



Report on Wilton Park Conference 776

THE ENLARGED EU AND ITS SOUTHERN NEIGHBOURS

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in association with the Mediterranean Academy of Diplomatic Studies (MEDAC), the Maltese Ministry of Foreign Affairs and the Foreign and Commonwealth Office

Summary

1. The Mediterranean can be regarded as separating countries with mature democracies from those whose democracy needs to be strengthened, developed from developing economies, and ageing from increasingly young populations. Since the Euro-Mediterranean Partnership (EMP), often referred to as the Barcelona Process (BP), was launched in 1995 to bridge the gulf between the European Union (EU) and its 12 (now 10) southern neighbours, international relations have changed dramatically. While there has been some progress in the EMP's economic dimension, little has been achieved in its political and social dimensions. Nevertheless the EMP is still a unique multilateral framework which offers a foundation on which to help build peace, stability and prosperity in the region.

2. The 2002 Valencia foreign ministers summit concluded that if the EMP is to be strengthened and reinvigorated, it must become more conditional on progress in key areas, increase its public visibility, increase south-south interaction, and take concrete action in key areas such as agriculture, human rights, sustainable development and migration. The Valencia action points also called for the Euro-Med committee to function more efficiently, including joint chairing and deciding agendas in advance.

3. With the accession of eight Central European states in May 2004, the EU's attention is increasingly focused on its eastern neighbours. The resulting EU European Neighbourhood Policy (ENP) offers neighbours to the East and South an increasingly close relationship based on the promotion of common values, and conclusion of Action Plans with willing partners. The ENP shouldn't necessarily result in reduced interest in southern neighbours. However, many non-Mediterranean members of the EU have failed to realise the strategic importance of the EMP. Without a concerted effort to include eight of the ten new member states in the EMP, there is a danger that the EU may drift further apart from its 10 Mediterranean neighbours. With the exception of Poland, which has a significant military presence in Iraq and pre-existing extensive economic links with Iraq and Libya, the EMP hardly registers in most new member states. Future EU member states, Bulgaria and Romania, will add to any eastern emphasis in the ENP. However if Turkey joins the EU, it would add both an eastern and southern dimension. Given recent events, EU neighbours are more likely to regard the Southern neighbours as only a source of problems rather than opportunities.

How Can the EMP Succeed?

4. The EMP is widely regarded as having failed to improve economic well being and to strengthen democracy in most of the 10 southern neighbours. Post 9/11, greater understanding between cultures is arguably weaker. There has been insufficient political will in EU capitals to create relationships that might offer economic advantage (by contrast, some neighbouring provinces such as Andalusia have achieved a stronger sense of interdependence through centres of excellence and city twinning). There has also been insufficient political will on both sides to tackle governance and human rights issues. The Israel/Palestine conflict remains a considerable impediment to the creation of an all embracing partnership.

5. Another major reason for the EMP's relative lack of success to date is the reluctance of EU and its member states to use conditionality in its aid programmes, funding and policies towards southern neighbours. As a result many southern governments have indicated little willingness to pursue genuine political and economic reform. By contrast, the US has been able to put reform on the agenda in the region in a way that the EU never has. It is not that the EU cannot exercise leverage; the EU's neighbourhood policies lack the leverage and sanctions of the enlargement process. The EMP would therefore be more successful if it had more 'teeth'. A Conference on Security and Cooperation in the Mediterranean (CSCM), which replicated the Conference on Security and Cooperation in Europe (CSCE) process, might revive the EMP. In the case of the CSCE, the sanction of withholding technology transfer to the Communist bloc helped strengthen respect for human rights. EU funding and programmes should therefore be modulated according to southern neighbours' progress in implementing reform. Using the open co-ordination method, as used in the EU's Lisbon economic reform process, instead of the regional EMP framework, may also help.

6. The EMP's first ten years have nevertheless laid the foundations of a process and dialogue that can be built upon. The 10th anniversary of the signing of the Barcelona Declaration offers another chance to reinvigorate the EMP. The EMP can be put back on the map through greater focus, aiming for clear outcomes and being more project-oriented. One must return to first principles, namely to strengthen democracy and respect for human rights; create sustainable and balanced economic and social development, and promote greater understanding between cultures. Secondly, the EMP must convert these broad principles into concrete action points. Future funds to encourage economic development should be made conditional on achieving agreed action plans. Thirdly the process should focus on areas that will make a difference, in particular improving educational standards and access to education, economic reform and good governance. Progress in political reform, improving participatory democracy, enhancing women's rights and improving access to

education are essential for the region not to lag further behind. Fourthly, the EMP needs to be transformed into a true partnership between governments and NGOs. Confidence building measures that are project oriented and that deliver tangible results need to be sought.

