



Thinking Ahead
for the Mediterranean



WP 9 - Scenarios for regional integration and cooperation with the EU

What scenarios for the Euro-Mediterranean in 2030 in the wake of the Arab spring?

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MEDPRO Policy Paper No. 2 / October 2011 (Updated 25 February 2013)

The southern and eastern Mediterranean region has reached a turning point in its history, following the unprecedented uprisings that brought to an end decades of repressive authoritarian rule. Before 2010, the year of the start of the Arab revolts, the prevailing 'business as usual' (BAU) scenario in EU-Mediterranean relations consisted of a blend of state un-sustainability and regional cooperation dominated by inter-governmental relations and increasing depoliticisation and securitisation. In terms of economic development, it is important to note that the South Mediterranean region would account, under this scenario, for a mere 3% of global GDP in 2030 (up from 2% in 2010, with

90% of the wealth creation originating from Turkey and Israel). During the last decade, indeed, European policy-makers seem to have equated stagnation with stability, choosing to cooperate with autocratic regimes. Political reform and human rights were sidelined, while issues such as combating terrorism and containing migration dominated the policy agenda. The final step in this process was the creation of the Union for the Mediterranean (UfM), which was revealed to be a fragile edifice, dominated by France's determination to inter-governmentalise Euro-Med relations. Unsustainability coupled with phony stability were believed to offer the basis for a solid future for the countries in the south Mediterranean,

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This paper was produced in the context of the MEDPRO (Mediterranean Prospects) initiative, a three-year project funded under the Socio-economic Sciences & Humanities Programme of DG Research of the European Commission's Seventh Framework Research Programme. MEDPRO Policy Papers present concise, policy-oriented analyses of the output of each MEDPRO thematic Work Package, with the aim of introducing the views of MEDPRO experts into the policy-making process in a direct and timely fashion.

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Keywords: Euro-Mediterranean partnership, Euro-Mediterranean 2030, Arab Spring

ISBN 978-94-6138-145-3

Available for free downloading from the MEDPRO (www.medpro-foresight.eu)
and CEPS (www.ceps.eu) websites

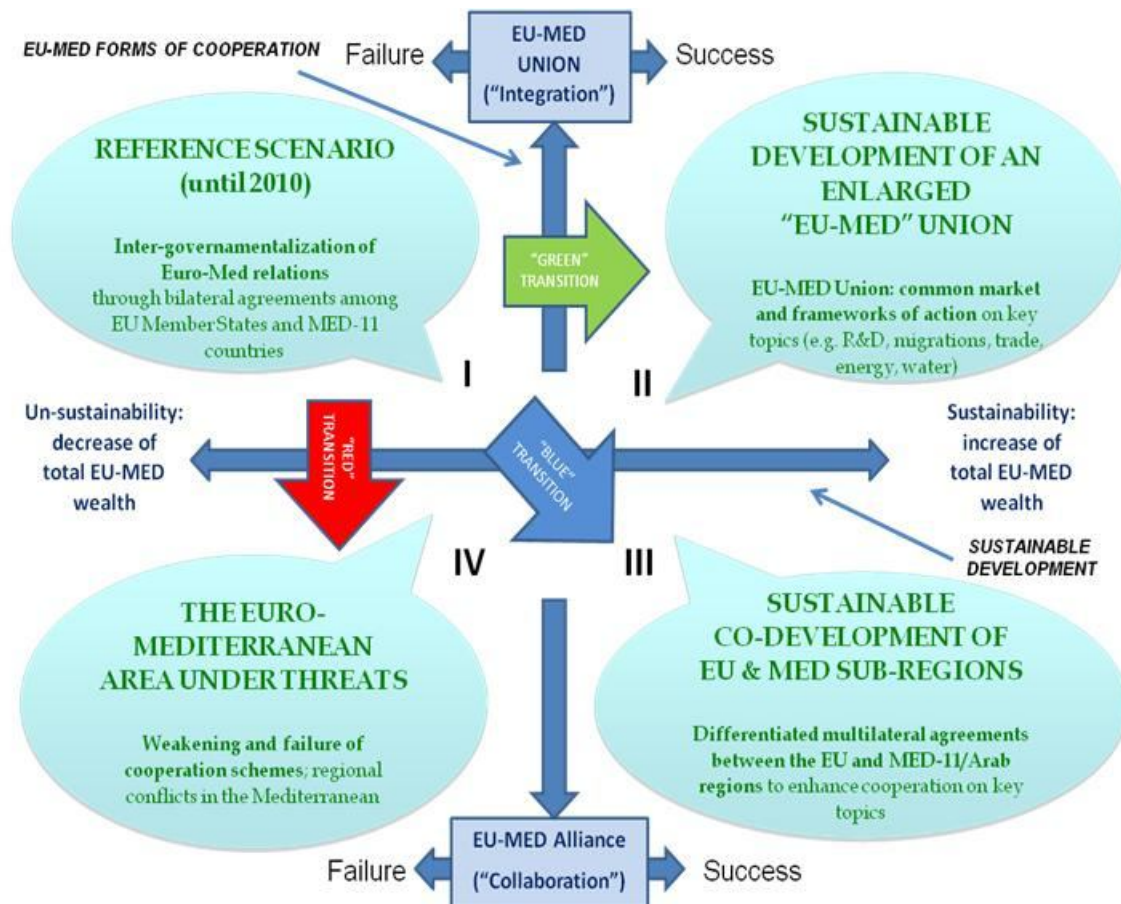
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as no credible prospects for radical democratic political change were foreseen; on the contrary, a deterioration of political freedoms and the rule of law was the norm rather than the exception.

