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Answers to the challenges of XXI century: democracy, development, security and ecology

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I would like to make some comments about the Euro-Mediterranean process. What was set up and started ten years ago was an attempt to create a shared area of stability and security in which parties –EU and Southern Mediterranean countries- where gathering on an equal footing. It was an exercise with the involvement of very different partners with tremendous differences in development, per-capita income, in the degree of progress of freedom and democracy, and in the strength of their civil society and good governance. There were differences between actors not only across the North-South divide, but they were also divided in the South. Not just Israel and the Arab countries, but division among the Arab countries themselves, with a great amount of mistrust between neighbours.

I think the old idea of a great *Arab nation* (*al watan al arabi*) is a reference point, but it doesn't really exist as such in practice because Arab countries, have evolved towards a nationalist vision this meaning mean nationalism with the nation state at its core rather than linked to the Arab countries as a whole.

I think what has been done since the first Barcelona meeting is very relevant. We started from scratch and in these ten years, Europe was interested in the Mediterranean but has been mostly occupied with central and eastern Europe, engaged in the incorporation of this large political and economic area to the EU. However, there have been important progresses, some of them intangibles, which favour the entire process. Today we speak the same language, as we saw this in Barcelona a month ago. Ten years ago, the people who met there spoke different languages, and I am not talking about French, English or Arabic, I'm talking about their discourse, their rhetoric, the language that they used about human rights, freedom, the economy, security. They were separated by an enormous gap and this gap has become much narrower. Obviously there are still elements of difference and divergence, but I do feel that a substantial step forward has been made in the sense that we do now share a similar view of problems that are common, bearing in mind of course our differences. For example the problem of immigration, even the problem of terrorism, in this code of conduct that has been adopted and has very positive elements. And of course, there are a few but increasing common elements of approach when addressing the challenges of globalization. The process of Barcelona has

not changed the course of history in the Mediterranean but it has mitigated the situation and has established terms of reference which will be very important in the future.

In 1951, the total value of imports of Morocco was higher than that of Spain the same year, it had an economic model that generated more imports that Spain did and the population of Morocco was much reduced than the Spanish one. At that time, the Egyptian per capita income was the same the Greek per capita income and Lebanon was called the Switzerland of the Mediterranean, but since then we have seen how the gap has widened and how these differences have become specifically much wider over recent years. The GDP of the southern Mediterranean countries increased between 1976 and 1998 only by half a point whereas in the world it increased an average 1.3 %. The Souther Mediterranean is an area in which direct investment has gone down, from absorbing more than 2.5% of total world direct investment to represent only 0.7% today. Participation in world trade has gone down from 13.5% to 3.4%.

We have also ecology in the title of this panel. Let me recall that as a consequence of a model of economic development based on certain activities, countries such as Libya or Israel have the same rate of CO2 emissions as Spain, which are already high. The southern Mediterranean countries, in addition to being affected by a model of high dependence, as it happens in Algeria with gas and in Morocco with emigrants remittances, has also experienced the negative yet the positive consequences of the Washington consensus. We usually make reference to the Washington consensus vis-à-vis Latin America and tend to forget its impact in other regions. In the North African countries, as a positive effect, it reduced inflation below 5% on average and enabled a lot of the debt to be eliminated. However, at the same time it had devastating effects on the capacity of these economies to grow and in the already poor degree of equality and social cohesion. The food riots were the sign of the unrest caused by this policy.

In general, with all the divergences and discrepancies that there may be between these countries because their economic and political models are all different from one another, they do nevertheless share one feature; and that is hypertrophy of the state, and a situation of market economy without a market. There have been attempts to open up the economy, for example Sadat with the In-Fitah reforms, and there have been two attempts to open up the economy in Morocco as well and in Jordan, but we get the impression that what we have here is a geopolitical area in which certain economic models have been established and consolidated because they are at the service of a strategy to maintain the governments, the groups who are in power exactly where they are.

This model is showing clear signs of being exhausted and coming to an end; the south of the Mediterranean is clearly appearing as the orphan of globalization. The free trade agreements that are being signed, some even with Israel and the US, don't actually seem very credible because the internal reforms which will enable them to be beneficial haven't been carried out.

