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THE EURO-MEDITERRANEAN
PARTNERSHIP

NERMEEN MOHAMED
EL NAWAWI

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THE AMERICAN UNIVERSITY IN CAIRO

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

THE POLITICAL SCIENCE DEPARTMENT

**THE EURO-MEDITERRANEAN PARTNERSHIP:
A CONTEMPLATION OF THE POLITICAL ROLE
OF THE EUROPEAN UNION IN THE MIDDLE EAST**

NERMEEN MOHAMED EL NAWAWI

**A THESIS SUBMITTED
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF ARTS IN
POLITICAL SCIENCE - INTERNATIONAL RELATIONS**

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The Euro-Mediterranean Partnership: A Contemplation of The Political Role of the European Union in the Middle East

A Thesis Submitted by Nermeen Mohamed El Nawawi

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Has been approved by

Dr. Carl L. Sullivan Thesis Committee Chair/Advisor: [Redacted] Affiliation: POLS

Dr. Anthony F. Lang Jr. Thesis Committee Reader/ Examiner: [Redacted] Affiliation: Pol. Sci.

Dr. NASSIF HITTI Thesis Committee Reader/Examiner: [Redacted] Affiliation: Pol. Sci.

[Redacted] 3/2000 Date Department Chair/ Program Director

[Redacted] Date Dean

Jan 6, 2000 Date

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To my parents and husband, for their never ending support
and without whose ceaseless furtherance and reassurance
the present research wouldn't have been conceivable

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ABBREVIATIONS

ACP	Africa, the Caribbean and the Pacific Ocean
ACRS	Arms Control & Regional Security Working Group
BP	Barcelona Process
CAP	Common Agricultural Policy
CFSC	Conference for Security and Cooperation
CFSP	Common Foreign and Security Policy
EAEC	European Atomic Energy Community
EAD	Euro-Arab Dialogue
EC	European Community
EEA	European Economic Area
EFTA	European Free Trade Agreement
EIB	European Investment Bank
EMAAs	Euro-Mediterranean Association Agreements
EMP	Euro-Mediterranean Partnership
EU	European Union
GATT	General Agreement on Tariffs and Trade
GMP	Global Mediterranean Policy
MEFTA	Mediterranean Economic Free Trade Area
MENA	Middle East and North Africa
MEPP	Middle East Peace Process
MFA's	Multi-Fiber Agreements
NMMS	Non-Member Mediterranean States
NPT	Non-Proliferation Treaty
REDWG	Regional Economic Development Working Group
RMP	Renovated Mediterranean Policy
SMEs	Small and Medium Enterprises
UNRWA	United Nations Relief and Works Agency
WTO	World Trade Organization

ABSTRACT

In 1995, the European Union (EU) launched the *Euro-Mediterranean Partnership (EMP)*, or the Barcelona Process (BP), aimed at developing a new framework of peaceful and cooperative relations in the Mediterranean region. The rationale of the Barcelona Conference was to link the region through political, economic and social ties, contributing to the improvement of conditions for peace and economic development in the 12 Mediterranean countries, thus making it a less volatile region.

The development and the launching of the BP received its impetus from the progress achieved in the Arab-Israeli Peace Process. However, the BP is not a competitive framework to the Peace Process, but rather a complementary diplomatic environment to help reduce tensions between Israel and the Arab states.

To date, the EMP hasn't generated the success it was envisioned to bring about at its onset. This is due to the fact that as the Arab-Israeli negotiations came into rough waters, An interdependent relationship was created between "Barcelona" and "Madrid" because the Arab states have insisted on the attachment of negotiations on 'soft' security issues (migration, drugs, terrorism, etc.) of the Partnership with negotiations on 'hard' ones until the territorial conflict between Arabs and Israelis is resolved.

If the current stalemate of the Middle East Peace Process continues, at some point the EMP process itself could be at risk, especially if the Arab states or Israel decide to boycott the regular meetings of senior officials or other Partnership activities. Therefore, the EU is undertaking various initiatives to increase its involvement in Middle Eastern 'political' affairs and the peace process, especially that the Union is particularly discontented with its marginalization from the central political developments within the Peace Process, though it is its main funding source. However, there are many constraints impeding the EU from smoothly accomplishing a more active stance in the region, the most important of which are the lack of common foreign and security policy for the EU with regards to the region and the warding off of the United States and Israel to such a role.

CHAPTER ONE

A ROAD MAP TO THE RESEARCH

A. Introduction to the Research Problem

The Arab-Israeli multilateral talks and the Middle East and North Africa (MENA) summit meetings have not been the only context wherein new structures of cooperative arrangements were being developed in the Middle East in the later part of the twentieth century. In 1995, the European Union (EU) launched the *Euro-Mediterranean Partnership (EMP)*, or the Barcelona Process (BP), aimed at developing a new framework of peaceful and cooperative relations in the Mediterranean region. Though not part of the peace process, the EMP involves many of the same actors and addresses many of the same issues covered in the Arab-Israeli multilateral talks.

Both processes reflect the prevalent thinking in international relations of looking at security not solely in military terms, but also including a broad range of 'soft' issues as "internal disintegration, migration flows, environmental degradation, human rights and economic development" (Peters, p. 46). While the multilateral talks of the peace process have been concerned with facilitating the reconciliation of societies, the BP, in contrast, has been concerned with "redefining the relations between the EU and the Mediterranean states on its southern periphery, and on developing mechanisms for the closer integration of their economies" (Peters, p. 47).

The rationale of the Barcelona Conference was to link the region through political, economic and social ties, contributing to the improvement of conditions for peace and economic development in the twelve Mediterranean countries. Thus, the 1995 *Barcelona Declaration* was structured on a three baskets model: political and security; economic and financial; and socio-cultural. The Declaration's *political and security basket* aims at establishing a common area of peace and stability. The participant countries stressed their conviction that peace, stability and security in the Mediterranean region are common assets, which they pledge to promote and strengthen "by all means at their disposal. The twenty seven participating countries, plus the European Commission (EC), agreed to respect human rights and the rule of law, and recognized "the right of each of them to choose and freely develop its own political, socio-cultural, economic and judicial system" (Xenakis, p. 6).

In the *economic and financial basket*, the participating countries set three long term objectives to their partnership: to speed sustainable social and economic development; to improve living conditions by increasing employment and closing the development gap in the Euro-Mediterranean region; and to promote co-operation and regional integration. The participant countries agreed to create a plan for the establishment of a Mediterranean Economic Free Trade Area (MEFTA) by the year 2010. Finally, *the socio-cultural basket* includes the development of human resources and the promotion of mutual understanding among different cultures. In Barcelona, the participant states agreed to increase the level of interactions among peoples, in culture, religion, education, the media, as well as between trade unions and public and private companies, along with civil society organizations. It also included migration

issues and co-operation concerning organized crime, drugs trafficking and local government (Xenakis, p. 7).

It is worth noting that the development and the launching of the BP received its impetus from the progress achieved in the Arab-Israeli Peace Process. However, the BP should not be viewed as a competitive framework to the Peace Process, but rather as providing a complementary diplomatic environment to help reduce tensions between Israel and the Arab states. Indeed, one of the EMP's early achievements was to bring Syria and Lebanon to the same table with Israel in a multilateral forum, something that the multilateral peace talks and the MENA Economic Summits have failed to achieve (Behrendt, p. 8).

Most Mediterranean scholars and analysts agree that Europe initiated the EMP for primarily security reasons, in addition to the geographical and historical reasons. It can also be claimed that it might have been only an upgrade of the existing trade and aid settlements with Mediterranean non-member states. The EMP uses economic means as the main vehicle to achieve stability and prosperity in the region. Epitomizing the essence of the EMP is the emphasis put on respect for democracy and human rights, political and economical dialogue, the opening up of markets to European competition (thereby exerting a formidable but constructive adjustment pressure), and financial and technical assistance on the part of the EU for the necessary reform and adjustment process of its Mediterranean partners (Xenakis, p. 7).

On the other hand, the EU has claimed that the EMP was a European attempt to redefine 'the threat from the South', and thus, rather than seeing an Arab military threat, it addressed the danger of social unrest and economic underdevelopment. EU diplomats made clear that the financial aid plan was intended to contribute to the slowing down of the current huge migratory flows from the southern shores of the Mediterranean to Europe (Xenakis, p. 7). Finally, the EMP was regarded by the EU as an attempt to regionalize its cooperation policies with the Mediterranean region, as is the case with Eastern Europe, countries of European Free Trade Agreement (EFTA) and Africa, the Caribbean and the Pacific Ocean (ACP).

There is little doubt that for the EU's southern Mediterranean partner states, particularly for the Arab group, the economic and financial partnership is the most important and most interesting element of "Barcelona". The implementation of free trade agreements with the EU will threaten a considerable part of local industries in these countries. At the same time, however, the EMP offers the prospect of substantially increased financial aid, privileged access to European markets and, most importantly perhaps, European support to rationalize and modernize the economies of these countries to enable them to face the challenges of the prospective Euro-Mediterranean economic space (Perthes, p. 4). While Europe, all in all, seems to be less interested in the economic than in the political and security, and parts of social and cultural "baskets" of Barcelona, European policy-makers and business are definitely looking forward to the prospects of a MEFTA (Perthes, p. 4).

For Europe, the most important dimension of the EMP is the political and security partnership. In order to enhance its own security, the main concern, from a

European perspective, is to make the Mediterranean a less volatile region. The EU, accordingly, has emphasized the need for confidence and security-building measures and has given great value to the establishment of co-operative schemes and common regional or sub-regional structures that would help to eventually create a Euro-Mediterranean Area of Peace and Stability.

B. The Research Problem

Since it launched the Barcelona initiative, the EU had to learn, however, that regional co-operation is not as smoothly, and certainly not as quickly achievable as initially envisaged. It also had to accept that the EMP is not by itself sufficient or able to provide the means to solve regional inter-state or intra-state conflicts (Perthes, p. 4). Thus, as the Arab-Israeli negotiations came into rough waters, Europeans had to learn that there is an associated relationship between "Barcelona" and "Madrid." Therefore, the present research will highlight that the EMP process cannot be separated from the Arab-Israeli peace process: once the latter stagnates, as has happened since the Israeli elections of 1996, the former will not proceed, particularly in its security dimension (Perthes, p. 5).

This stagnation was exemplified on several occasions such as the Malta conference of 1997. The Arab states refused to endorse a document on confidence building measures and also made clear that they would not support the idea of a *Charter on Peace and Stability* as long as the territorial conflict between Arabs and Israelis remained unresolved (Perthes, p. 5). The Arabs stressed that Israel - despite its acceptance of the Barcelona Declaration, which clearly calls for the establishment of a Middle East Zone free of weapons of mass destruction - still refuses to sign the *Non*

Proliferation Treaty or discuss its nuclear armament. Israeli leaders, on the other hand, have repeatedly indicated that they would discuss weapons of mass destruction only if all the states that might pose a nuclear threat to Israel were involved, especially Iraq and Iran, as well as Pakistan (Perthes, p. 5).

The research revolves around answering the central question of: "*Why hasn't the EMP generated the success it was envisioned to bring about at its onset?*" To build an answer to this question, chapter two of the research covers the historical background to the development of the Partnership, its establishment, and impact on the Middle East. Chapter three examines the EMP as the research's case study. Chapter four is devoted to reviewing the reasons for the EMP's slowdown and recession. The primary reason for the latter phenomenon is the causal relationship between the "Barcelona" and "Madrid" processes. In tackling this, particular reference is made to the heightened EU interest in involvement in Middle Eastern 'political' affairs and the peace process, and the warding off of the United States.

By referring to the 'political' affairs, the research excludes the detailed examination of angles pertaining to the political economy sphere, i.e. the examination of economic issues, which take into account political considerations. Rather, the research examines issues pertaining to the Middle East by observing and generating data about the practice or conduct of political affairs by the region's state organizations and wider societal groupings. Realists, led by Morgenthau, define politics as "a struggle for power over men, and whatever its ultimate aim may be, power is its immediate goal and the modes of acquiring, maintaining, and demonstrating it determine the technique of political action." (p. 13)

Chapter four covers issues as the EU's and US' interest in the Middle East and their rivalry over active involvement in the area's affairs. A supplementary angle to this issue is Israel's dissatisfaction with an active European role in the Arab-Israeli peace talks. Other issues include the insistence of Arab states on the attachment of negotiations on 'soft' security issues (migration, drugs, terrorism, etc.) of the Partnership with negotiations on hard ones until the territorial conflict between Arabs and Israelis is resolved. Chapter five outlines the research's main findings and recapitulates a number of recommendations that might prove useful in the future.

C. Summary of the Research Literature

Contending interpretations of the EMP in the existing literature pay high dividends in acknowledging that the EU's idea to use the BP as a springboard for strengthening the co-operation between the twelve Mediterranean states has not been profitable, and thus trade among the southern Mediterranean partners is still on a very limited level. In fact, although the *Barcelona Declaration* proposes the creation of a MEFTA by the year 2010, the BP has not yet involved any ingenious mechanisms to sustain regional socio-economic co-operation between the two sides of the region, and this, in turn, resulted in the exaggeration of the already wide North-South gap in the Mediterranean.

Through reviewing the various literatures, the research was able to highlight a number of inferences. The first inference is that *if the current stalemate of the Middle East Peace Process continues, at some point the EMP process itself could be at risk, especially if the Arab states or Israel decide to boycott the regular meetings of senior officials or other Partnership activities.* According to Israeli officials, the benefits of

the BP for Israel in its political context are marginal, apart from its role as a possible venue with Syria and Lebanon. Thereby, Israel today refuses to participate in high level meetings if they were used to pressure it over the peace process instead of concentrating on the implementation of the Barcelona program (Tovias, p. 5). This is because Israel does not accept the argument that the lack of progress in the Peace Process must "contaminate" all aspects of the BP, as some other partners are suggesting (Tovias, p. 6). At the same time, Israel is well aware that the BP is the only caucus available for possible economic and political cooperation: the multilateral negotiations are currently frozen, and so are the MENA conferences.

The second inference is that *due to its strong economic relations with both Israel and Arab states, as well as the Palestinians' and Israel's interest in implementing their association agreements with the European Union, Europe has the means to put considerable pressure on either part - if it decides to*. To facilitate fulfilling that, the Union appointed an EU Special Envoy to the Middle East Peace Process. This signified that the EU is ready to play an active part in efforts to recommence the negotiations, commensurate with its interests in the region and on the basis of its major contribution to the Peace Process so far. Since the outbreak of the conflict, the Union has repeatedly asserted its firm commitment to the realization of a just, comprehensive and lasting peace in the Middle East, based on faithful implementation of the UN Security Council resolutions 242 and 338, and the terms of reference of the Madrid Peace Conference, the Oslo Accords and the Wye River Memorandum.

Moreover, the Union affirmed that a true and lasting peace could only be achieved with the establishment of a Palestinian state. It has criticized the Israeli government for the building of settlements in Gaza and the West Bank, and considers these settlements as illegal and their expansion as posing a serious obstacle to the pursuit of peace in the region. Further, the Union emphasized that the Peace Process should be based on the principle of land for peace and insisted that the economic hardships inflicted on the Palestinians as a result of the prolonged closure of the occupied territories should be relieved without further delay (Behrendt, p. 1).

Israelis from across the political spectrum were united in their criticism of Europe's approach to the conflict, which they saw as representing solely the Arab position. In particular, they were angered by the series of declarations and statements issued by the EC, which they saw as one-sided. Not surprisingly, the Arab states drew great satisfaction from the stance taken by the European states and saw them as an important counterweight to the near blanket support given to Israel by the United States. Accordingly, they have been eager to afford the EU a greater role in any efforts to resolve the Arab-Israeli conflict, but are not yet joined forces to push for an increased political role of the EU in the conflict (Behrendt, p. 3).

Although most European countries are currently dissatisfied with the gap between the continent's potential to act in relation to Middle Eastern politics on one hand, and its actual performance on the other hand, and the Union is particularly discontented with its marginalization from the central political developments within the Peace Process, though it is its main funding source, the third inference is that *the positions and diplomacy adopted by the EU throughout the peace process stalemated*

did little to advance its ambitions of playing a significant role in bringing about a peaceful resolution to the Arab-Israeli conflict for a variety of reasons. First, unlike the United States, the European states possess neither the capacity nor any decisive influence over the parties or to bring them to the negotiating table. With the end of the Gulf War in the summer of 1991, the United States took it upon itself to set up an institutional framework to deal with the Arab-Israeli conflict and effectively blocked any alternative international efforts. Whilst Madrid played host, and gave its name to the conference convened by the United States at the end of October 1991, the EU was offered only a minor role in the proceedings. Indeed, the United States turned to Moscow, rather than Europe, to act as co-sponsor to the Madrid Conference, despite the fact that the Soviet Union's power was visibly declining and that it was on the verge of collapse. Also, the EU played no part in the bilateral negotiations that followed the Madrid Conference. Instead, it was invited to participate only in the multilateral talks, which were set up by the meeting in Madrid (Behrendt, p. 3). Further, the EU was entrusted with the running of the *Regional Economic Development Working Group* (REDWG), the largest of the five working groups, and the one that reflects most fully the broader goals of the multilateral track.

Second, the EU is not capable of defining interests and formulating a coherent foreign policy due to internal frictions within its organizational structure. In fact, the Arab-Israeli peace process has come as one of the lowest priorities in the interests of many EU states. Said finds that "the EU member states did not speak with one voice when major issues in declarations, like the Israeli settlement policy, were put to a vote in the UN General Assembly." (p. 59) *Third*, European interests in the region emphasize both its geo-economic and geo-political concerns. In the last few years, the

foreign policies of European countries have been concentrating on such issues as the consolidation of the world capitalist system through cooperation with the US and the World Trade Organization (WTO), and preventing regional crises from disturbing world economic development (Said, p. 59).

Fourth, there is an American and Israeli self-imposed division of labor; namely that the United States would act as the sole external mediator between the protagonists, whilst Europe would be responsible for providing the bulk of the financial resources required for underwriting any agreements reached by the parties. This stands in contrast to the Union's enormous resources and with "the declarations of leading EU politicians who rarely fail to stress the political importance of the Middle East for the EU and the need for the Union to play an active role in the peace process." (Monar, p. 19) It is worth noting that the EU contributes approximately 85% of the running costs of the Palestinian Authority and, together with non-EU states such as Norway and Switzerland, the EU's bilateral and multilateral assistance amounts to nearly half of the \$2.4 billion pledged to the rebuilding of the Palestinian economy (Behrendt, p. 2).

D. Research Hypothesis and Questions

Although lack of progress in the MEPP contaminated mostly all aspects of the BP, the positions and diplomacy adopted by the EU throughout the peace process stalemate did little to advance its ambitions of saving the EMP and playing a significant role in bringing about a peaceful resolution to the MEPP, proportionate to its major financial contributions to the process, and series of declarations and statements issued in its support.

According to the above, the research hypothesizes that if the Europeans should decide to rescue the BP and become more active in the Middle East, they would have to back up their political demands by means of power politics. Although the EU cannot supplant the primary role of the US, with its capacity to express a greater even-handedness in attending to the political, social, and economic needs of the negotiating partners, Europe can play a valuable role in supplementing the efforts of the United States and help in shaping the future priorities and direction of the peace process. This is because only if the EU takes further direct action in the peace process will the BP be rescued. To do this, the EU will need to find the balance between pragmatic coordination, and playing second fiddle, to the United States and the launching of new independent initiatives.

To exhibit the above hypothesis, particular emphasis will be dedicated to answering such questions as: Is the MEPP top of the agenda of the EU, or is it the overall inter-state stability in the whole Mediterranean region? How do the BP and the multilateral aspects of the peace process stand in conflict to each other? How much importance is the EU willing to put in the political components of the partnership? What should the EU as a third actor in the Middle East conflict do to help the parties involved regulate their differences? What expectations do both the Israelis and the Arabs have of an active European policy towards the Middle East? How will the EU use the partnership and its economic weight in the region to contribute to its political reform and development? What are the effects of the rivalry between Europe and the United States concerning the region's political and economic development in the future? And what are the prospects for the partnership's sustainability in the short and long terms?

More generally, this study will contribute to the following issues: defining the impact of the new global dynamics in the post Cold War period on the Middle East; examining the effectiveness of newly applied conceptual frames of reference as international regimes, globalization and regionalization; emphasizing the mutually beneficial relationship between politics and economics within the field of political economy; and assessing the roles played by regional economic blocs and international regimes within the field of international relations.

The answers to the above mentioned questions will come from the different literatures and from the findings of personal interviews with the Ambassador of Finland to Egypt, a representative from the Delegation of the European Commission to Egypt, head of the European Affairs department at the Egyptian Ministry of Foreign Affairs, senior officials at the Arab League and various scholars working on the subject.

Research Theory and Methodology

In order to answer the above mentioned questions, the research relies on the conceptual framework of *international regime*, specifically: How and why are regimes established? What organizational or structural form do they take? What is the process by which decisions are taken within regimes? And what factors determine whether an existing regime will remain operative over time? By examining the EMP as the research's unit of analysis, chapter 3 will illustrate the answers to these questions.

Conceptual Framework: International Regimes

A. Regimes in Theory

In his famous book "*After Hegemony, Cooperation and Discord in the World Political Economy*", Keohane finds that non-hegemonic international coordination of policy is highly beneficial in an interdependent world economy and that it can be realized and facilitated by international regimes (p. 50). As Keohane argues, "cooperation is possible after hegemony not only because *shared interests* can lead to the creation of regimes, but also because the conditions for maintaining existing international regimes are less demanding than those required for creating them" (p. 50). Thereby, with the fall of the bipolar world and the emergence of new trends in international political economy as regionalism and globalism, finding the means to increase international cooperation has, in turn, become the driving rationale behind the creation of international regimes.

- **What Are International Regimes?**

According to James Dougherty and Robert Pfaltzgraff in the third edition of "*Contending Theories of International Relations*", international regimes represent "efforts within the international system to develop *collaborative arrangements*, either by formal or informal means." They encompass issue areas as diverse as defense, trade, monetary policy, law, and food policy (p. 167). According to John Ruggie, who introduced the concept of international regimes in 1975, an international regime is "a set of mutual expectations, *rules and regulations, plans*, organizational energies and financial commitments, which have been accepted by a group of states." (Dougherty and Pfaltzgraff, p. 167)

Ernst Haas defines international regimes as “*collective arrangements* among nations designed to create or more effectively use scientific and technological capabilities. International regimes are increasingly designed to minimize the undesired consequences associated with the creation and exploitation of such capabilities.” (p. 147) Kratochwill and Ruggie find that regimes are “governing *arrangements* constructed by states to coordinate their expectations and organize aspects of international behavior in various issue areas. They, thus, comprise a normative element, state practice, and organizational roles.” (p. 32) Stephen Krasner defines regimes as “sets of implicit or explicit *principles, norms, rules and decision-making procedures* around which actors’ expectations converge in a given area of international relations.” (p. 97)

Robert Keohane defines regimes as “institutions with explicit rules, agreed upon by governments, that pertain to particular sets of issues in international relations.” He asserts that “international regimes should not be interpreted as elements of a new international order beyond the nation state. They should be comprehended chiefly as *arrangements* motivated by self-interest: as components of systems in which sovereignty remains a constitutive principle. This means that, as realists emphasize, they will be shaped largely by their most powerful members, pursuing their own interest.” (p. 63)

Because the emphasis of regime analysis is the state actor, the regime concept draws upon and contributes to *neorealist theory* by adding “an extended analysis of national interest and politics in which competitive elements produce cooperative behavior.” (Dougherty and Pfaltzgraff, p. 171) Similarly, regime analysis touches

upon the idea of *interdependence* among its constituents. Dougherty and Pfaltzgraff cite Hayward Alker's definition of interdependence as "a social relationship among two or more cross-state actors observable in terms of actual or anticipated interactions among them." (p. 139) Richard Rosecrance and Arthur Stein view interdependence as consisting of "a relationship of interests such that if one nation's position changes, other states will be affected by that change" or, in an economic sense, "interdependencies are present when there is an increased national sensitivity to external economic developments." (Dougherty and Pfaltzgraff, p. 139)

- **What Are the Functions of Regimes?**

International regimes vary greatly in terms of functional scope, extent and membership. But states create international regimes because they further cooperation amongst them, which would otherwise be difficult to achieve. In this respect, Young stresses the need not to mistake international regimes for functions, "though the operation of regimes frequently contributes to the fulfillment of certain functions." (p. 332) Krasner also highlights the fact that regimes do not function as agreements or temporary arrangements: "agreements are ad hoc, often one-shot arrangements. The purpose of regimes is to facilitate agreements." (p. 97) Keohane shares this argument and further builds on it by saying, "it is more convenient to make agreements within a regime than outside of one. Once a regime is established, the marginal cost of dealing with each additional issue will be lower than it would be without a regime." (p. 90)

- **How are Regimes Formed?**

Concerning regime formation, Young claims that the development of international regimes "usually involves intense bargaining and the hammering out of

critical compromises among the interested actors.” (p. 341) He finds that there are three tracks by which international regimes are formed. In the *contractarian* track, “the actors interested in some activity may meet for the explicit purpose of negotiating a constitutional contract laying out a regime to govern the activity in question.” (p. 349) In the *evolutionary* track, “social institutions sometimes arise either from widespread practice over time or as a consequence of dramatic unilateral actions that are subsequently accepted by others on a de facto basis.” (p. 349) In the *piecemeal* track, “actors sometimes reach agreement on one or more several component of a regime without entering into a comprehensive social contract regarding the activity in question.” (p. 349) A common justification for this approach rests on the argument that the “introduction of one or several regime components will initiate a process of task expansion or spillover that will lead over time to the emergence of a more comprehensive and coherent regime.” (p. 350)

Krasner, on the other hand, finds there are three other avenues to regime creation. The first, *egoistic self-interest*, is a situation where “the desire to maximize one’s own utility function where that function does not include the utility of another party. The egoist is concerned with the behavior of others only insofar as that behavior can affect the egoist’s utility.” (p. 102) The second avenue, that of *political power*, is composed of power in the service of common good, and power in the service of particular interests. The third route, that of *norms and principles*, is composed of the norms and principles “that influence the regime in a particular issue area but are not directly related to that issue area.” (p. 105) The fourth, *usage and custom*, are elements that “supplement and reinforce pressures associated with

egoistic self-interest, political power and diffuse values." (p. 106) The fifth, *knowledge*, "can only enhance the prospects for convergent state behavior." (p. 106)

- **How Are Regimes Structured?**

Oran Young emphasized the social structures of regimes by defining them as "*social institutions* governing the actions of those interested in specifiable activities. Like all social institutions, they are recognized *patterns of behavior or practice* around which expectations converge." (p. 93) In formal terms, the members of international regimes are sovereign state, while the parties carrying out the actions governed by international regimes are often private entities (p. 93). Regimes take the form of operative social conventions, though actors might not always comply with the terms of these conventions. This perspective on regimes emphasizes that they are "human artifacts, having no existence or meaning apart from the behavior of individuals or groups of human beings. In this sense, they belong to the sphere of social systems rather than natural systems." (Young, p. 95)

Regimes may be formally articulated and may or may not be accompanied by explicit organizational arrangements. Robert Keohane argues that the principal significance of international regimes does not lie in their formal legal status, since any legalities are subject to being overturned by the actions of sovereign states. Their significance lies in the fact that "they are able to establish stable *mutual expectations* about others and about patterns of behavior, and to develop working relationships that will allow the parties to adapt their practices to new situations." (Keohane, p. 89)

Similarly, Keohane argues that regimes “all contain injunctions about behavior: they prescribe certain actions and proscribe others. They imply obligations, even though these obligations are not enforceable through a hierarchical legal system.” (p. 59) Yet, Kratochwill and Ruggie find that for regimes to “contribute to ongoing policy concerns and better reflect the complex and sometimes ambiguous policy realm, it is necessary to link up regimes in some fashion with the formal mechanism through which real-world actors operate” (p. 34)

Kratochwill and Ruggie criticize international regimes for their imprecision. In some cases, as exemplified by the Euro-Mediterranean Partnership and its affiliation with the EU, regimes are embedded in meta-regimes or nested within one another (p. 34). According to Keohane, when individual regimes are ‘nested’ within larger, more encompassing frameworks of international principles and norms, regimes can produce connections or ‘linkages’ between issues. As a result, violating a particular agreement would have consequences beyond this particular issue and may affect the ability of the regime to achieve its goals (p. 89).

- **What Are the Types and Components of Regimes?**

Krasner finds that international regimes are of three types: “the *conventional structural* views the regime concept as useless, if not misleading. *Modified structural* suggests that regimes may matter, but only under fairly restrictive conditions. And *Grotian* sees regimes as much more pervasive, as inherent attributes of any complex, persistent patterns of human behavior.” (p. 99)

On the other hand, Young finds that international regimes are of three types. First, *spontaneous* regimes, “do not involve conscious coordination among participants” or explicit consent on the part of subjects (p. 98). The second form, *negotiated* regimes, are characterized by “conscious efforts to agree on their major provisions, explicit consent on the part of individual participants, and formal expression of results”. The third type, *imposed* regimes, are “fostered deliberately by dominant powers” without necessarily the consent of subordinate actors, through coercion, cooperation, and the manipulation of incentives (Young, p. 100).

As to the components of international regimes, Oran Young classifies them into: substantive, procedural, and implementation. For the *substantive* component, the ‘what’ of a regime Young refers to the rights and rules forming international regimes, the most important of which are use, liability and procedural rules (p. 335). The *procedural* component, the ‘how’ is comprised of “recognized arrangements for resolving situations requiring social or collective choices.” (p. 336) As to the *implementation* component, the ‘so what’, Young refers to the compliance mechanisms, whether formal or informal, used to ensure the effectiveness of international regimes (p. 338). Keohane describes this context by saying that, “in the absence of specific retaliation, governments may still have incentives to comply with regime rules and principles if they are concerned about precedent or believe that their reputations are at stake.” (p. 105)

- **Do Regimes Experience Transformation?**

International regimes develop or evolve over time. On the issue of regime transformation, Young finds that “social practices and convergent expectations prove resistant to change, even when they produce outcomes that are widely understood to

be undesirable or suboptimal.” (p. 96) Yet, regimes are not static constructs. Rather, they undergo continuous transformation in response to their own inner dynamics as well as to changes in their political, economic and social environments (Young, p. 107).

Keohane, too, notes that regimes are “frequently altered: their rules are changed, bent, or broken to meet the exigencies of the moment. They are rarely enforced automatically, and they are not self-executing. Indeed, they are often matters for negotiation and re-negotiation.” (Keohane, p. 89) Krasner claims that “changes in principles and norms are changes of the regime itself. When norms and principles are abandoned, there is either a change to a new regime or a disappearance of regimes from a given issue-area.” (p. 98)

Accordingly, it is quite beneficial to modify existing regimes in the interests of promoting efficiency, equity, or any other desired outcome (Young, p. 96). Young asserts that “there is no reason to assume that regimes will guide human actions toward well-defined substantive goals such as enduring peace, economic efficiency, or maximum sustained yields from renewable resources.” (p. 333) However, this does not rule out the possibility that “deliberate efforts to modify or reform international regimes can easily produce disruptive consequences neither foreseen nor intended by those promoting specific changes.” (Young, p. 97)

Arising from the above, one is prepared to expect that the case of the EMP ideally should have helped its partners to rely on intergovernmental agreements to attain objectives of regional cooperation that would have otherwise been impossible

outside its framework. According to Keohane, regimes do so "in part by facilitating intergovernmental agreements. Regimes facilitate agreements by raising the anticipated costs of violating others' property rights, by altering transaction costs through the clustering of issues, and by providing reliable information to members." (p. 138)

However, chapter 3 will use the case of the EMP to question the general utility of regimes for bringing about peace and economic development, through exhibiting that while the EMP is structured as a regime, it does not seem to be successfully operating without being hostage to the Arab-Israeli peace process. Although the principles and rules of the EMP regime have created linkages among issues that have given its Arab Mediterranean partners and Israel the incentives to implement mutually beneficial agreements, the named parties' conflicting interests and external political difficulties have resulted in a situation in which cooperation has been impossible to reach.

