

# The Arab World in Transition: Prospects and Challenges for a Revitalized Relationship between Europe and North Africa







# The Arab World in Transition: Prospects and Challenges for a Revitalized Relationship between Europe and North Africa

Bertelsmann Stiftung Strategy Paper in the light of the 13th Kronberg Talks, 'Establishing a European-Mediterranean Community', jointly organized by the Bertelsmann Stiftung and the Ministry of Foreign Affairs and Cooperation of the Kingdom of Morocco, Rabat, 16-18 May, 2011

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## I. Preface

Excerpt from the speech given by Dr. Gunter Thielen, Chairman and CEO of the Bertelsmann Stiftung, on 17 May, 2011, at the Open Forum of the 13th Kronberg Middle East Talks in Rabat, Morocco.

(...) Many people in Europe have been surprised at the determination and resolve displayed by the citizens of the Arab world. There is a great deal of sympathy everywhere for what is clearly a new beginning. The things which have happened in the past few months highlight the fact that in recent years Europe in many respects has spent far too much time thinking about itself. That is the reason why it has sometimes tended to forget about its neighbours. But suddenly all that has changed as a result of the pro-democracy unrest in Tunisia and Egypt. People in Europe are very anxious and full of sympathy, and are now keeping an eye on the situation as it develops. (...) In Germany and Europe we know from experience that such processes and changes are frequently protracted and often rather wearisome. But we are firmly convinced that a common path leading to democracy and participation is the only feasible one, and the only one which holds out the promise of success. Self-confident and determined citizens are the most important constituent elements of a vibrant society and economy. Only a dynamic community can innovate and create much-needed transformation processes from within. True, an open debate and opposing forces are not always easy to manage. But they ensure that no important aspects are omitted, and ideally they will team up to forge a sustainable solution. (...) We believe that sustainability has its origins in society. It must give every citizen the opportunity to participate and to develop his or her talents. Cohesion and identification can materialize only if people have the feeling that there is justice, and that their contribution is worth the effort. Moreover, they wish to be seen and to be taken seriously as people with opinions of their own.

Such aspirations to sustainable societal development are ambitious, and they will not emerge entirely on their own. One will have to keep plugging away at the fundamentals and basic conditions in order to give people the opportunity to make the most of their abilities. The results of our research suggest that five key factors are involved:

- Children and young people need across-the-board access to qualified education. The lack of a well-trained labour force places severe restrictions on the development of society and the economy.
- The integration of all societal groups is a prerequisite for a successful new beginning and the ongoing reform process. Ethnic, religious and political barriers must be overcome just as much as gender boundaries in order to give all citizens a perspective for social advancement and prosperity.
- Secure employment which can enable people to pay for their daily needs forms the basis of participation. It creates room for manoeuvre for personal development and societal activities.



- The demographic structure has a formative influence on the character and the perspectives of any given society. The rising average age in the EU is leading to changes in the demands being made on the welfare systems. In North Africa with its youthful population there is growing pressure on the labour market.
- And, last but not least, citizen participation forms an integral part of sustainable social development. Free opinion formation and decision-making are the only ways in which it will be possible to arrive at sound and reliable conclusions and decisions in the future.

Of course the basic conditions, the challenges and the demands are very different at various places around the world. Yet in the long run each country will have to take note of the fact that its citizens want to participate in its economic success and the political decision-making process.

In this regard Morocco has a marvellous opportunity to pursue a path of its own. The salient political parameters are certainly in much better shape than in many other countries in North Africa. Moreover, there is a great willingness on all sides to embrace change, and the door to dialogue remains wide open. King Mohammed VI has responded to the protests and debates in Moroccan society and called for a comprehensive reform process. For our hosts this opens up the prospect of moving towards a peaceful, free and modern Morocco. Such a joint development process would send out a powerful message to the region as a whole and to the people who live in it.

(...) The search for low-risk and environmentally friendly forms of energy generation will be a key question for the EU in the years and decades that lie ahead. The great energy needs of the north and the hitherto largely untapped sources of solar energy in the south may well turn out to be a stable basis for joint economic development. In addition to the fact that we are neighbours, and in addition to the values and ideas which we share, this would lead to a stable axis capable of promoting joint sustainable development. Such cooperation between Europe and the countries of North Africa would not be aimed at the short-term exploitation of finite resources, but at enduring economic cooperation between north and south. The societies and industries in Europe are looking for a very high level of energy security coupled with a low level of environmental degradation (. . .) For the Mediterranean region this may well constitute the basis for the establishment of future-oriented economic structures of its own.

In the years ahead our host, Morocco, could well become a trailblazer for peaceful political reform processes in the region, and the bridgehead for a new energy partnership between Europe and North Africa. I would be extremely gratified if we could now manage to provide some kind of impetus for a sustainable process of this kind with the help of the Kronberg Talks.

## II. Abstract: The Arab World in Transition

Civil society revolt	After decades of authoritarian rule increasingly self-confident citizens in North Africa and the Middle East are asking to be given political, social and economic participation rights, responsible governance and the rule of law.
Differing political developments	This civil society revolt against established government structures has differed significantly from country to country. New political systems are in the making in Tunisia and Egypt. Far-reaching political reforms have been announced in Morocco, Jordan and Oman. In Libya, Syria, Bahrain and Yemen the rulers have resorted to the use of force in an attempt to suppress the protests.
Europe's role	The European Union and its citizens and member states should lend their support to popular demands for political and economic participation and justice which are being voiced in their southern neighbourhood. This is not only a moral obligation. It is also in Europe's best interests. Detailed country-specific strategies are now required.
Repression is unacceptable	The EU must make it clear to governments which have elected to use repression that their blatant disregard of the political will of the people will have consequences and that their leaders will no longer be seen as legitimate political partners of the EU. The EU should attempt to enlist the support of the international community for its views. At the same time this standpoint should not prevent the Europeans from providing for the humanitarian needs of refugees and victims of armed conflict.
Positive conditionality	However, in keeping with the notion of positive conditionality and its "more for more" principle, Europe should concentrate on cooperating primarily with the new democracies in Tunisia and Egypt and the governments which have not only announced meaningful reforms, but are actually implementing them.
Regional ownership	The societies concerned will have to bear the brunt of the political transformation processes themselves, and each country will choose its own particular path. Against this background, European assistance should be construed as something that will help the EU's southern neighbours to help themselves.
Supporting nascent democracies	Tunisia and Egypt need robust support in order to consolidate their new political systems, institutions, political parties and other organisations. Furthermore, they need economic assistance, for the uprisings have disrupted important segments of their economies such as the tourism sector.
Encourage transformation	The EU should encourage governments which are willing to introduce reforms, and lend support to their attempts to translate their promises into concrete political changes that are in



line with what people actually want. In particular there is a need for a more effective separation of powers, intensive efforts to counter corruption and greater respect for civil rights and the freedom of the press. The time of cosmetic reforms is gone for good.

The demands being made by the protest movements transcend purely political matters and include economic and social issues. The lack of employment opportunities and the absence of an economic perspective are a major source of potential conflict and pose a serious risk to all of the countries in North Africa. In order to meet this challenge Europe and North Africa should define a vision of sustainable development which will make it possible to pursue common interests and to develop the region's existing potential. Projects that can help to create permanent employment opportunities in the region and improve its ability to generate wealth are of particular importance in this context.

Socio-economic challenges

Thus the EU would have an immediate impact if it granted the countries in North Africa unrestricted access for their agricultural products to the internal European market. The adoption of better agricultural methods and a more effective use of water and arable land are other areas in which cooperation could flourish. Moreover, the Europeans should also promote the process of diversification in the North African economies by helping to develop a local capital goods industry.

Employment opportunities

Enhancing mobility should be another element in the cooperation. The introduction of jointly managed circular migration programmes for students, businessmen and skilled workers would be a particularly promising endeavour. Such migration schemes would also be one way of dealing with the demographic challenges to the north and to the south of the Mediterranean, and could build bridges between societies and cultures. Furthermore, they could have a long-term effect on the labour markets in North Africa, especially if the migrants, when they return to their countries of origin, are encouraged to develop their business ideas and thus to create employment opportunities and prosperity.

Enhancing mobility

The area of renewable energy sources would seem to offer an especially attractive perspective. The Mediterranean Solar Plan and the Desertec private sector project are blueprints for cooperation in the generation of power from alternative sources. Projects such as these have the potential to help people in Europe and North Africa to improve their long-term energy security. And they could help to create urgently needed employment opportunities in North Africa and to strengthen regional cooperation.

Green energy

### III. Strategy Paper: The Arab World in Transition

#### Introduction

##### Europe and the Arab Spring

The uprisings in North Africa and the Middle East have taken the European Union and its member states completely by surprise. What started in Tunisia with protests following on the self-immolation of Mohamed Bouazizi, a street vendor in the small town of Sidi Bouzid, has led to demonstrations across the region that have demanded political, social and economic reforms.

This paper focuses on North Africa, and looks at the events that have been shaking the political landscape of the region ever since. On the basis of an assessment of the underlying causes of the uprisings and of the political reaction to what has been happening in the region and in Europe, it suggests ways in which Euro-Mediterranean relations might be revised, and makes proposals for a new approach to this partnership.

##### Depoliticization and securitization

During the last decade Euro-Mediterranean relations have been characterized by a process of increasing *depoliticization* on the one hand and *securitization* on the other. Political reform and human rights issues have been sidelined, while matters such as combating terrorism and containing migration have taken over the agenda. The final step in this process was the creation of the Union for the Mediterranean (UfM), a fragile edifice dominated by governments, which assigned only a marginal role to civil society. As a result of the war in Gaza and the worsening Arab-Israeli conflict even this endeavour came to a grinding halt and the support it had received from Mediterranean states (not to mention northern and central European countries) declined.

##### The people change the equation

The uprisings across the region brought into play a new force that had previously been suppressed, marginalized or ignored: the people. Contrary to the expectations of many observers, it was not the religious groups which took to the streets. A broad coalition from different parts of society challenged the prevailing political systems and socio-economic orders. The ability of the political elites in the region to react to these protests differed significantly from case to case. The autocratic regimes in particular proved unable to respond positively to the demands, and thus had to rely on their security apparatus to stay in power. In other countries the political leaders were more flexible and promised to introduce far-reaching reforms. This raised hopes of a genuine transformation of the political systems which would lead to greater participation and representation.

##### Similar demands and different outcomes

Hence, while there are clearly similarities between the demands being made in countries across the region, what has actually taken place on the ground has been rather different. In Tunisia and Egypt the regimes were ousted after they had lost the backing of the armed forces, which sided with the demonstrators. In Libya sections of the armed forces have joined the rebels, while other sections have stayed loyal to the regime. This has led to armed conflict.





In order to de-escalate the internecine strife, the UN has given a mandate for international military intervention. Despite the ongoing and peaceful demonstrations, the regimes in Yemen and Syria have paid only lip service to the demands for reform and change and reacted with repression. In Bahrain GCC armed forces have intervened in order to help the King to quell the demonstrations. In Morocco, Jordan and Oman, on the other hand, the rulers have promised political reforms in order to accede to popular demands.

Observers from within and from outside the region have outdone each other in inventing a host of new expressions to describe what has been going on. They range from the rather negative word 'wildfire' to 'Arab Spring', 'falling dominoes', 'Arabellion' or simply '1-11'. Whatever term one decides to use, there is general agreement about the epoch-making nature of the events unfolding in the Middle East.

Historic changes

Establishing a new political system or reforming a malfunctioning one is not an easy task. Moreover, socio-economic problems such as the high unemployment rates, a lack of rural development, and the deficits in the education sector will not disappear as a result of the introduction of political reforms. They pose formidable challenges for all of the countries in the region. Other transformation states have demonstrated that there is a risk of failing to meet the expectations of the protesters.

Looming political and socio-economic challenges

There is also a danger that the old guard is stronger than expected. Moreover, one should not forget that in the 1960s the military coups in many Arab countries were initially greeted with much enthusiasm, though they soon relapsed into political stagnation and autocratic styles of government.

For these reasons the task of translating the political achievements of the protest movement into a new political order is a daunting challenge. Arab societies will have to bear most of the burden themselves, though the international community in general and the EU and its member states in particular can lend their support to these efforts by helping to consolidate the political transformation processes and contribute to the improvement of the socio-economic conditions in North Africa and the Middle East. For the EU this means that once again it will have to refocus and overhaul its policy towards the region.

## From Barcelona to Paris and Back. Revising the Process of Depoliticization in Euro-Mediterranean Relations

### Europe hesitates

In the early stages of the revolutions in particular the Europeans were in obvious disarray. In order not to threaten their close political and economic ties with the North African autocracies in Algeria, Tunisia, Libya and Egypt, some European member states were very reluctant to lend political support to the mass protests. In general, they were more concerned about the role that Islamic movements might play, and about the large waves of refugees and asylum seekers that were to be expected as a result of the conflicts and reduced border controls. In the case of Tunisia this even led to the infamous offer from the then French minister of foreign affairs, Michèle Alliot-Marie, to support Tunisian dictator Zine el Abidine Ben Ali by helping his police to deal with the protesters. With regard to Egypt, the Europeans were initially concerned about the geopolitical implications of a new regime in Cairo, and especially its relationship with Israel and its ability to balance Iran's regional ambitions. When the uprising in Libya started, they were much more forthcoming in rhetorical terms. Thus they unanimously called for the resignation of Muammar Gaddafi. However, when it came to meeting the demands of the Libyan opposition, which wanted a no-fly zone over Libya in order to protect itself from attacks by Gaddafi's air force, many Europeans hesitated. It once again became apparent that there is no such thing as a coordinated and coherent European reaction to an evolving crisis, even if it is in the immediate neighbourhood.

