations exposed the limitations of EPC, but many scholars continued to regard it as the closest thing to real foreign policy machinery in the EU, even if what it produced could hardly be described as real foreign policy.²⁵

The creation of the Common Foreign and Security Policy - the second of Maastricht's three pillars - enshrined the foreign policy-external relations dichotomy in the treaties. Although the TEU (Article C) stressed the need for the Commission and Council to ensure 'horizontal' consistency between the EU's 'external relations, security, economic and development policies', the treaty paid scant regard to how bridging the divide between the two pillars would actually be achieved. Nor did it address the issue of 'vertical' consistency between EU foreign policy and the foreign policies of the individual Member States.²⁶ A Declaration appended to the Treaty promised a review of the procedures for

consistency, but left the actual arrangements largely open ended. The suggestion prior to the IGCs that the two branches might be integrated in the single institutional framework had been ruled out by the sensitivity of some of the Member States to ceding control over one of the key attributes of the sovereign state, and by the caution of the Commission, which was wary of pushing the supranational cause too hard.

The final package amounted to a codified version of EPC with some modest communitarisation of procedures, but was talked up both by EU policy-makers and the European media as heralding the dawn of a new age in European foreign policy.²⁷ Initially, the academic community appeared to buy into the new policy, albeit with critical reservations about its likely effectiveness. The new Title V (Article J.4) broached the taboo subject of EU defence policy for the first time, tentatively setting up the WEU as the Union's defence arm. New decision-making procedures - common positions and joint actions (Article J.2) - were created that potentially paved the way enable the Union to take collective 'action' in addition to issuing political declarations. However, the CFSP did not equip the Union with a new set of foreign policy instruments, while decisions about financing actions and the use of pillar I external policy instruments were to be made on a case-specific basis rather than through any set formula. In this sense, the new mechanism singularly failed even to clarify the institutional division of labour in EU foreign policy.²⁸ What has been termed 'ad hocery' remained the standard practice.²⁹

One of the key tasks mandated to the inter-governmental conferences that produced the 1997 Amsterdam Treaty was to 'endow the Union with a greater capacity for external action'.³⁰ Given the ineffectiveness of the CFSP in fostering agreement among the Member States, and with eastern enlargement looming,

procedural adaptation headed the wish list.³¹ But a leap forward in the communitarisation of CFSP decision-making was never a realistic prospect. As Bobby McDonagh, an Irish diplomat involved in the IGC negotiations put it:

the simple fact is that, at the present stage of the Union's development, there is a limit to the extent to which any Member State is prepared to submerge a perceived important foreign policy interest within a single European position.³²

Rather than wholesale reform, the 1997 Amsterdam Treaty made only incremental changes to the CFSP. The Union's stubborn adherence to unanimity as the basis for decision-making was mitigated by provision for the 'constructive abstention' of up to a third of the Member States and a limited extension of QMV to decisions that flow from common strategies and those that implement common positions and joint actions (Article 23 (ex J.13)). Member States retained the right to block decisions 'for important and stated reasons of national policy', thus preserving a *de facto* veto (Article 23.2). Two additional competencies were added to Article J.2 - the definition of guidelines and the adoption of common strategies - that brought the Union into foreign policy-making process at an earlier stage (European Council). To complement this enhanced directional power, the creation of a Policy Planning and Early Warning Unit (PPEWU) housed in the Council Secretariat gave the Union a capacity for the independent (of the Member States) analysis of foreign policy situations. The profile of the Union abroad was to be strengthened by the appointment of the Council's Secretary General as 'High Representative' of the CFSP. Although these developments promoted further 'Brusselisation' of the CFSP, the Council was the principle beneficiary of change, a situation which leaves the member governments in control of the CFSP.³³

By the end of the 1990s, it was clear from experience that the CFSP had not lived up to its billing.³⁴ The Union could point to only a handful of

successful, high profile joint actions, among them support for the Middle East Peace Process and the Palestinian elections.³⁵ On issues that ought to have elicited a strong collective political position from the Union, such as the crises in Algeria and the Balkans, a strong Union position was conspicuous by its absence. Like that of its predecessor, the CFSP's output was dominated by statements rather than concrete action. Any bridging between pillars I and II was driven by the imperative of the issue and the creativity of the Union, particularly the opportunism of the Commission, rather than by procedural advances brought by the TEU (or ones now in place via the Amsterdam treaty).

Much of the literature on EU foreign policy caught the CFSP wave. Here, for the first time, appeared to be the bare bones of a European security and defence identity (ESDI) and a mechanism for common foreign policy-making in something approaching a constitutionalised form. Yet as Peterson and Sjørnsen argue, practice has shown the CFSP to be best conceived of as a process rather than a policy.³⁶ The disappointing record of the CFSP, which with a few exceptions has produced little more than carefully worded and politically tentative declarations, suggests that finding a position on which the Member States can actually agree - the coordination reflex - is a more important function than the policy's 'output'.³⁷ What the CFSP failed to do was significantly change the way the Member States perceived foreign policy. For most, it remained a bastion of sovereignty, and any meaningful transfer of authority to the EU was to be resisted. Nor could it induce the political conditions under which all the Member States would seek and subsequently adhere to genuinely common foreign policy positions as a matter of course. Indeed, the early years of the CFSP were notable for a resurgence of national interests.³⁸ Foreign policy continued to reflect the

uneasy tension between national foreign policy priorities and a faltering sense of a European interest.³⁹

Faced with this institutional and procedural ‘mixture’, identifying the key actors and influences involved in the EU’s foreign policy process is always problematic, whether at the initiation, decision or implementation stage.⁴⁰ However, as Hill argues, ‘only by taking an overview of all the elements of what we optimistically call “European foreign policy” can we identify a pattern of behaviour and assess the respective contributions of the various parts - positive and negative’.⁴¹ Recognising the merit of an inclusive definition of EU foreign policy is also an essential step to understanding the Union’s overall impact in the international system. After all, whenever Mediterranean third countries have sought to deepen their relationships with the EU, it has been the Union’s trade and aid policies, rather than its defence and military capabilities that have really mattered.

2. Theoretical Perspectives on EU Foreign Policy

Scholars of the European Union face considerable ontological and epistemological problems when it comes to their subject area. We are still some way from consensus on what it is that we are studying, let alone how to study it. For those endeavouring to theorise about EU foreign policy, such difficulties are aggravated by the multi-level, multi-institutional characteristics of the EU’s foreign policy-making system described above, by the obfuscating and ambiguous terminology in which EU foreign policy is frequently couched, and by the *sui generis* nature of the Union itself.⁴²

Not surprisingly perhaps, theoretical work on EU foreign policy has always lagged some way behind the burgeoning theoretical output on other aspects

of the European integration process.⁴³ This theoretical lacuna in European foreign policy studies is compounded by the relatively small number of detailed empirical case studies. Much of the literature on the subject tends to be descriptive or prescriptive, concerned with making sense of the procedural complexity of the Union's foreign policy-making mechanisms or offering corrective recipes for the EU's deficiencies as an international actor. This section argues that the building blocks of theory may be present, but assembling them into a comprehensible theoretical framework is entirely another matter. As Christopher Hill contends, 'the experience of "European foreign policy" over the last 20 years or so has been so unique that the search for one theory to explain its evolution is doomed to fail....'⁴⁴

What, then, do the major theoretical perspectives on international relations and European integration have to say about EU foreign policy? Traditional realists by and large ignore the EU as an international actor.⁴⁵ Since it is not a state, it cannot by definition possess a foreign policy. Henry Kissinger's recent tome on the history of diplomacy, for instance, barely mentions the diplomatic activity of the EU in international politics.⁴⁶ For classical realists, the incessant pursuit of power, primarily through military means, by states in an anarchic state system precludes international cooperation other than alliance diplomacy.⁴⁷ By extension, the European integration seemed a transitory phenomenon, destined to disintegrate in the chaotic post-Cold War world.⁴⁸

Neo-realism (or structural realism), with its emphasis on systemic structure as the major determinant of the behaviour of states, does see the possibility of cooperation between states. States may occasionally choose to cooperate in order to avoid conflict, whether military or economic, but the anarchic nature of the international system, in which self-reliance is essential, weighs against it.⁴⁹ In any

case, inter-state bargaining always takes place with governments' eyes firmly fixed on the relative gains from cooperation and the likely impact on the distribution of power.⁵⁰ Through this lens, the EU is viewed as a governmental forum in which states participate in order to further their own interests and power. In a rare neo-realist interpretation of EPC, Alfred Pijpers argues that 'the major policies and institutions of Europe's would-be foreign policy are the reflection of deliberate national preferences of the participating states.'⁵¹

Neither realism nor neo-realism are compatible with the inclusive image of EU foreign policy presented above, based as they are on the assumptions that foreign policy is somehow the privileged domain of governmental élites, isolated from domestic influences, and the exclusive preserve of the unitary state. While the predominantly inter-governmental nature of EPC and the CFSP do lend some credibility to the state-centricity of the two approaches, they cannot satisfactorily account for the institutionalisation of foreign policy coordination, however fragile and limited it may be.⁵² Nor can they account for the supranationalisation of national foreign economic policy in the Union. As Roy Ginsberg argues, neorealism:

Ignores the role of supranational institutions in crafting and facilitating compromises and in overseeing and managing daily processes. It also ignores why, how and when national interests converge and to what extent they are shaped by domestic and international politics and the ethos of Community membership.⁵³

A more sophisticated version of state-centric analysis - liberal intergovernmentalism (LI) - also experiences difficulties coming to terms with the expansive definition of EU foreign policy. The basic claims of this perspective are that European integration is driven by the rational, calculated choices of governments to pool in or delegate sovereignty to international institutions in response to domestic economic interests and the need to offset the negative effects

of interdependence.⁵⁴ The decision to cooperate is made with a clear idea of the resultant costs and benefits. The creation of the Union's Common Commercial Policy (Articles 131-5), for instance, is explained as an essential extension to the Member States' preference for the liberalisation of trade amongst themselves.⁵⁵

Cooperation in the realm of traditional foreign and security policy represents a bigger test for LI theory. Common foreign and security policy is a 'non-socio-economic collective good' whose costs and benefits are diffuse and uncertain. As Andrew Moravcsik, the leading proponent of this approach, argues, 'the reasoning used to justify policies tends to be symbolic and ideological, rather than calculated and concrete.'⁵⁶ Here, geopolitical factors, concerns about sovereignty and the commitment of governments to the European project explain how the EU's competencies in this field have developed.

Other variants of intergovernmental institutionalism offer similarly rationalist, instrumentalist interpretations of the EU. Robert Keohane and Stanley Hoffmann see the EU as highly advanced form of regime, created by European governments for the purpose of managing the increasing levels of interdependence between them.⁵⁷ As the definition of security expanded after the end of the Cold War, the increased importance of the EU in managing trade and dealing with issues such as environmental protection seemed to validate this claim. However, intergovernmental institutionalists too have comparatively little to say about the development of the EU as a foreign policy actor, citing the weakness of its defence and security capability as evidence of both the primacy of national interests and the *sui generis* character of the organisation.⁵⁸ Keohane and Hoffmann concede that in foreign economic policy, power has been transferred to a central, supranational authority distinct from the states, but see no such prospect in the

politico-security sphere.⁵⁹ Moreover, the policy process itself is dominated by governments.

Clearly, the parameters of EU foreign policy are largely determined by the Member States. Furthermore, as this thesis argues, the member governments' defence of domestic economic interests is frequently decisive at key stages of the policy process. However, intergovernmentalist theories suffer from a number of blind spots. First, the primary concern of these intergovernmentalist/institutionalist theories is to explain the major, formative decisions in the history of European integration rather than the regular policy process. They therefore have rather less utility as tools for policy analysis. Second, and relatedly, there is an inherent tendency in these theories to overlook or downplay the role of supranational agency; institutions being principally viewed as servants of the member governments.⁶⁰ Third, in downplaying the impact of geopolitics and systemic change on the bargains that states strike, LI in particular excludes important external stimuli that clearly influence the type of external policies that the EU pursues. Perceptions of a security 'threat' from the Mediterranean, for instance, were a key factor in determining the strategy that the Union subsequently pursued.

More promising variations on the institutionalist theme are to be found in 'historical' or 'new' institutionalist' theories, which emphasise the autonomy of supranational institutions.⁶¹ The chief merit of this school of thought is that it distinguishes distinct phases in the policy process. Governments may determine the basis and set the agenda for cooperation, but 'during later phases of the [policy] process, other actors, rules and EC procedures can exert their effects...'.⁶² External economic relations work from a long-established script in which the supranational agency and entrepreneurship of the Commission play a crucial role

in policy 'output'. The history of EU Mediterranean policy is one of continuity, with responsibility for negotiating and re-negotiating agreements with third countries- the central plank of policy - being vested in pillar I.

What this brief distillation of theoretical perspectives shows is that, to varying degrees, all offer some insight into either the nature or the process of EU foreign policy. Intergovernmentalist approaches undoubtedly have a stronger claim to explaining EPC/CFSP where conflicting foreign policy positions among the Member States mean the EU has frequently failed to produce a unified stance on key issues. Supranationalist approaches must figure in theoretical explanations of the EU's foreign economic policy, where governmental domination is checked by the 'Community method' of decision-making. However, a macro-theory of EU foreign policy remains a distant prospect. If a general theory is possible, it is likely to be built from a synthesis of theoretical perspectives that take into account the multi-level character of the EU foreign policy-making system, the multiple outputs of EU external policy and the mixture of governmental and supranational decision-making procedures and policy instruments that comprise the Union's *acquis politique*.⁶³

Dissatisfaction with what theory has to offer has led a number of EU foreign policy analysts to seek instead to conceptualise the impact on and roles of the EU in the international system. Concepts such as 'actorness', 'presence' and 'influence' describe and explain the functions and status of the Union at the global or regional level, and contextualise its interaction with the outside world.⁶⁴ The common denominator running through this work is that the ambiguous status of the EU as a foreign policy actor and the complexity of its foreign policy-making system give it variable presence or actor capability in different 'issue areas'.⁶⁵ Its impact is most tangible in the world political economy, where its capacity for

unified action is greatest. Conversely, where it lacks the capacity for unified action, on military and defence issues for example, its impact is marginal.

Perhaps the most influential analysis of the EU's status and performance as an international actor is Christopher Hill's 'capabilities-expectations gap' thesis. Hill takes the argues that the balancing act between the foreign policy 'resources' at the Union's disposal - its economic and financial power, its policy instruments, and its cohesiveness - and the need to fulfil the growing list of external demands made of it determine its effectiveness as an international actor. In EU Mediterranean policy, the manifestation of the capabilities-expectations gap has centred on the issue of resource allocation issues, specifically on the level of financial assistance and market access for third countries. While the Union has increased the level of resources it provides for the Mediterranean, so the Euro-Mediterranean Partnership has raised expectations about how far the Union will go in offering an economic helping hand to its poorer southern neighbours.⁶⁶ The 'capabilities-expectations gap' is perhaps most visible in the Union's relations with the United States and Central and Eastern European countries⁶⁷, but it is an important part of the story of EU Mediterranean policy, too. The EU's habit of 'talking up' its foreign policy may be less acute now than during the early 1990s, thus leading to a partial closing of the gap between the EU's capabilities and the outside world's expectations since then.⁶⁸ But the gap remains, and it mitigates against truly strategic action in EU external policy.

3. Conceptualising Strategic Action

Policy-makers and policy analysts may talk about EU foreign policy strategies, but the actual meaning of strategic action is rarely considered. In basic terms, strategy can be defined as 'a plan of action or policy', denoting pro-active, purposive rather

than reactive behaviour.⁶⁹ This dynamic quality to strategic action is summarised by Keohane and Hoffmann:

Strategy is essentially forward looking: beginning where history has left them, actors seek to take advantage of future trends. Their expectations shape their policies as much as does their actual situation.⁷⁰

In turn, the notion of purposive, goal directed behaviour implies a decision to pursue more or less specified objectives, themselves a result of the identification, prioritisation and articulation of interests.⁷¹

At first sight, the application of this definition to the EU's external activities appears to be relatively straightforward. The Union has gradually built up a hierarchy of strategies towards individual third countries and regional organisations, and developed distinct and consistent 'lines' on a wide range of external issues. The Yaoundé and Lomé conventions, and the so-called 'Global Mediterranean Policy', were among the first examples of external strategic actions, designed to establish 'frameworks' for relations with groups of third countries. More recent high profile examples include the Union's position in the Uruguay round of the GATT, its Agenda 2000 eastern accession strategy and the 'New Transatlantic Agenda'.

However, unpacking the concept of EU strategic action reveals two significant analytical problems. First, foreign policy analysis (FPA) as an academic discipline is inextricably bound up with the state and with the interest-driven behaviour of governments.⁷² Besides the obvious fact that the EU is not a state, the lack of a central government and the prominence of the member governments in the policy-making process militates against using the standard box of analytical tools. How, for instance, should the analyst factor in the constant interplay between institutions, states and interests that determines EU policy?

Where does the formulation and execution of EU foreign policy strategies begin and end?

One way around this problem is to view EU foreign policy as a system of external relations.⁷³ The system clearly has institutionalised procedures, what Ben Soetendorp describes as ‘decision regimes’, for defining objectives and designing actions to achieve them.⁷⁴ The creation of the Policy Planning and Early Warning Unit by the Amsterdam Treaty was explicitly intended to improve the Union’s capabilities in this area. In the case of the EMP, both the Commission and individual Member States set an agenda for strategic action in the region and proposed measures to execute it. Taking the system metaphor a step further, the system responds to ‘inputs’ both from within the Union (domestic economic and political interests, externalisation) and from its external environment (geo-political changes, specific demands from third countries). The outputs of EU foreign policy feed back into the system from the results of actions, making the whole system dynamic and self-sustaining. While EU foreign policy-making is certainly not as structured and tidy as the systems approach implies, it nevertheless provides a useful canvas on which to paint a picture of how strategic actions develop.

The second problem relates to the existence of common European interests as the rationale for strategic action. For former Commission President Jacques Delors, an EU ‘vision’ for the world and the elaboration of specific common interests were essential pieces of the integration jigsaw.⁷⁵ But the sheer diversity of the EU’s membership means that the opportunities for genuine commonality or even tight convergence of interests are few and far between. Where policies are couched in terms of European interests, internal differences are rarely far from the surface. Moreover, claims of a European interest are, to a significant extent, subjective, based on the perceptions, understandings and also interests of those

making the claim. If the EU is to be used to further the interests of a Member State or institution, then an appeal to the general interest can be an effective tactic.

Again, however, this conceptual problem is rather less challenging than it first appears to be. A modern state's foreign policy interests can rarely, if ever, be described as unified. The realist image of the unitary state has long since given way to pluralist images that stress the disaggregated nature of government and the importance of competition between competing interests in policy-making. In a sense, the EU's external policy-making system is just a far more complex manifestation of the same phenomenon. Competition over interests may be fiercer and more protracted than is the case at national level, but the 'bargaining style' of EU decision-making allows for mediation between these interests.⁷⁶ Prior agreement over what constitutes the EU's interest on particular issues is clearly desirable, but not essential, and disagreement over interests need not be a barrier to strategic action.

Furthermore, the EU itself has gone some way to narrowing down the loosely defined external interests set out in the treaties.⁷⁷ Indeed, the 1990s have seen gradual moves towards more specific statements of what are considered to be the Union's fundamental interests. After the creation of the CFSP, the 1992 Lisbon European Council designated a number of geographical interest areas, among them the Middle East and Maghreb. The Amsterdam Treaty (Article 17) included a reference to the Western European Union's (WEU) Petersberg tasks, listing humanitarian and rescue operations, peacekeeping/peacemaking and crisis management as basic interests of the Union in the security and defence spheres.

In sum, two of the prerequisites for strategic action - the institutional capacity to formulate and pursue strategic objectives and the possession of a set of interests - are present in the Union's external policy system. As the Union has

increased in size and scope, so its range of interests has greatly expanded, but so too have demands for it to engage in long-term strategic action, both in the context of its evolving relationship with the former Soviet Bloc countries and its contribution to the wider international economic and political order. In many respects, the strategic challenges facing the EU now exceed those faced by all but the biggest states. Further improvement of its capacity to engage in strategic behaviour is both likely and necessary.

The next analytical step is to account for how the Union moves from strategy-as-plan to strategy-as-action. At this stage, the policy-making process must be the central focus, since it is here that a gap habitually appears between the Union's rhetoric and the reality of its action. A clear definition of interests, an imperative for action and the means to take action do not guarantee that the eventual policy will be appropriate. The cliché 'economic giant, political pygmy' is testament to the Union's persistent inability to convert its enormous economic weight into effective political action.⁷⁸ Returning to the 'system' metaphor, we must open up the 'black box' that intervenes between inputs and outputs.⁷⁹

The image of EU policy-making employed in this thesis follows Helen Wallace's lead, who argues that there is:

....no single or uniform Community policy process. The patterns of policy-making and the roles of member governments and Community institutions in the policy process vary considerably from sector to sector depending on the extent of Community involvement.⁸⁰

Thus each policy area has its own logic, the mixture of institutional competencies, decision-making formulae and constellations of actors involved that translate proposals into policy outcomes.⁸¹ Again, the complexity of the EU policy process makes for equally complex logics. In the Euro-Mediterranean Partnership package, the end product comprises a raft of measures, some drawn from the

Union's established range of policy instruments (Association Agreements, financial aid, technical assistance), others tailor-made for which no established logics exist (the Barcelona process).

Analytically, the implication of multiple logics is that as much attention must be paid to institutional politics as to governmental politics. Where pillar I is the locus for EU strategic action, the Commission exercises leadership in the formulation of strategy, plays a crucial role in negotiating the content of external policy instruments and is responsible for overseeing the implementation of aid programmes and the administration of Association Agreements. The European Parliament, though its involvement in external policy is very limited, nevertheless performs an important scrutiny function, has budgetary powers in the allocation of financial aid and must give its assent to Association Agreements with third countries. By the same token, the member governments also have considerable agenda setting power and the 'final say' over the substantive content of policies.

An additional dimension of policy-making is 'politicisation', the process by which issues become infused with political significance.⁸² For Michael Smith, it is the politicisation of economic issues in the modern international system that has made pillar I the core of EU foreign policy.⁸³ Its consequences are two fold. First, the degree of politicisation of an issue affects both strategic planning and policy outcomes. Highly politicised issues may be entirely excluded from a strategy if they are deemed to have the potential to hijack the broader objective. Governments are also apt to be less favourable to making concessions on sensitive issues at the decision-making stage, fearing a domestic backlash. Second, the politicisation of issues affects the level at which policy decisions are taken. In pillar I, for instance, many trade issues tend to be treated as 'technical', increasing the Commission's influence over outcomes. If trade issues subsequently become

politicised, the final decision tends to shift upwards to ministerial level, placing the onus on governmental preferences in deciding outcomes. The more general point here is that, while politicisation has undoubtedly increased the significance of external economic relations, it is also a powerful constraint on supranational 'agency' and therefore on the EC's effectiveness as the conduit for EU strategic action.

Much of the thesis focuses on negotiations, the dominant 'mode' of policy-making in EU Mediterranean policy.⁸⁴ The terms of Association Agreements, for instance, the EMP's main policy instrument, are largely determined by negotiations between the Union and individual third countries and by negotiations within the Union that decide the concessions that each third country will be offered. The multilateral dimension of the Mediterranean strategy is also driven by ongoing negotiations between the participating governments. What confronts us resembles an 'inside-outside game', in which negotiations take place at two separate tables.⁸⁵ Inside the EU, the Member States and institutions engage in negotiations to determine strategic objectives, the policy instruments to be deployed and the Union's subsequent position in the policy process.

Simultaneous negotiations take place with third countries to determine the final terms of the policy package. The end result - the Euro-Mediterranean Partnership - amounts to the extension of a 'negotiated order' to the Mediterranean region.⁸⁶

Mediterranean policy is a particularly good case study of EU strategic action. The Euro-Mediterranean Partnership employs virtually the full range of foreign policy tools available to the Union and unequivocally spans the divide between external economic relations and traditional politico-security foreign policy. What began as a disparate collection of commercial agreements has grown into a complex policy package embracing a vast range of issues and sectors. The

EU's relations with the Mediterranean partner countries provide a crucial test of both its capacity to act as a progressive force in the international order and of its ability to manage security in a region beset by conflicts.

Chapter 2 traces the historical evolution of Euro-Mediterranean relations, identifying the main stages in the development of Mediterranean policy. It shows how the politicisation of agricultural trade, a key policy issue, began in the first round of negotiations between the Union and the Mediterranean third countries. Despite several 'rounds' of renegotiation, and an attempt to create a single framework for relations, the first three decades of Mediterranean policy were notable for the Union's persistent failure to address the real concerns of the partner countries.

Chapter 3 examines the factors that forced the EU to re-examine its Mediterranean policy at the end of the 1980s. With the end of the Cold War, Mediterranean security suddenly assumed new-found salience for the Union. Faced with the rising popularity of radical Islam in North Africa, states whose economic weakness and international indebtedness threatened to cause socio-economic breakdown and forecasts a dramatic rise in illegal immigration into Europe, the Union was for the first time forced to consider the long-term effects of its Mediterranean policy. The resultant policy changes - the Redirected Mediterranean Policy and the Euro-Mediterranean Partnership - delivered an impressively comprehensive plan of action but little genuine reform of Euro-Mediterranean relations.

Chapter 4 explores the multilateral component of the Union's Mediterranean policy - the Barcelona process - from its inception through to the early stages of its implementation. Sold as an innovative new multilateral forum that would underpin future international cooperation in the Mediterranean, the

Barcelona process quickly became hostage to developments in the Middle East Peace Process, exposing the continuing weakness of the EU as an international political actor.

Chapter 5 presents an analytical synthesis of the theory and practice of Mediterranean policy. By first breaking down the EMP into distinct policy types, it sets up a framework for analysis of the politics that determined the final outcomes of the policy-making process. The chapter goes on to examine key decisions in the EMP in the light of both intergovernmentalist and institutionalist theories.

Chapter 6 changes tack, offering the first of two case studies of EU diplomacy in the Mediterranean region, one broadly positive, the other almost entirely negative. The Union's role in the Middle East Peace Process, which has included a successful CFSP joint action to assist the establish the Palestinian Authority, is a prime example of how its economic weight can successfully be turned into political influence. It explores the reasons why the Union and its Member States were able to agree a collective position on an issue that had been so divisive during the 1970s and 1980s.

In contrast, chapter 7 offers a downbeat analysis of the Union's persistent failure to adopt a strong position on the bloody conflict in Algeria. Almost a decade has passed since the annulment of the legislative elections by the military sparked a campaign of terrorism by the FIS in which both sides are guilty of terrible crimes against Algerian citizens. It shows that what amounts to a 'non-policy' on the crisis was a consequence of both the weakness of the CFSP when the member governments are reluctant to act, and powerful vested interests. In both cases the Euro-Mediterranean Partnership proved to be of marginal importance.

Notes

¹ The Treaty on European Union (Maastricht Treaty) constructed the EU on three 'pillars'. Pillar one - the European Union - incorporates the majority of the Union's policies and institutional architecture. Pillar two refers to the Union's Common Foreign and Security Policy. Pillar three established the basis for inter-governmental cooperation on Justice and Home Affairs (internal security) matters.

² Smith, M. (1998) 'Does the Flag Follow Trade? "Politicisation" and the Emergence of a European Foreign Policy' in J. Peterson and H. Sjursen (eds) *A Common Foreign Policy for Europe: Competing Visions of the CFSP*, London: Routledge, p. 78.

³ For a definition and detailed analysis of the EU's foreign economic policy, see Smith, M. (1997) *Beyond Foreign Economic Policy: The United States, Single European Market and the Changing World Economy*, London and Washington: Pinter, esp. pp. 5-26. For a challenging theoretical critique of foreign economic policy, see Tooze, R. (1994) 'Foreign Economic Policy in the New Europe: A Theoretical Audit of a Questionable Category' in W. Carlsnaes and S. Smith (eds) *European Foreign Policy: The EC and Changing Perspectives in Europe*, London: Sage, pp. 61-83.

⁴ Nye, J. (1990) *Bound to Lead: The Changing Nature of American Power*, New York: Basic Books, pp. 173-201; Buzan, B. (1991) *People, States and Fear: An Agenda for International Security Studies in the Post Cold War Era*, Boulder (CO): Lynne Rienner; Buzan, B. (1994) 'The Interdependence of Security and Economic Issues in the "New World Order"' in R. Stubbs and G.R.D. Underhill (eds) *Political Economy and the Changing Global Order*, London: Macmillan, pp. 96-7.

⁵ For a variety of perspectives on the idea of civilian power Europe, see Duchêne, F. (1972) 'Europe's Role in World Peace' in R. Mayne (ed.) *Europe Tomorrow*, London: Fontana; Bull, H. (1982) 'Civilian Power Europe: A Contradiction in Terms?', *Journal of Common Market Studies*, Vol. 21, No.1, pp. 149-170; Hill, C. (1990) 'European Foreign Policy: Power Bloc, Civilian Model or Flop?' in R. Rummel (ed.) *The Evolution of an International Actor: Western Europe's New Assertiveness*, Boulder and Oxford: Westview, pp. 31-55; Rummel, R. (1997) 'The CFSP's Conflict Prevention Policy' in M. Holland (ed.) *Common Foreign and Security Policy: The Record and Reforms*, London: Pinter.

⁶ For an explanation of inter-pillar consistency, see Monar, J. (1993) 'The Foreign Affairs System of the Maastricht Treaty: A Combined Assessment of the CFSP and EC External Relations Elements' in J. Monar, W. Ungerer and W. Wessels (eds) *The Maastricht Treaty on European Union: Legal Complexity and Political Dynamics*, Brussels: European Interuniversity Press, p. 144; Krenzler, H. and Schneider, H.C. (1997) 'The Question of Consistency' in E. Reglesberger, P. de Schoutheete de Tervarent and W. Wessels (eds) *Foreign Policy of the European Union: From EPC to CFSP and Beyond*, Boulder and London: Lynne Rienner, pp. 120-134.

⁷ Nicolaidis, K. and Meunier, S. (1999) 'Who Speaks for Europe? The Delegation of Trade Authority in the European Union' *Journal of Common Market Studies*, Vol. 37, No. 3, forthcoming.

⁸ Hill, C. (1992) 'The foreign policy of the European Community: Dream or reality?' in R.C. Macridis (ed.) *Foreign Policy in World Politics*, 8th edition, London: Prentice Hall, p. 109.

- ⁹ Devuyst, Y. (1999) 'The Community Method After Amsterdam', *Journal of Common Market Studies*, Vol. 37, No. 1, p. 53.
- ¹⁰ Schmitter, P. (1969) 'Three Neo-Functional Hypotheses About International Integration', *International Organization*, Vol. 33, No. 2, pp. 161-66; Ginsberg, R. (1989) *Foreign Policy Actions of the European Community: The Politics of Scale*, London: Admantine Press, pp. 26-7.
- ¹¹ Peterson, J. and Bomberg, E. (1999) *Decision-Making in the European Union*, Basingstoke: Macmillan, pp. 104-12.
- ¹² Groux, J. and Manin, P. (1985) *the European Communities in the International Order*, Luxembourg: Office for Official Publications of the European Communities (OOPEC), p. 45.
- ¹³ Peterson, J. and Bomberg, E. (1999), op. cit., pp. 104-5.
- ¹⁴ The memberships of NATO and the WEU are cases in point. Austria, Finland, Ireland and Sweden are not members of NATO. Similarly, Austria, Denmark, Finland, Ireland and Sweden have only 'observer' status in the WEU.
- ¹⁵ Rühle, M. and Williams, N. (1996) 'The Greater Union's New Security Agenda: NATO and the EU' in F. Algieri, J. Janning and D. Rumberg (eds) *Managing Security in Europe: The European Union and the Challenge of Enlargement*, Gütersloh: Bertelsmann Foundation, pp. 89-109; Hill, C. (1998) 'Convergence, Divergence and Dialectics' in J. Zielonka (ed.), op. cit., p. 43;
- ¹⁶ Croft, S., Redmond, J. Wyn Rees, G. and Webber, M. (1999) *The Enlargement of Europe*, Manchester: Manchester University Press, p. 44.
- ¹⁷ Committee of Independent Experts (1999) *First Report on Allegations regarding Fraud, Mismanagement and Nepotism in the European Commission*, Brussels, 15 March, «<http://www.europarl.eu.int/experts/en/3.htm>».
- ¹⁸ Soetendorp, B. (1999) *Foreign Policy in the European Union: Theory, History and Practice*, London and New York: Longman, p. 68.
- ¹⁹ Articles referred to in the thesis in all cases use the numbering that appears in the consolidated text of the EU's treaties produced after the Amsterdam Treaty.
- ²⁰ Devuyst, Y. (1999), op. cit.
- ²¹ On the distinction between the high and low politics, see Morgan, R. (1973) *High Politics, Low Politics: Towards a Foreign Policy for Western Europe*, London: Sage. For an application of the distinction in the context of European integration, see Hoffmann, S. (1995) *The European Sisyphus: Essays on Europe, 1964-1994*, Boulder (CO) and Oxford: Westview Press, pp. 71-106.
- ²² Lodge, J. (1989) 'European Political Co-operation : Towards the 1990s' in J. Lodge (ed.) *The European Community and the Challenge of the Future*, London: Pinter, p.226.
- ²³ Wessels, W. (1982) 'European Political Cooperation: A New Approach to European Foreign Policy' in D. Allen, R. Rummel and W. Wessels (eds) *European Political Cooperation: Towards a Foreign Policy for Western Europe*, London: Butterworth Scientific, p. 2; Nuttall, S. (1997) 'Two Decades of EPC Performance' in E. Regelsberger et al, op. cit., p. 19.
- ²⁴ Ifestos, P. (1987) *European Political Cooperation: Towards a Framework of Supranational Diplomacy*, Aldershot: Avebury, p. 106.
- ²⁵ Krenzler, H.G. and Schneider, H.C. (1997) op. cit., p. 134.
- ²⁶ Ibid.
- ²⁷ Peterson, J. and Bomberg, E. (1999), op. cit., p. 229.

- ²⁸ Rummel, R. and Wiedemann, J. (1998) 'Identifying institutional paradoxes of CFSP' in J. Zielonka (ed.) *Paradoxes of European Foreign Policy*, The Hague: Kluwer Law International, pp. 53-66.
- ²⁹ Lodge, J. (1993), op. cit., p. 230.
- ³⁰ European Council and Council of the Union (1995) *Draft Mandate for the 1996 Intergovernmental Conference*, Brussels, 16 January.
- ³¹ McDonagh, B. (1998) *Original Sin in a Brave New World: An Account of the Negotiation of the Treaty of Amsterdam*, Dublin: Institute of European Affairs, p. 114.
- ³² Ibid.
- ³³ Allen, D. (1998) 'Who Speaks for Europe? The Search for an Effective and Coherent External Policy' in J. Peterson and H. Sjursen (eds), op. cit., p. 58; Soetendorp, B. (1999), op. cit., p. 77.
- ³⁴ For official and academic criticisms of the CFSP, see Reflection Group (1995) *Report for the 1996 IGC*, Brussels: OOPEC, pp. 39-49; Reglesberger, E. and Wessels, W. (1996) 'The CFSP Institutions and Procedures: A Third Way for the Second Pillar', *European Foreign Affairs Review*, Vol. 1, No. 2, pp. 29-54; European Parliament (1996) *Briefing on the Common Foreign and Security Policy*, JF/bo/103/96, Luxembourg, March; Smith, M.E. (1998) 'What's Wrong with the CFSP? The Politics of Institutional Reform' in P-H. Laurent and M. Maresceau (eds) *The State of the European Union: Volume 4*, Boulder and London: Lynne Rienner, pp. 149-175.
- ³⁵ The severest criticism has been levelled at the Union's performance over the conflict in the former Yugoslavia. See Kintis, A.G. (1997) 'The EU's Foreign Policy and the War in the Former Yugoslavia' in M. Holland (ed.) *Common Foreign and Security Policy: The Record and Reforms*, London and Washington: Pinter, pp. 148-173.
- ³⁶ Peterson J. and Sjursen, H. (1998) op. cit., p. 167.
- ³⁷ Christopher Hill, for instance, contends that displays of solidarity among the Member States have 'instrumental value', demonstrating to prospective candidates and third countries the strength of the *acquis politique*, the Hill, C. (1997) 'The Actors Involved: National Perspectives' in E. Regelsberger, P. de Schoutete de Tervarent and W. Wessels, *Foreign Policy of the European Union: From EPC to CFSP and Beyond*, Boulder (CO): Lynne Rienner, p. 88.
- ³⁸ Hill, C. (1997), op. cit., p. 86; Stavridis, S. (1997) 'The Common Foreign and Security Policy: Why Institutional Arrangements Are Not Enough' in S. Stavridis, E. Mossialos, R. Morgan and H. Machin (eds) *New Challenges to the European Union: Policies and Policy-Making*, Aldershot: Dartmouth, p. 103.
- ³⁹ Allen, D. (1996) 'The European Rescue of National Foreign Policy' in C. Hill (ed.) *The Actor's In Europe's Foreign Policy*, London and New York: Routledge, p. 296.
- ⁴⁰ See Hill, C. (1998) 'Convergence, Divergence and Dialectics' in J. Zielonka (ed.) op. cit, p. 45.
- ⁴¹ Hill, C. (1998) 'Closing the Capabilities-Expectations Gap?' in J. Peterson and H. Sjursen (eds), op. cit., p. 18.

⁴² On problems of conceptualising EU foreign policy see Ginsberg, R. (1999) 'Conceptualising the European Union as an International Actor: Narrowing the Theoretical Capabilities-Expectations Gap', *Journal of Common Market Studies*, Vol. 37, No. 2, forthcoming. See also Smith, H. (1995) *European Union Foreign Policy and Central America*, London: Macmillan, p. 17; Hill, C. and Wallace W. (1996) 'Introduction: Actors and actions' in C. Hill (ed.) *The Actors in Europe's Foreign Policy*, London: Routledge, p. 2; Soetendorp, B. (1994) 'The Evolution of the EC/EU as a Single Foreign Policy Actor' in W. Carlsnaes and S. Smith (eds), op. cit., pp. 103-119; Smith, H. 'The EU in Latin and Central America' in J. Peterson and H. Sjursen (eds.) (1998) *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, London: Routledge, 1998, p. 153; Soetendorp, B. (1999) *Foreign Policy in the European Union: Theory, History and Practice*, London and New York: Longman

⁴³ Weiler, J.H.H. and Wessels, W. (1988) 'EPC and the Challenge of Theory' in A. Pijpers, E. Regelsberger and W. Wessels (eds) *European Political Cooperation in 1980s: A Common Foreign Policy for Western Europe?*, Dordrecht: Martinus Nijhoff, pp. 229-257; Jorgensen, K.E. (1993) 'EC External Relations as a Theoretical Challenge: Theories, Concepts and Trends' in F.R. Pfetsch ed.) *International Relations and Pan Europe: Theoretical Approaches and Empirical Findings*, Munster: Campus Verlag, p. 212; Ginsberg, R. (1999), op. cit.

⁴⁴ Hill, C. (1993) 'The Capability-Expectations Gap, or Conceptualising Europe's International Role', *Journal of Common Market Studies*, Vol. 31, No. 3, p. 306.

⁴⁵ On this point, see Ginsberg, R. (1999), op. cit., p. 24.

⁴⁶ Kissinger, H. (1994) *Diplomacy*, New York and London: Simon and Schuster.

⁴⁷ Grieco, J. (1988) 'Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism', *International Organization*, Vol. 42, No.3, p. 487.

⁴⁸ Mearsheimer, J. (1990) 'Back to the Future: Instability in Europe After the Cold War', *International Security*, Vol. 15, No. 1, pp. 5-56; Waltz, K. (1993) 'The Emerging Structure of International Politics', *International Security*, Vol. 18, No. 2, pp. 44-79.

⁴⁹ Waltz, K. (1986) 'Anarchic Orders and Balances of Power' in R.O. Keohane (ed.) *Neorealism and its Critics*, New York: Columbia Press, p. 104.

⁵⁰ Baldwin, D.A. (1993) 'Neoliberalism, Neorealism and World Politics' in D.A. Baldwin (ed.) *Neorealism and Neoliberalism: The Contemporary Debate*, New York: Columbia University Press, p. 6. For a sharp critique of the distribution of power argument in the context of contemporary European integration, see Hoffmann, S. (1995), op. cit., pp. 281-300.

⁵¹ Pijpers, A. (1991) 'European Political Cooperation and the Realist Paradigm' in M. Holland (ed.) *The Future of European Political Cooperation: Essays on Theory and Practice*, Basingstoke: Macmillan, p. 21.

⁵² On the theoretical implications of EPC's institutionalisation, see Smith, M.E. (1998) 'Rules, Transgovernmentalism and the Expansion of European Political Cooperation' in W. Sanholtz and A. Stone Sweet (eds) *European Integration and Supranational Governance*: Oxford: Oxford University Press, pp. 305-333.

⁵³ Ginsberg, R. (1999), op. cit.

⁵⁴ Moravcsik, A. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, London: UCL Press, p. 18. A more general theory of the relationship between domestic interests and international bargaining is offered by Putnam, R. (1988) 'Diplomacy and Domestic Politics: The Logic of Two-level

Games', *International Organization*, Vol. 42, No. 3, pp. 427-460. The two-level game analogy is usefully applied to EPC by Simon Bulmer. See Bulmer, S. (1991) 'Analysing EPC: The Case for Two-tier Analysis' in M. Holland (ed.), op. cit., pp. 70-91. On governmental demand for international institutions, see also the collection of essays in Ruggie, J-G (1993) (ed.) *Multilateralism Matters: The Theory and Praxis of an Institutional Form*, New York: Columbia University Press.

⁵⁵ Moravcsik, A., Ibid., p. 206.

⁵⁶ Moravcsik, A. (1993) 'Preferences and Power in the International Community: A Liberal Intergovernmentalist Approach', *Journal of Common Market Studies*, Vol. 31, No. 4, p. 495.

⁵⁷ Keohane, R.O. and Hoffmann, S. (1989) 'Institutional Change in Europe in the 1980s' in R.O. Keohane and S. Hoffmann (eds) *The New European Community: Decision-Making and Institutional Change*, Boulder (CO) and Oxford: Westview, esp. pp. 10-15. A classic work on regime theory is Krasner, S.D (1983) *International Regimes*, Ithaca (NY): Cornell University Press.

⁵⁸ Keohane, R.O and Hoffmann, S., ibid., p. 28; Keohane, R.O. (1993) 'Institutional Theory and the Realist Challenge After the Cold War' in D.A. Baldwin (ed.) *Neorealism and Neoliberalism: The Contemporary Debate*, New York: Columbia University Press, p. 286; Hoffmann, S. (1995), op. cit., p. 290.

⁵⁹ Keohane, R.O. and Hoffmann, S. (1989), Ibid, p. 13.

⁶⁰ Ginsberg, R. (1999), op. cit.

⁶¹ Bulmer, S. (1994) 'The Governance of the European Union: A New Institutional Approach', *Journal of Public Policy*, Vol. 13, No. 4, pp. 351-80; Garrett, G. and Tsebelis, G. (1996) 'An Institutional Critique of Intergovernmentalism', *International Organization*, Vol. 50, No. 2, pp. 269-99; Pollack, M. (1997) 'Delegation, Agence and Agenda-Setting in the European Union', *International Organization*, Vol. 51, No.1, pp. 99-134; Armstrong, K. and Bulmer, S. (1998) *The Governance of the Single European Market*, Manchester: Manchester University Press. Much of the institutionalist literature takes inspiration from early theoretical work which sought to explain European integration using 'neo-functionalist' theory. The usefulness of neofunctionalism itself in explaining the evolution of EU external policy seems limited, except insofar as it highlights the relative lack of social demand within Europe for coherent external policy. For example, one recent treatment with strong neo-functionalist overtones argues that 'though some argue for the political benefits that CFSP would bring, few societal transactors find its absence costly'. See Stone Sweet, A. and Sandholtz, W. (1997) 'European Integration and Supranational Governance', *Journal of European Public Policy*, Vol. 4, No. 3, p. 309.

⁶² Smith, M.E. (1998), op. cit., p. 310.

⁶³ In this respect, Wolfgang Wessels' 'fusion thesis' of the European integration process might be a useful point of departure in the search for a 'middle range' theory of EU foreign policy. However, Wessels himself is unsure how to approach the CFSP which, although it has 'some kind of binding character and further impact', does not fit the normal criteria of public policy with which his theory is concerned (p. 276). Wessels, W. (1997) 'An Ever Closer Fusion? A Dynamic Macro-political View on Integration Processes', *Journal of Common Market Studies*, Vol. 35, No. 2.

- ⁶⁴ Sjostedt, G. (1977) *The External Role of the European Community*, Farnborough: Saxon House; Allen, D. and Smith, M. (1990) 'Western Europe's Presence in the Contemporary International Arena', *Review of International Studies*, Vol. 16, No. 1, pp. 19-37; Hill, C. (1990) 'European Foreign Policy: Power Bloc, Civilian Model or Flop?' in R. Rummel (ed.), op. cit., pp. 31-55. Smith, M. (1996) 'The EU as an International Actor' in J.J. Richardson (ed.) *European Union: Power and Policy-Making*, London: Routledge, pp. 247-262.
- ⁶⁵ Allen, D. and Smith, M. (1990), Ibid, p. 21.
- ⁶⁶ Hill, C. (1998) 'Closing the capabilities-expectations gap?' in J. Peterson and H. Sjursen (eds) *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, London: Routledge, p. 26.
- ⁶⁷ See Peterson, J. and Bomberg, E. (1999), op. cit., pp. 238-9; 250-1.
- ⁶⁸ Hill, C. (1998), op. cit.
- ⁶⁹ Northedge, F.S. (ed.) (1969) *The Foreign Policy of the Powers*, London: Faber and Faber, p. 28; White, B. (1989) 'Analysing Foreign Policy: Problems and Approaches' in M. Clarke and B. White (eds) *Understanding Foreign Policy: The Foreign Policy Systems Approach*, Aldershot: Edward Elgar, p. 6. Both the works cited above distinguish policy by design' from the daily activities in which foreign ministries are engaged.
- ⁷⁰ Keohane, R.O. and Hoffmann, S. (1993) 'Conclusions: Structure, Strategy and International Roles' in R.O. Keohane, J.S. Nye and S. Hoffmann (eds) *After the Cold War: International Institutions and State Strategies in Europe, 1989-1991*, Cambridge (MA): Harvard University Press p. 393.
- ⁷¹ Allen, D. (1998), op. cit., p. 46.
- ⁷² White, B. (1989), op. cit, p. 1; Smith, S. (1994) 'Foreign Policy Theory and the New Europe' in W. Carlsnaes and S. Smith (eds), op. cit., pp. 1-20; Allen, D. (1998) op. cit., p. 44.
- ⁷³ This section heavily draws on Roy Ginsberg's model of European foreign policy decision making. See Ginsberg, R. (1999), op. cit. The FPA literature is replete with systems analyses of national foreign policy-making systems. Many proceed from the classic and lucid work of David Easton's original framework. See Easton, D. (1965) *A Framework for Political Analysis*, Englewood Cliffs: Prentice-Hall.
- ⁷⁴ Soetendorp, B. (1999) op. cit., pp. 11-12.
- ⁷⁵ Delors, J. (1990) 'Europe's Ambition', *Foreign Policy*, No. 180, Autumn, pp. 14-27.
- ⁷⁶ Scharpf, F. (1988) 'The Joint-Decision Trap: Lessons from German Federalism and European Integration', *Public Administration*, Vol. 66, No. 3, pp. 239-278; Friis, L. (1997) *When Europe Negotiates: From Europe Agreements to Eastern Enlargement*, Copenhagen: Institute of Political Science, p. 82.
- ⁷⁷ The preamble to the Single European Act (1986), for instance, talks about the need to protect Europe's independence, promote democracy, compliance with the law and human rights.
- ⁷⁸ Wistrich, E. (1992) *After 1992: The United States of Europe*, London: Routledge, p.121.
- ⁷⁹ Ginsberg, R. (1999), op. cit.
- ⁸⁰ Wallace, H. (1983) 'Negotiation, Conflict and Compromise: The Elusive Pursuit of Common Policies' in H. Wallace, W. Wallace and C. Webb *Policy Making in the European Community* (2nd edition), Chichester: John Wiley and Sons, p. 52.

⁸¹ Wallace, H. (1996) 'Politics and Policy in the EU: The Challenge of Governance' in H. Wallace and W. Wallace (eds) *Policy Making in the European Union*, Oxford: Oxford University Press, p. 30; Friis, L. (1997) *When Europe Negotiates: From Europe Agreements to Eastern Enlargement*, Copenhagen: Institute of Political Science, p. 6; Smith, M. (1998), op. cit, p. 80.

⁸² Smith, M. (1998), op. cit., pp. 83-4.

⁸³ Ibid., p. 84.

⁸⁴ Wallace, H. (1996), op. cit., pp. 32-3.

⁸⁵ The 'inside-outside game' metaphor is taken from Likke Friis' excellent study of the negotiation of the Europe Agreements with the Central and Eastern European accession candidates. The term 'game' is something of a misnomer, since it implies a game theoretical approach to negotiation analysis. Friis instead uses the game metaphor as the basis for a model, but stops short of the quantitative analysis usually associated with that method. Friis, L. (1997), op. cit., p. 65.

⁸⁶ Smith, M. (1996) 'The European Union and a Changing Europe: Establishing the Boundaries of Order', *Journal of Common Market Studies*, Vol. 43, No. 1, pp. 5-28; Friis, L. and Murphy, A. (1999) 'The European Union and Central and Eastern Europe: Governance and Boundaries', *Journal of Common Market Studies*, Vol. 37, No. 2, pp. 211-32.

A BRIEF HISTORY OF EU MEDITERRANEAN POLICY

The Euro-Mediterranean Partnership cannot be explained without first understanding the historical evolution of the EU's relations with the Mediterranean non-member countries. The Euro-Mediterranean agreements were essentially repackaged versions of agreements negotiated during the early years of EU Mediterranean policy. Issues that were politicised in the first rounds of negotiations have tended to remain politicised, leaving a 'shadow of the past' in which contemporary negotiators and policy-makers must operate.¹ When policy change did take place, it was through renegotiation rather than outright transformation.² The purpose of this chapter is to trace the main patterns of negotiation and associative diplomacy that shaped and re-shaped Mediterranean policy over three decades.

The effectiveness of Mediterranean policy has tended to be judged above all by its impact on trade between the EU and the Mediterranean third countries, and disputes over the terms offered by the Community became the recurring feature of each round of renegotiations. The distributive outcomes of trade concessions resulted in immediate, identifiable costs to be borne by domestic producers within the Member States, and a quantifiable and comparable 'deal' for each associate. With clear internal and external winners and losers from the agreements, attempts to build a comprehensive strategy for the region were consistently subordinated to the defence of domestic interests by individual Member States, as well as to the increasing limitations on concessionary diplomacy that stemmed from the externalisation of the CAP and other

Community policies.³ The history of Mediterranean policy, as this chapter sets out to demonstrate, is one of an absence of effective strategic action on the part of the EU.

Section 1 outlines the formative phase of the EU's relations with the Mediterranean partners and the main determinants of the Community's choice of policy instruments. Section 2 evaluates the first major policy development in the 1970s - the Global Mediterranean Policy (GMP) - examining the politics behind the Community's first serious attempt to develop a strategy for the region. Section 3 assesses how the Community adapted its Mediterranean policy after the accession of Greece, Portugal and Spain during the 1980s. It argues that this third phase of Mediterranean policy was more concerned with managing the impact of accession on EU policies and satisfying the interests of the Member States than with making the adjustments needed to offset the negative impact of enlargement on third countries.

1. A Slow Start: The Treaty of Rome and the Patchwork of Associates

The Treaty of Rome (1957) contained no formal foreign policy provisions and offered little stimulus for the definition and pursuit of common external interests and objectives. The Community was equipped with a limited range of explicit powers, scattered throughout the founding treaties, to develop relations with the outside world. However, there were considerable uncertainties about the distribution of competencies between the institutions and Member States. On the one hand, key features of external policy that were to emerge later - including development policy and cooperation on politico-security matters - remained the responsibility of the Member States. On the other hand, the Community had responsibility for the regulation of external trade through the common commercial

policy (Article 133) harnessed to a Common External Tariff, the right to conclude treaties, and the power to manage the externalities of internal policies.⁴ It was left to political and economic exigencies, and the judgements of the ECJ, to incrementally define the parameters of Community external policy.

The Community had several motives for seeking to draw the Mediterranean third countries towards it during the 1960s. The first of these was the strategic importance of the Mediterranean region to the Western camp in the context of the Cold War. For Habib Ben Yahia, a former Tunisian foreign minister, 'the north's interest in the southern shore has always been about security.'⁵ Attention focused on the north east Mediterranean; the Maghreb was seen more as a problem for the French than a military problem for the West, but both regions were sufficiently close to the Community to pose serious security problems were they to become hostile to the west.⁶

Commercial ties between the Six and the Mediterranean non-members linked to traditional imperial trading patterns were a second motive for a Community Mediterranean policy. In 1960, the Mediterranean non-member countries as a group (including Portugal and Spain) absorbed over 15 per cent of Community exports. In turn, over 60 per cent of the exports of Mediterranean third countries went to the Community. The Maghreb countries were major suppliers of primary products to the Six, including petroleum from Algeria and Libya and phosphates from Morocco. Agricultural exports to the Community were a vital source of export revenues for Morocco and Tunisia. On the EC side, the Member States, particularly France and Italy, exported manufactured and capital goods to the Mediterranean countries.

The prime mover on Mediterranean policy was France, which dominated Community trade in the region. In the early 1960s it accounted for 40 per cent of

exports to the Maghreb and received around 45 per cent of Maghrebi imports to the Community, and benefited from a strong commercial presence in the region through a mixture of private and public investment.⁷ Having carefully nurtured its sources of primary goods, De Gaulle's government clearly sought to protect them when responsibility for commercial policy shifted to the EEC. Moreover, rapid economic growth in the 1960s meant a growing demand for North African labour in France. Taking these economic factors together, it was clear that initially, policy would be driven by Paris.

Lacking the instruments to pursue a comprehensive policy strategy in the region, the Community's relations with Mediterranean third countries instead evolved in what Stanley Henig accurately described as 'a doctrinal vacuum'.⁸ Since the Treaty of Rome gave only vague directions as to how relations with the Mediterranean third countries should evolve, it was relatively easy for the Community to avoid making substantive commitments.⁹ As governments lined up to establish formal relations with the Community, it responded with a mixture of association agreements with Greece, Malta and Turkey, special preferential commercial arrangements for France's former colonies in North Africa, and a series of commercial accords with the remainder of the Mediterranean non-member countries. The result was a 'pyramid' of agreements based on differentiated commercial and political privileges.¹⁰ The choice of one form of agreement over another and the emergence of a hierarchy of more and less favoured third countries reflected the political priorities of the Member States and, albeit in a limited and disparate way, the identification and pursuit of Community interests in the region.¹¹

The most advanced policy instrument was full association, based on Article 310. The provisions of Article 310 left open the goals, form and content of

agreements, stating only that association should involve 'reciprocal rights and obligations, common action and special procedures'. In theory, association was therefore flexible enough to accommodate both the demands of third countries and the numerous limitations imposed by the political and economic situation inside the Community, although finding a mutually acceptable balance was usually difficult.¹² Association agreements, and variants of them, were to become the instrument of choice in Mediterranean policy.

The precise terms of association were a function of the strategic and commercial importance of the associate to the Community, and, arguably, to its cultural compatibility with Western Europe. At best, association was a 'stepping stone to full membership; at worst, a poor relation to membership'.¹³ Greece and Turkey concluded Association Agreements in 1962 and 1963 respectively, as the Community made a transparent attempt to prevent the two countries from falling into the hands of the communist bloc.¹⁴ Both the agreements, of unlimited duration, were to lead to full customs unions over transitional periods of between 12 and 22 years, and both states had their eligibility for membership recognised.¹⁵ But Greece was offered a clear timetable for membership and considerably more generous commercial terms - including higher import quotas - than those offered to Turkey. The Community was also studiously imprecise about the timing and end-state of Turkey-EC integration. With its self-professed European vocation, small population and relatively small economy, Greek accession was both a more attractive and a less problematic proposition.¹⁶

The second kind of association, based on Articles 182-7 of the Treaty, was designed to safeguard the 'special' relationships of the Member States with their dependencies, principally the Francophone African countries.¹⁷ These provisions gave rise to the 1963 Yaoundé Convention which gave former colonies duty and

quota free access to the Community's markets for a range of exports, and financial aid worth 800 Million ECUs. However, although the Article 182 provisions were dressed up in the rhetoric of economic development, their main purposes were to protect imports of cheap primary products and maintain the privileged position of colonial imports in home markets.¹⁸ For non-members, preferential trading arrangements offset the economic cost to them of the Community's customs union.¹⁹ The chief advocate of Article 182 was France, which made special arrangements for its overseas territories a condition of its decision to sign the Treaty of Rome.²⁰ As Gobe argues, 'she [France] developed the idea of Euro-Africa, which allowed her to implement towards the old colonies a policy she could not work out herself.'²¹ The multilateralisation of colonial economic relations spread the costs of continuing to support the territories - through Europeanising reduced tariffs on imports - among the six.

The third policy instrument for the Mediterranean, earmarked for the independent countries of the franc area, was economic association. Although it was based on Article 310, this form of association did not include financial aid, technical assistance and provisions for the free movement of workers. In effect, it was a half-way house between a simple trade agreement and full association, lacking the political dimension of the latter. Having conceded to French pressure to include Article 182 in the Treaty of Rome, the other Member States were more circumspect about granting similarly special status to the Mediterranean non-member states.²² The message was clear: for various reasons, these states were of secondary importance to the Community and would have to wait for their status to be upgraded.