Therefore, it will be safely argued that international regimes, focused solely on economic and technical factors, might not be always capable of doing what their theorists intend them to do. Building on the political successes achieved by the Madrid Peace Conference, the EMP regime was created in 1995 with an overriding aim of reaching a Free Trade Area in the region by 2010. The focus on socio-economic development was perceived by the EU as the best long-term politico-security guarantee to the regional parties. Yet, the present political stalemate in the region proves that political aspects of a regime cannot be resolved through its economic components.

CHAPTER TWO

BACKGROUND TO THE EVOLUTION OF THE EURO-MEDITERRANEAN PARTNERSHIP

Introduction

The *European Union* (EU) of today began to evolve when 6 European countries, namely Belgium, France, Germany, Italy, Luxembourg, and Holland, came together in 1951 to sign the *Treaty of Paris*, establishing the European Coal and Steel Community. Since then, European integration has developed in several stages and various forms. In 1957, the already mentioned 6 nations signed the *Treaties of Rome* to create the *European Economic Community* (EEC) and the *European Atomic Energy Community* (EAEC). In 1962, the *Common Agricultural Policy* was adopted, establishing a single market and common prices for most of the countries' agricultural products.

Over the years, other European neighboring countries joined the EC – Denmark, Ireland and the United Kingdom in 1973, Greece in 1981, and Spain and Portugal in 1986. During the latter year, the then 12 member countries of the Community signed the *Single Act*, committing themselves to the creation of a single market with the free movement of goods, capitals, services and labor across national frontiers by 1992. In 1992, the *Treaty on European Union* was signed at Maastricht and came into force in 1993. In 1995, Austria, Finland and Sweden in also became members of the EU, taking the membership from 12 to 15.

Today, the EU has emerged as an important player on the world stage. It is closely involved in the economic rehabilitation of the Central and East European countries, and is the largest aid donor to the developing countries of Africa, Latin America and Asia. With its growing responsibilities worldwide, the EU has also become an important political partner, and is seen as a focus for peace, democracy and economic growth. The main institutions of the EU are the European Parliament, the European Commission, the European Court of Justice, the Council of Ministers and the Court of Auditors. The Council is the main decision-making body of the EU.

Cooperation with the Mediterranean

In the early 1990s, several factors led to an increase in the awareness of European countries of the urgency of Mediterranean issues and the need to organize a Euro-Mediterranean area. *First*, the fall of the Berlin Wall, in November 1989, overturned Europe's geo-political and strategic landscape. The application by several central European countries to join the EU was justification for a re-balancing of relations of the EU southwards. At the same time, several Mediterranean countries also wished that a new impetus be given to their relations with the EU. *Second*, globalization and regionalisation have become two characteristics of the world economy. The constitution of regional economic groupings is outlining a new economic map for the New World order.

(<http://www.malta.euromed.net/euromed%2Dbook/page3.htm>)

Third, imperatives of peace and security imply that the growing gap between Europe and the Mediterranean countries should be minimized. Income differences, currently standing at one to twelve, would increase to one to twenty by 2010 if no

measures were taken to support the economic development of the Mediterranean countries, whose population will grow to more than 300 million by 2010. *Fourth*, the policy undertaken during the 1970s and 1980s by the EC in relation to the Mediterranean countries followed a traditional approach, based firstly on trade concessions, and a policy of financial cooperation. Yet, these actions have proved insufficient to sustain the economic progress of the non-EC Mediterranean countries. (<http://www.malta.euromed.net/euromed%2Dbook/page3.htm>)

Consequently, the need arose to implement a bolder policy, better able to respond to the challenges that the Mediterranean countries must meet. During the last two decades, a number of initiatives have been launched or proposed to enhance cooperation in the Mediterranean, such as the Conference for Security and Cooperation in the Mediterranean (CSCM), the Mediterranean Forum, the "5 + 5" and "12 + 5" Dialogues, the Euro-Arab Dialogue, the WEU Mediterranean Dialogue, the Forum for Dialogue and Cooperation in the Mediterranean, the Middle East and North Africa (MENA) Economic Summits, and the Euro-Mediterranean Partnership.

The most ambitious and developed Mediterranean initiative, however, is the *Euro-Mediterranean Partnership (EMP)*, which responded to a perceived need to address more forthrightly the growing social and economic problems in the southern Mediterranean countries. Therefore, the Euro-Mediterranean conference held in Barcelona, in November 1995, laid the foundations for a new regional grouping, and marked a turning-point in Euro-Mediterranean relations. The participants in this conference - the fifteen member states of the EU and the twelve Mediterranean partners, represented by their Foreign Ministers, the Council of the EU and the EC -

adopted the *Barcelona Declaration*, which opened the way to a process of dialogue and regional cooperation.

However, the Partnership did not develop in a vacuum. Rather, it is a culmination of decades-long series of European efforts to deepen cooperation with southern Mediterranean countries. The aim of this chapter is to examine the background to the development of the *Euro-Mediterranean Partnership (EMP)*, with particular reference to the mutually beneficial relationship between the EU and the Middle East, as part of the Mediterranean region, given that the EU is the region's first trade and financial partner.

Historical Background

A. European Economic Involvement in the Region

The 1956 Suez war ended the European political role in the Mediterranean. However, the economic role remained alive since the 1962 and 1964 association agreements concluded with Greece and Turkey, and the 1969 preferential agreements that have been concluded between the EC and the Maghreb countries. It is worth noting that the EU has applied a regionalist philosophy to its external trade policy, as opposed to the multilateral approach favored by the *General Agreement on Tariffs and Trade (GATT)*. In that sense, "the EC has made clear distinctions between different groups of countries." (Tovias, p. 10) The probable reason for the development of that notion in the 1970s was "the realization that a regional approach to a commercial policy, when applied by a huge trade bloc such as the nine (France, West Germany, Italy, the Benelux countries, Britain, Denmark and Ireland) would maximize the Community's influence on those countries that were highly dependent

on trade with the EC (such as the Mediterranean non-member countries)." (Tovias, p. 11)

Correspondingly, until 1972, no explicit policy governed the relationship between the EC and the Mediterranean countries. It was at the 1972 *Paris Summit* that a complete network of trade and cooperation agreements was established between both: Morocco, Algeria, Tunisia, Egypt, Lebanon, Syria and Jordan. A free trade agreement for industrial products was signed with Israel, and a special set of agreements was spelt out for Greece, Turkey, Malta and Cyprus, with a customs union or eventual membership in mind. Libya, on the other hand, was not included in any agreements with the EC. These series of cooperation agreements were termed the *Global Mediterranean Policy (GMP)*. According to Musto, "a uniform political concept has proved not to be realizable because of numerous problems relating to the production structure of the Mediterranean countries and the bilateral relations between these and the Community." (p. 153)

Parfitt argues that, "the central and overt aim of the GMP was to promote trading and financial relations between the Union and the Mediterranean states, with a view to achieving Europe's more covert aims of raising its political and strategic profile in the area." (p. 186) By virtue of the GMP, Mediterranean countries enjoyed the same access, in principle, to EC markets, as did the countries of the *European Free Trade Association (EFTA)*. "Limited financial aid was included in all the agreements in the form of protocols. Development assistance offered by the EC in the form of grants or in the form of loans from the European Investment Bank (EIB) or

from the EC's own budgetary resources was very modest and remained so until the 1990s." (Tovias, p. 11)

However, the GMP was beset by a variety of problems that combined to limit its significance. For instance, there were limits on Europe's ability to give trade concessions by the *Common Agricultural Policy (CAP)*. In addition, Mediterranean textile exports to the Union were limited by the *Multi-Fiber Agreements (MFAs)*. These problems were exacerbated with the expansion of the Union to incorporate Spain and Portugal into the Union in 1986. This seriously cut back on Tunisia and Morocco's agricultural exports to the Union. "Yet, no action was taken, and once Portuguese and Spanish production rose in response to the favorable prices under the Common Agricultural Policy, imports from Morocco and Tunisia were duly curtailed." (Wilson, p. 271)

With the signing of the *Lome Convention* in 1975, forty five states, mostly in Africa, the Caribbean, and the Pacific Ocean (ACP), were given partnership status with the EU. The Convention was "regarded as a breakthrough in North-South relations in as much as it accorded significant trade concessions and financial assistance to the so-called partner states." (Parfitt, p. 186) However, a variety of factors served to maintain particular European interests in non-member Mediterranean states (NMMS). First, is *geographical proximity*, which gives the EU an interest in the stability and development of these states, at least to "prevent the immigration surges that were straining Europe's absorption limits." (Parfitt, p. 188) Second, *the EU has identified immigration as a security problem*. In 1980, when the flow of such immigrants was at its peak, there were over 6 million guest workers in the EU.

(Parfitt, p. 188) European policy makers have realized that the only way to stop illegal migration was to give the immigrants an incentive to stay where they are, and help to promote the development level in the southern Mediterranean countries, including "economic reform, investment and job creation, opening up to the outside world, containment of population growth and political liberalization. This entailed supporting the Structural Adjustment Programs favored by the IMF and World Bank." (Parfitt, p. 190). Working to realize these objectives, the Union would, in turn, contain the development of anti-Western Islamist movements, nurtured with the increase in the level of unemployment. Third, the EU shares with the Maghreb, the Mashreq, Israel and Turkey the same sea, and, therefore, is directly affected by *environmental hazards* originating overseas (Tovias, p. 9).

The fourth, and perhaps the primary reason, the Mediterranean serves as a substantial trading partner for Europe, primarily because of its importance as a source for Europe's oil and natural gas imports. According to Wilson, "almost 4 million barrels a day of Middle Eastern oil were exported to Europe in 1992, representing more than 25% of all the region's oil production." (p. 269) The EU accounts for almost 18% of total world oil consumption, but less than 1% of world production. On the other hand, countries of the Middle East account for more than 33% of world oil production, more than 66% of reserves and a mere 6% of global consumption. (p. 274) Wilson asserts that only the United Kingdom has significant oil supplies of its own, but its North Sea production is unlikely to be sustained after 2005. By contrast, Saudi Arabia has sufficient reserves for 82 years of production at current levels, and Iran sufficient reserves for 74 years of production. (p. 274)

Further, economies of the MENA countries are significant markets for Europe, although their volume has recently declined with the fall of the bipolar world and the resultant closer ties between EU countries and their eastern neighbors. "For the past four years, the Union has promised, in loans and gifts, twice as much money to Central and Eastern Europe as to the countries on the southern and eastern shores of the Mediterranean - even though the Mediterranean countries have twice the population." (Economist, Sept. 2, 95) Moreover, the Mediterranean represents a substantial trading partner for Europe. In 1996, "the total trade deficit for MED partners vis a vis the EU was 60.7% of its exports, and in 1997, 57.5% of its exports". Turkey is, by far, the EU's largest trade partner in the region. The EU also depends on the availability of cheap labor from the MENA region to fill some unskilled and menial jobs.

Moreover, looking from the perspective of the Mediterranean countries, we find that today, the EU is the main partner of the Mediterranean countries, responsible for more than 50% of the commercial exchanges that these countries are involved in - but the region accounts for only one third of the EU's total extra-Community trade. The Maghreb states have the biggest share of exports to the Union of MENA countries. Moreover, the Maghreb states are the most dependent on Europe for their imports. Israel's imports to the region rose from 28% to 47% during 1980 - 1991. Turkey's imports from the Union rose from 35% to 44% over the same period (Wilson, p. 269).

Presently, economic relations between the Mediterranean countries and the European Union are governed by a series of cooperation agreements that provide for

unlimited access of North African industrial goods to the European bloc, but place severe limits on agricultural products. The EU provided development aid worth almost 3.5 ECU under the Fourth Financial Protocol, which extended from 1992 - 1996 (Joffe, p. 261). Wilson finds that the cooperation agreements were "a rather cynical attempt to get the Arab Mediterranean states and Israel to extend trade preferences to the European bloc in return for limited concessions on import tariffs and quotas." (p. 270)

The problem with European aid to southern Mediterranean countries in general and to Arab countries in particular is that it is conditional based on the requirements of economic liberalization and openness, and on the observance of democratic governments and human rights. Economic liberalization policies, mandating the conversion to free market principles (removal of state subsidies, privatization of state assets, and others), cause massive economic hardship and social discontent within countries concerned. "They are, therefore, a profound factor for political instability and consequent government repression, with all the attendant dangers of abuse of human rights and minority interests." (Joffe, p. 264) Therefore, aid conditionality is considered "a unique form of interventionism in that it seeks to make economic support conditional on political reforms" (Joffe, p. 265), which might not necessarily relate to the basic values of the societies on which they are imposed, or are considered as the only way in which the reforms can be pushed through and effective political control maintained.

Over time, all the above described elements, in varying proportions, have attracted the attention of the EC and led it to formulate and develop a specific policy

in relation to this area of the world. Therefore, new cooperation agreements of unlimited duration were signed during 1975 - 77, which allowed for tariff-free entry to the EU for most southern Mediterranean countries' manufactured goods, and provided limited tariff preferences for those countries' agricultural exports. The agreements also provided for financial assistance; during 1978 - 91, the EU and the EIB committed ECU 3.3 billion to the southern Mediterranean countries. At the same time, a total aid of ECU 2.4 million was allocated to the Maghreb and Mashreq for the period of 1992 - 96, as against ECU 1.7 million for 1987 - 91. (Parfitt, p. 187)

By the end of 1989, after the fall of the Berlin Wall, the Commission adopted a *Renovated Mediterranean Policy (RMP)*, during which a fourth protocol was signed with Mediterranean countries, covering the period of 1991/92 - 95. Under the new policy, more attention was given to the Mediterranean countries' economic reform; supporting private investment; increasing bilateral and Community financial aid; strengthening an economic and political dialogue at the regional level; and integrating the Mediterranean countries in the Community's progress towards a single market.

(<http://www.euromed.net/documents/report.report-16.htm>)

The coming into operation of the single European market in 1993 forced North African industrial goods "to overcome new non-tariff barriers linked to the new European-wide industrial standards." (Joffe, p. 262) This led to a discrimination against North African industrial exports. The single European market also increased the likelihood of introducing a quota system to restrict the flow of new immigrants and labor into countries of the Union. (Joffe, p. 262) "EU is already host to around 11 million legally resident migrants, including 2.6m Turks, and at least 1m from Morocco and Algeria." (The Economist, Dec.2, 95)

B. European Political Involvement in the Region

With the intensification of economic relations in the post 1973 oil boom, the *Euro-Arab Dialogue* (EAD) produced an early European political involvement in the Middle East. The EAD as a forum shared by the EC and the League of Arab States arose out of a French initiative, and was launched in Copenhagen in December 1973, shortly after the October War and the oil embargo. After the out-break of the 1973 October War, the Arab oil-producing countries announced their decision to impose an embargo on oil supplied to the United States and European countries, followed by an unprecedented increase in the price of crude oil. For the first time, the Arabs used oil as a political weapon in their struggle with Israel, and the Community felt that its interests and economic survival were at stake. The Community depended on oil coming from the Middle East for almost 60% of its total energy requirement.

The result was a joint statement on the situation in the Middle East, issued on November 6, 1973. "The statement was considered to be the most important development so far in the Community's attitude towards the Arab-Israeli conflict." (Jawad, p. 56) The Declaration demanded the withdrawal of Israeli forces from all the occupied territories, while highlighting the legitimate right of the Palestinian people to a suitable and equitable solution to their problem. In January 1974, the French government presented a concrete plan for the initiation of a dialogue, and stressed that the dialogue initiative "should not hinder international efforts in the oil and raw material sectors, nor interfere with the diplomatic efforts for a peace settlement in the Middle East. Thus it was clear from the beginning that the Arab-Israeli conflict would be absent from the agenda of the dialogue." (Jawad, p. 85)

From the European perspective, the EAD was a means to discuss economic affairs, whereas the Arabs saw it as one to discuss political affairs. Jawad finds that the main objective of the Arab countries was "to try and make the Community more committed to the Palestinian question" and urged the Community to oppose Israeli occupation, follow an economic policy that would thwart Israel's expansion, and stop arms shipment to Israel. (p. 119) From a political perspective, the first few years of the EAD were rated as successful, especially with the inclusion of the PLO in the Arab delegation. This allowed the PLO to "play a definite role within the Arab side and sit, for the first time, directly with a European delegation explaining its viewpoint with regard to the Dialogue." (Jawad, p. 102)

The difference in viewpoints between most Arab countries and the European Community over the Camp David agreement, in addition to the Community's reluctance to deal with the new headquarters of the Arab League in Tunisia, aggravated relations between the Arabs and the Community. Egypt, whose peace policy was approved of and appreciated by the Community, was excluded from the Arab League, and the Community insisted on Egypt being able to participate in the meetings of the EAD. Therefore, it was now impossible for the EC and the Arab countries to reach any sort of agreement on the procedures and conditions of the dialogue. Consequently, in April 1979, the Commission of the EC was informed by the Arab League that "the League wanted now to suspend all activities of the dialogue, at the level of the General Committee as well as that of the working parties and specialized groups." (Jawad, p. 159)

It was after the *Venice Declaration* that the Community decided it was time to resume the EAD. Soon after the Declaration, contacts between the Arab League and the EC were made. After several preliminary meetings, a meeting between the representatives of the EC and the Arab League took place in Luxembourg in November 1980. The latter meeting was the first occasion on which the dialogue was held at a political level. Moreover, the President of the Arab League at that time, Dr. Ahmed Sedki El Dajani, was a Palestinian. During the meeting, the Arabs urged the Community to put into practice the UN resolutions concerning Arab occupied territories, and to use its leverage to put an end to Israeli policies in the Arab occupied territories, such as the establishment of settlements, the annexation of Jerusalem and the Golan Heights, and many others. (Jawad, p. 232)

The ministerial meeting scheduled for the summer of 1981 was postponed twice due to changes in the agendas of both the Arabs and Europeans. The fifth General Committee meeting took place in Athens in December 1983, and ended in complete failure. As described by Jawad, "the two sides could not reach agreement over the final communiqué, which should have covered political, technical and economic aspects of the dialogue." (p. 237) Although contacts between the presidencies of the two sides continued, and two General Committee meetings took place in Tunis and Rome in February 1985, the two sides failed to reach agreement on the direction of the dialogue. "The Arab side repeated its demand for more emphasis on the political aspects of the dialogue, while the EC preferred to concentrate on the economic dimension of the talks. The meetings as usual ended with both sides reaffirming their wishes to continue the dialogue with the aim of increasing their cooperation in all fields covered by it." (Jawad, p. 239)

The stalemate in the Dialogue was further exacerbated by February 1986, when the European Council of Ministers adopted the Hague recommendations. According to the latter, a tripartite Euro-Arab Commission could meet to examine political matters of interest to both communities and discussion would be restricted to general subjects of interest to the European and Arab sides, and would not deal with specific political questions. However, the Arabs did not agree to the European conditions of separating between political issues and other general issues.

Following the EC's declarations supporting an international peace conference in response to the American raid on Libya, representatives of the Arab and European side re-launched the dialogue in a meeting held in Bonn in June 1988. There was a further attempt to re-launch the Dialogue in December 1989, with an initiative from France, which held the EC Presidency at the time, by holding a Euro-Arab Ministerial Conference in Paris. The development of a *European Common Foreign and Security Policy (CFSP)* shortly after the Paris Conference made the Mediterranean area and the Middle East part of Europe's areas of interests. The *Madrid Declaration* in 1989 re-affirmed the Union's policy towards the Middle East, as defined in the Venice Declaration. According to both, the European Council emphasized upholding the right to security and justice of all states and people in the region, including the recognition of the legitimate rights of the Palestinian people, particularly their right to self determination with all that this implies. Moreover, both declarations spelt out the Union's readiness to participate actively in reaching a negotiated solution to the conflict and participate in the social and economic development of the region. (http://www.pna.net/peace/madrid_declare_1989_me.htm).

In June 1990, a meeting of the General Commission of the Dialogue took place. The Gulf crisis and the Arab splits have blocked the Dialogue since then (Euro-Arab Dialogue). The end of the Cold War, the Gulf War, the global trend of trans-continental economic interdependence, the Madrid Peace Process, triggered a new active European position. The EU passed a decision on the Middle East Peace Process in Luxembourg, in April 1994. According to the latter, the Union took upon itself the willingness to participate in international arrangements agreed by the parties to guarantee peace in the context of Madrid; develop its role in the ad hoc Liaison Committee responsible for the coordination of international aid to the occupied territories; maintain its leading role in the *Regional Economic Development Working Group (REDWG)*; and pursue confidence building measures in the region. The European Council *Florence Declaration* of June 1996 re-affirmed the Union's view that the principles of Madrid and the terms of the Oslo agreements represent the only means of achieving a joint, lasting and comprehensive peace in the Middle East. (<http://www.passia.org/seminars/95/sl-e3.htm>)

As the largest single aid donor to the Palestinians, Europe's stake in the Arab-Israeli peace process is direct and material. According to Hollis, "when the violent clashes that followed the extension of the Jerusalem tunnel erupted in September 1996, not only did the EU issue a statement which held Israel essentially responsible and urged both sides to avoid resorting to disproportionate force, in particular the use of firearms, tanks and helicopter gunships, but EU officials also hinted that ratification of the trade agreement with Israel might be in jeopardy. The European Council of Ministers also approved 30 million ECUs in aid to help cover the

budgetary shortfall of the Palestinian Authority and authorized the Commission to negotiate a new trade accord with the Palestinians by the end of the year.” (p. 20)

To draw a general framework, Said finds that the European efforts in the Middle East thus unfolded in three directions: “first, after having an observer status in the Madrid Middle East Peace Conference, and after customary visits to the Middle East and declarations by the European Presidency, the EU appointed Miguel Moratinos as a special representative to the Middle East peace process.” (p. 57) Second, “the EU supported the multilateral side of the peace process and sponsored in particular the regional economic cooperation committee which carried the burden of integrating the Middle Eastern economies into the global economic system. The EU was also active in the Middle East economic conferences in Morocco, Jordan and Egypt.” (p. 58) Third, the EU launched the Euro-Mediterranean Partnership in 1995, and committed ECU 4685 million for the Partnership during 1995 – 1999.

Summary and Conclusions

When the European Community was first established in 1957, the principal aim was to achieve economic and then political integration among its member states. For this reason, up to the 1970s, the Community’s attention was directed inwards rather than outwards (e.g. by removing the trade barriers among the member states, building up its agricultural policy, etc.). With the advent of the 1970s, the Community managed to achieve remarkable economic growth and hence enjoy an influence in world economic affairs. This generated a desire on the part of many European states to pursue a coordinated European foreign policy through which the EC could influence events in world affairs.

The Middle East was one of the first regions to which the Community turned in the early 1970s, due to the vital historical and geographical reasons that link the Community with the region. This coincided with the general growth of Middle East oil revenues and the concomitant increase of power, which served to further highlight the strategic significance of the Middle East. The first collective European approach towards the Middle East was the Mediterranean trade policy adopted in 1972, whereby the Community concluded comprehensive economic agreements with the southern and eastern Mediterranean countries.

The turning point of the Community's involvement in the Middle East came in the aftermath of the 1973 October War and the Brussels and Copenhagen Declarations, which marked the beginning of the Euro-Arab Dialogue. Several other Euro-Mediterranean initiatives have been developed since then. But the most comprehensive and ambitious has been the EMP. On the one hand, the EU cannot maintain its prosperity and deepen its integration with the rest of the world without the stability and prosperity of its immediate neighborhood. On the other hand, the EU's Mediterranean partners will benefit not only from access to a huge European market, but also from investment and transfer of know-how, in addition to better understanding of culture, civilization and human affairs.

CHAPTER 3

THE EURO-MEDITERRANEAN PARTNERSHIP: ESTABLISHING THE ELEMENTS OF A PERTINENT INTERNATIONAL REGIME IN THE MIDDLE EAST

Introduction

Regionalism, as a route to integration into the world economy, has been developing worldwide over the last decade, with a distinct surge after the end of the Cold War. There has been an increasing tendency in all parts of the world to search for mechanisms of cooperation in both the political and economic fields. According to Smith, regionalism acts "as a kind of lens through which central issues of world politics are refracted and given particular shape." At the same time, it is argued that regionalism contributes to the broader development of global order, and "in the economic sense that it can be seen as a reflection of globalization." (p. 70) Presently, there are over 100 regional trade arrangements, ranging from the highly developed institutional framework of the European Union (EU) to limited and often specialized agreements between three or four countries. (Smith, p. 69)

The most formal and wide-ranging expression of regional interactions is the EU: "a highly developed set of institutions expressing not only the economic but also increasingly the political integration of the Western European region, with the possibility that this might be extended into the field of security and defense, or to other parts of Europe." (Smith, p. 71) In fact, the European integration has implied the

construction of a kind of 'regional state', in which the traditional roles of national states are transferred to the EU. Regionalism, therefore, "expresses a constant tension between the demands of statehood and the pressures for collective action or adjustment to regional realities." (Smith, p. 77)

Today, the EU is seen as a formidable competitor in the world political economy and as an attractive partner for other regions of the world. At the same time, the EU acts as a 'world partner' by establishing agreements and initiating dialogues with other regions. In this manner, the EU has developed a web of inter-regional cooperation initiatives with a wide range of Mediterranean countries. (Smith, p. 80)

Regional cooperation is beginning to develop in the Mediterranean basin as a result of the breakthrough in the Middle East Peace Process (MEPP), which took the lid off a number of regional problems, with an ethnic as well as a national security dimension. (Smith, p. 84)

Regionalism is perceived to bridge the gap between international economic activities and national political systems. Increased economic interdependence is likely, in turn, to make countries in the area more willing to embark on a regional political dialogue designed to harmonize the rules of behavior of countries that have different social systems and political alignments. Therefore, regional or sub-regional integration would have the effect of promoting economic development, and social and political harmonization.

In an attempt to answer the present research's central question of "Why hasn't the EMP generated the success it was envisaged to bring about at its onset?", my

research methodology includes the examination of the EMP as a case study, while relying on the study of international regimes as a conceptual framework. By linking the case study to the conceptual framework, described at length in chapter one, this will help in examining what theories of international politics tell us about the central research question. Moreover, we would be able to find out how much better would world politics be if international regimes were applied and what are the possibilities for global peace with their application?

The present chapter will give a detailed description of the EMP and use this case study to question the utility of regimes for bringing about peace and economic development. While the EMP is structured as a regime, it does not seem to be successfully operating without being hostage to the MEPP. Therefore, international regimes might not be always capable of doing what their theorists intend them to do.

Regimes in Practice: The EMP as the Research's Unit of Analysis

The EMP does not represent a break with the past, rather a deepening of past efforts, by introducing a complementary and interdependent economic, politico-strategic and cultural European role in the region. It covers the period from 1995 onwards. Nevertheless, there are several differences: renewed emphasis on a multilateral framework for the regional more comprehensive coverage of issues, including social and environmental areas; financial assistance, with access being on a competitive basis and related to the economic reforms undertaken by each country and; going in financial assistance beyond project financing to support broader macroeconomic and structural reform. (Nsouli et al, p. 14)

A. The Three Euro-Mediterranean Ministerial Conferences

1. *The Euro-Mediterranean Conference in Barcelona:*

The inter-ministerial Conference in Barcelona, on 27 and 28 November 1995, brought together the Foreign Ministers of fifteen EU countries and of twelve other states around the Mediterranean (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian authorities). This was an event of major importance, since it brought to one table Syria, Lebanon, and Israel, thus marking the first official participation of the three countries in public meetings outside the United Nations since the Madrid conference in 1992. Moreover, it laid the foundations for a new EMP, which was created in a spirit of equality, cooperation and solidarity. On the Union's part, this Partnership is a sign of its willingness to play an increasingly active role in the region on the political, economic and social fronts.

(Europe in a Changing World, p. 34)

The twenty seven countries committed themselves to establishing a comprehensive partnership through strengthened political dialogue, the development of economic and financial cooperation, and greater emphasis on the social, cultural, and human dimensions. The Declaration adopted at the end of the conference emphasizes that "turning the Mediterranean basin into an area of dialogue, exchange and cooperation, and guaranteeing peace, stability, and prosperity requires a strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty, and the promotion of greater understanding between cultures, which are essential aspects of partnership."

(Barcelona Declaration)

It should be pointed out that one of the most tangible aspects of progress made at the Conference, in an economic context, was the progressive establishment of a free-trade area, which the partners aim to create by 2010" (Percival). The creation of a free trade area will be underpinned by a substantial increase in EU financial assistance, to encourage sustainable indigenous development and mobilize local economic operators. An amount of ECU 4, 685 million (\$6 billion) had been allocated for 1995-1999 by the European Investment Bank (EIB) for increased loans, and bilateral financial contribution from the member states, though, in contrast, \$9 billion was pledged to EU partners in East and Central Europe. Unlike the past when each country was allocated a set amount of funding for five years, the current aid system is a global one, representing a common fund for the area, which is to be disbursed according to the merit of the projects submitted to the EU. This arrangement might unfairly favor some states at the expense of others. (Parfitt, p. 196) Tariff and non-tariff barriers will be progressively culminated in accordance with timetables between the partners, and agricultural products and services will be liberalized step by step.

In addition to the free-trade area already mentioned, economic cooperation also aims to eliminate obstacles to investment, to assist in the modernization of industry, and to develop competition. The plan is that such cooperation should extend to the fields of agriculture, transport, energy, telecommunications and information technologies, regional planning, tourism, the environment, science and technology, water supplies and fishing (Percival).

From a social, cultural and demographic perspective, the aim of cooperation is to develop human resources (i.e. covering education, training, the role of women, etc.)

and to establish a close association between regions and local districts. It will also promote dialogue between cultures and civilizations, particularly between the various religions present in the region, as well as media interaction, youth exchanges and exchanges between representatives of civil society. The EMP also deals with social development and health: terrorism, drug trafficking, organized crime and illegal immigration are other areas where cooperation is developed. (Euro-Med Partnership, p. 5)

To ensure the continuity of the momentum developed by the conference, the participants agreed to set-up a follow-up committee at the senior-official level, consisting of an EU Troika and one representative of each Mediterranean partner. This committee will hold regular meetings to prepare for the meetings of foreign ministers of both sides, take stock of and evaluate the follow-up to the BP, and update the work program adopted by the conference participants.

