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SELF-IMPOSED LIMITATIONS: Why is the EU losing relevance in the Mediterranean

Eduard Soler i Lecha, Research Coordinator, CIDOB
Laia Tarragona, Researcher, CIDOB

Whether the European Union has comprehended the full extent of the changes in the Mediterranean is unclear. By reasserting three principles: the liberal economic doctrine, the attractiveness of the EU as a model in the political arena, and the Mediterranean as a natural framework for cooperation between European and Arab countries, the EU has based its response to the “Arab Spring” in the continuity of previous policies. The EU institutions, with the acquiescence or passivity of the member states, are reasserting a policy designed for a world that no longer exists.

The wave of protests that swept the Arab world in 2011, and their political implications (the fall of the regimes in Tunisia, Egypt, Libya and Yemen, the start of timid transition and reforms in Morocco, harsh repression in other countries (in the Gulf) and the outbreak of armed conflict in Syria) resulted in a Mediterranean and an Arab world radically different to those the EU was used to. This evidence alone might have

led to at least a policy review from Brussels and all major European capitals. In other words, to a systematic review and questioning of principles, objectives, instruments and policy partners with the aim of adapting them to the new context. Apparently, this has not been the chosen path.

The EU response to changes in the Mediterranean has been confined by the principles that have guided its Mediterranean policy during the last twenty years. Faced with historic changes in the region, the EU has opted for a policy of continuity that is tailored to the needs of those who have designed and implemented it, but does not respond to the needs of its intended beneficiaries.

The EU must consider how to address the immediate needs of developing countries. Trade liberalisation should not be the only answer, and cannot be an end in itself. Moreover, in some cases, it may be counterproductive.

The EU promotes itself as a political model. However, its appeal among leaders and societies in the Arab world has diminished, and it finds itself having to compete with other models, such as those of Turkey and Saudi Arabia. The image of the EU could be improved if problems such as populism or corruption were presented as challenges shared by Southern countries.

A more imaginative regional vision, adapted to the political reality of the area, does not need to question initiatives that understand the Mediterranean as a natural space for cooperation. However, the maintenance or encouragement of such initiatives should not prevent the exploration of new frameworks of dialogue.

The status quo is driving the EU into irrelevance. A clear political mandate is needed to adapt European policies to the new reality of the Mediterranean. Such a mandate should include social cohesion in the economic agenda, combine ambition and humility in politics, and develop a new and more flexible regional vision.

Faced with historic changes, business as usual in Brussels

Immersed in solving a deep economic crisis that may threaten the European project and the quality of their democracies, Member States have transferred the responsibility for defining the European response to the changes in North Africa and the Middle East to European institutions. Following a bureaucratic logic, officers of European policies towards the Mediterranean have opted for the adaptation of existing mechanisms to the new context. A political decision at the highest level would be needed to undertake a doctrinal change. Be it for lack of time or will, this decision has not been taken.

The EU has decided to channel its response through a scheduled review of the European Neighbourhood Policy. In other words: business as usual. Although considerable effort has been made to mobilise additional funding, new programs and funding channels have been established, and new posts such as the Special Representative for the Southern Mediterranean have been created, there has been not questioning of the principles on which the EU has based its Mediterranean policy over the last decades. We do not mean to argue that these principles are incorrect or obsolete. Rather, we wish to draw attention to the fact that there has not even been a deep reflection on their adequacy to the current context, or on the need, if any, for changes in the doctrinal basis of European policies.

Confined by untouchable principles, and administered by relatively autonomous bureaucratic structures, European policy towards the Mediterranean has presented few novelties of importance. Rather, it has consisted of a re-branding operation. The European institutions are particularly talented in creating new brands, ideas and images. In this case, there is talk of support for “deep democracy”, to create “a partnership for democracy and shared prosperity with the Southern Mediterranean”, of new forms of con-

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ditionality, of an offer of incentives in the financial field, of access to markets and mobility (the famous three Ms: money, mobility & markets). Each and every one of these “declarations” is already part of the Barcelona Process or the ENP; it’s just that this time they have been presented in a clearer and more attractive style.

Trade liberalisation as engine for development

The promotion of trade liberalisation and with it the economic development of neighbouring countries, is, and will continue to be, the cornerstone of the European vision of Euro-Mediterranean relations. It is seen as the best guarantee for political reforms in these countries. According to this view, a dynamic economy would necessarily strengthen the middle class and would necessitate political reforms that would support the reformist path.