From the outset, the member states were in a strong position to determine the form, content and terms of associations. The decision-making procedure for

Article 310 gave the Council of Ministers the right of approbation with respect to the Commission's negotiating mandate, required unanimity in the Council to conclude agreements, and ratification of agreements by national parliaments.²³ Furthermore, associations usually covered several subjects outside the Community's remit, requiring 'mixed' agreements in which both the Community and the Member States participated as legal parties.²⁴ Even where Community possessed exclusive competence to conclude agreements (Article 133), *de facto* use of unanimity to approve the Commission's negotiating mandates, and the oversight function of the Council, enabled the Member States to keep the Commission on a tight rein.²⁵

Morocco and Tunisia were the first Mediterranean states to take up the offer of economic association, opening negotiations with the Community in 1965. However, they quickly ran into opposition from Italy, which embarked on 'three year long filibuster' in defence of its agricultural industry.²⁶ Southern Italian agriculture, particularly its citrus fruit industry, was in a weak position in the mid 1960s and faced direct competition from Moroccan and Tunisian imports of so-called 'Mediterranean products.'²⁷ Concessions in this sector were therefore a highly sensitive issue for the Italian government. Crucially, France - the chief ally of the Maghreb states within the Community - chose 1965 to walk out of the Council. Much of the Council's business was suspended, and with its relatively low status on the EEC's hierarchy of priorities, Morocco and Tunisia found themselves sidelined during 1965 and 1966. When the talks resumed at the end of 1966, lengthy internal negotiations were required to find a compromise satisfactory to the Italian government. A combination of compensatory measures for Italian farmers and intensive diplomacy by DG1 officials and the Maghrebi ambassadors finally persuaded Italy to accept the agreements.²⁸

Internal negotiations were also necessary to reconcile differences in the foreign policy orientations of certain Member States towards Israel and the Maghreb. Following the 1967 Arab-Israeli conflict, the Netherlands, backed by Germany, linked the continuation of the association negotiations to their demand for a similar deal for Israel. France, continued to press the case for the Maghreb. The Dutch government blocked the conclusion of the Maghreb associations in the Council, insisting that a mandate should also be prepared for a full association agreement with Israel.²⁹ A compromise formula, brokered by the Commission and the Maghrebi ambassadors, led to the removal of the non-commercial parts of the agreement. In the end, a partial, temporary agreement was deemed preferable to no agreement at all.

Underlying the Member States' hesitancy over the Association Agreements were more fundamental differences over the Community's approach to economic development policy. In the protectionist camp, France advocated a regionalist approach to EC external relations, favouring privileged treatment for a restricted group of third countries which in turn safeguarded French commercial interests.³⁰ The Netherlands and West Germany, by contrast, argued for a 'single international cooperative movement in line with the liberalising agenda of the GATT.'³¹ The Federal Republic adopted a global view of the Community's development policy befitting its lack of colonial ties and the relative lack of competition to its own agricultural sector from imports of Mediterranean products.³² Subsequent enlargements of the Community would accentuate and polarise these divergent ideological approaches.

Protectionists and regionalists undoubtedly held sway in the first phase of Mediterranean policy. The conclusion of preferential trading agreements provoked criticism from both non-associates and the USA. Non-associates

claimed that preferential terms of trade for associates discriminated against their exporters. The USA had sought the dismantling of imperial preferences since the end of World War 2.³³ But the Community stood firm and sought waivers where the agreements contravened GATT principles.³⁴

On the external front, the Community's key task was to obtain the approval of Morocco and Tunisia to a deal that fell short of their expectations. Despite having resorted to the lowest-common denominator to win the assent of all the Member States to the accords, the Community could not ignore the fact that it had invited the two states to apply for full association. The solution was a clause in the agreements stating that they:

appear clearly as a first step towards more global accords to be concluded later... do not preclude the maintenance of preferential commercial relations with France...and are able to be rapidly implemented.³⁵

It is important, however, not to over-state either the politicisation of key issues in this first round of agreements, or indeed the political importance of Mediterranean policy in general. In a detailed study of the Maghreb negotiations, Glenda Rosenthal found 'little solid evidence of the effective exercise of public opinion and interest group pressures in the negotiation of the Maghreb treaties....Primarily, the conclusion of the Maghreb agreements was a strictly EEC-Maghreb affair and involved almost no external pressures.'³⁶ In the overall scheme of the European integration, Mediterranean policy was a low priority at this stage.

The end product of the Community's first phase of associative diplomacy in the Mediterranean resembled a 'patchwork' rather than a coherent network. As Eberhard Rhein argues:

The Community handled the association relationship as if it were a formal, rather superficial international agreement. It did not really care what was

going on behind the scenes, what economic and social policies were being pursued.³⁷

Nevertheless, the agreements sparked a 'chain reaction' among other Mediterranean countries which sought to enter into new agreements, or upgrade their existing relationships, with the Community.³⁸ As the list of *demandeurs* grew, the Community was forced to rethink its approach.

2. From Patchwork to Framework: The Global Mediterranean Policy³⁹

If the Community's approach to the Mediterranean was piecemeal in the early years, the 1970s saw the first serious attempt to formulate a strategy for the region. It occurred during a period when the Community was making serious efforts to establish its credentials as an international actor. The 1969 Hague Summit saw EC member governments agreeing to improve the coordination of their individual foreign policies, which galvanised foreign ministers into more serious consideration of the Community's common external interests. In 1970, the launch of European Political Cooperation gave rise to the first inter-governmental meetings at which the member states set out to identify the Community's political interests and prepare the ground for future foreign policy positions. At the 1972 Paris Summit, the Member States duly resolved to ensure 'an overall and balanced handling' of the Community's relations with the Mediterranean third countries, and instructed the Commission to look again at the Association Agreements.⁴⁰

The Commission responded by submitting proposals to the Council for a new policy framework - the Global Mediterranean Policy (GMP) - centring on new 'cooperation agreements' that covered financial, technical and social matters and the expansion of the geographical scope of the associative network.⁴¹ The long-term objective was the creation of a Mediterranean free-trade area.⁴² To

increase competition in the region and boost exports, France proposed that the associates should open up their markets to Community exports. However, the Commission argued that the free-circulation of goods alone would not promote development in the region, and that the GMP should also include provisions on capital movements, technology transfers, technical cooperation, labour and environmental and financial cooperation.⁴³

External events played a much more prominent part in politicising Mediterranean policy during this period than had previously been the case. First, unity among the developing countries, expressed in demands by the G77 for a new and more benevolent international economic order, put the Community's relations with developing countries under the spotlight.⁴⁴ For third countries subject to Article 182 of the Treaty, the Community responded with the Lomé convention in 1975. In turn, greater equity was demanded between the level of commercial privileges granted to the African associates and those offered to the Community's other partners.⁴⁵

Second, the 1973 Arab-Israeli war and subsequent Arab oil embargo compelled the Community to look at the political dimension of its Mediterranean policy. Although these events occurred after the launch of the GMP, the OPEC embargo exposed the vulnerability of the Community's energy supplies and demanded rapid diplomatic action from the Member States. Their response - the Euro-Arab Dialogue - was the first explicitly political form of association.⁴⁶ It established a forum in which discussions would take place between the Community and the Arab League at Ministerial as well as civil-servant level on issues ranging from the status of the PLO and Israeli foreign policy to cultural, social and technological collaboration. Even if the 'Dialogue' was essentially an example of gesture politics, it nevertheless signalled that the Community

recognised the increasing political salience of good relations with Mediterranean non-member states.

The Arab-Israeli conflict presented the Community with a problem of a different order. The Community's commitment to negotiate agreements with any Mediterranean country that applied left it with a political balancing act between its policies towards the Arab states and its relationship with Israel. Condemnation of Israel's occupation of Gaza and the West Bank by the Member States in EPC clashed with the ongoing discussion of a new cooperation agreement with the Community. The lack of obvious linkage between the Community's criticism of Israel's policies and its 'routine' external economic relations with Israel exemplified the inherent inconsistency of Community foreign policy-making. Indeed, there is little to suggest that the possibility of halting the negotiations with Israel was even broached.

Internally, several factors paved the way for a more comprehensive Mediterranean strategy. First, the Commission's growing assertiveness and self-confidence on external policy matters saw it take a more prominent role in setting the agenda on Mediterranean policy. It attempted to sell to the Member States the idea that the economic development of the Mediterranean - the long term goal of the GMP - was 'a natural extension of European integration'.⁴⁷ In doing so, the Commission stood to have its own powers as policy initiator and negotiator augmented, since the GMP called for Community level action in new policy areas.⁴⁸ The pay off for the Community would be improved coordination of policy, and a greater sense of direction, in the areas covered by the cooperation agreements.

Second, the early 1970s witnessed a subtle but significant shift in French foreign policy. De Gaulle's resignation precipitated the gradual reform of

France's relations with its former colonies in North Africa, although it continued to claim special responsibility for the region. As far as Community policy was concerned, France adopted a more favourable attitude to the multilateralisation of its own economic and political relations with Mediterranean third countries while seeking to retain its status as a policy leader.⁴⁹ Conditional acceptance by Pompidou's government of the principle of a regional free-trade zone, for instance, removed a significant obstacle to the re-negotiation of trading preferences.

Third, the 1973 enlargement of the Community necessitated adjustments to the existing association agreements and, perhaps more importantly, tilted the ideological scales towards the northern liberalisers. Adaptation measures were attached to each agreement in order to extend the Mediterranean preference system to Denmark, Ireland and the UK.⁵⁰ Despite being dressed up as 'technical' negotiations by the Commission, a number of Mediterranean associates used the talks to express their dissatisfaction with the terms of their agreements.

Community imports of Moroccan oranges, for instance, had fallen by 8% between 1970 and 1972, provoking complaints of protectionism from Moroccan diplomats in Brussels.⁵¹ When Algeria began talks with the Community in September 1973, it raised similar concerns about the level of market access for its oil and wine exports. Non-associates argued that the implementation of preferential trade provisions by the new Member States would adversely affect their trade with those countries. This problem further strengthened the case for a uniform association system in the region.

The accession of Denmark, the UK and Ireland brought three states into the Community which faced no significant competition from Mediterranean imports and had comparatively fewer direct interests in Mediterranean policy than

France and Italy.⁵² As Toviás argues, ‘they did not share the Commission’s desire to create a sphere of influence there, even questioning at times the need for a Mediterranean policy at all.’⁵³ Moreover, West Germany found in the UK a powerful ally for its campaign to open up the Community’s markets to Mediterranean imports and allow the Mediterranean associates to safeguard domestic producers by retaining tariffs on imports from the Community. As a result, the progression of the GMP proposals through the Council was impeded by an increasingly bitter dispute between free-traders and protectionists.⁵⁴

By June 1973, the Council had drafted negotiating mandates for the cooperation agreements. The principal commitments of the GMP were shown in table 1.1:

Table 1.1 Main commitments of the GMP

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| <p>i) Barriers to trade in industrial products, with the exception of textiles and refined petroleum, to be removed by July 1 1977.</p> <p>ii) Improved access to the Community for Maghrebi agricultural exports, ‘without endangering the legitimate interests of the Member States.’⁵⁵
Reduction of customs duties by 20-80 per cent according to the product and time of year.</p> <p>iii) Development aid - described as ‘financial and technical cooperation - would be attached to each agreement in financial protocols attached to each agreement. This bilateral aid would be supplemented by loans and grants from the EC budget and European Investment Bank (EIB). (See Appendix 1)</p> <p>iv) Individual Cooperation Councils and Committees for each agreement bringing together representatives from the Commission, Member States and individual non-member governments.</p> |
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A cursory glance suggests that the GMP fulfilled many of the Community’s promises. The agreements included provisions for cooperation in a variety of

fields, including the environment, industry, investment and science. On the particularly sensitive subject of labour policy, existing bilateral arrangements on the treatment and status of Maghrebi workers in the Community were supplemented by a new agreement on non-discrimination and the equal treatment of workers.⁵⁶ Pension rights were to be made transferable between EC countries, and remittances of pensions and other payments to countries of origin were to be allowed. The creation of the Cooperation Councils gave the agreements an institutional structure to facilitate ongoing political exchanges between the Community and associates and to deal with implementation problems when they arose.

The enhanced scope of the agreements also met some of the Community's key strategic objectives. Most notably, the provisions for cooperation in the energy sector aimed to 'foster participation by Community firms in programmes for the exploration production and processing of energy resources and to ensure that long term contracts for the delivery of petroleum products are properly performed.'⁵⁷ For the more economically advanced Mediterranean states, the GMP undoubtedly drew them closer to the Community. To varying degrees, Greece, Portugal and Spain, as well as Malta and Turkey, had their European vocations confirmed.⁵⁸

However, beneath the surface, the deep-rooted asymmetry of Euro-Mediterranean relations was barely addressed. The idea of free-trade foundered in the face of irreconcilable differences among the Member States about the Community's balance between preferential treatment and liberalisation. France, supported by Belgium, Italy and the Commission, favoured an 'active policy' (as opposed to a laissez-faire policy) and viewed reciprocity as a tough but necessary choice.⁵⁹ The UK and West Germany favoured across the board liberalisation.

The eventual compromise upheld the principle of reciprocity, but allowed differentiation among the Mediterranean associates on a case-by-case basis, removing any suggestion of uniformity in the GMP.

Concessions on agricultural trade again required protracted internal negotiations before an offer could be made to the third countries. The Italian government, for instance, mounted a campaign in the Council for additional protection for its producers before it would accept any new concessions to the Maghreb states. In the absence of progress, the Community had to resort to temporary agreements, since the first generation of accords expired in 1974. A second round of talks was held in October and November 1974, but the Community's revised offer on agricultural trade received a lukewarm response.⁶⁰ Existing arrangements were extended as the talks laboriously progressed through the minutiae of concessions on citrus fruits, olive oil, tomato concentrates and wine. The introduction of the CAP had only served to increase the politicisation of agriculture and the Community had to negotiate from a position even less flexible than had been the case in the 1960s.

Momentum was finally injected into the negotiating process in April 1975 when the Council agreed a series of so-called 'market organisation measures' for the most contentious sectors, which subsequently freed the Commission to recommence negotiations.⁶¹ The new measures were essentially defensive, installing safeguard measures against imports of the so-called 'sensitive' products.⁶² Tariff concessions ranged from 30-100% and covered 86-89% of agricultural exports, an average tariff reduction of 30-40% for Tunisian and Morocco imports over the 1969 accords.⁶³ But new quantitative restrictions were also applied to wines, tinned sardines, potatoes, oranges and tomatoes. Taken

collectively, these products ranked among the most valuable exports for the Mediterranean non-member countries.

Beyond agricultural trade, quantitative import ceilings were introduced on refined petroleum products above which punitive duties would apply. The Community was anxious to guarantee uninterrupted supplies of oil and gas, but less keen to encourage the development of potentially competitive indigenous processing industries in the associate countries. Trade in textiles, a sector in which Morocco Egypt and Tunisia had a clear comparative advantage over Community manufacturers, was totally excluded from the agreements and subject to voluntary export restraints.⁶⁴ Effective lobbying by European textile manufacturers and the already stiff competition faced by the industry from external sources ruled out any possibility of preferential treatment for textile imports.

The new agreements were undoubtedly more comprehensive than the earlier trade agreements, but the underlying pattern of the EC's relations with the Mediterranean non-members remained: qualified and limited assistance, with Member States insisting on derogations and protective measures where the interests of domestic producers were threatened.⁶⁵ From the associates' point of view, the agreements largely failed to take into account the commercial, cultural and historical specificities of their relationships with the Community.⁶⁶ Put simply, the accords merely perpetuated economic dependence.⁶⁷

TABLE 1.2 The Mediterranean Network After the GMP

Country	Date of Agreement	Type of Agreement
Greece	November 1962	Association
Turkey	September 1963	Association
Morocco	March 1969 April 1976	Commercial Cooperation
Tunisia	March 1969 April 1976	Commercial Cooperation
Yugoslavia	April 1970	Trade
Malta	December 1970	Association
Cyprus	December 1972	Association
Israel	March 1964 May 1975	Trade Free trade and cooperation*
Algeria	April 1976	Cooperation
Egypt	December 1972 January 1977	Association Cooperation
Jordan	January 1977	Cooperation
Syria	January 1977	Cooperation
Lebanon	May 1965 May 1976	Trade Cooperation

* Israel's advanced state of economic development compared to the other Mediterranean associates put it on a different footing with the Community. Moves towards free trade between the two began in 1964, and accelerated with the free-trade agreement of 1975.

Source: Khader, B. (1997) *Le Partenariat Euro-Méditerranéen après la Conférence de Barcelone*, Paris: L'Harmattan, p. 31.

Roy Ginsberg describes the GMP as 'the first successful attempt by the EC at a self styled foreign policy'.⁶⁸ Eberhard Rhein, a former Director General in the Commission's DG1, sees it as the 'first example of a coherent piece of Community foreign policy.'⁶⁹ However, while the GMP undoubtedly brought a sense of structure to the Community's relations with the Mediterranean associates, it failed to change either the bilateral basis of the policy or the underlying asymmetry of economic relations. The limited scope of the GMP is thrown into sharp relief when compared to the 1963 Yaoundé and 1975 Lomé Conventions between the Community and the Member States' former colonies, which created an elaborate system of market access, a development fund of 1 billion ECUs

(Lomé) and an institutional structure that included a consultative assembly and a council of ministers. As the Community contemplated enlarging to the south, the inadequacies of the GMP became apparent.

3. Southern Enlargement: Managing Internal Change

The accession of Greece, Portugal and Spain to the Community marked a distinct phase of Mediterranean policy in its own right. On the economic front, southern enlargement had major implications for the Community's internal market in Mediterranean-type agricultural products. With significant overlap between the production structures of the three new member states and those of the Mediterranean non-members, the potential and actual trade diversion effects of enlargement represented a further challenge to the developmental objectives of the GMP. On the political front, enlargement absorbed three states into the Community with an extensive range of commercial and political interests in the region. The inception of this Mediterranean lobby also promised to even up the balance of power between northern and southern Member States.

The economies of many of the Mediterranean associates were in a parlous state by the turn of the decade. Rapid economic growth in the early-mid 1970s was followed by stagnation and rising external debt as import substitution strategies and indigenous economic development policies faltered. By 1979, the aggregate trade deficit of the Mediterranean third countries with the EC stood at 9 billion ECUs compared with 4 billion ECUs in 1973.⁷⁰ Notwithstanding exogenous factors - the global oil price shocks, commodity price collapses and global recession, the cooperation agreements had manifestly failed to ameliorate economic conditions in the non-member countries..

Even before enlargement, the margin of preference for the Mediterranean associates in relation to those states with no preferential trade deal from the Community had fallen by a third as a result of global tariff reductions in the Kennedy Round of the GATT.⁷¹ Import volumes of tomatoes, Morocco's most important agricultural export, fell every year between 1978 and 1983, provoking protests from the Moroccan delegation in Brussels that subsidised Community production was putting its farmers out of business.⁷² Heinz was forced to close a tomato concentrates factory in Morocco as the Community's defensive 'market organisation measures' took effect.⁷³ Employment opportunities for migrant workers were also hit by the recession, which diminished income from migrant workers' remittances.⁷⁴

The Community entered the 1980s apparently ill prepared for the effect southern enlargement would have on the GMP. Not until 1979 was a detailed study of its impact on the GMP produced.⁷⁵ The key finding of the report was that the Community's self-sufficiency ratio in most Mediterranean agricultural products would rise from between 80-90% to a situation of surplus.⁷⁶ Spanish accession alone was projected to raise Community vegetable production by 25%, fresh fruit by 48% and olive oil by 59%, threatening to displace Maghrebi imports of these products.⁷⁷ Morocco and Tunisia stood to lose the most. The Tunisian agricultural sector, for instance, was heavily dependent on exports of olive oil (50% of its total agricultural exports) but the entry of Greece and Spain threatened to devastate the industry.⁷⁸ The report also predicted that Cyprus, Malta, Israel and Turkey would suffer net falls in their trade with the EC.⁷⁹

The associates demanded the renegotiation of certain clauses in the cooperation agreements that would increase import quotas in order to offset the displacement effects of free access to the Community market for Portuguese and

Spanish goods.⁸⁰ France, still committed to preserving its special import regime for cheap Moroccan and Tunisian agricultural exports to the Community, offered strong support for revising the agreements so as to offset the trade displacement effects of enlargement.⁸¹ The Commission tried to deal with the protocols as a technical issue in order to depoliticise any trade concessions and give itself the maximum possible flexibility to put an acceptable package together. The proposed deal was based on two measures. First, in the event of changes in community agricultural production, the Community undertook to proportionately adjust market access for the associates. Import volumes would therefore rise and fall with trends in internal production. At the same time, the Community pledged Community assistance to reduce the associates growing dependency on food imports, another consequence of the failure of economic self-reliance strategies. Second, the Community aimed to reduce customs duties and tariffs in a number of particularly sensitive sectors such as processed foodstuffs, petrochemicals and textiles.

Yet again, however, the major battles over the terms of the protocols on agricultural trade were fought in the Council as Member States' interests collided. As Crouzatier argues, 'enlargement... brought home to the northern partners the specific difficulties of the Mediterranean economy, and accentuated internal discord within the Community over the correct policy to pursue for the region.'⁸² The Iberian member states quickly situated themselves in the protectionist camp. Spain, backed by Italy, put pressure on the Council to withhold its approval of the Commission's negotiating mandate until after the entry of the Iberians into the Community. This ad-hoc alliance ensured that the Mediterranean Member States as a group would carry extra weight to block additional trade concessions in the post-accession period.

The negotiations resulted in a compromise between the Spanish government and the Commission that restricted future imports of Mediterranean agricultural products to 'traditional exports', thus reducing the associates' scope for product diversification and limiting the potential for new competition with European producers.⁸³ Quotas were calculated based on 1980-84 levels, a period of severe drought in the Maghreb and therefore an atypically low production period. On a more positive note, customs duties were gradually reduced over a transitional period of 10 years from 1986 in parallel with the transitional period for Portugal and Spain. Mandates for the Commission to negotiate protocols to the existing cooperation and accords were agreed by the Council in November 1985.⁸⁴ Greek, Portuguese and Spanish tariffs on many products were phased out incrementally, and removed altogether by 1996. The CAP's reference price system for Mediterranean products, a measure which discriminated against lower priced imports, was also to be abolished by 1996. However, the reference price was simply replaced by a countervailing charge on exports above quota limits. This combination of factors prompted an angry reaction from Rabat and Tunis and demands for compensation in the form of financial aid.⁸⁵ Extra funds were provided in the fourth financial protocols (1987-1991, see Appendix 2), but the total increase of 20 per cent for the whole region failed to appease the associates.

The economies of the Mediterranean associates continued to weaken through the 1980s. Falling export revenues failed to deliver sufficient import coverage rates, trade deficits rose and external indebtedness grew exponentially, leading to increased pressure for unpopular reforms demanded by the IMF.⁸⁶ Perhaps the most visible sign of the growing dissatisfaction of the Mediterranean countries with their treatment by the EC was Morocco's application for Community membership, made in July 1987.⁸⁷ The failure of the GMP and the

apparent inability of the Community to reform its Mediterranean policy provoked Rabat into what was more a sign of frustration than a serious attempt to join.⁸⁸ By the end of the decade, the case for wholesale policy reform was strong.

Conclusions

What this brief history of Mediterranean policy shows is the centrality of pillar I in the development of Euro-Mediterranean relations. From the outset, the foundation for the policy was the management of trade relations with Mediterranean third countries. To the extent that objectives existed, they were initially driven by the commercial interests of the Member States and, in the cases of Greece and Turkey, by Cold War strategic considerations. When the first set of agreements were absorbed into the GMP, the Union's ambitious rhetoric far exceeded the reality of the deal it offered the Mediterranean non-member countries.

It is difficult to avoid the conclusion that the advancement of economic development in the Mediterranean was simply not a high priority for the Community, and that it was content to preserve the overall balance of its trade relations with the non-member states. Treaties, whether in the form of narrow associations or broader cooperation agreements, tended to preserve the 'North-South' character of relations between the Community and the Mediterranean non-members, preserving the economic status quo left by colonialism. This tendency prompted some commentators to conclude that the relationship had 'neo-colonial' qualities.⁸⁹ Furthermore, the first generation of Association Agreements hardly justify the label 'Mediterranean policy', accomplishing little more than the codification of existing terms of trade. The relatively weak bargaining power of the Mediterranean third countries left them with little choice other than to accept what the Community offered.

The reasons for this conservatism lay in the defensive attitude adopted by the southern Member States, who clearly dominated the initial development of Mediterranean policy instruments. Of the key issues at stake, agriculture was repeatedly the most contentious, politicised from the outset by the Italian government. Recurring arguments about agricultural trade revealed reflected the similarity of the production structures of the southern Member Mediterranean Member States and the non-members. The Community was faced with conflict of interests between the need to safeguard the interests of European producers and the accepted view that market access for non-member countries had to be improved. It was a conflict that the Community never managed to fully resolve.

Notes

¹ Friis, L. (1997) *When Europe Negotiates: From Europe Agreements to Eastern Enlargement*, Copenhagen: Institute of Political Science, p. 80.

² Ibid.

³ Bensidoun I. and Chevallier, A. (1993) *Europe-Méditerranée: Le pari de l'ouverture*, Paris: Economica, pp. 28-9; El Hassan Alaoui, M. B. (1994) *La coopération entre l'Union Européenne et les pays du Maghreb*, Paris: Nathan, p. 30.

⁴ See Lasok, D. (1994) *Law and Institutions of the European Union*, 6th Edition, London: Butterworth and Co., esp. pp. 57-66. The scope of the Common Commercial Policy was not defined in the Treaty of Rome, and only became clear through European Court of Justice judgements as the Community began to negotiate international trade agreements. Article 113 was renumbered Article 133 by the Amsterdam Treaty.

⁵ Ben Yahia, Habib, (1993) 'Security and Stability in the Mediterranean: Regional and International Changes', *Mediterranean Quarterly*, Vol. 4, No. 1, p. 2.

⁶ Joffé, G. (1994) 'The European Union and the Maghreb' in Gillespie, R (ed.), *Mediterranean Politics: Volume 1*, London: Pinter, p. 25.

⁷ Extrapolated from various Eurostat publications, 1971.

⁸ Henig, S. (1976) 'Mediterranean Policy in the Context of the External Relations of the European Community, 1958-73' in A. Shlaim and G.E. Yannopoulos (eds) *The EEC and the Mediterranean Countries*, Cambridge: Cambridge University Press, p. 305.

⁹ Sutton, M. (1989) 'Economic Aspects of Morocco's Relations with Europe' in Joffé, G (ed.), *Morocco and Europe*, Occasional Paper 7, London: Centre of Near and Middle Eastern Studies, SOAS, September, p. 27.

¹⁰ Hugon, P. (1993) 'L'Europe et le tiers monde: entre la mondialisation et la régionalisation', *Revue Tiers Monde*, Vol. 34, No. 136, p. 729.

¹¹ Cohen, R. (1972) 'Europe and the Developing Countries' in P.P. Everts (ed.) *The European Community in the World: The External Relations of the Enlarged European Community*, Rotterdam: Rotterdam University Press, pp. 107-129.

¹² Feld, W.J. (1983) *The European Community in World Affairs: Economic Power and Political Influence*, 2nd edition, Boulder (CO): Westview Press, p. 227

¹³ Redmond, J. (1994) 'Introduction' in J. Redmond (ed.) *Prospective Europeans: New Members for European Union*, Hemel Hempstead: Harvester Wheatsheaf, p. 7.

¹⁴ Rhein, E. (1995) 'The Role of the EU and the Economics of Security', *Draft Speech prepared for Wilton Park Conference*, May 24, p.2.

¹⁵ For a good account of the diplomacy behind Greece's association agreement, see Siotis, J. (1981) 'The Politics of Greek Accession' in G. Minet, J. Siotis and P. Tsakaloyannis (eds) *The Mediterranean Challenge: VI*, Brighton: Sussex European Research Centre, pp. 85-120.

¹⁶ The costs of absorbing Greece worried several member states, which argued that the Greek accord should not serve as the model for similar accords with other states. See Coffey, P. (1976) *The External Economic Relations of the EEC*, London: Macmillan, p. 18.

¹⁷ Hakura, F. (1997) 'The Euro-Mediterranean Policy: The Implications of the Barcelona Declaration', *Common Market Law Review*, Vol. 34, No. 2, pp. 337-366.

¹⁸ The relevant articles established the procedures for establishing customs unions with the associates. They included provisions on Community investment, rights of establishment and the mutual protection of workers rights which were intended to provide some degree of security for the substantial number of European companies and workers based in the associate countries.

¹⁹ Pomfret, R. (1992) 'The European Community's Relations with the Mediterranean Countries' in J. Redmond (ed.) *The External Relations of the European Community*, Basingstoke: Macmillan, p. 79.

²⁰ Grosser, A. (1963) 'General De Gaulle and the Foreign Policy of the Fifth Republic', *International Affairs*, Vol. 39, No. 2, p.202; Babarinde, O. (1998) 'The European Union's Relations with the South: A Commitment to Development?' in C. Rhodes (ed.) *The European Union in the World Community*, Boulder (CO) and London: Lynne Rienner, p. 129; Matthews, J.D. (1977) *Association System of the European Community*, New York: Praeger, p. 13.

²¹ Gobe, E. (1992) 'The Maghreb in Contemporary French Politics', *Journal of Arab Affairs*, Vol. 11, No. 2, p. 135.

²² Rosenthal, G.G. (1975) *The Men Behind the Decisions: Cases in European Policy-Making*, Lexington, Massachusetts: DC Heath and Company, p. 49.

²³ Until the Single European Act, the Council only had to consult the European Parliament when concluding agreements with third parties. Article 238 was later amended in the SEA to give the Parliament the power of assent.

²⁴ For a comprehensive analysis of mixed agreements, see Weiler, J.H.H. (1983) 'The External Legal Relations of Non-unitary Actors: Mixity and the Federal Principle' in D. O'Keefe and H.G.Schermers (eds) *Mixed Agreements*, London: Kluwer, pp. 35-83.

²⁵ In practice, those elements of association agreements subject to Article 133 procedures were often implemented in advance of ratification of the full agreement (Article 310 procedures) by the national parliaments.

²⁶ Rosenthal, G.G. (1975), *op. cit.*, p. 55.

²⁷ Bonnefous, M. (1990) *Le Maghreb: Repères et Rappels*, Paris: Centre des Hautes Etudes sur l'Afrique et l'Asie Modernes, p. 27.

²⁸ The Italian government secured a) Side payments of 18 million ECUs from the European Agricultural Fund to improve production of olive oil and citrus fruits, two sectors in which Morocco and Tunisia enjoyed a comparative advantage over Italy.

b) A 'price cushion' for citrus products that could not be extended to countries outside the Mediterranean region.

²⁹ Rosenthal, G.G. (1975), *op. cit.*, p. 57.

³⁰ The Commission was, to a certain extent, caught between the two camps. On the one hand, its responsibility for the Common Commercial Policy obliged it to make the Community's trade policy compatible with the GATT. On the other hand, its subordination to the Member States in the association context, and its own preference for a pro-active economic development policy, inclined it to adopt a defensive line on preferential associations.

³¹ Guazzone, L. (1990) 'The Mediterranean Basin', *The International Spectator*, Vol. 25, No. 4, p. 301. In Italy's case, its demand for across the board negotiations owed more to its fear that product by product deals with each associate would gradually whittle away the market shares of its own producers than a wish to extend the association concept to the whole region or to join the liberalisation camp.

³² Ibid., p. 301.

³³ Matthews, L. (1977), op. cit., p. 63.

³⁴ In 1967, for instance, the Community was forced to seek a waiver under Article 25 of the GATT, after extending the citrus fruit importing system established in the Maghreb association accords to Israel and Spain. The extension would not directly lead to a custom union or free-trade area, so conflicted with GATT provisions.

³⁵ Secrétariat des Conseils des Communautés Européennes (1969) 12ème Aperçu des Activités des Conseils, Aug 1968-July 1969, p. 137.

³⁶ Rosenthal, G.G. (1975) op. cit., p. 60.

³⁷ Rhein, E. (1992) 'The Community's External Reach' in R. Rummel (ed.) *Toward Political Union: Planning a Common Foreign and Security Policy in the EC*, Boulder (CO) and Oxford: Westview, p. 32.

³⁸ Lambert, J. (1971-2) 'The Cheshire cat and the pond', *Journal of Common Market Studies*, Vol. 10, p.43.

³⁹ The term 'global' is a misnomer. It refers to the broadening of the scope of Mediterranean policy rather than to its accepted geographical connotation.

⁴⁰ Bulletin of the European Communities, EC-10 1972, p.20-1.

⁴¹ Greece and Turkey were left out of the GMP which was intended only for those MNCs for whom accession was either a distant prospect or completely ruled out.

⁴² Gobe, E. (1992) op. cit., p. 135.

⁴³ Crouzatier, J-M (1988) *Géopolitique de la Méditerranée*, Paris: Publisud, p. 207.

⁴⁴ The G77 was established by the less-developed countries of Africa, Asia and Latin America to articulate their demands in the international system. One of their main demands was for commercial preferences, as opposed to the GATT's rule of equal treatment regardless of the level of economic development.

⁴⁵ Shlaim, A. (1976) 'The Community and the Mediterranean Basin', in K.J. Twitchett (ed.) *Europe and the World: The External Relations of the Common Market*, London: Europa Publications, p. 82.

⁴⁶ A comprehensive account of the Euro-Arab dialogue is provided by Bourrinet, J. (1979) *Le Dialogue Euro-Arabe*, Paris: L'Harmattan. For an Arab perspective, see Saleh, A. (1983) *The Euro-Arab Dialogue: A Study in Associative Diplomacy*, London: Pinter.

⁴⁷ Grilli, E.R. (1993) *The European Community and the Developing Countries*, Cambridge: Cambridge University Press, p. 186.

⁴⁸ The European Court of Justice's 1971 ERTA Judgement, and subsequent ECJ opinions that followed, took an expansive view of the Community's external powers. The legal principle had been established that in policy areas where the Community enacted internal legislation, it would possess legal powers to negotiate on the same policy areas in an external context.

⁴⁹ Gobe, E (1992), op. cit., p. 135.

⁵⁰ Bulletin of the European Communities, EC 2-1973, point 2307-7, p. 61.

⁵¹ 'Morocco' (1973) *Africa Contemporary Record*, v5, London: Rex Collings, 1973 and New York: Africana Publishing Corporation, p. B82.

⁵² The UK had a history of colonial involvement in the Middle East and a strong commercial presence in Egypt, but had comparatively few commercial interests in North Africa.

⁵³ Tovas, A. (1996) 'The EU's Mediterranean policies under pressure' in R. Gillespie (ed.) *Mediterranean Politics, Volume 2*, London: Pinter, p. 10.

- ⁵⁴ Levi, M. (1972) 'La C.E.E. et les pays de la Méditerranée', *Politique Etrangère*, Vol. 37, No. 6, p. 808.
- ⁵⁵ Bulletin of the European Communities, EC10-1972, p. 21.
- ⁵⁶ Rosenthal, G.G. (1982) *The Mediterranean Basin: Its Political Economy and Changing International Relations*, London: Butterworth Scientific, p. 26.
- ⁵⁷ Bulletin of the European Communities, EC1-1976, point 1307, p. 15.
- ⁵⁸ The democratisation of Greece, Portugal and Spain during the 1970s opened the door to their membership of the Community.
- ⁵⁹ The French government also defended its right to grant privileged access to its market for imports not covered by the agreements, though it eventually agreed to terminate this derogation by 1979.
- ⁶⁰ Bulletin of the European Communities, EC11-1974, point 2352, p. 79.
- ⁶¹ Official Journal of the European Communities, OJL198, 29 July 1975.
- ⁶² Bulletin of the European Communities, EC4-1975, point 2354, p. 75.
- ⁶³ Ibid., point 1309, pp. 15-16. The concessions were based on the level of self-sufficiency in the Community for each product and were limited to 'off-season' imports.
- ⁶⁴ Fridhi, N. and Quatremer, J. (1996) *Le Nouvel Espace Economique Euro-Méditerranéen*, Brussels: Club de Bruxelles, p. 12.
- ⁶⁵ Raux, J. and Flaesch-Mougin, C. (1979) *Les Accords Externe de la CEE: Essai d'une Typologie*, Brussels: Université Libre de Bruxelles.
- ⁶⁶ Renier, Y. (1988) 'L'Europe et le sud de la Méditerranée', *Le Courrier*, No. 108, Brussels: Economic and Social Committee of the European Communities, March/April, pp. 53-57.
- ⁶⁷ Khader, B. (1994) *L'Europe et la Méditerranée: Géopolitique de la proximité*, Paris: L'Harmattan, p. 111.
- ⁶⁸ Ginsberg, R.H. (1989) *Foreign Policy Actions of the Community: The Politics of Scale*, Boulder, Colorado: Lynne Rienner Publishers and London: Admantine Press, p. 120.
- ⁶⁹ Rhein, E. (1992), op. cit., p. 33.
- ⁷⁰ Minasi, N. (1998) 'The Euro-Mediterranean Free Trade Area and its Impact on the Economies Involved', *Jean Monnet Working Papers in Comparative and International Politics*, JMWP 16.98, Catania: University of Catania, «<http://www.fscpo.unict.it/vademec/jmwp16.htm> », p. 2.
- ⁷¹ Pomfret, R. (1992) op. cit., p. 78.
- ⁷² Sutton, M. (1989) op. cit., p. 29.
- ⁷³ Ibid., p. 29.
- ⁷⁴ Emigrant remittances were equivalent to 50 per cent of Morocco's total export earnings in the mid 1980s.
- ⁷⁵ European Commission (1979) *Report on the Global Mediterranean Policy and Enlargement of the Community*, SEC 79/103, April.
- ⁷⁶ Tovas, A. (1979) *EEC Enlargement: The Southern Neighbours*, Sussex European Papers, No. 5, 1979, Brighton: University of Sussex, p. 7.
- ⁷⁷ European Commission (1979), op. cit., p. 6; European Parliament (1988) (Committee on External Economic Relations), *Report on Economic and Trade Relations Between the EEC and the Mediterranean Countries Following Enlargement of the Community*, A2-325/88, December, p. 11.
- ⁷⁸ Algeria was not faced by the problem of increased barriers, since more than 90% of its export earnings came from oil and gas, sectors in which it faced little or no competition from Spain and Portugal.

- ⁷⁹ European Commission (1979), op. cit., p. 12.
- ⁸⁰ Cova, C. (1985) 'La politique communautaire en faveur de la zone méditerranéenne', *Revue du Marché Commune*, No. 291, pp. 525.
- ⁸¹ Tovias, A. (1996) op. cit., p. 12.
- ⁸² Crouzatier, J-M. (1988) , op. cit., p. 202.
- ⁸³ Tovias, A. (1990) *Foreign Economic Relations of the European Community: The Impact of Spain and Portugal*, London: Lynne Rienner Publishers, pp. 79-80.
- ⁸⁴ Bulletin EC11-1985, point 2.3.16, p. 87.
- ⁸⁵ For analyses of the Maghrebi perspective, see Sid Ahmed, A. (1993) 'Les relations économiques entre l'Europe et le Maghreb', *Revue Tiers Monde*, Vol. 34, No. 136, Oct-Dec, pp. 759-780; Mezdoor, S. (1993) 'Les disequilibres économiques en économie ouverte (cas du Maghreb)', *Revue Algérienne des Sciences Juridiques, Economiques et Politiques*, Vol. 31, No. 3, pp. 511-529. See also Djankov, S and Hoekman, B. (1996) *Catching Up With Eastern Europe? The Union's Free-Trade Initiative*, IBRD Research Working Paper 1562, January.
- ⁸⁶ Spencer, C. (1993) *The Maghreb in the 1990s: Political and Economic Developments in Algeria, Morocco and Tunisia*, Adelphi Paper No. 274, London: International Institute for Strategic Studies, February, p. 17; Tzschaschel, J. (1993) 'Algeria: Torn between fundamentalism and democracy', *Aussenpolitik*, Vol. 44, No. 1, p. 32.
- ⁸⁷ Marks, J. (1989) 'The Concept of Morocco in Europe' in G. Joffé (ed.) *Morocco and Europe*, London: Centre of Near and Middle Eastern Studies, SOAS, p. 14.
- ⁸⁸ Bahaijoub, A. (1993) 'Morocco's argument to join the EC' in G. Joffé (ed.) *North Africa: Nation, State and Region*, London: Routledge, pp. 235-246.
- ⁸⁹ Khader, B. (1997) *Le Partenariat Euro-Méditerranéen après la Conférence de Barcelone*, Paris: L'Harmattan, p. 35.

OLD WINE IN NEW BOTTLES? THE REDIRECTED MEDITERRANEAN POLICY AND THE EURO-MEDITERRANEAN AGREEMENTS

The end of the 1980s saw a clearer strategic direction begin to emerge in EU Mediterranean policy. Opinion among key actors within the EU, and in Western Europe more generally, converged around the view that the Mediterranean region posed immediate and longer-term security problems for Europe. The policy changes that resulted were initially low key but were rapidly followed by a more extensive repackaging exercise that led to the Euro-Mediterranean partnership (EMP) and a third generation of bilateral agreements (the Euro-Mediterranean Agreements). The Union's impressive sounding objective was to turn the Mediterranean into an area of 'peace, stability and prosperity.'¹

This chapter charts the rise of Mediterranean policy up the EU's foreign policy agenda. Section one argues that the major stimuli for change were external, a combination of the weak economic, political and social situations of the Mediterranean non-members and the increased salience of Mediterranean security in the aftermath of the Cold War. Section 2 assesses the Redirected Mediterranean Policy (RMP), the ineffectual outcome of the Union's first attempt to repackage its relationship with the Mediterranean third countries.² Section 3 discusses the origins of the Euro-Mediterranean Partnership and the rationale that lay behind it. The final section examines the negotiation and content of the Euro-Mediterranean agreements, the principal policy instrument attached to the new Mediterranean strategy.³

1. The Changing Definition of Mediterranean Security

The sudden geo-political transformation of Europe in 1989 had a profound impact on both the EU's external environment and its internal order. Its instinctive reaction was to turn to its eastern boundary and begin considering ways to bring back the CEECs into the European fold.⁴ Although the Union initially failed to come up with a coherent eastern strategy, it did take the lead in starting the process of economic and political transition in the region. At the same time, however, awareness was growing of the vulnerability of the EU's southern flank.⁵ With the uneasy balancing effect of US-Soviet competition in the region removed, the challenges and complexities of Mediterranean security became increasingly apparent. In this dramatically different geo-strategic context, the Union was expected to assume a much bigger share of the responsibility for security in its own back yard.⁶

For Mediterranean third countries, the end of the Cold War reinforced their sense of marginalisation in the international economic and political order. Fearing, that they would be overlooked in East-West rapprochement, a number of the poorer Mediterranean countries warned of instability and future conflicts if the widening prosperity gap between North and South was not addressed.⁷ States already under severe economic strain were faced with the prospect of being crowded out in the allocation of aid, investment and other developmental resources to Central and Eastern Europe. The message to Western Europe was simple but powerful: benign neglect of Mediterranean security was no longer sustainable.

At the root of the Mediterranean security challenge was a constellation of interrelated economic, political and social factors. By 1989, the economic positions of several Mediterranean associates had deteriorated to the point of

crisis. External debts rose throughout the decade on the back of dramatic falls in oil revenues, the global collapse of commodity prices and the failure of domestic economic policies.⁸ In 1989, the total external debt of the Maghreb states stood at 41 billion ECUs, while that of the Mashreq countries stood at 53 billion ECUs, figures that represented between 18 and 40 per cent of GNP.⁹ For Algeria, debt repayments amounted to 70 per cent of export receipts; for Morocco 45 per cent.

Table 3.1 Debt Statistics for the Mediterranean Associates

Country	1980 Debt/GNP (%)	1989 Debt/GNP (%)	1980 Debt/Exports* (%)	1989 Debt/Exports* (%)
Maghreb	47.2	74.9	150.1	237.9
Mashreq	52.0	102.7	110.0	229.3
Cyprus	25.0	47.0	49.0	82.0
Malta	8.8	20.7	9.1	24.3
Turkey	34.3	53.8	332.9	189.8

* Earnings from exports of goods and services.

No figures quoted for Israel. Debt stood at 19 billion ECUs in 1989.

Sources: *World Debt Tables*, World Bank, 1996; Ayari, C. (1992) *Enjeux Méditerranéens: Pour Une Coopération Euro-Arabe*, Paris: CNRS, p. 199.

The Mediterranean debt crisis had a number of implications for EU policy. First, violent mass demonstrations in Algeria, Morocco and Tunisia during 1987 and 1988, a reaction to austerity measures imposed by the IMF, served as an uncomfortable reminder of the fragility of the democratisation and liberalisation processes underway in the region.¹⁰ This tangible demonstration of the link between economic and political stability forced the Union to consider the effectiveness of its support for moves towards pluralism. Second, EU Member States and private banks in Western Europe were collectively the biggest creditors of Mediterranean third countries, accounting for 50 per cent of the region's total debt.¹¹ A case therefore existed for improved coordination among European

creditors, and the EU was one possible option. Italy, for instance, argued that a Mediterranean financial institution should be established to channel macro-economic assistance to third countries.¹²

The Union's trade policy in the Mediterranean was an obvious target for criticism. Despite the Association and Cooperation agreements, trade with the EU had failed to act as the motor for economic growth in most of the associate countries. The non-members' share of total Community imports declined from 11 per cent in 1980 to 8.2 per cent by 1988 as trade with the Asia gained ground. As table 3.2 shows, the EU's trade surplus with the Mediterranean non-members decreased only marginally - from 3.2 billion ECUs in 1980 to 2.8 billion ECUs in 1989. As European economies slipped into recession in 1990, a further contraction of trade was expected, and the old issue of improving market access assumed even greater significance.

Table 3.2 Trade with the EU (Million ECUs) (1980-1989)

Country	Imports 1980	Imports 1989	Exports 1980	Exports 1989
Algeria	4435	5848	5093	4715
Cyprus	269	524	601	1438
Egypt	2385	2441	3397	3764
Israel	1660	3197	1719	5101
Jordan	21	102	760	905
Lebanon	45	101	1139	829
Libya*	7478	6304	4530	2911
Malta	253	568	503	1064
Morocco	1356	2674	1764	3226
Syria	969	775	1400	780
Tunisia	1380	1980	1684	2531
Turkey	1053	5536	1917	5609
TOTALS	21304	30050	24507	32873

* Libya, though not an associate, is included because of the sizeable volume of its trade with the Community. No figures available for trade with the Palestinian territories.

Source: Data extrapolated from Eurostat, various publications.

The stagnation of Euro-Mediterranean trade was exacerbated by the further erosion of the Community's preferential external trading system through liberalisation measures agreed in the Uruguay Round of the GATT. As Regnault puts it, 'when we prefer the whole world, we no longer prefer anyone.'¹³ Projections from the Uruguay Round suggested that Mediterranean third countries stood to lose 510 million ECUs worth of trade once the Round was completed.¹⁴ Coupled with the rigours of domestic liberalisation programmes, the pace of global economic change was outstripping the capacity of Mediterranean governments to implement the reforms it necessitated. They looked to the EU for targeted assistance, including help with economic restructuring, small business and financial market development, and the modernisation of production facilities.¹⁵ Conversely, if the Union was to protect its dominant economic position in the area, some sort of 'deepened regionalism' seemed to be the most appropriate method of binding Mediterranean countries to it.¹⁶

The consequences of the Single Market project also had to be factored into the Mediterranean economic equation. For the Community's Mediterranean trading partners, the potential trade creation benefits of the 1992 project were likely to be outweighed by its diversionary effects on trade and investment.¹⁷ Moreover, studies suggested that any expansion of imports resulting from the single market initiative would centre on manufactured goods rather than primary commodities.'¹⁸ There was widespread concern that the single market project would generate new import barriers, lead to a further diminution of the preferential market access regime, create disincentives to already slow rates of inward FDI, and lead to the imposition of tighter and more strictly policed rules of origin.¹⁹ The Union thus felt it necessary to give assurances that they would not be marginalised. Commissioner Abel Matutes, who took on the Mediterranean

policy brief during 1989, claimed that: 'we have a vital interest in being open to imports and being able to export to the rest of the world. The risks of the Community being closed to the rest of the world when it completes the single market in 1992 are non-existent.'²⁰ Nevertheless, the possibility of an economic 'fortress Europe' was viewed with some apprehension.²¹

It was the potential political and social fallout of economic failure that raised fears of a future security 'threat' from the Mediterranean. Since the 1960s, economic growth had lagged far behind rapid population expansion in the Maghreb, Mashreq and Turkey, resulting in a significant drop in per capita GDP from 1974-1990.²² With economies (and governments) unable to generate sufficient employment to keep up with the demand for work from burgeoning young populations, pressure built up behind a number of safety valves, of which migration and the possible overthrow of western-friendly incumbent governments had the most far reaching implications.²³ As a former Moroccan ambassador to the UK put it, 'If we want to keep people in our country, we have to find a way to give them jobs.'²⁴ Empirical analyses identified the potential for a large-scale expansion of immigration, particularly from the Maghreb and South East Europe.²⁵

A more immediate concern for the EU, and for Mediterranean governments themselves, was the growing appeal of political Islam across the region. France, for instance, identified the rise of Islam as one of its key foreign policy challenges of the 1990s.²⁶ The burgeoning number of young unemployed people were increasingly turning to Islamic social movements and political parties with their roots in rapidly expanding urban poor. The paring back of traditionally paternalistic states and disillusionment with the lost ideals of the post-independence period provided fertile ground for radical alternatives.

The Union's response to Islamisation had to be carefully measured. On the one hand, sizeable populations of Muslims in Belgium, France, Germany and the UK made relations with the Islamic world as much an internal issue as an external one.²⁷ Considerable latent hostility existed towards a 'West' which proclaimed its support for democratisation while at the same time using its influence to try and prevent Islamic parties coming to power. On the other hand, discredited regimes in North Africa and the Middle East often enjoyed overt support, or at least tacit approval, from EU Member States and the West in general, which were anxious to safeguard their commercial and political interests in those countries. Furthermore, as Cold War armoury started to be dispersed in the former Soviet Union, it was feared that Islamic governments and groups hostile to the West might illicitly acquire chemical, biological or nuclear weapons. Anti-government violence might easily spill over into Western Europe, with Islamic activists exploiting links between groups from both sides of the Mediterranean.

This combination of destabilising economic and political factors in the Mediterranean pointed to the need for a multi-dimensional, holistic approach to regional security, in line with a broader trend, evident in the security studies community, towards re-defining the concept of security itself.²⁸ Policies would have to begin to encompass, *inter alia*, cultural, economic, environmental and social issues - reflecting the interdependency of the factors influencing modern security.²⁹ For instance, economic underdevelopment and poverty were likely to provoke social problems which in turn threatened the stability of weak states.³⁰ Weak, insecure states were more inclined to resort to violence in the face of perceived or real threats, and therefore a challenge to peaceful international order. At the institutional level, this shift of emphasis from traditional politico-military

security towards 'soft security' implied a more prominent role for organisations with very broad remits, such as the EU, the OSCE and the United Nations, and a general increase in international cooperation.

The Mediterranean of the late 1980s appeared to be an ideal test for this new thinking. From the point of view of the EU and its Member States, the socio-economic signals emanating from the region were providing a stream of largely negative policy feedback, creating a strong imperative for policy change.³¹ But the policy discourse that developed around the Mediterranean security problem tended to be long on rhetoric and short on substance. Terminology like 'co-development', 'cooperation' and 'dialogue' abounded without any clear sense of how such concepts might be operationalised. In the end, events dictated the pace of change.

2. The Redirected Mediterranean Policy: Rhetoric and Reality

As a self-proclaimed progressive force in the international order, the EU seemed well-placed to lead the development of innovative security policy in Europe. The diminishing relevance of traditional balance of power politics and military capability after 1989 brought renewed interest in the notion of the Union as a benevolent 'civilian superpower', contributing its largesse and its functional expertise to the construction of a new model of international relations in which economic success would be of paramount importance. Narrowing the massive gap in prosperity between the northern and southern shores of the Mediterranean was essential. In 1990, per capita GDP in the EU stood at 16500 ECUs, while in the Maghreb and Mashreq countries it stood at less than 1500 ECUs.³² However, the extent to which the Union was capable of performing this role as benefactor again

hinged on the ability of the Member States to set aside short term political expediency for long-term change.

With a former Spanish MP - Abel Matutes - in charge of EU-Mediterranean relations, the subsequent re-evaluation of Mediterranean policy was very much Commission-led.³³ Matutes initial task was to convince the Member States that Europe's security was inseparable from the prosperity and stability of the wider Mediterranean region.³⁴ Exploratory proposals for an upgraded policy were presented to the heads of government at the Strasbourg summit in 1989. The paper acknowledged the poor economic performance of the majority of Mediterranean associates and highlighted their failure to meet the demand for jobs as a major threat to social stability.³⁵ The deteriorating quality of the Mediterranean environment, growing food shortages and chronic balance of payments deficits were also identified as problems that Mediterranean had to address.³⁶

The European Parliament and the Economic and Social Committee (ESC) joined in the debate in late 1989, calling for 'joint economic development', 'institutionalised economic integration' and more effective management and distribution of EU financial resources.³⁷ The ESC was especially critical, taking the Member States to task for 'protectionist practices' and arguing that the most damage had been done by 'the inherent limits and contradictions of the Community's general Mediterranean strategy, and by outstanding problems within the Community itself.'³⁸ It singled out the failure of the Member States to open up their agricultural markets, pointing out that those governments with the most interest in Mediterranean security also tended to be the most protectionist.³⁹

The Matutes document came before the Council at an opportune time. Spain and France held the Council gavel in 1989, while Italy took over in the

second half of 1990, giving the EU's agenda a distinctly Mediterranean flavour. As De Vasconcelos argues, the region had become a 'common foreign policy priority' for France, Italy and Spain, whose foreign ministries had established a mechanism for regular consultations between political directors.⁴⁰ In 1989, Italian Foreign Minister Gianni de Michelis demanded a wholesale rebalancing in the distribution of EC resources to the Central and Eastern European countries and the south, arguing that the EC should 'combine its aid policy to Eastern and to Mediterranean countries, with each member country dedicating 0.25 per cent of its GNP to these two areas.'⁴¹ In 1990, Spanish Foreign Minister Fernández Ordóñez called for a new regional security system, arguing that it should be based on economic development and inter-cultural dialogue. Together, this Mediterranean lobby ensure that the Commission's proposals were not lost in the EU's crowded agenda at this time.

The outcome of Matutes' policy review was the Redirected Mediterranean Policy (RMP), a mixture of promises to improve the terms of the bilateral agreements, additional funding and new financial instruments (See Figure 3.1).⁴²

Figure 3.1 Main Commitments of the Redirected Mediterranean Policy

1. Maintenance of the 12 existing bilateral agreements with improved market access in a number of 'sensitive' sectors including agricultural products and textiles.
2. A near-tripling of funds from the Community budget and European Investment Bank to Mediterranean third countries in the fourth generation of financial protocols (1992-1996). (See Appendix 1 for breakdown.)
3. A regulation providing 2.3 billion ECUs for 'decentralised, horizontal or regional cooperation.'⁴³ The proposed regulation earmarked 230 million ECU in budgetary funds, and 1.8 billion ECUs in EIB funds, to be distributed in loans for regional projects in the following areas: inter-university programmes; assistance to small and medium-sized enterprises; joint local authority ventures; environmental projects (500 million ECUs of the total, to which a 3 per cent interest rate subsidy would apply); demographic matters; investment creation; the 'cultural dimension of development'.

The decision to supplement the bilateral financial protocols with a new budget line for regional integration projects served a number of purposes. First, the low level of trade between the Mediterranean associates themselves was widely regarded as an impediment to economic growth and the liberalisation process.⁴⁴ By offering financial incentives, the Union sought to kick-start cross-border economic activity. From its own point of view, a more favourable intra-regional trading environment would help cement the positions of European companies in the associates' markets and facilitate European investments in the growing network of transnational energy projects in the Western Mediterranean.

Second, regional political integration, a predicted spin-off from economic integration, was seen as a positive development in the security context. As Regelsberger argues, 'such developments are judged as stabilising factors in world

politics, particularly where such trends are accompanied by internal political reforms in third countries centred on democratic values.⁴⁵ In 1989, the five Maghreb states had launched their own regional organisation - the Arab Maghreb Union - modelled on the EU with joint decision making bodies and an agenda for functional cooperation on a wide range of issues.⁴⁶ Although the Union provided no direct financial assistance to the fledgling organisation, the regional integration funds were intended to help buttress cross-border activity in the Maghreb.⁴⁷

Third, with the third financial protocols up for re-negotiation and substantial claims on the EC budget from Central and Eastern Europe, the Commission had to make a watertight case in the Council to secure extra money for the Mediterranean. That the RMP earmarked financial aid for internal economic reforms persuaded sceptical northern Member States, particularly Germany, to endorse the package, albeit with a 35 per cent cut in the figure originally requested.⁴⁸

However, the new financial instrument also had a number of limitations. The allocation of the funding was to be decided on a project by project basis, rather than as part of a pre-determined programme. Not only did this procedure slow the approval of the projects by the Commission, it also subjected projects to the vagaries of decision-making in many of the Mediterranean associates' bureaucracies. The take up rate of EC funding proved to be a persistent problem for the Commission, with funds rarely being fully committed.⁴⁹ Finally, promoting cooperation between Mediterranean NGOs - the civil society dimension of the RMP - relied on projects bypassing governments who were traditionally suspicious of political activities outside the control of the state.

The Commission's suggestion that debt policy should be coordinated by the EU fell on deaf ears.⁵⁰ Member States were reluctant to stray from the

prevailing order dominated by the multilateral financial institutions and collective management among the biggest creditor states in the G7/G10. Despite gestures by a number of Member States to unilaterally reduce the debt servicing burden for Mediterranean countries, the Council chose to link any assistance with debt servicing to the implementation of structural adjustment programmes and economic reforms imposed by the Bretton Woods institutions. The segment of aid designated for structural adjustment and macro-economic reforms was made conditional upon adherence to IMF programmes. The Union's only concession over this issue was its offer to link projects to 'sectors particularly affected by structural adjustment'.⁵¹

On the trade front, the RMP inevitably ran into obstacles in the Council. Looming recession in Western Europe made the southern Member States particularly sensitive to the suggestion of increased competition. Access for agricultural produce was only marginally improved by an agreement to bring forward by three years the tariff reductions promised after the end of Portugal and Spain's transitional periods. Morocco's Ambassador to the EU delivered a strong rebuke to Brussels, deploring the 'timidity' of the Council's decisions.⁵² Relaxation of the Union's textile import regime, another key sector for Mediterranean third countries, was forced on it by the Uruguay Round of the GATT rather than by any altruistic intentions. A Council decision of December 1990 to eliminate quantitative limits on textile imports simply pre-empted the abolition of the Multi-Fibre Agreement.⁵³

In hindsight, the RMP did little more than act as a legitimating device for increased aid to the Mediterranean. As a strategy, it was afflicted with the same faults that impaired the GMP: the gap between the Commission's policy prescriptions and what the Member States would sanction, the ineffectiveness of

policy in addressing the structural asymmetry of Euro-Mediterranean economic relations, and the reliance on existing policy instruments that were clearly failing to stimulate trade. But the RMP at least ensured that Mediterranean policy stayed on the EU's external relations agenda during the 1990s, at a time when it was preoccupied with its own internal development and with the rapidly evolving situation in eastern Europe. In a very limited way, the regional integration element also demonstrated a practical application by the EU of the concept of 'soft security'. This regionalisation of Mediterranean policy was to provide the foundations for the Euro-Mediterranean Partnership.