2. The Second Euro-Mediterranean Conference in Malta:

The second Euro-Mediterranean Conference of Foreign Affairs Ministers was held in Malta on 15 and 16 April 1997, seventeen months after the Barcelona Conference. Although the Malta Conference provided an opportunity, at the political level, to carry out an initial review of the Partnership and to set the pace for the next eighteen months, it was dominated by the state of the MEPP and consequently made no significant progress in implementing the Barcelona Program. It had been originally agreed to hold the second Euro-Mediterranean Conference at a Mediterranean Arab country, Tunis. Yet, the venue shifted to Malta because the Arab parties refused to host the Israeli delegation.

The technical meetings were also affected. According to Diaz, "in September 1997, the Israelis refused to participate in MED-Partenariat Tunis because of the low profile treatment they were being given. A month later, an experts' meeting on audio-visual issues had to be moved from Tunis to Rome, because of the Arab refusal to meet with Israel on Arab soil. In November, the invitation to Israeli organizations to participate in the Summit of Economic and Social Committees was held up until the very last minute." (p. 19)

The Commission had defined three general objectives for the second Conference: to build upon and endorse the results already achieved in the framework of the EMP; to confirm, in the light of the review, the strategy and objectives adopted at the inaugural Conference in November 1995, perhaps modifying certain areas or expanding others; and to adopt additional measures for the period leading up to the next Ministerial Conference.

Conference participants emphasized their support of the realization of a just, comprehensive, and lasting peace settlement in the Middle East, based on the relevant United Nations Security Council resolutions and principles mentioned in the letter of invitation to the Madrid Middle East Peace Conference, including the principle of "land for peace" (El Shazli, p. 9) The conference also stressed that one of the major objectives of the Partnership was the establishment of free trade between the EU and its Mediterranean Partners. This will be accomplished primarily through the implementation of the Euro-Mediterranean Association Agreements (EMAAs) and the ability of the partners to cope with the problems involved in the process of transition to more open economies. In the Commission's view, "the Conference

provided fresh impetus in this direction and defined the measures required to underpin free trade at regional and sub-regional levels. The general aim was to move on to a phase where regional cooperation is efficiently organized to ensure that the Partnership's global objectives are achieved and the Euro-Mediterranean Partners' priorities are met." (Communication from the Commission, p. 2)

3. The Third Euro-Mediterranean Conference in Stuttgart:

The third Euro-Mediterranean Ministerial Conference of foreign ministers was held in Stuttgart, Germany, on 15 and 16 April 1999, under the presidency of Germany. The aim of the conference was to give a strong political impetus to the further extension of the EMP. During the meeting, the Euro-Med partners emphasized that that the political, economic and social stability of the EU as a whole and the Mediterranean region is very closely linked, and that "a balanced good-neighborly policy of the EU must be geared both to a close partnership with its neighbors in the South and to the integration of its neighbors in the East."

(<http://www.euromed.net/activities/conferences/stuttgart/speeches/germany.htm>)

The meeting elucidated the overlap between progress in the BP and the MEPP. This was well reflected in the fact that the meeting's venue, Germany, is not a Mediterranean country. Also, the official announcement of the results of the conference, "traditionally issued by the President of the Council, the Vice-President of the Commission and the spokesperson for the Mediterranean third countries, had to be cancelled because of the determination of Israeli Minister Sharon to participate alongside the Arab spokesman who was speaking on behalf of the Mediterranean countries." (Diaz, p. 19)

In his speech, Mr. Manuel Marin, Vice President of the European Commission, expressed the difficulty the Union was facing in setting up a dialogue on the political and security chapter due to the overlap between the above two processes. As put by Marin, "it has to be said that while political cooperation had been set up on an ad hoc basis, with no clear institutional framework, but with high ambitions, the opportunities for dialogue have faded as events have unfolded." He continued that, "for the last three years, we have all endeavored to keep the MEPP and the BP separate. But there is no doubt that anything that foster the MEPP will have a beneficial effect on the BP in the short, medium and long term."

(<http://www.malta.euromed.net/activities/conferences/stuttgart/speeches.euc.htm>)

Nevertheless, the Med partners reiterated their firm commitment to the realization of a just, comprehensive and lasting peace in the Middle East, based on the implementation of UN resolutions 242 and 338, and the terms of reference of the Madrid Peace Conference, including the principle of land for peace, the Oslo Accords and the Wye River Memorandum. The Arab group, under Syria's coordination, was represented by Foreign Ministers from Algeria, Egypt, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, and Tunisia. For the first time, Libya and Mauritania were allowed to attend the conference as "special guests."

At the conclusion of the meeting, the Med partners agreed that Libya would become a full member of the BP, as soon as the UN Security Council sanctions have been lifted. Moreover, the partners expressed their commitment to the principles of the Barcelona Declaration and that the Partnership is still in its infancy. The purpose of the meeting was not to examine its successes or failures, but to confirm its partners'

determination to see it develop. The various ministers emphasized the fundamental importance of intra-regional and sub-regional cooperation and integration in the three baskets of the Barcelona Declaration. For the near future, they intend to concentrate on: drawing up a Euro-Mediterranean Charter for Peace and Stability; gradually introduce a Euro-Mediterranean free-trade area by year 2010; and increase the activities of the civil service sector.

(<http://www.euromed.net/activities/conferences/stuttgart/speeches/germany.htm>)

B. Description of the Euro-Mediterranean Agreements:

- *Bilateral Aspects*

In parallel to the regional talks, the EU is also working on reinforcing its bilateral relations with the twelve states. The Association Agreements are intended to bring the Mediterranean Partners and the Union closer together through the gradual establishment of free trade, the provision of EU support for the economic transition process, cooperation in a whole range of areas, the opening up of cooperation to civil society and the undertakings entered into with regard to human rights and democracy. Priority will be given to the improvement of competitiveness, economic restructuring, administrative reform, the establishment of economic infrastructure or scientific cooperation depending on the needs of the individual Partners. (Euro-Med Partnership, p. 8)

In the economic field, free trade is not an end in itself, but a means of improving competitiveness and integrating the Partners into international trade thereby improving living standards. However, as the partner countries are at different stages of development, progress towards free trade will be gradual, and will require

programs to support economic transition and structural adjustment by cushioning any negative social effects, speeding up economic modernization and promoting sustainable development. The problem with free trade lies essentially in "the insertion of these countries in the world economy. Most of them, particularly the least developed, have heavily protected economies." (Galesne, p. 26)

The EU has a customs union with Turkey, Malta and Cyprus (the latter two are negotiating their membership of the EU). The customs union agreement with Turkey entered into force on 31 December 1995. Since that date, the customs union has functioned satisfactorily on the whole. In particular, customs duties and charges having equivalent effect have been abolished, as have quantitative restrictions. Turkey has adopted the Common Customs Tariff as well as an external commercial policy substantially similar to that of the Community. Moreover, cooperation or association agreements have been signed with non-European Mediterranean countries: Algeria, Egypt, Jordan, Lebanon, Morocco, Syria, Israel and Tunisia. These agreements entered into force by 1978/1979. The agreements were made for indefinite periods and are still governing the relationship for countries that have not yet negotiated and ratified an EMAA. They were accompanied for each of the countries by four consecutive protocols on financial and technical cooperation in which the aid relationship is specified for five-year periods.

(<http://www.euromed.net.documents/report/report-13.htm>)

It is worth noting that currently, all three types of agreements are active: "EMAAs, which will gradually replace cooperation agreements as negotiations are completed, while association agreements will remain active. EMAAs follow the

Barcelona Declaration and its political, economic and cultural aims. They are designed to prepare the Mediterranean countries for the year 2010 GATT compatible free trade area in industrial goods.”

(<http://www.euromed.net/documents/report/report-13.htm>).

- **Regional Aspects**

- 1. Political and Security Partnership:*

The political and security dialogue launched in Barcelona is one of the Partnership's most promising projects: it represents an entirely new area of cooperation between the EU and its Mediterranean Partners, providing a forum for discussion long sought-after by the states concerned.

Progress has been achieved in three areas: first, a list of confidence-building measures, many of which are already operational or have been formally approved for implementation. Tangible results are expected on two fronts: the network of foreign policy institutes (EuroMesCo), which will produce an independent analysis of the political and security aspects of the region and a mechanism for cooperation in the event of natural and human disasters will be set up to ensure there is effective liaison between the disaster prevention and relief services in the region. Second is the formulation of a regularly updated “Action Plan” covering six sectors of activity: strengthening of democracy, preventive diplomacy, security and confidence-building measures, disarmament, terrorism and organized crime. Third, work has begun on a Euro-Mediterranean Charter for Peace and Stability, an institutional mechanism for dialogue and crisis prevention (Communication from the Commission).

It should be noted that the political dialogue covers respect for human rights and fundamental freedoms, which is at the heart of the EU's international policy. The Union feels that the adoption and implementation of international standards in the field of human rights are essential for lasting social and political stability. In this context, all the Mediterranean partners should be encouraged to sign all international instruments relating to human rights and to implement them. However, the EU is faced with a dilemma of whether it should cease relations or penalize Algeria and Egypt "in the face of evidence that both states have abused human rights in the prosecution of their campaigns against extremist Islamist movements. To enforce political conditionality in such circumstances could be to risk the advent of illiberal anti-Western regimes to power, but failure to invoke penalties for anti-democratic behavior is to implicitly approve such activities on the part of the governments concerned." (Parfitt, p. 193)

Furthermore, the Union supports the efforts made by the partners to establish a civil society based on the rule of law, in accordance with the declarations and action programs of the world conferences on human rights, population, social development and women, which the Union and the Mediterranean Partners helped to organize. The risk of mass destruction weapons proliferation is a factor of instability in the region. Joint reflection was initiated on the implementation of the international non-proliferation arrangements pertaining to nuclear, ballistic, chemical and biological weapons. The partners are also stepping-up their efforts to prevent and combat terrorism within the Euro-Mediterranean framework, in particular, by acceding to international conventions in the field (Barcelona Declaration).

2. Economic Partnership:

There has been intensive government and private sector activity under the economic pillar of the EMP. At the government level, the method used to implement the Barcelona Declaration has involved facilitating the harmonization of sectoral policies, organizing exchanges of know-how and helping identify the common policies required for the creation of the Euro-Mediterranean economic-area: "This has been a considerable achievement in terms of economic rapprochement and modernization, especially in the following fields: industry and SMEs, energy, water management, the information society, tourism, fisheries, and sea transport. In the private sector, meetings were also organized, at the initiative of economic operators, between bodies from the various partner countries (industrial federations, banks, chambers of commerce, economic institutes, trade fairs, etc.). Mutual recognition, institutional capacity building and the transfer of know-how have been facilitated in every case. (Euro-Med Partnership, p. 15)

A range of accompanying measures is negotiated at the regional level to permit greater harmonization and compatibility within the Union's internal market. Areas such as: cumulation of rules of origin, customs cooperation, standards, intellectual property, taxations, competition, should be encouraged. A second objective is the adoption of a targeted approach to intensify the harmonization of policies in areas crucial to the objective of setting up a joint economic area. In the light of progress achieved to date, cooperation will be concentrated in the first instance on areas earmarked as priorities by the Mediterranean Partners and where cooperation has been successful in the past: industrial policy and small and medium enterprises (SMEs), energy policy, environment and water policy, information

society, sea transport. action will be taken in other areas in due course
(Communication from the Commission).

A third objective consists of actively preparing the Mediterranean partners to adjust their economic policies in accordance with the changes under way in the Union. The economic dimension of the EMP is taking shape at a time when the EU itself is undergoing further transformation with enlargement to the east and the setting-up of the European Central Bank. This transformation will have a considerable impact on the Mediterranean Partners, as most of their trade is with the EU, and the Union also provides most of their private investment. This preparation could take the form of meetings and exchanges between government representatives, private operators, university and cultural circles, etc., and would require support from the MEDA program. The Commission also proposes to support those Mediterranean Partners wishing to initiate or strengthen their trade and financial links with the countries of Central and Eastern Europe. (Euro-Mediterranean Partnership, p. 16)

The fourth objective is the implementation of a policy to strengthen intra-regional and sub-regional cooperation and integration. The experience of the Regional Economic Development Working Group (REDWG), chaired by the EU, will prove useful here. "According to this group, the Union could offer support for a whole range of measures, as technical support for the negotiation of intra-regional economic agreements on trade-related measures. The strengthening of links between the Mediterranean Partners themselves through the establishment of free trade should be regarded as a top priority. Regional and sub-regional economic integration and rapprochement are the key catalysts for growth in the region, in particular when it

comes to expanding markets and attracting private investment from abroad.”

(Communication from the Commission)

3. Social, Cultural and Human Partnership:

This dimension of the Barcelona Declaration is intended to develop human resources and to promote the understanding between different cultures and exchanges between civil societies. The ambitious objectives set out in the work program concern more than ten sectors of activity in this field. Some had already been developed through the MED decentralized cooperation programs, while others are entirely new. Since the initiation of the EMP, civil societies have been involved in cooperation programs such as the MED-Campus (universities), MED-Media (information) and MED-Urbs (cooperation between local communities). (Galesne, p. 2)

- **Evaluation of the EMP as an International Regime**

The main aim of the EMP is to create a zone of peace, stability and prosperity by working to remove the threat of political and economic destabilization that has been an all too frequent characteristic of the region. Working on the politico-security, economic, and socio-cultural dimensions are essential if the Partnership is to be mutually beneficial. It introduces a totally new spirit in relations between the EU and Mediterranean countries. Previously, co-operation with the EU consisted of relatively limited economic and financial agreements. The new regime, on the other hand focuses on a broad range of themes in the politico-security, economic and cultural fields. For the first time, the Med partners have been recognized in terms of respect for their identities, and no longer simply as markets, energy suppliers or sources of immigration.

At the minimum, international regimes may be formal or consist of informal arrangements. In case of Euro-Med, the partners' collaboration entails agreed rules to work together for certain goals and to abstain from certain actions, based on their common interests and incentives for cooperation. The actors' cooperation represents a case whereby participants take steps to adapt their behavior to the needs of others by means of a process of policy coordination. In this respect, cooperation is political in nature, as it requires adjustment on the part of participants to the needs and interests of each other. Yet, cooperation does not assure that conflict is absent from the relationship. (Dougherty and Pfaltzgraff, p. 170)

Indeed, the primary goal of regime analysis is to focus on the study of relationships that are the result of mutual need and interest in an international system, leading to higher levels of integration. Assuming the existence of common interests does not assume that the actors' interests are identical. Rather, it assumes that the policies states pursue when cooperation are coordinated to meet the anticipated preference of other states.

The EMP is a form of comprehensive negotiated regime, also exhibiting a piecemeal quality, whereby many problems were left to be worked out on the basis of practice (Young, p. 99). To achieve its goals, the Partnership should preserve the Barcelona momentum, mobilize political wills, involve civil societies, capitalize on human resources, and bring societies closer through mutual understanding and cross-border business exchanges. Presently, the EMP is fraught with difficulties and nobody can tell whether it will lead to shared prosperity and political stability in the

Mediterranean. Up till now, nothing much has been done towards the creation of the free trade area to be realized by 2010.

Though the creation of the EMP regime has implied a high degree of obligations on part of the member states, without a link to the overlap between the regime and developments on the track of the Arab-Israeli peace negotiations, the present situation of the Partnership, whereby little progress has been achieved due to the stalemate in the Arab-Israeli situation, may compel the regime's partners to modify or revise its rules.

Revising the rules of the EMP depends on the extent to which the EMP regime attained the purposes for which it has been established. The initial conditions under which the EMP regime has been formed, the breakthrough in the MEPP, changed, which is currently making the regime less attractive for some of its members. Though it is quite beneficial to modify existing regimes in the interests of promoting efficiency, equity, or any other desired outcome, especially if regimes do not guide human actions toward well-defined substantive goals such as enduring peace, economic efficiency, or maximum sustained yields from renewable resources, it has been quite unusual for regimes to endure new rules or regulations. This might lead the EMP regime to become obsolete, even though it has never been explicitly suspended.

Arising from that, it might be safe to conclude that in case international regimes fail to take into account the effects of the social, political and cultural settings in which they operate, they might not yield the results for which they are created: facilitating international cooperation. The case of the EMP exhibits the

'incompleteness' of the theory, as it fails to incorporate the effect of the complex political situation in the region, especially the insistence of Arab members of the regime to resolve hard security issues prior to discussions on soft security ones. Therefore, only the bilateral aspects of the Partnership seem to be in operation, while the multilateral agreements are frozen.

Though the purpose of the present chapter was to give a description of the EMP regime, the following chapter will give an analytic account of the reasons why this regime has not generated the successes it was envisioned to bring about at its onset. On the whole, the EMP regime fell hostage to the political context in which it is operating, primarily the stalemate in the Arab-Israeli peace process. Although it has been said at the very beginning that these two processes are parallel and complementary, in theory at least, in practical terms they have proven that they are quite strongly linked.

The EU is very much in favor of increasing its "political" involvement in the Middle East, to save the EMP regime from failure and guarantee overall regional stability in the whole Mediterranean region. Yet, the EU is incapable of translating its ambitions with regards to the region into practice, due to a number of interrelated reasons. First, the EU is not capable of defining interests and formulating a coherent foreign policy with regards to the region due to internal frictions within its organizational structure. Second, the EU does not possess enough influence over the parties to bring them to the negotiating table. Third, there is an American self-imposed division of labor; namely that the United States would act as the sole external mediator between the parties, whilst Europe would be responsible for providing the

bulk of the financial resources required for underwriting any agreements reached by the parties. Fourth, for historical reasons, Israel is reluctant to allow any increased European political role in its conflict with the Arabs, mainly due to its belief that the EU is a biased supporter of the Arab parties. Fifth, the Arab parties, ununified as they are, have not been active in emphasizing the necessity of having the Europeans present at the negotiating table.

CHAPTER 4

THE POLITICAL ROLE OF THE EUROPEAN UNION IN THE MIDDLE EAST: EMERGING FROM THE SIDELINES?

Introduction

Europe's attempt to carve out for itself a separate and distinct role in the Middle East is not new. Europe has always prided itself on its special relationship with the Middle East, and the Arab world in particular. Throughout the ages, the Europeans have maintained a belief that they possess a better understanding of the region than the Americans do. In fact, Europe's historical legacy, its geographic proximity to the region and extensive network of political, economic and cultural ties with the region, have given it a unique role in, and responsibility to, the Middle East. The best example of that is the process of European integration as an illustration of how countries that have been involved in destructive wars can, in a very short period, agree to reverse that tendency.

Most political analysts agree that the pattern of the *European Union's* (EU) policy towards the region "has been historically marked by flurries of intense activities followed by long pauses of inertia as the Community busied itself with internal matters." (Pace, p. 109) A period of inertia followed the signing of the first two *Association Agreements* with Mediterranean countries at the end of the 1960s. Throughout the 1980s, the EU neglected the southern Mediterranean due to a number of internal and external problems: "internally, the completion of the internal market,

the Single European Act, the intergovernmental conference which led to the signing of the Maastricht Treaty, the difficult ratification process; externally – the completion of the negotiations leading to the second enlargement (Spain and Portugal, 1985), negotiations with the EFTA group for the creation of the European Economic Area (EEA), enlargement negotiations with the EFTA group, the Uruguay Round of negotiations, and finally the situation in Central and Eastern Europe.” (Pace, p. 110)

Since the early 1990s, however, the EU has been engaged in developing new structures of cooperative relationships with the region, in response to growing criticisms that it was neglecting the Mediterranean region, and the need to re-introduce some balance in its external relations. On one level, it has been involved in the Arab-Israeli multilateral talks, whereby it has been the primary financial donor to the Palestinians to ensure their economic development as the best long-term security guarantee for Israel. Altogether, the EU has contributed more than half the aid from the international community to the Palestinians (more than 2 billion euros for the period 1994 - 1998), through various channels, whether the EU collectively, the contributions of individual EU member states, loans from the European Investment Bank (EIB), and funds to assist refugees through the UN Relief and Works Agency (UNRWA).

Today, the Arab and European parties alike call for an enhanced EU political role, particularly in the MEPP. In fact, Mr. Manuel Marin, Vice President of the European Commission (EC) indicated in 1998 that the EU has played a constructive role politically, and that this role “could be improved if the parties (Israel and the Arabs) and the US would recognize that the EU should participate alongside the US,

at a ministerial level as well as through the EU's Special Envoy to the Middle East, in all the bodies created to support the bilateral negotiations between the parties."

(Newsletter of the Delegation of the European Commission in Egypt, Jan./Feb. 98)

The rationale for an enhanced EU political role comes as a result of a number of reasons, which have been summarized by Joseph Alpher, as: "first, the parties to the conflict are incapable on their own of narrowing the substantive and/or procedural gaps that separate them, yet second, those gaps are not so large as to preclude the hope of effective settlements, and third, alternative third parties, i.e. the United States, are not overwhelmingly successful, or are not interested, in bridging these gaps." (p. 63)

On the other level, in 1995, the EU launched the Euro-Mediterranean Partnership (EMP) – the Barcelona Process (BP), aimed at developing a new framework of peaceful and cooperative relations in the Mediterranean region. Within the framework of the BP, the EU has committed 4.7 billion ECUs for the period from 1995 – 1999, to support infrastructural development and financial adjustment for the economies of the Mediterranean region, including the Middle East. Moreover, it has proposed the creation of a free-trade zone across the Mediterranean region by the year 2010.

Therefore, the BP "envisages not just the eventual integration of the economies, but also the development of new cooperative frameworks encompassing future political, security, and civil relations between the states of the Mediterranean region." (Peters, p. 8) Many analysts argue that the EMP is the "only realistic option

through which economic development can be achieved" because other economic arrangements as the Regional Economic Development Working Group (REDWG) and Middle East and North Africa (MENA) Economic Conferences are linked to the peace process. (Joffe, p. 17)

Though the development and the launching of the BP received its impetus from the progress achieved in the Arab-Israeli peace process, the BP is not a competitive framework to the peace process, but rather a complementary track to help reduce tensions between Israel and the Arab states. However, the success of the EMP is linked to that of the Arab-Israeli peace process. The seriousness of the current stagnation or even regression in the Arab-Israeli peace process can hardly be overestimated. Mistrust is governing the relations and violence has become part of the daily life in the Palestinian territories. The Arab world has stopped, and in some case even reversed, its process of normalization of relations with Israel. Analysts seriously discuss the possibility of a new war, for instance, triggered by a violent clash between Syria and Israel on the Golan.

This mandates a greater political involvement on part of the EU. "Certainly with the MEPP frozen, Europe feels impelled to explore its own initiative to advance it." (Alpher, p. 63) This is especially true after the Europeans had to recently accept that there is a causal relationship between the BP and the MEPP: the BP could not have taken place without Madrid; and after both processes were launched, once Madrid stagnated, the BP did not proceed.

Therefore, the present chapter is devoted to highlighting the latter phenomenon. In tackling this, particular reference is made to the heightened EU interest in involvement in Middle Eastern 'political' affairs and the peace process, and the warding off of the United States to such initiatives. On the whole, the EU has more influence than the US with the Arabs, and has the capacity to use its economic presence in the region to achieve political results. A supplementary angle to this issue is Israel's dissatisfaction with an active European role in the Arab – Israeli peace talks. Other reasons include the insistence of Arab states on the attachment of negotiations on "soft" security issues of the Partnership with negotiations on hard ones, until the territorial conflict between Arabs and Israelis is resolved. To accentuate the findings of the research, I have relied on the conduct of personal interviews with officials whose views have helped to bolster the research's central arguments.

- **Europe, the US and the Middle East: Convergence or Divergence?**

Graham Fuller asserts that the Middle East "has increasingly become a factor in the broader evolution of a new European identity, its interests and the determination of US interests in the region as well." (p. 85) Both the EU and the US have traditionally shared pursuing an overriding objective in their overall relations with the Middle East: to secure the *energy supply* at acceptable prices. The two parties have, in fact, justified a broad range of political-military arrangements in the region on the basis of protecting the flow of oil.

While both the EU and the US share the objective of securing energy supplies, Europe's dependence on the Middle East remains vital and is much greater than that

of the US, which imports "only 20% of its total energy consumption, compared to the 50 – 90% for European countries, with the exception of Norway and the United Kingdom." (Rhein, p. 49) With the diversification of sources of supply to Central Asia and the North Sea, the interest in securing oil and gas supply from the Middle East has temporarily declined.

Moreover, there has been a shift on the EU side to overall socioeconomic stability in the region, particularly the Mediterranean countries. As described by Rhein, "Europe is more apprehensive about sociopolitical upheaval at its doorsteps, both east and south, than about any disruption of oil flow from the Gulf." (p. 44) Therefore, Europe has replaced energy security as the primary concern of European Middle East policy to regional stability and security. Rhein asserts that "Europe is afraid that the impossibility that its Mediterranean neighbors can cope with their massive socioeconomic and political challenges may affect its own internal security through an inflow of illegal immigrants, the destabilization of its population of Maghreb nationality or descent, or through a further rise of illegal drug smuggling from the region." For the US, regional stability of the Middle East does not seem to have the same priority because the region is too far away. (p. 50)

The second priority for both the United States and Europe with regard to the region is weapons proliferation, though weapons of mass destruction pose a greater threat to Europe as an immediate neighbor, than they do to the US. Fuller finds that "southern Europe is especially exposed in that it will, within the next decade, if not earlier, be within range of Middle Eastern missiles that can carry weapons of mass destruction." (p. 90) An equal source of threat to the US and Europe is the export of

radical ideologies and related incidents of terrorism outside the Middle East.

“Islamism or Muslim fundamentalism ranks first as a radical ideology of concern because of its potential anti-Western orientation” because these movements hold Western powers accountable for propping up local governments that they accuse of corruption and mismanagement. (Fuller, p. 91)

On the other hand, Rhein finds that a major divergence between European and American interests in the Middle East is that the security of Israel is not considered by the EU as an overriding priority. As described by him, “of course Europe is committed to the existence of Israel as a legitimate state of the Middle East. But Europe no longer considers Israel’s existence to be jeopardized by Arab military or political power. For Europe, the military, political, and economic power balance has changed dramatically in favor of Israel during the last 30 years. This is the basic reason for the more outspoken pro-Palestinian and pro-Arab stance by the EU.” (p. 51)

Paradoxically, the EU has rarely pursued policies toward the Middle East without taking into account the interests of the US. Even during the *Euro-Arab Dialogue* (EAD), the EU gave in to the demands of the US of not including oil issues within the discussion frameworks. Moreover, the US depended on Europe to step in to fill the vacuum whenever uneasiness occurred in its relations with the Arab world. (Hitti, p. 88)

Therefore, it might be easy to conclude that both countries “may, and they sometimes do, differ when it comes to the means to be applied in order to achieve that

objective. But whatever differences have surfaced and will do so in the future, they concern the detail of policy implementation, rather than the basic policy approach.” (Rhein, p. 42)

- **European Involvement in the Arab-Israeli Peace Process:**

During the Cold War, Europe “played second fiddle to the superpowers in the maintenance of the military balance of power in the region and was virtually absent in the most important Mediterranean crises, notably the Middle East problem.” (Pace, p. 109) With the end of the Gulf War, international efforts to re-launch the Arab-Israeli peace process were intensified. There were high hopes within the EU that an international conference on the Middle East, under the auspices of the UN, would be convened, and that the EU would play a key role in the next phase of the peace process.

Yet, these hopes proved to be short-lived. The United States alone “took it upon itself to set up an institutional framework to deal with the Israeli conflict and effectively blocked any alternative international efforts.” Though hosting the 1991 peace conference in Madrid, Spain, the EU was offered only a minor role in the proceedings and was left out of the high politics areas. In fact, the US turned to Moscow, rather than Europe, to co-sponsor the conference, although the Soviet Union’s power was declining and on the verge of collapse. (Peters, p. 3) Choosing the Soviet Union as co-sponsor helped the US in two ways: first, “it defended Arab participants from the criticism of their radical constituencies that they are simply marching to an American tune. Second, it provided America with a pliant Soviet partner and a plausible justification for excluding the UN from the action: the Soviet

presence legitimized what was in fact a unilateral American diplomatic initiative.”
(Shlaim, p. 112)

The US' insistence on keeping the EU out of the conference's core framework of discussion was reflected in the fact that the EU was not even invited to the conference as a "special guest", as was the case with Mauritania and the Arab Maghreb Union. (Hitti, p. 98) The Declaration of Principles, the Cairo Accords, the Peace Treaty between Israel and Jordan, and the Wye River negotiations, were all achieved under the aegis of the United States. During the Wye River negotiations, the EU played a complementary role, which was mainly to "provide moral, economic and technical support to the Palestinians, with a view to consolidating peace." (Newsletter of the Delegation of the European Commission in Egypt, Sept./Oct. 99)

The EU played no part in the bilateral negotiations that followed the Madrid conference. Instead, it was invited to participate only within the framework of the five working groups of the multilateral talks, which were to run parallel to the bilateral negotiations. The EU was entrusted with the running of the REDWG, the largest of the five working groups, and the one which reflected most fully the broader goals of the multilateral track. Areas covered by the four other working groups include Arms Control and Regional Security, Environment, Water and Refugees.

While the bilaterals "were to concentrate on the political issues of territorial control and sovereignty, territorial demarcations, security arrangements, and the political rights of the Palestinians, the multilaterals would examine a range of economic, social, and environmental issues which extend across national boundaries,

the resolution of which is a prerequisite for long-term peace in the Middle East.” (Peters, p. 4) Thus, the principal purpose of the multilaterals was to bring together the regional parties, and to draw the financial resources of the international community into the peace process.

It is worth noting that the idea of the multilateral negotiations is grounded in a functionalist, liberalist conception of international cooperation and peace, according to which the enmeshing of states is “an ever-widening web of economic, technical and welfare independencies” which would compel them to set aside their political and/or ideological rivalries. According to Peters, the process of continued cooperation in areas of mutual concern would blur their long-held animosities and would create a new perception of shared needs. This would be accompanied by a legal process which would foster a fundamental changes in attitudes and lead to a convergence of expectations and the institutionalization of norms of behavior, thereby facilitating progress in the bilateral talks. (p.4)

By virtue of the multilaterals, Israel, for instance, would use the economic growth tool to gradually establish normalization policies with and gain acceptance within the Arab world. Consequently, regional cooperation would serve as a powerful tool for stimulating economic growth and social developing. Drawing from the experience of European integration, functional cooperation would eventually spill over into peace. Therefore, it might be safely hypothesized that *the implicit aim behind the EU's interest in the political involvement in the peace process is to guarantee overall stability in the Mediterranean region.* According to Ambassador Aapo Polho, Finland's ambassador to Egypt, in the country's capacity as President of

the EU, "Europe is interested in the stability of the Mediterranean region, whether political, economic or social stability. On top of the stability agenda, then, is the MEPP. It is the most difficult problem in the region. If this problem cannot be solved, there are only very faint hopes that overall stability can be achieved in the region."

Mr. Vittorio Ghidi, First Counselor at the Delegation of the European Commission in Egypt, argues against this implicit notion. For him, there is no separation between the MEPP and inter-state stability in the Mediterranean region. "Europe's general aim with regards to the Mediterranean is to create a stable region through the BP and REDWG. In some areas, the peace process is putting a break to the BP. Europe is, therefore, concerned with a solution to the problem whatever that entails."