### Unexpected revolutions

This low-key approach was also mirrored in the academic, media and public discourse about the events in North Africa. It was widely believed that Arab countries were unlikely to introduce reforms because they were in the firm grip of their political leaders, and on account of the apparent lethargy of the population. For this reason no one expected these revolutionary movements to emerge or to succeed before they actually appeared.

### Stagnation is not stability

However, when it comes to the Europeans, the uprisings and revolutions also cast doubt on their long-term approach to the Arab Mediterranean countries. It became apparent that European policymakers had confused stagnation and the status quo with stability, and for this reason had preferred to cooperate with autocratic regimes instead of supporting those who wanted reforms and change. Stefan Füle, the Commissioner for Enlargement and European Neighbourhood Policy, summed this up in a self-critical manner: "We must show humility about the past. Europe was not vocal enough in defending human rights and local democratic forces in the region. (...) Too many of us fell prey to the assumption that authoritarian regimes were a guarantee of stability in the region (...)"

### Barcelona Process

Such preferences were also in stark contrast to the normative goals stipulated in the Barcelona Declaration, the founding document of the Barcelona Process. This was launched in 1995 in order to establish the Euro-Mediterranean Partnership (EMP). The initiative was



buoyed up by the hopes generated by the Oslo Process and the belief that the end of the Israeli-Palestinian conflict was imminent on the one hand, and the economic and political transformation the EU had witnessed in its eastern neighbourhood on the other. Yet the EMP did not achieve very much when it came to supporting and initiating political transformation processes in the southern Mediterranean states. The assumption that after the end of the East-West conflict the spread of democracy and liberalism was unstoppable, and that the “end of history” was also going to be reached in North Africa and the Middle East proved to be an error. Whilst the regimes in the region accepted economic liberalization and export orientation as a recipe for growth, they proved to be largely impervious to the kind of democratization processes that had occurred in many East European, African, and Latin American countries as part of the so-called “third wave of democratization.”

With the European Neighbourhood Policy (ENP), which it adopted in 2003-2004, the EU tried to realign its policies in order to create a “ring of friends” consisting of “well-governed states” on its eastern and southern borders. As a result of the detailed Association Agreements and Action Plans that have been negotiated with the countries in question, the ENP has provided the EU with a much more specific and flexible instrument with which it can support reforms that its partners are trying to introduce. In its initial form the ENP contained a clear-cut (though flexible) normative component.

European Neighbourhood Policy

However, in the first decade of the 21st century the importance of democracy and human rights declined as far as the Europeans were concerned, and the EU did not use the ENP in the way it had originally intended. After 11 September 2001, and especially after the terrorist attacks in Madrid on 11 March 2004, cooperation in the fight against terrorism moved to the top of the agenda. It is true that democratization was considered to be a possible element in a long-term strategy designed to combat terrorism, but the fear that Islamist parties could come to power in North Africa and the Middle East soon dominated European thinking to the exclusion of all else. Strong showings by Islamist parties in elections in Egypt and Lebanon heightened such anxieties. The international refusal to recognize the Hamas-led government that emerged from the 2006 Palestinian parliamentary elections eventually led to a situation where the Western rhetoric about democratization lost all credibility. Since then the region’s despots have adroitly portrayed themselves as the sole alternative to Islamization.

Counter-terrorism  
instead of democracy

As a result of the rising number of migrants and refugees trying to reach Europe via the Mediterranean, the question of how one deals with migration has been put on the joint cooperation agenda. The EU’s “Global Approach to Migration” is a multitrack and, at least in

Containing migration

theory, balanced strategy for resolving and regulating the problem of migration. However, with regard to the states of North Africa, it is primarily concerned with stopping refugees, border security, and returning illegal immigrants to their countries of origin. The issue of how some North African regimes have treated refugees and illegal immigrants has not been very high on the EU's agenda.

#### Regional conflicts

Furthermore, the regional frameworks for democratization and political reform deteriorated as a result of the failure of the Oslo process, the advent of the second Intifada, and the wars in Iraq, Lebanon and the Gaza Strip.

Over the course of the past decade and against a background of counter-terrorism, migration limitation and regional crises and wars there has been a noticeable trend towards *securitization* in relations between northern and southern Mediterranean states. This has led to greater centralization and government dominance when it comes to setting the agenda and excluding questions of political reform.

#### Union for the Mediterranean

Thus the establishment of the Union for the Mediterranean (UfM) in 2008, which reinforced both the predominant position of governments in general and the marginalization of civil society, is in line with the uncritical political character which Euro-Mediterranean relations have acquired over the years.

The UfM was established as an intergovernmental organisation headed by a co-presidency consisting of one northern and one southern member state – and given guidance at (bi)annual summits by the heads of state and government and foreign ministers – in order to ensure that both sides developed an equal sense of ownership with regard to the institution and its projects. The UfM Secretariat – which began to operate rather belatedly in March 2010 without having achieved anything since – was supposed to foster the institutional structure and increase its ability to take action. This, in turn, was intended to upgrade and revive Trans-Mediterranean relations.

#### Institutional paralysis

The high hopes associated with the UfM were dashed a long time before the start of the turmoil in the Arab world. However, as a result of the changes taking place in the region its attractiveness has been reduced even further.

Against this background, there is a need for a revision of the EU's policy towards North Africa, and various proposals and concept papers have been submitted by a number of political groups on the national and European levels.





Of the numerous ideas that are currently doing the rounds, the Joint Communication “Partnership for Democracy and Shared Prosperity with the Southern Mediterranean” drafted by the European Commission and Baroness Ashton, the High Representative of the Union for Foreign Affairs and Security Policy, is probably the most elaborate proposal. It offers support for political transformation, including the establishment of democratic institutions; promises a greater degree of decentralization so as to include civil society; and sets its economic sights on sustainable growth and development. Moreover, taking into account the diversity of what is happening in the countries of the region, it emphasizes the principles of differentiation, bilateralism and positive conditionality (‘more for more’) and turns the inter-governmentalization and depoliticization of the EMP on its head.

A new partnership

This shows that the EU is on the right track as it updates its strategies, policies and instruments. However, it is worth restating the key principles that need to be borne in mind in order to strike a healthy and indeed honest balance between the political pretensions of the Euro-Mediterranean relationship and the realistic possibilities of such a partnership.

**Focus on bilateralism and positive conditionality.** The Commission’s proposal for a new Partnership describes in some detail the importance of bilateralism and differentiation for the EU’s policy towards the region. Moreover, it envisages a stronger focus on positive conditionality and stipulates the idea of ‘more for more.’ Europeans should adhere to these principles in order to focus on those partners who are willing and able to proceed with reforms. Yet they will have to reach agreement with their partners on benchmarks on how to measure the progress of political reforms in order to be able to apply the concept of positive conditionality.

Bilateralism and benchmarks

**Develop policies specific to subregions.** Multilateralism and regional cooperation (and integration) should be applied in a more selective way with regard to participating actors and subject areas. The Western Mediterranean, the Adriatic and the Eastern Mediterranean are geographical subregions with specific characteristics and problems. For this reason the EU ought to acknowledge the fact that in North Africa there are unique opportunities and challenges. Geographical differentiation will make it possible to address subregional issues and to promote cooperation among its Mediterranean partners.

Differentiated multilateralism

**React consistently to human rights violations.** Positive conditionality and the ‘more for more’ principle indicate that the EU is trying to focus on specific issues and to reward those who introduce reforms. However, the EU will also have to find ways of dealing with actors who reject the need for reform, ride roughshod over human rights, and use violence to suppress dissent. Europeans need to reach agreement about the political and economic sanc-

Sanctioning human rights violations

tions they are willing to impose, and about when they are willing to use armed force. None of these options are easy ones, and they are all rather risky. Libya is a case in point.

#### Civil society and joint ownership

**Expand the concept of joint ownership.** Joint ownership has rightly become a key principle in the EU external cooperation programmes that form part of the ENP or the UfM. Participation in the planning and decision-making process increases the legitimacy of these programmes and ensures that they actually meet the needs and priorities of the various partners. However, the implementation of this principle should assign a reduced role to governments and give civil society and the private sector a say in the consultative process. This would be a good idea not only in a normative sense, but also because it would be a practical way of procuring added value, since sub-state actors will be providing the expertise and innovation skills needed to cope with the challenges of increasingly complex societies.

#### Religious movements

**Accept the fact that religious movements have a place in the region's political culture.** In the past the EU clearly had certain preferences when it came to cooperation in the region. As a result of political, economic and cultural affinities, and haunted by the spectre of political Islam, Europeans favoured liberal and secular movements and took little or no notice of whether they were representative of society as a whole. This practice has been referred to as 'picking winners,' and it ignored important developments in the Arab world. Europeans will have to accept the fact that people in the Middle East are going to make their own political choices, and that Islam is part of the region's political culture.

#### No false promises

**Do not make promises that you cannot keep.** Whenever a political upheaval such as the one we are witnessing in North Africa today occurs, there is a danger that well-meaning spectators will get carried away by the euphoric atmosphere and raise expectations that they are later unable or perhaps unwilling to fulfil. This in turn may create a sense of relative deprivation and disappointment in the countries concerned which will not only negatively impact Europe's reputation, but may also undermine the political changes themselves. The fact that European policy towards the region has a history of not delivering on promises should encourage decision-makers not to repeat the mistakes of the past.

#### People's daily lives

**Ensure that cooperation programmes benefit society as a whole.** Even though the EU's external cooperation programmes have emphasized this principle for a long time, the regional elites have often benefited most, and trickle-down effects have been negligible. Large-scale infrastructure projects with a long-term impact are no doubt important, but the EU should focus on projects that have a direct effect on people's lives, e.g. tariff- and quota-free access to the European market for agricultural products, liberalized migration schemes, and cooperation in the areas of education, vocational training and rural development.



**Focus on projects that create added value for both sides.** The sustainability of cooperation depends on the generation of added value for the participants. In the past, political actors tended to select cooperation projects on the basis of their strategic needs. The basic idea of the UfM, which considers itself to be a Union of projects, tried to change this, but due to its institutional and political weakness it never actually made much headway. Nonetheless, this idea should be pursued in the future. In order to expand the basis of the partnership and to increase the added value, it would be a good idea to promote greater involvement by the private sector. This seems advisable in view of the huge investments that are needed for the modernization of Middle East economies and for the creation of jobs in the region.

Mutual benefits

**Provide adequate financial resources.** Approximately € 12 billion in funding have been earmarked for the European Neighbourhood and Partnership Instrument for 2007-2013. As a result of current developments, the Commission and the European Parliament have proposed ways of providing additional resources for the southern states. Even though the challenges facing the EU and its partners in North Africa are not simply a financial issue, Europeans must ask themselves if this level of funding adequately reflects the strategic importance of its southern neighbourhood. A substantial increase in the resources available within the new Financial Framework of the ENP seems to be a foregone conclusion.

ENP budget

**Emphasize intra-European commitment and coordination.** Some EU member states have traditional links with the region and are pursuing their own agendas, while other member states have refrained from developing a regional policy at all. They tend to be rather lukewarm about European initiatives. Europeans will have to accept the fact that they have responsibilities in their immediate neighbourhood, and that this is not the time to pursue selfish interests in the region. Euro-Mediterranean relations need to be revitalized, and this calls for commitment and a cooperative spirit from all EU member states.

Intra-European coordination

**Avoid overburdening regional civil society actors.** The nascent democracies in Tunisia and Egypt have received a great deal of international attention, and there is a real risk that local parties and NGOs will be swamped with external actors offering to provide assistance, projects and ideas. In order not to overburden them, the EU should establish a forum for ideas in which European and other NGOs and funding institutions can coordinate their activities before getting in touch with partners in the region.

Forum for ideas

**Coordinate activities with other external actors.** In order to create synergies or at least to avoid unnecessary disagreements, the EU should engage in a dialogue with other actors such as the US, Turkey and the countries of the Gulf Cooperation Council (GCC). With its

US, Turkey and GCC

strategic influence and military might, the US continues to play a crucial role in the region. Turkey has a growing regional reputation and is often regarded as a transformation role model by Arab societies. Whether or not this is actually justified is a matter for debate. And, last but not least, the GCC countries have become important economic actors in the Mediterranean. Cooperation and coordination with the US, Turkey and the GCC is also indispensable with regard to the following point.

#### Arab-Israeli conflict

**Seek a more active role in the Arab-Israeli conflict.** In the political debates in Israel there have been persistent demands that the window of opportunity created by the changes in the Arab world should be used to resolve the Israeli-Palestinian conflict. The EU should support such views and an internationally coordinated policy of engagement towards the Israeli government that takes into account Israel's security concerns and at the same time encourages it to make use of this historic opportunity. The Middle East Quartet should be the forum for this initiative. In this context Europeans should also note that there is a risk that the conflict will worsen. As a result of demographic developments and the support being given to the settlements, a two-state solution is becoming increasingly unlikely. The window of opportunity may well disappear when the Palestinians, as envisaged, ask the UN Security Council to give its blessing to their statehood in September 2011.