But Southern Partners Have Concerns ...

7. Although there is consensus between the EU and southern neighbours that the Euro-Med zone falls far short of its shared ambitions, views on the way forward often tend to diverge. Broadly speaking, whilst the Europeans point to the reluctance of southern neighbours to undertake reform, southern partners argue that if the EU wants to persuade them to co-operate, it needs to give them more help in areas they care about, not just in areas of concern to the EU. ENP Action Plans need to offer more incentives and resources to partner countries if reforms are to be carried out.

8. Southern neighbours fear the EU's eastern enlargement might deflect attention and resources from the South. The EMP now exists alongside the bilateral National Action Plans, as well as the European Strategy for the Mediterranean and the Middle East. It is not yet clear whether these additional resources and processes complement or weaken the EMP. If southern neighbours are to accept the new logic of the EU's ENP, it is on condition that it complements rather than replaces the EMP, and that the bilateral framework of its Action Plans do not corrode the regional nature of the EMP process.

9. Southern neighbours believe the existing partnership is hardly equal and should be a more coherent two-way process. Each Euro-Med partner follows its own national agenda, making the partnership an addition to national interests rather than a synergetic relationship. The EMP could be strengthened by greater EU understanding of the central importance of the Mediterranean. EU instruments and rewards are applied increasingly on a 'carrot-and-stick' basis; the EU should impose less and propose more. Although the Anna Lindh

Foundation and a Parliamentary Assembly form cultural and political pillars of the relationship, the region needs a regional Davos, uniting investors and governments from all EMP partners. The partnership should elaborate a charter to promote direct investments, support of Small and Medium Enterprises (SMEs), and market access. EU Aid levels are low, for example each Moroccan receives €4 per capita. Any acceleration of the reform process which accepts openness and modernisation should respect cultural and religious roots. The EU should allow a limited legal and organised immigration, along the lines of the Canadian model, and efforts to respect Arab and Muslim minorities should be strengthened. The Anna Lindh Foundation should launch programmes to counter media and societal stereotypes. Some EU member states should be more even-handed in their concern for the predicament of Palestinians and more respectful of state sovereignty. A greater level of ambition in all these areas could foster a more dynamic and strategic relationship.

Security and Politics

10. Security in the EU is indivisible from security in the Mediterranean. The status quo has changed with the fall of Saddam Hussein and changes in Lebanon and Palestine. Widespread access to the media allows populations to draw inspiration from events in other countries. Turkey, itself an example of the potential for evolution through internal transformation and adaptation prompted by external imperatives (the carrot of EU membership), can help illustrate the potential for reduced religious and cultural differences.

11. With the US being regarded as the most powerful external actor, southern neighbours rarely evaluate EU initiatives in isolation. The EU therefore needs to develop security and foreign policies that take full account of the US role in the region. The Middle East Peace Process (MEPP), in spite of some recent progress, remains a major obstacle to a more productive EMP. The EMP nevertheless can contribute to the MEPP even if it cannot be a forum for settlement. Though the Common Foreign and Security Policy (CFSP), the EU is

strengthening its capacity and gaining influence, and increasingly will be less perceived as purely a 'civilian' power. The EU should pay more attention to establishing credible conflict and crisis management mechanisms.

12. A strategic partnership should also be nurtured with prospective future members of the EMP including Libya, Bulgaria and Romania in the short-term and other Balkan states in the longer-term. Libya however believes it is in no rush to join the EMP as it perceives membership would increase opportunities to criticise its policies. Improving the synergy of the EMP with existing sub-regional initiatives such as the 5+5, Mediterranean Forum and the Arab League would also prove beneficial.

Migration

13. If the EU's southern neighbours become more unstable and poor, illegal migration and trafficking of illegal migrants will increase. Already approximately 1.4 million migrants enter the EU legally each year, surpassing flows to the USA, Canada and Australia combined. Borders are the wrong place to address illegal migration as most migrants initially enter legally. Many are tourists or students who then decide to overstay. The more borders are closed, the greater the profit that can be earned from human trafficking. Many of those transported are refugees who are the victims of civil wars or human rights abuse. Europe is attracting a large number of migrants primarily because it is regarded as an attractive place to work. The pull factor is therefore more salient rather than the push factor. Many migrants are contributing to European growth by being prepared to do often dirty and difficult jobs that indigenous citizens won't do. Furthermore, Europe's population is ageing and qualified workers are required, especially in health and educational fields. Immigrants are therefore not taking European jobs but filling a vacuum. Educating citizens can help highlight the benefits that migrants bring and curb negative perceptions towards them. Unfortunately populist politicians and extremists have confused the political debate resulting in inadequate immigration policies in many EU member states.