Many of the political and financial efforts have focused on the negotiation of free trade agreements, with their accompanying measures, in order to advance the creation of a Euro-Mediterranean free trade area. Privatisation and the adoption of measures to attract foreign investment have been promoted in the action plans signed with Mediterranean partners.

European leaders saw economic growth in Tunisia and Egypt as confirmation that they were going in the right direction. The macro-economic data presented by the economic leaders of these countries, accepted as valid by the

international community, were promising. Tunisia had grown at an average of 5% during the last ten years, and Egypt even at a higher pace, sometimes surpassing the rate of 7%. Per capita income rose from \$6,300 in 2001 to \$8,509 in 2010 in Tunisia and from \$4,211 to \$5,544 in Egypt in the same time period.

Their economic policies were praised by international financial institutions, which pointed to these countries as an example for the entire Arab world. Both had made important structural adjustments, promoted large-scale privatizations and implemented policies to favour investment, such as the reduction of taxes and tariffs. Wages, meanwhile, had been restrained in order to ensure global competitiveness. Some spoke of an economic miracle, but protests of 2011 transformed this into a mirage.

Social upheaval, the political mobilization expressed in the streets in 2011, would display a different reality; that of a frail middle classes in danger of extinction, inexistent social mobility, and macroeconomic growth that excluded entire regions and increasingly broad layers of society. The authenticity of growth levels has been questioned and, above all, it has become obvious that social cohesion claims

were false. Data was published in Tunisia showing that 24% of the population lived below the poverty line in 2012, while 2005 data indicated that less than 4% of the population was poor. In

short, contrary to what the governments in the region advertised, and international agencies accepted before 2011, North African societies have become increasingly divided and unequal.

What went wrong? The economic reforms, encouraged by the European Union, strengthened the power of very small circles close to the regime. This fed, indirectly, a system of increasingly corrupt and predatory political patronage, characterized by the accumulation of power and capital in the hands of those who controlled the processes of economic liberalisation. The case of Tunisia is particularly striking, with most of the privatizations ending up within the presidential circle. Although, in macroeconomic terms, policies in Tunisia and Egypt paid off, the second part of the equation was not met: the alleged economic improvement through liberalisation measures neither led to the strengthening of the middle classes nor to the political liberalisation of the regime.

In the face of such frustration, two schools of interpretation have arisen. On one side are those who suggest, not that the policies were wrong, but that the environment in which they were applied led them to have counter-productive effects. That is, in a political scenario marked by corruption and authoritarianism, crony capitalism was reinforced by liberalisation policies. On the other side are those who say that the policies themselves were wrong. The EU, just as it should get over its obsession with austerity as a recipe for overcoming the crisis in Europe, should do the same with the idea of trade liberalisation as a vehicle to promote development

in Mediterranean countries. Both views agree on one point: short-term trade liberalisation does not solve the immediate needs of developing countries in the South. Its effects, if the policy is successful, will be felt in the medium term; meanwhile there are far more pressing needs. In countries where political changes have taken place, these have not been consolidated enough to prevent the adverse effects of poorly managed liberalisation. Finally, policies in countries where no significant political changes have occurred, and in those where the negative effects of trade liberalisation have not yet emerged, should also be reconsidered.

The European Union as a political model

The idea of the European Union as a role model, not only in the field of economic reforms, but also politically, permeates the Union's relations with third countries. The EU remains faithful to a narrative that presents it as a normative power, either as a power that exports norms, or as one that creates models to be copied in other regional contexts. In other words, the value of the European Union consists, not on what it does, but in what it is.

After the outbreak of the Arab Spring, there is debate about which models are the most appropriate or attractive to countries undergoing political change. The Turkish model, as has been said time and again, inspires Islamist leaders of the region while their citizens observe with interest how its model of economic growth has raised living standards and strengthened the middle class. Opinion polls in the Arab world show that the Turkish model has great appeal among the population, but that it is not alone in this. Several studies indicate that a growing number of Arab citizens have a positive perception of Saudi Arabia, even in areas as unexpected as the promotion of democracy in the region.

