UC Irvine

UC Irvine Previously Published Works

Title

The triple logic of the European-Mediterranean partnership: Hindsight and foresight

Permalink

<https://escholarship.org/uc/item/7624k67b>

Journal

International Politics, 40(2)

ISSN

1384-5748

Author

Solingen, E

Publication Date

2003-06-01

DOI

10.1057/palgrave.ip.8800020

Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at <https://creativecommons.org/licenses/by/4.0/>

Peer reviewed

The Triple Logic of the European-Mediterranean

Partnership: Hindsight and Foresight

Etel Solingen

The Barcelona process Initiative must be seen as part of a broader design of European Union (EU) evolution in the post-Cold War era, one involving spatial and functional expansion, including efforts to design a common foreign policy. Both classical security issues (the availability of non-conventional weapons in the Middle East, terrorism, oil and natural gas dependencies) and 'new' security issues (migration, drugs, human rights violations, environmental degradation) bear on EU concerns with the political fate of the Mediterranean basin. These concerns led to the Barcelona Declaration or Euro-Mediterranean Partnership (EMP) Initiative, designed to promote peace and prosperity in the Mediterranean region. Three main processes are critical to the relationship between the industrialized North and the industrializing Mediterranean countries: economic reform, democratization, and the role of multilateral organizations. All three are lagging in the Mediterranean South and East, with important consequences for the conception of a Mediterranean region as a whole. The consequences of this lag have implications for the broader debacle in which the Europeans and the West more generally, find themselves in the aftermath of September 11, 2001.

Introduction

The Mediterranean Basin is afflicted with at least two important cleavages: the rich/poor or North/South division, and the alleged civilizational tensions between Islam and the West, particularly following September 11, 2001. ¹ This article addresses these cleavages in the context of the European Mediterranean Partnership (EMP) drawing on some comparisons with other regions, involving both industrialized and industrializing countries.²

I begin with a characterization of the sources of the Barcelona Mediterranean Initiative or EMP. I then explore several competing and complementary perspectives on the possible evolution of the Mediterranean as a region. In particular, I consider the applicability of a more general argument about the role of political coalitions forming in response to internationalization in shaping regional orders. Next, I examine the relevance of 'democratic peace' arguments for regional order. Finally, I analyze the relationship between multilateral regional institutions and regional cooperation. These three institutions -involving markets, democracy, and regional multilateralism, respectively -provide the 'triple logic' or foundational rationale for the EMP enterprise. The inherent wisdom, desirability, and motivations behind each of these logics is heavily contested by actors in the North and South, albeit no single coherent alternative has yet matured. Each of the three logics endows both state and non-state actors with important roles as agents of regionalization. I end with some dilemmas and potential hurdles embedded in the foundations and performance of the Barcelona process.

The Barcelona process must be seen as part of a broader scheme of European Union (EU) evolution in the post-Cold War era, one involving spatial and functional expansion, including efforts to design a common foreign policy. ³ Both classical security issues (the availability of non-conventional weapons in

the Middle East, terrorism, heavy dependence on oil and natural gas) and 'new' security issues (migration, drugs, human rights violations, environmental degradation) bear on EU concerns with the political fate of the Mediterranean basin (Joffe, 1998). These concerns led the Spanish presidency of the EU to organize a conference in Barcelona in November 1995, gathering together the Union's 15 and 12 South Mediterranean (SM henceforth) countries. The outcome was the Barcelona Declaration or Euro-Mediterranean Partnership (EMP) designed to promote peace and prosperity in the Mediterranean region. The Barcelona process brings to relief three institutional pillars on which a peaceful region might rest: economic reform, democracy, and regional multilateralism. These pillars reflect three inter-related logics rooted in more general conceptual approaches to the understanding of regional conflict and cooperation, to which I now turn.

The Logic of Economic Reform

Economic proposals in the Barcelona Declaration included the establishment of a Free Trade Area between the Union and SM countries by 2010 and the removal of tariff and non-tariff barriers by SM partners. 4 Economic aid and loans (European Investment Bank) were to benefit the SM's private sector, to encourage structural reform and privatization, and to attract foreign investment. 5 MEDA II (2000) expected the 'structural adjustment facility' financed under MEDA I to target more specifically the reforms necessary for free trade with the EU on the one hand, and to streamline EU decision-making on the other.⁶ The underlying objective was an effort to help adapt SM countries to an increasingly freer and globalized economy in the belief that such transformation would also help resolve the many socio-political ailments often associated with this region. The Commission proposed that MEDA allocations be more closely tied to the implementation of economic reforms and privatization.