Unsatisfactorily, the European Union’s policies towards the region equally appeared to drive the region towards an unsustainable future. With the Arab revolts, however the future has suddenly become uncertain as radical domestic changes are

being prepared and external actors’ are rethinking their policies towards the region. While the BAU scenario has clearly been eliminated by the events of the Arab spring, other scenarios may materialise in a 2030 perspective (see diagramme below), depending on the interaction of relevant political and socio-economic developments that could plausibly lead to one or another future.

Alternative scenarios of Euro-Mediterranean policy in 2030



Source: Authors’ own elaboration.

In a highly fragile and uncertain political and socio-economic context in the South Mediterranean region pre and post Arab revolts, a scenario analysis appears to be the best strategic tool to drive adequate policy reforms towards a more sustainable socio-economic future. Such scenarios were derived from a comprehensive political and socio-economic reflexion on what determines the wealth of nations on one hand and the role of the European Union as a historical political and economic partner of the South Mediterranean region. These scenarios were first identified, tested and agreed between the senior experts and finally simulated using a state of the art economic model.

Let us start with the most disastrous scenario, expressed simply as ‘The Euro-Mediterranean Area under threat’, in which the Mediterranean Sea would become a dividing line between conflicting civilisations. Sporadic conflicts would become long-lived and would spread from one country to another leading to deeper political uncertainties and mounting economic and social difficulties. The non-resolution of the conflicts in the Middle East and the Western Sahara would exacerbate tensions in the Mashreq and the Maghreb. These uncertainties and tensions would offer new opportunities for terrorist organisations and radical movements to take power.

The absence of cooperating authorities would undermine the EU's and other geopolitical actors' capacities to achieve the necessary cooperation on key sectors, such as migration programmes, research, science, technology and education, agriculture, security and energy. As a result, in 2030, the Mediterranean would become a border zone of broad conflicts, which, if not contained, would spread to the Northern frontiers. This is indicated in the diagramme above as the 'red' transition towards a widening gap and increasing tensions and conflicts between the two shores of the Mediterranean.

The consequences of this scenario must not be underestimated for they would plague the Euro-Mediterranean region for generations to come.

One can envisage two alternative scenarios of long-term growth and sustainability, however, each following a different path of Euro-Mediterranean cooperation, if the necessary political and economic will can be summoned. The Arab revolts can be taken as the point of departure which become launched on one or possibly both of these paths.

In a perspective of a '*Euro-Mediterranean Union*', recognising their shared past and believing in their common future, the European and the South (and East) Mediterranean countries would form an integrated region with a common market. The integration scheme could be inspired by the European Economic Area (EEA) model, establishing deep and comprehensive economic relations with full participation in the EU's Internal Market, as now exists for Iceland, Norway and Switzerland. This path would eventually result in the adoption of the EU *acquis* and would thus lead to more convergence and ultimately to furthering the economic integration.