EU Economic Involvement:

The breakthrough in the relations between the Israelis and the Palestinians following the Madrid peace conference led not only to a boost in the negotiations within the multilateral framework, but has also paved the way for a more tangible role for the EU in underwriting the peace process and in shaping the new regional economic order. On the economic level, the EU has emerged as the mainstay of the international support of the Palestinian economy, by providing aid amounting to 1.66 billion ECUs during the period from 1993 to 1997. In fact, the EU has been critical in "covering the immediate short-fall in the budget and in meeting the running costs of the Palestinian Authority, arising from the security policies and the restrictions imposed by Israel, rather than contributing towards the future welfare and long term development of the Palestinian territories." (Peters, p. 6)

On the eve of the signing of the Declaration of Principles, the European Community "announced that it would be releasing an immediate aid package of 35 million ECUs to enable the PLO to establish minimal services" and for the economic recovery and the developmental needs of the Palestinian territories. This aid package amounted for nearly a quarter of the total funds pledged by the participants at the donor's conference in Washington in October 1993. (Peters, p. 6)

Later, the EU provided \$24 million for the logistical preparations of the elections of the new Palestinian Legislative Council, held in January 1996. (Peters, p. 6) The Council of the European Union adopted two Joint Actions under the Common Foreign and Security Policy (CFSP), "which provided the basis for the Union's major political and financial involvement in the preparation, monitoring and coordination of international observation of the Palestinian elections." (Diaz, p.38)

A troika composed of the Foreign Affairs Ministers of Italy, Spain and Ireland, as well as Commission Vice-President, Mr. Manuel Marin, traveled to the West Bank and Gaza at the time of the elections. As described by Diaz, "the Italian Presidency issued a statement in which it congratulated the candidates elected, as well as the Palestinian people for the political maturity they had shown in their approach to democracy." The European Parliament sent an ad hoc Delegation for the elections, and concluded that, "despite some irregularities, the elections had taken place in acceptable conditions." (Diaz, p. 38)

Further, the Union is a major contributor to UNRWA, by committing 679 million ECUs over ten years to the running costs of that organization. Through its

economic commitment to the Palestinians, the EU "has acquired a direct interest in ensuring that progress is maintained in the negotiations between Israel and the Palestinians following the election of Netanyahu and at the marked deterioration of the Palestinian economy arising from the prolonged closure of Gaza and the West Bank, which prevented Palestinian workers from entering Israel." (Peters, p. 6) In response, the EU allocated in October 1996 a further 20 million ECUs to alleviate the budgetary problems facing the Palestinian Authority.

Moreover, following the signature of the *Wye Memorandum*, at the 30 November 1998 Washington *Donors' Conference*, "the international community pledged \$3.2 billion for Palestinian economic development and infrastructure projects over the next five years. Among the new pledges were \$400 million by the US, \$170 million by Norway, and \$200 million by Japan." At the same time, the EU committed 400 million ECUs from the Community budget over the next five years, in addition to investment projects supported by the European Investment Bank (EIB). In December 1998, the European Council pledged some 50 million ECUs a year in to the Palestinians from 1999 to 2003, in addition to EIB loans, MEDA and humanitarian aid. (Diaz, p. 49)

Political Involvement:

On the political front, the 1980 *Venice Declaration* had marked the emergence of a distinct European stance towards the Arab-Israeli conflict, and is considered the strongest, clearest and most advanced position adopted by the Community on the Middle East question. In fact, it outlined a collective European position to be taken for the conflict's peaceful resolution, including the right of all states to live in peace

within internationally recognized borders, the Palestinian right to self-determination and the need to include the PLO in any peace talks in the region. In the preamble to the Declaration, the members of the EC stated that the common interests, which link Europe to the Middle East, obligated them to play a role in the pursuit of regional peace.

A number of other declarations issued by the EU following the *Venice Declaration* served to emphasize the main framework of operation of the *Venice Declaration*. These declarations reflected a firm and decisive commitment on part of the EU towards peace in the Middle East, especially when the American stance was not as firm, clear or definitive. (Hitti, p. 6) The *Florence Declaration* in June 1996 emphasized the importance of resuming peace negotiations between the Arabs and Israel in line with the Madrid conference, the Oslo Peace Accords and UN Security Council resolutions 242 and 338. The *Luxembourg Declaration* of September 1996 touched upon the issue of Jerusalem: that it does not fall under the Israeli jurisdiction and is included as part of UN Security Council resolution 242. (Hitti, p. 6)

In October 1996, the European Union expressed its concern at the outbreak of rioting in Gaza and the West Bank, which had erupted following the opening in September by Israel, of the Hasmonean tunnel in the old city of Jerusalem, and which had led to the death of sixty four Palestinians and fifteen Israelis. The EU then held the Likud-led Israeli government the responsibility for the marked deterioration in the peace process and for the outbreak of violence, and called on the parties to return quickly to the negotiating table. At the June 1997 Amsterdam summit, the *Call for Peace in the Middle East*, issued by the heads of state or government of the European

Union, proclaimed that the peoples of Europe and the Middle East are linked by a common destiny and that peace is possible, necessary and a matter of urgency in the Middle East. (Hitti, p. 6)

During the June 1998 Summit in Cardiff, commitments to the Oslo Agreements of the 'land for peace' formula was restated as the sole means of insuring stability in the region and consequently the stable security of Israel and full recognition of the rights of the Palestinians. "At the same time, the European Parliament called again for the opening of Gaza airport, safe passage transit arrangements between Gaza and the West Bank for Palestinian workers, and food supplies. It also drew attention to the undertakings regarding the construction of a seaport in Gaza." (Newsletter of the Delegation of the European Commission in Egypt. July/Aug. 1998)

On 1 March 1999, the EU, "in response to warnings by Netanyahu's government to European officials of the consequences of visiting Palestinian institutions in occupied East Jerusalem, refused to recognize Israel's sovereignty over the Holy City, including the 1948 occupied West Jerusalem. The European Union also adopted United Nations resolution 181 of 1949, which considers Jerusalem an international city, and indicated that it does not owe allegiance to any side but to the United Nations."

(<http://www.palestine-info.net/analysis/15april.htm>)

The *Berlin Declaration* issued by the European Council on 26 March 1999 reaffirmed the EU's support for "a negotiated settlement in the Middle East, to reflect

the principles of 'land for peace'; and ensure the security both collective and individual of the Israeli and Palestinian peoples." The EU also reaffirmed the Palestinian right to self-determination, including the establishment of a Palestinian state. Further, the EU expressed its grave concern about the deadlock in the peace process and called upon the parties to fully implement the *Wye River Memorandum*, to reaffirm their commitments to the basic principles established within the framework of Madrid, Oslo and subsequent agreements, in accordance with UN Security Council Resolutions 242 and 338.

(<http://www.medeia.be/en/index402.htm>)

By that, the EU signaled its readiness to play an active role in the international efforts to recommence the peace process negotiations, commensurate with its interests in the region and its major financial contribution to the peace process so far. This was followed by a flurry of diplomatic activity by European leaders to the region, the most publicized was President Chirac's of France, to Syria, Israel, Gaza and West Bank, Egypt, Jordan and Lebanon.

Throughout his tour, Chirac emphasized the need for a greater European role in the peace process, and asserted that a true and lasting peace could only be achieved with the establishment of a Palestinian state. Chirac's visit was followed by that of the British Foreign Secretary, Malcolm Rifkind, who publicly reminded the Israeli government that Britain, in its capacity as President of the EU, considered the building of Israeli settlements in Gaza and the West Bank as illegal and that those settlements posed a serious threat to the pursuit of peace in the region. (Peters, p. 1)

European concern about the standstill in the peace process was reflected in the speech by Foreign Minister Spring, in his capacity as President of the European Council, at the MENA Summit held in Cairo in November 1996. Spring assured the conference that the EU was committed to the peace process for a long haul, until a just and lasting peace is realized. Spring's words were warmly received by the delegates in the hall, "especially when he emphasized that the peace process should be based on the principle of land for peace, and insisted that the economic hardships inflicted on the Palestinians as the result of the closure of the occupied territories should be relieved without further delay." (Peters, p. 1)

** The EU Special Envoy:*

This heightened level of diplomatic activity reflected the EU's frustration at its marginalization from the central developments within the peace process, and its growing dissatisfaction with the American – Israeli self-imposed division of labor: that the US would act as an external mediator between the parties, while the EU would be responsible for the bulk of the financial resources required by the parties. According to Ambassador Miguel Moratinos, "Europeans want not to be the payers, we want to be the players. We're trying to convince the Americans that Europe is not going to be asked to pay the check and then going to forget about the consequences of where the money is going. So, in order that the money is very well used, we ask for much more involvement in the political negotiations."

(<http://www.eurunion.org/magazine/9812/p30/p30-9812.htm>)

Presently, the EU and its member states contribute almost 30% of the international aid to the Middle East, which is on average double the amount

contributed by the US, excluding military aid to Egypt and Israel. Moreover, the EU is responsible for nearly 70% of the international aid to the PLO, in contrast to the 9% contributed by the US. (Hitti, p. 12) Moratinos finds that, "without the \$1.7 billion in EU, member state, and EIB grants and a further \$580 million to the UNRWA, it would be impossible to consider that the peace process could still be alive. We Europeans are succeeding in maintaining the daily life of the Palestinians. We have been delivering to the Palestinian Authority and the Palestinian people 70% of the total amount of international aid they receive." He continued that, "we are the largest, and for that reason, we are claiming that we have to play a much more important role in the mechanism of the international coordination of this aid. We are in contact with the Americans in order to set up better mechanisms in order to make much more efficient the international assistance to the Palestinians."

(<http://www.eurunion.org/magazine/9812/p30/p30-9812.htm>)

Therefore, on November 25, 1996, the EU appointed a special envoy to the peace process, Ambassador Moratinos, who had worked with the Spanish embassy in Yugoslavia and in Morocco, and had occupied a number of high ranking positions in the Africa and Middle East Department at the Spanish Ministry of Foreign Affairs. Before his appointment to the position of Special Envoy, Moratinos served as the ambassador of Spain to Israel. It is worth noting that Spain, Moratinos' country, had hosted both the Madrid peace conference and the initiation of the Euro-Mediterranean Partnership. His appointment, then, was expected to have a leverage with both the Arabs and Israel, and reflected the priority that the EU gave to both the MEPP and EMP in its foreign policy agenda.

(<http://www.medea.be/en/index373.htm>)

The Special Envoy has the following mandate: “*first*, to establish and maintain close contacts with all the parties to the peace process, the other countries in the region, the United States, other interested countries and the competent international organizations in order to work with them for the reinforcement of the peace process; *second*, to observe the peace negotiations between the parties and be ready to offer the advice of the EU and its good offices if requested by the parties; *third*, to contribute, if requested, to the implementation of international agreements concluded between the parties and start with them a diplomatic process in case of non-respect of the provisions of these agreements; *fourth*, to establish constructive contacts with the signatories of agreements in the framework of the peace process in order to promote respect for basic rules of democracy, including respect for human rights and the rule of law; *fifth*, to report to the Council on the possibilities for the EU to intervene in the peace process and on the best way to carry on with the initiatives of the EU and its ongoing activities linked to the peace process, including the political aspects of development projects of the EU regarding the region; and *sixth*, to follow the actions of the parties which may put at risk the results of negotiations on the final status.”

(<http://www.medeia.be/en/index373.htm>)

According to Hitti, the appointment of the European envoy signaled that the EU was ready to depart from its previous inactive role in the peace process and link its augmented economic involvement in the region with an operative political role. (p. 7) This step is considered a great leap forward by the EU as a unified bloc in a short span of time, after having an observer level in the Madrid conference earlier before in the 1990s. According to Moratinos himself, “since my appointment, the American administration has understood and has acknowledged that Europe has to be much

more integrated and much more involved in the Middle East peace process. We started this new concept of 'complementarity' between the European Union and the US in order that together we could push forward the peace process."

(<http://www.eurunion.org/magazine/9812/p30/p30-9812.htm>)

Therefore, the appointment of the special envoy was by no means devised to take over the leading role of the US in the peace process. In this spirit, Moratinos has developed a close working relationship with Mr. Dennis Ross, his American counterpart. "This does not necessarily mean that the Europeans share the American views on every issue. Complementarity does not mean submission. Mr. Moratinos has come forward with new ideas, concepts and proposals, which are generally welcomed by the Americans because their objectives are broadly convergent." (Diaz, p. 43)

Moratinos himself acknowledges that, "if and when the formula is found, it is the US that will step in to mediate. *Indeed, in general, it is the US that is needed for the 'hard parts', because it is the US that 'can deliver'. As for the EU, 'we know our limits.'*" (Alpher, p. 66) In another interview, Moratinos indicated that although the EU is not asking for an official role within the Madrid framework, "but we are convinced that there is room for everybody and this room is even more necessary when there is a crisis such as the crisis we are facing today."

(<http://www.cns.com.jo/ramzi.intr-mig.htm>)

Moratinos added that, "Europe is playing a constructive role, so gradually, progressively, Europeans are making their own room in the peace process. Europe is present in terms of political action, in terms of economic action, and in terms of

human resource allocation. So the European Union cannot be marginalised because Europe is there. Our role is based on partnership.” (<http://www.cns.com.jo/ramzi.intr-mig.htm>) Ambassador Polho supported this idea by stating that, “if the Europeans start competing with the Americans in the region, that will definitely be detrimental for the peace process. We are truly interested in the stability of the region and in solving its problems. Therefore, whatever we do is meant and should be seen as complementary to what the Americans are doing.”

Similarly, Tomas Dupla del Moral, the EC official in charge of the Mashreq and Israel within the framework of the EMP, finds that the EU’s role in the MEPP is a substantial supporting and complementary role to that of the United States, precisely “to contribute to the implementation of the basic principles of land for peace and to ensure the security, both collective and individual, of the Israeli and Palestinian peoples and all the other principles established within the framework of the Madrid Conference in 1991, the Oslo Accords in 1993, and subsequent agreements, always in accordance with the United Security Council’s Resolution 242 and 338.” (<http://antenna.nl/paxchristi/mo-en2.htm>)

Therefore, Moratinos is the ‘pilot project’ of an EU diplomat, “enabled by the Common Foreign and Security Policy of the Maastricht Treaty.” Up till now, Moratinos’ efforts have resulted in “improved coordination of the policies of the Member States by means of the preparation of common positions and the development of European initiatives aiming to promote progress in peace negotiations.” (Diaz, p. 42) Upon his appointment, it was stressed that the special

envoy "would carry out his task without prejudice to the role of the Commission, which would be fully associated with his activities." (Diaz, p. 43)

At the time of the stalemate in the peace process and the reduced activity of the US envoy, Dennis Ross, the EU envoy made frequent visits to the region. "These were designed, at a minimum, to defuse tensions, and at a maximum, to advance the effort to find a bridging formula to enable renewal of direct negotiations." (Alpher, p. 66) Several incidents could be cited to reflect the latter on the Israeli-Palestinian track. *First*, previous to the signing of Wye Two agreement, Mrs. Tarja Halonen, the Foreign Minister of Finland, presently holding the EU Presidency, had visited Egypt, Israel, Palestine, Jordan, Syria and Lebanon, with a focus on the peace process. Accompanying her was Ambassador Moratinos, who later announced, after Wye Two was signed, that "the EU would be sending the Palestinian leader, Mr. Yasser Arafat, a letter guaranteeing some points in the accord that he and Israeli Prime Minister Ehud Barak had signed.

The letter, which has since been sent, states that the EU undertakes to facilitate the implementation of all the points of the accord. It also states that the EU supports the implementation of all interim accords signed independently of the final status agreement. The EU also backs the right of Palestinian self-determination, including the right to a state, while asking the parties to try to reach a negotiated solution." (Newsletter of the Delegation of the European Commission in Egypt, Sept./Oct. 1999)

Second, after the signing of the Hebron Protocol in January 1997, which provided for the partial redeployment of Israeli troops from the city and a timetable

for future redeployments in the West Bank, the EU "was invited to provide a collateral letter of assurances to the Palestinians to encourage them to compromise on a deadline for Israeli withdrawal from the rural areas of the West Bank. The letter, pledged that the EU would use all its political and moral weight to ensure that all the provisions in the agreements already reached will be fully implemented." (Diaz, p. 44) It is worth noting that Mr. Moratinos had played a crucial role in the drafting of the European letter and in the Hebron Protocol negotiations.

Third, although the redeployment of Hebron should have paved the way for a resumption of negotiations on all the other issues still pending from the Interim Agreement, negotiations did not really take off. Therefore, in April 1997, Mr. Moratinos proposed a Code of Conduct, in order to help the parties resume negotiations. In September 1997, "the European Parliament adopted a resolution supporting the conclusion of a Code of Conduct to be adopted by the Israelis and the Palestinians, and the proposal that a Permanent Security Committee be set up with a view to the joint management of the crisis." (Diaz, p, 45)

Fourth, in April 1998, Mr. Moratinos was instrumental in "finalizing the Terms of Reference by which representatives of the Palestinian security forces and the European Union will meet regularly with the aim of developing joint cooperation on security issues within a Permanent Security Committee. On 26 October 1998, a Council Decision officially included this joint cooperation among the special envoy's responsibilities." (Diaz, p. 45)

Fifth, the special envoy has been active since April 1997 in "implementing an EU-Israeli Joint Dialogue by which European and Israeli experts meet regularly to overcome obstacles to Palestinian economic development. It has established five working groups dealing with the Passage of Foods and Peoples, Labor Issues, Financial and Fiscal Issues, Gaza Port and Airport, and Medium and Long Term Economic Potential." (Diaz, p. 46) In the same spirit, the special envoy has facilitated contacts between Israeli and Palestinian legislators.

Sixth, because of his belief that civil society has an important role to play in the resolution of the conflict, Moratinos "devotes considerable efforts to organize gatherings and activities where Israeli and Palestinian academics, journalists, businessmen, etc. can meet" as increased contacts themselves increase mutual confidence. (Diaz, p. 47)

At the same time, the EU has always encouraged peace negotiations between Israel, Syria and Lebanon. Although the EU played no part in the actual negotiations at Wye, "a troika headed by President in Office, Mrs. Susanna Agnelli, visited Damascus in February 1996, meeting President Assad and Foreign Minister Shaara. In these meetings, the EU announced its intention to play a more active role in the bilateral negotiations between Syria and Israel, which it has been able to do since the appointment of the EU special envoy to the Middle East Peace Process." (Diaz, p. 37)

For Moratinos, "Europe should in the first place win Israel's confidence and react in such a way that it does not out-Palestinian the Palestinians." This explains why he intervened personally before the Foreign Affairs Committee of both Houses of

the Spanish Parliament in November 1996 to convince them to ratify the Euro-Mediterranean Association Agreement signed in November 1995 with Israel. He also stood up for Israel in December 1998 in favor of the new Scientific Agreement between the EU and Israel, "at a time when the Council of Ministers itself was very divided on the timeliness of including Israel in the Fifth European Scientific Cooperation Program, considering the non-respect by Israel of the Wye River agreement."

(<http://www.medeia.be/en/index373.htm>)

- **Constraints Upon Increased EU Involvement in the Middle East**

Dr. Nassif Hitti, Senior Adviser to the Secretary General of the Arab League, finds that there a number of interdependent constraints impeding the EU from pursuing an increasing active role in the Middle East: "there is a veto by the US and Israel on the political role of the EU. The EU as an organization faces a difficulty of building a high level internal consensus on involvement in the region. Also, the Arabs, ununited as they are, are not doing enough to welcome an increased EU role in the region."

Because of the interplay of these constraints, the European Middle East policy has so far been caught between its ambitions of playing an active political role in the region and incapacity to shape these ambitions into coherent policy approaches. Its policy has been limited to the economic sphere or to declamatory reactions to events or policy decisions taken by other players, whether the US, Israel or Arab countries.

A. The EU as an Organization

One of the most obvious constraints upon an increased EU involvement in the region is the lack of unity and consistency in European policy initiatives towards the Middle East. Different European countries do not share the same focus when it comes to individual Middle East countries. For instance, northern European countries, which have traditionally viewed the Mediterranean region as less central to their national economic and security interests, "were responsible for reducing the Euro-Mediterranean Partnership funding package—from the original ECU 5.5 billion sought by commissioner Manuel Marín to ECU 4,685 million—by arguing in favor of trade concessions and emphasizing the role of the private sector in providing investment funds." (Gillespie, p. 2) In contrast, an estimate of 6.69 billion ECUs was allocated to Eastern European countries, for the same period, between 1995 and 1999. (Hitti, p. 95)

Amongst the southern European countries, France has been tilted the most towards the Arabs. Other northern European countries, as Germany, are either more interested in their eastern neighbors, or seem to be supportive of American efforts. This is due to the fact that the EU lacks a single responsible foreign policy actor comparable to the US secretary of state or the US president. The EU equally lacks "a clearly defined line of command between political authority and the bureaucratic machinery. Nor does it have any European policy think tanks undertaking analysis, intelligence, and forward planning for the EU as a whole." (Rhein, p. 42)

Thereby, there appears to be a conflict between three different parties within the EU. The first, including France, Italy, Spain and Ireland, blames Israel for the

current stalemate in the peace process, and find that the EU is obliged to play an active political role to relieve the conflict of its deadlock. The second, led by Britain, sides with the first party in rejecting the Israeli position, yet is more discrete in claiming that, so as not to upset its relations with the US. The third party, including Germany, Belgium, Denmark and the Netherlands, does not criticize Israeli policies and is indifferent towards an increased European involvement in the peace process. (Hitti, p. 9)

The EU is further criticized for the lack of political will for involvement in the region, although Middle East peace and stability are fundamental national interests in Europe. In fact, the EU and its member states are criticized by the Arabs as having failed to positively influence the peace process and to enforce international law. "Although at different occasions in words the Israeli policy and Palestinian terrorism have been criticized by the EU, it did not until now translate this into concrete measures." (Whitbeck) This comes in contrast to the notion that the Europeans still tend to view international law as having an important role to play in making the world a better place. As Whitbeck argues, "when they join the rest of the world in opposing Israel and the United States at the United Nations, it is not because they dislike Israelis and Americans, but because they believe it is important to affirm and support basic principles of international law and human rights, and to take a clear position for right against wrong and for justice against injustice."

Given the fact that both the EU and the US control around 60% of Israel's foreign trade, with the Union being responsible for 65% of this figure, it is within European power to belatedly adopt the *Eisenhower Principle* and issue a joint

declaration to the effect that, if Israel has not complied with international law and UN Security Council Resolutions 242 and 425 and withdrawn to its internationally recognized borders by a specific date, the EU would have to consider the imposition of economic sanctions against Israel. (Joffe, p. 15) "I do not think that Europe favors the use of coercive diplomacy in its external relations," said Hitti. "Its general direction has been that of the 'carrot' and not the 'stick'," he added.

Moratinos has described the reluctance of the EU to entertain the 'sanctions' policy. As described by Moratinos, "We have a lot of leverage. We have economic leverage, research and development, know-how, cultural, and more. But I always prefer to use the positive pressure than the negative pressure in order to ensure all parties will benefit from the action." He added that, "in the Middle East, instead of talking about concessions or sanctions, it's better to talk about gestures from both sides. Confidence building measures and gestures by the people."

(<http://www.cns.com/jo/ramzi/intr-mig.htm>)

B. Israel

There appears to be a broad consensus in Israel against European involvement in the peace process, though it has an extensive economic relationship with the EU. In fact, the EU accounted for 44% of Israel's total trade volume in 1996. From January to July 1997, Israel exported \$3.96 worth of goods to the EU, but imported \$8.64. This heavy reliance on importance from the EU is potentially significant when considerations of economic sanctions arise.

Alongside, since the mid 1980s, Israel has been the only Mediterranean country that has “completely abolished tariffs and duties for industrial products from the EU; a similar agreement with the US enables Israel to offer unique services in completing production of unfinished goods from one of these two economic giants and re-exporting to the other.” (Alpher, p. 64) Israel has also entered into scientific and cultural cooperation agreements with the EU, whereby it gained access to valuable Research and Development funds. At the same time, the EU is the biggest financial supporter of the Arab-Israeli peace process, in addition to offering a massive flow of funds through the EMP (an average of \$6 billion during the period from 1995 – 1999).

Israel's rejection to an EU role in the peace process goes back to the *Venice Declaration* of 1980, wherein it stated its support of the legitimate rights of the Palestinian people, including the right to self-determination. By the time the Declaration was issued, many European countries had already granted the PLO an official recognition as the representative of the Palestinians.

Therefore, the *Venice Declaration* marked a low point in Israel's relations with the EU, from which it has never fully recovered. Since the Declaration, the EU has repeatedly stated that “the Palestinian problem was not simply one of refugees, and that the Palestinian people should be able to exercise fully their right to self-determination. It has made clear its opposition to any unilateral act designed to change the status of Jerusalem. It has renewed its support for the resolutions adopted by the United Nations Security Council on the Arab-Israeli conflict. It has maintained that the establishment of settlements in the occupied Arab territories was illegal under

international law. The EU also acknowledged that the PLO would have to be involved in the peace negotiations.” (Diaz, p. 103)

Accordingly, from the issuing of the Declaration to the convening of the Madrid peace conference in 1991, Israel has vigorously opposed European attempts to play a significant role in the peace process. In particular, the Israelis were angered by the series of European declarations and statements issued following Israel’s invasion of Lebanon in 1982 and the start of the Palestinian Intifada at the end of 1987. In these declarations and statements, the EU became increasingly critical of Israel’s policies and more open in its endorsement of the PLO as the representative of the Palestinian people and of the rights of the Palestinians to national self-determination. Israelis denounced these declarations for their one-sidedness and for the way in which the EU is making increasing demands upon Israel, “without making equal demands or expecting reciprocal moves from the Arab side.” (Peters, p. 3)

The EU’s *Amsterdam Declaration* of June 1997 served to maintain Israel’s rejection of an EU political role in peace process, because it called on Israel to recognize the right of the Palestinians to exercise self-determination, without excluding the option of establishing an independent Palestinian state. As described by Alpher, “in nearly 20 years, the European position has changed little, compared to that of the United States and of both major political parties in Israel.” (p. 65)

In 1998, Vice President of the EC, Mr. Manuel Marin, said that “the EU has been extremely patient with the Netanyahu government and warned Israel of the grave consequences of its attitude in the Middle East peace process” and added that if the negotiations on granting Israel the status of a EU country within the framework of

the EU's Research & Development programs has been conducted with the Netanyahu government instead of the Rabin government, Europe would never had agreed to award Israel that status. (Newsletter of the Delegation of the European Commission in Egypt. May/June 1998)

This served to heighten Israeli beliefs that the Europeans take pro-Arab positions. Polho finds that, "if the Israelis find that the Europeans are biased towards the Arabs, it is also true that the Arabs see the Americans as biased supporters of Israel. If both feelings are reinforced, then our possibility to contribute to the peace process is even less than what has been so far." The extensive network of economic and scientific 'preferential' agreements between the EU and Israel serve to give some ground to the argument that the EU is not biased against Israel in favor of the Arabs.

Moratinos argues against the Israeli belief of the EU being biased towards the Arabs by saying that, "Europe now is starting to establish a common foreign and security policy. It has a special envoy. And it's neither pro-Arab nor pro-Israel." He added that "the European Union is pro-peace. And we want to have this capacity and this right to say to the people what we consider is fair, what we consider is balanced, and what can really give the parties a better living in the future." Elaborating on his argument, Moratinos indicated that, "when we support the peace process, we are supporting non only the interests of the Arab side, but also the interests of Israel. Thanks to the European Union, Israel has been establishing new relationships with Arab countries."

(<http://www.eurunion.org/magazine/9812/p30/p30-9812.htm>)

At the same time, as a close ally of the US, Israel is closely attuned to the US' dissatisfaction with the increased EU role, and would not like to disappoint the US, especially that the EU doesn't have a large Jewish community whose interests must be taken into account as is the case with the US. A third reason of Israel's objections include the notion that Europe is pre-occupied with economic issues, and not with Israel's security concerns. The latter is exemplified by "the reticence, over the decades, of many European countries to sell weaponry to Israel", though this trend has been countered in recent years by the development of British and German strategic relationships with Israel. (Alpher, p. 68)

The fourth reason lies in Israel's determination never again to trust the Europeans: "it was the Europeans – Nazi Germany, aided by anti-Semites everywhere, including countries like France and Italy – that perpetrated the Holocaust." (Alpher, p. 68) Fifth, there is an Israeli belief that "the EU seeks to channel its energies to the Muslim Middle East to mask its own object failure to come to terms with its Muslim problems at home. According to this perception, the Barcelona Process is essentially a strategy for preventing large scale illegal Muslim migrations to southern Europe from North Africa." (Alpher, p. 69) Sixth, the EU is not integrated enough, as the US, to possess either the capacity or the decisive influence to bring the parties to the negotiating table. Alpher exemplifies this by Europe's inability to deal effectively with the Bosnian crisis and the American intervention therein. (p. 69)

C. The US

The perception of the United States towards an increased European role in the

Middle East throughout the recent decades has been greatly influenced by its vision of the Middle East, and by the Cold War. According to Shlaim, two schools of thought on America's relations with the Middle East emerged in the 1960s: the globalist and the regionalist: "the debate was between those who looked at the region through the prism of the Cold War and the global struggle for power between East and West, and those who looked at it in terms of its own problems and the American stake in solving them." (p. 39) The globalists viewed Israel as an asset against Soviet penetration, while the regionalists viewed it as a liability by opening up the door to Soviet penetration on the side of the Arabs. The globalists advocated an "Israel-first" policy, and perceived it to be the only reliable ally in the area. Therefore, they worked to maintain its superiority over its adversaries through regular infusions of money and arms. The regionalists, on the other hand, advocated a more even-handed approach and retorted that the US' uncritical support for Israel undermined its interests in the Arab Middle East. (p. 40)

The circumstances surrounding the new international structure that came into being in 1945 forced the US to play an unusually active role in the Middle East. "This was because its Western allies were unable to maintain their former positions of strength there at the very time the Soviet Union was trying to expand its influence into the Northern tier." (Shlaim, p. 41) Throughout the 1960s and 1970s, the US underwent a progressive involvement in the peace process and used all means available to prevent the Russians from filling the power vacuum created by the withdrawal of the old colonial powers. (Shlaim, p. 41)

As described by Hitti, "it was believed that the prevention of radical change would keep the Russians at bay and facilitate American ascendancy in the area. Later this tactic evolved into a particular interest in resolving the Arab-Israeli conflict, regarded by many as a major source of regional destabilization. The 'peace process', as it came to be called, emerged as the principal activity related to this aspect of American Middle East policy." During this period, the US commitment to Israel has been the most consistent and least questioned aspect of Washington's Middle East policy.