Comparisons with other regions often buttress the perceived insolvency of decades-old Middle East/North Africa political-economy models. By the early 1990s, the Middle East had become the least self-sufficient area in the world in food, with among the highest rates of infant mortality and illiteracy (particularly female), high rates of unemployment and underemployment, enormous income disparities, high inflation, overvalued real exchange rates,

and uncompetitive goods.⁷ For instance, Egypt's GNP grew from \$260 in 1972 to \$640 in 1992, its budget deficit quintupled from 1975 to 1989, and its external debt increased from \$2 billion in 1972 to \$40 billion in 1990. According to the UN Development Programme human development index (HDI) combining indicators of life expectancy, educational attainment, and income worldwide, Egypt and Morocco -non-oil economies -ranked 112th and 125th, respectively, by the mid-1990s (Tunisia was 83rd) (United Nations Development Programme, 1998). For comparative purposes, Pakistan and India ranked 138th and 139th whereas South Korea ranked 30th, Thailand 59th, and Malaysia 60th. Average adult literacy remains as low as 56% in the Arab world (98% in East Asia, excluding China) and much worse for women (36% in Egypt). Radical Islamist movements have shown little proclivity to support female education, known to be a critical factor in reversing birth rates and improving economic conditions.

Such statistics are frequently cited in efforts to induce further economic reform in the MENA countries. But what is the underlying logic presumably connecting economic reform with regional cooperation? On this, there is far less agreement than meets the eye. The relationship between interdependence and conflict/cooperation is not a simple one (Solingen, 2003b). One effort to link the

process of economic reform to the nature of regional relations focuses on the nature of political coalitions that emerge as a consequence of internationalization and economic reform.⁸ According to this argument, politicians worldwide rely on material and ideal aspects of internationalization to broker political coalitions across constituencies that respond differently to the opportunities and constraints of internationalization. Three ideal-typical coalitions tend to form: internationalizing, backlash (of which pure forms are hard to find in the real world), and hybrid. Driven by their varying socio-political composition and incentives, these coalitions also embrace different approaches (grand strategies) to both the domestic and global political economy and institutions.

Both qualitative and quantitative studies have found internationalizing ruling coalitions to be more prone to intensify their country's trade openness (imports plus exports/GDP) and expand exports, to attract foreign investments and curb wasteful military-industrial complexes, to shun weapons of mass destruction, to defer to international economic and security regimes, and to strive for regional cooperative orders that reinforce these objectives. Backlash ruling coalitions are found to restrict and reduce trade openness, exports, and foreign investment, while building expansive military-industrial complexes and weapons of mass destruction, challenging international security and economic regimes, and exacerbating civic, religious, and ethnic-nationalist differentiation within their region through an emphasis on territoriality, sovereignty, and self-reliance. Coherent coalitional grand strategies are hard to find in the real world but the links between a commitment to internationalization and regional cooperation and stability are evident (the latter two are extremely important for the kind of macroeconomic and investment policies pursued by internationalizing coalitions).

Different coalitional combinations in different regions create regional orders, 'identities', and shared expectations about conflict and cooperation and, conversely, are affected by them. Inter-regional comparisons suggest that where internationalizing coalitions gathered strength in a given region, there was a better chance that zones of stable peace might develop. In these cases ruling coalitions relied more on concerts, collective security, and multi-lateralism (Kupchan and Kupchan, 1991; Ruggie, 1993), avoiding aggressive steps towards each other and mutually adjusting to resolve outstanding disputes. For instance, ASEAN (Association of Southeast Asian States) produced relatively peaceful stability on the ashes of earlier wars, and internationalizing coalitions in the Southern Cone of Latin American made MERCOSUR and denuclearization a reality in the 1990s. Even in the Middle East, proto-internationalizers made strides in a cooperative direction in the early 1990s (Oslo and Multilateral Middle East Peace Process) although recalcitrant backlash rivals throughout the region ended this brief cooperative spurt. In most regions, the ascendancy of an internationalizing 'zone of peace' places a direct challenge to lingering backlash coalitions in that region, undermining all pillars of their latter's grand strategy, from the merits of economic closure to the advantages of militarization. ASEAN had that effect on Vietnam, Kampuchea, Laos, and Myanmar. In time, an internationalizing critical mass can overturn the domestic coalitional equilibrium within residual backlash states, easing their eventual inclusion. There is much domestic skepticism on whether the SM and Middle East might achieve that critical mass anytime soon.

War zones are more likely to emerge in regional contexts where backlash coalitions have a dominant presence. Given the logic of their grand strategy -particularly militarization and nationalist brinkmanship -stronger backlash neighbors tend to produce and reproduce backlash strategies elsewhere. Kim-II Sung's attack on South Korea (both ruled by backlash coalitions at the time), Peron's intimidations of neighbors with a fusion bomb, Nasser's encroachment in Yemen and blockade of Israel

in 1967, Sadat's 1973 October War, Begin/ Sharon's invasion of Lebanon, Assad's threats to Israel and invasion of Lebanon, Arafat's threats to Jordan and Lebanon, Galtieri's Malvinas debacle, repeated ludo-Pakistani military encounters and nuclear swaggering, Iran's Islamic Republic threats to Saddam Hussein, and Saddam's own invasions of Iran and Kuwait are all instances of this pattern. Finally, zones of restrained conflict reflect coalitional competition among internationalizing, backlash, and hybrid leaders at the regional level. Under these conditions, no pure coalitional type dominates across states within a region. In hybrid orders, regionally hegemonic coalitions (Nasserism in the 1960s) influence the fate of domestic - and eventually regional -coalitional balances, frequently shifting them towards their own type.