Under such a scenario, the current tensions and conflicts in the Euro-Mediterranean region would be settled. Since not all of the countries have reached the same level of political and socio-economic development, the differentiated approach of the EU as outlined in its response to the Arab spring, the so-called 'renewed neighbourhood policy' might give rise to a number of countries fulfilling the requirements to become part of the EU economic bloc quicker than others. At a later stage, this renewed neighbourhood policy would need to be fundamentally reoriented towards the philosophy of the EEA model or any other similar model that would give a stake in the EU Internal Market. The Union for the Mediterranean could play a role in fostering and speeding regional cooperation, thus deepening the economic

integration between all countries of the region. However, the importance of the UfM would diminish over time when all south Mediterranean countries would have a stake in the EU single market. In this scenario, the UfM is seen as a mechanism to revive trans-Mediterranean relations.

The creation of a larger and powerful Euro-Mediterranean community would influence the global scenario for the year 2030, with the emergence of a tri-polar world, dominated by the US, China and Euro-Med. This prospect is indicated in the diagramme above as the 'green' transition, because it entails the expansion of the 'green-growth' strategies that currently underpin most of the EU's policies on energy, environment and other key sectors to include the South Mediterranean. In practice, however, this scenario would still reflect a Euro-centric vision of the future.

Another scenario that is worth considering – referred to as the '*Euro-Mediterranean Alliance(s)*' – would keep the two regions separate: the EU on the North (which may or may not be enlarged to include the Balkan States and Turkey) and the Southern Mediterranean countries on the South (which may or may not include other African and Middle Eastern countries). Under such a scenario, there would be no perspective (or need) for pursuing an integration models such as the European Economic Area or similar models. On the contrary, most indications point to an increasingly heterogeneous region, where distinct but related countries and sub-regions (e.g. Western Mediterranean, South Mediterranean, Eastern Mediterranean) would work in *association* towards the same aim of sustainability within an increasingly interdependent world. Bilateral EU policies, such as the European Neighbourhood Policy (ENP), would shed their 'enlargement-like' approach, while multilateral policies, such as the UfM, would need to be revised to account for a more heterogeneous southern Mediterranean and increasing economic partnership with other regions such as Gulf. The latter would also feature its own forms of multilateral cooperation (e.g. the Arab League, the Arab Maghreb Union, etc.). The North and South would enter into cooperative contractual relations, featuring trade and co-development, political dialogue, security, as well as specific initiatives pertaining to youth education and employment opportunities, circular migration schemes, research, science, technology, innovation and infrastructure (energy, transport and ICT),

agriculture, food and water security, and mitigation and adaptation to climate change.¹

In this scenario of differentiated multilateralism, regional cooperation schemes would be applied in a more selective way with regard to participating actors and subject areas, fully recognising that Western Mediterranean, South Mediterranean and Eastern Mediterranean are distinct geographical sub-regions (even if there may be some overlap) each with its own specific problems, opportunities and challenges. Given its inherent heterogeneity, in all likelihood, this scenario would not entail a full Arab-Israeli cooperation in a common economic area (as the membership to a EEA-like area would entail in the “Euro-Mediterranean Union” vision would imply), but at least will require the neutralization of the Arab-Israeli conflict. The latter could be ensured by the admission of both Turkey and Israel in an enlarged EU or EEA – facilitated by these two countries being the healthier amongst the SEMCs – and the concomitant requirement for Israel and Turkey to accept the two states solution and maintain peaceful relationships among them, with the Palestinian Authority and with the other neighbourhoods. Also the Western Sahara conflict could be neutralized by Algeria and Morocco entering in a regional cooperation scheme (e.g. the Arab Maghreb Union or Arab Mediterranean Union).

Also this vision, as the previous “Euro-Mediterranean Union” prospect, is coherent with a multi-polar world envisaged for the year 2030, but the European Union and the Southern Mediterranean will play separate roles on the global stage, maintaining preferential relationships of co-development on some key areas of common interest. This perspective is indicated in the diagramme as the ‘blue’ transition, because it is based on common policies built with the active contribution of people, civil society and policy-makers on both sides of the Mediterranean, without the emergence of a dominant partner (the process is symbolically centred in the ‘blue’ Mediterranean Sea).