#### UfM projects

**The time has not yet come to write off the UfM.** The numerous deficits and shortcomings of the UfM have been discussed in some detail in the political and academic debates on the subject. Under these circumstances it seems even less likely that the UfM will be in a position to do what it set out to do, and its future looks more uncertain than ever. Despite all the disappointments, it is in the interests of neither the Europeans nor the member states to write off the UfM as a bad job. Some of the UfM projects, e.g. cooperation in the development of renewable energy, marine de-pollution, support for small and medium enterprises, and city partnerships make sense for all the parties concerned and should not be abandoned simply because the UfM has been a political failure. Moreover, the appointment of Youssef Amrani as new UfM Secretary General has filled the leadership gap. In the medium term a multilateral forum that assembles the heads of state and government may turn out to be a worthwhile institution where issues of common concern can be discussed. However, in order to avoid giving this forum more than it can chew, the principle of subregional differentiation, which was alluded to above, should also be applied to the UfM.





## Supporting Political Transformation and Building Bridges between North African and European Societies

A major challenge, and one that is going to have to be tackled in the near future, is the question of providing support for the nascent democratic institutions in Tunisia and Egypt and assistance for the transformation processes in other countries of the region. Political parties, trade unions, organisations of various kinds, special interest groups, independent media and journalists are indispensable actors in a democratic system. It is especially important to ensure that the social interest groups, which took part in the demonstrations, are now adequately represented and integrated into the new political party system. In Tunisia, for instance, the number of registered parties has increased from thirteen in January 2011 to over fifty only four months later.

From political protest  
to political process

In Tunisia, Egypt, and in other countries, constitutional reforms are either in progress or have already been decided on. New electoral and party laws are being drafted, and the reform of the judicial and security sectors, the abolition of emergency powers, the reinforcement of the rule of law and civil liberties are on the political agenda. In all this it is essential to ensure that the different sections of society are appropriately represented. Moreover, in Tunisia and Egypt various elections have been scheduled for 2011. Organising and preparing for these elections and monitoring the way in which they are implemented will be another milestone in the consolidation of the new political systems. The fact that the elections are going to be held in the very near future constitutes a challenge to the new parties in particular. They will have to finalize their election manifestos and establish procedures designed to ensure intra-party democracy and to enable them to run their election campaigns.

Elections in Tunisia and Egypt

Europeans have a great deal of experience in this area, and the Commission and the member states can offer to help their partners in the region and to underpin the reform process by providing training schemes, technical support and funding if this is requested from the region.

Furthermore, Europeans should also offer to help their partners to reform the security and judicial sectors. Security forces have been involved in human rights violations across the region and political change will mean calling into question some of the established organisational practices. Also corruption has become an almost omnipresent feature of many North African states. Fighting corruption and establishing a reliable and transparent judicial system would contribute a great deal to an environment that is more conducive to human development and economic growth.

Changing entrenched practices

Coordination and a conscious attempt to avoid overburdening regional partners are of major importance in the context of cooperation with political groups and NGOs. The nascent democracies in Tunisia and Egypt in particular have received a great deal of international atten-

Do not overburden partners

tion. Although direct links and cooperation between European political parties, trade unions and organisations and their counterparts in the region are no doubt beneficial, there is a real risk that partners in North Africa will be swamped with external actors offering to provide assistance, projects and ideas. In order not to overburden them, the EU should establish a forum for ideas in which European and other NGOs and funding institutions can coordinate their activities before getting in touch with partners in the region.

#### Civil society networks

Europeans should also step up support for civil society institutions and the networks that were established as part of the Barcelona Process, e.g. the Euro-Mediterranean Studies Commission (EuroMeSCo) and the Anna Lindh Foundation. They have notable partners in the region and a reputation for political independence. It may well be a good idea to add new institutions such as the Civil Society Forum, which has received support from HR Baroness Ashton, since it would institutionalize the role of civil society in multilateral political processes that go beyond the bilateral structure of the ENP.

Moreover, the EU should maintain close ties with civil society representatives when it plans ENP projects, and make the inclusion and empowerment of civil society an important feature of ENP implementation.

#### Religious groups

In this context the EU will also have to reconsider its attitude towards civil society groups and political parties that have a religious background. Muslim groups of this kind have underpinned important political and economic transformation processes in North Africa in the recent past and often adopt a progressive political stance that is combined with a traditional cultural position. This attracts a great deal of popular support. The EU has repeatedly stated that it intends to do more to engage these groups. Not a great deal has happened in this area, partly because the EU, in the context of the struggle against terrorism, has tended to see political Islam as a security problem and not as a political movement. This is problematical for the EU from a normative perspective, and because it is at variance with the European position that stakeholders should all participate in the political process. Furthermore, such a position implicitly re-introduces the notion of a “clash of civilizations” into European policymaking, and this is neither to the point nor helpful.

#### Decentralizing relations

Apart from the obvious political effect, which is to assist the protagonists of the transformation process, the idea of encouraging and supporting interaction between European and Mediterranean civil societies will also help to decentralize Euro-Mediterranean relations. By underpinning relations with a social network, it may be possible to create a sustainable partnership capable of withstanding turmoil on the intergovernmental level. In addition to the



institutions mentioned above, a particular focus should be on the educational sector. Cooperation on the research and tertiary education level already exists. It should be introduced on other levels, and in areas such as primary and secondary education, and educational sector governance. School partnerships, exchange programmes for both teaching and administrative staff and pupils would not only help to improve the educational systems in North Africa, but also support the creation of social networks.

Strong civil societies are not only of importance as actors in the transition to democracy. When they have to cope with globalization and modernization, societies must be willing to adapt in order to seize opportunities and deal with risk. This cannot be done as part of a top-down process, and needs to be understood as a task for society as a whole. For this reason ‘agents of change’ such as entrepreneurs, civil society, political, religious and other social groups should be encouraged to develop their ideas and to make a contribution to innovation and social development. When all is said and done, giving people a say in determining the future of their country is what the protests were all about.

Empowering civil society

## Developing a Shared Vision of Civic Empowerment and Sustainable Co-development for North Africa and Europe

### Socio-economic problems

In addition to the political demands that have been voiced by the demonstrators, some of the major concerns which have prompted people to take to the streets are economic grievances and marginalization. The high level of unemployment among young people in the countries of the region and the unequal distribution of wealth that has been generated as a result of high economic growth rates have led to dissatisfaction with the various political systems. However, the protests and the ensuing reforms have created expectations in terms of economic participation and social justice that will be difficult to fulfil. The European Commission estimates that in the North African countries the number of new jobs that will have to be created in order to meet the demand for employment is a third or even two-thirds higher than in the last five years. The economic situation remains a potential source of political instability and social unrest.

### Sustainable economic development

Since it is an economic heavyweight in the immediate vicinity, the EU is in a position to make a substantial contribution to sustainable economic development in the area. Notwithstanding the immediate economic assistance which has been granted to support the consolidation of the new and reformed political systems, this is not about transferring money from the EU to North Africa. It is about acting together, trying to identify common interests, and seizing the opportunities that present themselves. Moreover, Europeans should support and encourage regional cooperation in North Africa, and help a region that is rich in natural and human resources to develop its specific potential. For this reason European cooperation programmes should be revised to incorporate sub-regional differentiation. They should attempt to include the private sector, and they should be based on the principles of interdependence and civic empowerment.



## Migration, Labour Market and Demographic Challenges

Demographic developments in the majority of European countries will lead to growing labour shortages and skills gaps in the coming decades. This may well pose a threat to welfare and pension systems in many EU countries in the medium term. In contrast to this, many Mediterranean countries currently have high unemployment rates, especially among youth. During the global recession and the slow economic recovery, many highly skilled workers could not find jobs that were commensurate with their skills and qualifications. The pressure on the region's labour markets has eased in some countries since, but unemployment rates among well-educated and young people remain high. Youth unemployment was a major contributing factor to protests in several Arab countries, and it is a key political issue throughout Europe and North Africa.

Labour markets and employment

It may well be possible to enhance the positive impact of migration (triple win) in the light of the different demographic challenges that North Africa and Europe face in the medium term. More mutually beneficial mobility schemes designed to facilitate temporary legal migration, such as EU mobility partnerships and bilateral temporary worker programmes, could help to reduce illegal migration in low-skill sectors and help highly skilled migrants to obtain employment commensurate with their qualifications. Such schemes would take into consideration the labour market needs of European countries and could include multiple entry visas that would promote circular migration and reduce the risk of a brain drain. The European Commission has made some progress with regard to including flexible forms of mobility into recent directives and proposals, e.g. the "Blue Card" initiative for highly skilled migrants, as well as arrangements for seasonal workers and inter-company transfers. The debate about a revision of the ENP once again highlights the potential of migration. However, the member states must agree to these directives and incorporate them into national law.

Triple win

The EU and a number of European states have concluded bilateral agreements that promote circular migration, e.g. seasonal worker programmes, the EU's mobility partnerships, and student visa programmes. Sweden in particular has developed a number of policies ranging from labour migration to pension and citizenship that seek to promote circular migration and development. Highly skilled workers who are willing to leave their countries of origin in order to obtain well-paid employment abroad would find the EU a more attractive destination if their visas allowed them to live and work in more than one EU member state. It is especially important to have a transparent legal framework for labour migration. The possibility of acquiring citizenship and a positive attitude to immigration are also key factors. Furthermore, the portability of social benefits (including pensions) is a significant issue when it comes to facilitating mobility. Development policies should be coordinated with

Circular migration

migration and reintegration policies in the countries of origin, especially those that help returnees to build on their skills and international networks in order to start a business. They would then be generating employment opportunities and making a contribution to economic growth and prosperity. A legal environment which facilitates the activities of small and medium enterprises is almost or just as important as the provision of financial assistance in this context.

#### Fostering mobility

Emerging common European frameworks on migration and asylum policies need to be developed in order to improve the overall transparency of visa requirements and work regulations for non-EU nationals in the EU. They should also simplify the bureaucratic hurdles involved in applying for a visa or a work permit. Fostering mobility and enhancing circular migration should become a focus of EU migration and development policies, since these can help all the parties involved, including the migrants themselves, to benefit from migration.



## Food Supply Security, Water Scarcity and Agricultural Products

In many North African countries agriculture is a sector that is of great importance for the economy and the labour market. On account of their competitive advantages in this labour-intensive segment, and as a result of support and encouragement from both the international financial institutions and the EU, these states have tried to generate export-driven economic growth by focusing on agricultural products and foodstuffs. This strategy has been no more than a partial success, since the main potential recipient of agricultural products, the European Union, has failed to open its market, in clear contravention of earlier promises and undertakings. Thus as far as the EU is concerned a very obvious step would be to enhance market access for agricultural products from North African countries. This would be tantamount to giving them a major economic boost.

Agriculture and trade

At the same time the issue of agriculture and trade needs to be put in the broader perspective of food security. There are some products where North African countries are important producers and exporters, but in terms of their total food production and consumption, many of them are net importers of food. They depend in particular on the import of grain. This on the one hand has something to do with the natural conditions in the region, e.g. the lack of arable land and water. On the other hand it is the result of growing urbanization, rural poverty and underdevelopment, and changes in the kind of crops that are cultivated, e.g. because the focus is now on exports. Moreover, the changes in crop cultivation have increased the need for irrigation systems, which simply exacerbates the existing water scarcity in the region. Climate change, rising temperatures and droughts are expected to aggravate this problem.

Food security in North Africa

Thus North African countries have come face to face with the problem of striking a balance between the need to ensure their food security, economic interests related to the export of agricultural products, and the dictates of environmental sustainability.

In order to deal with this dilemma there is a need for action in a number of different areas. On the one hand, political changes are necessary to foster agrarian reform and rural development. On the other hand, it is imperative to improve agricultural productivity. This pertains in particular to the efficient use of water and arable land. For instance, regional governments ought to develop a pricing mechanism that takes into account the cost of water. The EU member states and EU development cooperation agencies could offer to help their southern neighbours to develop rural areas and to employ more sophisticated irrigation systems that reduce water wastage.

Rural development and resource management

Agricultural exports do not have to come to a grinding halt on account of environmental sustainability and food supply security. And such factors should not stop the EU from opening

"Virtual water"

its markets. However, the challenges should be borne in mind in the agricultural production process, and taken into account when one defines legal frameworks and economic development strategies. For instance, an assessment of the impact of trade in agricultural products should include the net balance of the “virtual water” that is part of such exports and imports, i.e. the water that has been used in the production process.

#### Dealing with climate change

Since issues such as food supply security and water scarcity are challenges that apply to the whole region, it would appear that regional cooperation in these areas would make eminent sense. In order to identify best practices and other issues down the road, research projects on climate change, resource scarcity, and the counter-measures to be adopted should be initiated and carried out by researchers and institutions from Europe and North Africa. The management of water reserves and natural resources, food production, civil protection and the socio-economic impact, e.g. migration induced by climate change, are some of the issues of common concern. Moreover, supporting the states in question to enable them to develop national strategies to counter the effects and mitigate the short, medium, and long-term consequences of climate change should be a substantial element in these activities. The urgency of the matter has been underlined by the findings of various multinational studies, especially the reports issued by the Intergovernmental Panel on Climate Change (IPCC), which considers the Mediterranean and North Africa to be a region that is very vulnerable to the impact of climate change.





## Energy Security and Sustainable Co-development

The need to reconcile energy security with the dictates of environmental sustainability is another key challenge that North Africa and Europe have in common. In addition to the ecological issues involved, reliable access to affordable energy supplies is a major social factor and a prerequisite for economic growth and development.

Energy security

Demographic and economic changes point to the fact that energy dependence in Europe and in the Mediterranean area will become more acute in the years ahead. There is only a finite amount of fossil fuel and its use exacerbates the effects of climate change. Moreover, there will probably be greater competition for hydrocarbons, and prices will no doubt rise. Last but not least, the high risks associated with nuclear power suggest that this technology is not an acceptable alternative when it comes to resolving the conflicting claims of energy security and climate change.

