

BARCELONA PROCESS: A HISTORIC CHANGE – A HISTORIC CHANCE

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1. Introduction

Historically, the countries of the Mediterranean Basin have played a major part in the history of humanity: it was the area where some of the most important civilizations flourished, where the three monotheistic religions were born, and where trade and commercial activities were an essential part of daily life. Also in the modern era, the Suez Canal is the convenient maritime link between Europe, India and the Far East. Additionally, the Middle East and North Africa are two of the most important places for the planet's energy resources: the biggest and the cheapest sources of oil are there. It is also notable that the structure of the Mediterranean economies exhibit considerable variations and that the non-European part is an area where conflicts are prevalent.

For a number of reasons Europe has always been associated – one way or another – with the Mediterranean countries. The Southern and Eastern Mediterranean and the Middle East are an area of vital strategic importance to the European Union.

- The geographic proximity, the colonial and post-colonial ties, the strategic geographic location.
- The 60-70% of Europe's energy that is imported from Southern Mediterranean countries and the Middle East.
- The cheap labour from those countries supports the European Union's economic growth and contributes to national social welfare systems.
- Petrodollars irrigate (although less than in the 1970s) Europe's financial systems.
- The environmental hazards pose economic and health challenges to its governments and citizens.
- Islamic fundamentalism stokes fears of terrorism and instability in the region.

The end of the Cold War engendered instability (Tsoukalis, 1998) and fluidity in the international system and, moreover, in the Mediterranean sub-regional system, which is not well-equipped in terms of policies, institutions, competences. Additionally, the favour of the European Union for the Eastern European countries (from 1989, after the fall of the Berlin Wall), also paved the way for a reconsideration of policies with Southern neighbours.

Consequently, an increasing number of interactions in fields such as trade, energy supply, migration, security, environment and terrorism, created the need for reforms of the relationship between the EU and its Mediterranean neighbours on a stronger and broader basis.

We can recognize four phases in Euro-Mediterranean policies (Derisbourg, 1997):

- ⇒ **1961-72 - The First Attempts at Relationship Building.** It is notable that these kinds of agreements were not a coherent Mediterranean policy, but had more to do with specific conceptions of development aid. The only exception was the agreement with Israel, which was closer to the Free Trade Agreement between the European Community (EC) and EFTA countries.
- ⇒ **1972-89 - The Global Mediterranean Policy.** Generally the global Mediterranean policy aimed at creating an industrial free trade area between the EC and those Mediterranean countries that were not eligible for membership to the Community. This has, on the whole, had a positive effect on non-Member countries and the level of overall regional economic interdependence has increased. The first crucial period was the first oil crisis of 1973-74. The period from 1986 to 1992 was significant for the EC because of the efforts made towards the creation of a Single Market. Also, in 1989, the collapse of the Berlin Wall, changes taking place in Eastern Europe, and the consequence of wider political actions were to change the priorities of EC's agenda; consequently taking as their paramount concern the former Eastern bloc countries.
- ⇒ **1989-95 - The Renovated Mediterranean Policy.** At the end of the 1980s a lot of important initiatives had been adopted by the EC and the Mediterranean non-EC Member States. One of the most important initiatives regarding security issues was the Conference of Security and Cooperation in the Mediterranean (CSCM). On the 10th of December 1990, in Rome, the "5+5 talks" were officially launched at a foreign

ministerial level. This body comprised 5 Southern European countries (Portugal, Spain, France, Italy and Greece) and 5 Arab Maghreb Union Members (Morocco, Tunisia, Algeria, Libya and Mauritania). The central aim of this “5+5” group was to establish a security forum, consisting of flexible structures for dialogue, consultation and cooperation. The “5+5” initiative has increased the sense of urgency to develop regional cooperation and the intergovernmental political and economic interactions have functioned well in the initial meetings of the group, giving the opportunity to discuss political, social and military issues. A very important development in Euro-Mediterranean policy was the Euro-Maghreb Document, adopted in June 1992, at the Lisbon Summit. In this document, for the first time issues of economics and finance were explicitly linked with matters addressing political liberalization and human rights. In 1990, a European Commission’s document was addressed to the Council and European Parliament on the “*Redirection of Community’s Mediterranean Policy*”. This paper focused on horizontal cooperation in the energy, telecommunications and transport sectors. Apart from conventional economic developments, also mentioned were the problems of population growth, the migration from the non-EU Mediterranean countries to the EU and the intra-region income differences. The Renovated Policy was approved by the Council of Ministers in December 1990.