3. The Euro-Mediterranean Partnership

The turning point in the development of the Union's Mediterranean strategy came with the 1991 Gulf War, which left 'a gaping hole between the North and South' and put the limitations of the RMP, and the Union's powerlessness in the politico-security sphere, into sharp relief.⁵⁴ The economic, political and socio-cultural disruption caused by the conflict lent new urgency to the search for cooperative security structures in the region, something on which the EU was expected to take the lead.⁵⁵

However, as Christopher Piening argues, 'the Gulf crisis was of the sort that the EU was least able to deal with', demanding a rapid political response to Iraq's invasion of Kuwait as well as a nuanced position that took into account the politico-cultural sensitivities of Euro-Arab relations.⁵⁶ Anti-war and anti-west demonstrations throughout the Arab world and in European capitals alarmed European governments, who feared a backlash against their commercial interests in the region and hostility from Muslim citizens in Europe.⁵⁷ The burning of French flags during protests in Rabat had a particularly profound psychological

effect, prompting some commentators asking whether France had finally ‘lost the Maghreb.’⁵⁸ One French *deputé* even called for a ‘Marshall Plan for the Mediterranean’.⁵⁹ The Union’s failure to project a unified political position on the conflict and to take into account the cultural implications of European involvement in the US-led coalition undoubtedly damaged its credibility in the eyes of the Arab world, and made the RMP appear largely irrelevant.⁶⁰

Only in the aftermath of the Gulf conflict did the Union’s external relations machinery grind into gear. The immediate challenge was to ‘desensitise’ relations with the Arab countries, a task entrusted to the Troika (Italy, Luxembourg, The Netherlands) which embarked on a conciliatory tour of the region.⁶¹ The Ministers involved noted ‘real bitterness’ from the Arab states and returned to Brussels with requests for substantial financial assistance to offset the loss of trade that resulted the conflict.⁶² However, the Union had already contributed 1.5 billion ECUs in balance of payments support to the ‘front line’ states in the conflict in August 1990, and the only additional assistance it was prepared to offer was loan capital of 250 million ECUs to Israel and the Palestinian Territories to help rebuild communications and other infrastructural networks.⁶³ The overriding impression left by the Union’s behaviour during this period was of an irresolute organisation, unsure of how best to contribute to the restoration of order in the region.

In the absence of an EU initiative, it was left to the big three southern EU Member States - France, Italy Spain and Italy - to explore other avenues for regional cooperation. By far the most ambitious of these was a Spanish/Italian proposal for a Conference on Security and Cooperation in the Mediterranean (CSCM), unveiled at a CSCE summit in Palma during September 1990. The idea appeared to have timeliness in its favour. Modelled on the Helsinki agreement,

the CSCM was to have the same wide-ranging remit as the CSCE, bringing together Mediterranean Arab states, Gulf states and EU Member States.⁶⁴ Spain and Italy saw the CSCM primarily as a conflict prevention mechanism and as a vehicle for multilateral 'dialogue' between the Islamic world and the West. However, the USA, which was left off the list of prospective CSCM members, dismissed the initiative, viewing it as a thinly veiled attempt by the Europeans to replace it as the lynchpin of international security in the region.⁶⁵ By mid-1992, the proposal had quietly dropped off the CSCE agenda, replaced instead by a vague sounding offer to 'exchange information' with Mediterranean states.⁶⁶

An alternative route was taken by France, which favoured a less ambitious sub-regional approach centred on the Western Mediterranean. In December 1990, it launched an initiative to instigate political dialogue between five northern Mediterranean states and the five states of the AMU. The '5+5' process was formally launched at a conference of Foreign Ministers in Rome. The agreement provided for annual meetings between foreign ministers, and established several working groups to cover issues such as development, food self-sufficiency and environmental issues. As was the case with the CSCM, the 5+5 dialogue quickly foundered when differences surfaced among the participating states.⁶⁷ The European states refused to sit at the same table as Libya, which had recently been officially condemned by the EU for refusing to release the suspects in the Lockerbie bombing for trial. Its death knell was sounded by the military coup in Algeria in January 1992.

The failure of these attempts to create new regional intergovernmental forums re-focused attention on EU Mediterranean policy. At the start of 1992, Spain was given the task of producing a report on how relations between the Union and the Maghreb states could be improved.⁶⁸ Working closely with

Commissioner Matutes, the Gonzalez government suggested a 'partnership' with the Maghreb states that would include a free-trade area and an extensive agenda for cooperation on everything from the common management of natural resources and energy to supplies of food. The paper also called for the institutionalisation of meetings between the Union and the Arab Maghreb Union at both the governmental and parliamentary levels.⁶⁹ The tone of the report was strongly neo-liberal, arguing that free-trade, increased private investment and macro-economic reform were the most effective route to socio-economic development and modernisation, and that the Association Agreements and EU financial aid should be used in support of these objectives.⁷⁰ On the basis of the Spanish paper, the Commission was tasked with preparing firm proposals for action.

This latest round of reform of Mediterranean policy benefited from political momentum injected by the creation of the CFSP. One effect of the CFSP had been to galvanise the member governments into more thorough consideration of their common foreign policy interests, and the post-Gulf war Mediterranean was widely regarded as a priority area for common foreign policy actions. A report on the CFSP presented at the 1992 Lisbon European Council divided the Mediterranean into two geographical areas for strategic actions in favour of economic development, security and stability: the Maghreb and the Middle East.⁷¹ While the definition of these common interests was imprecise, the Lisbon text nevertheless listed the broad objectives that the Union should pursue. For EU-Maghreb relations, the heads of government called for 'upgraded partnership' and an eclectic 'constructive dialogue' covering immigration, drug trafficking, Islamic fundamentalism, population growth and terrorism. It was a direct endorsement of the joint Commission-Spanish proposals and for the Commission's exploratory communication on the subject presented at the summit.⁷² For the Middle East, the

text called for the Union's 'full involvement' in the Peace Process and for efforts to persuade Israel to change its policy in the Palestinian territories. The Lisbon European Council effectively laid the foundations for the Euro-Mediterranean Partnership.

The transition to the CFSP also had a positive impact on the institutional balance in Mediterranean policy. As Forster and Wallace put it, 'for the European Commission external relations and foreign policy had now become one of its most important fields of operation.'⁷³ While its considerable powers in the external economic relations sphere had been carefully nurtured by the Commission, Article J.8 (Title V, Maastricht Treaty) gave the Commission a right to submit proposals to the Council on CFSP matters. To try to make the most of its new powers, the Commission re-structured itself. Directorate General 1B was given responsibility for the Southern Mediterranean and the Middle East, while DG1A acquired a CFSP directorate. The Commission duly benefited by virtue of its permanency in both the EC and CFSP structures, a division of labour that promised to improve the coherence of EU strategic action by starting to bridge the divide between pillars I and II.

Consistent with the Lisbon text, the Commission initially continued to focus on the Maghreb.⁷⁴ By the end of 1992, several months of exchanges between the Commission and the Moroccan and Tunisian governments had established the need for new agreements with the EU based on three distinct lines of action. First, both sides agreed to further renegotiation of the terms of trade in the agreements, with Morocco and Tunisia pressing for full free-trade in all sectors.⁷⁵ Second, provisions would be included in each agreement covering rights of establishment, rules on the movement of services and capital, technical cooperation and the possibility of joint research and development projects. Third,

the new agreements would include provisions for 'social cooperation', essentially ministerial dialogue on issues such as migration and living and working conditions for Maghrebi citizens in the EU. At a meeting of EU foreign ministers in December 1992, the Commission's recommendations were given the green light by the Member States, and work began on mandates for the Commission to begin negotiations.

However, in view of the rapidly evolving Peace Process in the Middle East, DG1B saw the partnership as a means to stimulate 'post-conflict' economic cooperation between the Arabs and Israelis.⁷⁶ There was also a sense among the other Mediterranean third countries that too much of the EU's attention was being devoted to the Maghreb. At a meeting of the EU-Egypt Cooperation Council in July 1992, an Egyptian official had urged the Union to 'embrace the Mediterranean region as a single entity'.⁷⁷ When it appeared during 1993 that Israel and the PLO might be on the verge of permanent peace, the partnership proposals were duly extended to embrace the Machrek and take in the Union's relationships with Cyprus, Malta and Turkey.⁷⁸ By 1994, the EU's relationships with the Mediterranean non-member countries had been subsumed under a single policy framework: the Euro-Mediterranean Partnership.⁷⁹

The basis of the upgraded agreements - the main policy instrument attached to the new strategy - was the gradual liberalisation of trade over a transitional period of up to 12 years.⁸⁰ Some sectors - most notably trade in services - were excluded, and the Council ruled out the unconditional liberalisation of agricultural trade, although the Union promised to review the market situation for Mediterranean agricultural products by the end of the 1990s after strong political pressure from the Maghrebi governments.⁸¹ Nevertheless, the scope of the agreements was far wider than previous agreements, and

incorporated the vast majority of the proposals made by the joint Commission-Spanish paper.⁸² All the new agreements were to include provisions for cooperation on issues such as energy policy, crime and immigration. Formalised political dialogue, superseding the system of Cooperation Councils and Committees gave the agreements a stronger institutional structure. Regular dialogue would take place at levels ranging from Ministerial to senior foreign office officials.

The precise provisions of the trade component of the Euro-Mediterranean agreements varied from one partner country to another but contained certain common features, set out in Figure 3.2:

Figure 3.2 Common Provisions of the Euro-Mediterranean Agreements

- Customs duties on EU exports of industrial products to the partner to be eliminated gradually during the transitional period; partners' exports of these products already have duty-free access to the EU.
- The gradual liberalisation of trade in agricultural products through the application of preferential access to the market on a reciprocal basis taking as a starting point traditional trade flows.
- The extension of trade preferences based on the pre-existing arrangements while the Mediterranean partners were to extend more limited preferences to EU exports. The situation is to be reviewed after 1 January 2000.

The Euro-Mediterranean agreements were essential to the long-term success of the EMP. The economic centrepiece of the EU's Mediterranean strategy - a free-trade area - implied the complete removal of barriers to trade across all sectors. For the majority of the Mediterranean partners, their

commitment to the EMP turned on them seeing tangible economic benefits well before the 2010 deadline for the completion of the FTA. Free-trade was a high stake game for states which had few resources at their disposal to alleviate the negative effects of increased competition on domestic producers. In the event, the Union was to prove disappointingly defensive.

4. Negotiating the Euro-Mediterranean Agreements

When negotiations opened - initially with Tunisia and Morocco in 1994 - it quickly became clear that the Member States' would yet again hold sway over the final terms of the agreements. The Council attached footnotes to each of the Commission's negotiating mandates stipulating that traditional trade flows should be the guiding principle and the upper limit of trade concessions.⁸³ In addition to keeping to these targets, the Commission was 'asked to avoid proposing additional concessions which could worsen the situation of the EU market for sensitive products.'⁸⁴ A sense of *déjà vu* pervaded the atmosphere in which negotiators were operating.

Full liberalisation of trade in industrial products posed few problems for negotiators. The Mediterranean partner countries accepted that their markets would have to be fully opened to European manufactured goods, while the Member States saw little danger of competition from full liberalisation.⁸⁵ But the Union's firm line on traditional trade flows in agriculture left little scope for increases, even where the partners demonstrated that they had the production capacity to take up their full quotas.⁸⁶ Having been promised free-trade, the Mediterranean partners' demands were generally far in excess of existing import quota levels. Egypt's wish-list (in the early stages of its negotiations) exemplified

the gulf between the demands of the partners and the offers the Union was prepared to make.

Figure 3.3 EU-Egypt Negotiating Positions

Product	EU offer (tonnes per annum)	Egypt's request (tonnes per annum)
Potatoes	220,000	450,000
Oranges	1,000	300,000 (170,000)*
Cut flowers	500	30,000 (10,000)**
Rice	32,000	200,000

* Egypt's average annual exports of citrus fruits amounted to 13000 tonnes.

** Egyptian negotiators were prepared to accept parity with Morocco for cut flower imports (5000 tonnes)

Figures in brackets show the reduction in demands over the course of two years.

Source: Unofficial document obtained from Embassy of partner country.

Even allowing for 'over-asking and under offering', standard bargaining techniques, negotiating with such apparently irreconcilable demands on the table pointed to lengthy, hard-fought and highly political bargaining.⁸⁷

The Commission consequently found itself in a difficult, though familiar, position in the negotiations as the pivot between the Member States and the third countries. Switching between parallel negotiations - internally with the Member States, externally with the partner countries - the Commission had to ensure that it could sell concessions and measures included in the agreements to the Council while at the same time maximising concessions from the member governments.

At the heart of the internal negotiating process was an ever-present tension between the Commission and the Member States. A Commission official described the Commission-Council relationship in these simplified terms:

The Commission informs constantly the Council on the negotiating process. When the Commission considers that the negotiations are over, the Commission goes to the Council and says that "ten per Cent of the mandate is not fulfilled because our partners didn't accept this and this". The

Council says “try and try again”, and the Commission says “that’s all, now you decide.”⁸⁸

Despite being the Union’s sole negotiator in the process, the Commission consistently found its hands tied by the Council.⁸⁹ As was the case in previous rounds of negotiations, it proved unable to contain the talks at a ‘technical level’, where diplomats from the agriculture, foreign and trade ministries of the partner countries travelled to Brussels to decide on quota levels for individual products in the agreements. Instead, discussions over the most sensitive products for both the Member States and the partner countries repeatedly became politicised to such a degree that the direct intervention of heads of government was sometimes required. During the negotiations with Egypt in 1998, for instance, Commission President Jacques Santer met with President Hosni Mubarak in an attempt to find a solution to disputes over oranges, rice, cut flowers, rules of origin and the thorny question of a clause in the agreement requiring Egypt to readmit citizens who had tried to enter the EU illegally.⁹⁰ Santer’s statement that ‘we will not let a few oranges stop the negotiations’ had a hollow ring to it.⁹¹

On occasions, however, the Commission was prepared to push its autonomy to the limit in order to secure what it judged to be an effective deal. When it offered the Morocco an increase in its import quota for tomato paste that exceeded the figure stipulated in the negotiating mandate, it was publicly rebuked by the Portuguese government for tending to ‘negotiate free-wheel and to substitute itself in the role of political organs that represent sovereign states’.⁹² On another occasion, it was criticised for having negotiated, without the approval of COREPER, a revision clause in the agreement with Jordan that allowed for re-negotiation of quotas within three years of the agreement entering into force.⁹³ At times, the Commission appeared to be faced with a no-win situation. On one

occasion, for instance, COREPER rejected a request from the Irish Council Presidency for it to intervene during the negotiations with Egypt on the grounds that the Commission alone should be acting on behalf of the Union.

As far as the Member States were concerned, the negotiations saw them divide into a northern, liberalising tendency and the protectionist, producer-oriented southern camp. As a Commission negotiator complained, the 'Northern Member States couldn't care less about this....they are frustrated.'⁹⁴ This sentiment was echoed by a Scandinavian diplomat:

We have tried quite hard to make things as liberal as possible. But it is an uphill struggle. In the EU, it is a producers market - their interests are valued much more highly than consumers' interests. I'm not sure how Sweden can influence this in the best way. We're almost seen as a marginalised, extremist country when it comes to free trade.⁹⁵

The likely impact of this division had been flagged by the EU's Economic and Social Committee well before the negotiations began. Its argument was a prescient one:

Until these two positions are superseded by new thinking which combines trade policy with economic and financial policy, as part of a joint development policy - of mutual, Euro-Mediterranean interest - the only common ground will remain the purely negative position of not strengthening Community Mediterranean policy, leaving the bulk of cooperation work in the Mediterranean Basin to the Member States.⁹⁶

Yet the Euro-Mediterranean agreements were also notable for a marked escalation in the politicisation of concessions on products even for the northern group. Governments that had not previously had cause to block negotiations suddenly found themselves under pressure to safeguard domestic interests over apparently small quota increases. The dispute over cut flowers in the Moroccan agreement was a case in point. Germany and the Netherlands questioned the Commission's offer of on cut flowers (5000 tonnes per annum), arguing that the it had exceeded its mandate.⁹⁷ The Germans' claim that the tonnage offered would

harm their domestic industry is was a puzzling one, given its strong preference for trade liberalisation. Under the agreement, Germany would only receive 700 tonnes of flowers per annum with a market value 1 million ECU, a tiny percentage of its total production. The Netherlands adopted a similar line. As a Dutch negotiator put it, the dilemma was:

not about competition, it [was] a matter of fairness. We are producers but also traders in cut flowers via Amsterdam. There [was] discussion and debate in the Netherlands on what we do in this case. Trade is bigger than production, but the point is that it is a traditional industry. You can't retrain flower growers overnight.⁹⁸

A measure of Dutch sensitivities on this issue was their decision to negotiate with the Moroccan government themselves.⁹⁹

Several diplomats explained their governments' opposition to higher import quota concessions in terms of their potential cumulative effect.¹⁰⁰

According to a Portuguese diplomat:

The problem was the market situation for the Council... There is always a tendency for the Mediterranean partners to feel that we minimise their demands when Commission proposals get to the Council table. But Ministers always think in terms of global concessions, and of overlap into the ACP, It is very difficult to explain that there is a tie between the problems.¹⁰¹

A Commission official offered a similar analysis, acknowledging the limitations imposed by the CAP: 'I would say that although our position is more restricted than it should be, the fact is that the future is not in a major expansion of agricultural exports.'¹⁰²

The key problem facing the Member States, and a major reason for their obstructive behaviour in the negotiations, was the need to return to their respective capitals with deals that would be ratified by national parliaments. With the EU's agricultural markets already over-saturated with European products, it was politically inexpedient for governments to be seen to be signing up to agreements,

in the name of EU Mediterranean policy, whose net effect would be to increase competition. Farm lobbies were extremely powerful domestic constituencies in the southern Member States, using formal channels to national ministries as well as blockades and demonstrations to exert pressure on their governments. In at least two cases - the negotiations with Morocco and Tunisia - protests by farmers which included the destruction of imported produce led to discussions temporarily being halted.¹⁰³

Resolving these internal disputes at the EU level tended to be a last minute affair, calling for both political creativity and flexibility on the Union's part. In the negotiations with Morocco and Tunisia, the French and Spanish Council Presidencies used their position in the chair to put additional political pressure on governments to conclude the accords. Spanish Foreign Minister Javier Solana, for instance, repeatedly stressed that the value of the trade concessions at stake amounted to only 20 million ECUs.¹⁰⁴ French ministers showed considerable solidarity with the Spanish, regularly criticising any sign of intransigence on the part of the other Member States.¹⁰⁵

Use of issue-linkage and side payments also helped pave the way for agreements to be concluded. The Guterres socialist government in Portugal had just taken office when it found itself facing increased imports of Moroccan tomato concentrates and canned sardines; products which form the dominant share of the Portuguese food processing industry.¹⁰⁶ Farmers and fishermen were the traditional constituents of the opposition parties. Anticipating hostility at home to the Morocco agreement and the possibility of an embarrassing row as it passed through the parliament, the government rounded on the Commission. The Portuguese government blocked negotiations until the Commission promised extra funding (from the EU's Structural Funds) to modernise the canning industry

and new controls on the marketing of Moroccan imports.¹⁰⁷ Such face-saving compromises were a typical feature of the negotiations.

Despite the 'partnership' label on the new Mediterranean policy, the Mediterranean third countries were little more than bit players in the negotiations. Only Morocco, which possessed the bargaining chip of access to its lucrative fishing grounds, was able to hold out for additional concessions and extra funding from the EU, securing financial compensation for its fishing fleets in return for improved access for its tomatoes. Others, such as Egypt, bemoaned the Union's inflexibility but stuck to their demands. As an Egyptian diplomat put it:

Come 2010, our markets will be open 100 per cent for European industrial products and what we are asking for is equal treatment in agriculture. We are being practical and realistic. We know that there are big problems in the CAP. We said ok, we will not ask for equal treatment at this point. At least at this point we would like to increase our exports to the EU and have some privileges.¹⁰⁸

By 1999, Euro-Mediterranean agreements had only been formally concluded with Morocco, the Palestinian Authority and Tunisia. The Union was forced to admit that the completion date for the free-trade area would be pushed back five years to 2015.¹⁰⁹ Even that looked optimistic. Most intractable of all were the negotiations with Egypt, which stalled in 1996 over the quota offered on potatoes and failed to move for over a year. A corollary of Egypt's refusal to concede on its demands was a halt to negotiations with Syria and Lebanon. Both refused to resume bargaining until it became clear what Egypt would be offered.¹¹⁰ At the time of writing, the Mediterranean free-trade area, the centre-piece of the new Mediterranean policy, is a distant prospect.

Figure 3.4 Status of Negotiations with Partner Countries, January 1999

Mediterranean Partner	Negotiations Open	Agreement Signed	Entry into force
Morocco	1993	February 1996	-
Tunisia	1993	July 1995	March 1998
Jordan	1996	November 1997	-
Egypt	1996	Negotiations Ongoing	-
Palestinian Authority	1996	February 1997	July 1997
Algeria	1997	Negotiations Ongoing	-
Lebanon	1997	Negotiations Ongoing	-
Syria	1998	Negotiations Ongoing	-

Source: European Commission, DG1B (1998) *Progress of Negotiations on Euro-Mediterranean Association Agreements*, April, <http://www.euromed.net/>

Conclusions

To a considerable extent, the Euro-Mediterranean Partnership was simply ‘old wine in new bottles’. The basic structure of Euro-Mediterranean relations was retained, with cooperation across an extensive range of functional issues being built into a modified form of Association Agreement. While there was a clearer definition of the Union’s strategic objectives in the region, neither the Redirected Mediterranean Policy nor the Partnership seriously addressed the ‘big’ questions: the inherent asymmetry in trade relations and the debt crisis. Under pressure to respond expeditiously and effectively to events in the Gulf and the re-launch of the Middle East Peace Process, the partnership strategy was above all an ambitious declaration of intent that the Union would engage with the partner countries on a much more systematic basis.

Beyond the partnership rhetoric, however, the Union once again proved stubbornly protectionist on the issues that really mattered to the partner countries. As a Swedish diplomat put it, ‘it is sad to see how much political mileage there is out of 1 tonne of cut flowers. But [EU] politics works like that - very short-

sighted.’¹¹¹ A corollary of the EU’s protectionism is that the Euro-Mediterranean agreements are likely to have a minimal impact on the economies of the Mediterranean partners, thus undermining a central plank of the Union’s ‘soft security’ strategy. The Commission inevitably found itself caught between its role as a servant of the Member States, its responsibility for regulating EU markets, and the need to reach deals with the Mediterranean partner countries that represented a quantitative improvement in access for their imports.

However, the outcome of the negotiations of the Euro-Mediterranean agreements was not entirely negative. Assuming that the preferred outcome for many producers within the EU would have been the status quo or even a contraction of imports from the partner countries, then the fact that any concessions were made might be regarded as a small sign of progress. Moreover, the Mediterranean states were hardly alone in finding the EU a tough and defensive negotiator. The 1990s saw the EU embroiled in protracted rows over the agricultural trade in the Uruguay Round of the GATT. Its ‘Europe Agreements’ with the Central and Eastern European countries were notable for the numerous protocols and annexes attached to the accords that allowed for trade barriers to be re-imposed if EU producers faced unacceptable competitive pressure from imports. In the final analysis, the EU had at least put in place a framework for action and begun the slow process of policy reform.

Notes

¹ European Commission (1994) 'Strengthening the Mediterranean Policy of the European Union: Establishing a Euro-Mediterranean Partnership', COM (94) 427 Final, 19 April, p. 1.

² The RMP has variously been referred to as the Renewed Mediterranean Policy, Reformed Mediterranean Policy and even Renovated Mediterranean Policy. The French term used is *Politique Méditerranéenne Renovée*, a formulation that is equally ambiguous.

³ The negotiations with Algeria, Israel and the Palestinian Territories are dealt with at greater length in Chapters 5 and 6.

⁴ Croft, S., Redmond, J., Wyn Rees, G. and Webber, M. (1999) *The Enlargement of Europe*, Manchester: Manchester University Press, p. 65; Friis, L. and Murphy, A. (1999) 'The European Union and Central and Eastern Europe: Governance and Boundaries', *Journal of Common Market Studies*, Vol. 37, No. 2, pp. 211.

⁵ The literature on European security and the Mediterranean proliferated at the end of the 1980s. See, for example, International Institute for Strategic Studies (1988) *Prospects for Security in the Mediterranean*, Parts I-II-III, London, Adelphi Papers, no 229-230-231, Spring; Aliboni, R. (1990) 'The Mediterranean scenario: Economy and security in the regions south of the European Community', *The International Spectator*, 25, 2, pp. 138-154; Aliboni, R. (1991) *European Security Across the Mediterranean*, Chaillot Papers, No. 2, Paris: Institute for Security Studies, WEU; Laipson, E. (1990) 'Thinking about the Mediterranean', *Mediterranean Quarterly*, Vol. 1, No. 1, pp. 50-66.

⁶ Barbé, E. (1995) *La seguridad en la nueva Europa*, Madrid: Libros de la Catarata.

⁷ See Ben Yahia, H. (1991) 'Risques et enjeux pour les relations Europe-Maghreb dans le contexte des mutations internationales', *Studia Diplomatica*, Vol. 41, No. 3, p. 32; Ravenel, B. *Méditerranée, le Nord contre le Sud?*, Paris, L'Harmattan; Ravenhill, J. (1990) 'The North-South balance of power', *International Affairs*, Vol. 66, pp. 39-51.

⁸ See CÉPII, (1988) 'La dette des pays méditerranées', *Problèmes économiques*, No. 2062, Paris: La Documentation Française, 17 February, pp. 28-31.

⁹ As for the position of the other Mediterranean associates in 1989, Cyprus carried a debt of 1.7 billion ECUs, Malta 0.25 billion ECUs and Turkey 35 billion ECUs.

¹⁰ Nigoul, C. (1991) 'Quelques remarques sur les facteurs économiques et sociaux de l'insécurité en méditerranée' in H. El Malki (ed.) *La Méditerranée en question: Conflits et interdépendances*, Casablanca: Fondation du Roi Abdul-Aziz and Paris: Editions du CNRS, p. 135.

¹¹ Khader, B. (1994) (ed.) *L'Europe et la Méditerranée: Géopolitique de la Proximité*, Paris: L'Harmattan-Academia, p. 27.

¹² Interview 29.

¹³ Regnault, H. (1995) Address to Conference, *GATT-Europe-Méditerranée*, Club Financier Méditerranéen, Nice, 31 March-1 April, p. 23.

¹⁴ Ibid., p. 24.

¹⁵ Koubaa, N. (Banque arabe tuniso-libyenne de développement et de commerce extérieur), (1995) Address to conference, Club Financier Méditerranée, *GATT - Europe - Méditerranée*, Nice, 31 March - 1 April 1995, p. 34.

- ¹⁶ Aliboni, R. (1992) 'Southern European security in the 1990s: Perceptions and problems' in R. Aliboni (ed.) *Southern European Security in the 1990s*, Londo: Pinter, p. 8.
- ¹⁷ Stevens, C. (1990) 'The Impact of Europe 1992 on the Maghreb and Sub-Saharan Africa' *Journal of Common Market Studies*, Vol. 24, No. 2, p. 225.
- ¹⁸ Ibid., p. 239.
- ¹⁹ Dimeglio, W. (1995) *Pour un Partenariat Industriel avec le Maghreb et les PECO: Rapport au Premier Ministre*, Paris: La Documentation Française, p. 61.
- ²⁰ Abel Matutes quoted in Islam, S. (1989) 'Exploring the EEC dimension', *Middle East Economic Digest*, 2 June op. cit., p. 4.
- ²¹ Interview 4.
- ²² Bourrinet, J. (1993) 'Aspects Economiques: Trois Défis Majeurs pour la Coopération' in J. Bourrinet (ed.) *La Méditerranée: Espace de Coopération?*, Paris: Economica, p. 205; Escallier, R. (1991) 'La transition démographique', *Etat du Maghreb*, Paris: La Découverte, p. 83.
- ²³ The heavy reliance of Arab Mediterranean states on the public sector as a source of employment made them all the more sensitive to outside pressure to cut public spending.
- ²⁴ Haddaoui, K. 'Evidence to the House of Lords', *Eleventh report from the House of Lords: Relations between the EU and the Maghreb Countries*, 11 November, London: HMSO, p. 39.
- ²⁵ Salt, J. (1991) *Current and Future International Migration Trends Affecting Europe*, Strasbourg: Council of Europe; Lopez García, B. (1992) 'Les mouvements de population en Méditerranée' in M-L. Dumas (ed.) *Méditerranée Occidentale: Sécurité et Coopération*, Paris: Fondation pour les études de défense nationale, pp. 45-56; Haddaoui, R. (1993) 'Le nouveau visage de l'émigration marocaine' in The Philip Morris Institute, *Vers un Politique Européenne de l'Immigration*, Brussels: The Philip Morris Institute, p. 23; Lahav, G. (1993) 'Immigration, hypernationalism and European security' in J. Philip Rogers (ed.) *The Future of European Security*, Basingstoke: Macmillan, pp. 74-81.
- ²⁶ Juppé, A. (1995) 'Quel horizon pour la politique étrangère de la France?', *Politique Étrangère*, Vol. 60, No. 1, p. 245.
- ²⁷ For France in particular, relations between its Maghrebi immigrant communities and the state were already problematic, and were being aggravated by the defiant racism of the *Front Nationale*.
- ²⁸ Booth, K. (1991) 'Introduction. The Interregnum: World Politics in Transition' in K. Booth (ed.) *New Thinking About Strategy and International Security*, London: HarperCollins, pp. 1-23; Miall, H. (1991) 'New visions, new voices, old power structures' in K. Booth (ed.) *New Thinking About Strategy and International Security*, London: HarperCollins, pp. 293-312; Grasa, R. (1995) 'El Mediterráneo desde una perspectiva globalizadora de la seguridad: Una mirada a a dimensión cooperativa de la conflictividad', *Papers: Revista de Sociologica*, 46, Bellaterra: Universidad Autònoma de Barcelona, pp. 25-42; Algieri, F. (1996) 'In Need of a Comprehensive Approach: The European Union and Possible External Security Challenges' in F. Algieri, J. Janning and D. Rumberg (eds) *Managing Security in Europe*, Gutersloh: Bertelsmann, pp. 189-207.
- ²⁹ Peterson, J. (1996) *Europe and America: The Prospects for Partnership*, London: Routledge, p. 158.
- ³⁰ Buzan, B. (1991) 'Is international security possible?' in K. Booth (ed.), op. cit., p. 46.

- ³¹ Cremasco, M. (1990) 'The Mediterranean Area in Perspective', *The International Spectator*, Vol. 25, No. 2, p. 119.
- ³² World Bank (1992) *World Development Report*.
- ³³ European Commission (1989) SEC (89) 1961, 23 November. The background of Commissioner Abel Matutes, an Ibizan businessman and former MP, made him especially aware of the relationship between socio-economic conditions in North Africa and migration into southern Europe. Echeverría Jesús, C. (1993) 'La Reforma de la Política Mediterránea de la Comunidad Europea', in Marquina, A (ed.), *El Flanco Sur de la Otan*, Madrid: Editorial Complutense, p. 119.
- ³⁴ Matutes, A. (1989) 'Commissioner Matutes reviews issues for the Community in the Mediterranean', *Speech to Pio Manzu Conference*, Rimini, Press Release IP/89/776, Rapid Database, «<http://europa.eu.int/rapid/cgi>».
- ³⁵ European Commission (1989) *Commission Proposes Renewed Mediterranean Policy*, Press Release, P/89/71, Rapid Database, «<http://europa.eu.int/rapid/cgi>».
- ³⁶ European Commission (1989) *Redirecting the Community's Mediterranean Policy*, SEC (89) 1961 Final, Brussels: Office for Official Publications of the European Communities, 1989.
- ³⁷ Economic and Social Committee (1989) 'Opinion on the Mediterranean Policy of the European Community', Economic and Social Committee, *Official Journal* C221, 28 August, pp. 16-28.
- ³⁸ Economic and Social Committee (1989), op. cit., p. 17.
- ³⁹ Ibid., p. 18.
- ⁴⁰ De Vasconcelos, A. (1993) 'Disintegration and Integration in the Mediterranean', *The International Spectator*, Vol. 28, No. 3, p. 69. See also Gambles, I. (1989) 'Prospects for West European Security Cooperation', *Adelphi Papers*, No. 244, p. 55.
- ⁴¹ Aliboni, R. (1992) 'Italian Security Policy in a Changing International Environment', *Jerusalem Journal of International Relations*, Vol. 14, No. 2, p. 100.
- ⁴² European Commission (1990) *Redirecting the Community's Mediterranean Policy*, SEC (90) 812, Brussels, 1 June.
- ⁴³ European Commission (1991) *Proposal for a Council Regulation (EEC) concerning financial cooperation in respect of all the Mediterranean non-member countries*, COM (91) 48 Final, 19 February. Article 3, Council Regulation 1763/92, *Official Journal L181*, 1 July 1992, pp. 1-8.
- ⁴⁴ Kebabdjian, G. (1995) 'Le libre-échange Euro-Maghrebin: Une évaluation macro-économique', *Révue Tiers Monde*, Vol. 36, No. 144, p. 31. Intra-regional trade accounted for around only 4% of economic activity.
- ⁴⁵ Regelsberger, E. (1991) 'The Twelve's Dialogue with Third Countries - Progress Towards a *Communauté d'Action* in M. Holland (ed.) *The Future of European Political Cooperation: Essays on Theory and Practice*, Basingstoke: Macmillan, p. 174.
- ⁴⁶ The Members of the Arab Maghreb Union were Algeria, Libya, Mauritania, Morocco and Tunisia.
- ⁴⁷ European Commission (1990) *Relations Between the European Community and the Arab Maghreb Union*, Memo/90/58, Rapid Database, «<http://europa.eu.int/rapid/cgi>»; European Parliament

⁴⁸ The Commission originally asked the Council for a total of 6.775 billion ECU (2.855 billion ECU in the bilateral protocols; 3.920 billion ECUs for regional financial cooperation), but secured only 4.405 billion ECUs. Economic and Social Committee (1992) (Opinion on the Mediterranean Policy of the European Community', *Official Journal C40*, 17 February, pp. 67-86.

⁴⁹ Interview 12.

⁵⁰ European Commission (1990), *op. cit.*, p. 11.

⁵¹ Council Regulation (EEC) No. 1762/92 on the implementation of the Protocols on financial and technical cooperation concluded by the Community with the Mediterranean non-member countries, *Official Journal L181*, 1 July 1992, p. 2.

⁵² *Agence Europe*, 16 May 1991, p. 8.

⁵³ Even then, the Union still ensured that safeguard measures were built into its new textile import regime to protect European manufacturers from competition.

⁵⁴ Daguzan, J. (1992) 'Coopération régionale et sécurité collective en Méditerranée', *Revue d'Economie Régionale et Urbaine*, Vol. 4, p. 569; Mortimer, E.J. (1991) 'New Fault Lines: Is a North-South Confrontation Inevitable in Security Terms?' in International Institute for Strategic Studies, *New Dimensions in International Security*, Adelphi Paper 296, London: IISS, pp. 80-81.

⁵⁵ European Parliament (1991) (Committee on External Economic Relations) *Report on a Revamped Mediterranean Policy*, Brussels, 3 May, p. 9.

⁵⁶ Piening, C. (1997) *Global Europe: The European Union in World Affairs*, Boulder, CO. and London: Lynne Rienner, p. 76.

⁵⁷ Spencer, C. (1993) *The Maghreb in the 1990s: Political and Economic Developments in Algeria, Morocco and Tunisia*, Adelphi Paper No. 274, London: Brassey's/IISS, p. 35.

⁵⁸ Canard, J. 'La France en train de Perdre le Maghreb?', *Le Canard Enchaîné*, 23 January 1991, p. 1.

⁵⁹ Jacques Blanc (*UDF*), Debate on the Middle East and the Future of Europe, Debats Parlementaires, Assemblée Nationale, *Journal Officiel*, Session 89/90, Fiche npo, 90-03, 11 April 1990, p. 227.

⁶⁰ Anderson, S. (1992) 'Western Europe and the Gulf War' in R. Rummel (ed.) *Toward Political Union: Planning a CFSP in the EC*, Boulder, CO. and Oxford: Westview, p. 157.

⁶¹ Basfao, K and Henry, J-R (1991) 'Le Maghreb et l'Europe: Que faire de la Méditerranée?' *Vingtième Siècle Revue d'histoire*, No. 32, Oct-Dec, p. 44.

⁶² The major economic consequences of the Gulf War were sharp falls in revenues from exports, tourism and remittances from migrant workers, sharp depreciations of currencies, and increased costs from supporting returning migrant workers and the reconstruction of infrastructures.

⁶³ European Commission (1991) *Additional financial aid to for countries in the Middle East and Mediterranean affected by the Gulf War*, COM (91) 61 Final, 28 February; *Agence Europe*, 14 March 1991, p. 3.

⁶⁴ Foreign Ministries of Spain and Italy (1990) *Non-Paper*, Copy of document obtained from Permanent Representation of Spain to the EU; Domestici-Met, M and Dubois, L. (1990) 'Le Rôle de l'Europe: La Communauté Européenne' in J. Bourrinet (ed.), *La Méditerranée: Espace de Coopération?*, Paris: Economica, p. 141.

- ⁶⁵ In March 1991, US Secretary of State James Baker reportedly told Italian Foreign Minister Gianni di Michelis that there was 'no question of discussing the CSCM.' Khader, B. (1997) *Le Partenariat Euro-Méditerranéen Apres la Conférence de Barcelone*, Paris: L'Harmattan, p. 56; Ghebali, V.Y. (1993) 'Toward a Mediterranean Helsinki Type Process', *Mediterranean Quarterly*, Vol. 4, No. 1, p. 98.
- ⁶⁶ Xenakis, D. (1998) 'The Barcelona Process: Some Lessons From Helsinki', *Jean Monnet Working Papers in Comparative and International Politics*, No. JMWP 17.98, p. 7.
- ⁶⁷ Ghebali, V.Y. (1993), op. cit., p. 98.
- ⁶⁸ *Agence Europe*, 29 February 1992, p. 7.
- ⁶⁹ *Agence Europe*, 3 March 1992, pp. 9-10.
- ⁷⁰ Ibid.
- ⁷¹ European Council (1992) *Conclusions of the Presidency*, Rapid Database, <<http://europa.eu.int/rapid/cgi/>>.
- ⁷² European Commission (1992) *The Future of Relations Between the Community and the Maghreb*, SEC (92) 401, Brussels, 29 April.
- ⁷³ Forster, A. and Wallace, W. (1996) 'Common Foreign and Security Policy: A new policy or just a new name?' in H. Wallace and W. Wallace (eds) *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 431.
- ⁷⁴ European Commission (1992), op. cit.
- ⁷⁵ *Agence Europe*, 15 July 1992, p. 10.
- ⁷⁶ European Commission (1993) *Future Relations and Cooperation between the Community and the Middle East*, COM (93) 375 Final, Brussels, 8 September; Rhein, E. (1994) *The European Contribution to the Middle East Peace Process*, Text of Speech prepared for Dialogo Mediterraneo, Venice, 23-24 January, p. 3.
- ⁷⁷ *Agence Europe*, 24 July 1992, p. 9.
- ⁷⁸ The Machrek includes Egypt, Lebanon, Jordan.
- ⁷⁹ European Commission (1994) *Strengthening the Mediterranean Policy of the European Union: Establishing a Euro-Mediterranean Partnership*, COM (94) 427 Final, 19 April.
- ⁸⁰ European Commission (1995) *Proposal for a Council and Commission Decision on the conclusion of a Euro-Mediterranean Agreement establishing an Association between the European Communities and the Member States on the one part, and the Kingdom of Morocco, on the other part*, COM (95) 740 Final, Brussels, p.2.
- ⁸¹ *Agence Europe*, 26 September 1992, p. 3. The review clause was eventually included in Morocco's agreement (Title II, Article 18).
- ⁸² *Agence Europe*, 26 September 1992, p. 3.
- ⁸³ Interview 15.
- ⁸⁴ *Agence Europe*, 8 December 1993, p. 7; *European Report*, No. 1908, December 8 1993, Sect. V, p. 6.
- ⁸⁵ Interview 15.
- ⁸⁶ During a fact-finding visit to Egypt in 1996, officials from DGVI found that reforms to its agricultural sector had dramatically improved production capacity. Interview 58. Interview 20.
- ⁸⁷ Kaufmann, J. (1988) *Conference Diplomacy: An introductory analysis*, Dordrecht: Martinus Nijhoff, p. 161.
- ⁸⁸ Interview 15.
- ⁸⁹ *Agence Europe*, 16-17 February, 1998, p. 5.

- ⁹⁰ *European Report*, No. 2290, February 11 1998, Sect. V, p. 3.
- ⁹¹ *Agence Europe*, 12 February 1998, p. 4.
- ⁹² *Reuters*, 10 November 1995, <http://wvnms.wvnet.edu/~boukhli/c2>.
- ⁹³ Jordan had specifically requested that this modification clause be included to allow for increases in quotas according to its production capacity and the Commission had accepted its request. The southern Member States subsequently used their power of non-ratification to force the Commission back to the negotiating table. In exchange for a 14per cent increase in its quota for tomato concentrate, and after a further delay of 8 months, the Jordanians finally accepted the withdrawal of the revision clause
- ⁹⁴ Interviews 15 and 31.
- ⁹⁵ Interview 11.
- ⁹⁶ Economic and Social Committee (1992) *Opinion on the Mediterranean Policy of the European Community*, Official Journal, C40, 17 February, p. 72.
- ⁹⁷ *European Report*, No. 2081, November 4 1995, Sect V, p. 16. In 1994, Morocco exported only 2100 tonnes of cut flowers.
- ⁹⁸ Interview 50.
- ⁹⁹ Interview 50.
- ¹⁰⁰ Interviews 7 and 40.
- ¹⁰¹ Interview 35.
- ¹⁰² Interview 52.
- ¹⁰³ *El País*, 24 November 1995, p. 3.
- ¹⁰⁴ *European Report*, No. 2084, 14 November 1995, p. 13.
- ¹⁰⁵ *Marchés Tropicaux et Méditerranéens*, 17 November 1995, p. 2521.
- ¹⁰⁶ Interview 36.
- ¹⁰⁷ *European Report*, No. 2085, 18 November 1995, p. 9; Abouyoub, H. (Moroccan Minister of Agriculture), 'Interview', *Jeune Afrique*, No. 1820, 7-13 November 1995, p. 40.
- ¹⁰⁸ Interviews 18 and 20.
- ¹⁰⁹ Interview 15. *Agence Europe*, 4 March 1998, p. 10.
- ¹¹⁰ Interview 38.
- ¹¹¹ Interview 11.

THE BARCELONA PROCESS: FOREIGN POLICY BY MULTILATERAL MEANS?

If the Euro-Mediterranean agreements represented ‘more of the same’, then the Barcelona conference marked a genuine break with the past. This innovative, multilateral dimension of the Euro-Mediterranean Partnership, based on a comprehensive Declaration and Work Programme, secured the approval of 27 governments and spawned a rolling programme of functional cooperation among both governments and non-governmental actors across an extensive range of policy sectors.¹ Politically, the Declaration laid the foundations for a regional diplomatic network to deal with highly sensitive subjects such as arms control, democratic reforms and human rights in a format that resembled the Organisation for Security and Cooperation in Europe. The participation of Israel, Lebanon, the Palestinian Authority, and Syria on an equal basis gave the Barcelona process a unique status in the region as the only forum where these traditional enemies would routinely sit at the same table.

This chapter assesses the Barcelona process as part of the EU’s Mediterranean strategy and considers its broader implications for EU foreign policy. Section one examines the rationale behind the EU’s decision to convene the conference. Section two analyses the preparation of the Conference, arguing that navigation by the French and Spanish Council Presidencies during 1995 was instrumental in producing mutually acceptable texts that also met the Union’s own policy objectives. The third section focuses on the context of the Barcelona Declaration and the progress made in the early stages of its implementation.

Section four shows how the institutional and procedural modalities of the Barcelona process have boosted, albeit modestly, the EU's foreign policy capabilities.

1. The Road to the Barcelona Conference

The seeds of the Barcelona process germinated in the vacant ground left by the aborted CSCM and '5+5' projects. The attempt to create the two regional forums had demonstrated the high level of support around the Mediterranean for multi-dimensional functional cooperation underpinned by strong institutional architecture. The keyword was 'interdependence', the recognition that common Mediterranean problems ranging from crime to environmental pollution should be managed at regional level. There seemed no reason why the success of the OSCE should not be mirrored in some form in the Mediterranean. The arguments of Guido de Marco, Malta's Foreign Minister and a leading protagonist of multilateralism, were typical:

We cannot close an eye to regional flash points that must be contained and possibly diffused, if our own security is not to be put in jeopardy....we should all try to create the facilities to involve all the parties concerned in a dialogue.²

De Marco's assumption, shared in particular by Italian foreign minister Gianni de Michelis and Spain's Fernando Ordoñez, was that regular ministerial 'dialogue' - simply getting as many governments as possible together at the same table - would be an essential element in long-term conflict prevention. Such dialogue gave the political impetus to inter-governmental cooperation on a broad range of common Mediterranean problems.³

The failure to take off of many of these initiatives left the way open for the EU to launch its own multilateral forum, a challenge initially taken up by the

Commission. Consistent with its own long-established advocacy of enhanced regional organisation, the Commission's 1992 proposals for a Euro-Maghreb partnership called for the bilateral track of the EU's new Mediterranean strategy to be complemented by dialogue on 'all matters of common interest' between the EC and Algeria, Morocco and Tunisia.⁴ By 1993, the Community had participated constructively in the multilateral track of the Middle East Peace Process for several years, following the 1991 Madrid Conference. DG1B became convinced that the EMP should be extended to Israel and the Mashreq countries.⁵ Such a move would provide another channel for the normalisation of governmental relations between the Arabs and Israelis, as well as providing the basis for region-wide strategic action. In a follow-up communication to the Council, the Commission argued that multi-sectoral, functional cooperation between governments and private actors was essential to the consolidation of the Peace Process in the long-term, and mentioned the possibility of establishing 'joint institutions.'⁶

The idea of convening a conference was first openly mooted at the Corfu Summit in June 1994 after Spain offered to host the event at the end of its Council Presidency in 1995.⁷ However, the real watershed for the Barcelona process was the Essen Summit in December 1994. Regardless of the underlying strength of their commitment to it, the heads of government gave unanimously endorsed the Commission's strategy in what amounted to affirmation that the EMP was a foreign policy interest of all the Member States.⁸

However, the agreement to hold the conference formed part of a inter-governmental package deal in which the Mediterranean Member States accepted that eastern enlargement of the EU had to be the Union's number one priority in exchange for a clear signal that the Union would make a significant gesture

towards the south.⁹ With Germany about to assume the Presidency and shift the EU's attention back towards the East, it took a combination of political pressure from the Commission and Spain, and the intervention of German Chancellor Helmut Kohl, to find a satisfactory compromise in Essen.

Alongside the Commission, the prime movers in the upgrading of EU Mediterranean policy were France, Italy and Spain, the big three southern Member States. The precise extent to which the three governments actually collaborated over the EMP is unclear, but there was sufficient convergence between their positions on regional security and the EU's role in it to generate the necessary political momentum behind the EMP.¹⁰ According to a Spanish foreign ministry official:

There was no institutional coordination on Mediterranean issues, no contact group....but events in the EU provoked cooperation among France, Italy and Spain.¹¹

In a similar vein, a Portuguese official described the relationship between the Mediterranean Member States as 'intuitive', relying more on their 'proximity of interests' than any deliberate effort to adopt joint positions.¹²

The most active member of this informal Mediterranean caucus was Spain, which had frequently been at the forefront of moves to multilateralise Mediterranean security. Indeed, since its accession to the Community, the Spanish government had increasingly sought to 'Europeanise' its foreign policy.¹³ The centrality of aid and trade in post-Cold War security strategies persuaded the government that delegating responsibility to the EU for such a crucial of its foreign EU was both necessary and practical.¹⁴ From 1989 onwards, the Gonzalez government conspicuously committed itself to the CSCE, rather than NATO, as the most appropriate European and Mediterranean security organisation.¹⁵ When it became clear that the Ordoñez-De Michelis sponsored

CSCM project was destined to fail, Spain turned its attention to promoting EU policy. Its subsequent offer to host the conference was the culmination of several years of quiet yet effective Spanish diplomacy in the region and confirmation of its increasing importance as an international power in the Mediterranean.¹⁶

In the context of the EU's Mediterranean strategy, a multilateral conference served a number of purposes. First, it offered the EU a high profile platform from which to 'sell' the EMP to the partners and to the wider world. It was the kind of grand political gesture called for by Jacques Delors, who argued that the Union needed to send 'powerful messages to its neighbours' in the east and south.¹⁷ Second, given the economic disruption likely to arise from the Euro-Med free-trade initiative, the conference also amounted to a form of political compensation. It would create a façade of diplomatic equality and elevated political status for the partners vis-à-vis the EU, at least in the short term. Third, it was also expected that the conference would help kick start the negotiation of the Euro-Mediterranean agreements with Morocco and Tunisia, which stalled during 1994. The assumption was that all parties would want to conclude the negotiations before the event as a sign that the EMP was making tangible progress.¹⁸

However, even leaving aside its utility as a political signal, the conference also presented the EU with an opportunity to set out the principles of the EMP in a multilateral framework that was expected to generate foreign policy actions in its own right. As a Spanish diplomat put it, 'the Barcelona conference was the way to maintain a long-term relationship with the Mediterranean countries and to give attention to very specific issues.'¹⁹ The multilateralisation of Mediterranean policy would equip the EU with an additional foreign policy tool, designed to facilitate the 'boundary management' objectives of its Mediterranean policy by

drawing together the various functional cooperation programmes under a single heading.²⁰ Given the anticipated participation of the vast majority of the Mediterranean littoral states, the conference would be a step forward in the Union's attempt to construct a regional identity to underpin the EMP.

That said, the significance of the conference initiative can be exaggerated. As a German official commented, the Member States had agreed to hold the event 'without an idea as to what it should initiate', although it was clear that the conference was not intended to produce a legally binding international treaty.²¹ The Commission's initial communication on the subject was instructive, being long on rhetoric and short on substance:

The conference should reach agreement on a series of economic and political guidelines for Euro-Mediterranean policy into the next century, which could be set out in a new Charter.....The Conference should thereby contribute to creating a larger awareness, among political and business leaders throughout the world of the Mediterranean being ready to embark on a courageous journey which will progressively transform it into a region of stability and peace, rapid economic development, social change and, last but not least, political pluralism.²²

2. Negotiating the Barcelona Conference

From the outset, the Barcelona conference was, as Esther Barbé argues, a 'genuinely European project.'²³ The decision to hold the conference was the EU's alone, and was effectively presented to the partners as a *fait accompli*. As the agenda setting phase of the conference was to show, it also turned into a conspicuously governmental project, shaped by the foreign policy interests and of the participating governments. In procedural terms, the EU's preparations for the conference were conducted along the lines of a CFSP action, with the Troika undertaking the bulk of the diplomatic legwork. The adoption of this format

resulted from the anticipated inclusion of pillar II and pillar III issues in the Declaration, subject to inter-governmental decision making within the EU.

Work on the Barcelona Declaration commenced under the French Council Presidency at the start of 1995.²⁴ The Balladur government made Mediterranean policy a central plank of its six month programme for the EU, setting out to impose its own vision of the EMP on the conference. According to a Council Secretariat official, the French ‘worked very much on their own’ in the early stages.²⁵ Exploratory discussions took place in the relevant Council working-groups with the tabling of a large number of *fiches* submitted by individual French ministries. This French bid to influence the implementation of the Barcelona process met with a lukewarm response from the other Member States, who regarded its proposals as too detailed and too ambitious to be practical.²⁶

The Commission spent the period after Essen working on its own proposals to implement the EMP. Its ensuing communication to the Council, timed to coincide with the Member States’ first formal discussion of the draft Declaration, reinforced its case for extra funding.²⁷ The document incorporated a breakdown of prospective spending commitments, an analysis of the EMP’s strategic aims and objectives, and guidelines for EU follow-up actions in each policy area. Such thoroughness was intended to reassure sceptical northern Member States, particularly Germany, that the distribution of EU funds would be tightly controlled and strategically targeted.²⁸ At the same time, the Commission argued that the proposals ‘could serve as a useful basis for the Barcelona Conference’, in a ploy by Commissioner Marín to counter the Council’s domination of the exercise.

On April 10 1995, a discussion document setting out the initial position of the Union was put to the General Affairs Council. According to Alain Juppé, the

report was prepared 'by the Council, and more precisely by Coreper' implying a collective effort by the Member States.²⁹ According to the Council Secretariat, much of the paper was in fact drafted by the French foreign ministry.³⁰

Nevertheless, along with the Commission's Communication, the report was approved by EU Foreign Ministers and served as the basis for consultations between the Troika and the Mediterranean partners, the first time the latter had been approached for their input.

The feedback from the twelve partners was broadly positive, although there were general concerns about the overall direction of the EMP and some very specific concerns about the Conference itself. For several non-member governments, multilateralism threatened to water down their 'special' bilateral relationships with the EU and with individual Member States. A North African diplomat argued:

You cannot come up with a policy devised in Brussels and say this will apply all the way to Egypt or Israel. You cannot simply think of any policy that would be fit for all these countries and serve all their interests at the same time, and not be detrimental to a major extent to one group or another.³¹

A Mashreqi official complained that:

There was no prior consultation between the EU and the Mediterranean states on what were the real needs....The concept of specificity is important. No structure can be adapted to countries with very different cultural heritages and social cleavages.³²

The point here is that the geographical expansion of EU Mediterranean was not wholeheartedly endorsed by the Mediterranean partners, who viewed it as an artificial construction which failed to take into account the diversity of the region's economies and political systems.

Concern was also expressed about the EU's over-emphasis on the politico-security dimension of the EMP, and a corresponding under-emphasis

of socio-cultural cooperation. The Maghreb countries, for instance, pointed out that issues such as the status of migrant workers in the Union had been left out of the draft document. On the sensitive issues of democratisation and human rights, the partners voiced reservations about the perceived imposition of European cultural norms and the possibility of political conditions being applied to EU aid.

Specific concerns focused on two issues. First, the partner countries highlighted the Union's indecision over the level of financial aid attached to the EMP. A protracted row over the budget in the run up to the Cannes Summit (June 1995) threatened to leave the EMP without the financial resources to support it. Second, Lebanon and Syria would not commit themselves to attending the conference, a result of their refusal to take part in any international meeting alongside Israel.³³ The prospect of their absence jeopardised one of the EMP's basic purposes: fully inclusive regional integration.

By the end of the French Presidency in June, an essentially unaltered framework document had been adopted by the Foreign Ministers, which incorporated the results of the troika's consultations with the partners.³⁴ One notable change was the addition of a passage stating that the Euro-Mediterranean agreements would 'safeguard the specificity' of the partners' bilateral relations with the Union.³⁵ The Cannes Summit (June 1995) subsequently approved the document, whose main lines were:

Figure 4.1 Draft Programme for the Barcelona Conference

- 1) A political and security chapter, comprising, *inter alia*, measures designed to promote regional political stability, the non-proliferation of weapons, respect for democratisation and human rights, and specific 'confidence building' measures.
- 2) An economic and financial chapter, including the often repeated commitment to establish a free-trade area by 2010, increased economic, financial and technical co-operation and other forms of support for the economic development of the partners' economies.
- 3) A social and human chapter, including dialogue between social organisations, cultural exchanges (between schools and universities, for instance) and other non-governmental forms of co-operation.³⁶

It is worth noting that this early draft of the Barcelona Declaration closely followed the broad guidelines proposed by the Commission in 1994.³⁷ The Cannes Summit also saw the resolution of the budget problem, with the Member States agreeing to increase aid to 4.7 billion ECUs, matched by an almost identical amount in EIB grants and loans.

At the start of the Spanish Presidency, the first formal draft of the Joint Declaration - essentially a summary of the EU's own position - was prepared by the Council Secretariat.³⁸ The contents of this paper were trimmed back by the Council Secretariat in order to 'a manageable summary' and subsequently forwarded to the Spaniards.³⁹ When discussion resumed in September 1995, the Spanish government had 'put back a lot of what had been left out.'⁴⁰ They felt that drafting the paper was 'the responsibility of the Presidency' and that 'the Secretariat's role should be limited.'⁴¹ The re-drafted paper was much closer to the Cannes document than the Secretariat's summary, underlining the ultimate control by governments of the preparatory phase.

But the wrangling over the paper also exposed substantive differences between France and Spain.⁴² At issue was the balance between the three chapters of the Declaration. Having successfully co-sponsored the Stability Pact for Central and Eastern Europe, Balladur's government regarded a similar initiative for the Mediterranean as a means to boost the Union's profile in the Middle East by promoting it as an alternative interlocutor to the USA.⁴³ French diplomats sought to put the Political and Security chapter on the 'front page', proposing that a Mediterranean stability pact should be the centrepiece of the political and security partnership.⁴⁴

However, the Spanish government felt that no single chapter should dominate, and that any attempt to establish new codes of conduct for international relations in the Mediterranean region could interfere with the Middle East Peace Process.⁴⁵ Asserting its own credentials as 'honest broker', Spain took a more guarded position on the EU's involvement in the Middle East Peace Process, believing that step-by-step confidence building and careful, relatively neutral diplomacy would produce better results in the long run than a high profile political initiative. As the Declaration passed through the Council's working groups again, Spanish representatives persuaded their counterparts to heed Commissioner Marín's warning that the Barcelona process should be kept distinct from the Peace Process.⁴⁶

Closer to the Conference itself, several problems surfaced which again exposed the lack of unity among the EU Member States. The first concerned a request by eight Arab-Mediterranean countries, led by Algeria, to allow Libya to attend.⁴⁷ The exclusion of Libya from the EMP left a gaping geo-political hole in the regional construction. Moreover, as a major supplier of oil to Italy, and a perceived security 'threat', Libya's presence in Barcelona could only benefit the

EMP. Spanish Foreign Minister Javier Solana hinted that Libya might be allowed to participate, stating that ‘it has not been ruled out that observers may be attending in one form or another.’⁴⁸ However, Commissioner Marín was unsympathetic, arguing that Libya had not entered into ‘contractual relations’ with the EU, an unwritten prerequisite of participation.⁴⁹ Moreover, in view of the continuing *impasse* over the Lockerbie and UTA bombings, the prospect of British and French foreign ministers sitting alongside Libyan leaders was always unlikely.⁵⁰ In the end, the problem was resolved when Colonel Gadhaffi’s retracted his government’s request to attend.⁵¹

A second problem concerned requests by the Arab League, Russia and the USA to attend the conference as official observers. The traditional security interests of the superpowers in Mediterranean, and the involvement of Egypt, Israel, Jordan and Syria in the EMP, elevated the status of the event. France and Spain were especially guarded about the USA’s presence. As a French foreign ministry spokesperson put it, ‘the Barcelona Conference is only for Europeans and Mediterraneans, and the USA is neither.’⁵² In the Spanish press, the USA stood accused of trying to ‘get in by the back door.’⁵³ Ultimately, the EU stuck to its guns over the exclusivity of Barcelona, and the ‘outsiders’ were only invited to observe the opening plenary session.