14. More flexible immigration and multiculturalism policies are required. The EU should consider examining a more positive migration policy along the lines of the Canadian semi-open door. This could include integrating migrants that reside legally within the EU, facilitating family reunion measures, and simplifying visa procedures for certain socio-professional categories. More flexible immigration policies ultimately result in less permanent settlement.

15. Some believe Western governments and populations are overreacting to immigration by mixing issues surrounding increased population flows with the increase in terrorist activity. Governments and EU societies are making the situation worse by sending out wrong signals. EU anti-terrorist legislation can have a negative impact on relations with minorities, in particular Muslim ones. Terrorism and crime need to be segregated. The authorities should focus on criminal aspects of wrong-doing first, and once the alleged criminals are in custody on any terrorist aspects. The less the vocabulary of terrorism is used by politicians and the media, the better. If the 'glory' can be taken out of terrorism, perpetrators can be exposed as mundane card fraudsters and thieves. Countering terrorism is a shared responsibility, and practical cooperation with both foreign governments as well as with local communities is crucial (poverty in southern neighbours and other 'risk factors' are not the sole cause of terrorism). EMP Social Affairs and Justice and Home Affairs Ministers should by 2007 agree further areas for co-operation.

Human Rights

16. The EMP has contributed to only limited improvements in human rights in southern neighbours. Only in Turkey, where a bi-lateral pre-accession strategy has been the crucial variant, has the human rights situation improved. Human rights language has slowly been cited more frequently in declaratory (but non-binding) EMP documents, although it has yet to be followed up in political dialogue, or in concrete human rights cooperation. The EMP almost exclusively

addresses civil and political rights issues and not issues relating to women's rights, migrants and asylum seekers' economic, social and cultural rights.

17. The bilateral dimension of the EMP may have had a little more impact on the human rights situation in individual countries, in part because the human rights clauses of the bilateral association agreements are legally binding commitments. However, EU countries tend towards the lowest common denominator when agreeing on how strong criticism can be raised on certain issues. With all association agreements coming into force, human rights concerns can be raised more systematically at association council commitment meetings, although there is still a lack of consistency and real dialogue.

18. Human rights promotion on a regional level has been marginalised and the bilateral approach has been strengthened but with an emphasis only on civil and political rights. The most systematic and promising initiatives seem to lie at that level. It is too early to predict how the ENP Action Plans will work. Fulfilling the objectives of the EMP implies strengthening the regional approach while developing and in particular implementing bilateral instruments. At the bilateral level, focus should lie on introducing clear bench marks and time lines for action that could help assess progress and set-backs on the basis of international human rights standards rather than on purely political grounds; as on the regional level, an important aspect would be to promote a human rights approach based on the indivisibility of rights and to include structural and systematic consultation with civil society; human rights and gender mainstreaming into all political dialogues and programmes is also a key element at the bilateral level.

Trade, Aid and Investment

19. The association agreements have to date not improved the access of southern exports to the EU market where southern neighbours have comparative advantage. The creation of a Free Trade Area by 2010 therefore remains the EMP's headline goal. The EU should do everything possible to aid

and co-operate with its southern partners to realise this goal, in particular move forward liberalisation in agriculture, services, sub-regional trade, and cooperation on accompanying measures such as rural development. The Agadir free trade agreement between Morocco, Tunisia, Jordan and Egypt should be implemented as soon as possible, and other southern neighbours should be encouraged to join. There should be a target date and road map for the completion of the Agadir Agreement and an early implementation of the pan-Euro-Med Protocol on Rules of Origin.

20. In 2004 the EU Commission proposed replacing the existing range of 35 external assistance instruments with a simpler and more efficient framework (six instruments, four of them new). The aim is to ensure synergies and benefits; improve efficiency, generate economies of scale; act as a catalyst for bilateral action, enhance coherence and coordination with Member States; be more responsive to crises and new initiatives; and to improve dialogue and coordination with other donors. Of the six instruments, the European Neighbourhood and Partnership Instrument (ENPI) will broaden the scope of assistance and increase resources by 25% (totalling €15 billion) for all 17 EU neighbours previously covered by MEDA and TACIS. ENPI aims to develop an area of prosperity and close cooperation through political dialogue, to approximate laws and regulations, and to strengthen and modernise national institutions responsible for the implementation of policies in areas covered by existing or future agreements. Allocation of funds will reflect the policy towards the partner country, the needs of the country, the level of ambition in the EU's partnership with the country, and its potential to absorb funding. For the first time, assistance to member states and third countries will be delivered under a single regulation. Joint programmes will be defined and managed jointly. As the ENPI will not have a regional focus, it will reward countries which best implement commitments agreed upon in Neighbourhood Action Plans and Association Agreements. As such, southern neighbours fear that attention and funds may be diverted to eastern neighbours.