⇒ **1995 to the present day - The Barcelona Process.** In 1994 the European Council (Corfu) requested the European Commission to draft a proposal for a new policy with the Mediterranean countries. This draft led to the Barcelona Declaration.

2. Euro-Mediterranean Partnership: the Barcelona Process (1995)

Following on from the guidelines issued by the European Council in Lisbon (June, 1994)¹, Corfu (June, 1994) and Essen (December, 1994), the Euro-Mediterranean Partnership was established during the Barcelona Conference (27-28 November, 1995), when the 15 Member States of the EU and 12 Mediterranean non-Member countries – (MNCs: Algeria, Morocco Tunisia, Egypt, Israel, Jordan, Lebanon, Syria, Turkey, Malta, Cyprus and the Palestinian Authority) signed the Barcelona Declaration. The League of Arab States and the Arab Maghreb Union were also invited to attend.

¹. A chronology is available at <http://www.medobs.net/>

The Barcelona Declaration (Gillspeie, 1997) was unanimously adopted after the signing of the Oslo Accords and made clear that the Euro-Mediterranean process did not aim to replace other actions and initiatives undertaken to promote its goals, but rather to contribute to their success. The Declaration was based on the principles enshrined in the UN Security Council resolution and emphasis was put on respect for democracy and human rights, political dialogue, economic liberalization and financial and technical assistance for the Mediterranean partners. It was also informed by an ambitious economic plan for an industrially developing regional free trade area by the year 2010.

In comparison to the former Mediterranean policy of the EU, the Barcelona Process was innovative in 5 areas.

1. The Euro-Mediterranean Partnership is a global and comprehensive policy between equal partners with ambitious long-term objectives including: respect of human rights and democracy, and political, security, social, cultural and human cooperation. A central issue is also the transition to open market economies.
2. It introduced the South-South integration complements and supported bilateral action.
3. Increased funds were available to the Mediterranean partners.
4. It included a follow-up mechanism which constitutes a dynamic element that offers assurances for the continuance of the initiative.
5. The Declaration also addressed a socio-cultural dimension.

It was also notable that Israel was participating. In the founding Conference the Arabs and Israelis, Turks and Cypriots were sitting at the same table. However, Libya was excluded from the Conference because of the Lockerbie terrorist incident.

2.1 The Barcelona Declaration

The objective of the Declaration was “*To establish a comprehensive Euro-Mediterranean partnership in order to turn the Mediterranean into a common area of peace, stability and prosperity through the reinforcement of political dialogue and security, and economic and financial partnership and a social, cultural and human partnership*”.

The Declaration was divided into 3 Chapters or pillars (Xenakis and Chrysoschoou, 2001):

1. Chapter on Peace and Stability.

Political and Security Partnership: establishing a common area of peace and stability (long-term goal).

The Declaration sets out a number of common objectives in matters of internal and external stability. On several occasions the respect for human rights and other fundamental freedoms, such as freedom of expression, of association, of thought, of religion, is reaffirmed.

The parties agreed to develop the rule of law and nurture democracy in their political systems and to develop their own political, socio-cultural, economic and judicial systems. They also agreed to respect each others sovereignty and territorial integrity and abide by the principles of non-intervention in the internal affairs of another partner. They also agreed to combat terrorism, organized crime and drug dealing.

Moreover, they decided to promote regional security and to work together to prevent the proliferation of nuclear, chemical and biological weapons and pursue a Middle East zone free of weapons of mass destruction.

This Chapter focuses on:

- ❖ acts in accordance with the Charter of the UN and the Universal Declaration of Human Rights;
- ❖ the rule of law, democracy and the right of each Member to choose and develop its own political system;
- ❖ the respect of human rights, pluralism, contrasting manifestations of racism and xenophobia, mutual respect for sovereign equality, respect of the territorial integrity and unity of the other partners, to cooperate in combating terrorism, drugs and organized crime;
- ❖ measures to prevent the proliferation of nuclear, chemical and biological weapons together security-building measures.