By the end of the 1980s, the American approach to the Middle East underwent some changes as the US took more interest in a comprehensive Arab-Israeli peace. This was mainly due to the shift in the global rivalry with the Soviet Union to a new theme of superpower cooperation. By the 1990s, "the collapse of the Soviet Union brought to an end the economic, military and diplomatic backing for Arab clients that had made the Middle East one of the most active fronts in the Cold War." (Peretz, p. 349) Taylor finds that, "in the context of increasing cooperation between the superpowers, both leaders put aside the earlier Soviet-American rivalry and began addressing regional conflicts and dislocations, most prominently the Gulf crisis of 1990 - 91." (p. 33)

Against this background, it is worth noting that since the end of the Second World War, the US has never encouraged any independent European role in the Middle East, because that role meant a direct threat to the Western alliance in the peace process, and a possibility to strengthen the Arab parties against the US in case tensions arise in the relationship. According to Gama, the United States "continues to

favor a global analysis of the world situation and the definition of global strategic objectives. It seeks thus on the one hand to integrate the attempt to stabilize and establish areas of influence, and on the other to affect the expansion of power necessary previously for the management of bipolarity and today for the affirmation of world leadership.” (p. 198) Even when the EU proposed the establishment of the EMP, the US did not hide its uneasiness about the initiative, because it was an open invitation to a competitive leading role by the EU in the Mediterranean region. (Hitti, p. 9)

The antagonism between the US and Europe over the Middle East started with the two sides' differences during the Arab-Israeli war of 1973. In the course of the war, member states of the EC opposed American policies on two issues: first, they declined to cooperate with the US in its airlift to Israel; and second, they opposed the American decision to put its nuclear weapons on alert, without having sought prior advice from its European allies. (Jawad, p. 103) These two issues were interpreted by the EC countries as a threat to their neutral position in the Middle East.

The US, on the other hand, saw the reaction of the European countries as a resistance to American support to Israel to preserve Europe's flow of oil from the Arab countries. Secretary of State Henry Kissinger “stressed his disgust at the European allies, and accused Western Europe of acting as though the NATO alliance did not exist.” (Jawad, p. 103) The US government also accused its European allies of conducting a “sycophant policy in dealing with the Arab countries” and saw the Brussels Declaration and the new European initiative as “succumbing to Arab

blackmail, which would hinder the Secretary of State's efforts to achieve a just settlement in the Middle East." (Jawad, p. 104)

Later in January 1974, after the oil embargo by the Arab countries, and the EC's agreement on an overall strategy for long-term talks with them on economic and energy matters, the US announced its opposition to the European plan and suggested holding a conference in Washington between the industrialized countries "to discuss the energy problem and to find a way to stem the new power of the producer countries." (Jawad, p. 105) By that, the US signaled that it favored a joint multilateral action in which all the industrial countries could coordinate their efforts, instead of allowing the Europeans to establish a dialogue with the Arab world on energy, which might lead to the exclusion of the United States.

During the conference, the United States proposed the establishment of a broadly based oil-consumer grouping, and pressed hard on security matters, to push the Community to accept its plans. In fact, President Nixon emphasized that "security and economic considerations are inevitably linked and energy can't be separated from either." (Jawad, p. 108) Also during the meeting, Secretary of State Kissinger told the Europeans that the "United States would reconsider the presence of American troops in Germany if the Europeans did not support the establishment of an energy coordinating group." (Jawad, p. 108)

The final communiqué of the conference conformed to the US demands and was accepted by all the European participating countries, with the exception of France, which stressed the importance of developing a dialogue and cooperation

between the producing Arab countries and consuming industrialized countries, and not alienating the Arab countries. (Jawad, p. 109) Shortly after the conference, the French government succeeded in urging the Community to adopt its plan of long-term economic cooperation with the Arab world. Therefore, in March 1974, without prior consultation with the US, the EEC Council of Ministers agreed to a plan to deal with the Arab countries as a block in areas of economic, technical, and cultural cooperation.

The European position, thus, threatened the European-American relations, at a time when the US provided the security shield for the Community. To the US, the principle of prior consultation between the Western alliance on everything related to matters of major importance should have been respected. To reassure the US, the Community agreed to a procedure whereby senior US officials were to take part in discussions whenever a question affecting US interests was brought up for decisions by the EC. (Jawad, p. 112)

Shortly after the signing of the Camp David peace accords in 1979, the peace process had lost much of its impetus. On the one hand, President Carter was occupied with his re-election campaign. On the other hand, Egypt and Israel insisted on different viewpoints as to what the autonomy for the Palestinian people should mean. Also, in mid 1980, the Israeli parliament announced that Jerusalem was the eternal capital of the Jewish State. The situation was further aggravated by the determination of the Israeli government to continue its settlement policy. (Jawad, p. 209)

Therefore, the members of the EC wanted to introduce a peace initiative to break the impasse in the peace process. Therefore, the Community issued the foreign ministers' statement in Paris in June 1979, whereby it emphasized its belief that "a just and lasting peace in the Middle East could come about only through a comprehensive arrangement, to be based on Security Council resolutions 242 and 338." (Jawad, p. 214)

In a statement made at the UN General Assembly in September 1979, Mr. O'Kennedy, the Irish foreign minister and President of the European Council of Ministers, proposed a European peace plan for the Middle East, which included the right of the Palestinians to a homeland and to participate in any negotiations for a comprehensive settlement. In March 1980, shortly after this peace plan was presented, the member states of the EC voted for a resolution in the UN General Assembly, which condemned Israeli settlements in Arab occupied territories, including Jerusalem. (Jawad, p. 216)

The US resisted strongly this European activity on the Middle East. In fact, President Carter "warned the European Community that the United States would not allow any step in the United Nations that would change the status of Security Council resolution 242. He reminded the Community that the United States held a veto power, and that this would be used if need be to protect the Camp David process from collapsing." (Jawad, p. 220) This pressure eventually brought results and the EC decided not to go ahead with its peace initiative.

According to Jawad, American resistance to an increased European role in the Middle East at that time stemmed from several factors. *First*, the US regarded the Camp David process as the essential part of its Middle Eastern policy. *Second*, the US believed that "negotiations could produce a dynamic influence of their own that would open the way for a gradual solution of the major conflicting issues." *Third*, the US administration was very busy internally with the Carter re-election campaign, in which the Camp David agreement was a major asset. (p. 221)

It was not until the *Venice Declaration* of 1980 that the tension started to be relieved between both the US and the EC. The US regarded the declaration as not endangering American efforts towards achieving advancement in the talks between Israel and the Arabs. President Carter found that the issuance of the declaration signaled that "the United States government had successfully managed to keep the European Community away from interfering in the Middle East peace process." (Jawad, p. 226)

Since the early 1990s, sidelining the Europeans, the largest aid donors to the peace process, from the affairs of the region by the US has come to be accepted as a bare fact by many political analysts. Indeed, the EU's role in the MEPP appears quite secondary in comparison to the US'. Polho argues that on the economic side, the EU is the main player in the region. But on the political side, "the parties themselves, whether Israel, the Palestinians or the Syrians, regard the US as the only entity that can facilitate and mediate. We cannot force our role. It has to be accepted, asked for by the parties of the conflict and regarded as productive and constructive."

The US stance is explained by a number of reasons. *First*, the US wants to retain its dominant role as the chief orchestrator of the Middle East peace process, and therefore allows Europe in only to pay for aid or for reconstruction of the region. This comes in contrast to the desire of the region's countries to establish a wider political role for Europe, particularly after the establishment of the EMP.

It is worth noting that the fall of the bipolar world and Operation Desert Storm have given the US the opportunity to exert its military supremacy in the region and control its oil resources, thus giving the US an edge in its geo-economic rivalry with the EU, though Europe is the Middle East's major trading partner. (Hadar, p. 50) The collapse of the Soviet Union "pulled the rug" from under the Arab rejectionist front, which always opposed any peace settlement with Israel: "without Soviet arms and diplomatic backing, Arab radicals could do little except sulk in their tents." (Shlaim, p. 105) Also, the war divided the Arab world into allies of the United States versus those either sympathetic to Iraq or neutral. Peretz find that "this deep and blatant rift facilitated Washington's negotiations with each Arab state individually. There was no longer even the pretense of a united front against the West, or, for that matter, against Israel." (p. 349)

Second, is the belief that in the present age of economic interdependence and regionalisation, there is a possibility of a growing competition on trade and investment opportunities with a North America led trade bloc. This makes the Middle East, with its strategic location and energy resources, a field of competition. According to Badini, "If a regional trading scheme were to develop in the Mediterranean area, the United States would want to participate in order to protect

access there for American goods and services. It could also hope that this market would, under the impetus of economic integration and development, become more significant and provide a return on greater participation." (p. 109)

The *third* reason lies in European challenges to US policies, evident in various incidents. Europe, led by France, exercised an independent role during the Lebanon crisis by insisting on concluding a final cease fire agreement. (Hadar, p. 43) A second incident was in 1996 when the pro-Israeli lobby in the US Congress lobbied for punishing EU member states for not following the US tough lines on Libya and Iran by imposing trade sanctions on foreign companies that assist them to develop its oil and gas projects. The EU member states countered the lobby by warning that such measures would result in a European-American trade war. (Hadar, p. 45)

Fourth, is the US perception of the inadequacy to date of European efforts to develop and carry out a solid and workable strategy for the region. As described by Badini, "both the Mediterranean policy of the European Community and the bilateral actions of European countries have fallen short of what is needed to stimulate the sort of economic dynamism that can be observed in other parts of the world." (p. 110)

Yet, many scholars predict that European involvement on the expense of American involvement is called for by Middle Eastern states, due to the deterioration of the US' credibility as an honest broker in the Arab-Israeli peace negotiations. Ambassador Polho argues against the latter by saying, "I don't think that it is quite fair to say that the Americans have been biased towards Israel. If that were the case, why do the Palestinians insist on having the Americans present at the negotiating

table. For the past months, they have insisted more on having the Americans than have the Israelis. Barak would rather do without the Americans.”

On the other hand, John Whitbeck argues that the US is manipulating and twisting international law to its favor at the expense of just peace and stability in the region. To support his argument, Whitbeck cites how the US rejected Britain's, France's and Israel's invasion of Egypt in 1956, and demanded their immediate withdrawal, threatening sanctions. Repeatedly since 1967, the US has, in the UN Security Council and General Assembly, supported behavior which “the rest of the world recognizes as constituting gross and unequivocal violations of the Geneva conventions and international law generally.” (Whitbeck)

The two vetoes lobbied for by the US in the UN Security Council against resolutions asking for abandoning the building plans of Har Homa, and opposing Israeli payment of compensation for the Qana massacre, since they were against international law, showed this in March 1997. “It is however clear that the Israeli settlement and Jerusalem policy are not only clear violations of international (humanitarian) law, but also of the Israeli-Palestinian peace agreements. (<http://antenna.nl/paxchristi/mo-en2.htm>) Further, the Clinton administration has been trying to obtain the cancellation of 50 years of UN resolutions on Palestinian rights and Middle East peace “on grounds that, with Israelis and Palestinians now talking to each other, international law is no longer relevant or helpful.” (Whitbeck).

The US stand in these matters have proven that either the US has become an outlaw state, or that international law “is simply not to be taken seriously in the real

world, at least by those sufficiently powerful to ignore it." The latter argument is supported by the fact that the US has refused to pay its UN dues, though this is a treaty obligation toward 184 other countries (Whitbeck). More importantly, however, is that the US stance sent Israel the message that it can count on nearly unconditional support of the US administration, and thus deteriorated the credibility of the US as an honest broker between Israel and the Arabs. It is worth noting that a concrete factor behind American support to Israel is the power of the American Israel Public Affairs Committee (AIPAC), popularly known as the Jewish lobby, one of the most powerful lobbies in the American Congress. (Shlaim, p. 42)

D. The Arabs

Since the *Venice Declaration* of 1980, the Arab states drew great satisfaction from the series of declarations and statements adopted by the EU with regards to the Arab-Israeli conflict. They saw the stance taken by the European states as an important counterweight to the blanket support given to Israel by the United States. Accordingly, they were eager to have the EU play a greater role in any efforts to resolve the conflict.

Therefore, they welcomed the appointment of Moratinos, though they were unclear what specific functions he might perform in furthering their interests in the peace process, especially that he was careful not to tread on the toes of the American Envoy, Dennis Ross. Yet, Moratinos gained more confidence by the Arab side after the signing of the agreement between Israel and the Palestinians for the withdrawal of Israeli troops from Hebron, and when he directed his efforts to reviving the Israeli-Syrian negotiations.

The idea of the multilaterals to bring together Israel and the Arab states to discuss areas of future cooperation before the core political issues had been resolved is considered by the Arabs as not only idealistic but naïve. Within the framework of the EMP, the Arab countries are refusing to participate in the multilateral discussions and economic regional cooperation initiatives unless the bilateral problems are solved. This has been criticized by Moratinos, who argued that "they are using political instruments that hurt their own countries and future. It's not a question of normalization between Israel and the Arab countries. When you sat in Barcelona and Madrid, you sat with Israel. If you don't want to shake hands with Israel, it doesn't matter, but you could establish some kind of network for transport, energy, and water resources between Jordan and Egypt. Why do we have to wait until the final lasting peace? It is much better to start to interact with each other in economic matters and to create a certain amount of interdependence." (<http://www.cns.com.jo/ramzi.intr-mig.htm>)

Moratinos further argued that, "when we create economic interdependence between the countries, we facilitate issues when we don't have a political solution. It doesn't mean that we have to forget the political solution, but the philosophy of economic regional cooperation has also to be simultaneous. That has been the experience of the Europeans. When we started through an economic relationship, through economic agreements, we gradually built together a union, a European Union, with certain characteristics that are shared by the union. The Middle East is not Europe, but it isn't much different. I believe that we have to insist on this kind of regional cooperation."

(<http://www.cns.com.jo/ramzi.intr-mig.htm>)

Moratinos' argument is based on the fact that the situation for Israel has not changed much since they established the state of Israel in 1948. Then and now, they had the support of the United States and their lobbies there and did not have the support of the Arab World. Israel has survived for more than 50 years under those conditions and can survive with them even longer. At the same time, Israel has access to the European markets. For him, "the more you create interdependence, the more you have a possibility to change the most important things such as the Israeli public opinion, and the priorities of Israeli lobbies" that are mostly concerned with economic interests.

(<http://www.cns.com.jo/ramzi.intr-mig.htm>)

Findings and Conclusions

It is clear from the above that the EU is currently restricted to areas of economic, technological and cultural cooperation with the Middle East, and that an increased political cooperation is not envisaged in the short-run. The Arab Mediterranean countries find cooperation in these fields useful and essential. But they also find that the European role in the Middle East should assume some political significance.

With regards to the MEPP, the Arab Mediterranean countries are fully aware that the EU is no substitute for the key role the US is bound to play. However, they are also convinced that the EU's role is not simply that of a "money generator" watching events in the region with complete disinterestedness and neutrality. The Arabs are, therefore, looking forward to the increased role of Europe to counterweight Washington's uncritical support of Israel.

The EU can and should play a more active role in presenting initiatives aimed at both, supporting current efforts and preventing a deadlock. It must tailor its ambitions to fit within the perimeter of its interests and its ability to act. This should primarily be done by maintaining its cohesion and credibility as an international actor, both economically and politically, by getting all of its members to be as active and supportive as to European involvement in the Mediterranean. (Badini, p. 110)

Increased EU "political" involvement at the present stage is even more crucial to help save the EMP regime from failure. As described by the present chapter, there are many constraints impeding the EU from assuming an augmented political presence in the region. *First*, there is a lack of unity and consistency in European policy initiatives towards the region. Further, there is a lack of political will on the part of the EU to get involved in the MEPP. Since 1996, the EU has failed to positively influence the peace process by translating its criticisms of Israeli policies into concrete measures.

Second, there seems to be a broad consensus in Israel against EU involvement in the MEPP. This comes in contrast to Israel's extensive economic relationship with the EU, and the fact that the EU is presently the largest financial supporter of the MEPP. Throughout the past two decades, Israel has vigorously opposed any European attempts to play a significant role in the peace process primarily due to its anger by the series of EU declarations and statements in which the EU was increasingly critical of Israel's policies and more open in its endorsement of Palestinian rights.

Third, the US has not been encouraging any independent European role in the Middle East because that role would be a direct threat to the US role as the chief orchestrator of the peace process and would also be a possibility to strengthen the Arab parties against the US in case tensions arise in the relationship.

WAYS FORWARD

Fourth, even though the Arab parties are looking forward to an increased role of the EU in the MEPP, they have not done much to support their increasing demands. In fact, the Arabs still turn to the US in case problems come up along the negotiating process and have not tried to influence the US to allow for an EU presence on the negotiating table.

CHAPTER 5

WAYS FORWARD

Introduction

The preceding chapters have highlighted the interrelationship between the Middle East Peace Process (MEPP) and the Euro-Mediterranean Partnership (EMP). Both processes received their impetus from the breakthrough in the Arab-Israeli relations after the Madrid Peace Conference. At the same time, both processes have encountered setbacks as a result of the deterioration in the Arab-Israeli relations and the related atmosphere of pessimism. Apart from the redeployment of Hebron and the signature of the Wye Memorandum, little progress has been achieved since 1996.

At the time of the initiation of the Barcelona Process (BP) in 1995, the MEPP, through the track of the multilateral talks, had allowed the parties to attend to issues of mutual interest. This, in turn, led to the development of regional economic, social and cultural relations between the parties, which was not possible in the context of the bilateral negotiations. It has been said at the very beginning that the two processes are parallel and complementary, in theory at least. But in practical terms, they appeared quite strongly linked, which was reflected in the BP being hostage to the impediments of the MEPP. According to Ambassador Polho, "we have never wanted a linkage between both processes. If the BP has fallen hostage to the MEPP, then the Arab parties are denying themselves the benefits of the BP, whether economic, social or

political. We all see the connection and if it has been made, then we have to argue against it, but we cannot shut down the BP.”

Progress Since Barcelona

The EMP's most significant results to date are in the economic domain, whereby the EU was able to conduct Association Agreements with most Mediterranean countries. Association Agreements are expected to promote trade among Southern Mediterranean countries, so that North-South cooperation will be reinforced by stronger South-South economic relations. (Bulletin of the European Union)

Despite the progress achieved in the economic field, certain political issues have been difficult to resolve. In the political basket, security cooperation is designed to foster good neighborly relations by establishing early warning systems, organizing Euro-Mediterranean meetings of senior military officials, sharing military expenditure data, promoting exchanges of visits at military academies, and training arms control experts from partner countries. Minimal progress has been achieved in developing partnership building measures, including the project on the management of natural and man-made disasters. (Diaz, p. 19)

Yet, the Euro-Mediterranean dialogue on security matters has been complicated by the deterioration of Arab-Israeli relations, as a result of which the Arab countries, especially Syria and Lebanon, have opposed military contacts or activities that would include Israel. Consequently, a number of confidence building

measures were put on hold. Also suspended were the ideas of setting up a conflict prevention center, a network of defense institutes, and reaching consensus on controversial issues as terrorism and immigration.

As to the Charter for Peace and Stability, foreseen in Barcelona and kept on hold in Malta until "a future ministerial meeting when political circumstances allow", there has been an exchange of views around a draft for the Charter. At the Stuttgart Ministerial Meeting, "the ministers adopted guidelines for elaborating the Charter, which is expected to be completed by the next Ministerial Conference in 2000."

(Diaz, p. 19)

The difficulties surrounding the political basket of the EMP underscore the linkage between the MEPP and Euro-Mediterranean security cooperation. While EU officials stress that the BP is not a substitute for the MEPP, EU relations with Syria, Lebanon, Israel and Palestine will be inevitably influenced by the state of Arab-Israeli relations. For instance, the signing of an Association Agreement between the EU and Syria will not take place unless the peace process makes substantial progress. In fact, Syria's participation in EU-sponsored security discussions is significant, since Syria has generally been reluctant to join multilateral initiatives in the region. Its involvement was made more palatable by the fact that the large membership of the BP provides a certain political cover. Unless Syria and Israel improve their relations, the necessary consensus for more substantive security cooperation will be difficult to achieve. (Aliboni et al)

The experience of the Arms Control and Regional Security Working Group (ACRS) is also instructive. The ACRS had successfully negotiated a declaration of principles on confidence building measures and designed a series of practical measures to enhance regional stability. Despite the early optimism of these agreements, their implementation did not materialize because Egypt insisted that Israel sign the Nonproliferation Treaty (NPT).

Presently, any prospect of reviving long-term regional cooperation in the Mediterranean Middle East region is dependent on the success of the Arab Israeli peace process. According to Peters, "without that, any calls for Israel and the Arab states to sit down in the multilateral forums will fall upon deaf ears. At the same time, interest in the multilateral talks should not be discarded, and efforts for their revival should not be made dependent solely on certain conditions being fulfilled at the bilateral level." (p. 49)

The Role of the European Union (EU)

The most immediate challenges for Europe with regards to the Middle East are: establishing a greater degree of regional stability, securing the supply of energy and helping bring about lasting peace and cooperation between Israel and its Arab neighbors. Mr. Vittorio Ghidi, First Counselor at the Delegation of the European Commission in Egypt argues that, "Just recently, we organized and launched the first conference on water, which is both an economic and political issue. The issue had been defined as one of the priorities in the region and that it must be dealt with on an international level and not on a bilateral level between countries. This is an example

of the role of the EU in the region. But it is better that we set the example and negotiations follow by the parties themselves.”

Since the late 1980s, the EU has undoubtedly become a more important international player in the Middle East. “This is clearly visible in the economic sphere, where the EU, largely thanks to its geographic proximity, constitutes the region’s main partner when it comes to trade, tourism, foreign direct investment, and other financial flows, including aid.” (Rhein, p. 59) But all signals indicate that the EU has to invest much more of its political energy in the Middle East. So far, the EU hasn’t done much to satisfy its political ambitions.

The EMP is, therefore, the “blueprint” for achieving the EU’s comprehensive aims with regards to the region. However, skepticism remain strong as to the success of the partnership. “A lot of patient work will be required in order to turn the objectives of the Barcelona Declaration into political and economic reality,” said Ambassador Mahdi Fathalla, Assistant Minister of Foreign Affairs of Egypt, and head of the European Union and Western Europe Affairs Division at the Ministry. The question remains that if the stalemate of the peace process continues, will the BP continue to be the only forum where all partners, including those directly involved in the peace process, can meet and talk on regional, economic, financial, social and cultural issues?

The overriding priority for Europe is to lobby for the US’ buy into the BP. According to Rhein, “both share an interest in regional stability, so the United States

must wish as much as the EU that the Barcelona Process will show tangible results – the sooner the better.” (p. 55) The latter will emphasize the notion that the BP is not a competitive framework for the multilateral talks. According to Peters, “both frameworks have offered an invaluable diplomatic environment for Israel and the Arabs. Although seemingly similar in their long term objectives, in the agendas under discussion and in the participants involved in their deliberations, these two frameworks, offer differing yet complementary functions with respect to the resolution of the Arab-Israeli conflict.” (p. 49)

A. The EU, the US and the Middle East Peace Process

According to Ambassador Aapo Polho, the Finnish Ambassador to Egypt, “both the EU and the United States are acting in parallel toward the creation of a more peaceful and stable Middle East, both in their own interest and in that of the people of the region.” The EU cannot supplant the primary role of the US in the MEPP, but can complement the US’ efforts in shaping the future priority direction of the peace process. This will demand the development of a greater degree of coordination among EU member states.

Some signs suggest that this is being worked upon. Miguel Moratinos, the EU’s Special Envoy to the Middle East, “recently proposed to the Council of Ministers to be more active to implement more effective and more specific cooperation with the United States.” The continued focus on the Moratinos track, which mandates being helpful in a secondary role and seeking to achieve complementarity of policy initiatives with the US, though, offers the following

disadvantage, "that will not fully counter the frustration of many European policymakers and scholars who argue that the EU, as the main financial backer of the process, deserves a more significant role, particularly at a time when US efforts are less than fully effective." (Alpher, p. 69)

In an attempt to save the BP from collapse and achieve an effective political role for the EU in the MEPP at a time when the US efforts do not seem to fill the gaps, I recommend the following: *first*, the EU should continue to work on a greater degree of coordination among its member states to come up with a common foreign and security policy with regards to the region.

Second, the EU should drop its position of neutrality with regards to political involvement in the region and coordinate with the US for its involvement in the negotiation process in all its intricacies, in line with its financial contributions to the process so far. Once a formal position is established for the EU within the negotiating process, it will be able to shape the future priority direction of the MEPP as follows:

- It will increasingly attempt to revive the multilateral track of the Arab-Israeli peace negotiations, mainly by coordinating with the US to bring Israel and the Palestinians back to the negotiating table. "There will be no independent role for the EU when it comes to brokering the peace arrangements still to be negotiated between Israel on the one hand and Lebanon, the Palestinians, and Syria on the other hand. It is only through combined efforts of persuasion and, where necessary, gentle pressure alongside the United States that the peace

negotiations will be successfully concluded. However, when the EU feels that US positions may not be sufficiently productive, it should try to influence them.”

(Rhein, p. 58)

- It will attempt to reinforce international law as the proper framework for the peace process. The Pax Christi report asserts that “the international community, especially the European Union and the USA, should not continue to let bilateral powerplay set the rules in the peace negotiations. Rather, pressure on both parties should be increased to stick to international (humanitarian) law and human rights. International (humanitarian) law should become the benchmark again, the framework in which the peace process should unfold itself. The Oslo Accords do not exempt the international community of its obligation to enforce the international legal framework. Moreover, a policy based on international law makes an even handed approach of both parties possible.”

(<http://antenna.nl/paxchristi/mo-en2.htm>)

Reinforcing international law requires implementing Security Council resolutions 242 and 338, the establishment of a Palestinian state along the borders of 1967, providing the Palestinians with the right to self-determination and stopping illegal land confiscation and settlement building. An important instrument to politically increase pressure on Israel to stop its settlement policy is to apply Article 83 of the Association Agreement between the EU and Israel concerning the territorial applicability of the Agreement. This article states that, “this agreement shall apply, on the one hand, to the territories in which the treaties establishing the European

Community, and the European Coal and Steel Community are applied and under the conditions laid down in those treaties, and other the other hand, to the territory of the state of Israel. In other words, the Agreement clearly does not cover the Occupied Territories and the Israeli settlements there, which are not recognized and are considered illegal by the EU. Nevertheless, Israel is exporting products originating from settlements in the Occupied Territories to the market of the EU.”

(<http://antenna.nl/paxchristi/mo-en2.htm>)

- Because only the US has the power to insist that all signatories of the Oslo peace agreements implement its terms without delay, the EU will have to negotiate with the US that it ensures that deliberate provocations by any signatories are unequivocally condemned, and that steps are taken to reverse such actions. Both the EU and the US should apply human rights in a non-discriminatory and universal way. By virtue of this, the international community should not tolerate Israel's closure of West Bank borders and the same is true for reported torture and deaths in custody under the Palestinian Authority. Some possibilities to enforce human rights include making use of the human rights clauses in the Euro-Mediterranean Agreements. “On the basis of the human rights clause in article 2 and the suspension clause in the EU-Israel Agreement, article 70 in the EU-PLO Agreement, a violation of international human rights law and or international humanitarian law by a party to a Euro-Mediterranean Association Agreement amounts to a material breach of the Association Agreement itself.”

(<http://antenna.nl/paxchristi/mo-en2.htm>)

- It can work to assist the US in shaping a new framework for regional peace, based directly on UN resolution 242's call for the exchange of land for peace, the creation of a Palestinian state, an end of Israel's occupation of southern Lebanon and the Golan Heights, and ensuring equitable access to water resources. Alpher argues that Europe should "line up behind the demand for a Palestinian state, and apply European economic and political clout, such as it is, to a lobby effort on behalf of this formula, in much the same way that Europe continued to the ultimate collapse of the apartheid regime in South Africa." (p. 70)

However, prospects are high indicating that Europe will not choose to take up the implementation of such recommendations, as they might entail that it uses its political leverage with both the negotiating parties and the US and entertain the "power" options, including the use of economic sanctions against Israel. On the whole, Europe is hesitant to take up that tool, to a less extent because it will be economically counterproductive, and more because it will be politically counterproductive. The Israeli government will most likely react to this policy as an attempt to isolate Israel and equate it with Iraq and Iran. A more active role for Europe in the peace process, therefore, requires that Israelis see Europe as adopting more balanced policies regarding the MEPP. Another active role is to have the EU continue to push Israel and its Arab neighbors into a more comprehensive network of regional cooperation.

Presently, the most productive avenue for Europe is to concentrate on informal or alternative diplomacy exhibited by the BP and the Moratinos track. I tend to find

that the MEPP has exposed the absence of clear cooperation and coordination of policies between the US, the EU and other institutions related to the region, thereby reflecting more competition than complementarity. As such, there is a need for closer coordination of efforts to ensure that they complement one another and don't work at cross-purposes.

UNITED NATIONS GENERAL ASSEMBLY RESOLUTION 181
29 November 1947

The General Assembly,

ANNEX I

Meeting first in special session at the request of the Security Council and subsequently in regular sessions, and

THE EUROPEAN UNION AND THE MIDDLE EAST PEACE PROCESS

Having considered the Special Committee's report and having requested it to investigate all questions and issues relevant to the problems of Palestine, and to prepare proposals for the solution of the problem, and

Having received and approved the report of the Special Committee (document A/364) including a number of important recommendations and a plan of partition with economic unions approved by the majority of the Special Committee,

Considering that the present situation in Palestine is one which is likely to jeopardize the general welfare of the peoples of the area,

Being of the opinion that the establishment of a Jewish State and the creation of a Palestinian State by 1 August 1948,

Recommend to the United Kingdom, as the Mandatory Power for Palestine and to all other Members of the United Nations, the adoption and implementation, with regard to the future government of Palestine, of the Plan of Partition with Economic Unions set out below,

Requests that

(a) The Security Council take the necessary measures as provided for in the plan for its implementation;

(b) The Security Council consider, if circumstances during the transitional period require such consideration, whether the situation in Palestine requires any extension to the plan. If it decides that such a threat exists, and in order to ensure successful progress and order in the Security Council should recommend the authorization of the General Assembly, or acting pursuant to Articles 10 and 11 of the Charter, to empower the United Nations Conciliation Commission for Palestine to transfer to Palestine the functions which are assigned to it by the plan;

(c) The Security Council determine as a threat to peace, breach of the peace or act of aggression, in accordance with Article 39 of the Charter, any attempt to alter the plan by Israel, the Mandatory, or any other party to the plan;

(d) The Trusteeship Council be informed of the progress of the plan and of its results;

(e) ...

Adopted at the 173rd plenary meeting of the General Assembly, 29 November 1947, with 33 votes in favour, 13 against and 10 abstentions.

UNITED NATIONS GENERAL ASSEMBLY RESOLUTION 181
29 November 1947

The General Assembly,

Having met in special session at the request of the mandatory Power to constitute and instruct a special committee to prepare for the consideration of the question of the future government of Palestine at the second regular session,

Having constituted a Special Committee and instructed it to investigate all questions and issues relevant to the problem of Palestine, and to prepare proposals for the solution of the problem, and

Having received and examined the report of the Special Committee (document A/364) including a number of unanimous recommendations and a plan of partition with economic union approved by the majority of the Special Committee,

Considers that the present situation in Palestine is one which is likely to impair the general welfare friendly relations among nations,

Takes note of the declaration by the mandatory Power that it plans to complete its evacuation of Palestine by 1 August 1948,

Recommends to the United Kingdom, as the mandatory Power for Palestine and to all other Members of the United Nations, the adoption and implementation, with regard to the future government of Palestine, of the Plan of Partition with Economic Union set out below,

Requests that

- (a) The Security Council take the necessary measures as provided for in the plan for its implementations;
- (b) The Security Council consider, if circumstances during the transitional period require such consideration, whether the situation in Palestine constitutes a threat to the peace. If it decides that such a threat exists, and in order to maintain international peace and security, the Security Council should supplement the authorization of the General Assembly by taking measures, under Articles 39 and 41 of the Charter, to empower the United Nations Commission, as provided in this resolution, to exercise in Palestine the functions which are assigned to it by this resolution;
- (c) The Security Council determine as a threat to peace, breach of the peace or act of aggression, in accordance with Article 39 of the Charter, any attempt to alter by force the settlement envisaged by this resolution;
- (d) The Trusteeship Council be informed of the responsibilities envisaged for it in this plan;

(.....)