Energy issues have for a long time been an important element in Euro-Mediterranean relations, and electricity generation from renewable energy sources, energy efficiency, and environmental security should be the centrepiece of cooperation within the Mediterranean area and in North Africa. The technology for generating electricity from wind and solar power systems is readily available. The natural conditions for such renewable energy installations are ideal. Moreover, since the energy sector is the place where private, economic and political interests meet, it is generally considered to be a very promising and dynamic area.

Public and private initiatives

The Mediterranean Solar Plan (MSP), the Desertec Industrial Initiative and the Transgreen project are three initiatives that have received a lot of attention in this context. MSP is an intergovernmental project that was launched within the UfM framework, though as a result of the paralysis that beset the UfM after the Gaza War, Morocco, Algeria, Tunisia, Libya, Egypt, Jordan and the EU continued to work on it without reference to the UfM. MSP aims to develop a “sustainable energy future in the Mediterranean region”. To this end it is trying to “increase the use of solar energy and other renewable energy sources for power generation, improve energy efficiency and savings, and develop electricity grid interconnections.” The MSP participants want to install a 20-gigawatt (GW) renewable energy capacity on the southern shores of the Mediterranean by 2020, of which 5 GW is going to be exported to Europe.

Mediterranean Solar Plan

The Desertec Industrial Initiative was founded by a group of companies under the leadership of German reinsurance giant Munich Re. It has forecast an estimated investment of € 400 billion and intends to build thirty Concentrated Solar Power (CSP) plants in the Sahara by 2050. Like MSP, Desertec expects to establish a 20 GW renewable energy capacity (with the

Desertec and Transgreen

emphasis on solar energy) and to export some of it to Europe by 2020. By the year 2050 Desertec wants to be able to supply 15 percent of the EU's energy needs. The Transgreen project, which is headed by French energy giant EDF, is hoping to establish a consortium consisting of power companies, network operators and manufacturers of high-tension equipment. Transgreen aims to set up a Trans-Mediterranean supergrid consisting of high-voltage direct current cables and capable of exporting 5 GW to Europe by 2020, i.e. the same amount of energy MSP is hoping to export. There is considerable potential for cooperation between Desertec and Transgreen, since the former is focusing on power plant infrastructure in North Africa, whereas the latter is concentrating on energy transmission systems.

#### Economic and environmental aspects

These projects have a lot to offer for all concerned. There is a rapidly growing demand for energy in North Africa, and the cost of energy is also rising in the European economies. Morocco and Tunisia are dependent on energy imports, and thus have a strategic interest in alternative sources of energy. Libya and Algeria can channel their large oil and gas reserves into the export market if they are able to fall back on alternative sources of energy. In North Africa, cooperation with regard to renewable energy sources promises an influx of foreign investment, technology and skills, new and upmarket employment opportunities, and the revenues accruing from energy exports to Europe. Moreover, reliable supplies of energy are also an important factor in the strategies which are trying to diversify the regional economies and attract new industries. As far as the Europeans are concerned, MSP, Desertec and Transgreen will help them to diversify their energy sources, to fulfil their ambitious ecological goals, to reduce CO<sub>2</sub> emissions, and to save increasingly scarce resources.

#### Regional cooperation

In addition to these economic and environmental aspects, a regional project that creates benefits for all the participants will also set a positive example for regional cooperation. This is something that is urgently needed in order to improve the political atmosphere in North Africa.

The technical feasibility of the projects is not in fact the biggest problem that will have to be dealt with when one thinks of the looming political and economic challenges.

#### Financial risks and economic feasibility

The shift from fossil fuel to renewable energy requires considerable financial resources and contains an element of economic risk. If the private sector is going to make the necessary investments, there will have to be a clear political framework which will ensure that the right kind of grid is in place, that its investments are safe, and that the regulatory part of the equation is transparent and reliable. Since renewable energy, even under favourable circumstances such as those that exist in North Africa, is not financially viable in the short run, there needs to be a political environment capable of ensuring that this kind of investment can be based on long-term economic planning. In Europe in particular this will require the political will to provide the necessary financial support through feed-in remuneration for



green energy or 'take-or-pay' contracts of the kind which are often concluded in the natural gas sector. This is a steep political hurdle, and striking an appropriate balance with regard to financial risks and burden-sharing between public and private interests constitutes a considerable challenge.

Hence, political backing is absolutely essential. Experience has shown in Europe and other parts of the world that sustained support of this kind is needed if renewable technologies are to become a major source of energy supplies.

However, in Europe structural conservatism and influential interest groups have held up the introduction and dissemination of new technologies, have supported high barriers to entry, and have made it rather difficult to formulate a common energy policy on the EU level. Moreover, there are doubts about whether or not projects such as Desertec can actually be implemented. Concern has been voiced that the immense infrastructural changes in North Africa and Europe may turn out to be impracticable in political and economic terms.

Political challenges

In the Maghreb area the rivalry between Morocco and Algeria, the West Sahara conflict and other political difficulties have prevented the emergence of the kind of greater regional cooperation that would facilitate the implementation of Desertec, Transgreen and MSP as regional projects. Moreover, with the exception of Morocco, there are not many lobbyists who can mobilize political support for these projects.

And, last but not least, in North Africa there is certain mistrust of these initiatives, which are perceived to be of European origin, and there are doubts about the extent to which they can create real added value for states in the area. In other words, will these projects actually create badly needed jobs and help to reduce the pressure on the local labour markets and make a contribution to economic development? Moreover, there is scepticism about the extent to which locally generated energy will be made available to local consumers at an affordable price. Conversely, some Europeans are uneasy about what they believe is energy dependence on an unstable region.

Mutual mistrust

Desertec, Transgreen and MSP are carefully crafted projects that actually fit together rather well, which is why they should receive the appropriate kind of support. All three initiatives are planning to install a regulatory and legal framework and an institutional and economic environment that will allow investors to calculate the long-term cost of developing and constructing the requisite infrastructure.

Furthermore, a number of general and certain specific measures can be adopted to support these projects and to create a more favourable political atmosphere.

**Pilot projects** A few successful and high-profile pilot projects will go a long way to enhancing the popularity of the initiatives, and to make people throughout the region more willing to cooperate. Such projects should also be used to dispel anxieties that the initiatives are primarily for the benefit of the Europeans. On the one hand including a number of local companies can allay fears of this kind, and on the other hand it would be a good idea to tone down the subject of electricity exports to Europe and to concentrate instead on greenhouse gas emission permits. With regard to reducing CO<sub>2</sub> emissions, local consumption of green energy would have a greater impact than if it were exported to Europe.

**'Desertec University Network'** Hitherto the main research and development activities have been in the hands of European companies. However, states in North Africa would no doubt think that it was a good idea if cooperation with MSP, Desertec and Transgreen were to include joint research and development programmes, vocational training, and the provision of traineeships for employees from the energy sector. This would ensure that the transfer of knowledge and technology forms an integral part of cooperation in the energy sector. A project such as the 'Desertec University Network' could be taken as an example of how this might be done. Such research projects could also deal with two issues that have been alluded to above: the management of natural resources, and finding ways of mitigating the consequences of climate change. Topics such as desalination and energy efficiency are certainly worth bearing in mind.

**Jobs for North Africa** Yet it is even more important to ensure that energy cooperation is accompanied by the creation of permanent employment opportunities for skilled workers in the region who can contribute to the generation of wealth and economic growth. This does not have to be confined to the energy sector. Once the power plant infrastructure is in place, North Africa might well become an attractive location for energy intensive industries, and this would have a positive effect on the employment situation. Moreover, locally generated energy and waste heat recovery systems could also be used for desalination plants, and this would help the region to deal with the problem of water shortages.

**Small and medium enterprises** In Europe Desertec has been welcomed as a very dynamic and possibly faster way of achieving results than MSP with its rather political background. However, some criticism has been levelled at Desertec because it is a project dominated by large companies. Similar concerns have been voiced about Transgreen. Thus it is essential to make sure that small and medium enterprises (SME) also have a part to play in these projects. It would emphasize the element of sustainability and make it easier for Europeans to contribute to the requisite financial framework with loans and feed-in remuneration for renewable energy that is generated outside (though consumed within) Europe.



## Morocco and the Arab Spring

Against the background of the political changes that have swept across North Africa and the Middle East, there have also been demonstrations in Morocco. A protest movement called “February 20 Movement for Change” has emerged. In response to popular demands and in keeping with Morocco’s tradition of political reforms, King Mohammed VI announced a major constitutional overhaul. In his statement the monarch outlined a series of specific initiatives, e.g. recognizing that the Berbers are an integral part of the Moroccan identity, which will be enshrined in the constitution. The King also announced the introduction of the concept of “Advanced Regionalization,” which seeks to strengthen the powers of the regions by granting them greater autonomy from the central government. The judiciary is to be given the status of a separate branch, which will improve the system of checks and balances and strengthen accountability and the rule of law. The reform of the power structure will also affect the Moroccan parliament, the members of which will be chosen in free elections and given greater powers. With this, Morocco intends to move towards the constitutionalization of civil liberties and citizens’ rights.

### The King’s initiative

A commission chaired by Abdelatif Menouni, which includes eighteen public figures such as lawyers, political activists, technocrats and representatives of ethnic minorities and human rights groups, has been given the task of sifting through the ideas and demands emanating from various different social stakeholders, e.g. political parties, trade unions and associations, and youth organisations and intellectuals. The hearings will provide the raw material which the commission will use in order to formulate a series of recommendations relating to constitutional reform that will be the subject of a referendum.

### Consultative commission

Morocco has always been perceived as a model of modernity and openness in the Arab world. Yet in recent years the country has lost ground in international surveys like the *Press Freedom Index*, the *Corruption Perception Index* and the *Bertelsmann Transformation Index*. With his speech King Mohammed VI confirmed his support for the country’s reformist ambitions and tried to give a boost to the series of social and economic reforms that have been implemented during his reign. The king’s pronouncements also set Morocco apart from many other countries in the region, where the leading politicians have been far less responsive to popular demands and have reacted either by making lukewarm promises or adopting a more repressive approach.

### Reformist ambitions

There is general agreement that the reforms outlined by the king point in the right direction, and observers in Morocco and elsewhere have welcomed the initiative. Other observers have concentrated on the tasks that still have to be dealt with, in particular fighting corruption, implementing socio-economic reforms, and insisting on the freedom of the press. Thus

### Reforms in the pipeline

the King's speech and the start of the consultation process are important milestones, but a great deal of work still remains to be done.

Consultation and  
implementation

The current hearings of the consultative commission have included various sections of civil society such as youth movements, political parties and other organisations. This is a ground-breaking development that has generated a lively public debate for which Morocco deserves credit. It is to be hoped that the Menouni commission's conclusions will live up to all these high expectations. After the referendum on the commission's proposals, the main challenge will be to implement the reforms swiftly and in a transparent manner.



## The Moroccan-European Partnership

Maintaining good bilateral relations with the EU is an important strategic goal for Morocco's foreign policy. For the EU, on the other hand, Morocco is an important partner in North Africa. Moroccan foreign policy assigns a privileged position to France in virtually every area of bilateral cooperation. Morocco's relations with Spain involve a certain amount of friction, since it has territorial claims on the Spanish enclaves of Ceuta and Melilla in Spanish North Africa.

Morocco and Europe

Morocco participates in a number of multilateral forums. They include the UfM, the 5+5 Dialogue, and the "Mediterranean Forum". However, even more important for Morocco is bilateral cooperation with the EU within the ENP framework.

The EU's positive assessment of Morocco was demonstrated by the fact that in October 2008 it became the first Maghreb nation to be granted *Statut Avancé* status within the ENP. Such close links with Europe are supposed to ensure the country's economic and social development in the medium term. And the EU has shown its appreciation of Morocco's consistently pro-European policies.

Statut Avancé

The Advanced Status framework essentially consists of measures designed to intensify political and economic relations between Morocco and the EU.

There is to be a more profound dialogue on the political level. Furthermore, Morocco is going to be included in the planning process for specific aspects of European policy. Against this background, the EU-Morocco summit, which was held on 7 March 2010 in Granada, was important for two reasons. Thus it was the first summit based on Morocco's Advanced Status, and, second, it was the first summit with a Mediterranean partner after the Treaty of Lisbon had come into force.

EU-Morocco summit

Morocco's Advanced Status is designed to improve its access to the single European market. It will entail a step-by-step adoption of the *Acquis Communautaire* as it pertains to important aspects of economic policy, and of a more comprehensive free trade agreement. In addition to the liberalization of trade in the agricultural sector that Morocco deems to be especially important, this agreement makes things easier for the cross-border movement of services, capital, and (to a limited extent) people. The agreement is a logical step as far as Morocco's economic policy is concerned, since 60% of the country's foreign trade is with the EU. However, a further decline in tariffs would place a significant burden on the Moroccan budget and in the short term might lead to a loss of jobs in the industrial sector. On the other hand, the agreement makes life easier for investors, since there is now unrestricted access

Trade and investment

to the European market, and greater financial support from the EU will open up numerous opportunities for the Moroccan economy. In financial terms no other country benefits from the ENP as much as Morocco. Another important aspect of Morocco's economic links with Europe are the remittances from Moroccans who live abroad.

**Tourism** Moreover, Morocco wants to turn tourism into one of its most important economic sectors, and for this reason has initiated the *Plan Azur*. Europeans are the most important target group. As a result of the air travel agreements with the EU, European airlines (TUI, Easyjet, Ryanair) now offer more flights to Moroccan destinations.