This Chapter is a long-term global framework, which can help the development of the relationship between the two sides, but it is also the most difficult Chapter to put into practice. The principles of the Declaration and the political environment of North Africa and the Middle East are very much interlinked and of mutual influence. One of the tasks of the Declaration is to allow for dialogue between Arab countries and Israel, and between Turks and Cypriots, and to promote “confidence-building measures” (CBMs).

2. Chapter on Economic and Financial Partnership.

Creating an area of shared prosperity, which requires sustainable and balanced socio-economic development, an improvement of the living conditions of the population, an increase in the employment level and the encouragement of regional cooperation and integration.

The economic and financial partnership is based on:

- gradual establishment of a Free Trade Area until 2010;
- cooperation to promote relations between enterprises, for the environment, the role of women, energy, water, modernization of agriculture, industries, transport and training of research scientists;
- acceleration of the pace of sustainable socio-economic development, improvement of living conditions of population, increase in employment levels and reduction of development gap, and encouragement of regional cooperation and integration;
- a substantial increase in the EU's financial assistance to its partners (Cannes European Council).

3. Chapter on Social, Cultural and Human Rights.

According to the Barcelona Declaration, the partners agreed to establish a partnership in social, cultural and human affairs, with a view to bringing peoples closer and promoting understanding between them. The partnership was based on the existence, recognition and mutual respect of diverse traditions, cultures and civilizations throughout the Mediterranean.

The programme of this Chapter emphasizes:

the respect for religions, cultures and education and the promotion of dialogue about these issues;
exchanges between leaders of political and civil society, universities, research cooperation, media and trade unions;
the importance of the role that the media and NGOs can play in the mutual recognition and understanding of different cultures;
cooperation in the field of illegal immigration (reduced through training and job creation schemes) and cooperation against terrorism, drugs, racism and xenophobia.

The socio-cultural matters appear to be of secondary importance in comparison to the politico-economic procedure, but the partnership supports this revolutionary dimension. The Declaration's signatories and Association Agreements are bound by their commitment to respect the development of democracy and human rights.

The EU insists on the unity rather than on the independence of the 3 Chapters, and that is regarded as a “weapon” in the attempts to link commercial and financial provisions with the application of political reforms. EU policy is seeking to encourage and sustain genuine civil societies within the South Mediterranean partners.

2.2 The Free Trade Area (FTA)

The parties have set 2010 (but the dates are under consideration) as the target date for the gradual establishment of this area. Tariff and non-tariff barriers to trade in services, agriculture and manufactured products will be progressively eliminated and liberalized in accordance with timetables, after negotiations between partners. It will cover trade in compliance with the World Trade Organization (WTO) obligations.

The practical measures designed to promote free trade are the harmonization of customs rules and procedures, the harmonization of standards and the elimination of unwarranted technical barriers to trade in agricultural products.

The 4 priority areas defined for the establishment of the FTA project are:

1. the promotion of mechanisms to boost technology transfer;
2. the modernization and adjustment of economic and social structures. The private sector and its promotion and development is at the top of the agenda, as well as the establishment of an institutional and regulatory framework for a market economy;
3. the adoption of a number of measures for the protection of competition, such as certification, rules of origin and protection of intellectual and industrial property rights;
4. the development of new policies based on the principles of a market economy.

The examples of the previous Free Trade Zones show that the creation of an FTA requires politico-institutional structures which ensure the implementation of, and adherence to, the following rules: political pluralism, political and financial transparency, independent judicial systems and governmental and legal accountability.

In terms of economic cooperation, the MNCs must progressively eliminate the obstacles to direct foreign investment and encourage internal savings aiming at the support of economic development. They must also promote the role of women, develop dialogue and cooperation in a number of sectors, such

as banking and energy, encourage regional cooperation, cooperate with and provide support for, small and medium-sized enterprises, and modernize agriculture. Highly important is the modernization of transport and maritime infrastructure and information technologies.

The creation of an FTA requires financial cooperation. For that reason the Cannes European Council agreed to set aside 4,685 million euros in the form of EU budget funds (for the period 1995-99) and also assistance in the form of loans of a similar amount by the European Investment Bank.

In the future, MNCs' governments must take into account that the States that fail to use their budget allocations under the MEDA programme by the end of the fiscal year may lose the balance to another partner whose economic performance is more satisfactory (in terms of its commitment to the process). This economic and political conditionality is a new tool in the field of financial cooperation.

For the most of MNCs, the creation of, and their integration in, an FTA will be costly and difficult, but it is also a unique opportunity for economic modernization.