In some ways, the EU has conceived of itself as a zone of stable peace and of the Mediterranean as a hybrid or mixed region at best, with some SM ruling coalitions falling under the category of latent or active backlash. Cyprus, Malta, Israel (under some Labor-led coalitions), and Turkey are regarded as closest to the EU's internationalizing expectations, relative to the rest. Beyond that, Morocco, Tunisia, and perhaps Jordan are considered to have made more progress in the process of internationalization than the rest of the region. The first two promoted exports through preferential trade agreements with the EU and have stimulated private sector and foreign investment for over a decade. In both cases, states employed about one-fourth of the nonagricultural workforce, far less than under most regimes elsewhere in the region. Tunisia's President Zine al-Abidine Ben Ali deepened liberalization in financial markets and foreign investment, promoted tourism, and reduced maximum tariff rates from 220% to 43% in the early 1990s (Rodrik, 1994, 62). Jordan implemented liberalizing reforms to improve foreign investment throughout the 1990s, and embraced FT As with the EU and, most recently, the US. Under Sadat's *infitah* ('opening up') initiative in the mid-1970s, Egypt began its slow process of liberalizing economic sectors, although it has often provided a paradigm for lagging structural adjustment, regulatory reform, privatization, or trade liberalization (Cassandra, 1995).

Unsurprisingly from the perspective of the coalitional argument outlined above, Jordan, Morocco, Turkey, Egypt, and Tunisia were also strong supporters of the Oslo and multilateral peace processes, which were regarded as a *sine qua non* for creating stable regional conditions propitious for economic development. The connections are made clear in the analysis of Riad Al Khouri (1994, 110-111, 115):

Jordan's economic hopes are riding on the peace process ... A resolution of the conflict with Israel would also allow reduction of the country's defense budget (which accounts for more than 30 percent of government spending) ... Against the background of the lingering Arab-Israeli conflict, it remains almost impossible to attract [foreign] investors. But if the peace process flourishes ... Jordan will assume its rightful economic role. However, the vociferous fundamentalism unleashed by democratization is belligerent and xenophobic - opposed to both peace and foreign investment.⁹

The last remark alludes to a problem afflicting many an SM state, with Algeria representing the worst debacle thus far.

However, Islamist movements opposed to internationalization are not the only source of backlash forms in the region.¹⁰ No less resistant to internationalization and its domestic

political and economic implications is Syria's ruling coalition. The vast national security apparatus created by the Assad regime is a prime example of sectors that would lose their *raison d'être* with the onset of regional peace and economic liberalization (Hinnebusch, 1996, 74).¹¹ The entrenched, oversized, Baath-run state has largely resisted liberalization despite some incipient steps in the 1980s that essentially 'carefully preserved the privileged position of "national" economic sectors' (Heydemann, 1993; Hinnebusch, 1996; Lawson, 1994). Public sector managers (as well as military and security) bureaus have countered the nascent power of private commercial and industrial groups. Repression of the Islamist opposition has been harshest in Syria. As expected, the backlash interests driving Syria's ruling coalition have also kept Syria (and Lebanon, which it controls) self-excluded from most peace initiatives, including the multilateral Middle East process. Beyond these cases lies the 'outer ring' of the Southern and Eastern Mediterranean arch in the Euro-Med region, including Iraq and Iran, most of which have thus far resisted meaningful economic reform despite efforts by allies of President Khatemi in Iran. Unlike Southeast Asia, there is no critical mass of internationalizers within this arch, let alone in its periphery.

On the whole, economic reform has proceeded at a much slower pace in the Middle East than virtually everywhere else (except perhaps Africa) and political resistance to economic openness remains quite strong in many cases. MEDA's expectations that the region's attractiveness to foreign investors would increase have been frustrated largely due to both domestic factors in most SM states and regional instability (Lahouel, 2001).

The Logic of Democracy

The Barcelona process also aimed at encouraging 'good governance', namely democracy and human rights, and advanced the development of confidence-building measures to enhance regional security. In the European experience, stable and mature democracies are considered to be better suited to deal with ethnic and religious fragmentation than non-democracies. Differences can be channeled through established political parties and legal institutions able to adjudicate along more or less neutral (civic) lines.¹² In this view, only democracy can be expected to guarantee human rights and personal freedoms. 'Good governance' cannot emanate from regimes that are not accountable. Furthermore, the 1990s diffused the idea (developed by Kant) that democracies tend to safeguard peace in their interactions with each other. Despite contradictory logics of democratization in the Middle East (see below), the commitment of European publics to these principles makes it hard to envisage an EU Mediterranean policy that does not rely on these norms. Democracy here appears a win-win: it is expected to deliver human rights to the SM and peaceful interactions between the Mediterranean North and South. Yet, the progression toward democracy in the SM has been rather slow in contrast to democratization in Latin America, Eastern Europe, East Asia, and sub-Saharan Africa. In the 1990s, there was some movement towards selected democratic procedures and political liberalization characterized by incipient, tentative and piecemeal steps, and marked by significant reversals.¹³ Morocco, a pioneer in its tolerance for freedom of the