**Energy cooperation** In North Africa Morocco is the country which has reacted to MSP and Desertec in the most positive way. Morocco currently has to import 97% of its fossil fuels and 15% of its electricity. As a result of increased demand, import dependency has in fact increased slightly over the last couple of years. Coal is still Morocco's predominant energy source, although plans for a nuclear facility are also being discussed. However, renewable energy is becoming increasingly important. Wind and solar power could take care of a large part of Morocco's energy needs, and might even turn a net importer of power into a net exporter. By 2020 Morocco wants to obtain 20% of the energy it needs from renewable energy sources.

In 2007 the EU and Morocco signed a *Memorandum of Understanding* on increased energy cooperation, and Morocco is a member of an informal MSP working group. Its grid has already been synchronized with the Central European UCTE network. Furthermore, its energy market has been liberalized, at least to a certain extent, and its 1997 interconnection with Spain is currently being upgraded.

Morocco's Advanced Status is of importance primarily on account of the political symbolism involved. The EU and Morocco now have a solid basis for the future, though they must make every effort to utilize it in political and economic terms.

**Mobility** Thus it should be borne in mind that mobility and easing the visa rules for Moroccans are important issues as far as Morocco is concerned. The EU should try to deal with them in a positive way. They should not be used to force Morocco to cooperate on matters such as the relocation of refugees and the fight against illegal migrants. The concept of circular migration outlined above can be beneficial for both sides. Moreover, it would also tie in with the idea of an improved civil society network.





## Europe and the Western Sahara conflict

In the Western Sahara conflict the EU has not adopted a very coherent position in political terms. On the one hand it has not officially recognized Morocco's annexation of the territory, and on the other hand it has given its de facto approval of the annexation, e.g. in the Morocco-EU fishing agreement.

Europe and the conflict

The EU has always demonstrated its concern about the humanitarian situation. Moreover, on account of the energy cooperation issue and the envisaged regional projects the Western Sahara conflict is once again on the agenda. This is particularly true with regard to MSP, since the Western Sahara is an ideal location for the generation of wind power.

The EU has consistently supported the negotiating process and the attempts by the UN Secretary-General and his Personal Envoy to find a political solution to this regional dispute that is acceptable to all sides. In various statements it has recognized that in the long term adherence to the status quo is not an acceptable option, has called on all of the parties to the conflict to enter into meaningful and intensive negotiations, and has urged them to bear in mind that realism and the spirit of compromise are essential in order to resolve this issue. Yet substantial progress towards a resolution of the conflict has not been achieved, and the 2011 Report of the UN Secretary General is rather sceptical. However, there is no alternative to a negotiated settlement, and the EU should continue to support the work of the UN.

A negotiated settlement

Furthermore, as an indirect contribution to the resolution of the Western Sahara conflict, the EU should also focus on the relationship between Algeria and Morocco. Rabat and Algiers are not only at loggerheads about the Western Sahara conflict. There are quite a few other disputes, and one of these is about the delineation of the border between the two states. The animosities between Algeria and Morocco have placed constraints on regional cooperation. They have brought the Arab Maghreb Union to a standstill, and have moulded the way in which the two states behave towards other countries and international organisations. For this reason the EU should do what it can to promote bilateral channels of communication and use institutions such as the UfM and the ENP and the tools at their disposal to bring about a political and economic rapprochement between the two countries.

Moroccan-Algerian relations

## Conclusions

### A people's revolt

The historic winds of change are sweeping over North Africa. Increasingly self-confident citizens are calling for political and economic reform, good governance, the rule of law, meritocracy and social inclusion. The emergence of the people as a decisive factor in the political systems creates unprecedented opportunities for civic empowerment and social development. However, it also poses a challenge to the incumbent regimes, which have reacted to popular demands in very different ways.

### Moral and political obligation

The European Union and its citizens and member states should not miss this historic opportunity to welcome and lend their support to popular demands for political and economic participation, democracy and justice in their neighbourhood. This is not only a moral obligation. It is also in Europe's best interests. However, its response should mirror the diversified nature of the political landscape in North Africa.

### Dealing with repression

The Europeans must make it clear to the repressive governments in Libya and Syria that they will have to pay a heavy political and economic price for their blatant disregard of the will of the people. Such political leaders can no longer be seen as legitimate partners. Whilst the EU should attempt to gain the support of the international community for its convictions, it should also continue to do what it can to provide for the humanitarian needs of the local population, of the refugees and of the victims of these conflicts in general.

### 'More for more'

In keeping with its 'more for more' principle, Europe should concentrate on providing support for governments, which are going to introduce meaningful reforms, and for the nascent democracies. It is clear, of course, that the societies concerned will have to bear the brunt of the political transformation process themselves, and that every country will choose its own particular path. For this reason European assistance should be construed as something that will help the EU's southern neighbours to help themselves.

### Egypt and Tunisia

Tunisia and Egypt need robust support for their new political systems, democratic institutions, organisations, and political parties. Moreover, they are also in dire need of economic assistance, for the political unrest has disrupted important segments of the national economies such as the tourism industry.

### Reform-oriented governments

The EU should encourage reform-oriented governments and lend support to their attempts to translate their promises into concrete political changes that are in line with what people actually want. In particular there is a need for a more effective system of checks and balances, sustained efforts to counter corruption and greater respect for civil liberties and the freedom of the press. The time of cosmetic reforms has gone for good and there is now a need for real and meaningful political change. This will be quite a sea change as far as European policymakers are concerned, especially since in the past they tended to focus on stability and main-



taining good relations with the regional governments despite their negative human rights records. Although the EU initially tried to adopt a low-key approach, it has now embarked on a revision of its earlier policies in order to emphasize concepts such as accountability, the inclusion of civil society, and positive conditionality. However, Europe's role should not be restricted to providing support for the transformation of political institutions and political practices. The demands being made by people in North Africa transcend purely political matters and include economic and social issues. They are particularly concerned about the lack of employment opportunities and the absence of an economic perspective. This poses a serious challenge to all of the countries in North Africa and is a major source of potential conflict.

Europe's supportive role

In order to meet these challenges Europe and North Africa ought in fact to enunciate a joint vision for sustainable co-development. And this should not be construed as a European scheme designed to provide support for the North African economies, but as a programme that can generate common benefits and help the region to develop its full potential. Projects that can help to create permanent employment opportunities in the region and to improve local capacities capable of generating wealth are of particular importance in this context. An immediate step should be to grant reformist countries in North Africa better access to the Single European Market, which would enable them to make full use of their competitive advantages. This is especially true when it comes to agricultural products. The adoption of better agricultural production methods and a more effective use of water and arable land are areas in which cooperation could flourish. Moreover, the Europeans should also promote the process of economic diversification by helping to develop a local capital goods industry.

Sustainable co-development

Facilitating mobility between the northern and southern shores of the Mediterranean should be another element in the proposed cooperation. The EU's Mobility Partnerships are very useful tools in this regard. Jointly managed circular migration schemes for students, businessmen and skilled workers would be a promising project in this context. In order to have a positive effect on the employment situation in North Africa, migrants should be both empowered and encouraged to develop their business ideas when they return to their countries of origin. This would also be one way of dealing with the demographic challenges to the north and to the south of the Mediterranean, and it could forge links between societies and cultures.

Mobility partnerships

If we take a medium- or long-term perspective, sustainable energy security should also be on the shared agenda. Despite the economic and political challenges, joint projects such as the Mediterranean Solar Plan or the Desertec private sector initiative are potentially successful blueprints for a partnership dedicated to the generation of power from alternative sources. They can help people in Europe and North Africa to improve their energy security. And they would go a long way towards creating urgently needed skilled employment opportunities in North Africa and promoting regional cooperation.

Sustainable energy security

## IV. German Summary

Zusammenfassung des Strategiepapiers „The Arab World in Transition: Prospects and Challenges for a Revitalized Relationship between Europe and North Africa“ der 13. Kronberger Nahostgespräche.

Nach Jahrzehnten unter autoritärer Herrschaft fordert eine zunehmend selbstbewusste Bürgerschaft in Nordafrika und dem Nahen Osten politische, soziale und wirtschaftliche Teilhabe, verantwortungsvolle Regierungsführung und Rechtsstaatlichkeit.

### Revolution der Zivilgesellschaften

Dieses zivilgesellschaftliche Aufbegehren gegen die etablierten Herrschaftsstrukturen hat in den Ländern der Region sehr unterschiedliche Auswirkungen: In Tunesien und Ägypten entstehen neue politische Systeme; Marokko, Jordanien und Oman haben umfangreiche politische Reformen angekündigt; in Syrien, Bahrain und Jemen versuchen die Führer die Protestbewegung mit militärischen Mitteln zu unterdrücken; besonders prekär ist die Lage in Libyen, wo seit Wochen ein Bürgerkrieg tobt.

### Europas Gelegenheit

Europa muss die historische Gelegenheit nutzen und die öffentlichen Forderungen nach politischer und wirtschaftlicher Teilhabe und Gerechtigkeit, die in ihrer südlichen Nachbarschaft erhoben werden unterstützen. Dabei handelt es sich nicht nur um eine moralische Verpflichtung – dies ist auch in Europas bestem Eigeninteresse.

### Gewalt nicht tolerieren

Gegenüber den repressiven Regierungen müssen die Europäer deutlich machen, dass die Missachtung des politischen Willens der Bevölkerung Konsequenzen hat und dass diese Führer sich als politische Partner für die Europäer disqualifizieren. Für diese Haltung sollte die EU auch bei ihren internationalen Partnern werben. Gleichzeitig darf diese Position die Europäer aber auch nicht davon abhalten, wenn nötig einen Beitrag zur Linderung der humanitären Notlage von Flüchtlingen and Opfern gewaltsamer Konflikte zu leisten.

### Positive Konditionalität

Entsprechend des Ansatzes positiver Konditionalität und des von der EU formulierten „more for more“ Prinzips sollte Europas Kooperationsbereitschaft jedoch vor allem den neu begründeten Demokratien in Tunesien und Ägypten sowie den Regierungen gelten, die substanzielle Reformen angekündigt haben und diese auch umsetzen. Europa muss seine Hilfe für diese Länder vor allem als Hilfe zur Selbsthilfe verstehen und anlegen.

### Tunesien und Ägypten

Tunesien und Ägypten benötigen Unterstützung für die Konsolidierung ihrer neuen politischen Systeme. Sie brauchen zudem wirtschaftliche Hilfe, da die Revolutionen zu Schwierigkeiten in wichtigen Bereichen ihre Volkswirtschaften geführt haben, etwa im Tourismussektor.

### Substantielle Reformen

Reformwillige Regierungen sollte die EU ermutigen und unterstützen, ihre Ankündigungen entsprechend der Forderungen der Bevölkerung umzusetzen. Insbesondere ein stärkeres System der Gewaltenteilung, Maßnahmen der Korruptionsbekämpfung und die Achtung der



Bürgerrechte und der Pressefreiheit sind hier Prioritäten. Die Zeit bloßer kosmetischer Reformen ist vorbei.

Für die europäische Politik, die sich in der Vergangenheit auf autoritäre Herrscher als Garanten eines prekären Status Quo in der Region verlassen hat, bedeutet dies eine erhebliche Veränderung. Nach anfänglicher Zurückhaltung sind die Europäer mittlerweile dazu übergegangen, Aspekte wie gute Regierungsführung, eine Miteinbeziehung der Zivilgesellschaft und positive Konditionalität in den Vordergrund ihrer Politik zu stellen.

Neue Politik

Die Forderung der Protestbewegungen geht weit über politische Fragen hinaus und schließt auch wirtschaftliche und soziale Themen mit ein. Insbesondere der Mangel an Arbeitsplätzen und das Fehlen einer wirtschaftlichen Perspektive bergen großes Unruhepotenzial und stellen ernsthafte Herausforderungen für alle Staaten Nordafrikas dar. Um diesen zu begegnen, müssen Europa und Nordafrika eine Vision nachhaltiger Entwicklung begründen, die es ermöglicht, gemeinsame Interessen zu verfolgen und die bestehenden Potenziale für Arbeitsplätze und Wohlstand in der Region zu entwickeln.

Sozioökonomische Forderungen

Einen unmittelbaren Effekt könnte die EU erzielen, wenn sie den nordafrikanischen Staaten breiteren Zugang für ihre Agrarprodukte zum europäischen Binnenmarkt gewährt. Eine Stärkung der landwirtschaftlichen Kapazitäten durch effektivere Nutzung von Wasser und Boden stellt ein weiteres aussichtsreiches Kooperationsfeld dar. Zudem sollten die Europäer zur Diversifikation der nordafrikanischen Volkswirtschaften beitragen, indem sie die Schaffung einer lokalen Investitionsgüterindustrie unterstützen.

Marktzugang und Diversifikation

Die Verbesserung der Mobilität zwischen Nordafrika und Europa sollte ein weiteres Thema der Zusammenarbeit sein. Insbesondere die Einführung gemeinsam organisierter Programme zirkulärer Migration für Studenten, Unternehmer und Facharbeiter erscheint vielversprechend. Derartige Projekte würden einen Beitrag dazu leisten, die demographischen Herausforderungen nördlich und südlich des Mittelmeers zu meistern und Brücken zwischen Gesellschaften und Kulturen schaffen. Zudem könnten sie einen nachhaltigen Effekt für die nordafrikanischen Arbeitsmärkte erzielen, wenn die Migranten nach der Rückkehr in ihre Heimat dabei unterstützt werden, ihre eigenen Geschäftsideen zu entwickeln.