21. Attracting multilateral financial institutions to the Mediterranean is also being attempted in order to create mechanisms to accompany and develop the private sector. For example, it is hoped to transform the European Investment Bank's Facility for Euro-Mediterranean Investment and Partnership (FEMIP) into a Euro-Mediterranean Development Bank. Creating research programmes and a technology fund are also underway. Another way of harnessing co-operative opportunities is to build on the sub-regional initiatives that already exist, such as the 5+5 initiative, which can complement the EMP.

22. In the view of the southern neighbours, there is a discrepancy between the Barcelona spirit and the current economic realities: Europe's share of its Foreign Direct Investment (FDI) is smaller than in 1995; Mediterranean countries have received less FDI than Poland alone; and EU investment in North Africa is an eighth of US investments in Mexico. The EU should therefore encourage more investment, technology transfer and the further opening of its markets, particularly in textiles.

23. EU investors and governments counter that the macro-economic and regulatory climate in most southern neighbours is unattractive and viable projects in which to invest are few. Improving investment opportunities can be achieved through developing micro finance programmes; business development centres; demand driven training programmes; capacity building; integrated development projects; reductions in transaction costs, improvements in enforcing contracts, and reforming public administrations. The creation of networks for the exchange of information and technical co-operation can also help. Some programmes require changing attitudes, especially citizens tendency to rely on public sector employment and direct assistance.

Culture and Education

24. In the post 9/11 era, improved understanding and respect between cultures is even more essential. A main aim should be the fostering of common values in

the Euro-Med area. The Mediterranean should not be regarded as a frontier but a common homeland. Although Europeans and Muslims tend to place different emphases on communal and other values, innate values such as respect for human rights should be shared. Engaging at all levels (governmental, parliamentary, civil society, business to business) are necessary if a true peoples' partnership is to be created. More tourism and youth exchange programmes can promote solidarity, voluntarism, tolerance and curb extremism. The Anna Lindh Foundation can play a major role in overcoming stereotypes and hostilities based on ignorance.

25. If the southern neighbours are to absorb the five million new entrants in their labour markets each year, improving access to education is a major priority. Improving educational standards for all, especially the third of the population under 15 and women, is central to greater social and human development. Educational and training programmes, particularly for the young, women, and underprivileged groups such as the illiterate, girl-students and rural population, should be created. The EU could set a target date for the elimination of illiteracy in line with the Millennium Development Goals, and a scholarship programme should be launched. Euro-Med Erasmus programmes should also be considered.

Taking Forward the EMP

26. Although the EMP's achievements to date are modest, its survival is a testament to its validity. Although under-appreciated and virtually unknown, the EMP still offers the only multilateral foundation on which the EU and southern neighbours can build a closer relationship. The EMP is needed more than ever and should be re-launched on its 10th anniversary in Barcelona in November 2005.

27. The 10th anniversary must raise the EMP's visibility and general awareness of the EMP. The EMP should become more than an inter-governmental process

and other actors should become more involved. Engaging civil society and citizens more comprehensively must be one of the main objectives of the EMP in the next five years. The Anna Lindh Foundation can help connect the EMP with civil society, although some fear it may become a EMP 'ghetto' for NGOs. The Commission, Member States and southern partners should coordinate measures to improve explanation of the EMP to citizens. The recently launched MEDA programme on Information and Communication will help as will styling 2005 as the 'Year of the Mediterranean'.

28. Above all, the EMP needs to move beyond declarations to concrete action. If the EMP is to be newsworthy, concrete outcomes from deliverables in key areas such as education, economic reform and governance are needed.

29. The EU should not tolerate poverty along its southern periphery. The future stability of the EU will depend to a considerable degree upon stability in the Mediterranean. If the EU doesn't build a more credible and substantive policy towards its southern neighbours, it will be confronted with crises which will be more difficult to manage and be more expensive later on. Through more active and deeper engagement with its southern neighbours, the EU will in turn be helping ensure its own future prosperity.

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