According to Tocci (2011), the signals emitted in the pre- and post-Arab spring appear to point to a more polarised Mediterranean. Two years since the eruption of the Arab revolts, countries are still reeling from sporadic open conflict and political uncertainty. With no clear target or direction, they alternate between pressures and tensions to continued un-sustainability and hopes for

achieving sustainability, while trying to cope with new realities and dynamics. The EU’s stance as reflected in the Commission’s Communication on “Partnership for Democracy and Shared Prosperity” issued in March 2011, and complemented soon thereafter by “A New Response to a Changing Neighbourhood” issued in May 2011, has been generally timid and focused on the short term, with no major visionary change foreseen in the state of affairs in the region.

The EU recognises the need to offer more assistance to its neighbours, ranging from more financial benefits² to more targeted help in developing and sustaining political parties (through the Endowment for Democracy) and civil society (through the Civil Society Facility). It also recognises the need to embark on deep and comprehensive free trade agreements (DCFTAs), which can be expected to open the door to more access to the EU’s single market. Moreover, it has promised more ‘mobility partnerships’ with the South Mediterranean region, which are designed to better manage migration flows between the EU and third countries, and in particular to fight illegal migration, in partnership with the EU, in exchange for enhanced possibilities of mobility between their countries and the EU for their citizens, in terms of legal migration opportunities and of short term movements (short stay visa issues). In parallel, conditionality and differentiation will be reinforced.

These commitments to change are welcomed but they remain trapped in the logic of enlargement, security, vagueness, insularity and bilateral relationships with the South Mediterranean, as emphasised by Tocci (2011).

On the multilateral dimension, the UfM role has not yet been reinforced in the post-Arab spring, although it has the potential to implement the sustainable development objectives in the region. But this untapped potential could be realized only if the UfM role is appropriately revised in the direction of a multilateral institution supporting flexible regional/sectoral processes and cooperation schemes, to account for the multipolar reality of the regions (and of the world) and the need of more balanced North-South strategies. This will increase the likelihood of the Mediterranean to tilt away of the red transition path, and to shift more decisively towards the sustainable – “blue” and “green” – transitions.

¹ See Tocci (2011).

² Ayadi & Gadi (2013).

Looking ahead to the 2030 horizon, the EU's response to the challenges in the region appears still to reflect neither a vision towards the 'green' transition nor towards the 'blue'. Instead, it remains trapped in the 'business as usual' scenario while the region is moving towards further polarisation and increased instability. The MEDPRO forward looking exercise has deeply analysed the macro-economic and sectoral (for demography, economic development, social cohesion, energy, environment and climate change) implications of the different red, blue and green transitions for the Mediterranean, and especially for the SEMCs, delivering long-term policy implications and recommendations to orient the EU policy response towards a sustainable Euro-Mediterranean in 2030.³

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³ Ayadi & Sessa (forthcoming 2013).



About MEDPRO

MEDPRO – Mediterranean Prospects – is a consortium of 17 highly reputed institutions from throughout the Mediterranean funded under the EU’s 7th Framework Programme and coordinated by the Centre for European Policy Studies based in Brussels. At its core, MEDPRO explores the key challenges facing the countries in the Southern Mediterranean region in the coming decades. Towards this end, MEDPRO will undertake a prospective analysis, building on scenarios for regional integration and cooperation with the EU up to 2030 and on various impact assessments. A multi-disciplinary approach is taken to the research, which is organised into seven fields of study: geopolitics and governance; demography, health and ageing; management of environment and natural resources; energy and climate change mitigation; economic integration, trade, investment and sectoral analyses; financial services and capital markets; human capital, social protection, inequality and migration. By carrying out this work, MEDPRO aims to deliver a sound scientific underpinning for future policy decisions at both domestic and EU levels.

Title	MEDPRO – Prospective Analysis for the Mediterranean Region
Description	MEDPRO explores the challenges facing the countries in the South Mediterranean region in the coming decades. The project will undertake a comprehensive foresight analysis to provide a sound scientific underpinning for future policy decisions at both domestic and EU levels.
Mediterranean countries covered	Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey
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Budget and Funding	Total budget: €3,088,573 EC-DG RESEARCH contribution: €2,647,330
Duration	1 April 2010 – 31 March 2013 (36 months)
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