Mobilität

Eine besonders aussichtsreiche Perspektive bietet sich darüber hinaus im Bereich der erneuerbaren Energien. Der Mittelmeersolarplan oder die privatwirtschaftliche Desertec Initiative stellen konkrete Ansätze für die Zusammenarbeit bei der Gewinnung erneuerbarer Energien dar. Projekte wie diese können Europäern und Nordafrikanern helfen, ihre Energieversorgung nachhaltig zu sichern, und würden darüber hinaus dazu beitragen, dringend benötigte Arbeitsplätze in Nordafrika zu schaffen und Ansätze der regionalen Kooperation zu stärken.

Erneuerbare Energien

## V. Interview with Mr. Paul van Son, CEO of the Desertec Industrial Initiative (DII)

### 1. How do the political developments of the Arab spring impact on the projects of the Desertec Industrial Initiative?

The developments in North Africa are of a different nature from country to country. It is our mission to enable the long-term development of renewable energies for the local population and for export to Europe. No matter how local political processes are developing, the need for clean energy and perspectives of people will not become less important in any scenario. On the contrary, until 2050 the population of North Africa is expected to grow strongly, more than double compared with today's population. Accordingly, there will not only be a growing energy demand, but also an urgent need for jobs and economic prospects for the fast growing young generation. For that reason we are determined to assist governments as much as possible on these objectives.

### 2. What are the lessons learned from the first two years of Dii and what are the next steps to be taken?

We work along a strategic plan outlining a number of focused activities and studies up to the end of 2012. Among others we talk with governments in order to define together 2-3 reference projects that would demonstrate the feasibility of the Desertec idea. Although the core of our mission is to draft a comprehensive long term "Roll Out Plan up to 2050", we wish to show already in the coming years that costs can be reduced and that for example export to the EU is feasible. Dii expects solar based desert power to become profitable without incentives within the next 15 years. Then the market for solar will further develop by itself. Wind energy is already approaching market competitiveness.

Our first focus is Morocco as the Moroccan grid is already connected with Spain and, hence, renewable energy could be delivered locally and into the EU markets. We are working together with the authorities to define a meaningful demonstration project the earliest possible. In addition Dii is currently conducting a prefeasibility study together with STEG Energie Renouvelable to examine the required political, regulatory, economic and technical framework for large scale solar and wind projects in Tunisia, including transmission and market integration. We are also talking to the Egyptian and Algerian governments to shape cooperation upon their wish.

### 3. The Desertec concept offers a great vision of sustainable co-development and energy security for Europe and North Africa. Yet, in particular in Europe there are critics who doubt the economic and political viability and technical feasibility of Desertec. Where do you see the challenges to implement this vision and how can they be overcome?



We believe that the political changes have made the region more sensitive to sustainability and integrity. We observe an increased will to engage in renewable energies from the desert. And, in fact, facing the tremendous growth of energy demand in these countries, and the need for a better energy mix in Europe, there are hardly alternatives to it. The initial costs are high, but that will only change if these developments will take off. Although 'Desertec' is, in the first place, about enabling large scale renewable energy in MENA, it is also about development of new industries, about the creation of jobs and the transfer of knowledge and know-how. This will definitely contribute to the long-term prosperity. Stability in the area is highly important for Europe. We believe that Europe will not ignore this. Europe may engage in a new long term partnership in various areas of sustainable development with MENA countries. We are convinced that that will contribute in the most effective way to stable political relationships.

4. What are the Desertec consortium's expectations with regard to political support from the EU, North African and European governments? How can a financial burden and risk sharing be arranged?

We would need something like a North-South Pact for Europe and North Africa. The situation in North Africa, our neighbor, will have great implications for Europe. It seems self evident that a strong energy and industrial partnership with the countries south of the Mediterranean will ultimately determine our joint future. An increased energy policy dialogue and the development of new partnerships on renewable energy sources are a crucial point for both North Africa and Europe. The EU should expand the Energy Community Treaty towards its Southern neighbors. More integration and political support as proposed by a "Partnership for Democracy and Shared Prosperity in the Southern Mediterranean" should be another important step.

Desert power is an important element for the expansion of renewable energy sources and future energy supplies to Europe. Therefore, Desertec has an integral part in the planning for energy supply in Europe. Europe has set itself ambitious goals: by 2020, at least 20% of the primary energy is to be provided from renewable sources. Some EU countries have set themselves even higher targets. The Dii objective is to pave the way for this development already in the coming 10 years. Thereafter power from the deserts will most likely contribute a significant percentage of renewable energy to the complete energy mix not only of North Africa and the Middle East but also of Europe.

## VI. The Mediterranean Bridge or Gap?

Excerpt from the speech given by Mr Youssef Amrani, Secretary General of the Ministry of Foreign Affairs and Cooperation of the Kingdom of Morocco and incoming Secretary General of the Union for the Mediterranean, on 17 May, 2011, at the Panel “The Mediterranean Bridge or Gap? Challenges for the ENP and UfM” of the 13th Kronberg Middle East Talks in Rabat, Morocco.

I would like, at the outset, to express to you my appreciation for the theme chosen for this panel and also to emphasize its great importance within the current global context, at a moment when the Mediterranean is going through a crucial period for its future.

The Thematic is quite compelling and is appealing to all of us on different aspects.

First of all, as a Mediterranean convinced of belonging to a space that is rich historically and culturally diversified, which is above all, a melting pot that is unique to the world located at the junction of three continents: Europe, Africa and Asia.

This Mediterranean space is equally unique as it constitutes a real epicentre to the contemporary strategic challenges that we share.

The events taking place in the Arab countries cannot be dissociated from their global and regional context. As you know, the world had to face an unprecedented global crisis which only recently started to show signs of change. North Mediterranean countries are now facing exceptional financial and budgetary difficulties (such as Portugal, Greece, and Spain), which generated a trend towards a continued immigration, the scale of which, is growing with known consequences.

Indeed, the movements that have been initiated in the Arab Countries, since the beginning of this year, are bearing great hopes for redefining the Arab citizenship, democratic aspirations, economic liberalization and human development.

These regional and global movements, unpredictable as they may be, are appealing to us to double our efforts to: Give a collective meaning to our policy, first in the field of migration management by looking for a greater closeness between our respective populations, for a more equitable distribution of the fruits of growth, in terms of exchange, in addition to goods and services, to privilege “science” and “knowledge”, which is an important capital that allows future generations to dispose of the scientific basis necessary to face the threats and challenges of the future. (...)





If the Mediterranean is first and foremost a space that combines all these sharing and common aspirations, it is also the theatre where coexist deep inequalities. These inequalities exist between countries of the north and the south but also between countries from the south themselves.

Needless to evoke all the points of differentiation between north and south, I will simply raise three principal gaps between both shores.

We can first of all, denote the existence of a (1) demographic gap, which poses the problem of a demographic split between an aging north and a much younger south and generates in the Mediterranean a perilous demographic situation. The southern populations account on average approximately 34% of youngsters that are under fifteen of age, the same age group only makes up 17.3% in the north, the ratio is therefore double in the south.

Another major gap in the Mediterranean is (2) economical. The wealth gap keeps widening between the northern and southern shores. Some studies highlight the fact that the north/south split in the Mediterranean is the most outstanding in the world. This economical cleavage results in the rise of economical tensions and frustrations. Indeed, profound income disparities affect the Mediterranean where the average GDP per inhabitant is estimated at 13 375\$ for the northern states but is only 3 288\$ for the south.

By the same token, but this time regarding new information technologies, we note the technological take off of countries from the north where the number of internet connexions is 5 times greater than in the south. Within a world that is interdependent, the Mediterranean shows a two-speed development rate, which confirms the existence of (3) a digital and technological gap.

It is, thus, difficult not to see a growing bipolarisation of the Mediterranean space, on one side the western basin (or Med-western) and in the eastern basin on the other (or Med-Oriental).

Therefore, does the Mediterranean truly embody a unified geopolitical space? In the light of disparities and observed inequalities, are there different Mediterraneans? Or is there a multi-speed Mediterranean? (...)

In such an unpredictable regional and global context made of uncertainties, splits and weaknesses, the Mediterranean appeals to us twice. On the one hand, the density of conflicts in

this region creates pockets of permanent instability. On the other hand this space witnesses a multitude of challenges and inequalities that keep growing in this new strategic context.

For the EU as for the southern partners, the challenge is unique, which is also one of the objectives of the Euro-Mediterranean Partnership (EMP) adopted, in 1995 in Barcelona: the creation of a euro-Mediterranean area of shared prosperity and stability cannot be created if it includes solely the establishment of a free trade zone. The creation of an area of shared prosperity must necessarily be accompanied by the gradual creation of a euro-Mediterranean area that generates equitable growth, support investment and focus on sustainable socioeconomic development.

Indeed the framework created by the Barcelona agreements based on the idea of co-membership of the multilateral structure is the most promising of the Mediterranean basin. The ENP launched in 2004 can be considered one of the best bilateral policies crafted so far by the EU to countries south of the border.

However, the context of current movements in the Arab countries added to the many challenges for the whole region in terms of managing migration flows, taking into account key or vital sectors such as agriculture or tourism, energy deficits and environment issues, highlight new challenges. (...)

The bilateral Action Plans have been effective for defining priority actions to achieve, particularly in terms of the legal convergence and supporting economic reforms. However, lessons must be learned from the delay in implementation of some key reforms. Besides, the ongoing debate on the future of the ENP, of which Morocco is a partner, is a strategic exercise of the uttermost importance. In this context, the trend taken by the advanced status in the conception of the new instrument may be useful to reflect on the future pillars of the ENP.

In this regard, three areas could be taken into account, the construction of “an area of shared values” of democracy, good governance and human rights, building a “common economic space” which will enable the country which engages in it to draw on the “acquis communautaire” to build an open economy and solidarity and build “an area of approximation between people” that could include the mobility partnership to encourage, better regulation and facilitate travel in particular, for teachers, researchers, students and businessmen.

Obviously the financial support aspect should not be avoided since it is fundamental to the consideration of the principle of “positive conditionality” and to ensure greater efficiency in



the implementation of reforms. Similarly, we should reflect together on the possibilities of development-oriented cooperation which could be an important framework devoted to mechanisms inspired by regional development funds, social funds and cohesion funds.

Finally, the future ENP would be more effective if it gives more visibility to partners who adopt it through a strong political support of the EU, as it did in the 90s with East European countries.(...)

One of the strengths of the ENP was to identify the differences of each partner as "a customized formula" that allows each country to move at a pace, more or less, sustained, according to the principles of "co-decision", of "positive conditionality", and "differentiation". This is probably the best suited formula to lead the future regional cooperation regarding the UfM.

However, today we cannot help asking ourselves the question, whether to continue pursuing the current target of the UfM-based management of common issues focused on developmental projects? Or rather move towards a model of society and development, as is the case for the Euro-Mediterranean Partnership (EMP) and the European Neighborhood Policy (ENP)?

An impressive number of studies, seminars and discussions focused on the question of the fate of the UfM, a sign of great interest of Euro-Mediterranean countries raised by this inter-governmental organization.

Instead of initiating yet another analysis on the shortcomings of the EMP, it may be time to seek alternatives and explore the real options that come to Europe and the Mediterranean Partner Countries (MPCs).

It is essential to overcome the deficits of the past and move on confidently forward on a new basis, taking into account regional and international new order.

Today, development and socio-economic needs are known. It will now define the priority projects that could be implemented, adequate funding and sub-regions or countries that benefit from these regional action plans.

Along these lines, let me share with you some thoughts on the future of the Euro-Mediterranean cooperation, questioning the geographical shape of the project, its objectives and its instruments, and procedure.

In the same way as EU questions about its own boundaries, the question of the scope of the UfM can not be ignored. The geopolitical reality, the diversity of issues and intensity of interactions with the EU makes us think about possible divisions of the Mediterranean in more homogeneous areas of cooperation. In this sense, the western Mediterranean seems a suitable space, having in its favor a relatively successful experience of intergovernmental cooperation, as is it the case of the “5 +5 Dialogue”.

The implementation of a dynamic sub-regional cooperation in the western Mediterranean could be a solution to overcome the current deadlock, through the establishment of closer cooperation and variable geometry, and the establishment of synergies, especially with the Arab Maghreb Union (AMU), which offers a great potential for this project.

To ensure the feasibility of identified projects, it's essential to ensure effective mechanisms for financing and managing specific projects and to find how to involve the European Commission and the institutions that have the required experience and the necessary expertise in managing and functioning regional projects.

The EMP's goal was the creation of a zone of prosperity and shared security around the Mediterranean, and the promotion of sustainable development, democratization and political cooperation between the partners and mutual understanding between peoples.

However, it was observed that some regional programs implemented at the multilateral level, have been limited to organizing meetings, training and technical assistance and studies. It is necessary to think about a specific methodology for increasing the operational capacity of the actions and monitoring.

The future of the UfM is also closely linked to the strategy to be adopted by member countries. They were asked to choose between a regional construction in economic and technical fields or a more global perspective that would preserve the achievements of the EMP and integrate a strategic vision of Euro-Mediterranean relations on the long term.

Moreover, it is important to ensure that the objectives will be retained for future ENP and converge with those underlying the future path of the UfM.

This backdrop will allow joint bilateral and regional projects to move forward in the same direction. With over 100 million youth in the MENA region (North Africa and Middle East), aged 15-29 years who constitute about a third of the population of these countries.



The social inclusion of youth in the external cooperation of the European Union with the MPC has become an essential field to establish cohesion and better understanding among future stakeholders on both sides.

Convinced that the fate of the EU is strongly linked to the fate of its neighbors, the EU is called more than ever to raise the Mediterranean as a solidarity priority area in the fields of regional cooperation.