2.3 The MEDA system

The MEDA² programme is the main financial instrument of the European Union for the implementation of the Euro-Mediterranean Partnership. The programme offers technical and financial support to accompany the reform of social and economic structures of its members, and it is implemented by Directorate General EuropAid.

The legal basis of the Programme is the 1996 MEDA Regulation (which was amended in November 2000 and is usually called MEDA II). The Declaration established the Med Committee which gives its opinion on the documents.

The Commission's External Relations Directorate-General is responsible for drawing up the strategy papers and the three year indicative programmes. The strategy papers covering the period 2002-06 are established at a national and regional level.

Based on these papers, the three year National Indicative Programmes (NIPs) are drawn up jointly for the bilateral channel, and a Regional Indicative Programme (RIP) covers the multilateral activities. The strategy papers, NIPs and RIP are established in liaison with the European Investment

². http://europa.eu.int/comm/external_relations/euromed/

Bank. The annually adopted financing plans are derived from the NIPs and RIP.

The priorities for MEDA resources at the bilateral level are:

- a) *support for economic transition*: the aim is to prepare for the implementation of free trade through increasing competitiveness with a view to achieving sustainable economic growth, in particular through development of the private sector;
- b) *strengthening the socio-economic balance*: the aim is to alleviate the short-term costs of economic transition through appropriate measures in the field of social policy.

2.4 The regional cooperation

Regional and multilateral cooperation complements and reinforces the bilateral approach. Some projects financed are the EuroMeSCo network of foreign policy institutes, the FEMISE network of economic research institutes, the SMAP environmental programme, the Euromed Heritage programme and the Euromed Youth programme.

2.4.1 EuroMeSCo – the Euro-Mediterranean Study Commission

It is a network of independent research institutes and academic centres specializing in foreign policy analysis and research into security issues. EuroMeSCo formally began in June 1996, with an inaugural conference in the Portuguese town of Sesimbra and now serves as the EuroMeSCo secretariat. Since its creation in 1996, EuroMeSCo has been adopted by the Euro-Mediterranean Partnership (EMP) as an official confidence-building measure and has, with financial support from the European Commission, engaged in three research programmes. The first two programmes have been completed and have generated a series of policy papers and a book, whilst the third research programme – a three year project – is currently underway and had to be completed in mid-2004, expected to be followed by a two-year inter-programme in 2004 and 2005.

The members of the network are from the 35 Member countries of the EMP, the European Union's comprehensive policy for its relations with the Southern Mediterranean region. At least eight more will join the network, either as full Members or observers, from the new accession countries in the very near future.

There are currently 45 member-institutes, 24 observer institutes and one international associate member. The network's membership is designed to reflect the national composition of the EMP. The network's activities are policy and security-oriented, both because it can best contribute towards the goals of the EMP in these areas and because they correspond to the primary interests of its members. However, EuroMeSCo's themes for research and debate must also reflect its duty to reinforce confidence amongst its members and within the EMP. It therefore seeks to establish a consensus over its research agenda and the fullest possible participation of member-institutes in the research and discussion process.

2.4.2 FEMISE

The FEMISE network involves more than 70 members (research institutes in economy), representing the 27 partners of the Barcelona Process. It is supported by the European Commission within the framework of the MEDA regional programme. The FEMISE is co-managed by the Institut de la Méditerranée (France) and the Economic Research Forum (Egypt).

Renewed by the European Commission for 4 years in September 2001, the FEMISE pursues 3 principal objectives, in accordance with the formal conclusions of the 4th Euro-Mediterranean Conference of Foreign Ministers (Marseilles, November 2000).

One of the principal activities of the network is to undertake socio-economic research on topics defined as a priority for the future of the Euro-Mediterranean region (agriculture, development and poverty issues, education, training and the role of women, along with the role of the State). The various results are presented to the governmental partners of the Barcelona Process.

2.4.3 Euromed Heritage Programme

During the Ministerial Conference held in Bologna on Euro-Mediterranean cultural heritage, the Ministers considered cultural heritage as a high priority field of action, due to the richness and needs of this domain, its visibility for a broad public and its effects on cultural tourism and the creation of employment. The Euromed Heritage Programme was then launched, aiming at the preservation and development of the Euro-Mediterranean cultural heritage.