press and association with a relatively strong (in regional terms) civil society, has seen some barriers placed on the monarchy. By the late 1990s, there was a government led by the traditional opposition (although appointed by the late King Hassan) and further improvements were detected with the ascension of King Mohammed to the throne in 1999. Jordan has experienced competitive parliamentary elections since 1989 and a lively press debate over domestic and foreign policy, although liberalization has suffered some setbacks since, particularly after September 11. Egypt has restricted political participation through electoral laws and procedures that favor the ruling National Democratic Party (Harik, 1994; Korany et al., 1998). Its record with respect to human rights and pro-democracy organizations deteriorated with the conviction of noted scholar and activist Saad Eddin Ibrahim on trumped-up charges of defaming Egypt's reputation and receiving foreign funding without governmental permission. In tune with modal SM politics, Tunisia's President Ben Ali won a third 5-year term with nearly 100% of the vote in the October 1999 elections, replicating President's Mubarak 1999 performance in Egypt. Palestinians elected their president and Legislative Council in their first free, internationally supervised elections in January 1996. However, no elections have taken place since and President Arafat has precluded genuine political participation. External and internal pressures for new elections in 2003 have not yielded fruit largely due to Israel's closures of the West Bank and Gaza and other responses to Palestinian terrorist activities. Syria remains a highly personalistic authoritarian state that also places stiff boundaries on Lebanese democratizing efforts. Turkey, with strong incentives from the European Union, is arguably furthest along in the process of democratization and political liberalization. Domestic acquiescence with the electoral victory of the Justice and Development Party (AKP) in November 2002 by political rivals is wielded as a positive outcome of those efforts. However, EU conditionality can be a double-edged sword, providing carrots but also, at times, inducing as much political instability and unintended effects.

To the extent that some democratization-from-above has taken place throughout the region - launched by state elites with varying degrees of support from powerful societal actors - these have been efforts at co-opting influential elites while placing strict controls on the expansion of political rights. These barriers to democratization make initiatives in the third area of the Barcelona Process - society and culture - harder to sustain. These initiatives include the development of networks of human rights organizations and economic and defense institutes (EuroMeSCo is a network of strategic studies institutes, and FEMISE is a network of economic institutes). 14 The promotion of private organizations and NGOs has been expected to reinforce democratization, economic reform, and multilateral cooperation. Yet, at a Foreign Ministers' meeting in Marseilles (November 2000) the EU deferred the adoption of the proposed Charter for Peace and Stability promoting human rights, conflict prevention, and crisis management. According to External Relations Commissioner Christopher Patten 'this was clearly not the right moment' and 'we cannot expect wholesale changes to cultural traditions overnight' (http://eusopa.eu.int/comm/external_relations/news/patten/speech_01_49.htm). The promotion of democracy and the rule of law in the SM has certainly not been an EU priority, as reflected in the minuscule MEDA budget for these objectives (Everts, 2003, 45-

46). The deplorable states of democracy, accountability, and the rule of law throughout the region have not been helped by an ambiguous EU practice that often circumvents the issue.

The Logic of Regional Multilateral Institutions

The merits of regional multilateral institutions in the eyes of EU officials and publics are quite clear: 'if it worked in Europe, why not everywhere?' The EU experience has had a profound influence in international relations regarding the role of regional institutions in cooperation. However, it is important to recognize that cooperation can come about even where there is either little integration or institutions, whereas conflict is possible in the presence of both. 15 This is supported by findings from coalitional analysis and regional conflict and cooperation in other regions beyond the EU. In the Arab Middle East the institutional record of the Arab League and other institutions in promoting cooperation has been rather dismal and, despite the rhetoric of integration, economic barriers among Arab states have never receded. 16 The Gulf Cooperation Council (GCC) is an exception, in some respects. Incipient cooperation cannot be traced to institutions in the Korean peninsula. Rather, the establishment of institutions such as the Korean Peninsula Energy Development Organization (KEDO) lagged after the emergence of cooperation in response to domestic political changes. A dense institutional framework in Latin America failed to advance cooperation between Argentina and Brazil over decades of guarded regional relations, inadequate economic exchange, and hazardous nuclear competition. Only a dramatic domestic coalitional reversal in the 1990s instilled new life into old institutions and created novel, effective ones. Internationalizing coalitions, not institutions, steered MERCOSUR and a denuclearized Southern Cone.

In accordance with its strong belief in the role of institutions in inducing cooperation, the EU became active in the Multilateral Middle East Peace Process (MMEPP) between 1993 and 1995, and underwrote much of the emergent Palestinian political economy. 17 Between 1994 and 1996, the Middle East/North Africa Economic Conferences became an instrumental venue for regional reconciliation through economic development, global openness, and foreign investment. According to the World Economic Forum conference' organizers, there was considerable expectation in the region that investment would grow in tandem with deepening privatization, new stock exchanges and capital markets, protocols on trade and regional agreements in sectors such as transport, energy and tourism, solid GDP growth, and rapid industrialization. The rise of Palestinian terrorism and the election of Benjamin Netanyahu in Israel stalled the bilateral Israeli-Palestinian track, and thus helped derail these multilateral efforts. 18