Adopted at the 128th plenary meeting by 33 votes against 13, with 10 abstentions.

UNITED NATIONS SECURITY COUNCIL RESOLUTION 242
22 November 1967

The Security Council,

Expressing its continuing concern with the grave situation in the Middle East,

Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

Emphasizing further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. *Affirms that the fulfilment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:*

- (i) *Withdrawal of Israel armed forces from territories occupied in the recent conflict;*
- (ii) *Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;*

2. *Affirms further the necessity:*

- (a) *For guaranteeing freedom of navigation through international waterways in the area;*
- (b) *For achieving a just settlement of the refugee problem;*
- (c) *For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;*

3. *Requests the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolutions;*

4. *Requests the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible.*

Adopted unanimously at the 1382nd meeting.

UNITED NATIONS SECURITY COUNCIL RESOLUTION 338
22 October 1973*The Security Council*

1. *Calls upon* all parties to the present fighting to cease all firing and terminate all military activity immediately, no later than 12 hours after the moment of the adoption of this decision, in the positions they now occupy;
2. *Calls upon* the parties concerned to start immediately after the cease-fire the implementation of Security Council resolution 242 (1967) in all of its parts;
3. *Decides* that, immediately and concurrently with the cease-fire, negotiations shall start between the parties concerned under appropriate auspices aimed at establishing a just and durable peace in the Middle East.

Adopted at the 1747th meeting by 14 votes to none.

UNITED NATIONS SECURITY COUNCIL RESOLUTION 425
19 March 1978

The Security Council,

Taking note of the letters from the Permanent Representative of Lebanon and from the Permanent Representative of Israel;

Having heard the statements of the Permanent Representatives of Lebanon and Israel;

Gravely concerned at the deterioration of the situation in the Middle East and its consequences to the maintenance of international peace;

Convinced that the present situation impedes the achievement of a just peace in the Middle East;

1. *Calls* for strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries;
2. *Calls upon* Israel immediately to cease its military action against Lebanese territorial integrity and withdraw forthwith its forces from all Lebanese territory;
3. *Decides*, in the light of the request of the Government of Lebanon, to establish immediately under its authority a United Nations interim force for Southern Lebanon for the purpose of confirming the withdrawal of Israeli forces, restoring international peace and security and assisting the Government of Lebanon in ensuring the return of its effective authority in the area, the force to be composed of personnel drawn from Member States;
4. *Requests* the Secretary-General to report to the Council within twenty-four hours on the implementation of the present resolution.

Adopted at the 2074th meeting by 12 votes to none, with 2 abstentions (Czechoslovakia, Union of Soviet Socialist Republics).

THE VENICE DECLARATION
12-13 June 1980

1. The Heads of State or Government and the Ministers of Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israel-Arab conflict more necessary and pressing than ever.
2. The nine Member States of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.
3. In this regard, the nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their Declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as in the speech made on their behalf on 25 September 1979 by the Irish Minister of Foreign Affairs at the thirty-fourth United Nations General Assembly.
4. On the bases thus set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community: the right to existence and to security of all the States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.
5. All of the countries in the area are entitled to live in peace within secure, recognized and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the UN by a decision of the Security Council and, if necessary, in the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including (guarantees) on the ground.
6. A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, we are conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully their right to self-determination.
7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles apply to all the parties concerned, and thus the Palestinian people, and to the PLO, which will have to be associated with the negotiations.
8. The Nine recognize the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy places.

9. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in populations and property in the occupied Arab territories, are illegal under international law.

10. Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.

11. The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which such an initiative on their part could take.

EC STATEMENT OF SUPPORT TO THE MADRID INITIATIVE
Brussels and the Hague, 10 October 1991

The Community and its Member States reaffirm their full support for the Middle East peace initiative promoted by the United States and the USSR. They welcome the agreement in principle of all the parties to the dispute to the approach proposed by the US Secretary of State Mr Baker. In this respect they also welcome the positive attitude of Palestine National Council. They hope that this emerging consensus will open the way to an early resolution of the problem of an authentic Palestinian representation. They do not believe that any formula on this issue can be held to prejudice negotiations on substantive issues such as the status of Jerusalem.

The Community and its Member States continue to attach importance to the adoption by both sides of confidence-building measures designed to create the right climate for successful negotiations. They underline the importance they attach to a suspension of Israeli settlement activity in the Occupied Territories, including East Jerusalem, and welcome the willingness of Arab States to freeze the trade boycott of Israel in return for this.

They reaffirm their strong disapproval of the 'Zionism is racism' resolution passed by the United Nations General Assembly which they believe should be consigned to oblivion.

While reaffirming their well-known positions of principle, the Community and its Member States confirm their determination to give all possible support to efforts to convene a Middle East peace conference and their determination to play an active role as a full participant in such a conference alongside the co-sponsors.

They believe that an unprecedented opportunity to create peace between Israel and the Arabs now exists and they call on all parties to show the flexibility and imagination necessary to grasp this.

**STATEMENT BY EC PRESIDENT-IN-OFFICE, MR HANS VAN DEN BROEK,
TO THE MIDDLE EAST PEACE CONFERENCE
Madrid, 30 October 1991**

On this historic day, in this beautiful capital city of Madrid, it is a privilege indeed to be speaking on behalf of the European Community and its twelve Member States.

For the first time, all the parties involved in the Arab-Israeli conflict and the Palestinian question are sitting together at the conference table, confirming their commitment to a just, comprehensive and lasting settlement. As little as a year ago, perhaps especially a year ago, most of us would have dismissed out of hand a gathering like this taking place so soon. But these are extraordinary times, holding out both challenges and promises. With their unprecedented commitment to peace the parties have met the moment of history. Let us hope that this day, as it surely must, marks a turning point in the annals of the Middle East.

Now is not the time to dwell on that history. Far from it. All too often it has been one of conflict, suspicion and frustrated aspirations. We all know how easy it is to tap recriminations from the reservoir of bitterness that they have left. But let us today take to heart the one all-important lesson that the past has to teach. It is that this chance for peace is too precious to be wasted. It will perhaps not return in our lifetimes. There must be no turning back.

We are today setting off on a road towards a Middle East different from the one we have known. The reestablishment of legality in the Gulf encourages us all the more to look everywhere for peace based on the rule of law. There is still a long way to go, but the objective of peace is no longer a mirage shimmering between earth and sky. It has become a living reality. It lies within range.

The Twelve pay tribute to the wisdom and courage of the parties directly involved. Israel, Syria, Jordan, Lebanon and the Palestinians. To be here today, each has in his own way surmounted difficulties, overcome ingrained reflexes and put outside doubts. It is a credit to them all that these have been transcended for the greater common objective. But it is absolutely essential that the commitment shown today is maintained and that trust grows from it in the days and months ahead.

The Twelve welcome and attach particular significance to the participation of Egypt. The peace treaty between Israel and Egypt was an important first step. It demonstrated that commitment and courage on both sides could bring material results. Those same qualities are in evidence here today. Let us build on them.

We salute the representatives of the Member States of the Gulf Cooperation Council and of the Arab Maghreb Union who are here today as observers. Their support of a peaceful settlement and their constructive role in securing the wider regional framework for peace – an area where the Twelve hope to be working closely with them – will be a much needed inspiration to progress.

The presence of a representative of the United Nations Secretary General is an affirmation that what unites us here today are the principles and the guarantees which are enshrined in the Charter of the United Nations. In a changing world those principles are the bedrock on which a peaceful worked order stands, and it is the firm belief of the Twelve that the United Nations will have an important role to play in the coming peace process.

Last but not least, we commend the United States administration which, in partnership with the Soviet Union, has mounted the effort to bring us together. Efforts which became all the more successful as a result of the new and constructive cooperation between the US and the Soviet Union in promoting peace throughout the world. From the outset the Twelve have given their full support to the peace initiative. Secretary Baker's unswerving determination, tireless energy and high skill have marked the administration's pursuit of that goal. It is an outstanding achievement, it deserves to be crowned with success.

That same wisdom and courage, that same perseverance and flexibility that brought us together today must be made to prevail throughout the negotiations themselves. They are sure to be long. There may be some rough going ahead. That is why the process requires early movement and adoption of confidence building measures to establish trust. That is vital.

It is in this spirit that the EC and its Member States, represented by its Presidency, will participate in the negotiating process. We will be working closely alongside the United States and the Soviet Union. We share their overriding interest in the success of the negotiations. They can count on our constructive partnership in all the phases of the negotiating process.

The Twelve consider it of the utmost importance that the parties have committed themselves to the road map of this conference: direct negotiations on the basis of resolutions 242 and 338 along two tracks, between Israel and the Palestinians on the one hand and between Israel and its Arab neighbours on the other. The political negotiations are to be underpinned by multilateral negotiations on regional cooperation in fields of mutual interest. We look forward and expect to be working closely with all the parties to ensure progress along these lines.

Bearing in mind geographical proximity a widely shared historical heritage, intensive relations across of the whole spectrum of political, cultural, economic and humanitarian affairs with the people of the Middle East, the Community and its Member States cannot but have a close interest in the future of a region with which it shares so many interests, and are resolved to share in the building of peace.

The Twelve's guiding principles throughout the negotiating process are those which have since long governed our position. They remain unchanged. These principles are Security Council Resolutions 242 and 338, the principle of land for peace, the right of all states in the region, including Israel, to live within secure and recognised boundaries and the proper expression of the right to self-determination by the Palestinian people. Our position on issues relating to the occupied territories, including East Jerusalem, is equally well known. A comprehensive settlement should, in our view, encompass these principles. But we do not claim to prescribe how they should be put into practice on the ground.

What is essential now, at the beginning of this conference, is that the way be opened to movement on substance. That, in our view, is why the early adoption of confidence building measures is vital. They will make an essential contribution to creating the stable environment which progress in the negotiations will require. In our view a halt to Israel's settlement activity in the Occupied Territories is such an essential contribution. Renunciation of the Arab trade boycott of Israel is another. With regard to the situation in the Occupied Territories, it is important that both sides now show restraint and that Israel abides by the provisions of the fourth Geneva Convention. We look forward to a tangible improvement in the situation in the Occupied Territories, even before the putting in place of interim or other arrangements.

Early movement along the parallel track of the negotiations between Israel and its Arab neighbours is equally indispensable. Progress towards a durable peace between Israel and its neighbours Jordan and Syria will be crucial to the success of the overall peace process. Much will depend on the early establishment of a basis of confidence on both sides. We cannot emphasise enough that the parties involved should negotiate – and should be seen to negotiate – on the implementation of Security Council Resolution 242 in good faith. Progress will undoubtedly contribute to further restoration of stability and sovereignty to Lebanon, and to the implementation of Security Council Resolution 425.

As we move forward through the twin-track agenda, progress there will need to be assisted and underpinned by regional cooperation that will yield the practical and visible benefits of peace. Clearly, regional cooperation cannot progress faster than movement towards a political settlement. But the political and regional agendas should go hand in hand, each one reinforcing the other.

Given its close ties with all the parties involved, the Community and its Member States undertake to make an active practical contribution to progress in this important area of regional cooperation. The multilateral working groups to be established for this purpose should start their work as soon as possible.

A bold imaginative approach is called for. We will be putting forward our own ideas. We will share with you our own experience in this regard to the benefit of all nations of the Middle East.

Building a network of mutual economic interest amongst themselves and closer cooperation with the European Community and the wider world will help the threat of conflict recede. All this will call for wider participation. That is why the Community will endeavour to associate EFTA nations, Japan and of course the GCC States and others in a framework of closer economic cooperation. Above all, we look forward to proposals from the parties themselves. We know the ideas are there and we will very shortly be contacting the parties to discuss them.

But regional cooperation must go deeper and wider. Elements of the process set in motion by the Conference on Security and Cooperation in Europe could serve as an inspiration and example. It shows how a modest start can bring great results. It was during the years of the Cold War that principles for improving relations between states and between their citizens were agreed in Helsinki. These principles, and the commitments undertaken to give them effect, gradually established themselves as a code of conduct for governments, and an inspiration for the governed. Today they are universally accepted as a framework within which participating states conduct their domestic and international affairs. The CSCE also agreed a series of confidence and security building measures, which, over time, grew into the network of arms control arrangements that has proved its worth in Europe. It is singularly lacking and badly needed in the Middle East.

Europe is of course not the Middle East but we believe that some of the lessons and experiences of CSCE could be taken on board. There is a long and difficult way to go. But in the end we hope to find ourselves in a Middle Eastern landscape that is different and new.

The most prominent features of that landscape are states that are at peace with each other, where the legitimate security needs of all have been met, where peoples give shape to their own future and a new life beckons for the region as a whole, and in particular for the Palestinians, who have been the principal victims of the Arab-Israeli dispute.

It is a landscape where new security arrangements have drastically reduced tension and are building confidence. Where networks of regional and economic cooperation reinforce the peace, and where the

vast accumulation of armaments, including weapons of mass destruction, has been undone, and freed resource are made to meet the needs of citizens to pursue their well-being in security and in full enjoyment of their human rights.

These, and much besides, are the rewards that await the parties at the end of the road. That is our vision of a comprehensive settlement between Israel and the Palestinians and between Israel and its neighbours.

Commitment, good faith and perseverance. These are the essential ingredients of progress towards such a settlement. They have brought the parties here on this day. They must be sustained beyond it. In so doing, all the parties can count on the full support, encouragement and assistance to the negotiating process by the European Community and its twelve Member States. We will give our best. That is the pledge I am honoured to make on this historic day. A day which marks a courageous step for each of you, and a giant leap for peace in the Middle East.

US-EU DECLARATION ON THE MIDDLE EAST PEACE PROCESS
December 1998

The signature on October 23 of the Wye River Memorandum broke a dangerous deadlock in Middle East and opened the perspective for new progress in the peace process. We welcome implementation of the first phase of the Memorandum by both sides. We call on the parties to implement fully the remaining obligations and thereby contribute to rebuilding the confidence essential to the completion of the Peace Process begun at Madrid and Oslo.

We will work together, including through our respective envoys, in the political and economic area, to build on this achievement and to help the parties move the Peace Process forward to a successful conclusion. We will use our partnership to support the implementation of outstanding elements of the Interim Agreement. We will work for the early resumption of the Multilateral Track of the Process. We will also seek ways to help the parties in the Lebanese and Syrian tracks to restart negotiations with the aim of reaching a comprehensive settlement.

Alongside other participants at the 30 November Washington Conference to Support Middle East Peace and Development, we made significant additional pledges of economic assistance to the West Bank and Gaza for the next five years. Against this background, the US and the EU will continue their leading roles in the Palestinian donor effort in order to ensure that international assistance translates into tangible improvements in the living conditions of the Palestinians, starting at the coming meeting of the Ad Hoc Liaison Committee in February in Germany.

FIRST EURO-MEDITERRANEAN MINISTERIAL CONFERENCE
BARCELONA DECLARATION AND WORK PROGRAMME
27-28 November 1985

ANNEX II

THE EURO-MEDITERRANEAN PARTNERSHIP PROCESS

The Council of the European Union, represented by its President, Mr. Jacques DELORS, Minister for Foreign Affairs of the European Community, represented by Mr. Klaus KINKEL, Vice-Chancellor and Minister for Foreign Affairs, Austria, represented by Mr. Wolfgang Isakoglou, Minister for Foreign Affairs, Belgium, represented by Mr. Jean DEWYCKE, Minister for Foreign Affairs, Cyprus, represented by Mr. Annis NICOLAIDES, Minister for Foreign Affairs, Denmark, represented by Mr. Hans Hennrich THORSEN, Minister for Foreign Affairs, Egypt, represented by Mr. Ibrahim ABDELMAJED, Minister for Foreign Affairs, France, represented by Mr. Jacques F. Poehle, Deputy Prime Minister and Minister for Foreign Affairs, Foreign Trade and Co-operation, Malta, represented by Paul Gatt DE MARIO, Deputy Prime Minister and Minister for Foreign Affairs, Morocco, represented by Mr. Abdellatif EL ALI, Prime Minister and Minister for Foreign Affairs, The Netherlands, represented by Mr. Hans van MIERLON, Deputy Prime Minister and Minister for Foreign Affairs, Portugal, represented by Mr. Jaime GAMA, Minister for Foreign Affairs, The United Kingdom, represented by Mr. Malcolm BRINDON QC MP, Secretary of State for Foreign and Commonwealth Affairs, Syria, represented by Mr. Farouk AL-SHARAFA, Minister for Foreign Affairs, Sweden, represented by Mrs. Lena PERLE M. WALLIN, Minister for Foreign Affairs, Tunisia, represented by Mr. Habib Ben YAHIA, Minister for Foreign Affairs, The Palestinian Authority, represented by Mr. Yasser ARAFAT, President of the Palestinian Authority, taking part in the Euro-Mediterranean Conference in Barcelona.

Recognizing the strategic importance of the Mediterranean and moved by the will to give their future relations a new dimension, based on long-term co-operation and solidarity, to improve with the privileged status of the State Region by neighbourhood and history, aware that the new political, economic and social issues on both sides of the Mediterranean constitute common challenges calling for a coordinated overall response, resolved to establish in that end a framework and launch the work of relations based on a spirit of partnership, with due regard for the characteristics, values and responsibilities of each partner.

**FIRST EURO-MEDITERRANEAN MINISTERIAL CONFERENCE:
BARCELONA DECLARATION AND WORK PROGRAMME
27-28 November 1995**

The Council of the European Union, represented by its President, Mr. Javier SOLANA, Minister for Foreign Affairs of Spain,
 The European Commission, represented by Mr. Manuel MARIN, Vice-President,
 Germany, represented by Mr. Klaus KINKEL, Vice-Chancellor and Minister for Foreign Affairs,
 Algeria, represented by Mr. Mohamed Salah DEMBRI, Minister for Foreign Affairs,
 Austria, represented by Mrs. Benita FERRERO-WALDNER, State Secretary, Ministry of Foreign Affairs,
 Belgium, represented by Mr. Erik DERYCKE, Minister for Foreign Affairs,
 Cyprus, represented by Mr. Alecos MICHAELIDES, Minister for Foreign Affairs,
 Denmark, represented by Mr. Niels Helveg PETERSEN, Minister for Foreign Affairs,
 Egypt, represented by Mr. Amr MOUSSA, Minister for Foreign Affairs,
 Spain, represented by Mr. Carlos WESTENDORP, State Secretary for Relations with the European Community,
 Finland, represented by Mrs. Tarja HALONEN, Minister for Foreign Affairs,
 France, represented by Mr. Hervé de CHARENTE, Minister for Foreign Affairs,
 Greece, represented by Mr. Károlos PAPOULIAS, Minister for Foreign Affairs,
 Ireland, represented by Mr. Dick SPRING, Deputy Prime Minister and Minister for Foreign Affairs,
 Israel, represented by Mr. Ehud BARAK, Minister for Foreign Affairs,
 Italy, represented by Mrs. Susanna AGNELLI, Minister for Foreign Affairs,
 Jordan, represented by Mr. Abdel-Karim KABARITI, Minister for Foreign Affairs,
 Lebanon, represented by Mr. Fares BOUEZ, Minister for Foreign Affairs,
 Luxembourg, represented by Mr. Jacques F. POOS, Deputy Prime Minister and Minister for Foreign Affairs, Foreign Trade and Cooperation,
 Malta, represented by Prof. Guido DE MARCO, Deputy Prime Minister and Minister for Foreign Affairs,
 Morocco, represented by Mr. Abdellatif FILALI, Prime Minister and Minister for Foreign Affairs,
 the Netherlands, represented by Mr. Hans van MIERLO, Deputy Prime Minister and Minister for Foreign Affairs,
 Portugal, represented by Mr. Jaime GAMA, Minister for Foreign Affairs,
 the United Kingdom, represented by Mr. Malcolm RIFKIND QC MPI, Secretary of State for Foreign and Commonwealth Affairs,
 Syria, represented by Mr. Farouk AL-SHARAA, Minister for Foreign Affairs,
 Sweden, represented by Mrs. Lena HJELM-WALLEN, Minister for Foreign Affairs,
 Tunisia, represented by Mr. Habib Ben YAHIA, Minister for Foreign Affairs,
 Turkey, represented by Mr. Deniz BAYKAL, Deputy Prime Minister and Minister for Foreign Affairs,
 the Palestinian Authority, represented by Mr. Yasser ARAFAT, President of the Palestinian Authority,
 taking part in the Euro-Mediterranean Conference in Barcelona:

-stressing the strategic importance of the Mediterranean and moved by the will to give their future relations a new dimension, based on comprehensive cooperation and solidarity, in keeping with the privileged nature of the links forged by neighbourhood and history;
 -aware that the new political, economic and social issues on both sides of the Mediterranean constitute common challenges calling for a coordinated overall response;
 -resolved to establish to that end a multilateral and lasting framework of relations based on a spirit of partnership, with due regard for the characteristics, values and distinguishing features peculiar to each o

the participants;

- regarding this multilateral framework as the counterpart to a strengthening of bilateral relations which it is important to safeguard, while laying stress on their specific nature;
- stressing that this Euro-Mediterranean initiative is not intended to replace the other activities and initiatives undertaken in the interests of the peace, stability and development of the region, but that it will contribute to their success, the participants support the realization of a just, comprehensive and lasting peace settlement in the Middle East based on the relevant United Nations Security Council resolutions and principles mentioned in the letter of invitation to the Madrid Middle East Peace Conference, including the principle of land for peace, with all that this implies;
- convinced that the general objective of turning the Mediterranean basin into an area of dialogue, exchange and cooperation guaranteeing peace, stability and prosperity requires a strengthening of democracy and respect for human rights, sustainable and balanced economic and social development, measures to combat poverty and promotion of greater understanding between cultures, which are all essential aspects of partnership,
- hereby agree to establish a comprehensive partnership among the participants - the Euro-Mediterranean partnership - through strengthened political dialogue on a regular basis, the development of economic and financial cooperation and greater emphasis on the social, cultural and human dimension, these being the three aspects of the Euro-Mediterranean partnership.

POLITICAL AND SECURITY PARTNERSHIP: ESTABLISHING A COMMON AREA OF PEACE AND STABILITY

The participants express their conviction that the peace, stability and security of the Mediterranean region are a common asset which they pledge to promote and strengthen by all means at their disposal. To this end they agree to conduct a strengthened political dialogue at regular intervals, based on observance of essential principles of international law, and reaffirm a number of common objectives in matters of internal and external stability.

In this spirit they undertake in the following declaration of principles to:

- act in accordance with the United Nations Charter and the Universal Declaration of Human Rights, as well as other obligations under international law, in particular those arising out of regional and international instruments to which they are party;
- develop the rule of law and democracy in their political systems, while recognizing in this framework the right of each of them to choose and freely develop its own political, socio-cultural, economic and judicial system;
- respect human rights and fundamental freedoms and guarantee the effective legitimate exercise of such rights and freedoms, including freedom of expression, freedom of association for peaceful purposes and freedom of thought, conscience and religion, both individually and together with other members of the same group, without any discrimination on grounds of race, nationality, language, religion or sex;
- give favourable consideration, through dialogue between the parties, to exchanges of information on matters relating to human rights, fundamental freedoms, racism and xenophobia;
- respect and ensure respect for diversity and pluralism in their societies, promote tolerance between different groups in society and combat manifestations of intolerance, racism and xenophobia. The participants stress the importance of proper education in the matter of human rights and fundamental freedoms;
- respect their sovereign equality and all rights inherent in their sovereignty, and fulfil in good faith the obligations they have assumed under international law;

- respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States, as reflected in agreements between relevant parties;
- refrain, in accordance with the rules of international law, from any direct or indirect intervention in the internal affairs of another partner; respect the territorial integrity and unity of each of the other partners;
- settle their disputes by peaceful means, call upon all participants to renounce recourse to the threat or use of force against the territorial integrity of another participant, including the acquisition of territory by force, and reaffirm the right to fully exercise sovereignty by legitimate means in accordance with the UN Charter and international law;
- strengthen their cooperation in preventing and combatting terrorism, in particular by ratifying and applying the international instruments they have signed, by acceding to such instruments and by taking any other appropriate measure;
- fight together against the expansion and diversification of organized crime and combat the drugs problem in all its aspects;
- promote regional security by acting, inter alia, in favour of nuclear, chemical and biological non-proliferation through adherence to and compliance with a combination of international and regional non-proliferation regimes, and arms control and disarmament agreements such as NPT, CWC, BWC, CTBT and/or regional arrangements such as weapons free zones including their verification regimes, as well as by fulfilling in good faith their commitments under arms control, disarmament and non-proliferation conventions.

The parties shall pursue a mutually and effectively verifiable Middle East Zone free of weapons of mass destruction, nuclear, chemical and biological, and their delivery systems.

Furthermore the parties:

- will consider practical steps to prevent the proliferation of nuclear, chemical and biological weapons as well as excessive accumulation of conventional arms;
- will refrain from developing military capacity beyond their legitimate defence requirements, at the same time reaffirming their resolve to achieve the same degree of security and mutual confidence with the lowest possible levels of troops and weaponry and adherence to CCW;
- will promote conditions likely to develop good-neighbourly relations among themselves and support processes aimed at stability, security, prosperity and regional and subregional cooperation;
- will consider any confidence and security-building measures that could be taken between the parties with a view to the creation of an "area of peace and stability in the Mediterranean", including the long term possibility of establishing a Euro-Mediterranean pact to that end.

ECONOMIC AND FINANCIAL PARTNERSHIP: CREATING AN AREA OF SHARED PROSPERITY

The participants emphasize the importance they attach to sustainable and balanced economic and social development with a view to achieving their objective of creating an area of shared prosperity.

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

Noting that the partners have to take up common challenges, albeit to varying degrees, the participants set themselves the following long-term objectives:

- acceleration of the pace of sustainable socio-economic development;
- improvement of the living conditions of their populations, increase in the employment level and reduction in the development gap in the Euro-Mediterranean region;
- encouragement of regional cooperation and integration.

With a view to achieving these objectives, the participants agree to establish an economic and financial partnership which, taking into account the different degrees of development, will be based on:

- the progressive establishment of a free-trade area;
- the implementation of appropriate economic cooperation and concerted action in the relevant areas;
- a substantial increase in the European Union's financial assistance to its partners.

a) Free-trade area

The free-trade area will be established through the new Euro-Mediterranean Agreements and free-trade agreements between partners of the European Union. The parties have set 2010 as the target date for the gradual establishment of this area which will cover most trade with due observance of the obligations resulting from the WTO.

With a view to developing gradual free trade in this area: tariff and non-tariff barriers to trade in manufactured products will be progressively eliminated in accordance with timetables to be negotiated between the partners; taking as a starting point traditional trade flows, and as far as the various agricultural policies allow and with due respect to the results achieved within the GATT negotiations, trade in agricultural products will be progressively liberalized through reciprocal preferential access among the parties; trade in services including right of establishment will be progressively liberalized having due regard to the GATS agreement. The participants decide to facilitate the progressive establishment of this free-trade area through the adoption of suitable measures as regard rules of origin, certification, protection of intellectual and industrial property rights and competition;

- the pursuit and the development of policies based on the principles of market economy and the integration of their economies taking into account their respective needs and levels of development;
- the adjustment and modernization of economic and social structures, giving priority to the promotion and development of the private sector, to the upgrading of the productive sector and to the establishment of an appropriate institutional and regulatory framework for a market economy. They will likewise endeavour to mitigate the negative social consequences which may result from this adjustment, by promoting programmes for the benefit of the neediest populations;
- the promotion of mechanisms to foster transfers of technology.

b) Economic cooperation and concerted action

Cooperation will be developed in particular in the areas listed below and in this respect the participants:

- acknowledge that economic development must be supported both by internal savings, the basis of

investment, and by direct foreign investment. They stress the importance of creating an environment conducive to investment, in particular by the progressive elimination of obstacles to such investment which could lead to the transfer of technology and increase production and exports;

- affirm that regional cooperation on a voluntary basis, particularly with a view to developing trade between the partners themselves, is a key factor in promoting the creation of a free-trade area;
- encourage enterprises to enter into agreements with each other and undertake to promote such cooperation and industrial modernization by providing a favourable environment and regulatory framework. They consider it necessary to adopt and to implement a technical support programme for SMEs;
- emphasize their interdependence with regard to the environment, which necessitates a regional approach and increased cooperation, as well as better coordination of existing multilateral programmes, while confirming their attachment to the Barcelona Convention and the Mediterranean Action Plan. They recognize the importance of reconciling economic development with environmental protection, of integrating environmental concerns into the relevant aspects of economic policy and of mitigating the negative environmental consequences which might result. They undertake to establish a short and medium-term priority action programme, including in connection with combatting desertification, and to concentrate appropriate technical and financial support on those actions;
- recognize the key role of women in development and undertake to promote their active participation in economic and social life and in the creation of employment;
- stress the importance of the conservation and rational management of fish stocks and of the improvement of cooperation on research into stocks, including aquaculture, and undertake to facilitate scientific training and research and to envisage creating joint instruments;
- acknowledge the pivotal role of the energy sector in the economic Euro-Mediterranean partnership and decide to strengthen cooperation and intensify dialogue in the field of energy policies. They also decide to create the appropriate framework conditions for investments and the activities of energy companies, cooperating in creating the conditions enabling such companies to extend energy networks and promote link-ups;
- recognize that water supply together with suitable management and development of resources are priority issues for all Mediterranean partners and that cooperation should be developed in these areas;
- agree to cooperate in modernizing and restructuring agriculture and in promoting integrated rural development. This cooperation will focus in particular on technical assistance and training, on support for policies implemented by the partners to diversify production, on the reduction of food dependency and on the promotion of environment-friendly agriculture. They also agree to cooperate in the eradication of illicit crops and the development of any regions affected.

The participants also agree to cooperate in other areas and, to that effect:

- stress the importance of developing and improving infrastructures, including through the establishment of an efficient transport system, the development information technologies and the modernization of telecommunications. They agree to draw up a programme of priorities for that purpose;
- undertake to respect the principles of international maritime law, in particular freedom to provide services in international transport and free access to international cargoes. The results of the ongoing multilateral trade negotiation on maritime transport services being conducted within the WTO will be taken into account when agreed;
- undertake to encourage cooperation between local authorities and in support regional planning;
- recognizing that science and technology have a significant influence on socio-economic development, agree to strengthen scientific research capacity and development, contribute to the training of scientific and technical staff and promote participation in joint research projects based on the creation of scientific

networks;

-agree to promote cooperation on statistics in order to harmonize methods and exchange data.

c) Financial cooperation

The participants consider that the creation of a free-trade area and the success of the Euro-Mediterranean partnership require a substantial increase in financial assistance, which must above all encourage sustainable indigenous development and the mobilization of local economic operators. They note in this connection that:

- the Cannes European Council agreed to set aside ECU 4 685 million for this financial assistance in the form of available Community budget funds for the period 1995-1999. This will be supplemented by EIB assistance in the form of increased loans and the bilateral financial contributions from the Member States;
- effective financial cooperation managed in the framework of a multiannual programme, taking into account the special characteristics of each of the partners is necessary;
- sound macro-economic management is of fundamental importance in ensuring the success of the partnership. To this end they agree to promote dialogue on their respective economic policies and on the method of optimizing financial cooperation.