The Euromed Heritage programme was reinforced at the end of 2000 by an additional sum of 30 million euros for its second phase. A call for proposals was launched in January 2001 (closed in April 2001). The Euromed Heritage II project started its activities in early 2002.

2.4.4 The Short and Medium-term Priority Environmental Action Programme (SMAP)

This is a framework programme of action for the protection of the Mediterranean environment, within the context of the Euro-Mediterranean Partnership. It was adopted unanimously by the Euro-Mediterranean Ministerial Conference on the Environment, held in Helsinki on 28 November 1997.

The SMAP envisions 5 priority fields, with the following indicating urgent actions within each one of them:

- integrated water management;
- integrated waste management;
- hot spots;
- integrated coastal zone management;
- combating desertification.

2.4.5 Euromed Youth Programme

The Barcelona Process in 1995 stressed that *«Youth exchanges should be the means to prepare future generations for a closer cooperation between the Euro-Mediterranean partners. A Euro-Mediterranean youth exchange cooperation programme should therefore be established based on experience acquired in Europe and taking into account the partners' needs»*.

The Euro-Med Youth Programme is one of the regional programmes set up in the third chapter of the Barcelona Process entitled *“Partnership in Social, Cultural and Human Affairs”*.

This third chapter of the Declaration proposes a permanent dialogue between young people from the 35 Euro-Mediterranean partners. This will help to foster mutual understanding among the people of the region, to integrate young people into social and professional life, and to contribute to the process of democratization of civil society.

Under the Directorate-General for Education and Culture, and in close cooperation with the EuropeAid Cooperation Office and the Directorate-

General for External Relations, the implementation of the Euro-Med Youth Programme is regarded as a key priority which also falls under other priorities featuring in the YOUTH programme, such as the fight against racism, discrimination and xenophobia, a facilitated access to the Programme for young people with less opportunities, dialogue with other world cultures, and the promotion of a greater mutual understanding between European countries and the rest of the world. In addition, a training strategy for Euro-Mediterranean partners has been developed by the French YOUTH National Agency.

2.5 Bodies set up by the Barcelona Process

In order to monitor progress towards the partnership's objectives, the Declaration provides a mechanism for the continuation of the procedure.

- The **Council of Ministers of Foreign Affairs**: held periodically – twice – yearly conferences are hosted alternately by EU-Member and non-Member countries.
- The **Thematic Conferences of Ministers**: regularly organized in the sectors of industry, water management, energy, tourism, cultural heritage and culture, together with environment.
- The **Barcelona Committee**: one representative of each of the 27 partners who meet regularly in Brussels. This Committee analyzes the situation, prepares the meetings of Foreign Ministers, update the work programme and examine the projects and the progress made.
- **Senior Officials Group**: conducts a political dialogue to examine the most appropriate means and methods of implementing the principles, and submits practical proposals for the meetings of Foreign Ministers.

3. Agadir Agreement and the EuroMed Partnership

As mentioned above in the Barcelona Declaration, the 27 signatories agreed on the establishment of a Euro-Mediterranean Free Trade Area by 2010. This is to be achieved by means of the Euro-Mediterranean Association Agreements concluded between the EU and its Mediterranean partners, together with free trade agreements between the partners themselves. Regional accords are seen as building blocks in this process, increasing South-South integration and preparing economies for complete trade liberalization throughout the region.

Recently, an important sub-regional initiative has taken place at Agadir³: the idea of a Free Trade Area between Morocco, Tunisia, Egypt and Jordan was introduced in May 2001. It is a significant initiative because it links Maghreb and Mashreq countries, which are the most advanced partners of the Association process and strengthens horizontal South-South integration. The signature of this Agreement marks a major step in the process of economic and social integration in the Arab-Mediterranean world and is the expression of a collective commitment to address the challenges of the region through cooperation, and to work together for economic growth, being an instrument of political cooperation and to peace.

The formal Agreement was signed on 25th of February in the city of Rabat by the 4 Foreign Ministers. Attended as observers: Foreign Minister of Mauritania, Libya's Deputy Secretary-General in charge of the Arab Maghreb Union (AMU) and AMU Secretary-General, Secretary-General of the Arab League, a Member of the European Commission in charge of External Relations, and a representative of the current Irish Presidency of the EU. The Agadir Agreement stipulates as follows: *«Any Arab country, member of the Arab League and the Arab Free Trade Zone and linked to the EU through an Association or Free Trade Agreement can adhere to the Agadir Agreement, after the consent of the member countries, at the level of the Foreign Ministers Committee»*.