References to Europe as a model are only occasional, often only being made by Europe itself. While Europe projects itself as a model, it is rare for Arab leaders to invoke it in such terms. Nevertheless, the assumption that Europe is a role model is the basis of the European Neighbourhood Policy. A policy strongly inspired in the EU expansion, whose aim is the normative convergence of neighbouring countries with the EU, as well as a strengthening of their commitment to common values. "Everything but institutions," as Prodi said when he presented this policy in 2002.

This attempt at Europeanization without membership, which has been a recurring theme in European speeches since 2004, has been challenged threefold: by the tarnished credibility of the EU as a promoter of democracy after years of complicity with, and support of, authoritarian regimes; by the political crisis of Europe itself; and by the emergence of leaders in

Arab countries who have a greater emotional distance from Europe, and who view emerging or re-emerging powers such as China, India and Brazil with fascination. A telling example is that of Mohamed Morsi who, after his election as Egyptian President, visited Saudi Arabia, China and Iran before travelling to any EU country.

The fact that the 2011 protests were articulated using concepts such as dignity, social justice, freedom and democracy, aroused sympathy in Europe. Opinion leaders and politicians stressed the parallels between young Tunisians and Egyptians and their European counterparts, and pointed out the strong presence of women in the demonstrations and protests, as well as the fact that no American or Israeli flags had been burnt. The perception of a convergence of Arab and European values and expectations suggested that European models of political transition could be copied in the southern Mediterranean.

Those European countries that had experienced democratic transitions in the 70s, 80s and 90s made concerted efforts (in the form of seminars, visits and technical assistance) to explain to new political leaders and civil society in the Arab world how to carry out a political transition. While

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well intentioned, these efforts were of questionable effectiveness, aside from indicating that such transitions were long and difficult, received international support, and that despite undeniable progress, issues such as corruption and institutional ineffectiveness remain unresolved.

The desire of the EU to project a model of liberal democracy is legitimate. However, this inevitably collides with an Arab world where, as elsewhere, not all democrats are liberal and not all liberals are democrats. The EU faces a difficult choice: to persevere with a minority model in the hope that time will show that it is right, or to ally itself with new majorities with which a convergence of values will be complicated, to say the least.

The Mediterranean as a natural space

The EU views the Mediterranean as the "natural space" for dialogue and regional cooperation with its southern neighbours. It has often been said that a great contribution of the EU has been to promote a framework of relationships that bring countries from the two shores of the Mediter-

anean together, and that it has been the only actor which has successfully brought Israeli and Arab representatives to the same table. France, Italy and Spain, sometimes with the aid of the European Commission, became the champions of the Mediterranean project. More distant countries, such as Germany, Sweden and Finland, became engaged in the Mediterranean project and prompted new lines of co-operation in the fields of education, culture, environment and energy.

The EU is committed to regionalism as a mechanism for constructing the concept of the Euro-Mediterranean. This, despite the fact that such a concept is alien to the everyday reality of citizens from both the North and South of the Mediterranean. This has not been the only obstacle to progress. The stagnation of the Arab-Israeli conflict, fuelled by recurring crises and, to a lesser extent, other unresolved conflicts in the Eastern Mediterranean and North Africa, such as that in the Sahara, have repeatedly stalled attempts at integration.

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This has given rise to several imbalances. It is surprising, for example, that Arab countries do not have a formalized framework of bi-regional dialogue with the EU, while such frameworks are in place with areas such as Latin America, with which relations are much less intense. In fact, the European Union has a particularly fragmented approach to its dealings with the Middle East. For years relations with this region have been conducted via numerous different frameworks (dialogue with the countries of the Gulf Cooperation Council, the European Neighbourhood Policy, the Union for the Mediterranean), marginalizing Iran, Iraq and Yemen. The absence of a specific policy towards the Maghreb is a shortcoming of the EU which has been tentatively corrected by the participation of the European institutions in the 5 +5 Dialogue and, more recently, by the publication of a joint communication of the Commission and the European External Action Service with a view to strengthening regional integration among Maghreb countries. The Mali crisis of 2012 and 2013 has revealed another mismatch: a regional vision expressed in a compartmentalized way. Instability in the Sahel has implications for both the Maghreb and West Africa, but the EU but articulates its policies towards each one of these regions independently, thus hampering a flexible political dialogue that would involve countries from both regions.