Clearly, regional institutions have had a hard time emerging among SM states, either in the inter-Arab or broader (including Arab-Israeli) plane. However, formal regional institutions are perhaps neither necessary nor sufficient for cooperation to get started. What about the relationship between economic integration and cooperation? The EMP process can be seen as a 'hub and spoke' model that potentially competes with MENA integration processes. But does it really? First, repeated integrative efforts within MENA have never taken off; if they were ever to do so they could offset hub-and-spoke effects

(Lahouel, 2001, 97). 19 Second, integration with the rest of the world does not necessarily imply that regional integration is hindered (as evidenced by East Asia and the MERCOSUR region). Third, integration with extra-regional countries is expected to create domestic changes in the political economy of MENA countries, perhaps ameliorating cross-border tensions; this could result in improved intra-MENA political and economic relations. In sum, the EMP initiatives might be considered complementary to further regional integration, and perhaps a catalytic factor in bringing about the latter. One of the most promising recent developments in sub-regional integration, encouraged by the EU, was the Agadir Declaration (May 2001) announcing the establishment of a free-trade area between Morocco, Tunisia, Egypt, and Jordan by 2007. On the whole, however, the prospects of deep and broad cooperation across the SM members are weak (with relations between Algeria and Morocco being only one such barrier). Cleavages within the SM as well as those between EU and SM countries - and within the former - explain why a common Euro-Mediterranean Charter on Peace and Stability has a hard time emerging.

Dilemmas and Hurdles in the Logic of Barcelona

This concluding section summarizes the dilemmas and difficulties that have plagued the Barcelona process from within the SM, within the EU, and between the two. Although discussed separately, these obstacles are mutually reinforcing.

Liberalization Sequences

Democracy, economic reform, and multilateral cooperation do not obtain automatically, linearly, or inevitably, as some had expected at the inception of the post-Cold War order. They can only result from concerted activities of political leaders, in government and in opposition, and from the societal forces that back them up. Current leaders of SM states confront a dilemma: they either phase this multifaceted process of change in or run the risk of being phased out by it. Which will take place is hard to foresee (particularly after September 11). The first option has a second-order dilemma folded into it: current leaders seem deadlocked between 'democratic efficiency' arguments (democratization can facilitate economic reform and help build new political coalitions to overcome opponents of economic reform) and 'authoritarian advantage' models, illustrated by China and the East Asian tigers (Pool, 1993; Harik, 1994; Norton, 1995). Predictions about which model might prevail are hindered by what Kuran (1991) labeled 'the predictability of unpredictability' or the imperfect observability of realprivate preferences under authoritarian rule in most of the Middle East, a phenomenon that foiled predictions of Eastern European democratization/marketization as well.

The Theocracy Trap

Uncertainty about peoples' values and preferences underlies another quandary: the evolution of Islamist tendencies in the SM. Ruling coalitions and secular segments of society throughout the region confront a dilemma fueled by the fear - evident in the Algerian case - that democratization may not lead to democracy but to Islamic theocracies. This fear may be exaggerated, considering that political inclusion of Islamist groups (where practiced, as in Jordan) appears to have led to diminishing political returns for

Islamist movements in the form of stable - and at times even declining - electoral gains. Iran may also be poised for a favorable transition to more democratic institutions although these are being forcefully resisted by a powerful backlash clique (a coalition of clerics, state enterprises, military officers, and inward-looking ministries). The challenge remains: how can the Algerian model be avoided and, instead, strong institutional arrangements be designed to protect the integrity of the democratic system so that even a small plurality of votes cannot undermine democratic continuity.

Regional, Sub-regional, or Global Multilateralism?

SM countries have expressed disappointment with EU economic proposals, which they regard as falling short of any significant economic relief of the kind that might result from lowering barriers to SM agricultural exports (opposed by powerful domestic EU interests). There is little doubt that the EU's agricultural policies have unfortunate distributional consequences for its own people as well as self-defeating implications for the very changes the Euro-Med Partnership seeks to achieve. Yet, making the process of economic reform in the SM countries contingent on EU policies seems wrongheaded as well. Integration into a global trading and investment regime has inherent advantages, particularly if accompanied with sensible and equitable privatization procedures and social safety nets. FTAs are not always compatible with a full commitment to global multilateralism but sometimes provide useful stepping stones for broader liberalization efforts. The Agadir group could develop in that direction. In the final account, however, SM states, NGOs, and economic entrepreneurs should retain a focus on internationalization and global multilateral institutions.

What about the Outer Ring?

Whatever difficulties the EU faces with the pace of transformation of SM partners in the Barcelona process, they seem to pale in comparison with the immediate prospects of the 'outer ring' (Iraq, Sudan, Iran, and Libya -not part of the EMP or any prospective multilateral Middle East peace process) for developing the three institutional pillars for a peaceful region. The outer ring adds new complexities and uncertainties to those of 'insider' SM states, notably dilemmas regarding weapons of mass destruction and terrorism. Progress made through the Barcelona process can help prevent destabilizing effects on insiders stemming from the outer ring problematique (eg, the economic hardships that Jordan faces as a consequence of sanctions on Iraq). Whether or not the EU can fulfill the promise of inducing peaceful economic transformations in the SM while addressing outer ring dilemmas more effectively is an open question.