I would also like to draw the attention on one of the problems that have hindered the progress of the Euro-Mediterranean process, which is the poor degree of regional integration. There is very little interregional trade (in the Maghreb countries it is under 4% of their total trade), it's hardly credible talk about a free trade area between North and South of the Mediterranean for 2010 when there is no interregional trade between the countries of the southern Mediterranean. There is a tremendous deficit of knowledge sharing, of governance, of freedoms and there are problems too with the socio-political role of women.

The European Union has gone from close to zero to a certain level of commitment, but the money allocated to the southern Mediterranean countries in these years is barely one tenth of all the resources that the EU has used to finance the European reunification. A large part of the population has an income of 16 euros per inhabitant whereas the remittances from emigrants reach 55 euros per inhabitant.

I would finally like to say a few words about security, which is one of the great challenges before us in the region. The Middle East conflict, which was deliberately excluded from the Barcelona process, appeared to be on its own right track for a solution after the Madrid conference and the Oslo agreement. Now, however, we have gone back to tension and conflict, the solutions and channels that Rabin had marked out have been abandoned. We have witnessed how parties withdrew from meetings of the Barcelona process because of these moments of tension between Arabs and Israelis. I would also like to mention that recently we have heard about the recognition of borders between Israel and it neighbours as a way to a solution of the conflict. However, if we look at the European process after the Second World War we can see that first of all there was reconciliation, then there was normalization, and then finally, the recognition of borders.

From then on, we could move towards union. We are now asking the Arab countries to do quite the opposite, and I don't know if we are right to do so, my belief is that the process is much more difficult, painful and likely to create tension affecting of course the perspective of security in the region. In Barcelona 10 years ago, the classical dimension of the term "security" was referring to hard security and was basically focused on measures of trust, in reducing the arms race and in disarmament. I would like to remind you that today we have not advanced in this direction; quite on the contrary with development as the main goal, excessive military spending appears as major a problem for such development. Today, the per capita military expenditure in the southern Mediterranean countries is between 3 and 7% higher than the Spanish military spending despite the great difference in income.

In Eastern and Western Europe, military reform has been a very important aspect of the overall transition. In the southern Mediterranean countries there is no military transition, we have mass armies which are not very efficient and are used indistinctly for example as police forces for internal security or

for border protection with neighbouring Arab countries –I recall you that both Egypt and Jordan have peace agreements with Israel-.

The concept of security has also changed substantially: We have moved from giving security a mere military connotation to incorporate a broader notion with human security, from environment to health, etc... at its core. There are more recent trends to give the highest relevance to issues of justice and home affairs, legal and police cooperation, etc... mostly as a spin-off from 9/11 but also, in a lesser degree, as a reaction to the increasing population movements.

I think this is a very important area to address, but it has a drawback; it limits the increase of freedoms in the countries of the southern Mediterranean and allows a high degree of false rhetoric and manipulation. We have heard recently that the objective of Al-Qaeda is to create a caliphate that goes from Spain to Indonesia. I would like to leave an open question: could we consider this as a new paradigm replacing the common cause which is Jerusalem? And if so —which I don't believe, to what extent does it alter the current structure?

Mr. Gorbachev mentioned the idea of the new architecture of security, and we can see that there are new scenarios in these Arab countries, forces that represent political Islam are making progress; they have done in Egypt and seem to be in the same track in Morocco. We have also seen that in the North as well -and Mr. Gorbachev spoke about "political speculators"- some people argue that NATO should take up the fight against terrorism as its main activity, and that new countries from outside the North-Atlantic area should join. If you want to hear my view, I don't care whether Australia, Japan, or whoever else join NATO -Israel would be a rather serious issue given the situation-; regarding the issue of NATO fighting terrorism, the first question that comes to mind is: with what resources, with which military capabilities?

I believe that in the fight against terrorism, military capabilities appear as the last resort we may have to use. In Spain we an efficient fight against terrorism is being achieved through international cooperation and highest capacity of our security forces. Because the true is that after the terrible attacks of March 11 last year, we soon knew that military reprisal was by now means the answer, no one evoked that possibility because everybody knew that we were facing an attack of very different nature.

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