Indeed, the strengthening of ties and the multiplication of bridges between the Euro-Mediterranean countries is, at the same time, a geographical evidence, an economic necessity, a political responsibility and a strategic need.

Given its particular strategic importance, the EU should seize the opportunity of the ongoing events occurring in North Africa to strengthen its involvement in the Mediterranean within crucial fields for the present and the future of the 22 Mediterranean riparian countries and neighboring states.

If the UfM is not quickly back on track to accompany the changes emerging in the South, it might miss the historic opportunity to meet the needs of Southern partner countries and support the necessary multi-sectoral reforms.

(...) To conclude, I want to join again the group of convinced Mediterranean, that we are, and appeal to all partner countries to give the "Mare Nostrum" the attention it truly deserves as a legacy from our forefathers. A legacy that comes with great pride but also implies greater responsibilities.

## VII. Democratization in the Arab World

### Learning from Transformation Processes in Other Regions

By Sabine Donner and Hauke Hartmann, Senior Project Managers, Transformation Index (BTI)

The societal changes in the countries of North Africa and the Middle East have given rise to hopes that we are witnessing an Arab Spring. On account of its momentous consequences what is happening can certainly be compared to the democratization processes in Eastern Europe. 2011 may well turn out to be the most memorable year after 1989, and, if so, will be associated with the advent of new democratic neighbours on the southern shores of the Mediterranean. In both cases experts, journalists and politicians were surprised by the speed and the radical nature of the societal changes. When it came to the Arab world, very few people reckoned with the fact that a longing for democracy and participation would unite and mobilize citizens to stand up and oppose their authoritarian rulers. For decades the foreign policy pursued by Western states lent support to these repressive regimes for geo-strategic and political reasons. In contrast to religious fundamentalism, which was perceived to be the only alternative, they seemed to be both reliable and stable.

The Bertelsmann Stiftung's Transformation Index (BTI) analyses and evaluates the progress that is being made in 128 developing and transformation countries as they move to democracy under the rule of law, and a market economy flanked by socio-political safeguards, as well as the quality of governance. It has defined a normative reference framework which in principle states that regions and civilizations throughout the world share a striving for freedom, political and economic participation, prosperity and just income distribution. The upheaval in the Arab world confirms the basic validity of this research premise. The democracy agenda of the demonstrators in Tunis and Cairo, and subsequently in Manama and Damascus, has emphasized in an impressive manner that in the Arab world there are various political alternatives to repressive governments and fundamentalist theocracies.

Thus, the support given to supposedly stable autocratic regimes not only undermines the credibility of the West as a champion of democracy and human rights. More than anything else it fails to do justice to the hopes and aspirations of people who live in developing and transformation countries. The ostensible dualism of security policy realism and pro-democracy idealism should give way to the view that good governance and long-term stability cannot be attained without comprehensive political and economic participation. And they cannot be attained without democracy under the rule of law, and a market economy anchored in principles of social justice. This was true of Eastern Europe just over twenty years ago, and is now true of North Africa and the Middle East.



## Learning from Transformation and the Experiences of Others

The political changes in the Arab world in many ways seem comparable to the democratization processes in Eastern Europe. It is thus tempting to draw conclusions from these experiences at a time where the EU's southern neighbours are facing undoubtedly difficult and presumably protracted transformation processes. In fact the Arab reformist movements already demonstrated an impressive resourcefulness and an ability to learn in this area. They have carefully studied the experiences of others who have organized civil society resistance against autocrats—for example, those of the Serbian organization Otpor!, which later communicated its insights to other groups—and have used them successfully for their own purposes. Other experiences from Eastern Europe may turn out to be helpful in what one hopes is the imminent consolidation phase of the new democracies in North Africa. There is, for example, the necessity to translate democratic gains into legal safeguards at an early stage. There is the long-term advantage of consulting civil society organizations on an ongoing basis instead of relying on informal agreements among the elite. And there is the judicious selection of election dates in order to deal with the problem of ethnic cleavages. However, we are not talking about the provision of blueprints, since in certain crucial areas the situation in the Arab world does not resemble the circumstances surrounding the transformation processes in Eastern Europe. Yet one can also learn something from the differences.

First, the eastern European countries had to grapple with a dual transformation process. In addition to democratization they were faced with the transition from a planned economy to a market economy. The euphoric reports issued by the World Bank and the World Economic Forum show this is not necessary in many Arab countries. In contrast to these accounts, which have recently lavished a great deal of praise on the economic development of countries such as Egypt or Tunisia, the BTI country reports, which are more sceptical in this regard, believe that it is important to take into account the cost of liberalization (e.g. youth unemployment, disparities between urban and rural areas, greater social inequality). This is an issue that these countries have still not managed to resolve. The BTI suggests that market economies ought to be “flanked by socio-political safeguards.” This is something that needs to be given greater emphasis in the Arab world, and thus, in addition to the reduction of nepotism and corruption, the focus must be on the establishment and enlargement of a sustainable and inclusive social order. In the transformation processes in Eastern Europe this happened rather late in the day, so that populism and idealized views of the past were sometimes able to dominate the political discourse. Today's Arab reformers should think about this restorationist and populist phase in Eastern Europe and should not neglect the social and welfare aspect of economic change.

Secondly, when it came to the educational level of their inhabitants and their administrative structures, the countries of the former Eastern bloc were initially in a far better position. A central problem in many Arab countries that the Transformation Index has identified on a number of occasions is the alarmingly low educational level and the attendant lack of skilled workers. On top of this the administrative apparatus is frequently inefficient and corrupt, and is at variance with the notion of a stable transformation process. The preconditions for the creation of structures based on the rule of law were far better in Eastern Europe than they are in the Arab world. Much basic work remains to be done before moving on to the provision of advice on the establishment of a democratic and responsive administration as it happened within the framework of the twinning projects that linked Western and Eastern Europe. In this area Eastern Europe teaches us that it is important to redouble our efforts in the educational sector.

Thirdly, the Arab countries lack the kind of external stabilization that was provided by the prospect of EU membership in the case of numerous states in East-Central and South-eastern Europe. When it comes to market access, easier trade conditions and economic cooperation, the EU will have to think more precisely about how in fact all this can be designed and implemented so that it is useful for all concerned and has a stabilizing effect.

Finally, the experiences gained in East-Central and South-eastern Europe provide us with a rich array of examples of good governance and strategic policymaking. For example, it is worth thinking about Macedonia, which on account of its ethnic diversity concluded a series of innovative agreements in the 2001 Ohrid Accords in order to ensure the appropriate participation of the Albanian minority in policymaking and the government. In addition to administrative decentralization and the equal status accorded to the Albanian language, this has come about primarily through the introduction of dual majority voting, which means that in addition to an overall parliamentary majority, parliamentary decisions also require a majority within the parliamentary group of the ethnic Albanian minority in order to be adopted. For Arab countries with a heterogeneous population structure (e.g. religious conflicts in Bahrain or rival tribes in Libya) this constitutes an example of how democratization and integration can be combined.

But in order to learn from successful transformation processes one should not only study European examples. In order to make it possible to compare different world regions, the BTI, which is the only index in the world that offers qualitative analyses of government achievements based on evaluations by experts, compiles detailed reports on 128 developing and transformation states. We believe that the following examples of good governance are especially noteworthy:







The first obvious example is provided by Islamic countries where a political system that used to be dominated by the armed forces has been placed under civilian control, and which have also succeeded in preventing religiously motivated extremists from playing the kind of prominent role that might have enabled them to undermine the transformation process.

One such success story, if one disregards a lengthy and fragile transitional period, is Indonesia, the largest Muslim country in the world. Much can be learnt from studying in detail the transition to a civilian government after the end of the Suharto dictatorship. It was masterminded by Jusuf Habibie, who was himself a close confidant of Suharto. Furthermore, in many Arab countries Turkey is nowadays considered to be a model example of how policies based on Islam, political moderation and regional credibility can be coupled with an increasing inability on the part of the armed forces to veto domestic policy decisions. Since the first publication of the BTI in early 2004, Turkey has continuously improved its position in the democracy as well as the market economy ranking.

Another example is the strategically prudent and sustainable approach to their natural resources which has been embraced for many years by the governments of Botswana and Chile. Since independence Botswana has used the wealth that it obtains primarily from diamond mining to finance the goals set forth in its National Development Plans, which apply in particular to the areas of education and health. Chile is using the growing revenues from its copper mining sector to increase the size of its stabilization fund and foreign currency reserves, and recently, in response to the global economic and financial crisis, was able to use these reserves in order to finance many of its anti-cyclical stimulus programmes. Resource-rich Arab countries may want to model their policymaking on the strategic and efficient approach to natural resources seen in other developing and emerging countries.

The resource-rich Gulf states, especially Qatar, Bahrain and the United Arab Emirates, are investing much of their revenues into the educational sector. They have understood that natural resources are finite and that in the long run dependency on oil will have to be reduced. Thus it is imperative to expand the services sector, and this calls for a certain level of education. This is something the resource-rich countries of North Africa may want to study in greater detail.

Finally, it is possible to learn from Brazil how to incorporate social and civil society groups into political decision-making processes in a meaningful manner so that it amounts to more than mere lip service. In its policymaking the government of President Lula made a determined effort to include civil society organizations from all areas—unions, women's organiza-

tions, the landless movement, environmental groups, consumer protection organizations and entrepreneurs' associations. An example of this is the "Economic and Social Development Council," which was set up by President Lula in order to initiate a social dialogue about the future of the country and the forthcoming challenges. The council is made up of ordinary citizens and civil society representatives. Its "National Development Agenda" is a pact for sustainable growth coupled with social inclusion, employment and just income distribution. Its findings have become a part of the presidential decision-making processes, and it continues to monitor the progress that is being made. It is not surprising that the Participatory Budgeting scheme of the Brazilian city of Recife, the recipient of this year's Reinhard Mohn Prize, which is awarded by the Bertelsmann Stiftung, comes from this country with its high participatory culture. In view of recent events in North Africa, which highlighted the mobilization speed and assertiveness of civil society groups, the governments in this part of the world would do well to study the Brazilian example.

This handful of examples shows that even a cursory glance at the numerous transformation processes throughout the world can help one to understand the strengths and successes of other countries and governments. The Bertelsmann Stiftung's Transformation Index provides us with an important tool in this regard.

#### About the Transformation Index (BTI)

The Bertelsmann Stiftung's Transformation Index analyses and evaluates the state of democracy, the market economy and political management in 128 developing and transformation countries. It measures both successes and setbacks on the path leading to democracy under the rule of law and a market economy flanked by socio-political safeguards. Detailed country reports form the basis for the evaluation of the state of development, the problems and the ability of the political actors to implement reforms in a resolute and goal-oriented manner. Thus the BTI is the first international comparative index which measures the quality of governance with data that it has gathered itself, and provides a comprehensive analysis of political management performance in transformation processes worldwide.



## VIII. Annex

	Status Index 2006 (a)	Status Index 2010 (a)	Management Index 2006 (a)	Management Index 2010 (a)
Algeria	4.42	4.86	3.63	3.92
Egypt	4.29	4.82	3.88	4.30
Libya	4.00	4.49	3.14	3.05
Morocco	4.62	4.47	4.77	4.02
Tunisia	5.17	4.98	4.42	4.30

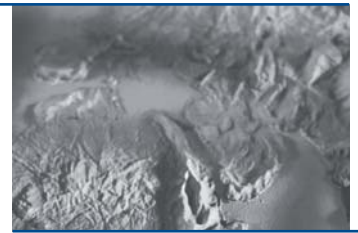
(a) scale: 1 (lowest) to 10 (highest);  
Sources: Bertelsmann Stiftung; Bertelsmann Transformation Index 2010 & 2006

	HDI Value 2007/2008	HDI Value 2010	HDI rank 2007/2008 (a)	HDI rank 2010 (b)
Algeria	0.733	0.677	104	84
Egypt	0.708	0.620	112	101
Libya	0.818	0.755	56	53
Morocco	0.646	0.567	126	114
Tunisia	0.766	0.683	91	81