EU Baroque vs. Crisis Responsiveness

The challenges emanating from the SM partners as well as the outer ring are proving too elusive for a baroque bureaucratic machine such as the one the EU has developed. Not only are there difficulties in implementing even the minimal consensus required by the general logic of the Barcelona process (on human rights, for instance), but no significant progress has been achieved on crucial issues in the CFSP agenda. The debacle over Iraq brings this issue to the fore.²⁰ Although the cleavage between EU positions on the Israeli-

Palestinian conflict (as expressed, for instance, by High Representative for CFSP Javier Solana and Special Envoy Miguel Moratinos) and that of the US is often highlighted, serious internal discrepancies remain within the EU itself. More broadly, many continue to question the ability of the EU's complex institutional framework to respond to a rapidly changing Mediterranean context, particularly after September 11.²¹ Considering the potential magnitude of the threats to EU stability and prosperity, no dramatic effort to remove critical barriers to effective change in the SM seems apparent.

Nesting Israel/Palestine into the Triple Logic

The Israeli-Palestinian conflict is an important variable - although clearly not the only barrier - to advancing the Barcelona process.²² Virtually all the dilemmas and hurdles identified above - the absence of economic liberalization and democratization, the outer ring, the theocracy trap - all affect the past and future of this conflict. Despite significant initial strides, the 1993 Oslo breakthrough collapsed under the weight of Islamist terror, ensuing hardline coalitions in Israel, shattered multilateral negotiations, and faltering economic and political reform within the Palestinian Authority and among most of its Arab neighbors. The 'outer ring' exacerbated this downhill trajectory by funding terrorism and undermining any reform efforts throughout the region that might further weaken the appeal of backlash models. Israel's military operations in the West Bank and Gaza - undertaken after a wave of suicide bombings against Israeli civilians - complicated the burden of Palestinian political and economic reform. As of January 2003 the puzzle of whether or not the micro Israel/Palestine situation can ever be nested in the triple logic that underlies the macro Mediterranean framework remains. Conversely, the viability of the EMP may partially hang on this balance.

Postscript

The final version of this article was submitted to the journal prior to the onset of war in Iraq. As the war still rages, some regard this conflict as potentially catalytic, able to induce political and economic change throughout the Middle East where stasis has been the norm. Others predict ominous consequences for the prospects of regional institutional change embedded in the logic of Barcelona, derailing democratization, economic reform, and multilateral cooperation with the EU. In either case, the EU will face an arduous process of reconstructing its own internal coherence before it can productively address the overhaul of relations with its SM partners in the Barcelona process.

Notes

¹ I would like to acknowledge research support from the United States Institute of Peace and the

University of California's Institute on Global Conflict and Cooperation. The opinions, findings,

and conclusions expressed in this publication do not necessarily reflect the views of the USIP.

An early version of this article was presented at a conference on the 'The Convergence of Civilizations? Constructing a Mediterranean Region', co-sponsored by the Institute for European Studies and the European Union Center at the University of California Berkeley, and was temporarily available at the latter's website as a working paper. I acknowledge the

useful comments of Daniel Nelson, Andrea Goldstein, Wolf-Dieter Eberwein, workshop participants, and anonymous reviewers.

2 The EMP includes the 15 EU members and 12 Eastern and Southern Mediterranean partners

(Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, the Palestinian Authority, Syria, Tunisia, and Turkey). Libya has observer status at certain meetings. See http://europa.eu.int/comm/external_relations/euromed/index.htm.

3 The 1993 Maastricht Treaty established the CFSP as the second pillar of the European Union.

The CFSP is an evolving project, with important changes introduced in the Amsterdam and Nice Treaties, including efforts to develop a common security and defence policy (CESDP) within the CFSP framework. Broadly speaking, the European Council formulates the principles,

general guidelines, and common strategies for the CFSP and the European Commission is responsible for budgetary execution and implementation, although the latter can initiate policies

and harmonize foreign with other EU policies. The Commission implements the EuroMediterranean

Partnership involving bilateral and multilateral relations with 12 Mediterranean partners and is responsible for creating a Euro-Mediterranean Free-Trade.

4 EU Association Agreements were concluded in the 1960s and 1970s with Cyprus, Malta, and

Turkey. Agreements with Tunisia, Israel, Morocco, and the Palestinian Authority (interim agreement) have entered into force. An Agreement with Egypt was signed in 2001, negotiations

with Algeria were concluded in 2001, and with Lebanon in 2002. National parliaments of EU

members must ratify these agreements. Negotiations with Syria are lagging behind.

5 On the centrality of enhancing foreign investment in the SM to EU policy-makers, see Lahouel

(2001).