Change cannot be cosmetic

Discussing the adaptability of a policy risks us forgetting the primary objective of the EU in this changing context: how to establish dialogue with new political and social actors, and address emerging needs in the wake of the Arab Spring. In other words, there are two risks. Firstly, there is the risk of focusing on issues which are of concern to those who design and implement policies, but which are of little interest to those who they affect. Secondly, there is the risk of giving free rein to EU member states to take decisions without other members, as we have seen recently in the French intervention in Mali, and previously in Libya. Consequently, having identified the three principles that have shaped the European approach to Mediterranean issues for decades, we propose three lines of action. These would allow the EU to be more relevant and to better connect with Arab countries undergoing profound transformations.

The EU should incorporate the dimension of social cohesion into dialogue on economic issues with the countries of the south. Trade liberalisation can be an instrument of economic policy, but it cannot be an end in itself. Along with efforts to increase trade between the North and the South of the Mediterranean, the EU

should engage with partner countries to address significant issues jointly: How to reduce the huge pockets of social exclusion and create a more inclusive development? How to facilitate a shift towards a more diversified and competitive production model? How to introduce good governance mechanisms and other accompanying measures to avoid the side effects of unrestrained liberalisation? How to ensure the transition to a less subsidized economy without increasing the vulnerability of large segments of the population?

Also necessary is a change in the understanding of the political development of the countries of North Africa and the Middle East. The EU must combine ambition with humility. If the EU is seen as preaching, its messages will not be heard. On the contrary, its ideas will have greater resonance if it presents the problems currently faced by partner countries, such as populism, discrimination of minority groups or corruption, as shared challenges. Likewise, the EU should understand that dialogue with representatives of associations is not the only way to understand the priorities of the population. It must also be present in peripheral regions and in slums where EU contacts are absent, and where other actors, often financed by Saudi Arabia and other Gulf countries, are deeply rooted. Finally, it faces a major challenge: how to react to anti-democratic attitudes from those who have been elected by the polls. If it questions the emergence of new forms of authoritarianism, it will be criticized for reacting now, rather than sooner. The European response to such allegations must be a recognition that it has made mistakes in the past which it is keen not to repeat, an emphasis that its criticisms are directed at specific actions, rather than calling into question the

democratic legitimacy of governments (if they are the result of an electoral victory). Above all, it should be equally critical of those governments with which it shares an ideological affinity or convergence of interests, as of those with which it does not.

Finally, variable geometry must be included in the design of multilateral frameworks with southern countries. While recognizing that this is a minor issue among the priorities of the citizens of Arab countries, eventually who does what and in which cooperation framework each issue should be dealt with will need to be clarified. The Union for the Mediterranean, under the new leadership of the Secretary General Fatallah Sijilmassi, is showing signs of greater dynamism and its actions focus on areas in which the UfM can make a constructive contribution. These efforts deserve political, institutional and financial support. However, the desire to strengthen initiatives which define the Mediterranean as a natural area of cooperation need not be at the expense of a more imaginative regional vision, adapted to the political reality of the area. For example, the EU must fulfil its promise of strengthening relations with the Maghreb, it should take advantage of Libya's international standardization and Tunisia's will to lead regional integration and, above all, it should not waste the opportunity to shore up a strained relationship between Morocco and Algeria, should the leaders of these countries show a willingness to overcome their divisions. Finally, the Mediterranean in 2013 does not seem the best one in which to channel political dialogue in frameworks that include both Israelis and Arabs. In the hope that some day this might change, the questions of how to revitalize cooperation with Arab countries and how to find a space to keep informal political dialogue alive, should be considered.

The EU faces a major challenge: How to react to anti-democratic attitudes from those who have been elected by the polls?

Conclusion

How credible does the EU want to be? What kind of credibility does it want to maintain? That of its policies, or that of its role as an actor able to contribute constructively to the progress of democratization in Mediterranean countries?

So far, most efforts have been aimed at justifying the adequacy of EU principles and in arguing that, therefore, an adaptation of the policies carried out during the last decades is all that is required. This was the task entrusted to the Member States responsible for the European Neighbourhood Policy, and this is what European officials have done so far, "tout court".

If one wants to go further, and avoid quietly slipping into irrelevance, a stronger political mandate from European leaders will be needed. What is happening in the Mediterranean is of historical significance. The status quo is no longer valid. The European Union would do well to accept that, if it wants to be an actor, it will need to present more than just cosmetic revisions of obsolete policies on the international stage.