A host of problems arose with the text of the Declaration during the month before the conference, forcing several re-drafts of the document. In particular, the wording of the Political and Security chapter drew strong objections from a number of Middle Eastern countries. Syria, backed by the Palestinians, questioned sections on self-determination and the fight against terrorism, arguing that armed conflicts over occupied territories should not be defined as terrorism, but as ‘legitimate struggles’.⁵⁴ Egypt, along with Syria, also

attempted to use the Barcelona Declaration to force Israel to sign up to the nuclear non-proliferation treaty.⁵⁵

Decisions about the institutional format for implementing the Barcelona process started taken in October 1995, after lengthy arguments in Coreper about how the EU itself should be represented. A ‘Senior Officials Committee’ comprising Ambassadors and other high-ranking foreign ministry personnel was established to oversee the political and security partnership. In an attempt to preserve the sanctity of the Union’s institutional procedures, Belgium and Luxembourg argued that only the Troika should represent the Union.⁵⁶ France, however, concerned that its input into the Barcelona process would be diminished after it left the Troika, argued for the full participation of all the Member States. The eventual compromise stipulated that the Troika would represent the Union, but that the other Member States could attend meetings and intervene if the chair permitted it.⁵⁷

The other two chapters were to be overseen by the ‘Euro-Med Committee’ in which the Member States were represented only by the Troika. The Commission, as well as all twelve partners, were represented in both Committees. For the Commission, these formulae confirmed its position as manager of the Barcelona process. Only as the implementation process got underway did the political and practical implications of this institutional architecture become clear.

3. The Barcelona Process

It was hard to avoid being swept along by the tide of euphoria generated by the Barcelona conference. Pictures of Israeli, Lebanese, Palestinian and Syrian representatives standing together in the Catalan sunshine captured the very

essence of the so-called 'Barcelona spirit'. One commentator likened it to the 1955 Messina conference.⁵⁸ As Bichara Khader observes, 'those who dared to express scepticism about the project of "partnership" were described as "Cassandras"'.⁵⁹ The diplomatic momentum started by the conference initially seemed to be sustained when the Council Presidency passed to Italy. Detailed schedules for follow-up meetings covering much of the Work Programme were drawn up by the Italians, under the energetic chairmanship of Ambassador Antonio Badini.⁶⁰

However, the euphoria proved short-lived as the limitations of the process and the highly sensitive nature of much of its subject matter became clear. Crucially, the Middle East Peace Process broke down early in 1997, effectively ending the *rapprochement* between the Arabs and Israelis. Expectations that the participants would set aside political differences in the interest of functional cooperation proved optimistic as the policy output of the EMP dwindled. Progress became little more than a matter of ensuring that the partners continued to come to the negotiating table. The second and third ministerial meetings in Malta (April 1997) and Palermo (June 1998), beset by arguments between the Israelis and Palestinians, produced little more than a balance sheet of the EMP. This section offers a chapter-by-chapter assessment of the Barcelona process.

Political and Security Chapter

The language of the political and security chapter was ambitious, committing the signatories to 'establishing a common area of peace and stability' and to upholding principles of human rights and fundamental freedoms, self-determination, and territorial integrity. Drawing on principles from the CSCE, UN and other international agreements, the Political and Security Chapter was

intended to subject Mediterranean security to internationally, though not universally, accepted standards and rules of inter-state conduct. The signatories agreed to promote confidence and security building measures, to ensure the non-proliferation of nuclear weapons and to cooperate in the fight against terrorism. An undertaking was also made to examine the possibility of a stability pact, though it was expressly identified in the text as a long-term goal.

Notwithstanding the ambiguity of terms like 'peace' and 'stability' as policy objectives, the substance of the Political and Security Partnership clearly touched raw nerves. Both the Israeli and Syrian delegations reiterated their objections to its contents at post-Conference press briefings.⁶¹ Beyond the semantic arguments, issues such as terrorism, self-determination and territorial integrity were at the heart of conflicts in the region at both the inter-state and intra-state levels. Without any legal basis for the Declaration, there was little sense of how the first chapter would generate policy actions. As a Commission official conceded:

We don't know how we are going to proceed. Do we start big discussions on human rights in the Mediterranean? I don't know.⁶²

A stark contrast materialised between the maximalist rhetoric of the Declaration and the minimal measures proposed during the follow-up process.

The fate of the stability pact initiative exemplified the contrasting preferences of the signatories on politico-security issues, as well as the difficulty of making the transition from dialogue to action. During the conference, France and Malta - the co-sponsors of the stability pact - pressed for it to be adopted as a priority measure in the follow-up to Barcelona.⁶³ However, France's counterparts in the EU were rather less enthusiastic. Most preferred a cautious, incremental approach, fearing that formal multilateral commitments over security

might rebound on the Union given the unravelling of the Oslo peace accords.⁶⁴ Despite the direct intervention of President Jacques Chirac's office, the French were forced to lower their sights, conceding that the charter should simply be 'something to help relations between all the Mediterranean countries.'⁶⁵ At the Malta summit, the participants agreed to put their work on the pact on the back burner, to be resumed 'when political circumstances allow[ed].'⁶⁶

The stalling effect of political developments in the Middle East masked a more fundamental reason for the lack of headway in the first chapter. The lack of appetite for new formal security arrangements was symptomatic of the EU's uneasiness about its identity in the politico-security sphere. Critics of the Barcelona process singled out the failure of the EU to channel its input into the first chapter through the CFSP.⁶⁷ The European Parliament, for instance, argued that the political and security chapter affected the security of the Union as a whole, and that any initiatives taken should therefore be treated as CFSP actions.⁶⁸ It was a familiar claim: the EU stood a much better chance of achieving its objectives if it spoke with a single voice. However, even in the unlikely event of Member States unanimously agreeing specific common positions or joint actions on Mediterranean security measures, the EU possessed no independent defence/military capability to back such measures up. Mediterranean security experts concurred on the essential role of 'outsiders' - principally the USA, but also increasingly NATO - in the region.⁶⁹ Bearing in mind the deeply entrenched differences between the member governments over the EU-NATO-WEU triangle, and the presence of the neutral EU Member States, the Barcelona process appeared ill-suited to pro-active, 'hard' security policy-making.

From the point of view of the Arab participants, the idea of a security 'pact' was an unwelcome reminder of European colonialism in the Middle East, stirring memories of the notorious Baghdad pact.⁷⁰ They also doubted its relevance in the absence of progress in the Middle East Peace Process, seen as the major barrier to regional integration. An Egyptian official expressed the Arab position thus:

We believe that it is premature at this time to talk about a stability pact. How can you talk about a stability pact when conflicts are still rampant in the Mediterranean?⁷¹

For most of the partners, the stability pact was also further evidence of the European side's excessive emphasis on the security strand in the EMP, to the detriment of the economic and human chapters.⁷² A Maghrebi diplomat called for

A greater balance between the three pillars. Of course, there are problems which occupy Southern Europe...terrorism...drugs, but the security aspect shouldn't dominate.⁷³

Almost by default, the leitmotif of the first chapter became low-level confidence-building, a generic label for any action that increased the regularity and transparency of inter-governmental contact on security matters. Work in the Senior Officials Committee was divided into six sectors: strengthening of democracy, preventive diplomacy, confidence and security building measures, disarmament and organised crime. Gradually, a list of operational measures was assembled, funded and coordinated by the EU. They included:

Figure 4.2 Programme for the first chapter of the Barcelona Process

- A network of political and security correspondents, functioning via a secure fax network.⁷⁴
- The compilation of human rights, disarmament and weapons inventories through questionnaires distributed to each government.
- Exchanges of information on disarmament, arms control, terrorism.
- The launch of a network of defence institutes.
- Information and training programme for diplomats.
- Convening of a network of foreign policy analysts - Euromesco - from foreign policy institutes and other academic establishments in each of the participating countries.

Measures in the pipeline included:

- Exchanges of diplomatic and military personnel
- An Egyptian/Italian co-sponsored proposal for a multilateral natural disaster management system.

None of these measures could be described as ground-breaking, but they did serve a useful function by creating a network of security experts comprising of academics, diplomats, and even military personnel.⁷⁵ Frequent conferences, seminars, training sessions and the exchange of information on a variety of security-related subjects, if nothing else, built confidence and promoted awareness of the EMP among an influential group of actors. At the same time, though, there was a sense that the network was merely covering old ground, albeit in a more systematic way. A member of Euromesco suggested that:

Euromesco is preparing many studies on topics already known. In a way, the EU is just spending money to duplicate research that has been done 1000 times.⁷⁶

For the participating governments, the chief merit of the political and security chapter was that it offered them a low-visibility talking shop. The

familiarity bred by the process was important, since it allowed dialogue to continue even when a number of participants were refusing to meet each other outside. As Spencer argues,

the utility of CBMs is perceived to derive from their gradual creation of an atmosphere of mutual trust, transparency and predictability - in slow and incremental steps, if need be - in order to provide alternatives to confrontation and conflict where differences between states recur or have been enflamed, or where new points of contention have arisen.⁷⁷

In view of the Barcelona Declaration's commitment to non-interference with existing conflict resolution initiatives, expectations of what the first chapter might accomplish inevitably had to be lowered.

The Economic and Financial Partnership

The economic and financial chapter was the centrepiece of the Barcelona process, and the 'engine' of the EMP, committing the signatories to establishing one of the world's largest free trade zones by 2010; a potential market of 800 million people. The measures set out in the Barcelona Work Programme were designed to complement the Euro-Mediterranean agreements by stimulating regional economic integration, inward investment and infrastructural development, and by setting out guidelines for the management of common resources (environment, water). As one official put it, 'Barcelona [was] a launching pad. It provide[d] the value-added at the multilateral level to support the bilateral.'⁷⁸

As an integral component of the EU's long-term strategy, the second chapter laid down the methodology by which a framework of economic governance would be extended to the region, and underscored the neo-liberal orthodoxy inherent in the EMP.⁷⁹ The Work Programme earmarked the harmonisation of import/export procedures, rules and standards as the priority for

the implementation process. Provisions relating to the extension of existing co-operation in fields such as energy, rural development, technology transfer, technical assistance for business co-operation and investment were all directed towards readying the partners for the shock of a rapid transition to free trade.

Laced with a heavy dose of the EU's own self-interest, the second chapter was premised on a highly selective externalisation of the EU's single market model utilising a methodology already employed in the Union's eastern enlargement strategy. The Work Programme added-up to a wish-list of issues on which the Union's objectives could best be met through multilateral action. For instance, the rapidly expanding presence of European investors in North Africa's gas industry would clearly benefit from the extra protection afforded by international agreements. At a relatively low cost to the Union - grants and EIB loans, more 'dialogue', the exchange of technical expertise - it could 'buy' security of supply and a more conducive economic climate for investors.

For the Mediterranean partners, the economic and financial partnership was the main attraction of the Barcelona process, promising further improvements in their access to the EU's markets, increased financial aid and the EU's assistance and expertise in restructuring their economies. Governments willingly bought the economists' argument that a multilateral economic relationship with the EU would 'lock-in' the credibility of domestic reform programmes, enabling them to reap the benefits of the free-trade initiative.⁸⁰ A Mashreqi official's view was typical:

Our national industry will suffer very much from the FTA. We have a very strong lobby against this agreement. Can you imagine competing with the giants in Europe? But we know there's no other way to liberalise.⁸¹

In reality, however, the peripheral role of the Mediterranean partners in the preparation phase, coupled with their relatively weak bargaining power vis-à-

vis the EU, left them little alternative other than to accept what was a flawed package from their point of view. Most criticisms from the partners were targeted at areas left out of the Declaration and Work Programme, and at the use of bilateral negotiations to set the terms of the free trade area, a method that enabled the EU to deal with each partner individually and rule out any possibility of collective bargaining.⁸² Capital and goods would move increasingly freely throughout the region, labour would not. The Declaration made a brief reference to the liberalisation of trade in services, but no provisions for it were included in the Work Programme.⁸³ On foreign investment, regarded as a crucial determinant of the EMP's success, the Work Programme included only an unsubstantial pledge to 'help create a climate favourable to the removal of obstacles to investment, by giving greater thought to the definition of such obstacles.'⁸⁴

The inconsistencies and paradoxes of the Barcelona process did not take long to surface. Three problems raised questions about the credibility of the Union's strategy. First, the Declaration made only a vague reference to the debt problem, stating that:

The partners acknowledge the difficulties that the question of debt can create... They agree, in view of the importance of their relations to continue the dialogue in order to achieve progress in the competent fora.

By implication, the debt issue would continue to be handled by individual Member States in the London and Paris clubs, forums better known for their cautious conservatism than their forward thinking. An Algerian commentator summed up the partners' feelings on the subject: 'Can a partnership, in the equal benefit of both parties, be built between a "heavy" creditor and his debtor?'⁸⁵

Second, the EU's defensive stance in the bilateral negotiations with the individual partners sharply contrasted with the expansive language on free-trade

in the Barcelona process. Xavier Prats, Commissioner Marín's cabinet spokesman on the Mediterranean, put the issue bluntly: 'the EU is selfish, but then so is everyone. The question is, who gets the better deal?'⁸⁶ Only Morocco and Tunisia concluded their Euro-Mediterranean agreements before the Barcelona Conference, leading to a growing sense of the bilateral and multilateral tracks being out of synch. At the same time as the trade and industry ministers were meeting around the Mediterranean to discuss cooperation on industrial and investment policies, so agriculture ministers were engaged in protracted battles over orange, potato and rice quotas.

A third problem arose out from the Member States' wrangling over the 'MEDA' financial regulation. Having already fought a very public battle over the Mediterranean financial aid budget at the Cannes Summit, the Member States then proceeded to spend months engaged in disputes about the decision-making procedures attached to it.⁸⁷ In November 1995, progress of the MEDA Regulation through Council stalled, according to one participant, 'because of a theological dispute between the UK and the other 15 over the voting mechanism used to suspend funding in the event of a human rights problem.'⁸⁸ The UK demanded unanimity in Council on a Commission proposal to suspend funding, while the 14 favoured qualified majority voting. Occurring in the same month as the Barcelona Conference, it was hardly an encouraging signal for the partners. Following a compromise that postponed a decision until 1997, a further dispute arose when Greece, along with the European Parliament, raised objections to the application of MEDA to Turkey.⁸⁹ Meanwhile, the disbursement of the funds was blocked.

As in the first chapter, the implementation of the economic and financial chapter started with meetings to agree 'common sectoral principles as the basis

for the alignment of policies in the sectors concerned.’⁹⁰ Follow-up conferences were organised in a bewildering range of sectors, many of which simply led to further meetings. (See Appendix 2).

As was the case with the first chapter, the principal benefit of the second chapter was its construction of networks of actors - principally businesses and consultancies - from all the partner countries. Getting private business interests on board was essential to the free-trade initiative. The Mediterranean region accounted for only two per cent of total overseas investment by EU businesses, limiting the assumed stabilising effect of economic integration. Much of the work undertaken after Barcelona therefore focused on increasing incentives for capital investment. Investors guides, funded by the Commission, were compiled for each of the partners. Networks of chambers of commerce and economic institutes were mandated to improve the flow of business information and increase awareness of investment opportunities. MEDA funds were provided for European consultancies to advise small and medium-sized enterprises in the partner countries, and to oversee the implementation of joint projects between EU and third country businesses. While there were some problems starting up business development projects in partner countries with underdeveloped investment regimes, the emergence of an ethos of joint participation was nevertheless a sign of progress.

The Social, Cultural and Human Affairs Chapter

The third chapter of the Barcelona Declaration was intended to integrate ‘civil society’ into the process and instigate ‘cultural dialogue’ and ‘exchanges at human, scientific and technological level.’ The range of subjects covered in the Declaration and Work Programme was impressive, identifying numerous new

avenues of cooperation in areas such as education, human health, democratic practices, migration, terrorism, drug trafficking, international crime, corruption and racism. Such issues were an essential element in the new thinking on security.

On the face of it, the incorporation of a socio-cultural dimension in the EMP was a laudable objective, and one lacking in previous incarnations of EU Mediterranean policy. At the same time, however, it was fraught with difficulties, opening up the EU to accusations of neo-colonialism and of a 'continued proclivity for imposing its cultural and social values on the developing world.'⁹¹ Moreover, as Colas argues, 'the invocation of civil society at inter-governmental conferences like the one held at Barcelona has been mainly rhetorical.'⁹² The Work Programme struck an uneasy balance between progressive language on cultural and social issues, and tough passages on crime, drug trafficking, migration and terrorism that were arguably the Union's real priorities.

The biggest shortcoming of the third chapter was its failure to recognise that civil society needed to be given a free rein by governments if the principles of the Declaration were to be implemented. Given the authoritarian nature of governments in a number of the Mediterranean partner countries, the latitude of action for non-governmental organisations was invariably narrow. Cooption of certain approved organisations and social movements, and suppression of opposition, was the norm in the Maghreb. Thus, social movements and NGOs which bought into the agenda set by states were actually limiting the possibilities of extending transnational links among civil societies operating on both shores of the Mediterranean.⁹³ Perhaps the best example of the inherent paradoxes in the third chapter arose during preparations for the Helsinki Ministerial Conference on

the Environment in November 1997. Several Arab-Mediterranean governments demanded that NGOs originating from their states should receive official accreditation before being allowed to participate.⁹⁴ As one official argued, we have to find a place for NGOs, but in most of these countries NGOs represent the opposition.⁹⁵

The principal benefits of the third chapter were arguably felt outside the Barcelona process itself. On the fringes of the Conference, a Euro-Med Civil Forum was established, organised and funded by the Catalunya's *Comunidad Autonoma*, the European Commission, the EU's Economic and Social Committee, the Spanish Foreign Ministry and UNESCO. Around 1200 representatives from 700 social bodies participated in the first forum which discussed issues ranging from cooperation between SMEs to religious dialogue and inter-cultural exchanges. Less visible, though potentially more politically significant, was the 'Alternative Mediterranean Conference' attended by 2000 delegates from 300 associations including anti-racist movements, trade unions and NGOs. It challenged the state-led nature of the Barcelona process, singling out the dominance of trade liberalisation and the involvement in the process of authoritarian governments.⁹⁶

By the time of the Malta summit, the number of initiatives underway in the third chapter had mushroomed. At the second meeting of the Euro-Med Forum one participant summarised progress thus:

Many events, fora, workshops and new networks have cropped up all over the Mediterranean. The difficulty of drawing up a report of activities and initiatives is evident and discriminatory. At the time of the Malta meeting, We are unfortunately unable to establish a complete inventory of all the activities and their development.⁹⁷

The fact that appraising the third chapter was so difficult suggests that at least one of the aims of the exercise - to stimulate de-centralised cooperation between non-governmental actors was well underway.

4. The Impact of the Barcelona Process on EU Foreign Policy

For Eberhard Rhein, the Euro-Mediterranean partnership ‘underscored the ambition of the EU to speak for the whole of Europe.’⁹⁸ Certainly, the Barcelona process was dominated from start to finish by the Union at both the agenda setting and implementation phases. As Rhein goes on to argue, ‘those countries still staying outside the EU have hardly any other option but to follow, at least implicitly, the lines decided by the EU.’⁹⁹ The close adherence by the Member States to the Commission’s 1994 proposals on the EMP demonstrated the high degree of commitment to the European Union as the most appropriate level at which to pursue a proactive Mediterranean policy. That their political investment in the Mediterranean was backed by a substantial financial commitment further strengthened the strategic coherence of the EMP.

As far as the EMP’s impact on EU foreign policy was concerned, the principal gains were derived from the institutional architecture attached to the Barcelona process. For instance, one of the main concerns of the Mediterranean EU Presidencies responsible for drafting the Barcelona agenda was the fact that the chairmanship of the two implementation committees would pass successively to smaller, non-Mediterranean Member States. The assumption was that for the small Presidencies, sustaining the momentum generated by France, Spain and Italy would be a problem.¹⁰⁰ Yet there was no evidence to suggest that the subsequent Irish and Dutch Presidencies allowed the process to slow down. The two ensured a full schedule of meetings and managed to hold the process together

when the ailing Middle East Peace Process threatened to blow it apart. The impressive performance of the Irish and Dutch owed much to the skilful diplomacy of their respective foreign ministries. However, it must also be attributed to an effective balance having been struck between the roles of the Council and Commission.

The Commission was arguably the major beneficiary from the Barcelona process. DG1B was granted responsibility for coordinating the follow-up process in all three chapters, alongside the Council Presidency. From the outset, the Commission used its power judiciously, deliberately proposing several actions in the first chapter which required funds from the MEDA budget. In doing so, it exploited a backdoor route to circumventing the arbitrary distinction made between pillars I and II of the Maastricht treaty. Politico-security policy was being made, funded and administered by the Community, rather than by purely inter-governmental agreements among the Member States.

The willingness of the Member States to accept this formula resulted, firstly, from the interdependent nature of the various elements in the Barcelona programme. Put simply, the Member States had no other option. Secondly, separating the political from the economic had become increasingly impractical in the context of the EU. Articles J.5 and J.9, Title V of the Treaty on European Union provided for the participation of the Commission in matters relating to the CFSP, and included the possibility of policy initiation in certain circumstances. The Commission was part of the EU's delegation to the Senior Officials Committee. All could agree that the ability of it and the Council Secretariat to ensure effective co-ordination between first and second pillar matters was crucial to the programme's success.

The multilateral nature of the Barcelona process made Mediterranean security a joint undertaking. Essentially a rolling political dialogue, the EU's objectives for Mediterranean security could be pursued in an environment where agreements would be reached among 27 governments. One effect of this inclusive approach was to remove some of the potential for antagonism which tended to hamper unilateral political action by the EU. In this sense, the Barcelona process has also perhaps given the EU the capacity for proactive security policy-making by another means. More generally, the innovative approach to decision-making in the Barcelona process, and in particular the Member States' willingness to accept the new arrangements in the interests of a coherent strategy, may significantly improve the EU's capabilities in the sphere of foreign policy.

Conclusions

The EU's new Mediterranean policy may fairly be described as 'nothing but a political deal with Europe offering its advice, its moral presence, its vast political and economic experience and, of course, sizeable financial cooperation to those determined to tackle their problems effectively.'¹⁰¹ Perhaps the most telling observation about the Barcelona process is that it concerns 'the management, rather than the transformation, of [EU-Mediterranean] relations.'¹⁰² Excessive expectations about the Barcelona process are probably unwise, especially given persisting *impasse* between the Arabs and Israelis. But the idea behind it - functional cooperation - is a realistic and arguably laudable one. The gradual extension of a negotiated order in the Mediterranean, beginning with the establishment of cooperative networks and moving towards multilateral agreements is undoubtedly laying the foundations for future regional integration,

something all the participants recognise as a necessary and positive development.

Whether or not political 'spillover' - the creation of a culture of regional cooperation at all levels of government - follows remains to be seen.

Much depends on the maintenance of momentum by the EU and on the commitment of all sides to make the follow-up process effective. In this respect, whether or not the Mediterranean retains its current salience for the Member States will be crucial, since the effectiveness of this multilateral track of the Union's strategy is unlikely to become clear until well into the next millennium. With eastern enlargement looming, there is a danger that the Barcelona process may fade into the background as the Union's financial and political resources are diverted to the task of integrating the CEECs.

Although still far from being the finished article, the Barcelona process has given EU Mediterranean policy a much clearer structure and coverage of a far wider range of issues than had previously been the case. Moreover, there is now a clearer strategic direction to the policy, with a specific final objective, a free trade area, and a more or less precise target date for achieving it. If the Europeans can rise to the challenge they have set themselves and undertake genuine trade liberalisation, then the Barcelona process may prove to be a useful supporting framework.

Notes

- ¹ The Palestinian Authority was effectively regarded as a sovereign government for the purposes of the Barcelona Conference. The other 26 included the 15 EU Member States along with Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia and Turkey.
- ² De Marco, G. (1997) Speech to Annual Ambassadors' Conference, Valletta, August 1992, cited in Ministry of Foreign Affairs of Malta, *Malta's Foreign Policy in the Nineties*, Valletta: Ministry of Foreign Affairs of Malta, p. 71.
- ³ Interview 13.
- ⁴ European Commission (1992) *The Future of Relations Between the Community and the Maghreb*, SEC (92) 401, Brussels, 30 April, p. 3.
- ⁵ In 1993, Manuel Marín, another Spaniard, succeeded Abel Matutes as Commissioner in charge of DG1B. By all accounts, Marín devoted a great deal of time to the EU's role in the Middle East Peace Process, which may explain why the Euro-Maghreb partnership seemed temporarily to be put on the back burner. Interview 52.
- ⁶ European Commission (1993) *Future Relations between the Community and the Middle East*, COM (93) 375, Brussels, 8 September, p. 6.
- ⁷ Barbé, E. (1996) 'The Barcelona Conference: Launching Pad of a Process', *Mediterranean Politics*, Vol. 1, No. 1, p. 28.
- ⁸ Gillespie, R. (1997) 'Northern European Perceptions of the Barcelona Process', *Revista CIDOB d'Afers Internacionals*, No. 37, Internet Version, [«http://www.cidob.es/Castellano/Publicaciones/Afers/37.html»](http://www.cidob.es/Castellano/Publicaciones/Afers/37.html).
- ⁹ Prior to the Essen summit, Felipe Gonzalez threatened to block eastern enlargement in the absence of a meaningful gesture on east-south rebalancing in EU foreign policy. See Gillespie, R. *Ibid*; Interview 29.
- ¹⁰ Antonio Marquina, for instance, points to the establishment of bilateral strategic groups by the big three (France-Spain and Italy-Spain) in 1989 as concrete examples of security cooperation. Marquina, A. (1991) 'Spain' in M. Jopp, R. Rummel and P. Schmidt (eds) *Integration and Security in Western Europe: Inside the European Pillar*, Boulder, Co. and Oxford: Westview, p. 201. By contrast, Roberto Aliboni argues that there was 'reactive solidarity' rather than an 'active solidarity' among the southern EU states. Aliboni, R. (1992) 'Southern European security: Perceptions and problems' in R. Aliboni (ed.) *Southern European Security in the 1990s*, London: Pinter, p. 2. See also Gallino, D. (1991) 'Security challenges as perceived in the Mediterranean NATO countries' in M. Jopp, R. Rummel and P. Schmidt (eds) *Integration and Security in Western Europe: Inside the European Pillar*, Boulder (CO) and Oxford: Westview, p. 112.
- ¹¹ Interview 43.
- ¹² Interview 35.
- ¹³ For instance, the Spanish government was instrumental in setting up a Maghreb Working group in EPC. Marquina, A. (1993) 'Security and cooperation in the Western Mediterranean: The Spanish Policy; in A. Marquina (ed.) *El Flanco Sur de la OTAN*, Madrid: Editorial Complutense, p. 66; Barbé, E. (1996) 'Spain: The Uses of Foreign Policy Cooperation' in C. Hill (ed.) *The Actors in Europe's Foreign Policy*, London and New York: Routledge, p. 118.
- ¹⁴ Barbé, E. (1995) 'European Political Cooperation: The upgrading of Spanish foreign policy' in R. Gillespie, F. Rodrigo and J. Story (eds) *Democratic Spain:*

Reshaping External Relations in a Changing World, London and New York: Routledge, p. 121.

¹⁵ Heywood, P. (1995) *The Government and Politics of Spain*, Basingstoke: Macmillan, p. 273.

¹⁶ Prime Minister Felipe Gonzalez also had domestic motives for offering to host the conference. Since 1994, his government had relied on Jordi Pujol's Catalan support to preserve its parliamentary majority. Giving the conference to Barcelona could be seen as a reward for Pujol's support. At a time when the Socialist government was being blamed for Spain's economic downturn, and Gonzalez himself was under fire over a corruption scandal, a big foreign policy success had the potential to divert attention away from domestic politics.

¹⁷ Delors, J. cited in Barbé, E. (1996) *op. cit.*, p. 27.

¹⁸ *European Report*, No. 1968, July 20 1994, Section V, pp. 8-9.

¹⁹ Interview 24.

²⁰ Interview (60) with Dr Stephen Calleya runs the Mediterranean Academy, is a member of Euromesco and is a consultant on Mediterranean policy to the Maltese government. The crux of Calleya's argument is that the underlying purpose of the EMP is 'boundary management' rather than 'boundary transformation'. See Calleya, S. (1997) *Navigating Regional Dynamics in the Post-Cold War World: Patterns of Relations in the Mediterranean Area*, Aldershot: Dartmouth.

²¹ Interview 5.

²² European Commission (1994) *Strengthening the Mediterranean Policy of the European Union: Establishing a Euro-Mediterranean Partnership*, COM (94) 427 Final, Brussels, 19 October, p. 5.

²³ Barbé, E. (1996), *op. cit.*, p. 25.

²⁴ See also Bulletin of the European Union, EU12-94, pp. 26-7, point I.55; *European Report*, No. 2009, January 21, 1995, Section V, p. 6.

²⁵ Interview 37.

²⁶ Interviews 34 and 38.

²⁷ European Commission (1995), *Euro-Mediterranean Conference*, Doc No. 19/95.

²⁸ Committee of Independent Experts (1999) *First Report on Allegations regarding Fraud, Mismanagement and Nepotism in the European Commission*, Brussels, 15 March, «<http://www.europarl.eu.int/experts/en/3.htm>».

²⁹ Juppé, A. (1995) Press Conference following the General Affairs Council of April 10, *Politique Etrangère de la France: Textes et Documents*, 10 April, p. 184.

³⁰ European Commission (1995), *op. cit.*, p. 2.

³¹ Interview 4.

³² Interview 30.

³³ The Lebanese and Syrian governments were only prepared to meet the Israeli government on a bilateral basis.

³⁴ Interview 37.

³⁵ Barbé, E. (1996), *op. cit.* p. 6.

³⁶ Bulletin of the European Union, EU 6-1995, p. 22, point I.49

³⁷ European Commission (1994), *op. cit.*

³⁸ Interviews 37 and 43.

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² Interview 42.

⁴³ *Marchés Tropicaux et Méditerranéens*, December 1, 1995, p. 2624.

⁴⁴ Interview 43.

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Part of the argument made by the Arab group was that if Israel, a state technically still at war with two of the partners, could attend the Barcelona conference, then similar dispensation should be granted to Libya.

⁴⁸ *European Report*, No. 2072, October 4 1995, Section V, p. 13.

⁴⁹ Manuel Marín, Interview with Ali Wahida, 'Manuel Marin: 'Jeter les bases d'un espace Euro-Méditerranéen', *Arabies*, No. 104, July-August 1995, p. 30.

⁵⁰ As well as being blamed for the bombing of Pan Am 103 over Lockerbie in 1988, the Libyans were also accused of bombing UTA 122 (a French airline) over Niger in 1989. In 1993, the Member States adopted a rare common position (Decision 93/614) on Libya, severing ties across a range of economic sectors.

⁵¹ Despite being a strong advocate of normalised relations with Libya, Italy appears not to have raised objections to this stance.

⁵² Ministère des Affaires Etrangères (1995) 'Point de presse: Déclarations du Porte Parole', *Actualités Françaises*, 27 October, Paris, <http://www.france.diplomatie.fr/cgi/>.

⁵³ Interview 8.

⁵⁴ Barbé, E. (1996) op. cit., p. 6. Gardner, D. and White, D. 'Clashes delay launch of Euro-Med pact', *Financial Times*, 28 November 1995, p. 6. Interview 32.

⁵⁵ Interview 18; see also Pigasse, J. (1995) '15+12: Donnant-donnant', *Jeune Afrique*, Vol. 36, No. 1822, 7-13 December, p. 23.

⁵⁶ Interviews 2 and 38.

⁵⁷ Ibid.

⁵⁸ Pigasse, J-P. 'L'Appel au Sud', *Jeune Afrique*, No. 1821, 30 November-6 December 1995, p. 15.

⁵⁹ Khader, B. (1996) 'Euro-Mediterranean Partnership (EMP): The Unaccomplished Tasks', *Institute for Prospective Technological Studies*, Report 25, Seville, [«http://www.jrc.es/iptsreport/vol25/english/MED1E256.htm»](http://www.jrc.es/iptsreport/vol25/english/MED1E256.htm).

⁶⁰ Antonio Badini, appointed by the Italian government to work on the Barcelona follow up process during the Italian Council Presidency, acquired a reputation as an effective mobiliser of the participants, and was singled out for praise by interviewees from both the EU Member States and the partner countries.

⁶¹ Interview 59.

⁶² Interview 2.

⁶³ Council Secretariat (1996) 'Euro-Mediterranean Conference, Barcelona, 27-28 November 1995: Thematic Discussions', *Transmission Note*, Euro-Med 3/96, Brussels, 13 February, pp. 2-12.

⁶⁴ Interview 3.

⁶⁵ Interviews 14 and 21.

⁶⁶ European Commission (1997) *Second Euro-Mediterranean Ministerial Conference*, Malta, 15-16 April, [«http://www.euromed.net»](http://www.euromed.net).

⁶⁷ Spencer, C. (1997) 'Building confidence in the Mediterranean', *Mediterranean Politics*, Vol. 2, No.2, p. 41; Peponis, P. (1998) Presentation to Conference, Athens, April 2-3, *Is the Barcelona Process Working: EU Policy in the Eastern Mediterranean*, Brussels: Philip Morris Institute, p. 9.

- ⁶⁸ European Parliament, Committee on Foreign Affairs, Defence and Security Policy, (1997), *Report on the joint report by the Presidency of the Council and the Commission on Mediterranean Policy - follow up to the Barcelona Conference*, A4-0027/97, Brussels: European Parliament, p. 8.
- ⁶⁹ Aliboni, R., Said Aly, A. and de Vasconcelos, A. (1997) *Euromesco Working Group on Political and Security Cooperation/Working Group on Arms Control, Confidence Building and Conflict Prevention - Joint Report*, Lisbon, April.
- ⁷⁰ The Baghdad 'mutual assistance' pact of 1955, a security alliance involving Turkey, Iraq, Britain and Pakistan, proved extremely divisive in the Middle East. Most Arab states, led by Egypt's Gamal Nasser refused to join, seeing it as a vehicle for western domination. Such was the sensitivity to the word 'pact' in the Barcelona process that it was decided instead to refer to it as 'charter'.
- ⁷¹ Interviews 18 and 52.
- ⁷² Interview 55.
- ⁷³ Interview 44.
- ⁷⁴ Lebanon and Syria channel their communications through the Council Secretariat.
- ⁷⁵ For a thorough account of Euromesco's work on CBMs, see Aliboni, R. (1997) 'Policy analysis and public policy in the Euro-Med context: Euromesco as a confidence-building measure', Presentation, *Euro-Med Information and Training Programme for Diplomats*, Malta, 15-17 March, Valletta: Mediterranean Academy for Diplomatic Studies, <http://www.diplomacy.edu/euromed/training/documents/aliboni.htm>.
- ⁷⁶ Interview 62.
- ⁷⁷ Spencer, C. (1997), op. cit., p. 23.
- ⁷⁸ Interview 53.
- ⁷⁹ Khader, B. (1996) *Le Partenariat Euro-Méditerranéen*, Louvain-la-Neuve: Cermac, pp. 45-54.
- ⁸⁰ Hoekman, B. and Djankov, S. (1996) *Catching Up With Eastern Europe? The European Union's Mediterranean Free Trade Initiative*, World Bank Research Working Paper 1562, p. 25; Petri, P. (1997) *Trade Strategies for the Southern Mediterranean*, OECD Development Centre, Technical Papers No. 127, Paris: OECD, p. 46.
- ⁸¹ Interview 20.
- ⁸² Interview 56.
- ⁸³ For a good critical assessment of the economic dimension of the EMP, see Tovias, A. (1997) 'The Economic Impact of the Euro-Mediterranean Free Trade Area Initiative in Mediterranean Non-Member Countries', *Mediterranean Politics*, Vol. 2., No. 1, pp. 31-52.
- ⁸⁴ European Commission (1995) *Barcelona Declaration and Work Programme*, Brussels, p. 8.
- ⁸⁵ Hamdani, S. (1996) 'The Barcelona Declaration: A Partnership Looking for Implementation and Improvement', *Workshop*, <http://www.diplomacy.edu/wshop/abarcel/papers/Hamdani.htm>, Malta, p. 2.
- ⁸⁶ Prats, X. (1995) 'Address to Conference' in *Mediterranean Partnerships*, Conference Proceedings, Madrid, 5-6 October, Philip Morris Institute, p. 36.
- ⁸⁷ *European Report*, No. 2049, June 14 1995, p. 17.
- ⁸⁸ Interview 57.

- ⁸⁹ Ibid.; See also *Agence Europe*, 11 January 1996, p. 9.
- ⁹⁰ Marín, M. (1996) *Memo to the Commission from Vice-President Marín: The Barcelona Declaration One Year On*, Internal briefing document obtained from DG1B, European Commission, Brussels, 27 November.
- ⁹¹ Barbé, E. (1996), op. cit., p. 7.
- ⁹² Colas, A. (1997) 'The Limits of the Mediterranean Partnership: Civil Society and the Barcelona Conference of 1995', *Paper Presented at the ISA Annual Convention*, Toronto, 19-22 March, p. 1.
- ⁹³ Ibid., p.2.
- ⁹⁴ Interview 36.
- ⁹⁵ Ibid.
- ⁹⁶ Colas, A. op. cit., p. 7.
- ⁹⁷ Roque, A. (1997) (Institut Català de la Mediterranea), Position paper presented at Civil Forum Euromed, Malta 1997 in *Le Dialogue Interculturel en Méditerranée*, Valletta: Foundation for International Studies, University of Malta, p. 19.
- ⁹⁸ Rhein, E. (1996) *Europe and the Mediterranean: A Newly Emerging Geopolitical Area*, Personal Document, Brussels, p. 6.
- ⁹⁹ Ibid., p. 6.
- ¹⁰⁰ Interview 42.
- ¹⁰¹ Rhein, E. (1996) 'Europe and the Mediterranean', *European Foreign Affairs Review*, Vol. 1, No. 1, p. 83.
- ¹⁰² Interview 60.

THE POLITICS OF MEDITERRANEAN POLICY: THEORY AND PRACTICE

This chapter attempts to conceptually ‘unpack’ EU Mediterranean policy, employing different theoretical perspectives to explain the policy process that took the EMP from a plan of action to substantive policy outputs. Section 1 considers the characteristics of the EMP as policy area, comparing it with eastern enlargement and setting it in the wider context of Euro-Mediterranean relations. Adapting Theodore Lowi’s classic taxonomy of policy types, it takes up the argument that every policy area should first be categorised before having theory applied to it.¹ It breaks down the EMP into four more or less discrete categories: distributive, redistributive, constituent and regulatory. Each category is subject to different ‘logics’ or dynamics that govern how decisions are made and to specific patterns of bargaining and negotiation. The relative influence of actors involved in the policy-making process, both governmental and supranational, also varies with the policy type.²

This argument that ‘policy matters’ is linked in section 2 to an analysis of the impact of intergovernmental politics on the EMP.³ It contends that the EMP was not simply a product of the self-interested behaviour of the Member States, and that negotiating outcomes on specific issues were not effectively pre-determined by the preferences and power of governments, as intergovernmentalist theories tend to assume.⁴ While Member States’ economic interests were certainly decisive at given points, policy also developed in ways which cannot be understood by looking at governmental preferences in isolation. Ideas, geo-

politics and ideology, factors that are not easily accounted for by rational choice, interest-based theories, must also figure in an explanation of the EMP.

Section 3 engages with the institutionalist claim that institutions have a significant role in determining policy outcomes, and have policy ‘preferences’ in their own right.⁵ The parts played by the EU’s institutions in the EMP varied according to their formal, treaty-bound competencies, to the negotiating and decision making procedures that applied on given issues, and to the unique features of the Barcelona process. The focus here is on the roles of the Commission, the Council Presidency and Secretariat and the European Parliament in the policy process.

1. Conceptualising the EMP

What are the salient features of the EU’s Mediterranean strategy for the way policy subsequently developed? The first feature is a self-evident one:

Mediterranean policy is unequivocally external policy. With the exceptions of Cyprus and Malta (and arguably Turkey), the Mediterranean partners are not eligible for membership of the Union, and are not being prepared for future membership. The range of instruments available is therefore restricted to ‘accession substitutes’, limiting the potential for genuinely innovative policy.⁶

The ‘templates’ of accession substitutes and the rules governing their use are deeply entrenched in the EU’s *acquis politique*, set down in the treaty articles which stipulate the legal bases and decision-making procedures for negotiating with third countries. Trade and Association Agreements have become the Union’s *modus operandi* in external economic relations, leading to what Paul Pierson labels ‘accumulated policy constraints.’⁷ Admittedly, there is still sufficient flexibility in the EU’s external policy system to allow for innovation - the

Barcelona process is an obvious example - and for these standard policy instruments to be incrementally modified - exemplified by the change from Trade and Cooperation agreements to Euro-Mediterranean Agreements. But the history of EU external relations has been consistently conservative and defensive of the status quo. Mediterranean policy is, to a considerable extent, 'path dependent'.⁸

To understand the significance of using 'accession substitutes' as the basis for policy, it is worth briefly comparing the EU's relations with the CEECs and the Mediterranean non-members. Both regions are of fundamental geo-political importance to the EU. Both represented key tests for EU foreign policy in the early 1990s. However, the Union's relationships with the CEECs quickly became an internal issue when the Union decided to offer the Visegrad four membership.⁹ Accession presents the Union with a policy challenge of a fundamentally higher order than association. As Friis observes, the accession process forces the Member States 'to embark on a major internal renegotiation' with long-term implications for the Union's existence.¹⁰ Enlargement is also highly politicised, provoking often bitter and protracted debate among the Member States about how the financial burden of integrating economies in transition should be shared. The economic and political costs and benefits associated with enlargement in terms of its impact on individual economic sectors, EU policies and the Member States themselves are usually more or less precisely established before accession actually takes place, providing a clear indication of who stands to gain and who stands to lose from the process.

By contrast, the EU's Mediterranean strategy required comparatively minor internal adjustments and little substantive renegotiation of the existing terms of EU-MNC relations. Since trade with the Mediterranean partners had long been regulated by the EU, the potential costs of any proposed changes to

import quotas were readily available prior to negotiations. That is not to say that Mediterranean policy was apolitical. Specific issues such as agricultural import quotas, the MEDA budget and the immigration clauses in the Euro-Mediterranean agreements were highly politicised. But the point here is that the EU's Mediterranean strategy was largely concerned with reorganising the management of relations with the partner countries. Eastern enlargement aims to transform the candidates in the short-run, and has huge transformative implications for both the EU's policies and its institutions.

A second feature of the Mediterranean strategy was its focus on long-term change, which had a number of implications for policy development. The emphasis was on addressing a problem - Mediterranean security - which all the Member States accepted, to varying degrees, as a common problem.¹¹ Bargaining between the Member States over the Union's strategic objectives in the Mediterranean, though certainly relevant, was not decisive in the early stages of the EMP.¹² Defining a 'Mediterranean strategy' was the Commission's responsibility, backed by the agenda-setting advocacy of the southern Member States.¹³

This distinction between problem solving and bargaining in the EU policy process, originally identified by Fritz Scharpf, is an important one.¹⁴ Problem solving involves a search for the most efficient and effective solution to a common problem. Rather than simply trying to minimise costs to themselves and protect national interests, characteristics of a bargaining approach, Member States assess the 'common utility' of policy.¹⁵ While there is scant evidence that the Member States carefully calculated the utility of pursuing the EMP, they undoubtedly saw long-term benefits in it. Where bargaining did periodically play a decisive part in

shaping the EMP was in the negotiation of specific policy measures (see Section 2).

A third feature of the EMP is that it represents only one level in an expanding network of regional and sub-regional governance, which includes organisations such as the Arab Maghreb Union, the Middle East and North Africa economic summits, nascent economic integration projects in the Middle East, and a host of NGOs dedicated to functional cooperation in areas such as environmental protection of the Mediterranean sea.¹⁶ To this list must be added the multilateral financial institutions - the IMF and World Bank - and creditor groups such as the Paris Club which virtually control socio-economic development strategies in many of the partner countries.

The most important of the alternative channels remains bilateral relations between EU Member States and the partner countries. In policy areas where neither the EU nor the EMP are mandated to act, or where concurrent competencies operate, member governments retain 'privileged bilateral rights' to pursue their own commercial and political objectives and deploy their own set of policy instruments.¹⁷ When Algeria opened up its natural gas industry to foreign investors, the southern EU governments were swift to put together attractive credit packages to support the investment activities of national companies. The Italian government's decision to sign a 'friendship' accord with Libya in July 1998, part of a subtle campaign to bring that notable absentee into the Euro-Mediterranean fold, potentially set it against the UK, France *and* the official EU line.¹⁸ The point here is that, regardless of the existence of the EMP, traditional, inter-state diplomacy and national foreign policies continue to exercise considerable influence over international relations in the region.¹⁹ In signing up to

the EMP, the Member States were not transferring new foreign policy powers to the EU.

To summarise, the EMP did not herald sweeping changes to the EU's internal order. Although the strategy promised greater depth in the Union's economic and political relations with the partner countries, it simply did not irrevocably affect the Union's future. Seen in the broader context of international order in the region, it was only one channel for Euro-Mediterranean cooperation, and only one vehicle to promote soft security. We would therefore expect the Mediterranean strategy to have been agreed without a great deal of political controversy, implying a strong role for the Commission and weaker role for governmental interests in policy development. That the EU had agreed on how to approach the Mediterranean security problem, mattered far less than the deal it was ultimately prepared to offer the partner countries.

Understanding how flesh was put on the bones of the Mediterranean strategy requires analysis of the policy types that comprised the EMP package, and specifically to the negotiating processes associated with each of these types. While the 'path dependency' of the Euro-Mediterranean agreements limited the potential for terms of trade to be changed by hard bargaining, negotiations within the EU and between the EU and individual partner countries nevertheless determined outcomes on all the key issues. Likewise, the funds available for the MEDA budget were largely pre-determined by previous budgetary agreements, but the precise figure was set by negotiation. The Barcelona Declaration was almost entirely the product of intergovernmental negotiations.

As Likke Friis argues, 'any issue area negotiations can *probably* [italics in original] only be understood by conceptualising the various issue area logics which are at play.'²⁰ The notion of multiple logics is an especially apposite one in

the context of the EMP since each of its components was subject to distinct negotiation and decision-making procedures. The Euro-Mediterranean agreements were negotiated on the basis of Articles 300 and 310 of the EU Treaty, giving the Commission responsibility for conducting the negotiations, the Council the duty to conclude the agreement by unanimous endorsement of the Member States and the Parliament the right to be consulted during the negotiations and to give its assent. A different logic operated for the Barcelona process, the content of which was prepared by the Member States in collaboration with the Commission and the partner countries. The negotiating process was a mixture of standard agenda setting by the Union's Council Presidency, ad hoc consultations between the participating governments, and the drafting of a series of documents leading to the Barcelona Declaration and Work Programme. After the Barcelona conference, the process switched to a typical multilateral format, permitting any participant to propose measures, and requiring unanimous agreement for measures to be implemented. The MEDA budget also had its own distinct logic, with the Commission proposing projects, the Member States giving their approval in a regulatory committee, and the allocation of funds being open to competitive tendering among private organisations.

One way of making sense of these multiple logics is to break down the EMP into Theodore Lowi's four-fold taxonomy of policy types: distributive, redistributive, constituent and regulatory.²¹ The essence of Lowi's argument is that 'policies determine politics'.²² Each type is subject to different decision-making procedures, involves different constellations of actors in the policy-making process and has type-specific costs and benefits associated with it.²³ A corollary of this differentiation is that the degree of politicisation varies according to the policy category and to the individual issue at stake. Many aspects of distributive

policy, for instance, may well be treated as 'technical' issues at the bureaucratic level (by the Commission) while redistributive issues tend to be resolved at the political level (Council).²⁴

That said, predicting how politicised a particular issue will be, and the likely outcome of negotiations, is an uncertain business. As William Wallace argues:

The art of policy-making is partly a matter of correctly assessing the broadness or narrowness, the political sensitivity or technical complexity, of successive issues. The definition of and redefinition of issues is thus a subjective process, with plenty of room for political intervention and redirection.²⁵

The Union had considerable experience of negotiating with the partner countries, and many of the issues at stake in the EMP were familiar from previous negotiating rounds, but neither side entered into the substantive stage of the EMP with a clear idea of the specific problems that would arise. Twenty seven governments were involved, with an attendantly diverse range of demands, expectations and interests. Negotiations extended to fluid issues such as the changing market situation within the Union, assessments of the individual financial needs of each partner country and the identification of the priorities for cooperation. Moreover, negotiators effectively operated at three levels, searching for agreements that satisfied domestic interests, were mutually acceptable to the EU and to the partner countries and fulfilled the objectives of the partnership strategy.²⁶ Much, therefore, remained to be settled in the normal course of intergovernmental and institutional politicking.

Distributive politics in the Euro-Mediterranean Partnership centred on sharing the costs of renegotiating trade concessions in the association agreements, in allocating MEDA funds to the partner countries, and apportioning public 'goods' such as technical assistance. Two factors militated against politicisation

of the distributive dimension of the EMP. First, trade concessions in the Euro-Mediterranean agreements were to be negotiated against the background of patterns of imports and exports, a constraint accepted by the Commission, Member States and partner countries. Second, there was no suggestion that the existing apportionment of financial resources among the partner countries would change.

Nevertheless, it was easy to predict that several distributive issues would prove highly disputatious. Even a cursory glance at the history of EU Mediterranean policy would point to problems over agricultural import quotas. Given the diversity of the partner states' trade with the Union, the range of contentious issues inevitably varied from negotiation to negotiation. Each partner government had certain products for which they sought substantial new concessions from the Union. Similarly, certain products also presented particular difficulties for individual Member States. Finding solutions to the more politicised distributive issues was largely dependent on what the Union was prepared to offer. In other words, outcomes were determined by internal needs not external demands.

The redistributive politics of the EMP revolved around the question of how the additional funding earmarked for the Mediterranean would affect other priorities for the Union's external spending, principally the European Development Fund (EDF) and aid to the CEECs. This dimension of policy revolved to an even greater extent around negotiations within the EU. The partner governments might have pressed for increased aid, but the decision over resource allocation was the EU's alone. Although Mediterranean policy briefly became highly politicised in the run up to the 1995 Cannes Summit, once the funding decision was taken, redistributive politics slipped into the background.

The constituent (or constitutive) aspect of the EMP emerged in the institutional architecture created to serve the Barcelona process. Constitutive politics refers to a situation ‘whereby the Member States [in the EMP’s case, the 27 participants] adopt a series of decision rules, and in some cases create new institutions, for subsequent policy-making.’²⁷ The EMP was internally constitutive in that new institutional structures and procedures, such as the Euro-Mediterranean Committee, the Senior Officials Committee and the MEDA budget line, had to be devised. The EMP was externally constitutive in that it gave rise to the Barcelona Declaration and spawned a plethora of new multilateral forums. Given the consensual multilateralism of the Barcelona process, it might be expected that the partners would have been more closely in designing the EMP’s institutional architecture. However, the EU patently had the upper hand in devising the Barcelona framework and European initiatives dominated the agenda of the follow-up process.²⁸

The regulatory dimension of the EMP - Lowi’s fourth policy type - manifested itself in the legislative changes forced on the Mediterranean partners by the need to adapt their import and export regimes to the requirements of Euro-Mediterranean agreements (customs duties, tariff systems) and by administrative changes agreed in the context of the Barcelona process. As the Commission’s dispute with Israel during 1998 over the abuse of rules of origin showed, this aspect of Mediterranean policy could occasionally become highly politicised. However, such examples were rare, since many of the partners were already in the process of implementing comprehensive economic reforms as part of IMF structural adjustment programmes and moving towards trade liberalisation in the context of the GATT agreements.²⁹

Pigeon-holing the components of the EMP into these discrete categories does not cover every angle of the policy-making process. Several decisions, including MEDA, could be placed in more than one category, and there was always a strong element of subjectivity in the way issues were defined.³⁰ Furthermore, the renegotiated aspects of the EMP unzipped old issues and created the potential for their politicisation or re-politicisation. But it does offer a neat framework for policy analysis. The next task is to integrate intergovernmental and institutional politics.

2. Governments, Interests and the Policy Process

The preferences (interests) that Member States advanced and defended in the Mediterranean policy process clearly mattered. There was patently demand, chiefly expressed by the southern EU Member States, for 'more' Mediterranean policy. France, Italy, Spain and Greece could each legitimately claim to have real and wide-ranging, if not vital, domestic interests in the elaboration of a more comprehensive EU policy. All the Member States had a commercial presence of some sort in the partner countries' markets. Even those states without obvious security interests in the Mediterranean were persuaded that policy change was in the Union's general interest. In narrower terms, governmental preferences were undeniably critical in the final stages of negotiations on the Euro-Mediterranean agreements and in the MEDA budget decision.

At first sight, the most appropriate theoretical tools for understanding the relationship between governmental preferences, negotiation and outcomes in the formulation and negotiation of the EMP are to be found in interest-based analyses. A strong case exists for the utilisation of theories that capture the interplay between domestic interests and the behaviour of governments in the EU policy-

making process.³¹ Diplomats and politicians not only bargain with each other, they must also ensure that any agreement reached is acceptable to their domestic constituencies. An especially relevant example of this interactive process was the negotiation of Morocco's Euro-Mediterranean agreement, during which the French, Portuguese and Spanish governments faced vociferous lobbying and protests from farmers and other producers at home over concessions on tomatoes, sardines and oranges. Simultaneously they faced pressure from the Commission, other Member States and the Moroccan government to reach an acceptable agreement.

Arguably the most complete and compelling theoretical tool on offer is Andrew Moravcsik's 'liberal-intergovernmentalism', which explains European integration as the product of preference-based negotiations between governments.

³² Moravcsik's central claim is that the EU's 'grand bargains' - treaty negotiations - and resultant policies such as the CAP, EMU and the single market - proceed in a causal sequence that sees governments rationally formulating preferences based primarily on dominant domestic economic interests, bargaining with other EU governments to secure the benefits of policy cooperation, then pooling or delegating sovereignty in the EU in order to 'lock in' commitments to cooperation.³³

Through this intergovernmentalist lens, the EMP might be explained as the product of the Member States need to cooperate in order to maximise the commercial advantages of producers in Mediterranean markets and to improve the management of economic relationships with the partner countries.³⁴ Qualified trade liberalisation in the Euro-Mediterranean agreements undoubtedly served the interests of EU manufacturers and suppliers of capital goods. The exclusion of agricultural trade from the free-trade initiative also fits Moravcsik's analysis: 'The

greater the competitiveness of third country producers, the greater the pressure for external protection.’³⁵ Furthermore, much of the work in the second chapter of the Barcelona process was intended to create an economic environment more amenable to trade and investment, with European businesses being the principal beneficiaries.

Yet an intergovernmentalist approach goes only part of the way to accounting for the development of the EMP. First, as section 1 showed, the EMP cannot be regarded as the result of a grand bargain or history-making decision. Intergovernmentalist theory in general tends to be concerned with explaining the motives for inter-state cooperation and the establishment of international institutions rather than with the policy analysis. Mediterranean policy ‘existed’ well before the EMP, the Union’s primary aims being effective modification and re-packaging rather than dramatic reform. There is therefore little to indicate that the development of the EMP followed the neat sequence described above.

Second, rational choice theories, of which liberal intergovernmentalism is one, are ill-suited to explaining a policy in which ideas, rhetoric and symbolism often appeared to matter as much, if not more, than concrete interests.³⁶ Asked to explain his government’s interests in relation to the EMP, this diplomat’s response was typical:

It is a good thing to aim at a stable situation in the partner countries, a big advantage to have a stable socio-economic and political environment. So partnership is important. The Mediterranean could threaten the EU.³⁷

It is hard to conceive of governments rationally configuring their preferences towards the kind of abstract strategic objectives that underpin the EMP. Regional peace, stability and prosperity are not the stuff of orderly, systematic governmental responses to domestic interests.

Third, the prominence of ‘security’ as a rationale for the EMP points towards a rather more substantive role for geopolitical factors than Moravcsik appears to favour. His argument is that only where the costs and benefits of cooperation are ‘uncertain, balanced, or weak’ do ‘security externalities’ really count.³⁸ Security interests might be cited as motives *ex post*, but they are almost always secondary to commercial interests.³⁹ Granted, definitions of the Union’s geo-strategic interests in the Mediterranean tended to be ambiguous, but the rise in illegal immigration into southern Europe in the early 1990s, and the violence in Algeria that spilled over into France during 1995, were very real security problems. The point is not that Moravcsik dismisses security externalities. Rather, it is that his definition of how geopolitics and security influence governmental choices is perhaps too narrow, rooted in Cold War thinking on the subjects.

Fourth, an intergovernmentalist approach manifestly fails to capture the complexity, fluidity and plurality of the process of negotiating a multi-faceted policy package like the EMP. As the negotiation of the Euro-Mediterranean agreements and implementation of the Barcelona process showed, the Commission possessed significant capacity for autonomous action in its own right (see Section 3). Other EU institutions also played important roles in the policy process. Add to the equation the interests of the 12 partner governments and the excessive parsimony of the kind of systematic game theoretic analysis on which intergovernmentalist theory is predicated is exposed.

How should governmental preferences be factored into an explanation of the EMP? Clearly, in a manner that acknowledges that the weight of preferences varies with the salience of the issue at stake, with the policy type, with the decision-making procedures that apply and with the wider context in which each

decision is made. The remainder of this section examines the broader cleavages in the Member States preferences towards the EMP, and assesses the impact of these preferences based on selected evidence from the Euro-Mediterranean agreement negotiations and the MEDA budget decision.