6 The MEDA Regulation was adopted in 1996. Its beneficiaries are Algeria, Cyprus, Egypt, Israel, Jordan, Malta, Morocco, Lebanon, Syria, Tunisia, Turkey, and the West Bank and Gaza

Strip. Up to 1998, the MEDA Programme committed 2.325 billion € and disbursed 600 million €

for economic reform, social cohesion and regional cooperation. The MEDA allocation for 2000--2006 is 5.3 billion €. In the late 1990s about 86% of MEDA funds were allocated bilaterally and the rest for regional activities. See [http://europa.eu.int/comm/external_relations/](http://europa.eu.int/comm/external_relations/euromed/meda.htm)

[euromed/meda.htm](http://europa.eu.int/comm/external_relations/euromed/meda.htm).

7 On the legacy of statism in the region, see Richards and Waterbury (1990), Owen (1992), Bill

and Springborg (1990, 20), and Heydemann (1993).

8 For a more elaborate version of the argument, and a subsequent statistical analysis, see Solingen

(1998, 2001). Internationalization involves increased openness to international markets, capital,

investments, and technology but also to an array of political and security regimes, institutions,

and values.

9 On the affinity between nationalism and Islamist fundamentalism, see Rouleau (1993).

10 On populism as a common characteristic of both Arab nationalists and Islamist radicals, see

Leca (1994, 79).

11 On support among Syrian private entrepreneurs for a peace settlement with Israel, see Lawson

(1994, 63). On regional conflict and (domestic) military gains throughout the Arab world, see

Waterbury (1994).

12 For aggregate evidence on the relative immunity of democratic states to violent ethnic upheaval,

see Hill and Rotschild (1993) and Espy et al. (1997).

13 For an overview, see Solingen (2003a).

14 On EuroMeSCo as a network of foreign policy research institutes drawn from the 27 EMP

member countries, see <http://194.235.129.80/euromesco>.

15 Cooperation involves the willingness to forsake, in repeated instances, the unilateral pursuit of

one's own interests and to undertake commitments on a basis of diffuse reciprocity (Keohane,

1986). Behavior oriented to resolve disputes and to avoid armed confrontations -with or without institutions -is considered cooperative.

16 The 1997 Executive Programme for Arab Free Trade is the latest effort by the Arab League to

develop a Greater Arab Free Trade Area (GAFTA) by 2008.

17 In 2000 alone, the EU earmarked 155.6 million €, including 90 million € for a special cash

facility, 'to preserve the institutional framework of the Palestinian Authority that we have helped to create and fund' (http://europa.eu.int/comm/external_relations/news/patten/speech_01_49.htm).

18 For a more in-depth analysis of the MMEPP, see Solingen (2000).

19 For different views on this issue see Devlin and Page (2002) and Miniesy et al. (2001) who also

discuss the low levels of intra-regional exports among MENA countries -about 8% of total exports in 1998 -relative to other regions.

20 See, for instance, the discord on the Iraqi question at the EU foreign ministers meeting in

Brussels on January 28, 2003 (Cowell, 2003).

21 Immediately after September 11 the Euro Mediterranean Conference of Ministers for Foreign

Affairs was held in Brussels (in November 2001). While condemning terrorism the Ministers

formally rejected any effort to equate terrorism with the Arab and Muslim world and reiterated

the Euro Mediterranean objectives to develop a fair global system of prosperity and development. On the absence of a clear EU strategy, see Everts (2003).

22 External Relations Commissioner Christopher Patten reiterated in early 2001 that 'we should

continue working towards Barcelona regardless of difficulties on the Middle East. One of the

achievements of Marseilles was precisely to demonstrate the resilience of the Barcelona process'

(http://europa.eu.int/comm/external_relations/news/patten/speech_01_49.htm).

References

Bill, J.A. and Springborg, R. (1990) *Politics in the Middle East*, New York: HarperCollins.

Cassandra (1995) 'The Impending Crisis in Egypt', *The Middle East Journal* 49(1): 9-27.

Cowell, A. (2003) 'Britain Accuses Baghdad, Deepening Rift in Europe', *New York Times*, January 29, p. A1 7.

Dessus, S., Devlin, J. and Safadi R. (eds.) (2001) *Towards Arab and Euromed Regional Integration*, Paris: Development Centre of the Organization for Economic Co-Operation and Development.

Devlin, J. and Page, J. (2002) 'Testing the Waters: Arab Integration, Competitiveness, and the

Euro-Med Agreements', in: Dessus, S., Devlin, J. and Safadi R. (eds.) *Towards Arab and EuroMed Regional Integration*, Paris: Development Centre of the Organization for Economic CoOperation and Development.

Espy, D.C., Golstone, J.A., Gurr, T.R., Harff, B., Surko, P.T., Unger, A.N. and Chen R. (1997) 'Aid and Trade: Still Crucial for Security in the Post-Cold War Era', paper presented at the Institute Global Conference and Cooperation Workshop on Global and Regional Governance, La Jolla, CA, May 9-10.

Everts, S. (2003) *The EU and the Middle East: A Call for Action*, London: Centre for European reform, working paper (January).

Harik, I. (1994) 'Pluralism in the Arab World', *Journal of Democracy* 5(3): 43-56.

Heydemann, S. (1993) 'Taxation without Representation: Authoritarianism and Economic Liberalization in Syria', in E. Goldberg et al. (eds.) *Rules and Rights in the Middle East: Democracy, Law, and Society*, Seattle, WA: University of Washington Press, pp. 69-101.