**PARTNERSHIP IN SOCIAL, CULTURAL AND HUMAN AFFAIRS:
DEVELOPING HUMAN RESOURCES, PROMOTING UNDERSTANDING BETWEEN
CULTURES AND EXCHANGES BETWEEN CIVIL SOCIETIES**

The participants recognize that the traditions of culture and civilization throughout the Mediterranean region, dialogue between these cultures and exchanges at human, scientific and technological level are an essential factor in bringing their peoples closer, promoting understanding between them and improving their perception of each other.

In this spirit, the participants agree to establish a partnership in social, cultural and human affairs. To this end:

- they reaffirm that dialogue and respect between cultures and religions are a necessary pre-condition for bringing the peoples closer. In this connection they stress the importance of the role the mass media can play in the reciprocal recognition and understanding of cultures as a source of mutual enrichment;
- they stress the essential nature of the development of human resources, both as regards the education and training of young people in particular and in the area culture. They express their intent to promote cultural exchanges and knowledge of other languages, respecting the cultural identity of each partner, and to implement a lasting policy of educational and cultural programmes; in this context the partners undertake to adopt measures to facilitate human exchanges, in particular by improving administrative procedures;
- they underline the importance of the health sector for sustainable development and express their intention of promoting the effective participation of the community in operations to improve health and well-being;
- they recognize the importance of social development which, in their view, must go hand in hand with any economic development. They attach particular importance to respect for fundamental social rights, including the right to development;
- they recognize the essential contribution civil society can make in the process of development of the Euro-Mediterranean partnership and as an essential factor for greater understanding and closeness between

peoples;

- they accordingly agree to strengthen and/or introduce the necessary instruments of decentralized cooperation to encourage exchanges between those active in development within the framework of national community, the media, organizations, the trade unions and public and private enterprises;
- on this basis, they recognize the importance of encouraging contacts and exchanges between young people in the context of programmes for decentralised cooperation;
- they will encourage actions of support for democratic institutions and for the strengthening of the rule of law and civil society;
- they recognize that current population trends represent a priority challenge which must be counterbalanced by appropriate policies to accelerate economic take-off,
- they acknowledge the importance of the role played by migration in their relationships. They agree to strengthen their cooperation to reduce migratory pressures, among other things through vocational training programmes and programmes of assistance for job creation. They undertake to guarantee protection of all the rights recognized under existing legislation of migrants legally resident in their respective territories;
- in the area of legal immigration they decide to establish closer cooperation. In this context, the partners, aware of their responsibility for readmission, agree to adopt the relevant provisions and measures, by means of bilateral agreements or arrangements, in order to readmit their nationals who are in an illegal situation. To that end, the Member States of the European Union take citizens to mean nationals of the Member States, as defined for Community purposes,
- they agree to strengthen cooperation by means of various measures to prevent terrorism and fight it more effectively together,
- by the same token they consider it necessary to fight jointly and effectively against drug trafficking, international crime and corruption;
- they underline the importance of waging a determined campaign against racism, xenophobia and intolerance and agree to cooperate to that end.

FOLLOW-UP TO THE CONFERENCE

The participants:

- considering that the Barcelona Conference provides the basis for a process, which is open and should develop;
- reaffirming their will to establish a partnership based on the principles and objectives defined in this Declaration;
- resolved to give practical expression to this Euro-Mediterranean partnership;
- convinced that, in order to achieve this objective, it is necessary to continue the comprehensive dialogue thus initiated and to carry out a series of specific actions;

hereby adopt the attached work programme:

The Ministers for Foreign Affairs will meet periodically in order to monitor the application of this Declaration and define actions enabling the objectives of the partnership to be achieved.

The various activities will be followed by ad hoc thematic meetings of ministers, senior officials and experts, exchanges of experience and information, contacts between those active in civil society and by any other appropriate means.

Contacts between parliamentarians, regional authorities, local authorities and the social partners will be encouraged.

A "Euro-Mediterranean Committee for the Barcelona process" at senior-official level, consisting of the European Union Troika and one representative of each Mediterranean partner, will hold regular meetings to prepare the meeting of the Ministers for Foreign Affairs, take stock of and evaluate the follow-up to the Barcelona process and all its components and update the work programme.

Appropriate preparatory and follow-up work for the meetings resulting from the Barcelona work programme and from the conclusions of the "Euro-Mediterranean Committee for the Barcelona process" will be undertaken by the Commission departments.

The next meeting of the Ministers for Foreign Affairs will be held in the first semester of 1997 in one of the twelve Mediterranean partners of the European Union, to be determined through further consultations.

ANNEX

WORK PROGRAMME

1. Introduction

The aim of this programme is to implement the objectives of the Barcelona Declaration, and to respect its principles, through regional and multilateral actions. It is complementary both to the bilateral cooperation, implemented in particular under the agreements between the EU and its Mediterranean partners, and to the cooperation already existing in other multilateral fora.

The preparation and the follow-up to the various actions will be implemented in accordance with the principles and mechanisms set out in the Barcelona Declaration.

The priority actions for further cooperation are listed below. This does not exclude Euro-Mediterranean cooperation being extended to other actions if the partners so agree.

The actions may apply to States, their local and regional authorities as well as actors of their civil society.

With the agreement of the participants, other countries or organizations may be involved in the actions contained in the work programme. The implementation must take place in a flexible and transparent way.

With the agreement of the participants, future Euro-Mediterranean cooperation will take account, as appropriate, of the opinions and recommendations resulting from the relevant discussions held at various levels in the region.

The implementation of the programme should start as soon as practical after the Barcelona Conference. It will be reviewed at the next Euro-Mediterranean Conference on the basis of a report to be prepared by the European Commission departments, particularly on the basis of reports from the various meetings and Groups mentioned below, and approved by the "Euro-Mediterranean Committee for the Barcelona process" set up by the Barcelona Declaration.

II. Political and Security Partnership: Establishing a common area of peace and stability

With a view to contributing to the objective of progressively creating a zone of peace, stability and security in the Mediterranean, senior officials will meet periodically, starting within the first quarter of 1996. They will:

- conduct a political dialogue to examine the most appropriate means and methods of implementing the principles adopted by the Barcelona Declaration, and
- submit practical proposals in due time for the next Euro-Mediterranean Meeting of Foreign Ministers. Foreign policy institutes in the Euro-Mediterranean region will be encouraged to establish a network for more intensive cooperation which could become operational as of 1996.

III. Economic and Financial Partnership: Building a zone of shared prosperity

Meetings will take place periodically at the level of Ministers, officials or experts, as appropriate, to promote cooperation in the following areas. These meetings may be supplemented, where appropriate, by conferences or seminars involving the private sector likewise.

Establishment of a Euro-Mediterranean Free Trade Area

The establishment of a free trade area in accordance with the principles contained in the Barcelona Declaration is an essential element of the Euro-Mediterranean partnership.

Cooperation will focus on practical measures to facilitate the establishment of free trade as well as its consequences, including:

- harmonizing rules and procedures in the customs field, with a view in particular to the progressive introduction of cumulation of origin; in the meantime, favourable consideration will be given, where appropriate, to finding ad hoc solutions in particular cases;
- harmonization of standards, including meetings arranged by the European Standards Organisations;
- elimination of unwarranted technical barriers to trade in agricultural products and adoption of relevant measures related to plant-health and veterinary rules as well as other legislation on foodstuffs;
- cooperation among statistics organizations with a view to providing reliable data on a harmonized basis;
- possibilities for regional and subregional cooperation (without prejudice to initiatives taken in other existing fora).

Investment

The object of cooperation will be to help create a climate favourable to the removal of obstacles to investment, by giving greater thought to the definition of such obstacles and to means, including in the banking sector, of promoting such investment.

Industry

Industrial modernisation and increased competitiveness will be key factors for the success of the Euro-Mediterranean partnership. In this context, the private sector will play a more important role in the economic development of the region and the creation of employment. Cooperation will focus on:

- the adaptation of the industrial fabric to the changing international environment, in particular to the emergence of the information society;
- the framework for and the preparation of the modernisation and restructuring of existing enterprises, especially in the public sector, including privatisation;
- the use of international or European standards and the upgrading of conformity testing, certification, accreditation and quality standards.

Particular attention will be paid to means of encouraging cooperation among SMEs and creating the conditions for their development, including the possibility of organising workshops, taking account of experience acquired under MEDINVEST and inside the European Union.

Agriculture

While pointing out that such matters are covered under bilateral relations in the main, cooperation in this area will focus on:

- support for policies implemented by them to diversify production;
- reduction of food dependency;
- promotion of environment-friendly agriculture;
- closer relations between businesses, groups and organizations representing trades and professions in the partner States on a voluntary basis;
- support for privatization;
- technical assistance and training;
- harmonization of plant-health and veterinary standards;
- integrated rural development, including improvement of basic services and the development of associated economic activities;
- cooperation among rural regions, exchange of experience and know-how concerning rural development;
- development of regions affected by the eradication of illicit crops.

Transport

Efficient interoperable transport links between the EU and its Mediterranean partners, and among the partners themselves, as well as free access to the market for services in international maritime transport, are essential to the development of trade patterns and the smooth operation of the Euro-Mediterranean partnership.

The Transport Ministers of Western Mediterranean countries met twice in 1995 and, following the Regional Conference for the Development of Maritime Transport in the Mediterranean, the Mediterranean Waterborne Transport Working Group adopted a multiannual programme.

Cooperation will focus on:

- development of an efficient Trans-Mediterranean multimodal combined sea and air transport system, through the improvement and modernization of ports and airports, the suppression of unwarranted restrictions, the simplification of procedures, the improvement of maritime and air safety, the harmonization of environmental standards at a high level including more efficient monitoring of maritime pollution, and the development of harmonized traffic management systems;
- development of east-west land links on the southern and eastern shores of the Mediterranean, and
- connection of Mediterranean transport networks to the Trans-European Network in order to ensure their

interoperability.

Energy

A high-level Conference was held in Tunisia in 1995 with a follow-up meeting in Athens and an Energy Conference in Madrid on 20 November 1995. With a view to creating appropriate conditions for investment in and activities by energy companies, future cooperation will focus, inter alia on:

- fostering the association of Mediterranean countries with the Treaty on the European Energy Charter;
- energy planning;
- encouraging producer-consumer dialogue;
- oil and gas exploration, refining, transportation, distribution, and regional and trans-regional trade;
- coal production and handling;
- generation and transmission of power and interconnection and development of networks;
- energy efficiency;
- new and renewable sources of energy;
- energy-related environmental issues;
- development of joint research programmes;
- training and information activities in the energy sector.

Telecommunications and information technology

With a view to developing a modern, efficient telecommunications network, cooperation will focus on:

- information and telecommunications infrastructures (minimum regulatory framework, standards, conformity testing, network interoperability, etc.);
- regional infrastructures including links with European networks;
- access to services, and
- new services in priority fields of application.

Intensification of Euro-Mediterranean exchanges and access to the nascent information society will be facilitated by more efficient information and communications infrastructures.

A regional conference is planned for 1996 with the aim of paving the way for pilot projects to show the concrete benefits of the information society.

Regional Planning

Co-operation will focus on:

- defining a regional planning strategy for the Euro-Mediterranean area commensurate with the countries' requirements and special features;
- promoting cross-border cooperation in areas of mutual interest.

Tourism

The Ministers for Tourism, meeting in Casablanca, adopted the Mediterranean Tourism Charter in 1995. The cooperation actions to be initiated will relate in particular to information, promotion and training.

Environment

Co-operation will focus on:

- assessing environmental problems in the Mediterranean region and defining, where appropriate, the initiatives to be taken;
- making proposals to establish and subsequently update a short and medium-term priority environmental action programme for intervention coordinated by the European Commission and supplemented by long-term actions; it should include among the main areas for action, the following: integrated management of water, soil and coastal areas; management of waste; preventing and combating air pollution and pollution in the Mediterranean sea; natural heritage, landscapes and site conservation and management; Mediterranean forest protection, conservation and restoration, in particular through the prevention and control of erosion, soil degradation, forest fires and combating desertification; transfer of Community experience in financing techniques, legislation and environmental monitoring; integration of environmental concerns in all policies;
- setting up a regular dialogue to monitor the implementation of the action programme;
- reinforcing regional and subregional cooperation and strengthening coordination with the Mediterranean Action Plan;
- stimulating coordination of investments from various sources, and implementation of relevant international conventions;
- promoting the adoption and implementation of legislation and regulatory measures when required, especially preventive measures and appropriate high standards.

Science and Technology

Cooperation will focus on:

- promoting research and development and tackling the problem of the widening gap in scientific achievement, taking account of the principle of mutual advantage;
- stepping up exchanges of experience in the scientific sectors and policies which might best enable the Mediterranean partners to reduce the gap between them and their European neighbours and to promote the transfer of technology;
- helping train scientific and technical staff by increasing participation in joint research projects.

Following the Ministerial meeting at Sophia Antipolis in March 1995, a Monitoring Committee was set up; this Committee will meet for the first time immediately after the Barcelona Conference. It will focus on making recommendations for the joint implementation of the policy priorities agreed at Ministerial level.

Water

The Mediterranean Water Charter was adopted in Rome in 1992.

Water is a priority issue for all the Mediterranean partners and will gain in importance as water scarcity becomes more pressing. The purpose of cooperation in this area will be as follows:

- to take stock of the situation taking into account current and future needs;
- to identify ways of reinforcing regional cooperation;
- to make proposals for rationalising the planning and management of water resources, where appropriate

- on a joint basis;
-to contribute towards the creation of new sources of water.

Fisheries

In view of the importance of conservation and rational management of Mediterranean fish stocks, cooperation in the framework of the General Fisheries Council for the Mediterranean will be reinforced.

Following the Ministerial Fisheries Conference held in Heraklion in 1994, appropriate follow-up action will be taken in the legal sphere through meetings to take place in 1996.

Cooperation will be improved on research into fish stocks, including aquaculture, as well as into training and scientific research.

IV. Partnership in Social, Cultural and Human affairs : Developing Human Resources, Promoting Understanding between Cultures and Exchanges between Civil Societies

Development of human resources

The Euro-Mediterranean partnership must contribute to enhancing educational levels throughout the region, whilst laying special emphasis on the Mediterranean partners. To this end, a regular dialogue on educational policies will take place, initially focusing on vocational training, technology in education, the universities and other higher-education establishments and research. In this context as well as in other areas, particular attention will be paid to the role of women. The Euro-Arab Business School in Granada and the European Foundation in Turin will also contribute to this cooperation.

A meeting of representatives of the vocational training sector (policy makers, academics, trainers, etc.) will be organised with the aim of sharing modern management approaches.

A meeting will be held of representatives of universities and higher-education establishments. The European Commission will strengthen its ongoing MED-Campus programme.

A meeting will also be called on the subject of technology in education.

Municipalities and Regions

Municipalities and regional authorities need to be closely involved in the operation of the Euro-Mediterranean Partnership. City and regional representatives will be encouraged to meet each year to take stock of their common challenges and exchange experiences. This will be organised by the European Commission and will take account of previous experience.

Dialogue between cultures and civilizations

Given the importance of improving mutual understanding by promoting cultural exchanges and knowledge of languages, officials and experts will meet in order to make concrete proposals for action, inter alia, in the following fields: cultural and creative heritage, cultural and artistic events, co-productions (theatre and

cinema), translations and other means of cultural dissemination, training.

Greater understanding among the major religions present in the Euro-Mediterranean region will facilitate greater mutual tolerance and cooperation. Support will be given to periodic meetings of representatives of religions and religious institutions as well as theologians, academics and others concerned, with the aim of breaking down prejudice, ignorance and fanaticism and fostering cooperation at grass-roots level. The conferences held in Stockholm (15/17.6.1995) and Toledo (4/7.11.1995) may serve as examples in this context.

Media

Close interaction between the media will work in favour of better cultural understanding. The European Union will actively promote such interaction, in particular through the ongoing MED-Media programme. An annual meeting of representatives of the media will be organised in this context.

Youth

Youth exchanges should be the means to prepare future generations for a closer cooperation between the Euro-Mediterranean partners. A Euro-Mediterranean youth exchange programme should therefore be established based on experience acquired in Europe and taking account of the partners' needs; this programme should take account of the importance of vocational training, particularly for those without qualifications, and of the training of organizers and social workers in the youth field. The European Commission will make the necessary proposals before the next meeting of Euro-Mediterranean Foreign Ministers.

Exchanges between Civil Societies

Senior officials will meet periodically to discuss measures likely to facilitate human exchanges resulting from the Euro-Mediterranean partnership, especially those involving officials, scientists, academics, businessmen, students and sportsmen, including the improvement and simplification of administrative procedures, particularly where unnecessary administrative obstacles might exist.

Social Development

The Euro-Mediterranean partnership must contribute to improving the living and working conditions and increasing the employment level of the population in the Mediterranean partner States, in particular of women and the neediest strata of the population. In this context the partners attach particular importance to the respect and promotion of basic social rights. To that end, actors in social policies will meet periodically at the appropriate level.

Health

The partners agree to concentrate cooperation in this area on:

- action on raising awareness, information and prevention;
- development of public health services, in particular health care, primary health centres, maternal and child health care services, family planning, epidemiological supervision systems and measures to control communicable diseases;

- training of health and health-administration personnel;
- medical cooperation in the event of natural disasters.

Migration

Given the importance of the issue of migration for Euro-Mediterranean relations, meetings will be encouraged in order to make proposals concerning migration flows and pressures. These meetings will take account of experience acquired, inter alia, under the MED-Migration programme, particularly as regards improving the living conditions of migrants legally established in the Union.

Terrorism

Drug Trafficking, Organised crime

Fighting terrorism will have to be a priority for all the parties. To that end, officials will meet periodically with the aim of strengthening cooperation among police, judicial and other authorities. In this context, consideration will be given, in particular, to stepping up exchanges of information and improving extradition procedures.

Officials will meet periodically to discuss practical measures which can be taken to improve cooperation among police, judicial, customs, administrative and other authorities in order to combat, in particular, drug trafficking and organised crime, including smuggling. All these meetings will be organised with due regard for the need for a differentiated approach that takes into account the diversity of the situation in each country.

Illegal Immigration

Officials will meet periodically to discuss practical measures which can be taken to improve cooperation among police, judicial, customs, administrative and other authorities in order to combat illegal immigration.

These meetings will be organized with due regard for the need for a differentiated approach that takes into account the diversity of the situation in each country.

V. Institutional contacts

Euro-Mediterranean Parliamentary Dialogue

An Inter-Parliamentary Conference on Security and Cooperation in the Mediterranean was held in Valletta from 1 to 4 November 1995. The European Parliament is invited to take the initiative with other parliaments concerning the future Euro-Mediterranean Parliamentary Dialogue, which could enable the elected representatives of the partners to exchange ideas on a wide range of issues.

Other institutional contacts

Regular contacts among other European organs, in particular the Economic and Social Committee of the European Community, and their Mediterranean counterparts, would contribute to a better understanding of the major issues relevant in the Euro-Mediterranean partnership.

**SECOND EURO-MEDITERRANEAN MINISTERIAL CONFERENCE:
CONCLUSIONS
Malta, 15-16 April 1997**

The Council of the European Union, represented by its President, Mr Hans van MIERLO, Deputy Prime Minister and Minister for Foreign Affairs of the Netherlands, also representing the Netherlands,
The European Commission, represented by Mr Manuel MARIN GONZALEZ, Vice-President,
Algeria, represented by Mr Ahmed ATTAF, Minister for Foreign Affairs,
Austria, represented by Mrs Benita FERRERO-WALDNER, State Secretary, Ministry of Foreign Affairs,
Belgium, represented by Mr Erik DERYCKE, Minister for Foreign Affairs,
Cyprus, represented by Dr Ioannis KASOULIDES, Minister for Foreign Affairs,
Denmark, represented by Mr Niels HELVEG PETERSEN, Minister for Foreign Affairs,
Egypt, represented by Mr Amre MOUSSA, Minister for Foreign Affairs,
Finland, represented by Mr Ole NORRBACK, Minister for European Affairs and Foreign Trade,
France, represented by Mr Hervé de CHARETTE, Minister for Foreign Affairs,
Germany, represented by Mr Klaus KINKEL, Vice-Chancellor and Minister for Foreign Affairs,
Jordan, represented by Dr Fayez TARAWNEH, Minister for Foreign Affairs,
Greece, represented by Mr George PAPANDREOU, Alternate Minister of Foreign Affairs,
Ireland, represented by Mr Dick SPRING, Deputy Prime Minister and Minister for Foreign Affairs,
Israel, represented by Mr David LEVY, Deputy Prime Minister and Minister for Foreign Affairs,
Italy, represented by Mr Lamberto DINI, Minister for Foreign Affairs,
Lebanon, represented by Mr Fares BOUEZ, Minister for Foreign Affairs,
Luxembourg, represented by Mr Jacques F. POOS, Deputy Prime Minister and Minister for Foreign Affairs,
Foreign Trade and Cooperation,
Malta, represented by Mr George VELLA, Deputy Prime Minister and Minister for Foreign Affairs and Environment,
Morocco, represented by Mr Abdellatif FILALI, Prime Minister and Minister for Foreign Affairs,
Portugal, represented by Mr Francisco SEIXAS DA COSTA, State Secretary for European Affairs,
United Kingdom, represented by Baroness CHALKER OF WALLASEY, Minister of State, Foreign and Commonwealth Office,
Syria, represented by Mr Farouk AL-SHARAA, Minister for Foreign Affairs,
Spain, represented by Mr Ramon DE MIGUEL, State Secretary for Foreign Affairs,
Sweden, represented by Mrs Lena HJELM-WALLEN, Minister for Foreign Affairs,
Tunisia, represented by Mr Abderrahim ZOUARI, Minister for Foreign Affairs,
Turkey, represented by Mr Ufuk SOYLEMEZ, Minister of State for Economic Affairs,
the Palestinian Authority, represented by Mr Yasser ARAFAT, President of the Palestinian Authority,

taking part in the second Euro-Mediterranean Conference in Malta;

- recalling that the Declaration adopted at the first Euro-Mediterranean Conference in Barcelona on 28 November 1995 lays the foundations of a multilateral and lasting framework of relations through the establishment of a comprehensive Partnership comprising three Chapters relating to political and security affairs, economic and financial affairs and social, cultural and human affairs;
- taking account of the progress made in implementing that Partnership, particularly in line with the work programme annexed to the Barcelona Declaration;
- reaffirming their commitment to the Barcelona Process, which constitutes a fundamental political basis, and reaffirming the common principles and objectives as enshrined in the Barcelona Declaration and in the

Work Programme;

- expressing, in this context, their deep concern about the obstacles which are blocking the Middle East Peace Process and stressing the need for the realization of a just, comprehensive and lasting peace in the Middle East within the framework of the Peace Process as agreed in Madrid on 31 October 1991;
- reiterating that this Euro-Mediterranean initiative is not intended to replace the other activities and initiatives undertaken in the interest of peace, stability and development in the region, but that it will contribute to their success and reiterating their support for the realization of a just, comprehensive and lasting peace settlement in the Middle East based on the relevant United Nations Security Council resolutions and principles mentioned in the letter of invitation to the Madrid Middle East Peace Conference, including the principle land for peace, with all that this implies;
- taking note of the progress report from the European Commission of 19 February 1997 on the Euro-Mediterranean Partnership;
- resolved to confirm and strengthen their Euro-Mediterranean Partnership, the Participants reaffirm their wish to ensure a balanced development of the three Chapters of the Euro-Mediterranean Partnership;

agree on the following conclusions:

Substantial progress in the development of the Euro-Mediterranean Partnership has been achieved since its establishment, despite the uncertainties of the regional political and security situation. The Participants are aware that they are in the process of establishing a fully-fledged Partnership, and recognize the amount of work which still lies ahead. They stress the importance of balanced development of the Partnership through the gradual implementation of all three Chapters of the Barcelona Declaration and the Work Programme, as well as the complementary and mutually reinforcing nature of the bilateral and multilateral dimensions. This process is achieved in full awareness of the link which exists between stability and the promotion of economic and social development in the region. In view thereof, they undertake to give, in full agreement and in a concerted manner, priority to a number of objectives, and to monitor progress in achieving them before the next Euro-Mediterranean Conference of the Ministers for Foreign Affairs.

POLITICAL AND SECURITY PARTNERSHIP: ESTABLISHING A COMMON AREA OF PEACE AND STABILITY

The Participants take note of the various activities that the Senior Officials have undertaken in order to implement the first chapter of the Barcelona Declaration and the corresponding chapter of the Work Programme, included in Annex I. They take note of the results that have been achieved so far. They take note of the assessment by the Senior Officials that the contacts among the partners have created a basis of trust and a new platform for political consultations with a view to fulfilment of the common objectives in matters of external and internal stability, inter alia the rule of law, democracy and human rights, included in the Barcelona Declaration and the Work Programme. They encourage the Senior Officials to continue and deepen the political dialogue in line with the Work Programme annexed to the Barcelona Declaration.

The Participants take note of the progress made by Senior Officials on the draft action plan. This draft is considered, in its entirety, a rolling document to be regularly updated by the Senior Officials in order to sustain its function as a guide for them in their efforts to implement the principles and common objectives of the political and security partnership of the Barcelona Process.

The Participants take note of the work carried out by the Senior Officials on confidence and security-building measures, in particular those already in operation or approved and included in Annex I. They

recognize that other measures at different stages of development should be approved in a progressive way, taking duly into account the evolution of the situation in the Mediterranean region.

The Participants take note of the work of Senior Officials on a Charter for Peace and Stability in the Euro-Mediterranean region, and instruct them to continue the preparatory work, taking due account of the exchanged documents, in order to submit as soon as possible an agreed text for approval at a future Ministerial Meeting when political circumstances allow.

ECONOMIC AND FINANCIAL PARTNERSHIP: CREATING AN AREA OF SHARED PROSPERITY

The Participants take note of the progress made in the exploratory talks, the negotiations, signature and ratification of Euro-Mediterranean Association Agreements, as well as in the implementation of customs unions and pre-accession arrangements.

They reaffirm the importance they attach to the full attribution of the ECU 4.685 million of Community budgetary funds as agreed at the Cannes European Council and the increased loans from the EIB.

The Participants take note of the commitment of Community budgetary funds in 1995 and 1996 of ECU 1.205 million in the form of grants and the signing of ECU 1.694 million in the form of EIB loans. Furthermore they take note of the prospects for further commitments of up to ECU 1.002 million in grants in 1997 and the agreement by the Council concerning EIB lending of up to ECU 2.310 million over the period 1997 to 1999.

The Participants reaffirm that the implementation of MEDA will be carried out in a fair and even-handed way in accordance with transparent procedures fully respecting the appropriate financial and regulatory arrangements as well as those agreed and to be agreed with the beneficiary countries, and the international obligations of the beneficiary countries with the aim of improving the pace and conditions of implementation.

The Participants welcome the regional activities which have taken place in many sectors and which have allowed for the exchange of knowledge and experience, the creation of fora for continuing regional dialogue aimed at defining the key elements of sectoral policies, and the launching of several concrete cooperation activities. A list of these activities is attached as Annex II to these conclusions.

The Participants reiterate the importance they attach to sustainable and balanced economic and social development in view of their objective of creating an area of shared prosperity, taking into account the different degrees of development. They agree to give a new impetus to the establishment of a Euro-Mediterranean free-trade area with 2010 as a target date, with due observance of the obligations resulting from the WTO. They also agree to implement rapidly and in an efficient and careful manner financial assistance, principally through MEDA funds and EIB lending, as well as bilateral assistance from the European Union Member States to the Mediterranean partners, in accordance with the undertakings given at Barcelona. They underline the importance of:

- accelerating in a constructive manner work on negotiation and ratification of the Euro-Mediterranean Association Agreements, which are one of the essential elements of the free-trade area, with a view to their entry into force as soon as possible;
- further developing the free-trade area, in particular through increased intra-regional and sub-regional cooperation, facilitated by technical assistance from the Union, for the achievement of free trade through agreements amongst the Mediterranean Partners;
- taking a range of accompanying measures at regional level to permit greater harmonization and greater compatibility with the Union's internal market. Areas such as: cumulation of rules of origin, customs cooperation, standards, intellectual property, taxation and competition should be encouraged in particular.

Appropriate initiatives in these fields are welcomed. Training initiatives will also be encouraged. In view of these objectives, the Participants take note of the work of government experts on economic transition and of the Euro-Mediterranean network of economic institutes. They agree that this work should result in a survey which, drawn up under the auspices of the Commission and in collaboration with the partners, will cover free-trade issues and the impact of economic transition in the region. This survey will be available in time for the next Euro-Mediterranean conference of Foreign Ministers and could serve as a basis for discussion on a future strategy.

In the context of such a strategy, the Participants further underline the importance of:

- undertaking a more systematic and efficient approach to encourage private investment in the region, including direct foreign investment, in particular through the wider dissemination of information and the removal of obstacles to investment, amongst others through the use of measures to promote investments, to promote greater competitiveness and private sector growth, and to create employment opportunities, and thereby to establish favourable conditions for investment in the Mediterranean partners;
 - promoting the harmonization of rules and regulations relevant to the creation of the Euro-Mediterranean free-trade area;
 - reinforcing and concentrating activities on priority sectors where cooperation has already been successfully started, in particular industrial policy, including industrial modernization, SMEs, energy policy, environment, water policy, the information society and maritime transport. The Participants also agree to begin cooperation in such sectors as modernizing and restructuring agriculture, the evolution of trade in agricultural products, reducing food dependency, developing regional infrastructure, and the transfer of technology;
 - pursuing and implementing as quickly as possible measures to alleviate the negative social consequences which may result from the adjustment and modernization of economic and social structures;
 - continuing the dialogue on debt in order to achieve progress in the competent fora, taking note of recent operations to reduce the external debt of Mediterranean third countries owed to certain countries of the European Union or debt equity swaps on a voluntary and bilateral basis, which has the effect of increasing European direct investment;
- helping the Mediterranean partners to prepare for the future evolution of the European Union.

**PARTNERSHIP IN SOCIAL, CULTURAL AND HUMAN AFFAIRS:
DEVELOPING HUMAN RESOURCES, PROMOTING UNDERSTANDING BETWEEN
CULTURES AND EXCHANGES BETWEEN CIVIL SOCIETIES**

The Participants recall that the traditions of culture and civilization throughout the Mediterranean region, dialogue between these cultures and exchanges at human, scientific and technological level are an essential factor in bringing their peoples closer, promoting understanding between them and improving their perception of each other.