The Agadir Agreement aims at boosting the competitiveness of Member countries and allowing their products into EU markets, besides expanding cooperation, commercial exchange and free trade between the 4 participating States. It includes customs, services, certificates of origin, government purchases, financial dealings, preventive measures, intellectual property, standards and specifications, dumping and conflict-resolution mechanisms. The Free Trade Zone will constitute a market of more than 100 million people and a combined domestic product of nearly 150 billion euros. In addition, companies will benefit from duty free access for all industrial products to the Arab markets.

It was agreed on the establishment of four bodies to ensure the implementation of the Agreement: the Committee of Foreign Ministers, the Committee of Foreign Trade Ministries, the Technical Committee and a Special Technical Committee, which will be based in Amman.

The Agadir Process has been overseen and supported by the EU. The EU has pledged 4 million euros (funded under MEDA programme).

The free trade zone (as any other FTA) should boost the economies of the Member countries in several ways.

³. <http://www.mede.a.be/>

- It forms a bigger and more homogenous market and thus attracts more foreign direct investments, regional, European and international.
- It strengthens the Member countries' negotiating power when dealing with powerful economic blocs such as the EU or, in international arenas, such as WTO meetings⁴.
- It increases the trade between the Member countries. Despite the fact that some of these countries produce the same goods and are in competition for the export markets, they are complementary in many sectors.
- It increases economic interdependence between Arab countries and thus, hopefully, increasing the region's stability and security.
- It reduces the flow of smuggled goods which are not taxed and which often detrimentally affect local production as well as the balance of payments.

The EU is particularly pleased about this decision and encourages the partners to join the Agreements, especially because Europe has considerable experience of sharing sovereignty in the trade field for many years. The EU has pledged to support the Agadir process from both a financial and technical point of view: the programme helping the Association Agreement signatories to develop free trade among themselves and with the EU was launched in 2003. This 4 million euros programme, funded by MEDA, aims at encouraging South-South trade and integration, starting on a sub-regional basis, and at introducing pan-Euro-Mediterranean commutation of origins and provides technical assistance to Member countries and to its soon-to-be established Secretariat.

As Chris Patten⁵, EU Commissioner for External Relations, said in Agadir, on 25 February 2004:

«The conclusion of this Agreement is a major step towards achieving our common objective to create the Euro-Mediterranean free trade zone in 2010... this will make you a trading partner as significant as Poland... after the enlargement this will mean duty free access to a market of over 455 million people/consumers, and a GDP of 9,500 billion euros. The possibilities for this to help in creating the much needed employment, foreign investment and economic growth in the region are enormous, not least considering the fact that almost 60% of the value of the Agadir countries' exports go to the EU, and 50% of the imports come from the Union. Even before its enlargement...».

⁴. Currently, 6 Arab countries are Members of the WTO: Morocco, Tunisia, Egypt, Jordan, Oman and Kuwait.

⁵. <http://www.eurunion.org/News/speeches/2004/040225cp.htm>

4. European Neighbourhood Policy (ENP): how does Euro-Mediterranean Partnership relate to the ENP

4.1 The origins of the ENP

The ENP was first outlined by the Commission in its Communication on Wider Europe (March, 2003) and demonstrates the high priority that the EU accords to shaping future relations with its neighbours. The policy is distinct from the issue of potential membership and it offers a privileged relationship with neighbours, on the basis of mutual commitment to common values – principally within the fields of the rule of law, good governance, respect for human rights, and the principles of market economy and sustainable development. It will also assist the objectives of a European Security Strategy, as it will help the building of security with neighbours. It is also notable that a substantially increased financial assistance and a single dedicated European Neighbourhood and Partnership Instrument will support the implementation of this policy, which also improves the Union's capacity to support cross-border cooperation at its external borders.

On May 12th 2004, the Commission presented a Strategy Paper and Country Reports which set out the principles, the geographical scope and the methodology for implementation of the policy and issues related to regional cooperation. The Paper also explains how financial support for the implementation of the policy will be provided and identifies how cooperation will take a step forward in areas such as economic and social development, energy and trade. On September 9th 2004, the Commission presented drafts of action plans with partner countries. These political documents are a crucial instrument in the process of bringing neighbours closer, and contain a set of jointly defined key priorities in selected areas. The plans reflect the specific nature of relations with each country, its needs and capacities and the interests of the EU and the partner country concerned.