Hill, S. and Rothchild, D. (1993) 'The Impact of Regime on the Diffusion of Political Conflict', in M.I. Midlarsky (ed.) *The Internationalization of Communal Strife*, New York: Routledge.

Hinnebusch, R.A. (1996) 'Does Syria Want Peace? Syrian Policy in the Syrian-Israeli Peace Negotiations', *Journal of Palestine Studies*, 26(1): 42-57.

Joffe, G. (1998) *The Euro-Mediterranean Partnership: Two Years after Barcelone*', Middle East Programme, RIIA, Briefing 44, May.

Keohane, R.O. (1986) 'Reciprocity in International Relations', *International Organization*, 40(1): 1-28.

Korany, B., Brynen, R. and Noble, P. (eds.) (1998) *Political Liberalization and Democratization in the Arab World*, 2nd ed., Boulder, CO: Lynne Rienner.

Kupchen, C. and Kupchan, C. (1991). 'Concerts, Collective Security, and the Future of Europe,' *International Security* 16, 1(Summer): 114-161.

Kuran, T. (1991). 'Now out of Never: The Element of Surprise in the East European Revolution of 1989.' *World Politics* 44, 1: 7--48.

Lahouel, M.E.H. (2001) 'Foreign Direct Investment, the European Mediterranean Agreements and Integration between Middle East and North African Countries', in Dessus, S., Devlin, J., Safadi, R. (eds.) (2001) *Towards Arab and Euro-Med Regional Integration*, Paris: Development Centre of the Organization for Economic Co-Operation and Development.

Leca, J. (1994) 'Democratization in the Arab World: Uncertainty, Vulnerability, and Legitimacy: A Tentative Conceptualization and Some Hypotheses', in G. Salame (ed.) *Democracy without Democrats? The Renewal of Politics in the Muslim World*, New York: I.B. Tauris, pp. 48-83.

Lawson, F.H. (1994) 'Domestic Transformation and Foreign Steadfastness in Contemporary Syria', *The Middle East Journal*, 48(1): 47-64.

Miniesy, R., Nugent, J.B. and Yousef, T.M. (2003) 'Globalize or Regionalize: How has MENA Performed?' in: H. Hassan and J.B. Nugent (eds.). *The New Global Economy and the Middle East and North Africa: International Challenges, Regional Responses* (University of Southern California, Department of Economics, unpublished manuscript).

Norton, A.R. (1995) 'The Challenge of Inclusion in the Middle East', *Current History*, 94(588): 1-6.

Owen, R. (1992) *State, Power, and Politics in the Making of the Modern Middle East*, New York: Routledge.

Pool, D. (1993) 'The Links between Economic and Political Liberalization', in T. Niblock and E. Murphy (eds.) *Economic and Political Liberalization in the Middle East*, London: British Academic Press.

Richards, A. and Waterbury, J. (1990) *A Political Economy of the Middle East -State, Class, and Economic Development*, Boulder, CO: Westview.

Rodrik, D. (1994). 'The Rush to Free Trade in the Developing World: Why So Late? Why Now? Will Last?' in H. Stephan and S.B. Webb (eds.) *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, New York: Oxford University Press: 61-88.

Rouleau, E. (1993) 'Eric Rouleau Talks about the Peace Process and Political Islam', *Journal of Palestine Studies*, 22(4): 45-61.

Ruggie, J.G. 1993 'Multilateralism: The Anatomy of an Institution', in J.G. Ruggie (ed.) *Multilateralism Matters*, New York: Columbia University Press: 3-49.

Solingen, E. (2001) 'Mapping Internationalization: Domestic and Regional Impacts', *International Studies Quarterly* 45, 4: 517-556.

Solingen, E. (2003a) 'Towards a Democratic Peace in the Middle East', in A. Saikal and A. Schnabel (eds.) *Peace and Democracy in the Middle East*, Tokyo: The United Nations University Press.

Solingen, E. (2003b) 'Internationalization, Coalitions, and Regional Conflict and Cooperation', in E.D. Mansfield and B.M. Pollins (eds.) *Economic Interdependence and International Conflict: New Perspectives on an Enduring Debate*, Ann Arbor, MI: University of Michigan Press.

Solingen, E. (2000) 'The Multilateral Arab-Israeli Negotiations: Genesis, Institutionalization, Pause, Future', *Journal of Peace Research*, 37(2): 167-187.

Solingen, E. (1998) *Regional Orders at Century's Dawn: Global and Domestic Influences on Grand Strategy*, Princeton, NJ: Princeton University Press.

United Nations Development Programme (2002) *Arab Human Development Report 2002*, New York: UNDP Oxford University Press.

United Nations Development Programme *Human Development Report 1994-1998*, New York: UNDP Oxford University Press.

Waterbury, J. (1994) 'Democracy Without Democrats?: The Potential for Political Liberalization in the Middle East', in G. Salame (ed.) *Democracy without Democrats? The Renewal of Politics in the Muslim World*, New York: I.B. Tauris.