A key cleavage in intergovernmental bargaining over the EMP was an outgrowth of the 'trade versus aid' debate, a traditional fault-line in the Union's external trade policy.⁴⁰ As a German diplomat explained:

This discussion took place in the preparations for Barcelona. We, as others, the UK, the Netherlands, the Scandinavians, took the view that more influence should be given to the framework for private investment and less to public assistance.⁴¹

The 'trade versus aid' debate set those Member States with a liberal, *laissez-faire* prescription for economic development in the Mediterranean region against a group favouring a strategy that balanced trade liberalisation with a substantial aid component. The issue roughly divided the Member States across an east-west axis. Northern Member States (Denmark, Germany, the UK, Sweden and the Benelux states) firmly positioned themselves in the free-traders camp, while France, Spain and Italy tended to press for higher levels of aid and the maintenance of preferential trading arrangements.

The reasons for this division appear self-evident. Southern Member States had more intense economic and security interests in the region than their northern, non-Mediterranean counterparts. It was, therefore, a matter of self-interest for them to persuade their counterparts to increase the EU's budget for the region in order to supplement (and in arguably substitute for) their own 'investment' in regional security, in the form of bilateral aid programmes and national defence/security policies. Consistent with this division, France and Spain were

the prime movers in pressing for a comprehensive and generous EU

Mediterranean policy.

Returning briefly to intergovernmentalist theory, the southern group might reasonably have been expected to 'go the extra mile' on trade concessions, since they clearly stood to lose the most if satisfactory agreements were not reached with the partner countries. However, the Mediterranean Member States were caught between two stools on this issue. On the one hand, France, Italy and Spain expended much diplomatic effort during their respective Council Presidencies pushing the Union and the partners towards agreement. On the other hand, domestic interests in those countries were openly antagonistic towards Maghrebi importers, restricting their respective governments' room for manoeuvre in the Council.

Here, liberal intergovernmentalism predicts 'side payments' in the form of financial compensation and other support for domestic producers adversely affected by the EMP, and the trading off of issues in package deals to balance losses with gains. The financial aid awarded to Portugal's sardine canning industry as compensation for concessions on Morocco's sardine import quota is a good example of a financial side-payment. Similarly, Morocco's successful ploy of linking its demands on tomato import quotas to the renegotiation of a fishing agreement with the EU, of which Spanish fishermen were the main beneficiaries, provides a clear example of issue linkage.

By contrast, the preferences of the northern Member States on import concessions ought to have been both more disposed to liberalisation and less intense than those of their southern counterparts. Yet both German and Dutch negotiators came under similarly concerted pressure from domestic producers (flower-growers) to stand their ground on quotas. As a Dutch diplomat observed:

We were always saying better trade than aid. But when it comes to agriculture, we are also protectionist. The Ministries of Economy and Finance, they are all for trade. The Ministry, they say “no”, not one cut flower we can have. In the end though, trade is always better than aid.⁴²

This ever present tension between ideological orientation and domestic political expediency lies at the heart of the often schizophrenic character of EU trade policy.⁴³ It also appears to confirm a basic assumption of Moravcsik’s theory: that governments will favour agreements whose net effect is to boost exports except where politically powerful, non-competitive producers stand to lose.⁴⁴ The broader pattern of negotiation in the EMP - liberalisation on non-sensitive issues, continued protection on sensitive issues - also appears to corroborate this assumption.

Nevertheless, there were instances of governmental concessions on politicised issues without obvious side-payments and issue linkage. The reason offered by a German official for his government’s eventual decision to compromise over cut flowers suggests ideological motives:

We conceded more than we intended on cut flowers. As usually in the final phase of negotiations, in the end it is excluded for us to block negotiations with any country. It is about our positive attitude to European integration. In the end, at least on this issue we got agreement.⁴⁵

In similar vein, a British official argued:

We do have agricultural interests as well, but Malcom Rifkind made it clear during the negotiations with Egypt and we are making it clear with Jordan that the development of trade and the Euro-Mediterranean Partnership must be the priority.⁴⁶

The point here is that the Union’s long-term strategic objectives, the ‘greater good’ of European integration and the imperative of concluding the agreements often outweighed very intense domestic pressures.

A second, broad cleavage divided the Member States into two camps according to their preference for deepening the EU’s relationship with Central and

Eastern Europe or the Mediterranean, a division which at times harmed the internal cohesion of the Community.⁴⁷ Again, however, competition for resources between east and south was not a zero-sum game, and membership of either 'camp' was not exclusive. France, under Edouard Balladur's premiership, sought to be an influential player in both directions, sponsoring the EU's stability pact initiative in Central and Eastern Europe, while at the same time calling for the Union to devote more resources to the Mediterranean. Germany is a major trading partner of the Mediterranean partners, particularly Algeria and Egypt, and is also one of the top three aid donors to the region among the Member States. The fact that preferences on this issue were mutable was to play a crucial part in bargaining on the MEDA budget.

The MEDA budget - a product of distributive, redistributive *and* constitutive decisions - was 'fought over tooth and nail' by the Member States.⁴⁸ The decision was made against a background of several constraints that actually reduced the leverage of the member governments. First, any changes in funding had to comply with the EU's total projected budget agreed at the Edinburgh European Council in 1992 (for the period 1993-9). Second, the Mediterranean faced stiff competition for funds from other regions, including the Central and Eastern European countries and Latin America. Third, the responsibility for deciding how much of the budget to bid for lay with the Commission. Fourth, the Mediterranean was not the EU's number one external budgetary priority at that time. A row over increased contributions to the European Development Fund for the Lomé countries topped the agenda, followed by pre-accession measures for the CEECs.

The key players in the MEDA deal were the Commission, France, Germany and Spain. Both the French and Spanish governments supported

Commissioner Manuel Marín's proposal of 5.5 billion ECUs, although the Spanish expressed concern that budgetary provisions for Latin America should not be adversely affected by any increase.⁴⁹ The German government, by contrast, argued that, since most of the Mediterranean partners were not potential members of the EU, the existing balance in the distribution of resources, skewed in favour of the CEECs, should be preserved.⁵⁰ It was an unequivocal attempt to maximise the budgetary allocation for its own back yard. Meanwhile, Finance Minister Theo Waigel was pressuring Chancellor Kohl to negotiate a reduction in Germany's overall contribution to the EU budget.⁵¹ COREPER proved unable to find a solution, leaving ministers to thrash out a deal at the Luxembourg General Affairs Council and subsequently at the Cannes European Council in June 1995.⁵²

The final deal in Cannes reduced the Commission's indicative figure to 4.7 billion ECUs (1995-1999). A proportionate reduction from 7.1 billion ECUs to 6.7 billion ECUs was agreed in the financial provision for the CEECs. Both regions lost out as a result of a compromise negotiated between the French, German and Spanish governments which increased contributions to the European Development Fund for Lomé at the expense of other areas.⁵³ However, vigorous diplomacy by the Spanish delegation at Cannes convinced their German colleagues to accept that the original ratio of funds proposed by the Commission for the East and South should be retained.⁵⁴

Up to a point, the function of governmental preferences in the EMP does conform to intergovernmentalist theory. Negotiators from the Member States clearly had to reconcile domestic interests with the need to reach agreement with the partner countries. Preferences varied according to the issue on the table and to its salience to governments, with predictably hard bargaining over agricultural quotas and finances. Outcomes on the most politicised issues were decided at a

political level, involving compromises and trade-offs. But intergovernmentalist theory can offer only a snapshot of the policy process, explaining specific decision points at which governmental preferences were necessarily crucial. Agreements with third countries have to be concluded by the Member States in the Council (Article 300), while decisions about allocating funds from the EU budget also primarily rest with the Member States. To fully capture the dynamic nature of the policy process, institutional politics cannot be ignored.

3. EU Institutions and the Euro-Mediterranean Partnership

The influence of the EU's institutions in policy-making is a matter for vigorous theoretical debate. Broadly speaking, intergovernmentalists see only marginal influence for the institutions, whose primary function is to act as guarantors for agreements between states.⁵⁵ Even in daily decision-making, the activities of the Commission, Parliament and the European Court of Justice are argued to 'stem primarily from the desire to lock-in credible national commitments.'⁵⁶

Institutionalists argue that institutions are political actors in their own right, capable of exercising supranational autonomy in policy-making and pursuing their own preferences.⁵⁷ This section explores the notion that 'institutions matter', assessing the parts played by the Commission, European Parliament and two of the Council's multiple institutions - the Presidency and Council Secretariat - in the EMP.

The Commission

The Commission was heavily involved in all aspects of the EMP, from the ideational stage right through to its implementation. In new institutionalist terms, it developed an 'endogenous institutional impetus for policy change that

exceed[ed] mere institutional mediation'.⁵⁸ As the institutional memory bank of EU Mediterranean policy, it was in a strong position to push for policy change. As the EU's negotiator on the Euro-Mediterranean agreements, its creativity in finding mutually acceptable deals was essential. Its responsibility for coordinating the three chapters of the Barcelona Declaration made it the institutional engine of the Barcelona process.

The Commission's agenda setting role in EU policy-making is now well-established in the literature, although studies tend to limit themselves to EU internal policies.⁵⁹ The institution has proved adept at maximising both its own competencies and those of the EU, habitually pushing for 'more Europe.'⁶⁰ Its formal right of initiation (Article 211), and the freedom it has to stimulate policy development in the EU's institutional structure, have made it an essential source of policy ideas and policy change.

In the case of Mediterranean policy, DG1B had little difficulty getting the backing of the Member States for the partnership strategy. The Mediterranean was already high on the EU's foreign policy agenda, having been put there by the French, Italian and Spanish governments, and by the Union's own policy review process. What the Commission did was simply react to the already 'informed demand' for policy change.⁶¹ The challenge facing the Commission was to convince the Member States that the status quo in Euro-Mediterranean economic relations was unacceptable and that existing financial resources for the region did not match the scale of the problems to be addressed.

In previous generations of Mediterranean policy, the Commission had enjoyed only limited success in translating its proposals into action. Even where it possessed exclusive competence to negotiate for the Community on the Association Agreements, its room for manoeuvre on concessions had usually been

circumscribed by the stubborn defence of domestic producers' interests among the Member States. The EMP proposals showed that some of the lessons of the past had been learned. Its 1995 paper, for instance, excluded agricultural trade from the proposals for a free-trade area.⁶² Although the Commission was fully cognisant of the economic significance of agricultural trade liberalisation to the Mediterranean partners, protecting EU farmers' markets and preserving the integrity of the CAP system were judged to be higher priorities.⁶³ Furthermore, rather than placing an emphasis on the need for new trade concessions from the Union, the partnership paper shifted the onus of responsibility for reform to the Mediterranean third countries themselves. In doing so, the Commission developed a strategy that could be sold to member governments of all ideological persuasions; there was something in it for everyone. Free-traders could point to the self-help elements, while the interventionists could point to the call for a more focused and comprehensive programme of assistance.

What EU scholars have labelled 'conceptual innovation' and 'purposeful opportunism' were also evident in the Commission's proposals.⁶⁴ By reasoning that an integrated, 'multidimensional' strategy - encompassing 'linked actions in the economic, social and political spheres' - was required, the Commission changed the basis of EU Mediterranean policy from a simple framework for managing trade and channelling aid to a more comprehensive policy framework which offered a detailed programme identifying the areas in which cooperative projects should be established with the partner countries.⁶⁵ In doing so, it staked a strong claim to expand its own competencies. On everything from support for private sector development to 'democratisation' projects, DG1B would be responsible for selecting projects, allocating funds and overseeing their implementation.

How, then, did the Commission fare in seeing through its proposals? Its most important task was to persuade the Member States to accept its proposal for a doubling of the aid budget for the Mediterranean. By preparing a thorough case for the increase based on its informational resources, it gave the member governments little cause to question the logic of its figures. A Commission official described the process thus:

We did various calculations based on what countries had absorbed out of the financial protocols, World Bank analyses of their needs for the future and comparison of US and World Bank aid....also on how much headroom there was on chapter 4 of the [Edinburgh] financial perspective.⁶⁶

Linking its plans to the activities of the multilateral financial institutions reassured the more sceptical Member States such as Germany and the UK that the Union would not simply be pouring money into an empty hole.⁶⁷

That said, Commissioner Manuel Marín had first to convince his counterparts in the Commission that the proposed level of funding was appropriate. He initially requested 6.3 billion ECUs, but was faced down by Commissioners Hans Van den Broek, responsible for the CEECs, and Erkki Liikanen, responsible for the EU budget.⁶⁸ Even so, Marín eventually 'got a lot more money than he expected and the Commission's political commitment to the partnership' when his colleagues unanimously approved a figure of 5.5 billion ECUs to be put to the Council.⁶⁹ This figure represented 70% of the amount awarded to the CEECs, and would represent a considerable step towards the rebalancing of resources sought by the southern Member States and Marín.

Yet despite the Commission's strong case, the member governments still reduced the MEDA budget by 1.6 billion ECUs. Criticised as derisory by several of the Mediterranean partners, the Cannes deal called into question the seriousness of the Union's commitment to economic development in the region.⁷⁰ Indeed, a

more substantial reduction might even have jeopardised the entire EMP project.⁷¹

Here, the limits on the power of the Commission to secure its preferences on redistributive issues was exposed. Even with the backing of France, Italy and Spain, the final outcome was beyond its control.

Distributive issues proved equally vexatious for the Commission, with disputes over trade concessions regularly being taken out of its control and pushed up to the political level. The Euro-Mediterranean agreements saw the Commission's negotiating flexibility more restricted than ever by its mandates from the Council. A Commission negotiator summed up the problem thus:

We had little margin for negotiation on agriculture because of the traditional flows line. By playing with the schedules, we sometimes can take more favourable years as the basis to calculate traditional flows. But the ministers don't see the concessions in a broader context. They ask for a free trade area as a precursor for south-south trade and then fail to conclude an agreement because no one can agree whether we should accept 18000 or 30000 tonnes.⁷²

Only where non-contentious issues, such as dismantling tariffs on industrial products, were at stake was the Commission able to conduct the negotiations as 'technical' issues, consulting the Council only on an informal basis when it proposed concessions that exceeded traditional trade flows.⁷³ That all but the negotiations with Tunisia were stalled for long periods attested to the restraining effect of politicisation on the Commission's power to offer the partners significantly improved access to the EU's market.

On the face of it, the constitutive aspects of the Barcelona process were more positive from the Commission's point of view. As coordinator of the Barcelona process, DG1B was guaranteed a major initiating role across the three chapters and *de facto* control of its implementation. Although it relied to a great extent on the 'Barcelona spirit' to keep the process moving, its status as the only EU representative on the two main steering committees gave it a comparative

advantage over the Member States in setting the agenda and articulating the EU's interests.

The MEDA Regulation also represented a qualified success for the Commission, since the region-wide, multi-annual basis of the instrument increased capacity to link the objectives of the Mediterranean strategy with the financial aid programme.⁷⁴ However, the Member States put in place a number of safeguards that kept the Commission on a fairly tight rein. In line with the general trend in comitology during the 1990s, Article 11 of the MEDA regulation made the Commission's proposals for projects subject to a 3A (regulatory committee) which requires a qualified majority vote in the Council for *approval*, rather than a 2A (management committee) in the draft regulation, which requires the Council to muster a qualified majority to *overturn* Commission proposals.⁷⁵ In the Commission's draft regulation, it had argued for the latter procedure to apply.⁷⁶ This institutional configuration ensured that the national governments closely monitored both the technical side of the proposed projects and their political context.

To summarise, most of the Commission's key demands on the EMP were met by the Member States at the formative stage with few questions raised about the objectives and content of the strategy. The Commission was assisted in this respect by the functional basis of its strategy and the absence of obviously high costs to the Member States, which helped keep politicisation to a minimum. Nevertheless, the nature of the EU policy process gives governments 'another bite at the cherry' when it comes to taking decisions on distributive and redistributive issues. The Commission's line agricultural trade concessions, on which it closely adhered to the Council's negotiating mandate, and its 'softly softly' approach to proposing measures in the Barcelona process, were indicative of its wariness about

pushing the Member States too hard. It is arguably this continuous tension between the Commission and the States that limits the Union's capacity for truly forward-thinking, transformative strategic actions.

The European Parliament

It is difficult to point to any clear instance of the European Parliament directly influencing the development of Mediterranean policy during the 1990s. This unstartling finding simply reflects the continued weakness of the EP in policy initiation and its limited range of powers in foreign-policy making. Given its lack of influence in foreign policy, the Parliament could afford to back the Commission's call for more far-reaching policy reform, its resolutions emphasising the 'extension of regional cooperation' and the need for genuinely 'binding decisions' in the fields of security, economic cooperation, human rights, democracy and social development.⁷⁷

Still, the EP was able to make a mark on the EMP. Its input derived both from the powers ascribed to it in EU Treaties and its informal position in the EU's institutional framework. First, its power of assent on agreements concluded between the EU and third countries (Article 300) endowed it with a *de jure* veto. Second, its right to question the Commission and the Council enabled it to raise awkward questions about issues that it felt the EMP was failing to address. Third, as the democratic arm of the Union, the EP naturally gravitated towards the socio-cultural aspects of the Barcelona programme where it took the lead on a number of initiatives.

When entire agreements were not at stake, the EP exercised its power of assent much more freely, employing a combination of delayed votes and outright rejection to impose its preferences. Several times during the 1980s the Parliament

blocked financial protocols and protocols to association agreements with Mediterranean third countries. In 1987, it delayed its vote on an additional protocol to Turkey's association agreement for over a year in protests at the treatment of the state's treatment of its Kurdish population. In the same year it temporarily blocked three protocols to the EU-Israel association agreement over the obstruction of Palestinian exports from the occupied territories. Similarly defiant gestures were made in 1992, when the Parliament refused to approve the fourth financial protocols with Morocco and Syria over the human rights situation in the two countries. By the time the Barcelona process began, the EP had acquired a reputation among the Mediterranean partners for the politicisation of issues that they preferred to keep off the table in their negotiations with the EU. As a Turkish official lamented, 'if there's not Greece, there's the European Parliament.'⁷⁸

The EP has never withheld its assent to a full Association or Cooperation agreement with a Mediterranean third country. It has relied instead on the threat of non-ratification as a means to highlight its concerns and extract concessions from governments. Even that tactic has been judiciously used. The Euro-Mediterranean agreements with Morocco, Tunisia, and the interim agreement with the Palestinian Authority, all safely passed through the EP, and it seems highly unlikely that ratification of agreements currently being negotiated with other the Mediterranean partners will be any more problematic.⁷⁹ Non-ratification is a rather blunt instrument and the Parliament has judged it, in the EMP context, to be counter-productive. This statement on the agreement with Morocco illustrates the point:

'Where improvements need to be made, experience shows that this better achieved through friendly dialogue than verbal assault.'⁸⁰

Since the EU's strategy assumes that socio-cultural transformation, democratisation and improvements in the human rights situation in the region will follow economic development, blocking the measures intended to foster the latter was justifiably deemed to be self-defeating.

However, there was one notable exception that demonstrates where the Parliament's strengths lie. During the ratification process of the Customs Union agreement with Turkey in 1995, the EP engaged in an extraordinarily high profile campaign to force action from the Turkish government on human rights, particularly over its treatment of the country's Kurdish population. In the nine months between the EU-Turkish Association Council's decision to go ahead with the Customs Union and the EP's vote, 20 per cent of the EP's members undertook missions to Turkey to secure guarantees from the Çiller government on a number of human rights issues.⁸¹ Over the same period, parliamentarians were subjected to intense pressure from, among others, the USA, EU member governments, EU and Turkish businesses and the UN to give their assent. Pauline Green, leader of the Socialist group in the Parliament, complained of 'excessive and counterproductive pressure.'⁸²

The Parliament finally approved the agreement in December 1995 with a majority of 2:1.⁸³ Despite failing to carry through its threat to withhold its assent, it could legitimately claim to have achieved its objectives. The Turkish government was forced to remove a series of 'anti-terrorist' clauses from the constitution and to release several political prisoners associated with the Kurdish cause. The whole episode served to establish the EP as the human rights watchdog of the EMP, a role certain to gain in significance as the Barcelona process developed.

The introduction of MEDA represented a retrogressive step as far as the Parliament's input into the aid dimension of Mediterranean policy was concerned. Whereas the bilateral financial protocols were subject to Article 300, requiring the EP to approve the budget for each individual partner country, the MEDA regulation entitled the Parliament only to be 'kept regularly informed' of the programme's implementation.⁸⁴ Out of 22 amendments to the Regulation tabled by the EP, the Commission accepted only 6 outright, and 5 with modifications.⁸⁵ Amendments designed to increase the reporting requirements on allocations to individual projects, to increase the regularity with which the Commission had to report to the Parliament, and to give it the right to demand a suspension of aid in the event of human rights violations all failed to find their way into the Regulation. Its call for an inter-institutional agreement on the MEDA budget also went unheeded.

Given no say in the individual projects to be funded by MEDA, the Parliament threatened to block future budgetary appropriations unless money was explicitly set aside for 'civil society' projects.⁸⁶ It received some nominal compensation when the Commission and Council met its demand for a separate budget line to promote the activities of non-governmental organisations in the region.⁸⁷ The new budget line - MEDA Democracy - was initially allocated just 10 million ECUs, transferred out of the MEDA budget.⁸⁸

The Parliament's powers of questioning and debate took on more significance than usual in view of the disappointing outcome on the constitutive elements of the EMP. According to procedural convention, the Parliament debates commercial agreements with the Commission and Council before negotiations commence, and is kept informed by both institutions of progress which includes the possibility of receiving confidential briefings about the

negotiating mandates.⁸⁹ In practice, the application of this convention in the EMP meant that the EP's potential reaction had to be taken into account prior to the opening of negotiations on the Euro-Mediterranean agreements. Conscious of the potential difficulty of securing the EP's ratification of the Euro-Med agreement with Algeria, the Commission delayed the formal start of negotiations with Algeria until the election of Liamine Zeroual in 1995 gave the regime some semblance of democratic legitimacy,

The Parliament's propensity for making life awkward for the Commission ensured that DG1B exceeded the formal requirement to keep the Parliament informed during the negotiations. In an appearance before MEPs during the ratification of the Moroccan accord, for instance, Commissioner Marín promised to deliver an annual assessment of Morocco's action on human rights in the context of the agreement.⁹⁰ Similar undertakings were given for the agreements with the other Mediterranean partners. Through suasion rather than outright sanction, the Parliament thus ensured that its agenda was taken into account in the EMP.⁹¹

Another of the Parliament's functions in the EMP stemmed from its own entrepreneurial creativity. When the Union established new relationships with the CEECs in the early 1990s, the Parliament rapidly moved to reinforce its links with national parliaments in each country. The democratic void left in the Barcelona Declaration prompted it to launch its own initiatives to stimulate similar parliamentary participation in the EMP and to give some semblance of representative legitimacy to the third chapter, which was conspicuously failing to engage 'civil society' in the process. A civil servant in the Parliament's Division for relations with parliamentary assemblies was designated to establish contacts with parliaments in the partner states and organise a standing forum.⁹²

Three years after Barcelona, though, the results of the initiative were modest. Several political groups within the EP, most notably the European People's Party, questioned the need for yet another forum when Parliamentary delegations already paid regular visits to the parliaments of the partner countries. The same groups expressed concern about funding such an initiative when the Parliament was under fire over its administrative expenditure.⁹³ The idea of an inter-parliamentary forum also ran into opposition from Germany and the Benelux countries, which were averse to the creation of an institution for which additional funding might be necessary.⁹⁴ Their priority lay in developing similar such relationships in the CEECs. The partner countries expected a well organised institution with its own secretariat and a measure of political influence over the EMP, and were inevitably disappointed with the outcome.⁹⁵

In sum, there was little in the EMP to increase the EP's influence in EU Mediterranean policy. But as long as the Commission considered the views of the Parliament and provided it with a steady supply of detailed information on which to base its resolutions, it stood a reasonable chance of having its concerns heard and addressed. Faced with a process dominated by 27 governments, its most effective tactic was to raise the kind of awkward questions, especially on human rights, that the same governments deliberately avoided.

The Council

The Council's primary function in the EMP was as the venue for intergovernmental bargaining between the Member States. Meetings of the two Barcelona coordinating committees took place in the Council, while COREPER and the various Mediterranean-related Council working groups met regularly to discuss issues ranging from the Euro-Med agreements to the Middle East Peace

Process.⁹⁶ However, in their own right, both the Presidency and the Council Secretariat made significant contributions to the policy process and to the management of the Barcelona process.

The Presidency

It is no coincidence that 1995 was the EU's 'year of the Mediterranean.' The successive Council Presidencies of France, Spain and Italy from January 1995 to June 1996 were guaranteed to keep the EMP moving. As managers of the Council's business, it is standard practice, particularly for the bigger Member States, to 'impose a particular topic' on the EU during their terms in office.⁹⁷ The EMP was high on the Council's agenda throughout the period leading up to the Barcelona Conference.

Perhaps the best illustration of the political importance of the Presidency arose in the debate over the Union's representation on the Barcelona coordinating committees. The Troika represented the Member States on both committees and enjoyed a *de facto* right of initiative alongside the Commission. Once it left the Troika at the start of 1996, France saw itself being marginalised in the follow-up process and sought to change the formula for the Union's representation on the Committees to allow all the Member States to participate in meetings.⁹⁸

However, the Irish Presidency ruled out any revision of the procedures, fearing the setting of a precedent that might further complicate the Union's representation in international negotiations.⁹⁹ Instead, an informal practice was introduced that allowed Member States not represented on the troika to address meetings through the Presidency.¹⁰⁰

The composition of the Troika was also a salient factor sustaining the momentum of the Barcelona process. French, German and Spanish officials all

expressed concern that the initial collective enthusiasm for the process might be lost as the Presidency passed to Italy, absorbed by another round of national elections during the first half of 1996, then to a succession of smaller, non-Mediterranean Member States with inevitably fewer civil servants dedicated to the task.¹⁰¹ Initially, such fears proved groundless. Indeed, a Commission official complained that the Italians had organised 'too many meetings.'¹⁰² The Presidencies of Ireland, Luxembourg and the Netherlands were also judged satisfactory. All three were keen to avoid accusations that they were any less capable of dealing with the EMP than the southern Member States.¹⁰³

That said, as the German Presidency of 1999 approached, the Mediterranean lobby felt it necessary to step up its campaign to keep the Union focused on the region. French officials, for instance, met with British and German colleagues during 1997 to 'press for the Mediterranean' and worked closely with Italian officials to keep the issue of Turkey's status at the forefront.¹⁰⁴ The decision to hold 'Barcelona III' during the German Presidency was welcomed, but was tempered by concern that the Union's next major review of its budget would take place in the same period. With Eastern enlargement approaching, the southern Member States sought guarantees that the budget for the region would not be reduced.

The apparent seamlessness of the transition to the implementation phase was a product of three primary factors. First, the follow-up phase benefited from the groundwork laid by the French and Spanish Presidencies which, along with the Commission carefully identified the priorities for implementation and drew up an indicative schedule of events.¹⁰⁵ The incoming presidencies - Italy, Ireland in the second half of 1996 and Luxembourg in the second half of 1997 - merely had to take the baton. Second, the Commission came into its own as both coordinator

and initiator, presenting the Member States with ideas for measures at the first meetings of the Euro-Mediterranean Committee and the Senior Officials Committee in March 1996. Third, the routine, technocratic nature of much of the follow-up programme left little room for any government to raise political objections to measures on the agenda.

When the breakdown of the Middle East Peace Process caused the implementation of the Barcelona process to stall in mid-1996, the Presidency found itself performing the role of political mediator between the partner countries. This role obliged the Presidency to resolve disputes and defuse diplomatic stand-offs among the participants. During its hectic six month tenure in 1997, the Dutch Presidency persuaded Arafat and Levy to sit down for bilateral talks at the Malta Conference and oversaw talks between the Greek and Turkish government over sovereignty in the Aegean. That it was left to the Presidency to perform this crucial function was indicative of the limits to the Commission's political role in the Barcelona process. Low politics and functional cooperation were left to DG1B. High politics remained the preserve of the governments.

The Council Secretariat

The Secretariat's primary task is to provide 'administrative backup' to the working groups, Coreper and the Council itself.¹⁰⁶ However, it is actually more than just a facilitator of the Council's business, and frequently acts as a broker of compromise and agreement among the Member States. In the EMP, it played a key role in drafting the Barcelona Declaration and in preparing texts on the Union's position in follow-up meetings. The importance of the Working Groups and the Ministerial Committees in the implementation of Barcelona Declaration

made the Secretariat, as the coordinator of their activities, an indispensable part of the process.

The Secretariat's main assets in the EMP were its expertise, its neutrality and the regularity of its contacts with the permanent representations and national officials.¹⁰⁷ The handful of staff assigned to the Mediterranean acted, like their counterparts in the Commission, as an institutional memory bank for the policy area. Having responsibility for keeping records of the Euro-Med Committee and Senior Officials Committee meetings - Secretariat officials sat on both - made these officials an essential source of information for member governments and particularly for the Council Presidencies when they took over. Their awareness of the political sensitivities of both the Member States and many of the partner countries also made equipped them to judge what the participants in the Barcelona process would be prepared to accept. Its neutrality made the Secretariat an important middleman between the participants and the Presidency. As a Secretariat official explained:

We are approached by states who don't want to go to the Presidency directly. They want to filter through the Secretariat who subtly assesses their difficulties and tries to provide a solution.¹⁰⁸

This practice allowed governments to test the water before putting an initiative to the Council or to the follow-up committees, an advantage in the exploratory atmosphere of the EMP.

The degree of influence possessed by the Secretariat waxed and waned with changes in the Council Presidency. When smaller states - such as Ireland and Luxembourg - were in the chair, it tended to be more influential, a consequence of the considerable organisational and political resources demanded by the EMP. Preparing texts on issues such as the Middle East Peace Process and

Mediterranean security cooperation required a level of expertise and experience not always available to Member States with small foreign ministries and modest diplomatic resources. During these periods, the Secretariat became an ally of the Presidency, helping smaller states 'prove that they can run [EU business] efficiently and well even in areas without strong interest.'¹⁰⁹ Conversely, the drafting of texts and the planning of Council activity tended to be concentrated more in national capitals when the larger Member States held the Presidency.

The role of the Council in the EMP should be seen as both complementary and supplementary to that of the Commission. Individual Member States used the Presidency to keep Mediterranean policy at the top of the EU's foreign policy agenda during 1995. Emphasis then shifted to the Presidency as co-coordinator alongside the Commission, with the former arranging schedules of follow-up meetings and the latter undertaking the technical leg work. When political problems arose, Presidential mediation came into its own. The Council Secretariat essentially provided continuity between Presidencies and assistance to the smaller Member States. Neither body in any sense gained new competencies from the EMP, but both were an integral part of its institutional architecture.

Conclusions

Only when the EMP is set alongside a core policy such as eastern enlargement does its comparatively low political salience become apparent. The Union's Mediterranean strategy was chiefly concerned with improving the management of existing relationships with the partner countries over the longer term rather than embarking on the kind of grand renegotiation and reformation demanded by accession. As a result, the politics of agreeing the strategy were never likely to provoke the in-fighting among the EU's institutions and Member States that

frequently accompanies the Union's 'history-making' decisions. Problem solving, as opposed to bargaining, characterised the passage of the EMP from proposed strategy to concrete policy.

Conceptualising the EMP along the lines of Lowi's taxonomy suggests that this low level of politicisation was also a feature of decision-making on the individual policy components of the EMP. Only the distributive decisions to which clearly identifiable costs were attached - the MEDA budget and import quota concessions - became significantly politicised. Even then, politicisation was infrequent, partly as a consequence of the restrictions imposed on the Union by its limited financial resources, and partly as a consequence of the 'path dependency' of Mediterranean policy instruments which left little scope for flexibility on the Union's part.

Intergovernmental politics clearly mattered at key stages in the negotiation of the EMP. A central claim of intergovernmentalist theories - that domestic interests determine governmental preferences and the behaviour of governments in international negotiations - was certainly borne out by the hard bargaining over trade concessions. Furthermore, differing preferences among the Member States on issues such as trade-aid and the uneasy peace on the east versus south debate were never far from the surface, evidenced by the deal struck in Cannes.

But the EMP cannot be explained by intergovernmentalist theory alone. First, the undoubted importance of geo-politics and security as underlying rationales for the Union's Mediterranean strategy are not easily accounted for by theories that are predicated on the rational calculation of economic self-interest by governments. Converging perceptions among the Member States that Mediterranean security presented a challenge to the whole of Western Europe demonstrated a collective impetus for increased policy responsibilities to be

delegated to the EU and for the EU to be utilised as the linchpin of a multilateral framework for Euro-Mediterranean relations.

The institutional politics of the EMP provide a good indication of how far Mediterranean policy has been 'Europeanised'. Policy change was led by the Commission which both defined the Union's strategic objectives and prescribed solutions. Its persuasive case for the partnership strategy went largely unopposed, and many of its preferences, at least on the appropriate framework for policy, were willingly accepted by the Member States. When governmental preferences reasserted themselves over substantive distributive, redistributive and constituent political issues, the limits of the Commission's autonomy became clear. The Parliament remains a bit player in EU foreign policy, denied any meaningful role in the design of strategic actions, and caught between its power to obstruct the conclusion of agreements and the danger of damaging the Union's relations with third countries. The Council remains at the sharp end of the policy process, with its multiple institutions empowered to determine the Union's foreign policy priorities and to dictate policy outcomes.

It is testament to the EU's maturing as an international political actor that a comprehensive foreign policy strategy like the EMP is formulated at the supranational level, producing action based on 'the institutional assets and international agency of the EC.'¹¹⁰ Mediterranean policy is no longer merely a disparate collection of external relationships. The Union has defined a coherent set of objectives in response to identifiable European interests, some clearly collective, others reflecting the specific preferences of the Mediterranean Member States. However, implementation of strategic action, and therefore its effectiveness, still tends to be subjected to the perennial tension between the Commission's broader, long-term objectives and the short term political interests

of the Member States. That the collective interest is habitually overridden by strong national interests shows how far the EU has to go as a foreign policy actor.

Notes

- ¹ Lowi, T. (1971) 'Four Systems of Policy, Politics and Choice', *Public Administration Review*, Vol. 32, No. 4, pp. 298-310.
- ² Lowi, T. (1964) 'American Business, Public Policy, Case Studies and Political Theory', *World Politics*, Vol. 16, No. 4, pp. 677-715; Wallace, W. (1983) 'Less than a Federation, More than A Regime: The Community as a Political System' in H. Wallace, W. Wallace and C. Webb (eds) *Policy Making in the European Community*, 2nd Edition, Chichester: John Wiley and Sons, pp. 403-436; Pollack, M. (1994) 'Creeping Competence: The Expanding Agenda of the European Community', *Journal of Public Policy*, Vol. 14, No. 2, p. 95.
- ³ Webb, C. (1983) 'Theoretical Perspectives and Problems' in H. Wallace, W. Wallace and C. Webb (eds), *Ibid.*, esp. pp 1-41. A version of this approach is applied in an external policy context to the EU's relationship with the CEECs in Friis, L. (1997) *When Europe Negotiates: From Europe Agreements to Eastern Enlargement*, Copenhagen: Institute of Political Science, esp. p. 6.
- ⁴ Moravcsik, A. (1991) 'Preferences and power in the European Community: A Liberal Intergovernmentalist Approach', *Journal of Common Market Studies*, Vol. 31, No. 4, pp 473-524; Moravcsik, A. (1997) 'Taking Preferences Seriously: A Liberal Theory of International Politics' *International Organization*, Vol. 51, Autumn, pp. 513-553.
- ⁵ March, J. and Olsen, J.P. (1989) *Rediscovering Institutions*, New York: Free Press, p. 5.
- ⁶ Friis, L. (1997) *op. cit.*, p. 48.
- ⁷ Pierson, P. (1998) 'The Path to European Integration: A Historical-Institutionalist Analysis' in W. Sandholtz and A. Stone Sweet (eds) *European Integration and Supranational Governance*, Oxford: Oxford University Press, pp. 46-7.
- ⁸ Krasner, S. (1984) 'Approaches to the State', *Comparative Politics*, Vol. 16, No. 2, p. 225. Guy Peters, B. (1998) 'The New Institutionalism and Administrative Reform: Examining Alternative Models', *Estudios Working Papers* 1998/113, Madrid: Instituto Juan March de Estudios e Investigaciones, p. 19; Peterson, J. and Bomberg, E. (1999) *Decision-making in the European Union*, Basingstoke: Macmillan, p. 19.
- ⁹ For accounts of how the Union initially dealt with the CEECs as an external policy issue, see Bideleux, R. (1996) 'Bringing the East Back In' in R. Bideleux and R. Taylor (eds) *European Integration and Disintegration*, London: Routledge, pp. 225-252; Kramer, H. (1993) 'The European Community's Response to the "New Eastern Europe"', *Journal of Common Market Studies*, Vol. 31, No. 2, pp. 213-44.
- ¹⁰ Friis, L. (1997) *op. cit.*, p. 52.
- ¹¹ When asked to define their national interests in the Mediterranean, most interviewees from the EU Member States identified immigration, the impact of political instability on Moslem communities, energy supplies and the need to safeguard the Union's vulnerable southern and south-eastern flanks if hostile regimes were to emerge in the region.

¹² This apparent consensus over the Euro-Mediterranean agreements and the Barcelona process as the main tools of the Union's Mediterranean strategy contrasts with the relative lack of consensus over how to deal with the CEECs post 1989. See Sedelmeier, U. and Wallace, H. (1996) 'Policies towards Central and Eastern Europe' in H. Wallace and W. Wallace (eds) *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 366; Friis, L. (1998) 'The End of the Beginning' of Eastern Enlargement – Luxembourg Summit and Agenda-setting', *European Integration online Papers (EIoP)* Vol. 2, No. 7, [«http://eiop.or.at/eiop/texte/1998-007a.htm»](http://eiop.or.at/eiop/texte/1998-007a.htm), p. 2.

¹³ For discussion of how the Mediterranean and CEECs competed for position on the EU's political agenda, see Barbé, E. (1998) 'Balancing Europe's Eastern and Southern Dimensions' in R. Zielonka (ed.) *Paradoxes of European Foreign Policy*, The Hague: Kluwer Law International, p 117-129. For an institutionalist analysis of agenda setting in the EU, see Guy Peters, G. (1996) 'Agenda-setting in the European Union' in J. J. Richardson (ed.) *European Union: Power and Policy-making*, London: Routledge, pp. 61-76.

¹⁴ Scharpf, F. (1988) 'The Joint-Decision Trap: Lessons from German Federalism and European Integration', *Public Administration*, Vol. 66, No. 3, pp. 239-278. The drawback with applying Scharpf's dichotomy is that it is grounded in rational choice theory, seeking to explain how the negotiation of policy in the EU has been hostage to the 'joint decision trap': sub-optimal outcomes produced by inter-governmental bargaining. This assumption relies on establishing what is sub-optimal in a given case. Since the EMP is designed to achieve objectives over the long term, it is impossible to accurately assess its optimality.

¹⁵ Ibid, pp. 258-9.

¹⁶ For empirical and theoretical analyses of regional institution building in the Mediterranean, see De Vasconcelos, A. (1993) 'Disintegration and Integration in the Mediterranean', *The International Spectator*, Vol. 28, No. 3, pp. 67-78; Chatelus, M. (1996) 'Economic cooperation among southern Mediterranean countries' in R. Aliboni, G. Joffé and T. Niblock (eds) *Security Challenges in the Mediterranean*, London: Frank Cass, pp. 83-113; Chatelus, M. and Petit, P. (1997b) 'Le partenariat euro-méditerranéen: Un projet régional en quête de cohérence', *Monde Arabe: Maghreb Machrek*, Special Issue, December, pp. 3-7.

¹⁷ Flaesch-Mougin, C. (1990) 'Competing Frameworks: The Dialogue and its Legal Bases' in G. Edwards and E. Regelsberger (eds) *Europe's Global Links: The European Community and Inter-regional Cooperation*, London: Pinter, p. 37.

¹⁸ See BBC News Online Network, 'World Europe: Italy and Libya Sign Pact', [«http://news.bbc.co.uk/hi/english/world/europe/newsid%5F129000/129464.stm»](http://news.bbc.co.uk/hi/english/world/europe/newsid%5F129000/129464.stm). The accord included an apology for Italy's colonial past in Libya and an agreement to establish a joint company to deal with a number of related issues, such as mine clearing and the search for deportees of both states. In a press conference, Italian Deputy Foreign Minister Rino Serri described the two countries' 'strong common interests on the level of trade, the economy, tourism, energy, oil and gas' and their 'prospects for security and development', an agenda strikingly similar to the priorities of the Barcelona process.

¹⁹ A good measure of the comparative importance of the bilateral and EU levels is given by the total financial aid channelled through *national* development assistance programmes and trade credit packages which exceeds the total multilateral financial aid provided by the EU. French overseas development assistance to the Middle East and North Africa, for instance, averages around 450 million ECUs per annum, while the cumulated total for all the EU Member States stands at around 1 billion ECUs per annum. OECD (1997) (Development Assistance Committee) *Development Cooperation*, Paris: OECD, p. A67-8.

²⁰ Friis, L. (1997) *op. cit.*, p.78. (Italics in original).

²¹ This taxonomy is based on Lowi, T. (1964) *op. cit.*; See also Lowi, T. (1971) *op. cit.* Lowi tentatively employs the same taxonomy in a study of non-crisis foreign policy-making in Lowi, T. (1967) 'Making Democracy Safe for the World: National Politics and Foreign Policy' in J. Rosenau (ed.) *Domestic Sources of Foreign Policy*, New York: The Free Press, pp. 295-331. For analysis of its application to the EU see Wallace, W. (1983) *op. cit.*; Pollack, M. (1994) 'Creeping Competence: The Expanding Agenda of the European Community', *Journal of Public Policy*, Vol. 14, No. 2, pp. 95-145; Wallace, W. (1996) 'Government without statehood: The unstable equilibrium' in H. Wallace and W. Wallace (eds) *Policy-Making in the European Union*, Oxford: Oxford University Press, esp. pp. 446-450; Friis, L. (1997), *op. cit.*, esp. pp. 69-88.

²² Lowi, T. (1971) *op. cit.*, p. 299.

²³ Lowi's work does not deal at length with the definition of 'actors' in the policy process, though the inference is that the actors are governments. For a thorough, game theoretic, discussion of the definition of actors in policy-making, see Scharpf, F.W. (1997) *Games Real Actors Play: Actor-Centred Institutionalism in Policy Research*, Boulder (CO): Westview, esp. pp. 43-96.

²⁴ This approach to policy research confronts one of the most fundamental questions of politics: the allocation of scarce resources. See Lasswell, H.D. (1950) *Politics: Who Gets What, When, How?*, New York: Peter Smith, p. 2.

²⁵ Wallace, W. (1983) *op. cit.*, p. 415.

²⁶ Friis, L. (1997), *op. cit.*, pp. 33-5.

²⁷ Pollack, M. (1994) *op. cit.*, p. 113; Armstrong, K. and Bulmer, S. (1998) *The Governance of the Single European Market*, Manchester: Manchester University Press.

²⁸ Some measures were 'co-sponsored' by an EU Member State and a partner country, but the majority emanated from the Commission and from the Council President.

²⁹ It should be added here that the legislation associated with the free-trade area could not contravene WTO rules.

³⁰ Wallace, W. (1983), *op. cit.*, p. 415.

³¹ Putnam, R.D. (1988) 'Diplomacy and Domestic Politics', *International Organization*, Vol. 42, No. 3, pp. 427-61.

³² Moravcsik, A. (1991) 'Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community', *International Organization*, Vol. 45, No. 1, pp. 19-56; Moravcsik, A. (1993), *op. cit.*, pp 473-524; Moravcsik, A. (1998) *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, London: UCL Press.

³³ Moravcsik, A. (1998), *op. cit.*, pp. 18-24.

- ³⁴ This distillation of Moravcsik's arguments hardly does justice to the sophistication of his analysis. However, it does apply the basic logic of liberal intergovernmentalism.
- ³⁵ Moravcsik, A. (1998) *op. cit.*, p. 39.
- ³⁶ Wallace, H. (1996), *op. cit.*, p. 25.
- ³⁷ Interview 7.
- ³⁸ *Ibid.*, p. 477. Moravcsik concedes that '*major* changes in geopolitical situation should trigger shifts in European policy.' (p. 34) (Emphasis added).
- ³⁹ *Ibid.*, p. 474.
- ⁴⁰ Shlaim, A. (1976) 'The Community and the Mediterranean Basin' in K. Twitchett (ed.) *Europe and the World: The External Relations of the Common Market*, London: Europa Publications, p. 19; Peterson, J. and Bomberg, E. (1999) *Decision Making in the European Union*, London: Macmillan, pp. 104-5.
- ⁴¹ Interview 6.
- ⁴² Interview 51.
- ⁴³ Peterson, J. and Bomberg, E. (1999), *op. cit.*, chapter 4.
- ⁴⁴ Moravcsik, A. (1998), *op. cit.*, p.
- ⁴⁵ Interview 5.
- ⁴⁶ Interview 54.
- ⁴⁷ Aliboni, R. (1992) 'The Mediterranean Dimension' in W. Wallace (ed.) *The Dynamics of European Integration*, London: Pinter, 2nd Edition, p. 164.
- ⁴⁸ Interviews 38 and 53.
- ⁴⁹ Interview 42. By early 1995, the proposed figure had been reduced to 5.16 billion ECU, a consequence of Norway's 'no' vote on membership which reduced the Union's projected budgetary contributions.
- ⁵⁰ Interview 6.
- ⁵¹ In a search for a compromise to the EDF problem, the prudent Waigel was eventually overruled by Chancellor Kohl who accepted in return a decrease in EU aid to both the CEECs and the Mediterranean. The German government may well have realised that it would be in a much stronger position to negotiate reductions in the budget during its Presidency in 1999, when the next financial perspective would be set. *Le Monde*, 26 May 1995, p.2; *Le Monde*, 26 June 1995, p. 2.
- ⁵² Interview 38.
- ⁵³ Barber, L. 'Euro-clouds on the Riviera', *Financial Times*, 29 June 1995, p. 15.
- ⁵⁴ Interviews 34 and 54.
- ⁵⁵ Moravcsik, A. (1998), *op. cit.*, p. 73; Puchala, D.J. (1999) 'Institutionalism, Intergovernmentalism and European Integration', *Journal of Common Market Studies*, Vol. 37, No. 2, p. 319.
- ⁵⁶ Moravcsik, A. (1999) 'A New Statecraft? Supranational Entrepreneurs and International Cooperation', *International Organization*, Vol. 53, No. 2, p. 302.
- ⁵⁷ Hix, S. (1994) 'The Study of the European Community: The Challenge to Comparative Politics', *West European Politics*, Vol. 17, pp. 1-30; Pollack, M. (1998) 'The Engines of Integration? Supranational Autonomy and Influence in the European Union' in W. Sandholtz and A. Stone Sweet (eds) *European Integration and Supranational Governance*, Oxford: Oxford University Press, p. 219.
- ⁵⁸ Bulmer, S. (1998) 'New Institutionalism and the Governance of the Single European Market', *Journal of European Public Policy*, Vol. 5, No. 3, p. 370. See also March, J. G. and Olsen J.P. (1989) *op. cit.*; Bulmer, S. (1994) 'The Governance of the European Union: A New Institutional Approach', *Journal of Public Policy*, Vol. 13, No. 4, pp. 351-80.

⁵⁹ Cram, L. (1994), 'The European Commission as a Multi-Organisation: Social Policy and IT Policy in the EU', *Journal of European Public Policy*, Vol. 2, No. 1, pp. 195-217; Guy Peters, B. (1994) 'Agenda Setting in the European Community', *Journal of European Public Policy*, Vol. 1, No. 1, pp. 9-26; Guy Peters, B. (1997) op. cit., p. 61; Nugent, N. (1995) 'The Leadership Capacity of the European Commission', *Journal of European Public Policy*, Vol. 2, No. 4, pp. 603-23; Pollack, M.A. (1997) 'Delegation, Agency and Agenda Setting in the European Community', *International Organization*, Vol. 51, No. 1, pp. 99-134.

⁶⁰ Pollack, M. (1998), op. cit., p. 219.

⁶¹ Smyrl, M. (1998) op. cit., p. 90.

⁶² European Commission (1995) *Strengthening the Mediterranean Policy of the European Union: Proposals for a Euro-Mediterranean Partnership*, COM (95) 72, 8 March.

⁶³ A European Ambassador in North Africa summed up the Union's position thus: 'This is a problem whose only resolution can come from scrapping the common agricultural policy, and that's not going to happen.' Quoted in Marks, J. 'Looking for a new deal from the EU', *Middle East Economic Digest*, Vol. 39, no. 20, 19 May 1995, p. 3. (pp. 2-3).

⁶⁴ Cram, L. (1994), op. cit., p. 197.

⁶⁵ European Commission (1995), op. cit., p. 2.

⁶⁶ Interviews 52 and 57.

⁶⁷ The Commission's insistence that the distribution of MEDA funds would be tightly controlled should be seen in the context of its experience with the 'MED' programmes. The programmes, which began in 1992, provided funds for NGOs in the EU and the partner countries (universities, research bodies, regional authorities, media organisations) to set up joint projects. The programmes were suspended in 1995 after several instances of 'bad management' came to light. Committee of Independent Experts (1999) *First Report on Allegations regarding Fraud, Mismanagement and Nepotism in the European Commission*, Brussels, 15 March, <<http://www.europarl.eu.int/experts/en/3.htm>>. Interviews 6 and 25.

⁶⁸ *European Report*, No. 1983, 12 October 1994, Sect. V, p. 7.

⁶⁹ Interview 52.

⁷⁰ In a debate in the European Parliament (3 March 1998), Ambassadors to the EU from several partner countries criticised both the level of MEDA funding available and the persistence of the donor/beneficiary structure in the EMP. European Parliament (1998) (Delegations for Cooperation with the Maghreb, Machrek and Gulf Countries), *Hearing on the Euro-Mediterranean Partnership*, March.

⁷¹ Interviews 18 and 57.

⁷² Interview 15.

⁷³ Interview 28.

⁷⁴ Under the bilateral financial protocol system, the distribution of funds to each partner country was driven more by the short term needs of the individual governments and by the ad hoc allocation of financial support to specific projects than by any coherent strategy.

⁷⁵ European Commission (1995) *Proposal for a Council Regulation on Financial and Technical Measures to Support the Reform of Economic and Social Structures in Mediterranean Non-member Countries and Territories*, COM (95) 204, Brussels, July.

⁷⁶ *Ibid.*, p. 5. Interview 12.

⁷⁷ Köhler, M. (1994) 'Towards a comprehensive policy framework for relations between the European Union and the Mediterranean basin', *Working Paper W-10*, Directorate General for Research (DGIV), European Parliament, Brussels, November, p. 20.

⁷⁸ Interview 56.

⁷⁹ In Morocco's case, the EP's Foreign Affairs committee professed itself satisfied that the agreement contained a sufficiently strong human rights dimension. Recital 3 states 'Considering the importance which the Parties attach to the Principles of the United Nations Charter, particularly the observance of human rights, democratic principles and economic freedom, which form the very basis of the Association.' However, several MEPs on the Committee expressed reservations about the Western Sahara conflict and the general human rights situation in the country. European Parliament (1996) (Committee on Foreign Affairs, Security and Defence Policy) *Report on the Conclusion of a Euro-Mediterranean Agreement*, A4-0173/96, Brussels.

⁸⁰ *Ibid.*, p. 6.

⁸¹ Interview 41.

⁸² *Financial Times*, 13 December 1995, p. 2.

⁸³ European Parliament (1995) *EC-Turkey Relations - Human Rights in Turkey*, Doc. No. PE195.288, Brussels, December.

⁸⁴ European Commission (1995), *op. cit.*

⁸⁵ Data obtained by comparison of European Parliament report and Council Regulation. European Parliament (1996) *Report on the Proposal for a Council Regulation on Financial and Technical Cooperation Measures to Accompany the Reform of Economic and Social Structures in the Framework of the Euro-Mediterranean Partnership (MEDA)*, A4-0198/96, Brussels; Council Regulation (EC) *Financial and Technical Measures to Accompany (MEDA) the reform of economic and social structures in the framework of the Euro-Mediterranean Partnership*, No. 1488/96. Official Journal OJ L 189, Brussels, 30 July 1996.

⁸⁶ This was suggested to me by Dr Annette Junnemans of the Universität Gesamthochschule, Kassel, Germany, during a Summer School in Catania, July 1998. Dr Junnemans had been involved in a number of civil society projects linked to the Barcelona process.

⁸⁷ European Parliament (1995) *Report on the Mediterranean Policy of the European Union with a View to the Barcelona Conference*, A4-232/95, Brussels, 3 October, p. 20.

⁸⁸ In an interview with the Desk Officer for MEDA Democracy in the European Commission, the official made the point that the small budget had to be stretched among 12 partner countries and a vast number of eligible organisations. (Interview 1).

⁸⁹ This convention is known as the Luns-Westterterp procedure, named after the two Dutch foreign ministers that established it during the 1970s. For an explanation, see Corbett, R., Jacobs, F. and Shackleton, M. (1995) *The European Parliament*, 3rd edition, London: Cartermill, pp. 214-5.

⁹⁰ *European Report*, No. 2138, 8 June 1996, Sect. V., p. 14.

⁹¹ Whether or not the Parliament could claim responsibility for the inclusion of human rights clauses in the agreements themselves is a moot point. The practice of including a human rights clause in the preambles of agreements with third countries was established well before the Euro-Mediterranean accords.

⁹² Interview 41.

⁹³ Grunert, T. (1998) 'The EMP's Institutional aspects and its Parliamentary Dimension', Address to Summer School, The Mediterranean and the New International Order, University of Catania, 5-12 July.

⁹⁴ Ibid.

⁹⁵ Early in 1998, agreement was reached to hold an inaugural meeting of a Parliamentary forum in Brussels later in the year. Some 145 parliamentary representatives attend the forum, including 43 MEPs, 6 MPs from each of partners' Parliaments partners and 2 MPs from each of the national parliaments of the EU 15. Whether or not the forum becomes anything more than a symbolic meeting place remains to be seen.

⁹⁶ The three principal working groups involved were the Maghreb/Machrek working group, the South East Europe working group, the Middle East Peace Process working group and the Gulf working group. Many of the national officials interviewed during the research period sat on one or more of these groups.

⁹⁷ Hayes-Renshaw, F. and Wallace, H. (1997) *The Council of Ministers*, Basingstoke: Macmillan, p. 140.

⁹⁸ Interviews 2 and 38.

⁹⁹ Interview 37.

¹⁰⁰ Interview 6.

¹⁰¹ Interviews 6, 14 and 42.

¹⁰² Interview 40.

¹⁰³ Interview 36.

¹⁰⁴ *Agence Europe*, 23 September 1997, p. 5.

¹⁰⁵ Khader, B. (1997) *Le Partenariat Euro-Méditerranéen après la conférence de Barcelone*, Paris: L'Harmattan, p. 140.

¹⁰⁶ Hayes Renshaw, F. and Wallace, H. (1997), op. cit., p. 148.

¹⁰⁷ Interview 46.

¹⁰⁸ Interview 38.

¹⁰⁹ Interview 38.

¹¹⁰ Smith, M. (1998) 'Does the Flag Follow Trade? "Politicisation" and the Emergence of a European Foreign Policy' in J. Peterson and H. Sjursen (eds) *A Common Foreign Policy for Europe? Competing Visions of the CFSP*, London: Routledge, p. 92.

INFLUENCE WITHOUT POWER: THE EU AND THE MIDDLE EAST PEACE PROCESS

'The Europeans will be unable to achieve anything in the Middle East in a million years'. Henry Kissinger (1974)¹

'The US has power but Europe has influence'. Miguel Moratinos (1997)²

The EU's role in the Arab-Israeli conflict has long been a benchmark of its status as an international political actor. Yet in an area of vital strategic interest to the Union, it has often struggled to make its impact felt. A combination of a lack of cohesion among the Member States on the issue and the more general weakness of EU foreign policy have left it playing second and third fiddle to the US and other mediators. Over time, though, the kind of scepticism exemplified by Kissinger's dismissal of European ambitions has gradually given way to grudging acceptance that the Union has an important contribution to make to Arab-Israeli bridge-building. The EU has carved out distinct roles for itself as the major financial underwriter of the Peace Process and as an 'honest broker' in diplomatic efforts to bring the protagonists together. This chapter attempts to explain how and why the Union's input into the Peace Process has changed, and assesses the utility of the Euro-Mediterranean partnership in strengthening its position in the region.

Section 1 begins with an historical overview of EU policy on the Arab-Israeli conflict, charting the Union's attempts to establish a credible position, independent from that of the USA. The second section briefly examines

European reactions to the remarkable series of events precipitated by the 1990 Gulf War and the subsequent US-sponsored Madrid conference between Israel and the Palestinians. At that juncture, the EU missed, or was denied, an opportunity to assume a central role in the Peace Process. Section 3 focuses on the period after the introduction of the CFSP and the realisation on the part of the EU that its strength lay in low-profile diplomacy rather than high-profile political initiatives. Section 4 shows how the fortunes of the Barcelona process ebbed and flowed with developments in the Middle East, and goes on to examine how the Euro-Mediterranean agreements gave the Union new political leverage in the Peace Process.

1. Bifurcation and Fragmentation: EPC and the Arab-Israeli Conflict

The Six-Day war (1967) was an inauspicious start in the context of the foreign policy ambitions of the European Community. The six EC member governments found themselves torn between their loyalties to either the Arab or Israeli side, and were pressured to come up with a collective political response.³ Such was the polarisation of attitudes, however, that the crisis was barely discussed at the Rome Summit on the eve of the war. The aftermath of the conflict saw the individual European governments go their separate ways. France, under De Gaulle, maintained its traditionally pro-Arab stance. Germany assumed a neutral position but in fact backed the Israelis. Italian opinion was somewhat divided, although a majority of its political elite backed Israel. The Netherlands took the strongest pro-Israeli position, condemning the belligerence of the Arab states and the support of the USSR for the Arab countries. Belgium and Luxembourg sought a solution through the UN and NATO. Admittedly, all the Member States endorsed UN Resolution 242, though this later proved to be a poisoned chalice since it

associated the Community with the lack of recognition of Palestinian aspirations for statehood.⁴ Not until the 1969 Hague Summit and the launch of European Political Cooperation (EPC) did the Community begin to develop the institutional machinery for collective diplomacy. The Arab-Israeli conflict was to become one of the first preoccupations of the Community's new foreign policy mechanism.

On the face of it, the introduction of the EPC mechanism exerted a positive influence on the Community's ability to project a common front on the Middle East. The early 1970s witnessed the gradual convergence of the Member States' foreign policies towards a common position. Under strong pressure from Pompidou's government, the other five Member States were persuaded to align themselves with the French line on the conflict, which, itself was sympathetic to the Arab cause. A joint paper - the Schumann document - was approved by Community foreign ministers in May 1971. The paper adhered to Resolution 242 and therefore did little to distinguish the Community's policy on the situation in the Middle East. But as Greilsammer and Weiler argue, 'their purpose at that stage was not to formulate an active or reactive foreign policy goal but rather to flex their [the EC's] new muscles in the EPC framework.'⁵ That said, the Schumann document had one notable external consequence. It sent a signal to the Israeli government that previously staunch European allies, most notably the Dutch, were prepared, albeit reluctantly, to harden their line in order to promote Community policy. As a consequence, Israel would henceforth adopt an increasingly hostile stance towards independent European initiatives.