As far as the Mediterranean region is concerned, the ENP applies to all the non-EU Members in the Euro-Mediterranean Partnership (Barcelona Process), with the exception of Turkey⁶. The Commission had suggested that the development began with partners having Partnership and Cooperation Agreements or Association Agreements in force like Israel, Jordan, Morocco, the Palestinian Authority and Tunisia and then with countries that have ratified Association Agreements, like Egypt and Lebanon. The Presidency and the Secretariat will be fully involved in this process.

⁶. Turkey is currently pursuing its relations with EU through a pre-accession framework.

Generally, in official papers, EU agrees that the relations between itself and most countries participating in the ENP are already highly developed. In many papers, it is stated that in the Mediterranean, the Euro-Mediterranean Partnership provides a regional framework for co-operation which is complemented by a network of Association Agreements. The ENP does not replace the Euro-Mediterranean Partnership: the ENP is a broader framework which includes and assists the development of the Barcelona Process.

The key difference from previous policies is that with the ENP there is a common set of issues (Action Plans) which correspond with ENP's objectives: the drawing up of an Action Plan and the priorities agreed with each partner will depend on its particular circumstances, which differ in geographic location, the economic and political situation, in needs and capacities – thus the Action Plan for each partner will be individually calibrated. The ENP also brings added value, which takes a number of forms: it offers means for an enhanced and more focused policy approach towards EU's neighbours, and sets out the ways and means by which partner countries participate progressively in key aspects of EU policies and programmes. The Action Plans will provide incentives for resolving outstanding issues which have arisen in bilateral relations, and will define priorities and provide focus for the implementation of the existing agreements.

Monitoring will take place within the bodies set up under the Partnership and Cooperation Agreements or Association Agreements. These have the advantage of bringing together representatives of partner countries, Member States, the European Commission and the Council Secretariat. The sub-Committees will be particularly useful on specific topics. The European Commission will draw up periodic Reports on progress and on issues requiring further efforts, taking into account assessments made by the authorities of the partner country. The Action Plans will be reviewed and may be adopted during the meetings. It is suggested that a mid-term Report will be prepared by the European Commission, with the contribution of the High Representative on issues related to political cooperation and the Common Foreign and Security Policy (CFSP), within two years of the approval of an Action Plan and a further Report within three years. These Reports form the basis for the Council to decide on the next step: the European Neighbourhood Agreements.

4.2 The ENP and the Mediterranean

In the context of the ENP⁷, the regional and sub-regional cooperation in the Mediterranean will build on the “*acquis*” of the EMP by fully integrating a tailor-made approach adapted to each country or group of countries.

The Euro-Mediterranean Partnership consists of two parts: the regional and the bilateral agenda, as outlined above. In the framework of the ENP, the Commission will continue to promote the regional dimension of the Partnership with financial support. The political accord established in the EuroMed Ministerial Conferences in Valencia and Naples inspired also the ENP according to Mediterranean region: South-South integration, the harmonization of the regulatory and legislative environment, sub-regional cooperation, the proposed areas of judiciary and the reforms within it, the freedom of expression and of media and the promotion of equal opportunities for women. The proposals would be drawn up on the basis of common objectives in Action Plans and would be presented either by two or more neighbouring countries or by a group of countries. Activities would be carried out at a regional level, but also with cross-border cooperation between neighbouring countries and even between countries not sharing a common border.

The financial sector would also be based on the already existing programmes (MEDA and EIB, etc). The European Commission has proposed that a new set of harmonized instruments will support assistance to third countries, including those covered by Tacis and MEDA. There is a number of legal and budgetary questions to be resolved, so that the European Commission can set out a two-phase approach: for the period 2004-2006, Neighbourhood Programmes, based upon coordination among existing instruments, have been introduced. In its proposals for the financial perspective 2007-2013, the European Commission includes the new European Neighbourhood Instrument (ENI), as one of the six financial instruments that should operate in the area of external relations. The ENI will focus on 4 key objectives:

1. promoting local cross-border “people-people” related actions;
2. promoting sustainable development in regions on both sides of common borders;
3. joint actions to address common challenges to the environment, public health, prevention and the fight against organized crime;
4. joint actions to ensure efficient and secure common borders.