The Participants welcome the progress made on regional cooperation in some fields in the Partnership in social, cultural and human affairs. A list of activities is attached as Annex III to these conclusions. However the Participants note that further efforts are needed in order to achieve the objectives of this chapter of the partnership, in accordance with the Barcelona Declaration and the Work Programme. In this respect they underline their common wish to:

- adopt the regional projects currently under discussion concerning cultural heritage, prepare a further set of such projects and widen the scope of cooperation to cover other cultural activities, including in the audio-visual sector. The Participants welcome the intention to put forward a regional programme on culture and information. Cultural aspects should be taken into account in other actions within the framework of the

partnership;

- actively pursue the dialogue between cultures and civilisations, within the overall objective of improving mutual understanding and bringing people closer together, taking account of the work already accomplished. In this context, the Participants recall their commitment to adopt measures likely to facilitate human exchanges, particularly through the improvement of administrative procedures;
- consolidate the dialogue between civil societies, an example being the Civil Forum. In this context the Participants look forward to the relaunch of the European Union's decentralised cooperation programmes (MED CAMPUS, MED MEDIA and MED URBS), as soon as a satisfactory management system has been set up; they will work towards the effective development of this cooperation, including administrative aspects;
- maintain and develop the direct involvement of civil societies, within the framework of national legislation, among others via the establishment of networks between NGOs;
- encourage active cooperation in the field of the prevention of and the fight against terrorism in accordance with the Barcelona Declaration and the Work Programme¹;
- establish programmes of activities for youth and health which complement existing bilateral and multilateral activities in this sphere; specific initiatives for youth will be put forward shortly;
- continue and develop education, including higher education, and training activities;
- wage a determined campaign against racism and xenophobia and intolerance, and agree to cooperate to that end;
- intensify, in accordance with the Barcelona Declaration and Work Programme, the dialogue and cooperation on a Euro-Mediterranean multilateral level,
- on migration issues and human exchanges;
- in the field of illegal immigration;
- continue the dialogue on governance, with a particular emphasis on the relationship between civil society and administrative systems with the aim of reinforcing the efficiency and reliability of public administration; pursue actively a dialogue and cooperation on combatting organised crime and all aspects of the illicit drugs trade.

GENERAL ASPECTS

The Participants reaffirm the role of the Euro-Mediterranean Committee for the Barcelona Process as a central forum for providing impetus, monitoring and following up actions and initiatives within the framework of the Partnership. They consider in addition that the Committee should place particular emphasis on ensuring that balance and coherence be maintained in the follow-up to the Barcelona Process, through an improved evaluation of the results and recommendations of the various activities undertaken in the framework of the Partnership. They also agree that the role of the Committee would be enhanced by the presence of the representatives of all Member States of the European Union.

The Participants agree on the need to increase further the visibility of the work undertaken in the Euro-Mediterranean partnership. They note the measures undertaken by the Commission to make available general information on the Partnership, and underline the importance of every partner increasing its efforts to keep its own public informed.

The Participants reaffirm the importance they attach to the active involvement of Parliaments in the

¹ This phrase is subject to a reserve from the Syrian and Lebanese delegations.

Partnership. They welcome the fact that the European Parliament has taken the initiative with other Parliaments to begin the Euro-Mediterranean Parliamentary dialogue.

The Participants also encourage the continuation of the dialogue among social Partners. The Participants welcome the proposal by the European Union to hold the next meeting of the Ministers for Foreign Affairs in Germany in the first half of 1999.

ANNEX I

POLITICAL AND SECURITY ASPECTS

MEETINGS AND SEMINARS

- Meetings of Senior Officials in charge of the political and security aspects, Brussels 26-27 March, 20-21 May, 23-24 July, 8 October, 20 November 1996, 28 January 1997 and The Hague, 12 March 1997
- Joint meeting of Senior Officials in charge of the political and security partnership and EuroMeSco, The Hague 11 March 1997
- Information sessions for Euro-Mediterranean diplomats, Malta 28 September-6 October 1996, 15-19 March 1997

INVENTORY OF MEASURES

- Setting up of a network of contact points for political and security matters
- Exchange of information on adherence to international human rights instruments (completed)
- Exchange of information on adherence to international legal instruments in the field of disarmament and arms control (replies to questionnaire)
- Exchange of information on adherence to international instruments in the field of prevention of and fight against terrorism (replies to questionnaire)
- Convening of diplomatic seminars (Malta) (Egypt)
- Establishment of EuroMeSco network of foreign policy institutes

ANNEX II

ECONOMIC AND FINANCIAL ASPECTS

Statistics Cooperation:

- Seminar of Directors General of Statistics and Regional Programme for Cooperation in Statistics, on 11-13 December 1995, in Valence
- Seminar of Directors General of Statistics and Regional Programme for Cooperation in Statistics, on 18-20 June 1996, in Naples

Customs cooperation:

- Meeting of Officials on rules of origin, on 28-29 March 1996, in Brussels
- Meeting of Officials on rules of origin, on 28-29 May 1996, in Brussels
- Meeting of Officials on rules of origin, on 7-8 October 1996, in Cairo

Information Society:

- Workshop on Research (preparatory workshop to the Ministerial Conference on Information Society), on 1-2 April 1996 in Sofia Antipolis
- Workshop on Education and Training (preparatory workshop to the Ministerial Conference on Information Society), on 2-3 May 1996 in Brussels

- Workshop on the Regulatory Framework (preparatory workshop to the Ministerial Conference on Information Society), on 6-7 May 1996 in Palermo
- Ministerial Conference on Information Society, on 30-31 May 1996 in Rome
- Conference on MARIS (Maritime Information Society), on 7 June 1996, in Malta

Tourism:

- Ministerial Conference on Tourism, on 10-11 May 1996 in Naples

Private Investment and Industry:

- Industrial Federations Conference, on 13-14 May 1996 in Malta
- Meeting of Industry Ministers, on 20-21 May 1996 in Brussels
- Workshop on SMEs, on 4-5 June 1996 in Milan
- Working Group on Service centres and industrial zones, on 24-25 June 1996 in Rome
- Workshop on contracting services in the Mediterranean, on 17-18 October 1996 in Istanbul
- Euro-Mediterranean Summit of industrial federations, on 5-6 December 1996 in Marrakesh
- Conference on Private Investment, on 6-7 March 1997, in London
- Experts Meeting on Economic Transition, on 20-21 March, in Brussels
- Working Group on Development of the Industrial and Entrepreneurial Fabric, on 24 March 1997, in Brussels
- Meeting of Economic Institutes, on 24-25 March 1997, in Marseilles

Energy:

- Meeting in margins of the Solar Summit, on 22 May 1996 in Malta (preparatory meeting to the Conference of Energy Ministers)
- Conference of Energy Ministers, on 7-9 June 1996 in Trieste
- Meeting on the European Energy Charter, on 21-22 November 1996 in Brussels

Environment:

- Experts Meeting on the protection of wetlands in the Mediterranean area, on 5-6 June 1996 in Venice

Transport:

- Meeting of Experts on the implementation of the multi-annual Programme on maritime transport in the Mediterranean, on 14-15 October 1996 in Cyprus

Water:

- Conference on the water local management, on 25-26 November 1996 in Marseilles

Fishing:

- Experts preparatory Meeting on fish stocks management in the Mediterranean, on 4-5 July 1996 in Brussels
- 2nd Diplomatic Conference on fish stocks management in the Mediterranean, from 27 to 29 November 1996 in Venice

Science and Technology:

- 2nd meeting of the Monitoring Committee on Science and Technology, on 2-3 May 1996 in Capri
- 3rd meeting of the Monitoring Committee on Science and Technology, on 12-13 December 1996 in Cyprus

ANNEX III

SOCIAL, CULTURAL AND HUMAN AFFAIRS

Dialogue among Cultures and Civilisations:

- Workshop on the conservation of cultural heritage (preparatory workshop to the Bologna Conference on cultural heritage), on 9-10 February 1996 in Arles
- Workshop on the access to cultural heritage (preparatory workshop to the Bologna Conference on cultural heritage), on 23-24 February 1996 in Berlin
- Workshop on the heritage as a factor in sustainable development (preparatory workshop to the Bologna Conference on the cultural heritage), on 22-23 March 1996 in Amman
- Ministerial Conference on cultural heritage, on 22-23 April 1996 in Bologna
- Conference on relations between the Islamic world and Europe, on 10-13 June 1996 in Amman
- Conference on contemporary Islam, on 17-18 June 1996 in Copenhagen

Social development:

- Tripartite Conference on the Euro-Mediterranean social area: work, enterprise, training, on 24-25 May 1996 in Catania
- Conference on Governance in the Euro-Mediterranean Region, on 17-18 March, in The Hague

Dialogue on Human Rights

- Workshop on the Euro-Mediterranean Human Rights Network, on 10-11 January 1997, in Copenhagen

Fight against Drug and organized crime

- Officials Meeting on drug trafficking and organized crime, on 11-12 June 1996 in Taormina

Summits of Economic and Social Committees

- on 12-13 December 1995, in Madrid
- on 26-27 November 1996, in Paris

**AD HOC EURO-MEDITERRANEAN MINISTERIAL MEETING:
CONCLUDING STATEMENT BY EU PRESIDENT-IN-OFFICE ROBIN COOK
Palermo, 3 - 4 June 1998**

1. Ladies and gentlemen, I would like to make a statement to inform you of the outcome of our meeting which has just finished. I should emphasise that my statement is on my own responsibility, as Chairman of the meeting, but I believe it represents a fair summary of the meeting.

2. The meeting in Palermo was conceived as an additional, ad hoc event, outside the normal cycle of the Ministerial Conferences, in order to enable us to review the progress achieved in the Euro-Mediterranean Partnership since its historic launch in Barcelona nearly three years ago, to give it renewed momentum and to help prepare the ground for the next Ministerial Conference in Stuttgart in April 1999.

3. We have had a very full, open and constructive discussion over the past 24 hours, in which we have discussed all three chapters of the Partnership. To summarise, we have:

reaffirmed our commitment to the Partnership, to which all Partners continue to attach the highest importance;

reviewed the substantive results already achieved;

improved our understanding of the reasons why progress in some areas has been less rapid than in others;

agreed on broad priorities for the year ahead;

stressed our desire to work for a successful third Euro-Mediterranean Ministerial Conference in Stuttgart in April 1999.

4. We had a full discussion of the relationship between the Euro-Med Partnership and other initiatives undertaken in the interests of peace, stability and development in the region, in particular the Middle East Peace Process. The Barcelona Declaration made clear that these processes should be regarded as complementary. This, and the support Barcelona can give to the peace process, was recognised by all. We all stood by our commitment at Barcelona to support the realisation of a just, comprehensive and lasting peace settlement in the Middle East based on faithful implementation of the relevant UN Security Council resolutions and the principles of the Madrid Peace Conference, including the principle of land for peace, which would bring justice and security to the people of the region. Our discussions here in Palermo reflected a deepening of the concern expressed at Valletta about the obstacles which block the peace process, and particularly the non-implementation to date of provisions in the Israeli/Palestinian Interim Agreement. Participants emphasised that full implementation of commitments freely entered into is vital if further progress is to be achieved, and agreed that intensified action was required on all three of the negotiating tracks, the Syrian and Lebanese as well as the Palestinian.

5. Many participants noted EU declarations issued since Valletta, notably the Amsterdam and Luxembourg Declarations and the conclusions of the General Affairs Council on 23 February and 30 March. The enhanced EU role in the Peace Process was noted and welcomed.

6. In our further discussion of the political and security chapter we welcomed the progress so far achieved in developing Partnership Building Measures, including the project on the management of natural and man-made disasters. While recognising the constraints which currently exist, we agreed on the need to develop and sustain these Measures, under this and other chapters. We noted the continuing work on the issues of substance, including the concept of global stability and the need to develop common perceptions of the factors that contribute to it. This should contribute to the development of a Charter for Peace and Stability as foreseen in Barcelona. Senior Officials will take this forward by means of a special ad hoc meeting, with the aim of making progress before our meeting in Stuttgart.
7. On terrorism we recognised the serious threat that this phenomenon poses to many of the objectives of the process and the consequent need to strengthen our co-operation in preventing it. We welcomed the decision to hold a special ad hoc meeting of Senior Officials, accompanied by relevant experts, as a means of developing a dialogue on this key issue.
8. We welcomed the continuing initiative in the first chapter relating to international instruments in the human rights field and the useful recent conference in the United Kingdom, under the third chapter, involving officials, academics and NGOs. We all reaffirmed our wish to see co-operation and dialogue in this important field under the partnership further developed.
9. We had a full discussion of the Economic and Financial Chapter of the Partnership, the "engine" of the Euro-Med Partnership. We recognised that the creation of an area of shared prosperity, as set out in Barcelona, involves three main elements: the establishment of free trade, reforms towards economic transition; and action to encourage private investment.
10. We recognised that a central element of achieving the goal of establishing a Euro-Mediterranean Free Trade Area by 2010 are the individual Association Agreements between the EU and individual partner countries. Since the Valletta Conference the first agreement - with Tunisia - has entered into force, and one more - with Jordan - has been signed. The partner countries expressed concern at the length of time for national ratification procedures in the EU. We recognised the importance of a proper understanding of the impact of economic transition and looked forward to the survey on this subject which is being drawn up in preparation for the Stuttgart Conference. We all hope for swift progress in the negotiations currently underway - with Egypt, Lebanon, Syria and Algeria. In this context it was recognised that a mutually satisfactory compromise on agriculture was required for concluding these negotiations. We emphasised the importance of developing regional and sub-regional co-operation and integration, including the need for progress on cumulation of rules of origin.
11. In our discussions of the reform process linked to economic transition we recognised that the modalities and pace of this reform process vary; and that the process requires the continued support of the EU. We welcomed the recent meeting organised by the Commission which had helped improve understanding about the operation of the MEDA programme. The important role of the partner countries in the implementation of individual country programmes was noted. Overall the programme is operating satisfactorily and we welcomed the full commitment of the MEDA budget as evidence of its success. The Commission has carefully noted individual concerns expressed. We agreed the need to continue efforts to improve the implementation of MEDA and welcomed the Commission's wish to ensure a continued close dialogue with the Mediterranean partners on all aspects of MEDA.

12. We discussed investment. Private investment will play a leading role in ensuring the success of the Partnership. We recognised the importance of promoting investment flows, including actions to create a favourable climate for investment. The various instruments provided already by the Community were noted, as were continuing initiatives in the Euro-Med framework, including follow-up to the two useful meetings held in London. We all want to see this sustained. The invaluable role of the EIB in supporting the development of the region's infrastructure and of the private and financial sectors in the region was widely recognised.
13. We touched on debt. As was made clear in Barcelona, negotiation on debt issues has to take place in the appropriate fora, not within the Partnership. But with this understanding, we all looked forward to the inclusion of debt as a topic of our continuing dialogue on economic and financial issues.
14. We reviewed the concrete progress achieved in several agreed priority sectors such as the short and medium term action plan for the environment, the information system on water, and the energy forum. We noted work in hand on the transfer of technology. We all want the Industry Ministerial in Austria in October to achieve further progress in the field of industrial co-operation.
15. In our discussion of the third chapter, covering the partnership in social, cultural and human affairs, we recognised that this chapter provides the opportunity to make the Euro-Med process accessible to the peoples of our countries. We want improved visibility and awareness of the Partnership. We underlined the vital contribution which civil society can play in the future development of the Partnership. We welcomed the decision by the Commission to relaunch decentralised co-operation programmes (MED Media, MED Campus, MED Urbs). We welcomed the emerging parliamentary co-operation, including the proposed inaugural meeting of the Parliamentary Forum this autumn.
16. We welcomed the positive outcome of the recent meeting in Stockholm on the dialogue between cultures and civilisations. We recognised the desirability of consolidating cultural co-operation in larger framework programmes such as Euro-Med heritage and Euro-Med audiovisual. We commended the outcome of the meeting in Luxembourg on education. We reaffirmed our determination to work for a successful Euro-Med Culture Ministerial in Greece in September.
17. We welcomed the decision to hold an experts' meeting on migration and human exchanges as a means of developing our dialogue on this important but sensitive subject. We also welcomed the new initiative to promote an improved understanding of the roots of violence in our society.
18. In conclusion therefore, I can say that we have had a very useful and constructive meeting. I believe we have made this important Euro-Med partnership and the valuable work it is doing more accessible and visible to our peoples and to the world in general. We have demonstrated our continued common commitment to the partnership and our desire to take it forward in positive and practical ways. In this way, we have laid the foundation for the third Ministerial Conference in Stuttgart. We all want to make that Conference a success.

**THIRD EURO-MEDITERRANEAN MINISTERIAL CONFERENCE:
CONCLUSIONS
Stuttgart, 15-16 April 1999**

- 1 The third Euro-Mediterranean Conference of Foreign Ministers in Stuttgart has demonstrated that, three and half years after the inaugural conference in Barcelona, the Euro-Mediterranean Partnership has developed and strengthened considerably and has given clear proof of its viability in sometimes delicate and difficult circumstances.
- 2 The main aim of this conference has been achieved. It has given additional impetus to the Partnership while clearly confirming the goals set out in the Barcelona Declaration, i.e. to turn the Mediterranean basin into an area of dialogue, exchange and cooperation through the strengthening of democracy, respect for human and basic social rights, the rule of law, good governance, and sustainable and balanced economic and social development, the fight against poverty and the promotion of greater understanding between cultures. Ministers recalled the priority accorded in the Partnership to the protection and promotion of human rights. Ministers agreed to further concentrate activities in priority areas, to increase the involvement of actors outside central government and to make the Partnership more action-oriented and visible.
- 3 Ministers emphasised the fundamental importance of intra-regional and sub-regional cooperation and integration in all three chapters. They endorsed the guidelines of the Valencia conference for both the priorities and methods of future regional cooperation. They called for an improvement in regional cooperation activities, especially for a systematic evaluation and concrete follow-up. They confirmed the principle that regional cooperation programmes are open to all partners, while consisting in many cases of several inter-linked projects, each involving a group of partners. Ministers asked the Commission to contribute a reflection paper on the methodology for regional cooperation.
- 4 The discussions have shown that the Partnership is solid and lasting. All members remain fully committed to all its objectives and principles and have reaffirmed their resolve to take forward the Partnership into the new millennium.

**CONTRIBUTION OF THE EURO-MEDITERRANEAN PARTNERSHIP TO CONSTRUCTIVE
DEVELOPMENTS IN THE MEDITERRANEAN REGION**

- 5 Ministers had a full discussion of the relationship between the Euro-Med Partnership and other initiatives and activities undertaken in the interest of peace, stability and development in the region, in particular the Middle East Peace Process. They confirmed that the Barcelona Process was not intended to replace these initiatives and activities, but to contribute to their success. The Barcelona Declaration made clear that these processes should be regarded as complementary.
- 6 Ministers reiterated their firm commitment to the realization of a just, comprehensive and lasting peace in the Middle East based on faithful implementation of UNSC resolutions 242 and 338 and the terms of reference of the Madrid Peace Conference on the Middle East, including the principle of land for peace, the Oslo Accords and the more recent Wye River Memorandum. They called for the resumption of peace talks on all negotiating tracks accordingly. They called for the immediate implementation of Security Council Resolution No. 425.

7. Ministers expressed growing concern about the stalemate in which the peace process currently finds itself and strongly emphasized that the negotiations had to be resumed within the context and timeframe of commitments freely entered into.

8. Many ministers welcome the recent declaration of the Berlin European Council. Ministers encouraged the European Union to continue increasing its role in support of the Middle East Peace Process.

POLITICAL AND SECURITY PARTNERSHIP

9. Ministers agreed that stability in the Mediterranean Region requires a comprehensive and balanced approach in order to address common security concerns, strengthen cooperation and adopt measures conducive to stability. By enhancing comprehensive stability the Barcelona Process will furthermore contribute to the solution of tensions and crises in the area.

10. A key factor to this end will be the elaboration of a "Euro-Mediterranean Charter for Peace and Stability" to which Ministers commit themselves. They expressed satisfaction with the work of the Group of Senior Officials and the progress achieved since the Palermo meeting.

11. Ministers welcomed the "Guidelines for Elaborating a Euro-Mediterranean Charter" submitted to them and annexed for convenience to these conclusions as an informal working document. According to the Guidelines, the Charter will serve as an instrument for the implementation of the principles of the Barcelona Declaration where issues of peace and stability are concerned. For this purpose the Charter will provide for an enhanced political dialogue as well as the evolutionary and progressive development of partnership-building measures, good-neighbourly relations, regional cooperation and preventive diplomacy. The primary function of the enhanced political dialogue will be to prevent tensions and crises and to maintain peace and stability by means of cooperative security. The Charter will be endowed with the appropriate decision-making mechanisms reinforcing the existing institutional framework. Ministers and Senior Officials will meet at regular intervals or whenever special situations or events warrant. All decisions will be taken by consensus.

12. Ministers felt that the "Guidelines" were a major step forward and decided that they will provide the basis for the future work of Senior Officials. Additional suggestions to enrich the text further may be submitted within the next three months. Ministers tasked the Group of Senior Officials to work out a comprehensive schedule and to convene additional ad hoc meetings in order to complete the elaboration of the Charter with the assistance of experts where necessary by the next Ministerial conference. In the interim period a progress report will be prepared for the consideration of Ministers. The Charter will be approved formally by Ministers as soon as political circumstances allow.

13. Ministers reviewed and noted the progress so far achieved in developing partnership-building measures, including the project of establishing a Euro-Med system of disaster prevention, mitigation and management. They welcomed the continuing initiatives relating to the exchange of information on the signature/ratification of international instruments in the fields of disarmament and arms control, terrorism, human rights, and international humanitarian law; they noted the successful holding of Euro-Mediterranean information and training seminars for diplomats aiming at the shaping of a culture of dialogue and cooperation through informal exchange and open discussions between practitioners involved in the implementation of the Partnership.

14. Ministers acknowledged the difficulties which prevail and agreed to sustain and develop these measures as well as identify and explore new areas of cooperation; in that respect they noted the holding of the informal EuroMcSCo-Senior Officials seminar on "Euro-Mediterranean Security Dialogue" in Bonn on 20 March 1999 which aimed at enhancing dialogue and an exchange of ideas between academics and government officials from both sides of the Mediterranean.

15. Ministers agreed to reinforce the political dialogue in areas of cooperation relating to the Political and Security Partnership such as terrorism; in that regard they noted with satisfaction the positive outcome of the informal Ad Hoc Meeting on Terrorism on 23 November 1998. They recognised the serious threat that terrorism poses to the objectives of the Partnership. Ministers expressed their determination to counter this threat by strengthening cooperation. To this end they instructed Senior Officials to convene another ad hoc Euro-Med joint meeting with terrorism experts during the second half of this year. Ministers called upon the Senior Officials to continue the political dialogue on other issues mentioned in the first chapter of the Barcelona Declaration such as organized crime and illicit drug trafficking with a view to identifying appropriate measures for joint action.

EUROPEAN UNION FINANCIAL COOPERATION WITH MEDITERRANEAN PARTNERS

16. Ministers confirmed that financial cooperation continues to be a key component of the Partnership. All participants noted with satisfaction that, by the end of 1999, Community financial assistance is expected to be in line with the EUR 4.685 billion of commitments referred to in the Barcelona Declaration for the period 1995-1999, and that for the same period, the European Investment Bank's lending could reach EUR 4.8 billion, illustrating the importance of the EIB's role in the infrastructural development of the region as well as its contribution to the growth of the private sector.

17. Ministers acknowledged the importance of these contributions as a catalyst for reforms in partner countries. In this context, Ministers urged maximum coherence between European Union assistance programmes, EIB lending and the activities of international financial institutions.

18. The European Union confirmed that its assistance for the period 2000-2006 will again reflect the high priority that it attaches to relations with its Mediterranean Partners in the context of its overall external commitments. Ministers agreed on the need to strengthen the social, environmental and economic analysis underpinning programming, especially in the case of the National Indicative Programmes. They requested the Commission to submit proposals to simplify and make more efficient methods and procedures of the cooperation as soon as possible.

ECONOMIC AND FINANCIAL PARTNERSHIP

19. Ministers reaffirmed the pivotal importance of the establishment of a "Euro-Mediterranean free trade area" by the year 2010, of the process of economic transition, and of investment and in particular foreign direct investment, for achieving an area of shared prosperity - an objective that remains at the heart of the Partnership. In response to a request made by the Malta conference, a survey on Free Trade and Economic Transition in the Mediterranean submitted by the Commission was discussed and its findings welcomed.

20. Ministers confirmed their commitment to complete the network of Association Agreements between the EU and its Partners, which are characterised by certain common features and which aim at mutual

benefits on the basis of reciprocity. Ministers agreed that the review provisions in these Agreements should aim at further exchanges of agricultural concessions on a reciprocal basis.

21. Ministers stressed that free trade agreements among Mediterranean Partners are essential for the creation of the Euro-Mediterranean free trade area. Progress achieved by Partners in this respect was welcomed and Partners were strongly encouraged to follow this road and reinforce South-South cooperation movement of goods, public procurement, harmonisation and certification of standards, intellectual property rights, taxation, data protection, competition rules, accounting and auditing. Ministers endorsed the invitation of the Valencia conference to draw on experience gained in the establishment of the EU's internal market. They welcomed the work already started in this area and urged that it be taken forward speedily.

22. Ministers stressed the central role that cumulation of origin has to play in enhancing effective economic integration in the region. They called for all necessary measures to be taken to ensure that a system with identical rules of origin opens the way to full cumulation throughout the Euro-Mediterranean area as soon as possible.

23. Ministers welcomed progress in economic transition and stressed that this process required further efforts, particularly with regard to the regulatory and administrative environment, entrepreneurial culture and reforms of taxation systems.

24. Ministers acknowledged that economic transition must pay due recognition to the fact that Partners face major social challenges. They reaffirmed the need to make determined efforts to improve the standard of living of less-favoured groups through well-targeted interventions to avoid increasing unemployment and to improve the social situation. Participants agreed that a broad consensus, including civil society, on the need for reform programmes had to be built up.

25. There was also agreement on the fundamental importance of increasing private investment, including foreign direct investment, and in this respect, on the need for further joint efforts to create a positive climate for investment in order to increase the attractiveness of the region to investors. Ministers welcomed the offer by Portugal to host an investment conference in the first half of 2000 and underlined that this conference, drawing on previous experience, should make recommendations on how best to mobilise external resources from the private sector and financial institutions.

26. In order to strengthen infrastructures in the region which contribute to economic and market integration, the need for the formulation of proper legal, regulatory and financial sectoral frameworks was underlined. Transports, maritime transport, energy and telecommunications already provide a solid basis for regional cooperation. Ministers stressed that participants should pursue policies and intensified concerted action to foster greater involvement by the private sector as well as by international and regional financial institutions. MEDA and the EIB will continue to play their supporting role.

27. Ministers confirmed that the six priority sectors for cooperation - environment, water policy, industry, energy, transport and the information society - will be maintained and urged that activities be concentrated on these priority sectors. Cooperation in research and development in these sectors should also be encouraged. In all sectors of cooperation special attention should be given to the environmental aspects. Participants stressed the crucial importance of water policy for the Mediterranean region and welcomed the holding of a second Euro-Mediterranean ministerial conference on local water management in Turin in the second half of 1999 which should lead to recommendations for further operational activities

at the regional level. Ministers made clear that new priority areas of cooperation could be established in the light of further discussions on a new methodology for regional cooperation activities. In this respect the results of the industry ministers' meeting held on 4 October 1998 in Klagenfurt were welcomed.

28. The conference took note of a number of important recent activities to implement regional cooperation: the EUMEDIS initiative for the information society, a series of projects in the environment and energy fields. Ongoing activities include economic cooperation networks, initiatives to support contacts among SMEs and statistical cooperation under MEDSTAT.

PARTNERSHIP IN THE SOCIAL, CULTURAL AND HUMAN AFFAIRS

29. Ministers reaffirmed the importance of the cultural, social and human dimension to the Partnership's success and to the attainment of its overall goals. It was noted that activities in the third chapter of the Barcelona Process mainly cover good governance and human rights, education, youth, health, women's participation, migration and human exchanges, culture, dialogue between cultures and civilisations, dialogue between civil societies, fighting international crime, particularly drugs and terrorism, and the fight against racism and xenophobia. Ministers referred to the results of the Valencia conference and urged that the various activities in this chapter be further concentrated on priority areas, notably through the updated Regional Indicative Programme.

30. Ministers agreed that in order to broaden the basis of the Euro-Mediterranean Partnership, the involvement of a wide circle of actors outside central government must be encouraged. They welcomed the European Parliament's contribution to the development of a parliamentary dimension of the Barcelona Process and particularly welcomed the first meeting of the Euro-Mediterranean Parliamentary Forum in Brussels in October 1998, as well as the meeting of the Presidents of the Parliaments held in Palma de Mallorca on 7-8 March 1999, as important manifestations of the interest of elected representatives in the Partnership. They stressed that regional and local authorities should be more closely associated, as should the economic and social partners, the business community and the non-governmental organisations. Ministers welcomed the holding of several Civil Fora in Stuttgart in parallel with the conference and noted that these Fora had made recommendations for future activities concerning human rights, the environment and the setting up of a Euro-Med Forum of trades unions. They called for a strengthening of the dialogue between governments and civil society.

31. Ministers strongly called for a new impetus to be given to decentralised cooperation. The particular importance of this cooperation which also contributes to highlighting the value of the Partnership to the widest possible public, was emphasised and Ministers, while recognizing the need for careful and prudent implementation, urged the Commission to relaunch these programmes as speedily as possible.

32. Ministers welcomed the fact that a second ministerial meeting on culture had taken place in Rhodes in September 1998. They also welcomed the good progress made in the implementation of cooperation under the Euro-Med Heritage programme and the fact the Euro-Med Audio-visual programme had been launched in 1998, with concrete projects ready for selection and implementation in the course of this year. They also took note that the Euro-Med Human Sciences programme was about to be launched. They expressed satisfaction at the launch of the Euro-Med Youth programme to encourage exchanges in that field.

33. Ministers welcomed the meeting on migration and human exchanges held in The Hague on 1-2 March 1999 which provided an opportunity for a frank discussion on this important and delicate issue. It

was agreed that work should be pursued in this area which could lead to the holding of a high-level meeting.

34. Ministers also noted that dialogue has been opened in the field of health and social welfare including infectious diseases, childhood development and primary health care. They welcomed the holding of a ministerial meeting on health in Montpellier in the second half of 1999 and expressed the wish that this meeting would lead to the launching of operational regional cooperation.

35. Ministers agreed to pay tribute to the legacy of the late King Hussein. To commemorate his contribution to peace in the region, they approved the idea of cultural events in the year 2000, aimed at enhancing harmony and mutual respect among the peoples of the Euro-Mediterranean area. They welcomed the interest shown by the Expo 2000 to be held in Hannover to host some of such events.

OTHER ISSUES

36. Ministers reaffirmed the role of the Euro-Mediterranean Committee for the Barcelona Process as the central forum for providing impetus, monitoring and follow-up and evaluation of actions and initiatives in the Barcelona Process as a whole. They welcomed the measures taken to improve the functioning of the Committee and encouraged the Committee to pursue its efforts especially with a view to focussing its work on policy issues and to ensuring that activities are concentrated on priority sectors. They recommended that meetings be held more frequently in order to take into account the steady intensification of work in the Partnership.

37. Ministers agreed that Libya, which participated as guest of the Presidency, will become a full member of the Barcelona Process as soon as the UN Security Council sanctions have been lifted and Libya has accepted the whole Barcelona acquis.

38. Ministers welcomed the Franco-Portuguese proposal to hold the fourth Euro-Mediterranean Conference of Foreign Ministers during the French EU Presidency, preceded by a think-tank meeting of Foreign Ministers plus one collaborator, during the Portuguese Presidency.

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