These early experiments with EPC set a pattern that prevailed throughout the following two decades of European initiatives on the Middle East: periods of lowest common denominator concertation were followed by fragmentation as national foreign policies diverged from the agreed line. The Community's

reaction to the 1973 Yom Kippur war was a case in point. Internal wrangling in the immediate aftermath of the war ruled out any immediate response. It took OPEC's fourfold hike in oil prices, a direct threat to a vital European interest (supplies of cheap oil), to spur the Member States into action. In particular, the UK, which had previously adopted a strongly pro-Israeli posture, saw the commercial imperative of a more pro-Arab line and fell into line with the loose consensus in EPC. The result - the joint declaration of 6 November 1973 - was significant in two respects. First, it referred to the 'legitimate rights of the Palestinians', a phrase absent in Resolution 242 and a formulation favoured by the Arab states. Second, it called for external guarantees of any settlement of the conflict, a measure strongly opposed by the Israelis. The Declaration was well received by the Arab side, which in turn allowed the Community to establish the Euro-Arab political dialogue, designed to placate Arab oil producers and remove future threats to oil supplies.

The Community's involvement in the Peace Process had little obvious effect on its growing network of relationships with the Mediterranean non-member countries. Despite the souring of the Community's political relations with Israel, a free-trade, financial and technical cooperation agreement was signed in 1975. Similarly, the Community concluded agreements with most Arab-Mediterranean countries without any apparent linkage between the negotiation of the agreements and its position on the Arab-Israeli conflict. This decoupling was perhaps a logical outcome of the institutional and procedural distinction between the EC method and EPC. The use of foreign economic policy instruments to influence the Arabs and Israelis was to come later.

After tentatively setting its stall on the question of Palestinian rights, the Community gradually made resolving the status of the Palestinian people the

central plank of its approach. Three factors motivated this shift. First, an increasingly anti-American French government was determined to set the Community apart from the USA. Second, given the Community's heavy dependence on Arab oil, an Arab-friendly policy was an astute political move. Third, a pro-Arab position was also seen as a way to sharpen the profile of EPC. Significantly, the Community allowed the PLO, regarded by the Israelis and the USA as a pariah organisation, to participate in the Euro-Arab dialogue as part of a joint Arab delegation.⁶ By the time of the 1977 London European Council meeting, the positions of the Member States had sufficiently converged to permit a more substantive definition of Palestinian rights. The London Declaration stated that:

the Nine have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account the need for a homeland for the Palestinian people.⁷

Had the Camp David peace negotiations not started soon after the London Declaration, the Community's initiative might have had a bigger impact. In the event, the USA, Egypt and Israel pursued their own triangular diplomacy, at odds with European demands for a comprehensive settlement involving all the relevant parties. The Community welcomed Sadat's overtures to Israel, but reiterated its demand that a settlement should be all-inclusive. This insistence, coupled with what was perceived as an increasingly pro-Arab European line, relegated the Community to the status of a bit player in the Peace Process.

French diplomacy played a key role in defining the Community's position. President Giscard d'Estaing enjoyed similar success to his predecessor Pompidou in translating the French preference for independent 'European' initiatives into action in EPC.⁸ That successive French governments were able to take a lead on

the Middle East was both a reflection of a traditional desire for greater Community independence from the USA, and their propensity to view France as a global diplomatic power. What brought the pro-Israeli Member States, primarily Germany and the Netherlands, on board was less clear. Dominique Moïsi, for instance, argues that a combination of a lack of attention on the part of the Carter administration to the Palestinian problem, and the ability of EPC to paper over cracks among the Member States was crucial in encouraging the Community to launch its own initiative.⁹ In addition, pro-Israeli Member governments were forced to reconsider their foreign policy orientations in order to protect their commercial interests in the Arab countries. In short, both internal and external circumstances created the right environment for the Community to plough its own furrow.

The 1980 Venice European Council was hailed as the crowning glory of EPC's engagement in the Middle East Peace Process. Any lingering ambiguity from the 1977 Declaration was removed as the Community unequivocally aligned itself with the Palestinian cause. The Venice Declaration stated the Community's belief that the Palestinian problem was 'not simply one of refugees' and that the Palestinian people should be permitted to 'exercise fully their right to self-determination.'¹⁰ Although it stopped short of officially recognising the PLO, at France's insistence the text also called for Arafat's organisation to be 'associated with the negotiations'.¹¹ As far as implementing this new 'policy' was concerned, the Declaration provided for consultation with 'all the parties concerned'.¹²

Predictably, the Venice Declaration enraged Menachem Begin's hardline Likud government, which described it as 'totalitarian blackmail' and likened it to a 'Munich surrender'.¹³ The attitude of the Carter administration was more moderate, a testament both to the conciliatory diplomacy of the Italian Foreign

Minister and Council President Emilio Colombo, who travelled to Washington prior to the Venice Meeting.¹⁴ The extent to which the Community was prepared to distance itself from the US was tempered by reluctance to offend its main supplier of security. Promises were therefore made in advance of the Venice summit that the Camp David negotiations would not be prejudiced by the Declaration.

At the time, EPC appeared to have secured the assent of the Member States to a common decision of international magnitude. For example, the British Prime Minister Thatcher claimed that the Declaration 'showed that they [the Member States] had a part to play on the international scene'.¹⁵ What exactly this part was to be was more problematic. Clearly, the Community had neither the credibility with the protagonists (the PLO rejected the Venice Declaration as insufficient), nor the diplomatic power to become an alternative mediator. If it set out to amend Resolution 242, it risked further alienating Israel and a possible veto from the USA in the UN Security Council. The Community's self-styled 'role', if any, seemed simply to be to bring together the most important parties in the conflict - the Israelis and Palestinians - for direct talks.

For a while, the implementation of the Venice initiative proceeded according to plan, helped by the absence of new US initiatives during the 1980 election campaign. Commission President Gaston Thorn was despatched to the Middle East to establish contacts with both sides and gauge reactions to the Declaration. While Thorn failed to win over the Israelis, the European intervention received support from many of the Arab states. In the UN, the voting behaviour of the Member States showed a strong adherence to the principles of the Declaration and to the agreed Community line. Addressing the General Assembly, Thorn drew on the support of the Arab governments in claiming that

‘only a comprehensive settlement [one directly involving the Palestinians] can bring about a just and lasting peace in the Middle East’.

However, as external events evolved and internal dissent resurfaced, the EC’s solidarity began to crumble. No agreement could be reached in EPC on a series of position papers prepared by national foreign ministries on different aspects of the Peace Process, and they were referred to only obliquely at the 1980 Luxembourg European Council. Four target areas were eventually identified - the withdrawal of occupying forces, self-determination, general security in the Middle East and the status of Jerusalem. The Dutch Council Presidency (January-June 1981), charged with the task of exploring the Community’s new ideas with the Arabs and Israelis, maintained a low profile on the Middle East.¹⁶ The Dutch government, still sensitive to Israeli concerns, carried out consultations with governments in the Middle East, but made little attempt to promote the Community’s approach.

The inter-governmental nature of EPC decision-making, which carried no legal obligations, made deviation from the Community line a relatively straightforward political option. Following Reagan’s 1980 election victory, the British government called into question any immediate European follow-up action on the Peace Process. It did so partly to appease the new Republican administration, but also out of concern that the Community was ill-prepared for the political repercussions of its initiative.¹⁷ The coming to power of the strongly pro-Palestinian Papandreou government marked the start of a hardline Greek foreign policy that rejected any Community association with Camp David and led to confrontations with its EC counterparts.¹⁸ Externally, Begin’s re-election in Israel and the growing opposition of the Reagan administration to European interference in the Peace Process deterred further EPC action.

The 1982 Israeli invasion of Lebanon was a golden opportunity for the Community to re-assert itself in the Middle East. The Community had come under increased criticism for its lack of collective condemnation of the expansion of Israeli settlements and repression of Palestinians in the occupied territories. When an EPC statement was finally made, it was again dismissed by the Begin government. However, Israel's incursion into Lebanon drew an angry and rapid response from Europe. A veiled threat was made in the EPC statement (9 June 1982) warning of 'future action' if Israeli troops were not withdrawn.

This period was notable for the use of Community policy instruments (aid, financial protocols, trade rules) to make a political point (condemnation of Israel's action in Lebanon). The first concrete action was an embargo on arms sales to Israel.¹⁹ The embargo was followed by the European Parliament's decision to withhold for several months its approval of the second EEC-Israel financial protocol in protest at Begin's actions. At the same time, the Community provided funds for the international humanitarian aid effort in Lebanon, and began a short time later to channel aid to the Palestinian territories.

What conclusions can be drawn about the early phase of the EC's involvement in the Middle East Peace Process? First, the Community never received much more than lukewarm responses to its initiatives from the key players in the conflict. From the inception of EPC, it failed to assert a sufficiently distant position from the US to win the full confidence of the Arab side, and crucially of the PLO. Relations with Israel only deteriorated after EPC was created. Even if Begin's evocation of World War Two was harsh, both the Israelis and the Arabs had suffered the pernicious effects of colonial European politics, most damagingly in the artificial and discriminatory division of territories. Perceptions of European diplomacy were inevitably coloured by the past.²⁰

Second, although EPC undoubtedly helped foster foreign policy concertation, the mechanism was better suited to 'the coordination of national actions rather than the expression of a common position'.²¹ There was a considerable gap between the strong tone of EPC Declarations and their half-hearted implementation.

2. A Second Chance? The Gulf War and the Resurrection of the Peace

Process

The 1990 Gulf War altered the political landscape in the Middle East and brought a renewed sense of urgency to the search for a solution to the Arab-Israeli conflict. European calls for a comprehensive solution to the conflict assumed new resonance in view of the involvement of so many of the region's states in the Gulf crisis.²² Yet the Union emerged from the Gulf War with a tarnished reputation among the Arab countries. The obvious divisions among the Member States over their contributions to the military operation had again exposed the Union's weaknesses as an international power and reinforced the sense of its dependence on the USA in international crises. For the Arab states, the Union's involvement in what was perceived as an American war confirmed its unreliability as a counterweight to the US.²³ In particular, France's role in the coalition was viewed as tantamount to treason by its sizeable population of Arab immigrants, provoking mass demonstrations in Paris.²⁴

However, the EU still had grounds to expect that its growing economic and political weight, further enhanced by moves towards the completion of the Single Market, would enable it to stake a credible claim for a more significant role in the Peace Process. As Leon Hadar suggests, 'the Gulf crisis showed President Bush that the US needed European support and, perhaps more importantly, European money'.²⁵ Moreover, with the Cold War over, balancing independent EU foreign

policy action against harmonious relations with the USA became less imperative. Inside the Community, renewed interest in political integration, inspired by the Delors Commission and the Franco-German alliance, generated political momentum behind the creation of a more coherent and cohesive common foreign policy.

The extent of the EU's marginalisation in the Middle East became clear when it was confined to the role of observer as the USA and Russia co-sponsored the launch of the bilateral track (Israeli-Palestinian) of the Peace Process in Madrid in November 1991.²⁶ The bilateral negotiations covered the vital political issues in the Peace Process: territorial control, sovereignty, borders, security arrangements and the rights of the Palestinians. European leaders played down the Union's exclusion from the top table. French Foreign Office Minister Roland Dumas, for instance, claimed that his government had actively contributed to the preparation of the Madrid conference, and that US leadership was essential to keep Israel at the negotiating table.²⁷

Nevertheless, it was evident that Israel and the USA had little appetite for the EU to play a significant political role in the Peace Process. What they required was its money. Faced with a huge budget deficit and deep economic recession, the USA's aid budget in the early 1990s came under severe pressure in Congress. Since there was no question of reducing its financial assistance to Israel and Egypt, an alternative source of funds had to be found for the Palestinians, and that source was the European Union.

Instead, the Union had to settle for a leading role in the Multilateral Working Groups set up to channel international financial aid to the region and coordinate projects in the economic, infrastructural, social and environmental spheres.²⁸ The EU acted as co-organiser of the Environment, Refugee and Water

working groups.²⁹ More significantly, it was made 'gavel holder' of the Regional Economic Development Working Group (REDWG), which allowed it to direct international financial assistance to the Palestinian territories.³⁰ Work in the REDWG was divided into 10 areas, with 'shepherd' states responsible for coordinating projects in each area:

Figure 6.1 EU Member States' Roles in the REDWG

France - communications and transport
Spain - agriculture
UK - financial markets
EC - energy and 'regional networks'
Germany - trade

In addition to its responsibilities for individual project areas, the Community also provided crucial logistical support. A secretariat and executive secretary for the monitoring committee set up to oversee the projects were funded by the Union.

The Union also became an active contributor to the Arms Control and Regional Security working group (ACRS), another rolling multilateral forum established by the Madrid conference. Again, Community Member States were entrusted with leading discussions in certain areas. The Netherlands, for instance, chaired talks on a regional crisis communication network. As far as a specific EU 'role' was concerned, its participation in the ACRS was significant in two respects. First, it allowed a Community input into the negotiation of issues such as arms control and non-proliferation, confidence-building measures and regional security structures. It was thus a 'back door' into the politico-security aspects of the Peace Process. Second, it gave the Community first hand experience of the security problems that would arise as the Washington agreement was implemented. This experience proved valuable in the Barcelona process, and influenced the wording of the Barcelona Declaration.

As Peters argues, the multilateral track was based on a 'functionalist-liberalist conception of cooperation' where the enmeshing of the region's states through multi-sectoral cooperation would enable them to set aside their political differences.³¹ The initiation of this functionalist-inspired multilateral track was ideally suited to the Union external policy strengths, and to its own experience with regional economic and political integration. With the Union's failure to substantially improve its capacity for politico-security policy-making at Maastricht, pillar one assumed even greater significance. However, the circumstances in which the Union found itself were clearly favourable. The multilateral working groups provided a mutually reinforcing institutional link between its emergent Mediterranean partnership strategy and the Peace Process. The Commission was quick to recognise the opportunity, arguing that:

On the economic front the time is now right for the EC, together with the international community and especially the Gulf countries, to embark on an ambitious cooperation programme which would embrace the economic development of the West Bank and Gaza, bearing in mind the need also for international efforts in favour of the region as a whole.³²

The economic development of the occupied territories, and support for the economic integration between the Arab countries, became the guiding principles of the EU's contribution to the Peace Process.

3. Between Banker and Broker: How Influence Was Won

The signature of the Oslo Declaration of Principles and Washington Agreements in September and October 1993 was a major breakthrough in the Peace Process, and injected new dynamism into the flagging Israeli-Palestinian negotiations. Even the USA had proved powerless to bring the dovish Rabin government and Arafat's beleaguered and conciliatory PLO together. It was left to Norway, not an

EU member, to act as a secret intermediary and restart the talks. Between March and September 1993, a series of discussions, initially between academics and researchers, led to the historic mutual recognition agreement by the Palestinian and Israeli authorities and set a clear timetable for the withdrawal of Israeli forces from the West Bank and Gaza.

Immediately after the Washington meeting, the REDWG was convened in order to discuss a World Bank report, co-financed by the EC, US and Norway, about economic rebuilding in the region. As one commentary put it, 'the Israel-PLO agreement will only survive if it results in a quick and sustainable improvement in the standard of living of the people of the occupied territories.'³³

At the Washington Donors' Conference (1 October 1993), the EU heads of government pledged 500 million ECUs from the Community budget to be channelled to the region from 1994-98 through the Commission (50 million ECUs per annum in grants) and the European Investment Bank (250 million ECUs per annum in loans), the largest single pledge.³⁴ A new body - the Ad Hoc Liaison Committee (AHLC) - chaired by Norway, was mandated to coordinate and promote aid from individual donors to the Palestinian people. Much of the real work of this group was done in advance of informal meetings of the major participants, with the EU, United States and World Bank (as well as the Palestinian Authority and Israel) taking the key decisions among themselves.

Table 6.1 Donor Pledges October 1993- November 1996 (Million ECUs)

Donor	Grants	Loans	Total
European Union (Budget+EIB)	250	250	500
USA	315	105	420
Japan	215	0	215
Saudi Arabia	168	0	168
Norway	126	0	126
Netherlands	101	0	101
Germany	78	0	78
Italy	67	0	67
Sweden	58	0	58
France	54	0	54
Denmark	43	0	43
Spain	43	0	43
Canada	28	0	28
World Bank/IDA	0	176	176
Israel	21	42	63
Other donors	297	239	537
Total	1864	858	2667

Source: Data extrapolated from various sources.

By 1996, the EU had firmly established itself as the biggest contributor to the Palestinian state-in-waiting, a fact that not only made it indispensable to the economic track of the Peace Process, but provided the Union, and the West, with an instrument capable of influencing the behaviour of the both the Arabs and the Israelis.³⁵ As the MEDA financial package for the Mediterranean came on stream, the Union had an impressive array of financial incentives at its disposal. That said, political influence was not a logical corollary of aid. That depended on the multiplier effect of aid, including anticipated dividends such as increased inward investment, the stabilisation of the business environment and the normalisation of relations at both the governmental and societal levels.³⁶

For many inside the Union, though, this improved economic leverage did not go far enough. In an exchange with the Belgian Council Presidency, one MEP complained that:

you have not explained what the European Community or European Union specifically intends to do to encourage the ...I have the impression that Norway has done a great deal more in real terms than the European Union and I am rather sad about that.³⁷

In a similar vein, a French official argued that:

the Community should have a position reflecting its economic dynamism. It should not just serve as a cash register for policies decided elsewhere.³⁸

Just as the Middle East had been a priority for EPC, so it seemed that its successor, the CFSP, would devote an equally large percentage of the EU's diplomatic resources to the region. At the Brussels European Council of December 1993, the first after the ratification of the Maastricht Treaty, a list of possible initiatives was set out by the Heads of Government identifying priority areas for EU initiatives. The principal themes of the framework were as follows:

Figure 6.2 Proposed EU Initiatives in the Peace Process

- 1) Participation in international supporting arrangements.
- 2) Strengthening the democratic process through, *inter alia*, assisting with the preparation and monitoring of elections in the Palestinian territories.
- 3) Building regional cooperation, chiefly through participation in the REDWG and Arms Control and Regional Security Working Group.
- 4) Support for Palestinian institution building through the mobilisation and implementation of EU aid programmes for the occupied territories.
- 5) Providing bilateral aid to other parties to the bilateral negotiations.
- 6) Assuring follow-up to action underway on confidence-building measures submitted to the regional parties.
- 7) Using the EU's influence to encourage full support on all sides for the .³⁹

The Commission was instructed to prepared the grounds for joint actions, an indication that the Member governments' action in pillar one was the key element in the Union's long-term contribution to the Peace Process. A Commission Communication had already set out the broad parameters for EU policy post-Washington. Consistent with Europe's call for a global settlement, the Communication emphasised the Union's specific role in promoting regional cooperation and stressed the need to involve Israel in 'a balanced triangular relationship' with Europe and the Mashreq countries.⁴⁰

Implementation of the Oslo process soon reached an *impasse*, ostensibly over the speed and scale of the hand-over of the occupied territories. However, the stalemate was symptomatic of a more serious problem: the irreconcilable Israeli policies of withdrawing troops while simultaneously expanding Jewish settlements. The massacre in January 1994 of dozens of Palestinians in a Mosque in Hebron by an Israeli settler exposed the fragility of the process and called into question the ability of the two sides to guarantee the security of their respective populations. The EU's reaction to events in Hebron was confined to a short statement by the Council condemning the massacre, and calling for 'the authorities [Israeli] to take full responsibility for protecting the inhabitants of the occupied territories'.⁴¹

Eventually, the CFSP was used for positive action by the Union. A joint action (94/276) on the Peace Process, based on Article J3 of the Maastricht Treaty, was adopted by the Council on 19 April 1994. The political element of the joint action took the form of funding (10 million ECUs) for the establishment of the Palestinian police force, and a programme of assistance for elections in the occupied territories, including the provision of electoral observers. The precise details of the latter were left to the Council to decide. As Esther Barbé and

Fernando Izquierdo argue, the ambit of the joint action confirmed the low key approach adopted by the Union.⁴² A vague promise to issue *démarches* to the Arab states over their economic boycott of Israel, and to the Israelis over their settlement policy was indicative of the EU's nervousness about making overtly political interventions.

It was at this stage that divergencies among the Member States began to surface over how to respond to developments in the region. The election of Jacques Chirac as President in May 1995 heralded a new interventionism in French foreign policy. From the outset, Chirac demanded a greater say for Europe, and also for France, in the Peace Process commensurate with their respective financial contributions. France's status as the biggest individual donor to the Palestinian authority lent Chirac's vision some legitimacy. But the new President's European vocation masked an even stronger desire to reassert France's 'special' status in the region. Chirac used the final days of the French Council Presidency to arrange a series of high profile meetings with Middle Eastern leaders, including Arafat. In a press interview following a diplomatic visit to Cairo, Foreign Minister Hervé de Charette, asked about France's role in the Middle East, replied that 'the situation in the region requires that Europe in general, and France in particular, take account of their traditional links and historical interests', promising 'a bigger French presence'.⁴³

French activism was taken a step further April when Foreign Minister Hervé de Charette travelled in quick succession to Beirut, Jerusalem and Damascus to negotiate a cease-fire after the Israeli shelling of Southern Lebanon. France's part in securing the ceasefire won it a seat as co-chair of the monitoring committee alongside the USA. In contrast to Chirac's diplomatic efforts, the collective response of the EU to the Lebanon crisis could best be described as

tardy. The Troika, led by Council President Susanna Agnelli, arrived in the region behind the French team. One of the major shortcomings of EU foreign policy - its inability to speak with one voice - and the obvious tension between the two European delegations attracted widespread media coverage.

A more revealing indication of the CFSP's weakness was the Union's lengthy silence on the election of Benjamin Netanyahu's Likud coalition in May 1996. Despite the obvious implications for the Peace Process and political relations with Israel, no statement was issued on what the Union expected from the new government *vis-à-vis* the Oslo process.⁴⁴ Only after a summer of violence precipitated by Israel's failure to adhere to the Oslo accords and the USA's reluctance to put pressure on Netanyahu did the EU finally grind into gear, launching a thinly veiled attack on Israel in a CFSP statement and despatching Irish Foreign Minister Dick Spring to the Middle East for talks with Netanyahu and Arafat.⁴⁵ In a sudden flurry of diplomatic activity, the Troika also held talks with Arafat and Israeli Foreign Minister David Levy, but were able to offer little more than consoling words to the Palestinians, and were rebuffed by the Israelis. The Union's efforts were met with an extraordinary warning from US Secretary of State Warren Christopher. In a letter to each of the 15 member governments, Christopher exhorted the Union to refrain from interfering in the Peace Process at such a 'delicate moment'.⁴⁶

The Union's tentative diplomacy, and the US warning was followed by a high profile diplomatic foray by Chirac who controversially grabbed centre stage with his own tour of the region. The Sharm al Shaykh (Egypt) anti-terrorism conference heard Chirac argue for more attention to be paid to the needs of Syria and Lebanon, a move calculated to win France greater influence among the Arab countries.⁴⁷ On a visit to Cairo, the French President argued that the EU deserved

to become a co-sponsor of the Peace Process, suggesting a series of principles on which a European political initiative might be based.⁴⁸ At a highly sensitive time in the peace negotiations, Chirac's renewed calls for the establishment of a Palestinian state and the withdrawal of Israeli occupying forces from the Golan Heights and Lebanon were guaranteed to raise hackles. Not surprisingly, the visit, and the rhetoric, were welcomed by Arab governments, particularly by the Lebanese government with which France was reestablishing a close working relationship. The President's standing was further boosted by a televised scuffle with Israeli security guards during a tour of Jerusalem.

On the negative side, the visit was a serious set back for Euro-Israeli relations. The other 'leading European voice' in the Middle East - the UK - took a particularly dim view of Chirac's unilateral excursion. Foreign Secretary Malcolm Rifkind undertook his own diplomatic offensive in the region, meeting both the Israeli and Palestinian sides to show that Britain took a more neutral view of the Peace Process. Rifkind went on to argue for an Organisation for Security and Cooperation in the Middle East, based on the OSCE, a proposal that was an indirect swipe at Chirac.

The outcome of the Union's experience during this tense period was the decision to appoint a special envoy, Miguel Moratinos, to represent the EU in the Peace Process. The appointment of Moratinos was a shrewd move by the EU. A former Spanish Ambassador to Israel, the special envoy had considerable inside knowledge of regional politics, and the respect of the parties concerned.⁴⁹ Furthermore, Moratinos had been instrumental in preparing the Barcelona Conference as part of Spanish Prime Minister Felipe Gonzalez' diplomatic team, so was aware of the limits of EU diplomacy in a multilateral context.⁵⁰ Another factor in Moratinos' favour was his nationality. Spanish governments had always

treated the Middle East and North Africa as a special concern, and the relative even-handedness of their policies contrasted with the high profile partisan approach of France. A Spanish foreign office official noted that 'we played our cards well on the Middle East, we are respected there....we know our limits'.⁵¹ It is difficult to see how a diplomat from one of the big three Member States - France, Germany and the UK - would have been tolerated by either side.⁵²

Moratinos' appointment and mandate, the subject of a CFSP joint action, were confirmed in only one hour by Foreign Ministers in October 1996 in an indication of the strength of support for the initiative among the Member States.⁵³

Having scored a minor diplomatic success with Carl Bildt as EU special envoy to the Yugoslavian conflict, the lessons learned from that experience were applied to Moratinos' instructions.⁵⁴ His mandate contained the following objectives:

Figure 6.3 Special Envoy's Mandate

- To establish and maintain contacts with all the parties involved.
- To observe the negotiations, offer the EU's advice and its 'good offices'.
- Contribute to implementing international agreements and 'engage with them diplomatically' in the event of non-compliance.
- To promote, by engaging with signatories, compliance with norms of human rights, democracy and the rule of law.
- To report to Council bodies about the best way of pursuing EU initiatives and ongoing Peace Process-related business.
- To monitor actions which might affect permanent status negotiations (ie actions in the occupied territories).⁵⁵

Moratinos' remit appeared carefully judged and realistic: to project the political presence of the EU by offering its good offices rather than by attempting major diplomatic offensives. The fact that he was a civil servant rather than a politician also smoothed the way for his appointment. Those Member States who remained wary about a higher profile EU presence in the region could not have accepted a

political figure.⁵⁰ Similarly, the Israeli government would have been less likely to work with an obviously political figure.

The early signs for the special envoy were good. Moratinos worked effectively behind the scenes as a facilitator for dialogue between the Israelis, Palestinians and other Arab countries. One of his most significant early achievements was to bring Arafat and Levy together in Brussels for a relaunch of the peace talks after the crisis over new Israeli settlements in East Jerusalem. He was also instrumental in brokering the deal over Hebron, securing the commitment of the Palestinians to the deal while the USA took care of Israel.⁵⁷

Why should Moratinos have brought the EU greater credibility? A clue lies in his own perceptions about his role:

My role is complementary to the US. It has to be so. My role is not about competing for influence but in striving to help the Middle East Peace Process.⁵⁸

Moratinos' experience as Spanish ambassador in Israel also made him acutely aware of Israeli sensitivities. Any kind of direct European pressure on Netanyahu would have further weakened EU mediation.⁵⁹ At first, the Israeli government had been sceptical, with David Levy arguing that 'the [Israeli-Palestinian] negotiations must be direct and without any external pressure'.⁶⁰ But Moratinos' patient, neutral approach gradually won him the approval of Netanyahu's government and the US administration.

For the Palestinians, and the Arab side in general, the special envoy's role was less satisfactory. One Arab official lamented that:

Moratinos would have been more effective if there was an effective mandate, an effective initiative. He needed something to offer in the framework of an initiative. It is a good thing for the Arabs to underline the importance attached to a European role, but Moratinos must have a clear position. He must be able to use all the resources at Europe's disposal.⁶¹

Another Arab diplomat expressed similar sentiments, arguing that:

A clearer mandate is necessary. At the moment, his role is presenting the European Union's position and going back to Brussels.⁶²

The point here is that Moratinos was more important to the Palestinians than the Israelis. The Arab states expected the special envoy to back the Palestinians in the same way that the US government backed Israel.

By the latter half of 1997, Moratinos and the EU had accumulated sufficient political capital to enable them to present a 'code of conduct' to the Israelis and Palestinians. The document was presented by the special envoy to the two sides during October 1997.⁶³ True to form, Moratinos went to great lengths to clear the code with both parties before its formal launch. The code incorporated a number of confidence building measures drawn in a large part from the Barcelona process. Its key principles were firstly, that the Israeli government should respect the commitments made by its predecessor. Secondly, the code called for the Palestinians to do more to combat terrorism.⁶⁴ Significantly, it received a cautious welcome by the Israeli government, who had praised the envoy 'for establishing excellent relations with both sides'.⁶⁵ Moratinos thus became the conduit for a more substantive political input from the Union.

However, regardless of Moratinos' presence, the Union could only stand by and watch as the situation in the Middle East deteriorated. The growing frustration of the Union was also expressed by the Member States in a terse attack on Israeli policy. Meeting on 24 November 1997, EU foreign ministers castigated Netanyahu, with Luxembourg Foreign Minister Jacques Poos stating:

Our basic approach is that of land for peace. The policy of Prime Minister Netanyahu does not enjoy our support. It is a narrow minded policy.⁶⁶

In what amounted to an admission that it still lacked truly effective political influence, the Union quickly backtracked, accepting that the only realistic means to prod the two sides back to the negotiating table was for it to act in tandem with

the USA. At the EU-US summit on December 3, the Union unambiguously emphasised its support for US-led mediation.⁶⁷

European diplomacy in the Peace Process took a new twist in March 1998 with the visit of UK Foreign Minister and President of the Council, Robin Cook, to Egypt, Israel and Jordan. In advance of the trip, EU Foreign Ministers made it clear that Israeli settlement policy was their main concern. It was also a subject on which Cook had resolved to push Netanyahu as far possible, a task he spectacularly accomplished. Cook chose to ignore Israeli warnings and met Palestinians at the disputed Har Homa/Jabal Abu Ghneim settlement in East Jerusalem, a visit that provoked violent demonstrations by right wing Israeli settlers.⁶⁸ On the same visit, the Foreign Secretary used a meeting with Netanyahu to ask for an explanation of Israel's continued refusal to open the airport in Gaza, whose construction was funded by the Union. Cook's actions signalled the EU's displeasure with Netanyahu's policies and earned much needed political capital from Arab states. It also heightened the sense that the Union had become the key western ally of the Palestinians.

The latitude enjoyed by the British Foreign Secretary bore testament to the growing cohesiveness of the Member States on the EU's involvement in the Peace Process. Before his trip, Cook was careful to draw attention to the backing he had received from all the EU foreign ministers at an informal meeting in Edinburgh.⁶⁹

As French Foreign Minister Hubert Vedrine commented:

It is one of the things that has struck me since I took on this position. Coherence in the analysis, the diagnosis of the objectives is stronger and stronger within the European Union.⁷⁰

That the Member States' nerve held bore testament to the Union's slow maturation as an international actor.

4. THE EMP AND THE MIDDLE EAST PEACE PROCESS

The Barcelona Process

From the outset, the EU made a determined effort to keep clear blue water between the Barcelona process and the Middle East . In a joint report on the implementation of the EMP, the Commission and Council Presidency claimed that:

strong efforts have been made....to ensure respect for the principle that, while the Barcelona Process can exert a positive influence on the Middle East Peace Process, it should not replace other activities and initiatives undertaken in the interest of peace, stability and prosperity of the region.⁷¹

Officially, the primary function of the EMP was to provide the institutional basis for low-key, functional cooperation between Arabs and Israelis. The Barcelona process would 'step in' if and when peace finally broke out in the region.⁷²

Admittedly, however, some within the EU also saw Barcelona as a response to its exclusion from the political track of the Peace Process.⁷³ According to Eberhard Rhein, a Commission Director General responsible for Mediterranean policy:

the Euro-Med partnership should be seen as a catalytic factor helping to inter alia allow Israelis and Arabs to work together in a wider context, with Europe as a sort of "*chaperone*" between the two.⁷⁴

But there was never any serious suggestion that the Barcelona process could or should emulate the Oslo process.

When the Peace Process began to falter early in 1996, the Barcelona process initially appeared to withstand the rising tension between the Arab participants and Israel. The functional method appeared to be bearing fruit, particularly at the administrative level where diplomats involved in the two follow-up committees continued to attend meetings, while the programme of

sectoral conferences, meetings and seminars proceeded with little obvious disruption. Most notably, a meeting of the senior officials committee went ahead in July 1996 despite the Israeli shelling of southern Lebanon. Commissioner Marín was not alone in proclaiming the durability of the process to be a major achievement in its own right.⁷⁵ Reflecting on the turmoil of 1996, a Swedish official stated:

We should be happy that we still have the Barcelona process running after this year. Just being able to meet is a confidence building measure in its own right.⁷⁶

Behind the scenes, though, cracks were appearing in the façade. First, the Israeli, Lebanese and Syrian representatives on the two steering committees refused to address each other directly at meetings, opting instead to read out prepared statements on the situation in the Middle East.⁷⁷ Meetings frequently started with condemnation of one side by the other and their productiveness was inevitably adversely affected. Second, at a meeting of the Arab League in September 1996, foreign ministers from the Arab partner countries discussed a proposal to withdraw from the Barcelona framework if the Israelis reneged on the Oslo agreements.⁷⁸ That they eventually decided not to owed more to the lack of alternatives than to any optimism about the prospects for the EMP.⁷⁹ Third, progress in the political and security basket, effectively a barometer for the Barcelona process, virtually ground to a halt, with the senior officials committee able to make only minimal headway on the list of Confidence Building Measures, and the suspension of the stability pact initiative.

Arguably the defining moment for the Barcelona process arrived with Israel's decision to go ahead with the construction of Israeli settlements in East Jerusalem, a decision which effectively halted the bilateral track of the Peace Process.⁸⁰ The ensuing row occurred only weeks before the second ministerial

conference in Malta, meant to inject new momentum into the EMP. Dutch Foreign Minister Hans Van Mierlo was forced to embark on an exhaustive tour of the Middle East simply to persuade the Arab and Israeli foreign ministers to attend.⁸¹ Work on a Conference Declaration had to be put to one side as Van Mierlo's team searched for a form of words acceptable to both sides. The Arab governments pressed for a passage condemning the settlements to be included in the final declaration, while the Israeli government flatly rejected any references to the issue and to the Middle East in general.⁸² It took a meeting between Israeli Foreign Minister David Levy and Palestinian leader Yasser Arafat, brokered by Dutch Foreign Minister Hans van Mierlo, to prevent an acrimonious break-up of the gathering.⁸³ Nevertheless, the participants still left Malta without an agreement on where the Barcelona process was heading, and it required several more weeks of discussions to produce a sterile, mutually acceptable text which did little more than summarise progress and identify future priorities.

The Malta debacle put an end to any pretence that the Barcelona process could be insulated from the Peace Process. As Commissioner Manuel Marín admitted:

The fundamental aim of peace and stability in the Mediterranean cannot be achieved without a permanent and just solution to the Middle East conflict. Although the Peace Process and the Euro-Mediterranean partnership are two distinct and separate processes. Eventually the latter cannot fully succeed without the success of the former.⁸⁴

For many of the participants, the very essence of the 'Barcelona spirit' was the novelty of having Israel, Lebanon and Syria engaged together in dialogue in a multilateral forum, something neither the multilateral track of the Peace Process nor the MENA summits had achieved. The health of the EMP was therefore

always bound to be inextricably linked to the state of the Peace Process. An Arab diplomat was unequivocal about this linkage:

There is no way that this process will succeed without progress on the Peace Process....How can we talk about economic cooperation while we have a government [in Israel] that is reneging on all its previous international commitments?⁸⁵

The Arab partner countries perceived the Barcelona process as a means to draw the EU further into the Peace Process and as a potential counter-weight to US-led diplomacy.⁸⁶ Their enthusiasm was inevitably dampened when it became clear that the EU did not share the same vision of the process.

From the outset, Israel's lukewarm attitude towards the Barcelona process reflected its traditional suspicion of European interference in the Middle East. Indeed, after the Likud coalition's election victory in May 1996, the Israelis became distinctly more critical of EU initiatives. Netanyahu's government continued to regard the USA as the only acceptable external mediator, perceiving the Union to be overtly supportive of Palestinian demands and generally 'pro-Arab.'⁸⁷ An Israeli diplomat summed up his government's position thus:

The Barcelona process is not going to replace the Middle East Peace Process. Barcelona is for the future.....Strategically, the US is much more "present" than any of the European countries.⁸⁸

Israel had another reason to play down the significance of Barcelona. The non-implementation of the Oslo accords and the economic blockade on the Palestinian territories could be argued to represent a violation of both the spirit and letter of the Barcelona Declaration.⁸⁹ The Israeli government was therefore keen to prevent the process becoming another platform from which the Arab states could mount attacks on its policies.

By mid-1997, the negative spillover from developments in the Middle East was penetrating throughout the Barcelona process. The Arab group began selectively refusing to meet Israeli representatives on Arab soil, effectively ending the diplomatically important practice of holding meetings in all the countries participating in the Barcelona process.⁹⁰ Under pressure from the other Arab governments, the Moroccan government decided to cancel a high profile Conference of Industry Ministers due to be held in Marrakesh, blaming Israel's 'continued obstruction of the .'⁹¹ An ad-hoc foreign ministers' meeting, scheduled to be held in an Arab country in June 1998, had to be switched to Palermo by the UK Presidency. Ironically, the point of the meeting was for the participants to make a political statement about the necessity of keeping the Barcelona process separate from the Peace Process.⁹² However, Syria's demands that the meeting specifically address Israel's policies threatened to turn Palermo into a repeat of Malta, an embarrassing outcome both the new UK government and the Italian hosts desperately wanted to avoid.⁹³ In the end, the Palermo meeting did the minimum necessary to ensure the survival of the Barcelona process, avoiding further controversy over the Peace Process and focusing instead on the commercial and financial priorities for the EMP.⁹⁴

There are several conclusions to be drawn from the way the relationship between the Barcelona process and the Peace Process evolved. First, the multilateral strand of the EMP turned out to be contingent upon the situation in the Middle East rather than complementary to it. Incremental confidence building and functional economic cooperation had little more than symbolic value without forward movement in the Peace Process.⁹⁵ Second, the EU found itself unable to keep politics out the process. Part of the blame lay at the Union's own feet, since it devoted too much attention to the first basket where the specific measures on the

table were clearly highly sensitive. But the problem also stemmed from the inter-governmental nature of the process, relying on agreements among parties with such demonstrably conflicting attitudes and interests. Third, the inseparability of the two arenas called into question the wisdom of the EU's decision to apply the partnership concept to the Mediterranean region as a whole. The all-pervasive influence of the Middle East meant conflict resolution and regional integration in other sub-regional strategic arenas (Cyprus, Greece-Turkey, the Maghreb) was neglected, prompting calls for regional sub-groups (Western Mediterranean, South East Europe) to be created within the Barcelona framework.⁹⁶ It is difficult to avoid the conclusion that the Barcelona process was a creature of the uniquely favourable political conditions at the end of 1995. Once the Peace Process broke down, Barcelona was left floundering.

The Euro-Mediterranean Agreements

In contrast to the ailing Barcelona process, the bilateral strand of the EMP proved to be a quietly fruitful channel for EU to strengthen its role in the Middle East. The starting point was the conclusion of a Euro-Mediterranean agreement with the Palestinian Authority, a natural complement to the Union's substantial financial investment in the nascent Palestinian state. Although the accord merely formalised existing trade concessions, containing none of the political and social provisions of the other Euro-Mediterranean agreements, it nevertheless represented another important step towards the recognition of Palestinian aspirations to statehood. A measure of the agreement's political significance came from Israel's reaction to it: Netanyahu's government described it as 'almost a barrier to the Peace Process'.⁹⁷

However, agreements signed in Brussels were one thing, following them through in the disputed territories was another. Increasingly frequent border closures and restrictions on the movement of Palestinian people and goods by the Israeli authorities nullified the trade creation potential of the accord, delayed the construction of donor-funded projects, and impeded the operation of completed projects.⁹⁸ Imports of EU-funded infrastructural equipment destined for Gaza were routinely held in Israeli depots for ‘security reasons’, after which the Palestinians were presented with large bills for storage costs.⁹⁹ Agricultural goods frequently sat rotting in customs warehouses for months, with Union representatives unable to intervene.¹⁰⁰ As an Arab League official put it, ‘the EU ought to be asking ask how much it lose[s] in Palestine from the money it provided because of the Israeli blockade.’¹⁰¹

The Commission’s exasperation with the situation in the Palestinian territories was palpable. In a blunt statement to the European Parliament, the Desk Officer for Palestine argued that:

Unless there is safe passage between the West Bank and Gaza, an open port and airport, customs controls and free movement....we may as well not have signed the agreement.¹⁰²

But the options open to the EU were limited, constrained both by the terms of the 1994 Interim Agreement and its inability to put effective political pressure on the Israel to lift the physical barriers to the movement of goods and people.¹⁰³

It was undoubtedly this combination of frustration and impotence that prompted a shift in the Union’s policy towards the end of 1997. The ‘demand’ for EU action was clearly expressed by Yasser Arafat:

Seventy per cent of the economy of Israel is with European countries and this card has not been used until now. Why not? You only have to wave this economic card and they will listen to you directly. At least wave it.¹⁰⁴

Seizing the opportunity presented by Moratinos' careful groundwork and the hardening of the Member States' attitudes towards the Netanyahu government, the Commission chose to raise the political stakes through the Euro-Mediterranean agreements.¹⁰⁵ The decision to focus on trade formed part of an EU strategy that targeted three specific issues:

- a) Improving Palestinian access to external markets.
- b) Unblocking the Israeli restrictions on free-movement, particularly access to the airport and port.
- c) Promoting and funding new projects such as border-based industrial zones.¹⁰⁶

The pursuit of this strategy relied on a division of labour between Moratinos as the Union's political envoy to the Peace Process, and the Commission as coordinator of the Union's economic and financial input. It also represented acknowledgement on the Union's part that its political objectives for the Peace Process had to be more effectively harnessed to Community policy instruments.

The first sign of the Union toughening its approach towards Israel came with a dispute over orange juice imports in October 1997.¹⁰⁷ The dispute centred on claims that Israel had been re-exporting Brazilian orange juice to the Community under its own duty free quota.¹⁰⁸ Despite a blunt written warning from Commissioner Manuel Marín to Israeli Foreign Minister David Levy, the Israeli government failed to address many of the Commission's concerns.¹⁰⁹ Consistent with standard procedures, it was earmarked by DG1B as a 'technical' issue and passed to the Commission's trade policy and legal experts. The Israeli authorities were subsequently given an official admonishment detailing the nature of the complaint and threatening EU importers of the product with fines.¹¹⁰ The dispute was resolved at a special meeting of the EU-Israel Cooperation Committee on November 28 when Israeli customs officials gave an undertaking to tighten controls on orange juice traders.¹¹¹

But the official warning provoked accusations from Israel that the Union was using the case to make a political point about the situation in Israel.¹¹²

Certainly, the dispute - ostensibly a technical-legal one - was politicised to an extent not previously seen in EU-Israeli trade relations. A Scandinavian official claimed that:

this would have been repressed politically 15 years ago....Israel is being dealt with as a normal state and political considerations will no longer disguise misbehaviour. Political rules now apply.¹¹³

The orange juice case was only the first in an increasingly bitter war of words over Israel's application of the rules of origin clauses in its Euro-Mediterranean Agreement with the EU. The Commission's patience with Israel was pushed to the limit as instances of products from the Occupied Territories being exported to the EU under the Israeli flag came to light. Finally, in May 1998, the Commission officially notified Israel that the terms of the agreement were being violated, and that products originating from the occupied territories might be excluded from the EU-Israel free trade area, a threat backed by the Council.¹¹⁴ Marín was defiant: 'We gave peace a chance. But now we are acting.'¹¹⁵ Netanyahu's retort was equally confrontational:

Be careful with the use of ultimatums and dictates of any kind. That is the one thing that doesn't go well in Israel and with me.¹¹⁶

It was a measure of the EU's new-found assertiveness that, in spite of Netanyahu's attempt to play the 'anti-Israel' card, Israeli officials were forced to sit down with the Commission discuss ways of lifting the restrictions on Palestinian trade.¹¹⁷ An economic policy had been used to send a firm political message: that it was unacceptable to regard the Palestinian territories as part of Israel. By the end of 1998, it accounted for 53 per cent of total financial assistance

to the Palestinians, and was on the point of pledging another 1.5 billion ECUs in aid.¹¹⁸ The Union was not prepared to sit back and watch its massive investment in Palestine's future wasted.

Conclusions

It is evident that the EU has settled for modest influence in the Peace Process rather than outright power. Regardless of its more successful initiatives, the continued presence of the USA has made the Peace Process tick. It was difficult to conceive of any Israeli government turning to the EU for solutions. There is still an obvious, deep-seated mistrust of Europe arising from its history of mistreating its Jewish communities, and of its motives for seeking to increase its influence in the region. Suspicions on both the Arab and Israeli sides suggest that the Union views the region as an untapped market which it is in the best position to exploit. Whereas a US presence remains essential to progress in the Peace Process, the EU does not yet possess sufficient leverage with the Palestinians to be regarded as indispensable.

What does it mean to be influential in the Peace Process? In practical terms, exerting influence on the peace talks has meant bringing the Israelis and Palestinians together to the same table. The importance of this seemingly modest achievement should not be underestimated since convincing Netanyahu's government to talk to the Palestinians has vexed everyone involved in the Peace Process. European diplomats of the 1970s and 1980s were unable to consistently play the role of broker, relying instead on exchanges with individual governments and painstakingly negotiated *démarches*. Multilateral forums such as the Euro-Arab dialogue could hardly be described as effective substitutes. The Europeans of the 1990s, however, have manoeuvred themselves into a position where their

diplomacy has become a useful supplement and, at times, a foil, to that of the USA.

The distinction between influence and power made above rests on the ability of the EU to effect changes in the behaviour of the Arabs and Israelis. Coercion, sanctions and threats are the traditional tools of power politics, options to which the EU still does not regularly turn. The EU has proved itself much better equipped to exercise 'soft power', using economic and financial instruments to ensure the viability of the nascent Palestinian economy and contribute to the stabilisation of the Palestinian Authority. That said, the recent disputes over trade with the Israelis suggest an increasing willingness on the Union's part to flex its economic muscles in order to send out strong political signals.

A complex mix of external and internal factors determined the EU's capacity to take action. Comments about the major external factors - the attitudes of the influenced - have been made above. Internally, the defects of the CFSP in forcing the Member States to coalesce around a single position were clear and recognised as serious barriers to the Union's ability to project itself as a political force in the region.¹¹⁹ As the Palestinian Delegate General to the EU put it:

The EU's role is to balance the role of the USA which in our opinion is dictated by the powerful Israeli lobby. Until now, the American's have not put enough pressure on the Israelis who have not respected the Oslo accords. Unfortunately, an EU role is not yet possible, not just because the US and Israel don't want it, but because there is no CFSP.¹²⁰

Joint actions to send electoral observers to the Occupied Territories and to support the Palestinian police force did not amount to decisive political interventions.¹²¹

The appointment of a special envoy might have raised the Union's profile, but it was consistent with the propensity of the Member States to appoint representatives in the absence of agreement on collective strategies.

However, an alternative interpretation is that the joint actions at least showed an increased willingness to utilise pillar one policy instruments to implement inter-governmental decisions, a trend that could only improve appearance of coherence and strategic consistency in EU external policies. Moreover, there was a strong strategic thread running through much of what the EU did in relation to the Middle East after the Madrid Conference. Building outwards from the Euro-Mediterranean partnership, the Union linked together its Mediterranean policy, its role as the key financial donor to the Peace Process and the new generation of association agreements to make itself economically indispensable to the long-term future of the Peace Process.

Notes

¹ Cited in Ifestos, P. (1987) *European Political Cooperation: Towards a framework of supranational diplomacy*, Aldershot: Avebury, p. 369.

² Turner, M. 'Code aims to aid Middle East talks', *European Voice*, 2-8 October 1997, p. 6.

³ For a thorough analysis of EU policy during this period, see Greilsammer, I. and Weiler, J. H. H. (1987) *Europe's Middle East Dilemma: The Quest for a Unified Stance*, Boulder and London: Westview.

⁴ The most controversial aspects of Resolution 242 were (1) its reference to displaced Palestinian citizens only as 'refugees', and (2) the dispute over the wording to be applied to the passage demanding withdrawal from the territories occupied by Israel in 1967. The eventual compromise, based on a British text, gave no definition of which territories were defined as occupied. The Member States' endorsement of Resolution 242 removed any immediate opportunity for the Europeans to set themselves apart from Lyndon Johnson's pro-Israel USA, and damaged relations with the Arab states.

⁵ Greilsammer, I. and Weiler, J. H.H. (1987) *op. cit.*, p. 28.

⁶ Allen, D. and Smith, M. (1983) 'Europe, the United States and the Middle East: a Case Study in Comparative Policy Making', *Journal of Common Market Studies*, Vol. 22, No. 2, p. 129.

⁷ Bulletin of the European Communities, EC 6-1977, point 2.2.3, p. 62.

⁸ Giscard campaigned during the 1974 General Election on the basis that resolving the Palestinian question was the key to peace, a policy underlined by permitting the PLO to establish an office in Paris and to meet officially with senior officials in the French Foreign Ministry.

⁹ Moïsi, D. (1980) 'L'Europe et le conflit israélo-arabe', *Politique Etrangère*, Vol. 45, No. 4, pp. 841-53.

¹⁰ Bulletin of the European Communities, EC 6-1980, point 1.1.6 (6), p. 11.

¹¹ Imperiali, C. and Agate, P. (1984) 'National Approaches to the Arab-Israeli Conflict' in D. Allen and A. Pijpers (eds) *European Foreign Policy-Making and the Arab Israeli Conflict*, The Hague: Martinus Nijhoff, p. 6.

¹² Bulletin of the European Communities, EC 6-1980, point 1.1.6 (6), p. 11.

¹³ Quoted in Ifestos, P. *op. cit.*, p. 463.

¹⁴ *Agence Europe*, 9-10 June 1980, p.1.

¹⁵ Thatcher went on to add that 'the United States would continue to hold the major role in this long-term process'. Thatcher's apparent enthusiasm for an independent European approach was all the more surprising given the row between Britain and the rest of the Community over budgetary contributions. Quoted in Ifestos, P. *op. cit.*, p. 462.

¹⁶ *Ibid.*, p. 477.

¹⁷ Edwards, G. (1984) 'Britain' in D. Allen and A. Pijpers (eds), *op. cit.*, p. 56.

¹⁸ Greilsammer I. and Weiler, J.H.H. (1987), *op. cit.*, p. 67.

¹⁹ The embargo was only lifted after the 1991 Madrid Conference and the relaunch of the Peace Process.

²⁰ Interview 47.

²¹ Closa, C. (1991) 'The Gulf Crisis: A Case Study of National Constraints on Community Action', *Revue d'Intégration Européenne*, No. 26, p. 57.

²² Most of the states in the region were drawn into the conflict. Jordan, the PLO and Syria backed Iraq, a decision that cost them the financial and political support of their wealthy Arab neighbours. Turkey was used by NATO to police Iraq's northern border. Israel was subject to several Iraqi Scud missile attacks during the military conflict but resisted the temptation, under severe US pressure, to return fire.

²³ For a European perspective on US leadership in the Gulf crisis see Guelton, F. (1996) *La guerre américaine du Golfe*, Lyon: Presses Universitaires de Lyon.

²⁴ Khader, B. (1997) 'L'Europe, le proche-orient et la Palestine, 1957-1999: Synthèse et enseignements', *Paper presented to Seminar: The EU's Common Foreign and Security Policy and World Responsibilities*, Institut d'Etudes Européennes, Brussels, 3-5 October.

²⁵ Hadar, L.T. (1991) 'The United States, Europe and the Middle East', *World Policy Journal*, Vol 8, No. 3, p. 427.

²⁶ Hooper, J. 'Conference Table Built on a Political Minefield', *The Guardian*, 30 October 1991, p. 9.

²⁷ Dumas, R. 'Interview à Europe 1', Déclarations de politique étrangère depuis 1990, Paris: Ministère des Affaires Etrangères, 14 November 1991, [«http://www.diplomatie.fr/cgi/nph-bwecgis/BASIS/epic/www/doc/SF»](http://www.diplomatie.fr/cgi/nph-bwecgis/BASIS/epic/www/doc/SF)

²⁸ The multilateral talks run parallel to the bilateral negotiations.

²⁹ Hollis, R. (1995) 'After Madrid: The EU and the Peace Process', Palestinian Academic Society for the Study of International Affairs, Seminar, March, [«http://www.passia.org/»](http://www.passia.org/)

³⁰ Muscheidt, B. (EU Representative Office, Jerusalem) (1995) 'The European Union and the Peace Process Since Madrid', Palestinian Academic Society for the Study of International Affairs, Seminar, March, [«http://www.passia.org/»](http://www.passia.org/).

³¹ Peters, J. (1997) *Europe and the Middle East Peace Process: Emerging from the sidelines*, Centre for Euro-Mediterranean Studies, University of Reading, [«http://www.rdg.ac.uk/EIS/GSEIS/EMC/pubs.html»](http://www.rdg.ac.uk/EIS/GSEIS/EMC/pubs.html), May, pp. 5-6.

³² European Commission (1993) 'EC Support to the Middle East Peace Process', *Communication from the Commission to the Council and the European Parliament*, COM (93) 458, 29 September, p. 1.

³³ O'Sullivan, E. (1995) 'Cementing Peace with Prosperity', *MEED: Middle East Business Weekly*, Vol. 37, No. 38: p. 4.

³⁴ European Commission (1993) op. cit., p. 2. By the end of 1997, the EU had committed ECU 444 million ECUs in grants from the EU budget, 100 million ECUs in EIB loans, and 156 million ECUs made available by the EU to the UNRWA under the standard budget support programme. The priority areas were: education - 130 million ECUs; health care - 33 million ECUs; humanitarian assistance - ECU 36 million ECUs and contributions to the UNRWA - 156 million ECUs.

³⁵ EU aid to the Palestinians removed some of the cost to the Israelis of paying for security in the occupied territories. It enabled the Israeli government to reduce the number of Palestinians employed in the Israeli economy on the assumption that donors would pick up the bill through business projects.

- ³⁶ For contrasting evaluation of the utility of aid, see Beck, M. (1997) 'Can Financial Aid Promote Regional Peace Agreements? The Case of the Arab-Israeli Conflict', *Mediterranean Politics*, Vol. 2, No. 2, p. 66; Artis, V. (1998) 'Can Financial Aid Promote Regional Peace Agreements? The Civilian Power Europe Approach Towards Mediterranean Global Security', Presentation to Summer School on The Mediterranean and the New International Order, University of Catania, 5-12 July.
- ³⁷ Langer, B. 93/451, Question No H-1095/93 on the Israel/Palestine Peace Process, *European Political Cooperation: Documentation Bulletin*, Brussels 1993, p. 538.
- ³⁸ Spurrer, A. op. cit., p. 9.
- ³⁹ European Council (1993) 93/506 'Conclusions of the European Council meeting in Brussels' (10-11 December 1993), *European Political Cooperation: Documentation Bulletin*, 9, p. 590.
- ⁴⁰ European Commission (1993) *Future Relations and Cooperation between the Community and the Middle East*, COM (93) 375 Final, Brussels, 8 September, p. 4.
- ⁴¹ Press Statement, Greek Presidency, 'Statement on events in Hebron', *European Political Cooperation: Documentation Bulletin*, No. 9, 1994, p. 131.
- ⁴² Barbé, E. and Izquierdo, F. (1997) 'Present and Future of Joint Actions for the Mediterranean Region' in M. Holland (ed.) *Common Foreign and Security Policy: The Record and Reforms*, London and Washington: Pinter, p. 130.
- ⁴³ De Charette, H. (1995) 'Interview with the Minister of Foreign Affairs in "Al-Ahram Weekly"', *Official Documentation: Ministry of Foreign Affairs*, Paris: Ministry of Foreign Affairs, 26 July.
- ⁴⁴ By contrast, the Arab states were quick to react collectively, discussing Netanyahu's election victory and the possibility of a common position on it at the Cairo Summit in June 1996.
- ⁴⁵ 'Declaration by the Presidency on Behalf of the European Union on the Middle East Peace Process', PESC/96/83, October 1 1996, Rapid Database, <http://europa.eu.int/rapid/cgi>.
- ⁴⁶ Fisk, R. 'US Warns Europe on Middle East Meddling', *The Independent*, 22 October 1996, p. 12.
- ⁴⁷ Peters, J. (1997), op. cit., p. 10.
- ⁴⁸ Chirac, J. 'Visite en Egypte: Discours du Président de la République, M. Jacques Chirac, à l'Université du Caire', *French Official Documentation* [«http://www.diplomatie.fr/cgi/nph-bwecgi»](http://www.diplomatie.fr/cgi/nph-bwecgi).
- ⁴⁹ Without exception, all the officials interviewed mentioned Moratinos' reputation and experience in the region as a reason for the good working relationships he managed to establish with all the major players in the Peace Process. Interview 32.
- ⁵⁰ Interview 50.
- ⁵¹ Interview 43.
- ⁵² This argument is especially valid for the Israeli government, which whom scepticism about European interference in the Peace Process was a useful way of strengthening its nationalist credentials.
- ⁵³ Interview 46.
- ⁵⁴ Interview 14.
- ⁵⁵ Council of Ministers, 1958th Council Meeting: General Affairs, Luxembourg: 28-29 October 1996, [«http://europa.eu.int/rapid»](http://europa.eu.int/rapid).