⁷. http://europa.eu.int/comm/enp/documents/sec_2005_1521_en.pdf

The ENI will operate through two separate funding “*windows*”: “*window one*” will support cross border cooperation and “*window two*” will provide more flexible support for wider trans-national cooperation involving actors and beneficiaries from EU Member States and partner countries.

5. Conclusions

The Euro-Mediterranean Partnership (Barcelona Process) so far has been a valuable institutional advancement in the Euro-Mediterranean relationship and, moreover, a general confidence-building measure. In the existing scholarly literature, there are many contrasting arguments about the advantages and limitations of the Euro-Med Partnership and the potential benefits involved for both sides. However, even if there are no immediate dramatic improvements in the economic, political and social development of the countries involved, we are witnessing clear advances made in general relationship-building and good progress in financial and political cooperation between the partners.

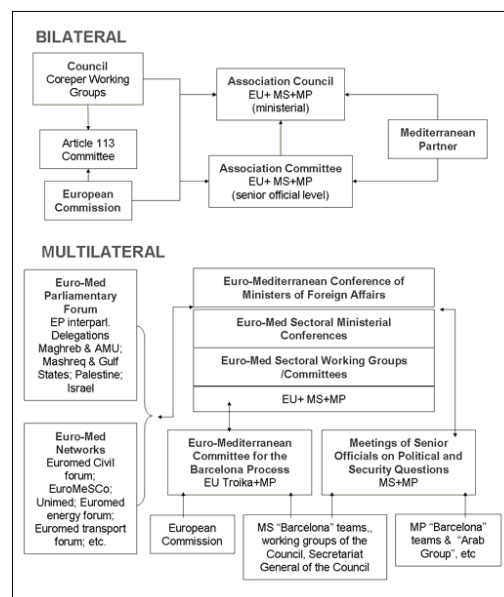
Although the EU is involved primarily with political stability, it usually seeks to achieve it through “low politics”, such as economic tools. Market forces are used as a democratizing force via “*spill-over*” effects in politics. The recent accession into the EU of the Eastern European Countries, or the integration in the 1980s of the Southern Mediterranean countries of Greece, Spain and Portugal, have proven correct the principal assumptions of the “*spill-over*” theory.

The central mechanism of “*spill-over*” theory is this: free trade and domestic economic liberalization would affect productivity (helped by low wages), investment and direct foreign investment. The growth in investments would increase export revenues and improve trade balances and reduce external debt levels. Consequently, investments will help job-creation and will improve general living standards. This could reinforce the social and political stability of the countries concerned. Stability enables political liberalization and a transition to democracy. But economic liberalization by itself is not enough to lead to political liberalization. It is essential that the ruling regime and the political *elite* in general show a willingness to democratize and be able to implement and sustain a programme for democratization.

The Euro-Mediterranean Partnership insists on respect for human rights, civil society and democratization, and the element of conditionality helps in this direction. It is a long-term rather than a short-term process, but that was a mechanism with success for European integration. Bibliography and practice

have proved that the regional (trade) blocks are highly important and that the new trend is increasingly for regionalism. Most of the Middle East and North Africa (MENA) countries are poorly integrated into international system and there is also little progress in integration between them. The most hopeful prospects are for the Arab Maghreb Union and the Agadir Agreements, but the results are not yet obvious⁸. The EU is the most deeply integrated economic bloc in the world. It is also deepening integration with neighbouring countries and encouraging greater economic exchange between MENA countries. A deeper integration between the two sides of the Mediterranean, and a parallel process of multi-sector liberalization, is both desirable and feasible. There is a crucial need for significant political will on behalf of the governments involved, and greater efforts are required to make true the ambitious reform agenda of the Barcelona Declaration.

Fig. 1 – Organization. Euro-Mediterranean Partnership



Source: E. Philippart (2003), "The Euro-Mediterranean Partnership: unique features, first results and future challenges", *CEPS Middle East and Euro-Med project*, Working Paper, No. 10.

⁸. Resolution of the Euro-Mediterranean Parliamentary Assembly on the assessment of the Barcelona Process on the era of its 10th anniversary, 15 March 2005, Cairo, in: <http://www.iedmed.org/documents/resolutionb10ang.pdf>

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