(a) of 177; (b) of 169  
Source: UNDP: Human Development Report 2010 & 2007/2008

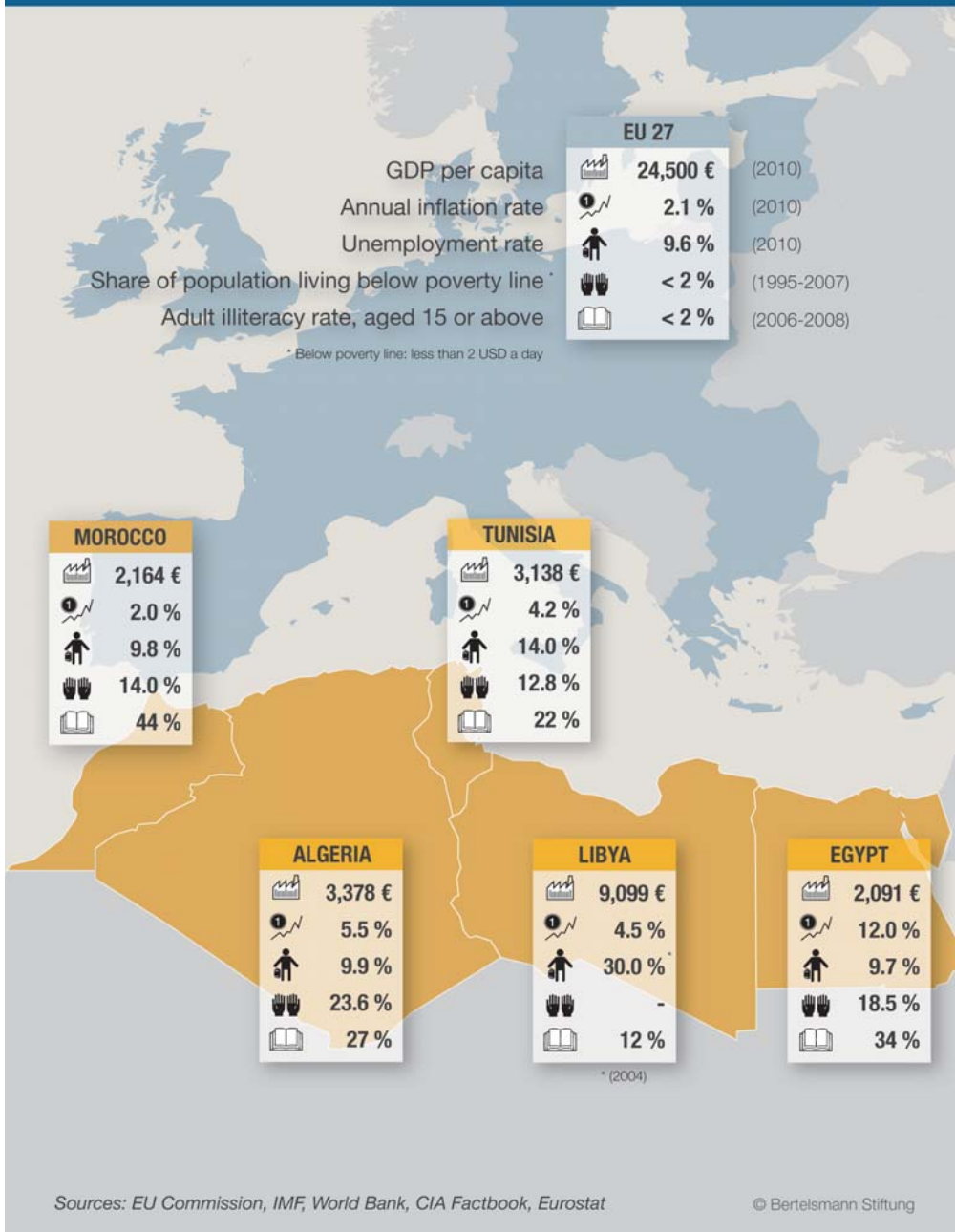
	Corruption Perception Index (CPI)			World Press Freedom Index	
	2004 CPI Score (a)	2007 CPI Score (a)	2008 CPI Score (a)	2009 Score (b) / Rank of 175	2010 Score (b) / Rank of 178
Algeria	2.7	3.0	3.2	49.56 / 141	47.33 / 133
Egypt	3.2	2.9	2.8	51.38 / 143	43.33 / 127
Libya	2.5	2.5	2.6	64.50 / 156	63.50 / 160
Morocco	3.2	3.5	3.5	41.00 / 127	47.40 / 135
Tunisia	5.0	4.2	4.4	61.50 / 154	72.50 / 164

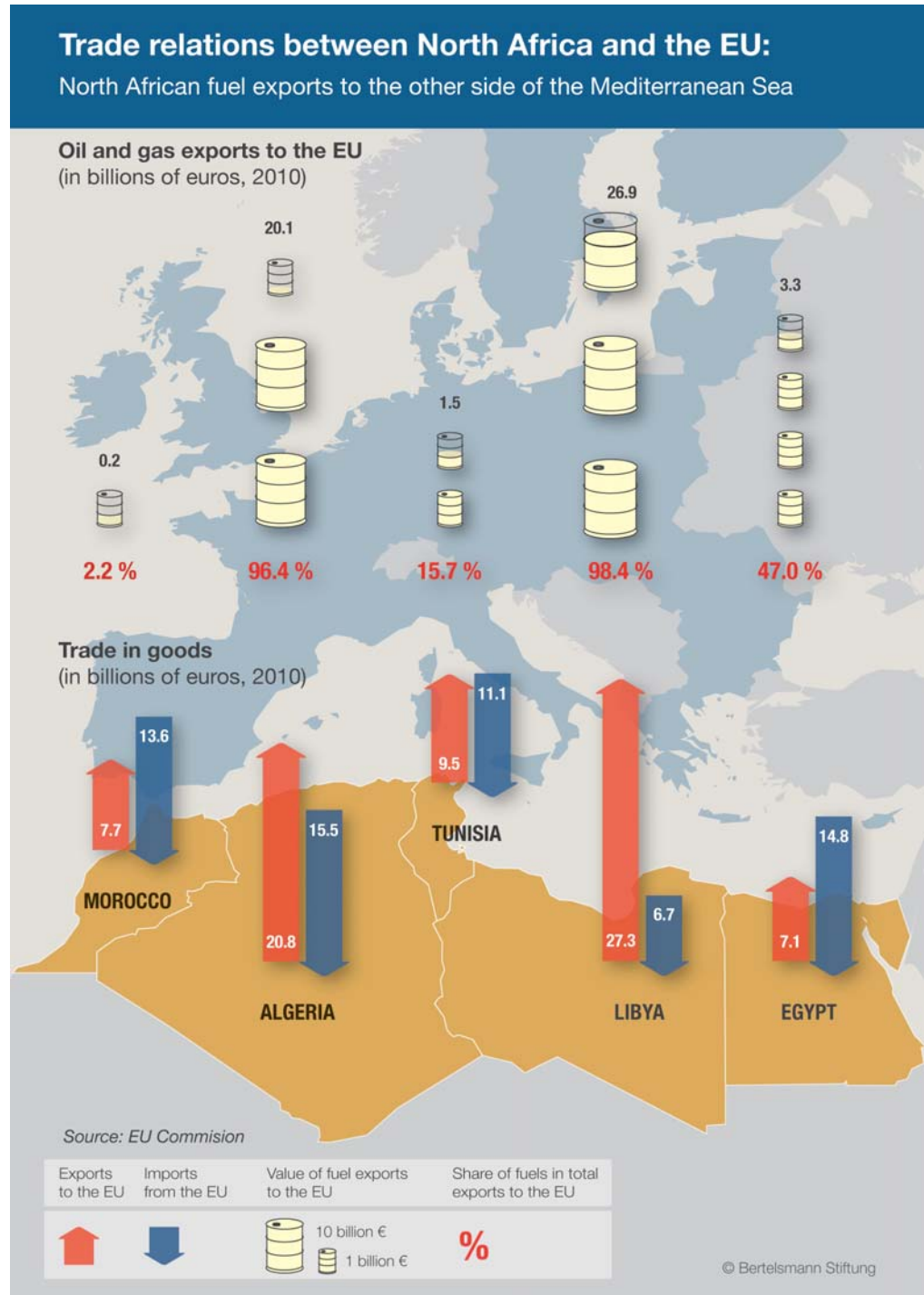
(a) Scores range from 10 (highly clean) and 0 (highly corrupt)  
(b) Lower score indicates more freedom  
Sources: Transparency International, Global Corruption Report 2009 & 2008  
Reporters without Borders, World Press Freedom Index 2010 & 2009



## Economic and social conditions in North Africa:

Selected indicators on economic power, employment, poverty and education

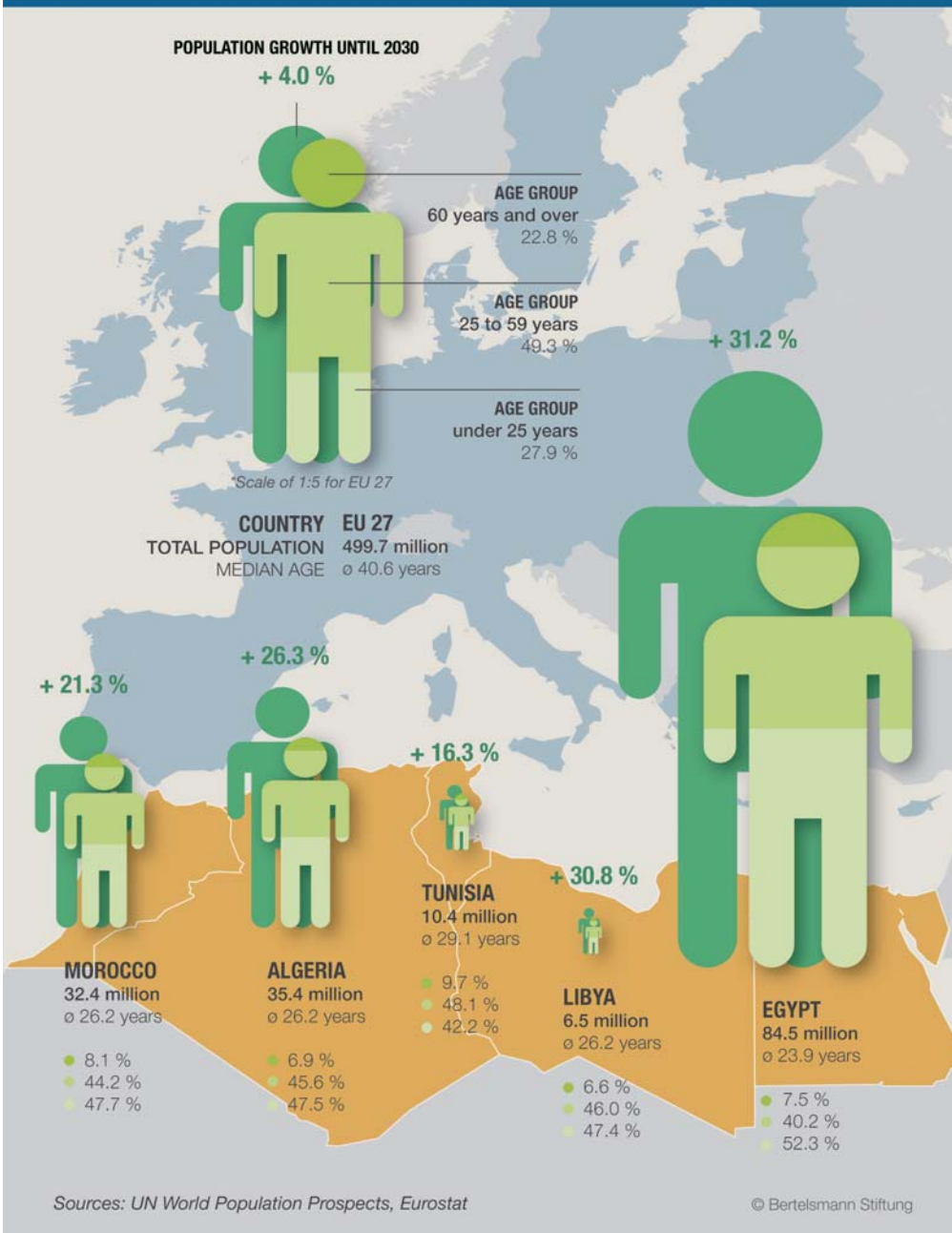






## Youth in North Africa:

Demographic opportunity or challenge?



## Europe in Dialogue

### Europe und North Africa: Towards a New Culture of Dialogue

After decades of authoritarian rule, citizens in the Arab world are demanding political, social and economic participation, accountable leadership and democratic institutions under the rule of law. Europe must be swift in providing more effective support for the democratization processes underway. Indeed, the successful revolutions in Tunisia and Egypt signify a turning point requiring the EU to build new bridges with its North African neighbors.

Unfortunately, debates on how to go about this have so far been held exclusively among Europeans and without those directly affected by the course of events. To expand the circle of debate, the Bertelsmann Stiftung has invited nine renowned Arab activists and intellectuals from each North African country to outline a new EU policy capable of achieving the necessary objectives at hand.

Their essays, ideas and suggestions are now available in the publication, “The Future of the Mediterranean. Which Way for Europe and North Africa,” which has been published as part of the Europe in Dialogue series. In order to foster dialogue across cultures, the publication is appearing simultaneously in English and Arabic.

The publication is available online in English at

<http://www.bertelsmann-stiftung.de/EuropeInDialogueMediterraneanEng>

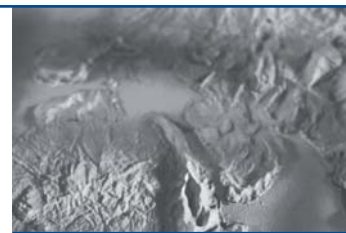
and in Arabic at

<http://www.bertelsmann-stiftung.de/EuropeInDialogueMediterraneanArab>

The authors emphasize that this new relationship must be based on a shared commitment to democratic values and the rule of law. The relationship between the EU and those states clearly headed toward democracy must be a close partnership of equals. States moving toward reform must be provided the appropriate support as they are encouraged to take the necessary steps forward.

Emphasizing the need for the EU to assume a more visible and active stance in support of democratization, the North African authors call upon the EU to demonstrate greater moral support and resolve in the pursuit of goals rather than increased funding. This entails providing active support in preparing elections and building democratic institutions while fostering relations with all relevant sectors of society. Civil society organizations, for example, should be provided the necessary tools and means to act as critical monitors of government activity capable of demanding accountability. The authors also suggest the EU support education efforts across





North Africa through various initiatives. Finally, economic relations must be fundamentally rethought. European businesses must be encouraged to establish joint ventures or invest in the region's young democracies. The EU could also expand the scope of economic opportunity by opening its agricultural markets and fostering closer partnerships with North African countries on issues like solar energy.

These new relations must be built on a culture of open, eye-to-eye dialogue between Europe and North Africa. This publication is intended as a contribution to this dialogue.





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