- ⁵⁶ Interview 45. The idea of appointing a special envoy apparently originated in the French Foreign Ministry which foresaw a much bigger political role for the person appointed.
- ⁵⁷ Interview 46.
- ⁵⁸ Quoted in Dempsey, J. 'EU envoy builds a Mideast role', *Financial Times*, 7 February 1997, p. 4.
- ⁵⁹ Interview 62.
- ⁶⁰ Cited in Awwad, E. (1997) 'Paix menacée au Proche-Orient', *Défense Nationale*, 53, January, p. 102.
- ⁶¹ Interview 27.
- ⁶² Interview 30.
- ⁶³ Turner, M. 'Code aims to aid Middle East talks', *European Voice*, 2-8 October 1997, p. 6.
- ⁶⁴ Interview 31.
- ⁶⁵ Halevy, E. (Israel's Ambassador to the EU), *Exchange of Views on the Middle East Peace Process and relations between the EU and Israel*, European Parliament: Delegation for Relations with Israel, Brussels, 18 March 1997.
- ⁶⁶ Quoted in Foreign Minister of Luxembourg, *European Report*, No. 2271, November 26 1997, Sect. V, p. 10.
- ⁶⁷ Council, 'EU-US Summit', *Rapid Database*, Pres/97/356, [«http://europa.eu.int/rapid/cgi»](http://europa.eu.int/rapid/cgi).
- ⁶⁸ It was the start of construction on this site that originally brought the Peace Process to a halt. Perhaps surprisingly, Cook's action seemed to be backed by Moratinos, despite the latter's greater sensitivity to Israeli concerns.
- ⁶⁹ *Agence Europe*, 16/17 March 1998, p. 4.
- ⁷⁰ Vedrine, H. (1998) 'Réunion Informelle des Ministres des Affaires Etrangères de l'Union européenne', *Point de Presse du Ministre des Affaires Etrangères*, Edinburgh 14 March, [«http://www.diplomatie.fr/cgi/nph-bwccgis/BASIS»](http://www.diplomatie.fr/cgi/nph-bwccgis/BASIS).
- ⁷¹ European Commission, (1996) *Joint Report from the Presidency and Commission: Mediterranean Policy - Follow Up to Barcelona*, Brussels, 3 December, p.3.
- ⁷² Interview 46.
- ⁷³ European Parliament (1996) (Committee on Foreign Affairs, Security and Defence Policy), *Report on the Middle East Peace Process*, Doc. No. A4-0351/96, 4 November, p. 12.
- ⁷⁴ Rhein, E. (1996) 'The Future of Economic Cooperation in the Middle East', *Transcript of Speech, Personal Papers*, London, 23 April, p. 6.
- ⁷⁵ *International Herald Tribune*, November 27 1996, p. 11.
- ⁷⁶ Interview 11.
- ⁷⁷ Interviews 2 and 18.
- ⁷⁸ Interviews 2 and 17. The threat was issued at a meeting of Arab League foreign ministers in September 1996.
- ⁷⁹ Interview 2.
- ⁸⁰ The EU expressed its disquiet over the settlement issue at a meeting between ambassadors representing the Troika and Israeli foreign ministry officials in February 1997. The Israelis noted the Union's concerns, but responded with a list of reasons why the construction project was permitted under the Oslo agreements. Israeli Mission to the European Communities (1997) *Note d'Information*, 25 February.

- ⁸¹ Turner, M. 'Euro-Med Still Makes Progress Despite Tension', *European Voice*, 3-9 April 1997, p. 8.
- ⁸² Interviews 33 and 51.
- ⁸³ The presence of US mediator George Ross as an observer in Malta went largely unnoticed. However, immediately after the meeting Ross flew to Israel for talks with Netanyahu, and travelled on to Gaza to meet Arafat. A Dutch official claimed that the EU's intervention in Malta had 'got the US back on the bike'. Interview 51.
- ⁸⁴ Marín, M. (1997) 'Address: The European Union's Mediterranean Policy', Nobel Institute, Oslo, May 23, «<http://europa.eu.int/rapid>».
- ⁸⁵ Interview 18.
- ⁸⁶ Interview 49.
- ⁸⁷ In a 1997 poll conducted by Tel Aviv University, 60 per cent of Israelis polled thought Europeans were more supportive of the Palestinians, while only 31 per cent considered Europeans to be neutral. By contrast, 20 per cent thought the US was more supportive of the Palestinians, while 50 per cent felt that the USA was neutral. For a brief summary of the poll, see The Tami Steinmetz Center for Peace Research, Tel Aviv University (1997) *Israeli-Palestinian People to People Peace Index*, «<http://spirit.tau.ac.il/code/instit.html>».
- ⁸⁸ Interview 47.
- ⁸⁹ Interview 61.
- ⁹⁰ Syria in particular became an increasingly regular absentee from lists of participants.
- ⁹¹ Turner, M. 'Morocco Decision Frustrates EU', *European Voice*, 30 October-5 November 1997, p. 9. European diplomats complained that months had been spent preparing the meeting and that the Arab group had given little advanced warning of its decision.
- ⁹² The idea of holding a 'mid-term review' of the Barcelona process was agreed at the Malta meeting. *Agence Europe*, 16/17 February 1998, p. 5.
- ⁹³ Interview 23. *Agence Europe*, 28 February 1998, p. 6; *Financial Times*, 4 June 1998, p. 6.
- ⁹⁴ Prior to the Palermo meeting, the Arab participants again discussed whether to hold the Barcelona process hostage to the peace process. Again they chose a more moderate line, opting to 'use Arab-European cooperation to strengthen the Arab position in the dormant negotiations with Israel.' Given that funding for the EMP was to be re-examined under a year later during the German Council Presidency, the Arab group had to find a balance between criticism and optimism. Egyptian State Information Service (1998) *Letter from Cairo*, No. 202, June 11-13, Internet Edition, «<http://www.uk.sis.gov.eg/public/letter/html/frame202.htm>».
- ⁹⁵ The same applied to the multilateral working groups which had also ceased to function.
- ⁹⁶ Aliboni, R., Said Aly, A. and de Vasconcelos, A. (1997) *Euromesco Working Group on Political and Security Cooperation/Working Group on Arms Control, Confidence Building and Conflict Prevention - Joint Report*, Lisbon, April, p. 35.
- ⁹⁷ Ambassador Harmali, (Palestinian Delegate General to the European Union), *Exchange of Views on the EU-Palestine cooperation agreement*, European Parliament: Delegation for Relations with the Palestine Legislative Council, Brussels, 18 March 1997.

⁹⁸ Economic indicators unequivocally show that the Palestinian people were worse off by 1998 than they had been before the start of the peace process. GNP per capita fell by 35 per cent between 1993 and 1996. Annual 'closure days' rose from around 5 per cent in 1993 to 37 per cent in 1996. Annual trade lost as a result of the closures were estimated at 275 million ECUs. European Commission (1998) *The Role of the European Union in the Peace Process and its Future Assistance to the Middle East*, COM (97) 715 Final. For a thorough account of the problems facing the Palestinian economy, see Diwan, I. and Shaban, R.A. (1997) *Development Under Adversity: The Palestinian Economy in Transition*, Palestinian Economic Forum, «<http://www.palecon.org/wbdocs>».

⁹⁹ Interviews 22 and 27. Farmers were particularly badly hit by the closure policy. Land converted for high value flower, fruit and vegetable production for the European market had to be re-converted to low-value production for local markets.

¹⁰⁰ Interview 9.

¹⁰¹ Interview 17.

¹⁰² Evans, G. (Commission representative with responsibility for relations with the Palestinian Authority) Address to European Parliament's Delegation for Relations with the Palestinian Territories, 18 March 1997.

¹⁰³ The 1994 Paris Interim Protocol on Economic Relations established a customs union between the autonomous Palestinian Territories and Israel. Two features of the agreement in particular restricted the Palestinian's freedom to trade with the outside world. First, the list of products covered by the agreement was provided by Israel, giving the Palestinians little control over the quantity and type of products they were allowed to import and export. Second, the agreement meant that a sizeable proportion of the tax revenue from Palestinian trade actually finished up in the Israeli government's hands. In 1997, 50 per cent of revenues were collected by Israel. For a useful commentary on the Paris Protocol, see Huleileh, S., Bashkin, G. and Al-Qaq, Z. (1999) *Guidelines for Final Status Economic Negotiations Between Israel and Palestine*, Jerusalem: Israel/Palestine Centre for Research and Information.

¹⁰⁴ Arafat, Y. (1997) cited in Ash, T. 'Arafat urges action from Europe', *Middle East Economic Digest*, 25 July, p. 5.

¹⁰⁵ European Commission (1998) op. cit., p. 8.

¹⁰⁶ Fouet, S. (Birzeit University Jerusalem) (1998) *The Middle-East Peace Process: de jure - de facto realities. What is the role of Europe?*, Presentation to Summer School on The Mediterranean and the New International Order, University of Catania, 5-12 July. Sylvie Fouet has worked with Moratinos' team on the problem of infrastructural links between the Palestinian territories.

¹⁰⁷ As early as 1995, the Commission's anti-fraud unit (UCLAF) drew attention to a possible fraud involving orange juice imports. Given the sensitivity of the peace process at that stage, and ongoing negotiation of the Euro-Mediterranean agreement with Israel, no action was taken. *European Report* (1997) No. 2264, November 1, Section V, p. 4.

¹⁰⁸ The scale of the alleged fraud was substantial. The Israeli press suggested that the amount involved could be up to 25 billion ECUs, though the Commission felt that figure to be exaggerated. The EU's Court of Auditors found that Israeli exports of orange juice to the EU were equivalent to three times its total domestic production capacity.

¹⁰⁹ *Financial Times*, 13 November 1997, p. 6.

¹¹⁰ Official Journal of the European Union, C 97/31, January 1997.

¹¹¹ Had the issue not been resolved in the Cooperation Committee, then it would have come up before the Foreign Ministers in the Council. Israeli Foreign Minister David Levy and Council President Jacques Poos discussed the matter prior to the Cooperation Committee.

¹¹² Both the Israeli government and the Israeli Federation of Chambers of Commerce discussed possible retaliation measures, claiming that exporters would be seriously harmed by the Commission's decision. FICC (1997) 'EU and Israel Agree to End Origin of Orange Juice Dispute', *Newsletter*, 9, 9, <http://www.chamber.org.il/docs/nl1297.html>; *The Jerusalem Post*, 13 November 1997, Internet Edition, <http://www.jpost.com/com/Archive/13.Nov.1997/Business/Article-2.html>

¹¹³ Interview 45.

¹¹⁴ European Commission (1998) 'EU - Israel : Implementation of the interim agreement in the framework of a strengthened regional cooperation', *Press Release* IP/98/426, Strasbourg, 13 May; General Affairs Council (1998) *2111th Council meeting*, Luxembourg, 29 June.

¹¹⁵ Quoted in *Financial Times*, 27 May 1998, p. 7.

¹¹⁶ Quoted in Harries, D. and Gilbert, N. (1998) 'Netanyahu blasts EU boycott', *The Jerusalem Post: Internet Edition*, May 20, <http://www.jpost.com/com/Archive/20.May.1998/News/Article-0.html>.

¹¹⁷ Lemaître, P. 'La Communauté européenne accuse Nétanyahou de politiser le débat commercial', *Le Monde*, 19 May 1998, p. 3.

¹¹⁸ Eizenstat, S. 'Press Briefing', *EU-US Summit, December 18 1998*, [«http://www.useu.be/»](http://www.useu.be/).

¹¹⁹ Marín, M. (1997) 'The European Union's Mediterranean Policy', *Address at the Nobel Institute*, Oslo, 23 May, [«http://europa.eu.int/rapid/cgi/»](http://europa.eu.int/rapid/cgi/).

¹²⁰ Interview 27.

¹²¹ Given the accusations of corruption in the Palestinian police force and its backing for a Palestinian Authority that stands accused of maladministration the Union's support for it may actually be counter-productive as far as its standing with ordinary Palestinian people is concerned.

THE EU AND THE ALGERIAN CRISIS

'We don't know what is going on and we're not sure the state even knows. It is not clear who is being targeted and why'. European Diplomat.¹

'Whoever fails to export stability to Algeria today will import instability in the form of big movements of refugees tomorrow.' Klaus Kinkel, German Foreign Minister.²

The response of the EU and its Member States to the violent breakdown of order in Algeria during the 1990s might best be described as janus faced. The Union failed to censure the military for halting the electoral process in 1992 and made little subsequent attempt to press for negotiations between the regime and the opposition parties. Moreover, the EU welcomed Algeria into the Barcelona process, despite the fact that the annulment of the Algerian elections in 1992 violated fundamental principles of both the Barcelona Declaration and the EU's own treaties. The same period saw a substantial increase in European economic aid to Algeria. European companies, with financial backing from national governments and support from the EU budget, also significantly expanded their investments in Algeria's lucrative natural gas sector. Yet the deals were signed with a regime that stood accused of complicity in the murder of citizens it was supposed to be protecting. The EU's performance over the Algerian crisis was

both an indictment of its feeble collective diplomacy and another example of the political weaknesses of the Euro-Mediterranean partnership.

Franco-Algerian relations played a crucial part in determining the EU's position on the Algerian crisis. As Zoubir and Bouandel argue:

France has the most complex interests in the region; it also hosts the largest immigrant community from the Maghreb. Therefore, France's policy has to be studied separately.³

This claim is an analytically simplistic, as there is clearly a strong correlation between French and EU policy. Once part of Metropolitan France, Algeria is as much a domestic as a foreign policy issue for French governments. The presence of 1 million immigrants of Algerian origin, and over 3 million Muslims, on French soil, coupled with the intertwined recent histories of the two states, set France apart from its partners in the Union.⁴ Respect among the other Member States for the notion that Algeria remains a French *chasse gardée* has certainly constrained, and perhaps even defined EU-Algerian relations during the 1990s. In short, as Roberts contends, in determining EU policy, 'power lies with France.'⁵

The first section of this chapter analyses the origin of the Algerian crisis and the Community's irresolute response to it. Section two considers the EU's collective reaction, and the reaction of individual member governments, to the cancellation of the Algerian national elections, an action that triggered the civil war. Section three examines EU action as the situation in Algeria degenerated into a *de facto* civil war, one which spilled over onto European soil. The fourth section looks at Algeria's negotiation of a Euro-Mediterranean agreement with the EU and its participation in the Barcelona process.

1. Algeria's Breakdown and the EU's Initial Response

The breakdown of order in Algeria began with the mass demonstrations and riots of 1988.⁶ A series of strikes orchestrated by the *Union Générale de Travailleurs Algériens* (UGTA), a banned socialist party and left wing elements of the ruling *FLN*, marked the limit of the patience of the Algerian people with President Benjedid Chadli's programme of accelerated economic liberalisation.⁷ In September 1988, the state became almost bankrupt after several years of declining oil revenues following the 1985/6 price crash. Debt servicing to foreign creditors accounted for 97% of export earnings, while 80% of state owned companies, Algeria's biggest employers, were in the red.⁸ Rising unemployment, swingeing cuts in welfare spending and a sudden hike in the price of basic foodstuff sparked violent demonstrations in October 1988.⁹ As many as 500 people were killed as the army and police brutally crushed the protests, effectively forcing the army to withdraw from the front line of Algerian politics.¹⁰ The riots released years of pent-up frustration with one-party domination by the *FLN* and with a socio-economic structure in which, according to the Islamic opposition group, 5 per cent of the population earned 45 per cent of Algeria's national income.¹¹ Significantly, the aftermath of 'Black October' also saw the emergence of the *Front Islamique du Salut* as a political force.¹²

The European Community's reaction to the 1988 riots was low key. No statement was issued by the Member States in EPC. Speaking for the Member States, the Spanish Council Presidency told MEPs that:

The Twelve have been following closely the recent developments in Algeria. Individual partners have expressed their opinion publicly or to the Algerian authorities.¹³

Existing EC-Algeria cooperation programmes - attached to the Cooperation Agreement and financial protocols - continued uninterrupted. Moreover, the Commission granted the Algerian government emergency economic assistance in the form of food aid worth 10.7 million ECUs.¹⁴ Overall, though, the Community was content to sit back and watch the situation develop. The announcement by President Chadli of an ambitious range of constitutional changes, further economic reforms and moves towards political pluralism soon after the riots seemed to vindicate this 'wait and see' approach. It was left to the European Parliament to act as the democratic conscience of the Union. It condemned the Algerian government's repression of the protesters, although it too commended Chadli's proposals for reform.¹⁵

The Member States' individual political responses were similarly low-key, but there were substantial increases in bilateral financial assistance to Algeria, particularly from the Mediterranean group. Jean-Jacques Queyranne, spokesman of the French *Parti Socialiste*, argued that any solution should come 'from within the Algerian government'.¹⁶ At the same time, the *PS* pushed for extra economic aid to the Algerian government. Chadli's reforms, which responded to the increased use of political conditionality by the French government, were welcomed by President Mitterrand. By November 1988, the French government had agreed to boost the annual level of financial credits to Algeria from 231 million ECUs to 960 million ECUs.¹⁷ In January 1989, Spain's Ministry of Trade announced a mixed trade credit package worth of 970 million ECUs to boost trade and allow the purchase of much needed industrial and capital goods by the Algerian government. Similarly, Italy offered Algeria a 3 year export credit and aid package worth 196 million ECUs. The point is that the level of assistance granted by the Member States dwarfed direct aid from the

Community. Bilateral (Member State-Algeria) relations were to remain the dominant level at which Europe dealt with the regime throughout the 1990s.

There were powerful ulterior motives for the Community to throw its weight behind Chadli: fear of the Islamisation of Algeria and its impact on immigration to Europe. As a leading article in *Le Monde* argued:

To help Algeria on the road to democracy and prosperity (which in the long term will hardly mean more than providing enough food, at least for the masses) will be expensive. To let the Algerians sink into chaos and fundamentalism will cost more.¹⁸

Islam rose to prominence after the 1988 riots as the voice of disaffected youth and the poorest segment of Algerian society.¹⁹ The harsh climate of economic austerity provided fertile ground for a movement whose greatest appeal was to the country's burgeoning population of young, unemployed people. Leaders of the Islamic movement accused Chadli's government of trying to pacify the population by trying to fill shelves in shops rather than addressing Algeria's deep social cleavages.²⁰ But financial aid from Western Europe, usually targeted at the energy sector and other big businesses, did not attack at the roots of the problems. Indeed, Algeria's external debt continued to rise, pushing the government inexorably towards a potentially unpopular rescheduling agreement with the IMF.²¹

The Algerian economy was highly dependent on trade with the Community, with the latter absorbing around 70 per cent of Algeria's exports and supplying around 63 per cent of its imports. Access to European markets was essential for Algerian exporters and to the government's attempt to diversify away from the hydrocarbon sector. Table 7.1 (below) shows the evolution of trade between Algeria and the Community during the 1980s. Algeria was the only country in the southern and eastern Mediterranean with which the

Community ran a trade deficit. However, when account is taken of the fact that oil and natural gas provided 95% per cent of Algeria's Community-derived export revenues, the asymmetry of the commercial relationship becomes apparent.²² Moreover, Algeria accounted for only 0.3 per cent of the Community's external trade, making it relatively unimportant in the overall commercial context (outside the hydrocarbon sector).

Table 7.1 Trade between the EC and Algeria (Million ECUs)

	1980	1982	1983	1984	1985	1986	1987	1988
Imports	4028	8246	7732	9309	10289	6875	5383	4793
Exports	4754	5334	6147	7032	7145	5257	3884	3693*
Balance	726	-2912	-1585	-2277	-3144	-1618	-1499	-1100

* The dramatic fall in EC exports to Algeria after 1985 was one outcome of the government's decision to curb imports as part of its strategy to deal with the deepening economic crisis.

Source: European Commission (1989) 'EEC-Algeria Cooperation Council', *Rapid Database*, Memo 89/33, «<http://europa.eu.int/rapid>».

When the dominance of the energy sector is taken into account, it becomes clear that the Community's quiet response to Black October was also laced with a heavy dose of economic self-interest. Algerian gas was taking a rapidly growing portion of the European market, especially in France, Italy and Spain.²³ At the end of the 1980s, it accounted for nearly a third of the French market and was projected to capture over 50 per cent of the Italian market and 70 per cent of the Spanish market by the mid 1990s. Much of it was to be supplied through a transnational pipeline running from Algeria through Morocco into Spain.²⁴ Given the vulnerability of the pipeline and past experiences with the renationalisation of western energy companies operating in Algeria, political stability was seen as an essential prerequisite of guaranteed supplies.²⁵ Revenues had sharply contracted after 1986 as world market prices fell and the dollar's

value appreciated, driving Sonatrach to seek new partners and new markets.²⁶

As Chadli's economic liberalisation project subsumed Sonatrach, new gas supply contracts were signed with European, Japanese and US companies, and existing contracts were renegotiated and upgraded. The political significance of these deals was clear. The French government, for instance, linked its credit package to the resolution of a long-standing dispute over prices for the supply of gas.²⁷

Similarly, both Spain and Italy negotiated new price and supply deals with Sonatrach shortly after concluding their new financial agreements with Algeria.²⁸

The Community had another motive for treating Algiers with kid gloves, one related to its Mediterranean strategy. In 1989, the Arab Maghreb Union regional integration project was launched with much fanfare, a development that the EC saw as a means to underpin economic and political stability in North Africa. The idea was to transform intra-regional political and economic relations by creating a regional trading bloc modelled on the Community. Intra-Maghreb trade would be made easier if the AMU achieved its objectives of harmonising trade regulations and introducing free movement of goods and services between the five signatories. Chadli's *rapprochement* with the Moroccan government was essential to the success of the AMU.

Chadli's 'fast track to democracy' gathered momentum with the introduction of a new constitution in November 1989.²⁹ In contrast to the more cautious reforms underway in the other Maghreb countries, the new pluralist constitution promised to open up politics to the full spectrum of parties and ideologies, including the nascent Islamic movement. By way of encouragement, Community and national leaders made a number of official visits to Algeria during 1989. Commenting on a visit by President François Mitterrand, a leading article in *Le Monde* claimed that:

The French authorities believe that Chadli is the best placed to be able to change Algerian society and that he has the best chance of attaining it if he is able to steer through political reforms and relaunch the economy.³⁰

The European Commission shared this view, sending Commissioner Matutes to Algeria to agree a schedule for the distribution of Community aid. Four agreements were subsequently signed under the third financial protocol, giving Algeria 26 million ECUs for food management, energy and management training projects.

Ultimately, however, the reform process could not mask continuing discontent with the pace and direction of reforms. For many of the new opposition parties, the reforms did not go far enough. The separation of the presidential from the executive and legislative branch of government gave Chadli - who had been reelected in December 1988 - nominal neutrality, but he used his role as 'arbiter' to try and ensure the survival of the *FLN* regime. With the floor open for opposition politicians to exploit the government's poor performance, the old order quickly came under sustained attack over its record on corruption, public morality, secularism and the continued influence of France in Algeria.³¹ The big winner in this febrile political environment was the Islamic movement which proved highly adept at mobilising popular support, particularly by offering itself as an alternative provider of social services and a radical alternative to the *FLN*-state. As Hugh Roberts argues, 'Chadli actually facilitated the development of the *FIS*', the party whose electoral appeal was to prove his undoing.³²

2. Europe's Silence: The End of the Democratic Experiment

Chadli's grip on power in Algeria continued to loosen during 1990 and 1991 as the *FIS* and other opposition movements capitalised on continuing discontent with the country's socio-economic situation and the opportunity to publicly

criticise the *FLN*. Notice was served of the *FIS*' electoral strength in the communal elections of June 1990 when the *FIS* secured a 54 per cent share of the vote. Despite changes to the electoral system, postponements of polls and widespread gerrymandering, Chadli's government was unable to counter the momentum building behind the *FIS* as national elections approached.³³ In the first round (December 1991), the *FIS* won 47.3 per cent of the vote and 43.7 per cent of the parliamentary seats.³⁴ Overall, Islamic parties took a 55 per cent share and secured a resounding endorsement for their anti-establishment platforms.³⁵

In France, the results were greeted by a mixture of alarm and quiet resignation. Many politicians took an apocalyptic view of the crisis, warning of the potential for mass immigration if Algerians sought to escape the fundamentalist state that was expected to replace the old order.³⁶ But former Foreign Minister Roland Dumas appeared less perturbed, arguing that there was 'no more to fear now than before or in future', and that Islam was 'a reality' in the region. The official line was that the choice of the Algerian people should be respected. Behind the scenes, though, France and the rest of the EU had misjudged the strength of the *FIS* at national level and Chadli's ability to bargain with its leaders.³⁷ This uncertainty was exemplified by the taciturn attitudes of Mitterrand and the French Foreign Ministry in the run up to the second ballot.³⁸

The situation took a dramatic and decisive turn when, in January 1992, the army removed Chadli and cancelled the elections.³⁹ Chadli had offered to share power in secret negotiations with the *FIS*, but hard-line elements in the army were totally opposed to any concessions to the Islamists.⁴⁰ In effect, a military coup ended the democratic experiment and left a politically unstable state facing the EU across the Mediterranean. Again, opinion in France wavered

between the hawkish pronouncements of the right and the pragmatism of the left. The Gaullist Charles Pasqua, argued that French cooperation with Algeria should be reviewed and even abrogated. A number of Socialists, including President Mitterrand, expressed disquiet at the cessation of the democratic process and urged its resumption.⁴¹

It was at this stage that the EU settled on what amounted to a ‘non-decision’ on Algeria. The EU Member States made a vaguely worded call for a return to ‘normal institutional life’ and ‘dialogue’ between the regime and opposition, but avoided aligning the Union with either camp.⁴² The notion of a ‘non-decision’ does not imply that the crisis was ignored. Rather, as Michael Clarke argues, ‘it describes a failure to confront a choice, or even to recognise that one exists.’⁴³ That the Union initially decided to do nothing owed much to France’s ‘relational’ power over its European partners *vis-à-vis* Algeria.⁴⁴ From the outset, the French government, like the regime itself, ruled out external intervention by the Union. In the words of a French official: ‘We just didn’t see the possibility for the EU to enter with credibility.’⁴⁵ Unwilling (or unable) to challenge this position, the other member governments were forced to follow the French lead. As a UK diplomat put it: ‘French policy was effectively endorsed by the rest of the EU. No thought was given to this decision.’⁴⁶

However, by February 1992, the Union’s position had subtly shifted, though it still stopped short of a political decision on the coup. A statement, issued in the EPC framework put the ball in the regime’s court:

The Community and its Member States strongly urge the Algerian authorities to pursue their publicly announced commitments, namely, the social and economic reforms, the restructuring of public administration and the protection of fundamental freedoms.....The Community and its Member States are willing to cooperate with the Algerian authorities in the economic recovery of their country, bearing in mind that compliance with the

aforementioned principles will be important in the context of bilateral relations.⁴⁷

Essentially, the Union gave the regime time to bed itself in by promising that financial aid to Algeria would not be disrupted.⁴⁸ This non-decision (not to consider suspending aid) was not without logic. The Islamists' campaign of violence alienated the *FIS* from many of its supporters, greatly reducing the likelihood that a re-run of the elections would produce a similar result.⁴⁹

Yet the Union made little effort to justify its silence on Algeria. Nor did it give the regime a time limit for the resumption of the democratic process. In evading firm decisions, the Union may have missed the best opportunity to set a precedent for international peace-making initiatives. As Barbara Smith argues:

There were still some possible courses of action outsiders could recommend to the Algerian government. And, at the time, the regime was so divided over what policy to adopt toward dissident Islamic political groups that it is at least possible that some of Algeria's leaders could have been persuaded to listen.⁵⁰

It is easy to criticise the EU's inaction as the crisis unfolded. It is rather more difficult, even with the benefit of hindsight, to suggest what policy options were available and credible. Three factors mitigated against external involvement. First, the political situation was extremely fluid. It was neither clear what form of government the *FIS* intended to pursue, nor whether the Algerian public would accept the imposition of Islamic order. As Claire Spencer argues:

At no stage had a clear and unequivocal statement been made by the *FIS* leadership that it would respect the form of democracy laid down in the 1989 Constitution'. A victory for the *FIS* would possibly have created an Islamic state governed by some variant of the Charia code on the Community's doorstep, a development it was anxious to prevent.⁵¹

Second, the *Haut Comité d'Etat*, installed by the military as a quasi-civilian government after the coup, was quick to ward off external interference in

what it viewed as an purely internal problem. Indeed, it drew attention to the fact that the *FIS* leadership itself had approved of France's choice not to intervene. Given the reservations about a *FIS* victory, this message gave the Union a convenient excuse to stand back. Third, European investments in the gas sector may well have been jeopardised if the *FIS* had come to power. While the *FIS* would have found it hard to maintain high levels of public spending without hydrocarbon revenues, the investment climate for foreign capital would certainly have been judged to be less stable. Abdelkader Hachani, provisional leader of the *FIS*, described the regime's new legislation on foreign investments in the sector 'a transaction of shame.'⁵²

Given the constraints outlined above, the Union's 'non-decision' was not surprising. Yet the Union's political impotence markedly contrasted with the apparent regularity of decisions being taken on the economic front. In line with the overall increase in financial resources for the Mediterranean non-member states, Algeria had seen its allocation of financial aid rise under the fourth financial protocol.

Table 7.2 EC-Algeria Financial Protocols (Million ECUs)

Financial Protocol	Duration	EIB Loans	Budget	Total
01	1976-1981	70	44	114
02	1981-1986	107	44	151
03	1986-1991	183	56	239
*04	1992-1996	280	**70	350

* Among the 8 Mediterranean non-member countries benefiting from the fourth financial protocol, Algeria's share of resources amounted to 17 per cent.

** Amount includes 18 million ECUs in venture capital.

No direct connection was made by the Community between the disbursement of resources and the annulment of the elections. Indeed, the Commission reportedly

expressed surprise at rumours that financial aid might be frozen.⁵³ In 1991, the Member States had agreed to set aside 300 million ECUs to support structural adjustment programmes in the Mediterranean non-member countries, including Algeria. As a supplement to this programme of macro-economic aid, the Community had also offered Chadli's government a medium-term loan of 400 million ECUs prior to the cancellation of the elections. Even after the events of January 1992, the only new conditions attached to the loan related to the negotiation of a reform programme between Algeria and the IMF, not to the resumption of the democratisation process.⁵⁴

This decoupling of the Community's economic relations with Algeria from the political crisis reveals much about EU external policy-making. First, it lends further weight to the argument that pillar I is what really matters in EU foreign policy. A collective political initiative from the EU might have been desirable in the context of its foreign policy ambitions, but would have had little effect on a regime that had already warned off the international community from attempting to intervene in the Algerian crisis. However, there can be no doubt about the highly politicised nature of EU and bilateral aid from the Member States and its importance to the regime's survival. With an external debt of 24 billion ECUs in 1992, the goodwill of western creditors and their willingness to underpin the regime's faltering macro-economic reform programme was crucial to the financial liquidity of the Algerian state.⁵⁵

Second, an approach centred on economic support and technical cooperation was in line with the Union's strategy of dealing with functional issues rather than the big political questions. Cooperation in the energy field was a particularly salient example. As Janne Haaland Matlary argues, 'energy is....a prime instrument for such linkage politics.'⁵⁶ After talks between

Commissioners Abel Matutes (DG1), Carlos Cardoso e Cunha (DG17 energy) and the Algerian energy minister in March 1992, the Union agreed to look at Algeria's proposals in the context of the budgetary allocation for regional cooperation in the Mediterranean.⁵⁷ Of even greater financial significance were the new contracts being signed by Sonatrach with multinational oil companies. The Community's assistance was sought in establishing a conducive climate for investment, but the rest was left to private capital.

Third, the Union's decision to offer economic support without political interference represented another instance of a position defined by the lowest common denominator. The French government's assumption that 'Islam would be "soluble" in the face of economic progress' effectively became the Union's strategy.⁵⁸ As a 'mediator' between Algeria and the Community, the French government clearly exerted pressure on its partners within the EU institutions to meet the regime's financial needs.⁵⁹ The decision to provide increased balance of payments assistance at the Luxembourg European Council in 1991, for instance, was a French initiative.⁶⁰ As a Dutch diplomat put it:

They [the French] are quite pushy in the case of Algeria, but they have reasons for that. It's always a question if you can stop Moslems by pumping in money, because where the money goes we don't know, but you can't deny the French for trying.⁶¹

Only as the crisis worsened did divisions within the EU begin to surface and its political position come under fire.

3. The Descent into Violence and the EU's First Initiative

The assassination of President Mohamed Boudiaf in June 1992 seemed to harden the resolve of the EU to take an 'arms length approach.' Commission President Jacques Delors stated that:

The Commission is sure that the Algerian people and the nation's leaders will survive this new crisis with reason and determination. In these tragic hours, it plans to remind them of its solidarity and expresses the hope that Algeria will return to a period of peace in which democratic freedoms and pluralism are respected.⁶²

President Mitterrand expressed the hope that 'Algeria [would] be able to overcome this severe test', and pledged that the Algerian people could 'count on the friendship of France'.⁶³ The resort to violence by armed elements of the Islamic opposition, principally the Groupe Islamique Armé (GIA), may have made it easier for the EU to exonerate its position, as an identifiable 'enemy' of the state and ordinary people was emerging. Furthermore, the decision by the regime (May 1993) to break diplomatic relations with Iran signalled the military's desire to be at the forefront of the struggle against radical Islam, underlining its self-proclaimed status as a bulwark against fundamentalism. As it became ever more difficult to identify the perpetrators of violence, an 'arms length' approach increasingly appeared to be the safest option.

The civil war entered a new and more dangerous phase late in 1993, when armed Islamic groups began to target foreign residents in Algeria. In September, two French surveyors were kidnapped and murdered by Islamists, the first such attack on foreigners inside Algeria. Until then, the safety of European citizens working in Algeria had not given undue cause for concern. In October, the audacious kidnapping of three employees of the French *Consulat Général* in Algiers galvanised the EU into another EPC statement urging the Algerian authorities to 'take every possible measure for a rapid return to a climate that will ensure their safety.'⁶⁴

French citizens working in Algeria were inevitably prime targets for the armed Islamists.⁶⁵ When the kidnappers eventually released the French consulate staff, they issued a warning giving French expatriates one month to leave Algeria.

Other foreign nationals were also warned to leave. Foreign minister Alain Juppé responded by offering his government's assistance to the regime in the fight against the *FIS* and fundamentalism in general.⁶⁶ Nevertheless by the end of 1994, only 2000 French citizens were left in the country.⁶⁷ Other Member States paid more heed to the warnings, however, and advised their citizens not to travel to Algeria unless for exceptional reasons.

The deliberate targetting of French citizens in Algeria stiffened the new Balladur government's resolve and temporarily put the hawks in the ascendancy. Alain Juppé, questioned about how France intended to help Algeria combat fundamentalism, set out three objectives:

- 1) To halt 'terrorist activities' on French soil.
- 2) To prevent the production of 'hostile' literature, essentially pro-*FIS/GIA* literature.
- 3) To increase France's bilateral financial aid to Algeria to around 960 million ECUs, a level that has been sustained ever since.⁶⁸

Implementation of this harder line was swift. In a sweeping police operation, 88 Islamic activists were arrested and Islamic propaganda seized. This action drew an angry response from both sides in Algeria. Prime Minister Rheda Malek insisted that the rights of Algerians living on European soil be respected.⁶⁹ Raba Kebir, a leading figure in the *FIS*, demanded the release of those arrested and called on France to cease its backing for '*le pouvoir*'.⁷⁰

A key player in defining the Balladur administration's policy on Algeria was Interior Minister Charles Pasqua. As Spencer observes, 'in contrast to the policies of its less engaged neighbours, France's reactions to events in Algeria [were] led as much by the Interior as the Foreign and Defence Ministries.'⁷¹ Pasqua's name appeared atop a restrictive and much criticised 1993 law on

immigration, and it was largely his decision to clamp down on the activities of Islamists within France. Relations with the Algerian/Moslem communities in France were seriously damaged by the new measures.⁷² Part of the rationale for the so-called *loi Pasqua* was an emotive appeal for the ‘preservation of the essential values of French society’, a thinly veiled reference to a perceived Islamic threat to the secular basis of the French state.⁷³ Algeria’s generals formed an unspoken alliance with Pasqua, who became associated with the *eradicateur* faction in the regime.⁷⁴ The *GIA* viewed France’s actions as a declaration of war, and responded by stepping up their campaign of violence.⁷⁵ Positive action by the Balladur government took the form of pressure on the London and Paris international creditors club to obtain a debt rescheduling agreement for Algeria. It successfully secured increased aid from the World Bank and western governments, though the Algerian regime continued to reject another debt rescheduling agreement with the IMF.

While many of France’s EU partners shared its concern about an Islamic ‘domino effect’ in North Africa, they were averse to restricting the activities of the exiled Algerian opposition on their own territories. The presence and freedom of speech of opposition activists was regarded as a civil liberties matter on which the host states were reluctant to compromise. Germany and the UK, for instance, both came in for criticism from the Algerian and French governments for allowing *FIS* leaders to operate on their territory. Both governments also kept an open mind about dialogue with the *FIS*.⁷⁶ Divisions among the member governments undoubtedly prolonged the tendency for ‘non-decisions’. Since no consensus could be reached on a political line, the subject of Algeria was rarely broached.

The hijacking of an Air France airbus in Algiers during Christmas 1994 brought the Algerian crisis onto French soil, into the media spotlight and subsequently into the Presidential election campaign. The hijackers - who described themselves as *FIS* representatives rather than *GIA* activists - timed their action and chose their target to achieve the maximum effect. Air France aircraft were among the last symbols of France's presence in Algeria. Despite a much lauded rescue operation by France's *Groupe d'Intervention de la Gendarmerie Nationale*, the episode highlighted the vulnerability of French citizens both in Algeria and in France, leading Balladur and Pasqua to clamp down even harder on the activities of Islamic groups. The hijacking also opened a rift between the French government and the regime, which was criticised by Balladur for having delayed giving permission for the aircraft to leave Algiers.⁷⁷

In the absence of governmental action, it was left to NGOs to maintain a critical watch on the deteriorating human rights situation in Algeria. Human rights organisations, particularly Amnesty International, continually reproached the regime and armed Islamic groups, and berated the international community for failing to deal with the crisis. The most promising peace-making initiative stemmed was brokered by a small, Christian NGO based in Rome, the Sant'Egido Community. In the so-called 'Rome platform' of early 1995, the vast majority of Algeria's opposition parties, including the *FIS*, agreed on a set of principles and mutual guarantees designed to allow the democratic process to be resumed. Critically, though, neither Zeroual's representatives nor representatives of the *GIA* attended. Moreover, the document explicitly ruled out external intervention, stating that the parties were 'opposed to any interference in the internal affairs of Algeria'.⁷⁸ As Dominique Moisi argued, 'if the army doesn't

feel the need to compromise, then what happened in Rome will be just talk.’⁷⁹

The regime immediately rejected the Rome Platform

Italy was the first Member State to publicly break rank over EU policy on the Algerian crisis.⁸⁰ As Rich and Joseph argue, ‘the Italian government [was] torn between its need to safeguard hydrocarbon imports and concern over the potential security risks posed by further deterioration of the conflict.’⁸¹ In January 1997, an under-secretary in the Italian Foreign Ministry, Pierre Fassino, hinted that Italy was about to launch a peace initiative, calling for the EU’s backing. Foreign Minister Lamberto Dini quickly disavowed Fassino’s proposal, ruling out any independent mediating role for Italy.⁸² But he too called for the EU to pursue a negotiated settlement, arguing that the Union should ‘emerge from a condition of passivity and lack of interest and help Algeria, though without interfering, to overcome the current crisis.’⁸³ However, in a trilateral meeting with the French and Spanish governments shortly after, the Italians were persuaded by France to put their proposal on ice.⁸⁴

At the end of 1997, the EU finally started to take a tougher line with the regime. When Foreign Minister Ahmed Attaf came to Luxembourg in November and accused Belgium, France, Germany, Italy and the UK of harbouring terrorists and of giving them logistical support on the pretext of their being asylum seekers, he received a rebuke from Luxembourg’s Foreign Minister Jacques Poos. Poos defended the Union’s right to consider exiled members of the Islamic opposition as asylum seekers and warned the Algerian government that it should not just treat the crisis as an issue of terrorism, but should do more to protect its own citizens.⁸⁵ At the same time, Poos called for greater openness on the part of the regime about the conflict in Algeria and for restrictions on the media to be lifted.

In the end, the Europeans were forced to act by the sheer scale of the violence. An upsurge in violence during the winter of 1997-8 to unprecedented levels - 1500 deaths during Ramadan alone - received sustained coverage in the West European press. A new EU initiative, launched by UK Foreign Minister Robin Cook after strong pressure from German Foreign Minister Klaus Kinkel, was a first test for the Labour government's new 'ethical' foreign policy.⁸⁶ A succession of extended press reports in the UK and a direct appeal to the European Parliament by the *FIS* convinced the Foreign Office that something had to be done.⁸⁷ After discussing an initiative with its partners in Brussels, the UK announced that the EU would send a team to Algeria.

Initially, a delegation comprising of regional directors from the foreign ministries of the UK, Luxembourg and Austria was rejected by Foreign Minister Attaf as 'inappropriate.'⁸⁸ The fact that the EU had to concede on both the composition of the delegation and the subjects it would be permitted to discuss was indicative of both the regime's sensitivity on external intervention and of the EU's own failure to define the purpose of its mission. Attaf argued that the delegation should primarily focus on the fight against terrorism. The EU, however, aimed to raise the issue of human rights with the regime, calling for a UN *rapporteur* to be allowed to investigate the situation. It was another example of a superficially activist, but reliably hesitant EU passing the buck.

Following prickly negotiations with the regime, the EU was forced to upgrade the status of its delegation to junior ministerial level. Meetings were held with both Ministers and representatives of the opposition and press, and were a limited success for the Union in raising its diplomatic profile. But in substantive terms the mission merely underlined the regime's intransigence in the face of external pressure. Attaf was persuaded to accept the idea of an ad hoc

political ‘dialogue’ with the EU, but it in practice meant nothing more than periodic meetings where the Union could maintain the impression that it was taking action. It was, as the UK Minister involved put it, ‘a tactical fig leaf in the short term.’⁸⁹ The mission failed to make much headway on the subject of mediation, although an invitation was extended to Attaf to meet with Robin Cook in London at the end of the year.⁹⁰ The regime refused outright a request to allow the UN to conduct an inquiry into human rights in the country. A fatal bus bomb in Algiers while the meetings were taking place was a tragically poignant counterpoint to the mission.

The reaction of the *FIS* leadership to the Troika’s visit revealed a shift away from outright rejection of external intervention. In a letter to Robin Cook, Anwar Haddam, President of the exiled *FIS* members, made a number of demands of the EU:

It is our hope, at a time where there is a lack of political freedom in Algeria, to see the European Union, under the leadership of the government of Her Majesty, open the doors of its countries to *FIS* representatives to freely express the suffering and the aspirations of the Algerian people. It is our deep hope and strong request to the European countries to immediately put an end to the activities of those who had claimed responsibility for these horrible massacres and crimes committed against civilians in Algeria, and to bring them to justice. It is also our hope to see the EU monitor different Algerian embassies and their suspicious activities. Finally, we hope to see an end to any military or financial aid to the regime in place.⁹¹

For his part, Attaf defended the regime’s refusal to allow an international committee of inquiry on a number of grounds. First, he made an emotive defence of Algerian independence. He claimed, with some justification, that all the political parties in Algeria would reject outside intervention. His claim that the Algerian people cared deeply about their independence was less easy to justify. Second, and far less convincingly, Attaf questioned the focus of the inquiry

which he believed would be overly sympathetic to the opposition and bring to light the covert activities of the military.

In a partial *volte face*, however, the Algerian's finally agreed to allow a UN team into the country in July to undertake an 'information gathering' mission.⁹² The so-called 'eminent persons' committee, led by Former Portuguese President Mario Soares, was requested not to meet the *FIS*, and was only allowed entry on condition that their report would not produce binding conclusions on the UN.⁹³ Its report balanced encouragement for political liberalisation with criticism of both sides for a campaign of violence which had claimed an estimated 120,000 lives by 1999.⁹⁴ However, the committee was short on recommendations for the international community. It made only vague calls for the west to offer 'cooperation and support' for political, economic and social reforms, and the fight against terrorism.⁹⁵ In the final analysis, simply keeping diplomatic channels to the regime open was all the outside world could realistically achieve.

4. Algeria and the Euro-Mediterranean Partnership

The linking of the EU's economic policy instruments to its political objectives, employed with some success in the Middle East Peace Process, was conspicuous by its absence when it came to Algeria. Neither of the two main conduits of the Union's Mediterranean strategy - the Euro-Mediterranean Agreements and the Barcelona Process - were utilised to try and bring the regime and the opposition forces to the negotiating table. Any attempt to attach strong political conditions to the opening of negotiations on a Euro-Mediterranean agreement may well have been futile given the low-level of non-hydrocarbon trade between the EU and Algeria. The regime did not 'need' a trade liberalisation agreement to anywhere

near the same extent as other Mediterranean partner countries. Agricultural trade with the EU presented 'no special difficulties' for Algerian producers, accounting for only 1 per cent of export revenues, while oil and gas products were totally excluded from the agreement.⁹⁶ The Barcelona process deliberately kept clear of domestic politics and human rights issues, such was their sensitivity for most of the partner countries. Despite the near civil war going on in the country, Algeria was a 'normal' participant in the Euro-Mediterranean Partnership.

One of the major problems for the EU was the withdrawal of all but a handful of its diplomats from Algeria during 1995 and 1996. Many EU-financed projects had to be cancelled or frozen as consultants and the Commission's representative staff in Algiers left the country.⁹⁷ Responsibility for analysing the economic situation in Algeria and for overseeing the structural adjustment programme was effectively handed to the World Bank, although the Commission did maintain close contact with World Bank personnel through frequent meetings in Brussels. An unintended effect of this delegation of responsibility to the World Bank was to reinforce the sense that the EU was simply following the IMF/World Bank neo-liberal orthodoxy in its policy on Algeria.

Exploratory discussions on Algeria's Euro-Mediterranean agreement began in March 1997, several years behind schedule. The delay was a deliberate move by the Commission, which chose to wait until the election of President Liamine Zeroual in 1995 and parliamentary elections in 1997 had taken place in order to give some semblance of legitimacy to its negotiations with the regime. The Commission was also concerned that securing the passage of the agreement through the European Parliament might be difficult before the Algerian people had been given a chance to pass judgement on the regime.⁹⁸

When the polls were approved, with some reservations, by international observers, the Commission began to negotiate.

The Troika mission to Algeria clearly complicated the Commission's task by hardening the regime's resolve in its negotiations with the Union. Issues already flagged by Algerian negotiators prior to the EU mission - the negative impact of free trade on the industrial and agricultural sectors, and the question of provisions on the free movement of people - became major sticking points.⁹⁹ The Algerian government argued that the dismantling of tariff barriers and the removal of duties on the scale required by the EU would cause substantial damage to an economy that heavily relied on subsidies and other forms of protection from the state.¹⁰⁰ The Algerians also argued that the idea of 'partnership' was meaningless without allowing for the free movement of people and better protection for Algerian immigrants in EU countries. Visa restrictions in particular were making it difficult for Algerian citizens to enter Western Europe. However, as a British diplomat put it, 'there isn't anyone in the EU who supports the idea that Algeria has genuine problems with the agreement.'¹⁰¹ The Member States viewed Algeria's insistence on a stronger 'third pillar' component in the agreement as a thinly disguised attempt to improve cooperation on counter-terrorism.

It remains to be seen what will happen when the final Agreement is put before national parliaments of the EU Members. Member States which traditionally emphasise human rights, such as Sweden and Finland, might call into question elements of the agreement and its lack of conditionality upon the demands made by the EU.¹⁰² On balance, however, it seems more likely that ratification will proceed without difficulty. Given that national parliaments and the EP were so circumspect about withholding ratification of the EU-Israel

agreement when the latter was in clear violation of UN resolutions and the Oslo agreements, it seems unlikely that they will be any more decisive about what is an extremely complex domestic political crisis. Furthermore, concern about Europe's commercial interests in Algeria means that Member States continue to be reluctant to push the regime too far.

The Barcelona process has deliberately steered clear of the Algerian question, despite attempts by the regime to influence the agenda. Foreign Minister Ahmed Attaf, for instance, criticised the refusal of the EU to put terrorism on the agenda of meetings of the senior officials dealing with political and security questions.¹⁰³ Later, the Algerians presented their own version of a Mediterranean stability pact, again with a heavy emphasis on counter-terrorism.¹⁰⁴ Algeria even emerged as the *de facto* leader of the Arab group within the Barcelona process.¹⁰⁵ Working alongside British diplomats in the run-up to the Palermo Foreign Ministers' meeting, Algerian diplomats were instrumental in persuading the Lebanese and Syrian governments to attend.

The basic problem was that the Algerians and the EU defined the crisis in different ways. Attaf drew on references in the Barcelona Declaration to the terrorism and argued that the Mediterranean partners should assist in the fight against it, a thinly veiled way of criticising those EU Member States that played host to the exiled opposition. The EU, by contrast, always insisted that the Barcelona process was not intended to interfere in domestic politics. Yet the Algerian regime has undoubtedly violated several of the human rights and democratic clauses of the Barcelona text. A potentially dangerous precedent has been set in which governments under fire over their human rights record can continue to participate in a multilateral process that is supposed to improve the lives of ordinary people around the Mediterranean.

Conclusions

The civil war in Algeria has thrown the limitations of the EU as a political actor into sharp relief. Faced with a highly unstable neighbour and a civil conflict which clearly has a negative impact on the Europe, the EU's neglect of Algeria is a serious threat to the credibility of its Mediterranean policy. Instead of leading by example, the Union has stood by and watched human rights abuses occur on a breathtaking scale. When European governments did finally launch a diplomatic initiative, the mission manifestly lacked purpose. It is difficult to avoid concluding that the Union is simply not suited to dealing with the kind of complex civil conflict that has beset Algeria.

Three problems in particular stand out. First, the EU's relations with Algeria during the 1990s have continued to be determined by French policy. Indeed, it is France's analysis of the source of the conflict (Islam versus democracy) and the most appropriate means to resolve it (to back the regime, with qualified support for elections and a return to a tenuous form of political pluralism) that has prevailed in Brussels. As an Algerian human rights lawyer argues:

The EU has failed by giving a free rein to France in leading EU policy on Algeria. The flagrant failure of the French approach and that of the regime which they support has been amply demonstrated over the last three years. It does EU credibility in North Africa and the Arab world no good for the EU to continue to allow the French a virtual monopoly in EU foreign policy on this matter.¹⁰⁶

This capture of a policy issue by a single Member State exemplifies the weakness of the Union's foreign policy-making process. Where intergovernmentalism prevails, the interests, perceptions and positions of one state can define the EU's position or exclude the possibility of a political position altogether. Since the

CFSP operates on the basis of unanimity, it was inevitable that no common position or joint action on Algeria was ever adopted by the Union.

Second, the opposition of the regime and Algerian political parties to external interference in the conflict provided the Union with a convenient, but poor, excuse for its non-decision.¹⁰⁷ The 1990s have seen the Union devote an increasing amount of resources to so-called 'good governance' - respect for universal human rights, fundamental freedoms and the democratic process. Justifying its silence on the grounds that the conflict is Algeria's problem calls into question the Union's commitment to stick to these principles. Similarly, the Euro-Mediterranean Partnership, which was also intended to encourage 'good governance' in all the Mediterranean partner countries, has proved impotent when conflicts have arisen either between or within partner countries.

Third, pillar I policy instruments have proved equally ineffective as a means to influence the behaviour of the Algerian regime. The Euro-Mediterranean Agreement has little economic value to Algeria, the key to using trade policy as a tool of suasion. Nor have serious questions yet been raised about the continued provision of financial assistance from the MEDA budget which, in any case, is greatly exceeded by bilateral aid and trade credits from the Member States. Indeed, almost the reverse applies, with the regime seeking to use the Agreement for its own ends.

Yet the Union cannot continue to take 'non-decisions' on Algeria. The 'election' of regime representatives is certainly no substitute for genuinely competitive elections. As population growth continues to outstrip the capacity of the Algerian economy to provide a sufficient number of new jobs, the likelihood of a social explosion increases. The most optimistic forecasts predict annual GDP growth of 4 per cent into the early part of the next millennium. World Bank

estimates suggest 5 per cent growth outside the hydrocarbon sector would be needed simply to keep up with the flow of young people entering the job market.¹⁰⁸ Trade credits, macro-economic restructuring and IMF austerity programmes mean little to the burgeoning number of jobless, disenfranchised people of Algeria. As Pierre Sané, Secretary General of Amnesty International argues:

The international community has turned its back on the Algerian human rights tragedy. Such indifference in the face of so much horror is an abdication of their responsibility towards the Algerian people.¹⁰⁹

Notes

- ¹ Quoted in *Financial Times*, August 30 1997, p. 2.
- ² Quoted in *International Herald Tribune*, 21 January 1998, p. 3.
- ³ Zoubir, Y.H. and Bouandel, Y. (1999) 'Islamism and the Algerian Political Crisis: International Responses', Forthcoming in *Cambridge Review of International Studies*.
- ⁴ In total, around 2 million immigrants of Algerian origin reside in the EU.
- ⁵ Roberts, H. (1995) 'Algeria's Ruinous Impasse and the Honourable Way Out', *International Affairs*, Vol. 71, No. 2, p. 247.
- ⁶ Callies de Sallies, B. (1995) 'Algérie (1988-1995): De la crise à la guerre civile', *Les Cahiers de l'Orient*, Paris: Sari, No. 3, p. 46; Ghezali, S. (1996) 'Fausse éclaircie en Algérie', *Le Monde Diplomatique*, February 1996, pp. 1-12; Spencer, C. (1996) 'Islamism and European Reactions: The Case of Algeria' in R. Gillespie (ed.) *Mediterranean Politics: Volume 2*, London: Pinter, p. 128.
- ⁷ Riots spasmodically erupted at other times during the 1980s, but order was always quickly restored. The 1988 riots marked a much more serious breakdown in order. The UGTA was the Algerian General Workers Union and is the only significant Union in the country. It was affiliated to the FLN, Algeria's only legal political party from independence until 1988. For a summary of the political situation in Algeria at this time, see Joffé, G. (1998) *Algeria in Crisis*, Briefing Paper No. 48, Middle East Programme, London: RIIA.
- ⁸ Economist Intelligence Unit, *Country Report: Algeria*, No. 3 1988, p. 4.
- ⁹ Algeria's population growth rate had reached 3 per cent by the end of the 1980s, and with a burgeoning young population, around 200,000 people were being added to the unemployment register each year.
- ¹⁰ Officially, 150 people died in the rioting. Most unofficial sources suggest a figure of around 500. Economist Intelligence Unit, *Algeria: EIU Country Profile 1994-5*, London: The Economist Intelligence Unit, 1995, p. 5; '1978-1992: Des années d'effervescence en Algérie', *Monde Arabe: Maghreb-Machrek*, No. 154, October-December 1996, pp. 11-15.
- ¹¹ Front Islamique du Salut (1994) 'The Journey Through Time', *FIS Information Bureau Website*, [«http://www.fisalgeria.org/history.html»](http://www.fisalgeria.org/history.html).
- ¹² An overwhelming majority of the rioters were young people (15-25) for whom Islam promised a break with an old order that had failed them. See Verges, M. (1996) 'Les jeunes, le stade, le FIS: Vers une analyse de l'action protestataire', *Monde Arabe: Maghreb-Machrek*, No. 154, October-December, pp. 48-54.
- ¹³ Question No. 1931/88 and Question No. 1932/88 by Mr Arbeloa Muru (S-E) Concerning the Popular Uprising and the New Political Situation in Algeria, *European Political Cooperation Documentation Bulletin*, 1989, Vol. 5, No. 2, Internet Edition [«http://www.iue.it/EFPB/»](http://www.iue.it/EFPB/).
- ¹⁴ *Agence Europe*, 22 October 1988, p. 6. The Community used some of its massive surplus stocks to provide essential food products to the Algerian people, including cereals, milk powder, butter, olive oil, sugar and vegetables.
- ¹⁵ European Parliament (1988) 'Resolution on repression in Algeria', *Official Journal of the European Communities*, OJC326, 17 November, p. 207; *Agence Europe*, 19 November 1988, p. 4.
- ¹⁶ *Le Monde*, 12 October 1988, p. 4.
- ¹⁷ 'Chronologies', *Monde Arabe: Maghreb/Machrek*, No. 124, April-May-June 1989, pp. 64-65.

- ¹⁸ *Le Monde*, 15 October 1988, p. 2.
- ¹⁹ Spencer, C. op. cit., p. 126. Islamic movements had always had a place in Algerian politics. The Sharia code had been manipulated by the FLN for its own ends (1984 family law). However, the absence of multipartism prevented the Algerian Islamic movement from being an effective opposition. The reforms forced on Chadli opened the door for the formation of genuine Islamic parties.
- ²⁰ *Le Monde*, 17 October 1988, p. 1.
- ²¹ *Middle East Economic Digest*, Vol. 32, No. 49, 9 December 1988, p. 13.
- ²² Of Algeria's other exports, only manufactured goods (2%), foodstuffs, primarily wine (0.4%), and fresh citrus fruits (0.05%) were of any real significance.
- ²³ Oil, and particularly natural gas, were pivotal to Algeria's external trade balance, accounting for a massive 28.6 per cent of GDP in 1988. Economist Intelligence Unit (1989) *Algeria: EIU Country Report No 2, 1989*, London: Economist Intelligence Unit, p.2.
- ²⁴ Chatelus, M, (1997) 'L'énergie en Méditerranée: espace régional ou marché mondial?', *Monde Arabe: Maghreb Machrek*, Special issue, Dec, p. 21.
- ²⁵ Although the transnational pipeline was regarded as secure, by 1998 a small number of sabotage operations had been carried out on domestic pipelines within Algeria. The regime made a point of making the gas and oil producing regions safe, a measure facilitated by the desert terrain on which the gas fields were located.
- ²⁶ Sonatrach Internationale is Algeria's state-owned oil and gas company.
- ²⁷ *Le Monde*, 11 January 1989, p. 1.
- ²⁸ In Spain's case, the credit agreement was signed by Algeria's Commerce Minister at the same time as discussions were being held with Spanish civil servants about the supply of gas to Enagas, Spain's state-owned gas supplier. In Italy's case, the linkage between its credit package and energy supplies was less obvious, though gas was on the agenda of the meeting at which the final touches were put to the agreement. More conspicuous was the link between the package and the construction of a new Fiat car assembly plant in Algiers in a joint venture between the Italian car-maker and a local manufacturer. (See *Middle East Economic Digest*, vol. 33, no. 11, 24 March 1989, p. 16 and vol. 33., no. 20, 26 May 1989, p. 27.
- ²⁹ Spencer, C. (1993) *The Maghreb in the 1990s: Political and Economic Developments in Algeria, Morocco and Tunisia*, Adelphi Paper No. 274, London: IISS/Brassey's, p. 30.
- ³⁰ *Le Monde*, 11 March 1989, p. 2.
- ³¹ Mortimer, R. (1991) 'Islam and Multiparty Politics in Algeria', *Middle East Journal*, Vol. 45, No. 4, p. Joffé, G. (1998) op. cit, p. 3.
- ³² Roberts, H. (1992) 'The Algerian State and the Challenge of Democracy', *Government and Opposition*, Vol. 27, No. 4, p. 450.
- ³³ Rich, P. and Joseph, S. (1997) *Algeria: Democratic transition or political stalemate?*, London: Saferworld, p. 6.
- ³⁴ Fontaine, J. (1992) 'Les élections législatives algériennes. Resultats du premier tour.', *Monde Arabe: Maghreb/Machrek*, No. 135, Jan-Mar, p. 156.
- ³⁵ While there were reports of electoral irregularities involving the FIS, the Algerian Ministry of the Interior reported a turnout of around 60 per cent of the country's 13.1 million registered voters.

- ³⁶ *Le Monde*, 15 June 1990, p. 4.
- ³⁷ Interviews 16 and 19.
- ³⁸ A review of official foreign ministry statements, press releases and media interviews around this time shows a tendency to play down the significance of events in Algeria. Ministère des Affaires Etrangères, «<http://www.diplomatie.fr>».
- ³⁹ Chadli had been trying to negotiate a power sharing deal with the FIS, a prospect which clearly alarmed the secular, francophone element of the army.
- ⁴⁰ Rich, P. and Joseph, S. (1997) op. cit., p.6.
- ⁴¹ Ministère des Affaires Etrangères, 'Point de Presse', «<http://www.diplomatie.fr>», 28 January 1992.
- ⁴² 'Statement on Algeria', No. 92/024, *European Political Cooperation Documentation Bulletin*, February 1992, p.91.
- ⁴³ Clarke, M. (1989) 'The Foreign Policy System: A Framework for Analysis' in M. Clarke and B. White (eds.) *Understanding Foreign Policy: The Foreign Policy Systems Approach*, Aldershot and Brookfield (Vermont): Edward Elgar, p. 49.
- ⁴⁴ The idea of 'relational power' forms the backbone of Bachrach and Baratz's (1963) seminal article on 'non-decision making.' The crux of their argument, applied to community politics in the USA, is that those actors able to exercise effective power in intra-group relations can 'limit the scope of actual decision making to "safe issues"'. (p. 632). Bachrach, P. and Baratz, M.S. (1963) 'Decisions and Non-Decisions: An Analytical Framework', *American Political Science Review*, Vol. 57, No. 3, pp. 632-642.
- ⁴⁵ Interview 14.
- ⁴⁶ Interview 16.
- ⁴⁷ 'Statement on Algeria', No. 92/065, *European Political Cooperation Documentation Bulletin Online*, «<http://www.warc1.iue.it/iue/>», 17 February 1992.
- ⁴⁸ The Commission adopted the same 'softly softly' approach as the Member States. Commissioner Abel Matutes pledged continued support for Algeria's economic reform policies, although he issued a gentle warning that fundamental rights and freedoms had to be respected. See *Agence Europe*, 13 February 1992, p. 3.
- ⁴⁹ This contention was borne out by the electoral success of President Liamine Zeroual in 1995 and by regime politicians in 1997. Callies de Sallies, B. (1996) 'Algérie: accord de Rome et élection présidentielle', *Défense Nationale*, Vol. 75, No. 4, p. 122.
- ⁵⁰ Smith, B. 'Algeria: The Horror', *The New York Review of Books*, Vol. 45, No. 7, April 23 1998, p. 27.
- ⁵¹ It is not clear what direction a FIS-led state would have taken. Given the traditional strength of the army and the sizeable 'moderate' proportion of the population, is unlikely that the FIS could simply have imposed a traditional Islamic government on Algerian society.
- ⁵² Ghiles, F. 'Islamic Party Seeks Wide Powers in Algeria', *Financial Times*, 8 January 1992, p. 4.
- ⁵³ *Agence Europe*, 16 January 1992, p. 15.
- ⁵⁴ The second tranche of the loan - 150 million ECUs - was withheld until 1996.
- ⁵⁵ Economist Intelligence Unit, *EIU Country Report No 4 1992: Algeria*, p. 4.
- ⁵⁶ Haaland Matlary, J. (1997) *Energy Policy in the European Union*, Basingstoke: Macmillan, p. 55.
- ⁵⁷ *Agence Europe*, 27 March 1992, p. 10.
- ⁵⁸ Cesari, J. 'L'effet "Airbus"', *Les Cahiers de l'Orient*, Nos. 36-37, 1995, p. 177.

- ⁵⁹ Gobe, E. (1992) 'The Maghreb in Contemporary French Politics', *Journal of Arab Affairs*, Vol. 11, No. 2, p. 134.
- ⁶⁰ *Agence Europe*, 7 September 1991, p. 5.
- ⁶¹ Pim Waldek 2
- ⁶² *Agence Europe*, 1 July 1992, p. 4.
- ⁶³ *Le Monde*, 1 July 1992, p. 5.
- ⁶⁴ 'Statement on the development of the internal situation in Algeria', Statement No. 93/406, *European Political Cooperation Documentation Bulletin Online*, «<http://www.warc1.iue.it/iue>».
- ⁶⁵ Around 24000 French citizens (out of a total of 76000 foreign nationals) were either resident or working in Algeria in 1993. Mass evacuation was out of the question.
- ⁶⁶ *Agence France Presse*, 21 June 1993, Internet Version, «<http://www.afp.com>».
- ⁶⁷ Economist Intelligence Unit, *Country Report: Algeria*, 4th Quarter 1996, p. 11.
- ⁶⁸ *Jeune Afrique*, No. 1831, 7-13 February 1996, p. 55.
- ⁶⁹ 'Chronologies', *Monde Arabe: Maghreb/Machrek*, Special issue, 1/1994, p. 247.
- ⁷⁰ Ibid. p. 248.
- ⁷¹ Spencer, C. (1996) op. cit., p. 133.
- ⁷² Webster, P. 'French Minister Who Eclipses Le Pen', *The Guardian*, 25 November 1993, p. 11.
- ⁷³ Jean-Pierre Philibert (Rapporteur - Commission des lois constitutionnelle), Debats Parlementaires, Assemblée Nationale, *Journal Officiel*, Session of 16 June 1993, p. 1608.
- ⁷⁴ The *eradicateurs* were those in the Algerian military who believed that the only solution to the violence was to systematically wipe out the armed Islamic groups.
- ⁷⁵ Zoubir, Y.H. and Bouandel, Y. (1999) op. cit., p. 7.
- ⁷⁶ Evidence began to emerge during 1994 that the French government had engaged in secret talks with the *FIS* via intermediaries. *Financial Times*, 28 December 1994, p. 2; Roberts, H. (1995) op. cit., p. 249.
- ⁷⁷ For useful analyses of the effect of the Islamists campaign of violence on France, see Provost, L. (1996) 'Paris et Algiers entre brouilles et complicités', *Le Monde Diplomatique*, September, pp. 4-5; Chenal, A. (1995) 'La France rattrapée par le drame algérien', *Politique Etrangère*, Vol. 60, No. 2, pp. 415-425.
- ⁷⁸ 'La Plateforme de Rome', *Cahiers de l'Orient*, Nos. 36-7, 1995, pp. 9-11.
- ⁷⁹ Quoted in Khalaf, R. 'Algerian olive branch finds few takers: Government and extremists look set to continue the carnage as the west looks on', *Financial Times*, 19 January 1995, p. 4.
- ⁸⁰ Rich, P. and Joseph, S. (1997) op. cit., p. 17.
- ⁸¹ Ibid., p. 18.
- ⁸² Khalaf, R. 'Italy reassures Algiers over role in conflict', *Financial Times*, 3 February 1997, p. 4.
- ⁸³ Khalaf, R. 'Italy calls for peace initiative in Algeria' *Financial Times*, 29 January 1997, p. 4.
- ⁸⁴ Spencer, C. (1998) 'Algeria' in B.A. Roberson (ed.) *The Middle East and Europe: The Power Deficit*, London: Routledge, p. 173.
- ⁸⁵ *Agence Europe*, 13 November 1997, p. 3.
- ⁸⁶ Interview 23.
- ⁸⁷ Interviews 19 and 23.
- ⁸⁸ *Financial Times*, 14 January 1998, p. 5.

⁸⁹ Interview 23.

⁹⁰ Interview 23.

⁹¹ Haddam, A. 'A Letter To His Excellency, Robin Cook, Foreign Minister of the United Kingdom' *FIS Information Bureau Website*,
«<http://www.fisalgeria.org/communiqués/TROIKA.html>», 25 January 1998.

⁹² The Algerian government's decision to allow the UN mission was designed to placate its growing number of critics who were openly condemning its intransigence over human rights issues. At the same time, UN Secretary General Kofi Annan had come under pressure from human rights organisations such as Amnesty International and from the imprisoned *FIS* leader Abassi Madani to investigate the situation.

⁹³ *Financial Times*, 21 July 1998, p. 3.

⁹⁴ Stone, M. (1997) *The Agony of Algeria*, London: Hurst and Company, p.1.

⁹⁵ United Nations (1998) *Report of the Panel Appointed by the Secretary-General of the United Nations to Gather Information on the Situation in Algeria*, New York. The Report was welcomed by the Algerian government, but condemned as a 'whitewash' by Amnesty International. Amnesty International, 'UN panel report a whitewash on human rights', *News Release*, MDE 28/32/98, 16 September 1998, «<http://www.amnesty.org/news/1998/52803298.htm>».

⁹⁶ Interviews 28 and 39.

⁹⁷ Interview 26.

⁹⁸ Interview 28.

⁹⁹ Perhaps surprisingly, though, no objections were raised to the inclusion of the EU's standard human rights 'suspension clause.' Interviews 19 and 39.

¹⁰⁰ Interview 39.

¹⁰¹ Interview 10.

¹⁰² Interview 48.

¹⁰³ European Parliament, Committee on Foreign Affairs (1997) 'Ahmed Attaf accepts EP delegation', *Rapid Database*,
«<http://www.europarl.eu.int/dg3/sdp/newsrp/en/n971127.htm#1>» Brussels, 27 November.

¹⁰⁴ Interview 39.

¹⁰⁵ It was a role that Algeria performed during the heyday of the non-aligned movement in the 1970s. Its defiant stance against colonialism and its confrontational style when dealing with the West gave it a experiential authority that has proved durable. Algeria was, by all accounts, an effective and tough spokesman for the Arab group in the Barcelona process. Interview 19.

¹⁰⁶ Djebbar, S. (1995) *Relations Between the EC and the Maghreb*, Evidence to the House of Lords Select Committee on the European Communities, London: HMSO, p. 98.

¹⁰⁷ *El Watan*, 'L'Algérie n'appelera jamais au secours', 2 December 1997, p. 5.

¹⁰⁸ Ritekier, D. (World Bank Director for the Middle East and North Africa) 'L'Algérie renoue avec la croissance', *Jeune Afrique*, No. 1827, 11-17 January 1996, p. 28.

¹⁰⁹ Amnesty International (1998), op. cit.

CONCLUSIONS

The Euro-Mediterranean Partnership represented the first credible attempt at strategic action by the EU in the Mediterranean. The EU developed a strong sense of purpose in its relationships with Mediterranean non-member countries, and projected an impression of coherence between the Union's stated policy objectives and the measures associated with them. However, a positive assessment of the strategy must be tempered by a rather more negative assessment of the EMP's actual record to date. A gap quickly appeared between rhetoric and reality as the Union's protective external trade regime and the chronic problem of Arab-Israeli relations seriously impeded the implementation of the Euro-Mediterranean strategy. More significantly, perhaps, analysts are increasingly calling into question the degree to which the EMP can actually change the underlying structure of what is in many respects an exercise in managing North-South relations is certainly questionable.¹

This chapter moves towards a final analysis of the current genesis of EU Mediterranean policy, both in terms of the EMP strategy and its wider implications for the EU as a global actor. The first section considers what the development of the EMP tells us about the kind of strategic action that the EU produces and how the pillar I is used as the basis for this strategic action. Section two assesses how far the EMP has bridged the divide between pillar I - the Union's foreign economic policy - and pillar II - the CFSP. This blurring between the two pillars was not deliberately and systematically pursued by the Union, but was driven by the nature of a strategy which demanded a more

effective harnessing of foreign economic policy instruments to political objectives. The third section revisits the ‘civilian power’ concept which attracted renewed attention at the start of the 1990s as a potential role for the Union to play in the post-Cold War world. The EMP incorporates many of the basic tenets of the civilian power concept. The final section employs Christopher Hill’s seminal ‘capabilities-expectations gap’ thesis as an analytical tool to assess whether the EMP has changed the EU’s status as an international actor.²

1. Strategic Action: The EU as Framework, EC as Agent

The word ‘strategy’ appears throughout the policy documents that set out the Union’s proposals for a new Mediterranean policy. The Commission clearly saw a need to sell its ideas to the Member States and the partner countries as a long-term action plan, justifying the allocation of additional financial resources to the region and trade concessions on the grounds that the Mediterranean region would be made more secure. In that sense, strategic action also served a legitimating function for the further Europeanisation of national Mediterranean policies. However, the Union’s claim that the EMP is a ‘strategy’ does not make it one, nor can we assess its effectiveness without considering precisely what constitutes a ‘strategy’.

The notion of EU strategic action assumes both an autonomous capacity to pursue policy strategies that are distinctly ‘European’ and some form of ‘effective international agency’.³ Taking the assumption that the EU can act strategically first, the EMP arose out of the political commitment of the Member States to task the Union with the formulation of a new Mediterranean policy. Perceptions converged around the view that European states had to carry a bigger share of the burden of post-Cold War security in the Mediterranean, and the Union was

eventually earmarked as the most appropriate ‘framework’ to put in place the prescribed policy measures after experimentation with the CSCE, 5+5 dialogue and other sub-regional forums. Previous incarnations of Mediterranean policy had lacked a well-defined set of objectives. The label ‘policy’ was merely a convenient disguise for a disparate collection of agreements with Mediterranean third countries, which were more a product of the ‘logic of externalisation’ than the result of any coherent, long-term planning.⁴ By contrast, the purposes of the EMP were thoroughly examined and debated from the end of the 1980s onwards in the context of the wider debate about ‘new’ or ‘soft’ security. A considerable volume of analysis and research pointed to the need for policy change.

So the 1990s saw the EU lay down the foundations for purposeful strategic action in the Mediterranean. What were its principal objectives, and how ‘European’ were they? The fundamental aim of the EMP project was to foster ‘security and stability’ in the Mediterranean by increasing the prosperity of the partner states and by enhancing cooperation at the governmental and societal levels. There was a strong sense of unity among the Member States and EU institutions about the importance of Mediterranean security to European security. Northern Member States were persuaded that the negative impact of instability in the Mediterranean region could spread throughout Western Europe in the form of dramatically increased immigration, deleterious consequences for Europe’s Islamic communities and threats to European economic interests in the partner countries. Meanwhile, the southern Member States had manifestly vital economic and political interests in a stable Mediterranean region and increasingly took the view that the challenge could best be met by shifting national bilateral policies to the EU level. The Commission’s proposals for the EMP therefore found a receptive audience, giving the project a strong European flavour from the outset.

The logic behind the EMP strategy is worth reflecting upon. In line with the 'securitisation' of the discourse surrounding Western Europe's relationships with its Mediterranean neighbours at the end of the 1980s, the Commission's proposals were based on a series of inter-connected arguments. Together, they added up to a compelling case for the practical application of 'soft security' to EU Mediterranean policy. Their ideological grounding combined the classic functionalist approach to cooperative international relations with orthodox neo-liberal economic thinking. A clear link was identified between economic development, political and social stability and regional security. By extension, as the major trading partner of all the partner countries and the biggest provider of financial aid, the EU and its Member States had a special responsibility to take the lead in building a new, socio-economically oriented framework for regional security.

Behind this 'logic of assistance', however, was a less progressive agenda, one centred on the domestic interests of the Member States. For the Southern Member States in particular, the possibility of destabilised states and Islamic regimes in North Africa raised the spectre of mass immigration, the spread of terrorism and even the possibility of military challenges. The Barcelona Declaration contains references to combating terrorism and organised crime in both the first and third chapters. Crudely speaking, one of the priorities of the new Mediterranean policy for the Member States was to 'combat fundamentalism' which in practice meant preserving the political status quo in many partner countries. The EU's 'non-decisions' on Algeria clearly revealed this unspoken rationale for the EMP. While the Union carefully avoided associating the EMP with a 'threat' from the south, fears of an Islamic 'domino effect' were widely expressed in European capitals.

An 'economic interest' argument is rather harder to sustain, but cannot be overlooked in an explanation of the EMP. Despite the comparatively low volume of trade between the EU and the Mediterranean partner countries (when compared to the EU's trade with other states and regional groupings), there were sectors in which the Union had a fundamental interest in safeguarding its external economic interests. The hydrocarbon sector - a highly strategic sector in its own right - was excluded from the Euro-Mediterranean agreements, but occupied a prominent position in the follow-up programme of the Barcelona process. Moreover, the European private sector was always going to be biggest beneficiary of liberalisation within the partner countries. The EMP contained both financial incentives and the promise of significant improvements in the partner countries' investment regimes, leaving European businesses in a powerful position to exploit their overwhelming comparative advantages in terms of capital, distribution infrastructures, production capacities and technology.⁵ The point here is that the EU will be a net economic beneficiary of the EMP for a long time to come.⁶

While the proposed strategy was original and far sighted, the early stages of the implementation phase highlighted its shortcomings. First, the scope of the task that the EU set itself - economic 'transition' in the Mediterranean - was not backed by a commensurate level of financial assistance. Even allowing for the substantial increase in EU aid for the region provided by MEDA, the partner countries still lagged far behind the Central and Eastern European countries. In 1997 EU aid to the Mediterranean partners amounted to just over 3 ECU per capita, while the Central and Eastern European countries received around 11 ECU per capita.⁷ The Union was faced by the familiar problem of demand for its limited budgetary resources outstripping supply.⁸ This resource problem was highly political, pitting the northern 'Calvinist' liberalising tendency in the EU

against the southern Member States which stood firm on the need for something approximating parity in the division of EU funds between the East and South. The final financial agreement - like many EU package deals - left neither side satisfied.⁹

Second, the free-trade objective obliged the EU to open up its markets in the very sectors that were internally the most highly politicised: Mediterranean agricultural products and textiles.¹⁰ For Michael Smith, politicisation is the driving force behind the development of the core of EU foreign policy in pillar I.¹¹ What the EMP surely shows is that politicisation often limits the ability of the EU to undertake strategic action, since the projected long-term benefits of such action are invariably set aside for short term political expediency. In EU Mediterranean policy, political expediency demanded the protection of domestic producers by member governments, calling into question the credibility of the Union's commitment to free-trade. As Peter Petri argues, 'by themselves, free trade agreements with Europe will yield limited results, since no major market access concessions seem to be on the table.'¹² Recent World Bank statistics suggest that the Middle East suffered the biggest decline in exports of any region during 1998, and underline both the weakness of exporters in the partner countries and the need for the Union to soften the blow of liberalisation.¹³ But all the EU can offer is a transitional period of 12-15 years, modest financial aid and its technical expertise. The rest is left to market forces. The perception of the partner countries is that the EU remains stubbornly protectionist on many of the products that matter most to them.¹⁴ As an Egyptian diplomat put it, 'It is out of self-interest that Europe exploits the Mediterranean. The EU has to realise there is always a price to pay.'¹⁵

Third, the Union still lacks the political power to keep the EMP on the rails when the breakdown of the Middle East Peace Process widens the diplomatic gulf between the Arab and Israeli participants. Face-saving diplomacy at the Malta and Palermo conferences could not hide the fact that, by 1999, the wind had gone out of Barcelona's sails. The stalling of the Barcelona process raised questions about the wisdom of investing so much political capital in a multilateral forum with such a broad, diverse and frankly antagonistic membership. With sub-regional options available (Euro-Maghreb, Euro-Mashreq), expanding the partnership concept to the whole Mediterranean region may ultimately prove to have been a serious strategic miscalculation.

Turning now to the agency argument, Michael Smith's contention that the EC is the primary agent for EU strategic action is clearly borne out by the content and institutional form of the Euro-Mediterranean Partnership.¹⁶ The free-trade area is almost entirely dependent on the results of the Community's negotiations with individual partner countries, led by the Commission as chief negotiator. The MEDA aid package is also exclusively a Community instrument, administered by the Commission under the watchful eye of the Member States, the European Parliament and the EU's Court of Auditors. In more general terms, the functional, integrative dimension of the EMP has built on the Community's own internal integration process. Cooperative programmes launched by the Barcelona process, in sectors such as energy, the environment, industry, small businesses and telecommunications, have all been based on the Community's organisational resources and experience in these policy areas.

However, the EMP also exposes the inherent limitations of EC agency, some of which arise from the unique complexity of the EU policy process, others which result from the inter-governmental basis of the Barcelona process. The

Commission proposes policy measures, negotiates the terms of the Euro-Mediterranean agreements and administers the Community's budget for the Mediterranean. But the Member States retain the final say over decisive issues, and are heavily influenced by domestic political interests. The repeated blockages over agricultural trade concessions in the Council are the best illustration of the Member States' capacity to restrict the scope for substantive policy change. The results of negotiations, more often than not, are trade deals that barely exceed the status quo.¹⁷

Governmental prerogative dominates the Barcelona process to an even greater extent. Measures can only be adopted with the approval of all 27 participating governments. The direction, pace and progress of the follow-up process are dictated by inter-governmental diplomacy. When governments refuse to meet, there is little the EU can do about it. Here, pillar I is merely a tool for implementing measures adopted by governments, providing funding for the various sectoral and expert networks. The Commission might enjoy a powerful role as coordinator of the process, but it cannot propose measures that will not receive the unanimous endorsement of the twenty seven. The result has been a cautious, low key approach to the follow-up process, with ideas being tentatively mooted rather than vigorously pursued. As a senior Commission official observed, 'We are unlikely to be in a situation where we would want to go against the wishes of the states.'¹⁸

What kind of picture is emerging as the EMP strategy begins to take effect? The most obvious point is that the EU has clearly reinforced its 'leadership' role in the region, extending its reach deeper into the economies, political systems and societies of the partner countries. In Central and Eastern Europe, the EU was 'catapulted into leadership' after 1989, and was forced to find

rapid solutions to the challenge of bringing the former Soviet bloc countries into the fold.¹⁹ In the Mediterranean, by contrast, the EU progressively built on its already dominant economic position to the point where formal agreements with it became an essential element of third countries' foreign policies. There are no signs that the partners' dependence on exports to the EU - between 60 and 70 per cent of their total exports - will contract in future. In short, by the 1990s the EU had made itself indispensable to the partner countries, if not politically, then certainly economically.

The EMP also accelerated the unidirectional process of extending selected parts of the EU's order to the Mediterranean partner countries. Again, the principal conduits for this process were pillar I policy instruments. The Commission was unequivocal about this facet of the EMP: the partners were expected to implement a watered down version of the Union's own single market programme.²⁰ Signatories of the Euro-Mediterranean agreements would be obliged to bring their customs, tariff and taxation regimes into line with those of the EU. Stricter enforcement of the Union's rules of origin, alignment of public procurement procedures and the adoption of EU product standards meant that governments would be forced to adapt their administrative and regulatory systems to the EU model, requirements that in most cases had significant financial implications.²¹ If the Commission, and organisations such as the OECD, IMF and World Bank are to be believed, the spin off for the partners will be a steady increase in trade amongst themselves, integration into the global economic order and higher economic growth. Most partner governments have bought this argument, having no realistic alternatives.

However, there are good reasons to question both the manner in which the Union is imposing an order on the Mediterranean partners, and the

appropriateness of the programme of harmonisation for states with comparatively underdeveloped economies, bureaucracies and political systems. The EMP falls short of the all-embracing governance framework currently being extended to the Central and Eastern European accession candidates. Upon their accession, the CEECs stand to benefit from substantial compensation for the negative socio-economic effects of compliance with and integration into the EU order. The Mediterranean non-member countries, by contrast, continue to rely heavily on outside financial and technical assistance both to carry out the prescribed reforms and alleviate the negative effects of austerity. Much depends on the ability of the partners to attract significantly higher levels of inward investment and on the development of an as yet nascent private sector. The EMP may well help establish the conditions for a flourishing private sector, but the onus is on self-reliance and the unpredictable behaviour of private capital.

The EMP has institutional architecture for the EU's long-term Mediterranean strategy is now in largely in place.²² At the multilateral level, the Barcelona process is spawning networks of sectoral cooperation involving governments, businesses and other non-governmental actors coordinated by national ministers and the European Commission. In a sense, though, it is a structure-in-waiting, since it will become fully activated only if all the Arab partner states and the Israelis can normalise their diplomatic relations.

Many analysts of EU foreign policy, as well as practitioners, remain sceptical about its capacity for strategic action in the continued absence of a Common Foreign and Security Policy that equips the Union with a 'hard security' capability.²³ The argument is that its strategies will always be somehow complete without the option of military action. Pro-active CFSP actions, such as the EU's funding of the Palestinian elections, are still the exception rather than the rule.

Pillar I might be the locus for pro-active external policy-making, but without the 'hard security' capability to back it up, the Union cannot become a self-reliant foreign policy actor.²⁴ As Helene Sjursen argues, 'by the late 1990s it looked likely that the emergence of a security and defence policy for the EU was politically and practically unrealistic although legally possible and permissible.'²⁵ NATO has reasserted its claim to be the only institution capable of dealing with a direct military challenge from the southern shore. Confidence building measures, dialogue on politico-security issues and stability pacts/charters are undeniably laudable and useful starting points, but are unlikely to be of much utility if the pessimistic predictions of mass immigration, regime collapse and weapons proliferation are realised.

2. Bridging the Divide: The Pillarisation Problem

The problem of consistency between pillars I and II (and, increasingly, pillar III) remains largely unresolved. Wrangling between the Member States, Commission and European Parliament over competencies has become a stock feature of the EU's foreign policy-making process. Such disputes are symptomatic of the continuing sensitivity of national governments to what might be termed supranational creep in the foreign policy sphere. The EMP did not entirely escape the competency problem, as exemplified by the marginalisation of the Commission in the negotiation of the Barcelona Declaration, by stalemate in the Council over British objections to the use of qualified majority voting on the suspension of MEDA aid, and by the different institutional formulae used for EU representation in the two Barcelona coordination committees. However, the pillarisation issue had only a peripheral effect on the actual functioning of the EMP. Although the three chapters of the Barcelona Declaration resembled the

EU's own three pillar structure, no clear link was established between the two. Barcelona was explicitly designed to have its own dynamic, outside the direct control of the EU.

The *sui generis* nature of the Barcelona process mitigated against the categorisation of issues pillar I/pillar II issues. Uncertainty about how the provisions of the Declaration would be classified was exacerbated by the text itself. For instance, issues with a strong cultural dimension - including religious freedoms, freedom of expression and anti-racism - were all included in the political and security partnership rather than in the third chapter. In the initial stages of the follow-up process, there were several arguments among the participants over the appropriate chapter for confidence building measures.²⁶

Where intermeshing of pillars one and two is occurring, it is driven by the nature of the strategy, by ad hoc procedural creativity, and, as a Commission official put it, 'for the sake of convenience.'²⁷ No formal decision was ever taken in the EMP to actively and systematically bridge the divide between the EC pillar and the CFSP, despite calls from the European Parliament to generate CFSP joint actions for security measures adopted in the Barcelona process. However, the inclusion of the political/security chapter and the social, cultural and human chapter in the Barcelona Declaration made coherence essential, since all three chapters were directed at the broader goal of enhancing regional security. When internal divisions within the Union did surface - as was the case over the Stability Pact/Charter - the partner countries clearly viewed it as a sign of weakness.²⁸

The EMP put the Commission, which was entrusted with the overall coordination of the Barcelona process, in a strong position as far as bridging the pillar I-II gap was concerned. As the common institutional link between the three chapters, the Commission was in a good position to put a pillar I label on the work

undertaken in the follow-up process. Its key asset in this respect was its power to propose measures funded by the Community budget, which it was quick to exploit in the first chapter. The possibility of military involvement in a disaster relief mechanism funded by EC money illustrated how practical considerations could override the kind of governmental sensitivity that would ordinarily subject such a proposal to lengthy, dogmatic debates in the Council. Paradoxically, the Commission's task was made easier by the weakness of the CFSP, since measures could only be funded from the CFSP budget if formal joint actions were agreed, a possibility apparently ruled out before the Barcelona process began.

That said, the significance of this use of the EC budget to fund politico-security measures should not be overstated. The approval of the Member States owed more to practicality and downright common sense than to any deliberate transfer of power to the Commission. The measures on the table, such as financing for a network of defence institutes, were part of the low profile confidence building programme and therefore lacked the kind of overtly political content that might have drawn objections from the less communitarian Member States.²⁹ In some cases, it was unclear under which chapter a measure should fall under.³⁰ That the Barcelona Declaration was a political rather than a legal document also contributed to the de-sensitisation of the measures. It remains to be seen whether more politically sensitive measures, in particular the Stability Charter, will be subject to similarly expeditious decisions, or whether the CFSP will eventually have to be activated as the basis for the EU's decisions about Mediterranean security.

One of the more interesting outcomes of the EMP, and of the EU's activities in the Mediterranean in general, is the increased deployment of economic policy instruments to achieve manifestly political objectives. The most

obvious case is the Middle East Peace Process where EU adopted a decidedly more combative stance in its quest for political relevance. As well as becoming paymaster of the post-Madrid Palestinian territories, it showed a growing willingness to rattle its commercial sabre over the Israeli government's failure to adhere to the Oslo principles. The signs are that the Union's economic weight is beginning to pay dividends in terms both of its profile in the region and its status as an 'ally' of the Palestinians.

In a less high profile way, the EMP also saw the introduction of stronger political conditionality attached to the MEDA budget and to the Euro-Mediterranean agreements. Both instruments included clauses for suspension, based on a Commission proposal, in the event of human rights abuses, provisions which promised to subject the partner governments to closer scrutiny of their behaviour at home. The power of the European Parliament (and national parliaments) to withhold its assent to the agreements and to refuse to authorise the MEDA budget line added to the potential for these economic instruments to be used as political weapons. Although Turkey was the only partner country to have its MEDA funding blocked, for reasons related as much to its relationship with Greece as to human rights concerns, the Union's willingness to flex its muscles was nevertheless established early on in the EMP.

It appears that this type of ad hoc linkage between economic policy instruments and political objectives will continue to be the norm. It reflects the general trend in EU foreign policy for finding pragmatic solutions when existing procedures fail to generate effective collective action, as is routinely the case. The practice of nominating Special Envoys, for instance, initially a product of the Union's inability to agree on how to deal with the crisis in the former Yugoslavia, has become a firmly established feature of the Union's diplomatic repertoire.

Given the current fragility of the Barcelona process, the Union can ill-afford to jeopardise the already dwindling output of measures by engaging protracted debates about the proper legal bases for action. With eastern enlargement impending, flexibility may be essential to the credibility of EU foreign policy.

3. Revisiting the Civilian Power Concept

Both literally and normatively, the ‘civilian power’ concept is deeply embedded in the Euro-Mediterranean Partnership.³¹ By definition, ‘soft security’ demands a shift of emphasis in away from traditional power politics and politico-military security towards a more idealistic, visionary approach to international relations. Along with the ‘economics first’ approach, a whole chapter of the Barcelona process was devoted to ‘civilian’ issues spanning culture, religion and the controversial idea of encouraging the development and participation of ‘civil society’. The inclusion of a human face to the EMP was in keeping with the Union’s use of what Hill calls ‘moral suasion’ as a policy instrument.³² The implication was that Western Europe’s approach to democracy, human rights and governmental-societal relations should be the standard for members of the Euro-Mediterranean Partnership.

But the civilian power concept also implies passivity on traditional politico-security issues, something that does not square with the agenda of the EMP. The first chapter of the Barcelona Declaration makes direct references to, *inter alia*, sovereignty, weapons proliferation and even the need to refrain from developing military capacities beyond legitimate defence requirements. Reading between the lines, the first chapter anticipates future political crises in the region, whether domestic or international. France’s push for a stability pact/charter, despite the attempt to sell it as a ‘political statement’, is evidence of an active

effort on the EU's part to have in place politico-security safeguards if the 'soft security' strategy fails.

The real relevance of civilian power Europe in the EMP context is to be found in the perceptions and expectations of the partner countries. With most Mediterranean states having been dragged into the superpowers' battle for dominance, the European Union always (symbolically) represented a less threatening presence in the international system. In the power vacuum left by the end of Cold War, Mediterranean non-member countries were centripetally attracted to the EU by the 'magnetic force of economics.'³³ They joined a growing queue of third countries knocking on the EU's door for membership, upgraded association agreements and increased economic support. Among the Mediterranean partners, Cyprus and Malta stand on the verge of accession, Turkey sits in a seemingly perpetual waiting room and Morocco has had formal and informal applications for membership rejected. All the partners expect the EU to meet its obligations as a benevolent dispenser of resources from north to south and as the keyholder of access to the lucrative single European market. In that sense, the civilian power concept has a tangible product to offer. Whether or not it is enough for the EU to replace the state is another matter.³⁴

There is also demand for Europe as a civilian political power. For the Arab Mediterranean group in particular, the EU's presence is sought after as an effective counterweight to the USA in the Middle East Peace Process. Indeed, Arab governments reproached the Union for being insufficiently forceful with the Benjamin Netanyahu's government, and for appointing a diplomat - Miguel Moratinos - rather than a politician as its special envoy to the peace process.³⁵

More generally, the EU is widely regarded a model for peaceful international relations between states with a history of bloody conflict. The

creation of the Arab Maghreb Union and (shelved) proposals for a regional organisation to capitalise on peace in the Middle East both foresaw political integration along the lines of the European integration experience.

However, mistrust persists about the EU's motives for devoting what is seen as excessive attention to the political and security dimension of the Barcelona process. To illustrate the point, at the same time that the Union was talking about peace, prosperity and stability in the region, its southern Member States were discussing, among other things, the creation of EuroMarFor, Euroforce by France, Italy and Spain.³⁶ Not surprisingly, these initiatives were regarded with deep suspicion by the Maghreb states.³⁷ As a Moroccan diplomat argued:

The security issue is a very real and deep one, and we do understand the concerns in Europe, some of which are genuine. But some are the result of scaremongering, some are a result of stereotypes and prejudices which we don't like. As far as we are concerned, there hasn't been, at any time, any need for Europe to have any military concerns.³⁸

The Union has had to be ultra-cautious on following up the democratisation and human rights elements of the EMP. It is perhaps no coincidence that uptake of the MEDA Democracy budget, which was set up to promote the activities of non-governmental organisations in the partner countries, was initially slow.³⁹ There is a fine line between nudging the partners in its preferred direction and outright political interference.

The question remains: can the EU's Mediterranean strategy succeed without an independent hard security dimension? Although it is still hardly transformative, the EMP at least aims to tackle the root socio-economic causes of instability, with the Union acting as a bridge between the rich North and poor South. Given time, and the benefit of several years of closer cooperation between

the northern and southern shores, the idea of a regional soft security community appears to be a realistic prospect. In this respect, a militarily empowered EU implementing its own defence policy in the Mediterranean might prove to be counter-productive. As Karen Smith argues:

The end of the civilian power image would entail giving up far too much for far too little. An EU intervention capability could be seen by outsiders as a step towards the creation of a superpower that uses military instruments to pursue its own interests.⁴⁰

Alternatively, the increasing international trend towards using military means for selective humanitarian interventions may well see pressure grow on the EU to equip itself with a genuine politico-security capability.⁴¹ The crisis in Kosovo during 1999 once again exposed the EU's powerlessness to intervene even where it has a strong interest in doing so. Civilian power Europe, however laudable, may be redundant.

4. Closing the Capabilities-Expectations Gap?

In important respects, the EMP has clearly narrowed the capabilities expectations gap in EU Mediterranean policy. On the capabilities side, the EMP delivered two main improvements. First, the Union displayed a significant (and arguably surprising) degree of internal cohesiveness over the new Mediterranean strategy. The Commission's proposals passed through the Council largely unscathed, a measure of the convergence among the Member States on the need for policy change. Critically, the southern Member States secured the endorsement of the northern group to the MEDA budget. The exception was the Euro-Mediterranean agreements where the liberalising ambitions of the northern group were repeatedly frustrated by the defensive attitude of the southern group.⁴²

The Member States' relative cohesion on the EMP contrasted with their disunity on the Union's eastern enlargement strategy. Internal disputes over the candidates, the timing of enlargement and how the costs of widening were to be distributed have left an air of uncertainty hanging over EU-CEEC relations.⁴³

Accession, unlike the EMP, is a high risk, high cost game requiring both reform of the Union's own internal order and a massive re-distribution of resources to the east.

Moreover, the EMP equipped the Union with an array of new and modified policy instruments that have significantly expanded the policy choices available to it. The coupling of the Euro-Mediterranean agreements to MEDA and the Barcelona process has brought new-found coherence to EU Mediterranean policy. Arguably the most significant development is the multilateralisation of policy which offers a clear pathway to regional integration. If the Union is to exercise decisive influence over future development in the Mediterranean and benefit from the extension of its own sphere of influence in the region, then the Barcelona process is undoubtedly a step in the right direction.

Such is the economic and political diversity of the partner countries that it is difficult to generalise about their expectations of the EU as a whole. There are clearly realistic expectations about what the EU can achieve as a political actor, and the limitations of the CFSP are widely acknowledged. The Arab partner countries certainly look to the EU to take a lead on their behalf in the Middle East Peace Process and act as a far more effective counterweight to the close relationship between the USA and Israel. In this respect, the Barcelona process has so far failed to live up to their expectations, with the EU more concerned to keep all the participants satisfied than to use the process as a means to influence Israel's policy on the Palestinian territories. The Union's brief trade skirmish with

Israel in 1998 was welcomed as a sign that the Europeans are no longer as prepared to tolerate Israel's stranglehold on the nascent Palestinian state.

On the economic front, the highest possible level of financial assistance and the maximum level of market access are priorities for all. Here, the Mediterranean partners join a long line of developing countries looking to deepen their links to an altruistic EU, which is still regarded as a 'bridge' between rich and poor. Yet the 1990s have seen warning signs that the EU may be 'losing interest' in development policy, appearing preoccupied with its own budgetary problems and the massive transfer of resources that will accompany eastern enlargement. Few of the partner countries can hope to accede to the Union, and failure to achieve the kind of economic growth required to provide employment for rapidly expanding populations is likely to leave them largely helpless if the most apocalyptic forecasts of social explosions are borne out

The Euro-Mediterranean agreements have unequivocally failed to meet the partners' expectations, however optimistic they may have been. Having experienced three decades of largely unfulfilled promises on access to the EU's agricultural markets, they reasonably expected a considerable improvement in the terms of trade in this sector. Once again, however, negotiators came up against the inherent conservatism of the CAP and the protectionist instincts of the Member States. As Likke Friis concludes in a study of EU-CEEC relations, the EU is "highly efficient in defending its own 'domestic interest'" in external negotiations, but more inefficient in playing a truly constructive role for its surroundings.'⁴⁴ The comparative importance of agricultural trade to the EU and the partner countries throws the EU's miserliness in this sector into even sharper relief. As is the case with financial resources, however, there appears to be little prospect of improvement in the prevailing terms of trade.

The EMP balance sheet shows a boost for the Union's capacity to control its relationships with the Mediterranean partner countries, but a persistent, substantive failure to meet their expectations. The bottom line is that the EU may be spreading itself too thinly in the external relations sphere, creating expectations that it simply cannot meet either economically or politically. Progressive force in the international order or not, the EU's first priority is to serve European interests, a fact inevitably reflected in the structure of its relationships with third countries.

Strategic actions like the EMP are undeniably a sign of progress in European integration, and of a European Union that is gradually acquiring the capacity to order the world around it in a more systematic and coherent way. But the acid test of successful strategic action is surely the attainment of long-term objectives and a genuinely transformative impact. In a region whose fragile stability will become increasingly vital to the EU, partnership is unlikely to be enough.

¹ Ravenel, B. (1990) *Méditerranée: Le Nord contre le Sud?*, Paris: L'Harmattan; Biad, A. (1994) 'La Méditerranée à l'aube du Nouvel Ordre Mondial, Nouveau front Nord-Sud ou lac de paix et de coopération', *Etudes Internationales-Tunis*, No. 51, June, pp. 44-53; Bonnefous, M. (1994) 'Nord-Sud: la Méditerranée Occidentale', *Défense nationale*, Vol. 50, No. 2, pp.111-118; Calleya, S.C. (1997) *Navigating Regional Dynamics in the Post-Cold War World: Patterns of Relations in the Mediterranean Area*, Aldershot: Dartmouth; Khader, B. (1997) *Le Partenariat euro-méditerranéen après la conférence de Barcelone*, Paris: L'Harmattan.

² Hill, C. (1993) 'The Capability-Expectations Gap, or Conceptualising Europe's International Role', *Journal of Common Market Studies*, Vol. 31, No. 3, pp. 305-28; Hill, C. (1998) 'Closing the capabilities-expectations gap?' in J. Peterson and H. Sjursen (eds.) *A Common Foreign Policy for Europe: Competing Visions of the CFSP*, London: Routledge, pp. 18-38.

³ Smith, M. (1998) 'Does the flag follow trade? "Politicisation" and the emergence of a European foreign policy' in J. Peterson and H. Sjursen (eds.) *A Common Foreign Policy for Europe: Competing Visions of the CFSP*, London: Routledge, p. 94.

⁴ Schmitter, P. (1969) 'Three Neofunctional Hypotheses about International Integration', *International Organization*, Vol. 23, pp. 161-7.

⁵ Most interviewees from the partner countries drew attention to the negative short-term domestic economic effects of implementing free-trade. When the EU-Turkey Customs Union finally entered into force in 1996, the immediate impact was a massive trade deficit as EU importers took advantage of liberalised Turkish markets.

⁶ For a discussion of the likely impact of free trade on the partner countries, see Marks, J. (1998) 'The European Challenge to North African Economies: The Downside to the Euro-Med Partnership Initiative', *Journal of North African Studies*, Vol. 3, No. 2, pp. 47-58. Marks argues that the downside to the free-trade initiative has been understated in the clamour for economic reform.

⁷ This figure was suggested to me by the former Maltese Ambassador to the EU. A simple division of aid by population confirms these figures. By comparison, the 1994-1999 Financial Perspective agreed at the 1992 Edinburgh European Council projected structural fund support of 400 ECUs per capita to Greece and Portugal in 1999. See Senior Nello, S. and Smith, K. (1997) 'The Consequence of Eastern Enlargement of the European Union in Stages', *EUI Working Paper*, No. 97/51, Florence: Robert Schuman Centre, European University Institute, p. 25. By extension, the CEECs should require at least as high a figure if they are to 'catch up' with even the poorer EU Member States.

⁸ At the time of writing, no figure had been set for the second MEDA budget (2000-2005). Given the additional funding set aside for eastern enlargement, and the opposition of many Member States to increasing the EU's budget, it seems unlikely that there will be any increase in the MEDA budget. Indeed, high rates of inflation in the partner countries mean that funding may well decrease slightly in real terms.

⁹ Galloway, D. (1999) 'Agenda 2000: Packaging the Deal', *Journal of Common Market Studies*, Forthcoming.

¹⁰ In the textile sector, the EU was forced to open up its markets by the dismantling of the MFA and measures agreed in the GATT. In the agriculture sector, protectionism remained its watchword.

¹¹ Smith, M. (1998) op. cit., p. 93.

¹² Petri, P. (1997) *Trade Strategies for the Southern Mediterranean*, OECD Technical Papers No. 127, Paris: OECD, p. 54.

¹³ World Bank (1997) *Annual Report 1996*, Internet Edition, .
«<http://www.worldbank.org/html/extpb/annrep96/pdfs>». The weakness of the figures is primarily a result of the continued fall in oil and other commodity prices.

¹⁴ The most common complaints from representatives of the partner countries interviewed were, firstly, that the level of financial assistance would not provide adequate compensation for the 'shock' of free-trade. Secondly, while most governments claimed to be prepared for new competition from the EU, most also expressed concern that their exporters would continue to be discriminated against in favour of European producers.

¹⁵ Interview 20.

¹⁶ Smith, M. (1998), op. cit., p. 82.

¹⁷ To reiterate, the Commission's mandates to negotiate the Euro-Mediterranean agreements forced it to closely adhere to existing trade flows and to avoid making new concessions on 'sensitive' products.

¹⁸ Interview 52.

¹⁹ Pelkmans, J. and Murphy, A. (1991) 'Catapulted into leadership: The Community's trade and aid policies *vis-à-vis* Eastern Europe', *Journal of European Integration*, Special Issue, p. 28.

²⁰ For instance, 57 per cent of Lebanon's tax revenue is generated by import taxes.

²¹ European Commission (1998) *The Euro-Mediterranean Partnership and the Single Market*, COM (98) 320, 22 September.

²² De Puymège, Gérard (1996) 'L'émergence institutionnelle de la Méditerranée' *Relations Internationales*, No. 87, Autumn, pp.325-344.

²³ Allen, D. (1998) "'Who speaks for Europe? The search for an effective and coherent external policy' in J. Peterson and H. Sjursen (eds) *A Common Foreign Policy for Europe: Competing Visions of the CFSP*, London: Routledge, p. 47.

²⁴ Ginsberg, R. (1999) 'Conceptualising the European Union as an International Actor: Narrowing the Theoretical Capabilities-Expectations Gap', *Journal of Common Market Studies*, Forthcoming.

²⁵ Sjursen, H. 'Missed opportunity or eternal fantasy? The idea of a European security and defence policy' in J. Peterson and H. Sjursen (eds) *A Common Foreign Policy for Europe: Competing Visions of the CFSP*, London: Routledge, p. 101.

²⁶ Interview 38.

²⁷ Interview 52.

²⁸ Interviews 27 and 49.

²⁹ Interview 52.

³⁰ Interview 38.

³¹ For a discussion of this distinction between the literal and normative applications of the civilian power concept, see Hill, C. (1990) 'European Foreign Policy: Power Bloc, Civilian Model or Flop?' in R. Rummel (ed.) *The Evolution of an International Actor: Western Europe's New Assertiveness*, Boulder and Oxford: Westview, pp. 31-55.

³² *Ibid.*, p. 33.

³³ Rosecance, R. (1998) 'The European Union: A New Type of International Actor' in J. Zielonka, op. cit., p. 18.

³⁴ Odlander, J. (1993) 'Order, What Order? The European Community in a Sea of Change' in R. Morgan, J. Lorentzen, A. Leander and S. Guzzini (eds) *New Diplomacy in the Post Cold War World*, London: Macmillan, pp. 272-281.

³⁵ Interviews 27 and 32.

³⁶ Eurofor, a rapid reaction landforce and its maritime counterpart Euromarfor were established by Italy, France, Spain and Portugal during the WEU's 1995 Summit in Lisbon. See Parsdorfer, C. (1998) 'La politique méditerranéenne de l'UE', *Développement et Coopération*, No. 3, May-June, pp. 12-14.

³⁷ For a critical North African perspective on the new forces, see 'La Libye et la Tunisie dénoncent la création de l'EUROFOR', *La Vie Economique*, 15-21 November 1996, pp. 7-9.

³⁸ Interview 4.

³⁹ Interview 1..

⁴⁰ Smith, K. (1998) 'The Instruments of European Foreign Policy' in J. Zielonka (ed.) *Paradoxes of European Foreign Policy*, The Hague: Kluwer Law International, p. 79.

⁴¹ Hoffmann, S. (1998) *World Disorders: Troubled Peace in the Post-Cold War Era*, Lanham (MA): Rowan and Littlefield, esp. pp. 152-176.

⁴² It is worth recalling, though, that Germany and the Netherlands both took concessions on cut flowers to the General Affairs Council.

⁴³ Galloway, D. (1999), op. cit.

⁴⁴ Friis, L. (1997) *When Europe Negotiates: From Europe Agreements to Eastern Enlargement*, Copenhagen: Institute of Political Science.

APPENDIX 1

EU FINANCIAL AID TO THE MEDITERRANEAN PARTNERS

Partner Country	First Protocol 1978-81	Second Protocol 1981-6	Third Protocol 1986-91	Fourth Protocol 1991-6	
Algeria	44	44	56	70	EC Budget Grants EIB loans Total
	70	107	183	280	
	114	151	239	350	
Cyprus	10	16	18	24	
	20	28	44	50	
	30	44	62	74	
Egypt	77	126	200	258	
	93	150	249	310	
	170	276	449	568	
Israel	-	-	-		
	30	40	63	82	
	30	40	63	82	
Jordan	22	26	37	46	
	18	37	63	80	
	40	63	100	126	
Lebanon	10	16	20	24	
	20	34	53	45	
	30	50	73	69	
Morocco	74	109	173	218	
	56	90	151	220	
	130	199	324	438	
Syria	26	33	36	43	
	34	64	110	115	
	60	97	146	158	
Tunisia	54	61	93	116	
	71	78	131	168	
	95	139	224	224	
TOTAL	699	1059	1680	2089	

Sources: European Commission (1994) *The European Union's Relations with the Mediterranean*, MEMO (94) 74, Rapid Database, « <http://europa.eu.int/rapid/cgi> ».

European Commission (1996) *Commission Report on the Implementation of Financial and Technical Cooperation with Mediterranean Non-Member Countries*, COM (96) 151 Final, May.

APPENDIX 2

Sample Calendar of the Barcelona Process

Date	Event	Location
26 February 1998	Euro-Mediterranean Committee for the Barcelona process	Brussels
28 May 1998	Euro-Mediterranean Committee for the Barcelona process	Brussels

■ POLITICAL AND SECURITY PARTNERSHIP

Date	Event	Location
7-10 November 1997	Information session for diplomats	Malta
25 February 1998	Senior Officials meeting on Political and Security questions	Brussels
27 May 1998	Senior Officials meeting on Political and Security questions	Brussels
2nd Semester 1997	Seminar of persons with politico-military responsibilities on the use of military forces for humanitarian tasks (to be confirmed)	Rome
To be determined	Meeting of the Steering Committee of the project on prevention of natural and human catastrophes	To be determined
To be confirmed	Meeting of Institutes of Defence Studies	Paris
To be confirmed	Workshop for diplomats on cultural dialogue	Cairo

ECONOMIC AND FINANCIAL PARTNERSHIP

Date	Event	Location
26-27 November 1997	Preparatory Meeting for the Ministerial Conference on Environment	Helsinki
27-28 November 1997	Meeting of NGOs on Environment	Helsinki
28 November 1997	Ministerial Conference on Environment	Helsinki
9-10 December 1997	Meeting of Directors General of Water on the Euro-Mediterranean Information System on know-how in the field of water (SEMIDE)	Naples
December 1997 (to be confirmed)	Follow-up to the meeting of Industry Ministers: Working Group "Legal and administrative framework"	To be determined
Mid-February 1998	Workshop for the gradual establishment of a network of technology innovation poles in the Euro-Mediterranean region	Brindisi
4-7 March 1998	Seminar on the use of Internet	Cyprus
26-27 March 1998	Euro-Mediterranean Conference on capital markets	London
11 May 1998	Euro-Mediterranean Conference of Energy Ministers	Brussels

Research Notes

Much of the primary research for this thesis was interview-driven. The chief purpose of the interviews was to obtain knowledge of diplomatic activity 'behind the scenes'. Interviewees were encouraged to offer assessments and opinions on all aspects of EU Mediterranean policy. Given the general low profile of the Barcelona process, there has been relatively little in-depth debate or analysis of EU Mediterranean policy in either the media or the academic literature. Although the chapters on Algeria and the Middle East Peace Process deal with higher profile issues, interviews were also necessary to elaborate upon and verify information obtained from secondary sources.

A total of 62 interviews were conducted between April 1996 and October 1998 (see accompanying list). Five research trips were made to Brussels and to national capitals, including London, Madrid, Paris and Valletta. The majority were diplomats responsible for Mediterranean policy based in national representations and embassies in Brussels. In all, representatives of 23 governments were interviewed. Interviews with a Minister of State at the Foreign Office in London, a Deputy Political Director in Madrid, and a former Maltese Foreign Minister proved especially valuable. A wide range of interviews were also carried out in the main EU institutions - the Commission, Council and European Parliament - with Heads of Unit, Desk Officers and other officials. Towards the end of the research period, interviews were conducted with representatives of management consultants involved in implementing MEDA projects and members of a parliamentary lobby group.

The selection of interviewees was driven by the need to speak to as broad a range of representatives as possible. Once a first meeting had taken place, most

interviewees were approached for a second and third time in order to take advantage of familiarity with the research and its objectives. One official in the Council Secretariat and the Commission's desk officer for the Barcelona process proved to be good 'gatekeepers', suggesting potential interviewees and even arranging meetings themselves.

Rather disappointingly, despite numerous approaches, it proved impossible to meet with Members of the European Parliament involved in a variety of Mediterranean-related Committees. Many failed to respond to letters, while others contacted during visits to Brussels were unable to find space for a meeting in their schedules. Similarly, it proved impossible to arrange meetings with Irish, Lebanese, Luxembourgish or Tunisian diplomats. In the case of the Ireland and Luxembourg, visits to Brussels coincided with their respective Presidencies of the Council. Attempts to meet with the Ambassadors 'parachuted' in by Council Presidents to coordinate their preparations for the Barcelona process were also problematic.¹ A French Ambassador died shortly after the Barcelona process began, while most returned to their postings after the end of their government's tenure of the Council Presidency.

For the most part, visits were timed to take place either just before or immediately after important meetings, though the uncertain atmosphere surrounding the Barcelona process, and the sheer volume of meetings, made scheduling something of a lottery. Arranging meetings in advance of research trips proved to be problematic, as interviewees often re-scheduled at the last minute. On several occasions, particularly at the Commission, officials terminated the interview in order to attend meetings elsewhere.

¹ It was common practice for the Member States to bring in an Ambassador, frequently based in one of the Mediterranean partner countries, to organise the numerous meetings that took place during each Council Presidency.

All interviews were conducted in person, and contact was maintained with a number of interviewees via telephone and email when further clarification was required about specific points. Initially, interviews were conducted using a dictaphone, from which material was then transcribed. It became clear early on that interviewees were sensitive to the presence of the dictaphone. Some objected to its use altogether, while others would only 'open up' when the machine was turned off. The decision to cease using the dictaphone led to some difficulties minor with transcription. However, the advantages more than outweighed the disadvantages. This move encouraged open and often frank discussion of the subject, and often allowed the interview to proceed in an informal, conversational style.

In the ideal, extensive preparation was made for each interview, including research into national positions on specific issues and the state of play in negotiations. Interviews were based on the semi-structured method, with each interviewee being asked a number of identical questions in addition to specific questions relating to their government's position or role in the policy process. Lists of questions, or at least a guide to the issues to be covered, were initially provided wherever possible in advance of interviews. However, in the case of hastily arranged meetings, interviewees were unaware and therefore unprepared for questions beforehand. On the plus side, this approach also allowed interviews to freely flow.

The problem of attribution was solved by making it clear at the outset that comments would not be directly attributed to the interviewee in the text. Several interviewees expressly requested that they should not be named anywhere in the thesis. Others, though, stated that they had no objections to being quoted verbatim.

Between February 1 and April 30 1997, research was also carried out during a *stage* at in the European Parliament's Directorate for Research (DGIV) in Brussels. The main benefit of this extended stay came from my access to the EP's Foreign Affairs and External Economic Relations Committees, to the numerous meetings of the EP's various Delegations, and to my attendance at EP plenary sessions. Committee meetings were frequently attended by Commissioners, by Commission officials and by Ambassadors of the partner countries. In particular, meetings of the EP's Delegations for Relations with Israel and the Palestinian Territories, which usually met on the same afternoon, offered lively, provocative debate and brought home to this researcher the seriousness of the breakdown in the Middle East Peace Process.

The downside of the *stage* was that my work for the EP's External Economic Relations, which entailed preparing a series of 'Country Reports' on the economic situation in associates of the EU, only indirectly covered the Euro-Mediterranean Partnership. Material was often obtained in the course of work on other issues and during periods of free time. The heavy workload of the EP's Research Directorate limited the amount of time available to carry out interviews. Research was also hijacked by problems surrounding the Malta Conference in April 1996. Most officials were unavailable through the whole of April as they worked overtime to produce a Declaration.

The manner in which the interviews were conducted presented a number of problems when it came to processing the data. Text from the first set of interviews was inputted into QSR-NUD*IST4. This qualitative research tool is designed for the management and analysis of unstructured data, a high tech form of discourse analysis. By coding and indexing textual material, the researcher is able to systematically search out common themes, test theories about data and

generate statistical or graphical representations of the data. A small sample - five interviews - were coded initially using 15 categories and an eclectic range of sub-categories. These included the role of the interviewee, nationalities and the specific issue about which the interview spoke (Euro-Mediterranean Agreements, Barcelona Conference etc).

Even during the coding process, it was clear that the variation between the texts was too great to allow searches on a sufficiently extensive range of themes. Furthermore, the fact that some interviews were not transcribed verbatim made it impossible, even with the flexibility of the package, to put issues in their proper context. Given that the text rarely exceeded five pages, further use of QSR-NUD*IST 4 was limited to searching for text in individual cases.

Official documents on both the Euro-Mediterranean agreements and the Barcelona process were rather thin on the ground. Naturally enough, the Commission, Member States and the partner countries were reluctant to release details of the figures on the table in the negotiations before deals were concluded. Despite numerous requests, none of the Commission's negotiating mandates for the Euro-Mediterranean Agreements were made available, and the information included in the body of the thesis was supplied by interviewees. Two contacts - one in the Commission, one in the Council Secretariat - did supply a handful of internal briefing papers on the preparation of the Barcelona Declaration, though these had to be matched to official reports to discover how and why the text was modified during the course of 1995. Again, interviews proved a far more effective source of information.

Obtaining other secondary sources - newspapers and periodicals - was a reminder how far Glasgow is from the Mediterranean. A very limited range of relevant material was accessible in Scotland, and frequent trips to London and

further afield were necessary to find specialised periodicals and foreign newspapers. Visits to the libraries of the ULB in Brussels, Louvain-la-Neuve University and the Institut du Monde Arabe in Paris were especially helpful though costly. A list of the periodicals and newspapers consulted follows.

Actualités Françaises
Agence France Presse
Al-Ahram Weekly
Arabies
Agence Europe
Bulletin of the European Union
Cahiers de l'Orient
Défense Nationale
Economist Intelligence Unit Country Reports
El País
El Watan
European Report
European Voice
International Herald Tribune
Jeune Afrique
Le Canard Enchaîné
Le Monde
Le Monde Diplomatique
Le Soir
La Vie Economique
Marchés Tropicaux et Méditerranéens
Middle East Business Weekly
Middle East Economic Digest
Monde Arabe: Maghreb/Machrek
Official Journal of the National Assembly of France
Reuters
The Guardian
The Independent
The Jerusalem Post
The New York Review of Books

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