

*EMEA Policy Papers present concise, policy-oriented analyses of topical issues in Euro-Mediterranean economic affairs, with the aim of interjecting the views of EMEA experts into the policy-making process in a timely fashion.*

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## State (un)Sustainability in the Southern Mediterranean and Scenarios to 2030: The EU's Response

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### 1. Introduction

The MEDPRO project is the product of a conviction, corroborated by the events that have overwhelmed the Arab world since December 2010, that sustainability is essential to any understanding of Mediterranean politics. Sustainability has too often been confused with stability in policy debates in the region and in the West. Not only are these two concepts distinct, with sustainability being broader and deeper than stability, but stability, as interpreted with regard to the regimes in the region, has often run counter to the very conditions that underpin state sustainability. Believing and thus pursuing regime stability has ultimately acted to the detriment of a more organic understanding of state sustainability.

Silvia Colombo's opening contribution to this research explored the conditions for state sustainability; a concept that is both multidimensional and related to other, equally complex, notions such as state legitimacy and political capital. Colombo set out the social, economic, political and broader contextual variables that determine state sustainability. At the socio-economic level, she cites equality, social bonds, social cooperation, civic engagement, empathy and reciprocity vis-à-vis fellow citizens, political engagement, income growth, welfare in areas such as health, education and consumption, poverty levels and economic governance. At the political level, the presence of stable and functioning institutions is not only of prime importance, but also critical are the quality of institutions in terms of transparency and the rule of law, and the broader political context of



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democratic rights and civil liberties. Alongside these domestic socioeconomic and political variables, Colombo points to the external dimension, including both the regional and international levels. Regionally, of key importance is the evolution of conflicts in the area, specifically the Western Sahara conflict in the Maghreb and the Arab-Israeli conflict in the Mashreq. Internationally, the focus, which reflects the principal theme of this contribution, is on Western and, in particular, EU policies. Specifically, the nature and conduct of foreign aid and trade policies, as well as democracy promotion and conflict resolution policies impinge, often crucially, on the prospects of state sustainability in the southern Mediterranean.

With this context in mind, this concluding contribution proceeds in two steps. First, it reviews from a comparative perspective the results of the empirical branch of this research, elaborated in the papers by Silvia Colombo, Paolo Napolitano, Hakim Darbouche and Maria Cristina Paciello. These chapters delve into the case studies of this project – Egypt, Morocco, Tunisia, Algeria, Israel-Palestine, and Syria-Lebanon. As events have shown, the selection of these case studies could not have been more appropriate. The research, fieldwork and writing on these countries were carried out immediately prior to, during and after the revolts from the autumn of 2010 to the spring of 2011. These case studies thus offer a rich gamut of material to draw on for a comparative analysis. Amongst our sample we have countries that have experienced revolutions (Tunisia and Egypt); others that, having attempted this route, remain embroiled, at the time of writing, in violence and authoritarianism (Syria and Libya); others that have embarked on a government-managed, top-down process of reform (Morocco). Others still have so far failed to act on their promises of wide-ranging political reform (Algeria).

Finally, the research includes countries which continue to be enmeshed in old conflicts and will be influenced by the historic events in the region in far-reaching and unpredictable ways (Israel-Palestine and Lebanon).

Having reviewed the comparative implications of these cases, this paper turns to the external dimension of state sustainability, and in particular the EU's response to the changing configuration of its southern neighbourhood. How has the EU responded to the momentous developments unfolding along its



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southern borders, and how could it respond so as to tailor its policies towards supporting a sustainable southern Mediterranean in a 2030 perspective?

## **2. State sustainability in the southern Mediterranean: comparative insights**

Prior to the Arab revolts, unsustainability was a common malaise across the southern Mediterranean. It had taken two principal forms. On the one hand, the adjustment of authoritarian rule to the exigencies of a 21st century globalised world (Guazzone & Pioppi, 2009). This entailed the pursuit of phoney political reform and an economic liberalisation process that failed to spur political liberalisation as warranted by modernisation theories (Lipset, 1959; Huntington, 1968), instead entrenching regime capture of the economy. On the other hand, the conflict-ridden nature of the region hampered the sustainability both of the conflicting parties – Morocco, Israel-Palestine, Syria, Lebanon – and of the broader area by impeding meaningful regional and sub-regional cooperation, a sine qua non of sustainable development.

External actors, the US and EU in primis, alas, perpetuated these elements of unsustainability. Such perpetuation became even more pronounced after 2005-2006. When, in those years, the marginal increase in political openness in some Middle Eastern countries produced, through electoral processes, unexpected (and undesired by the West) outcomes, the West quickly backtracked on its commitment to political reform. In 2005, the Muslim Brotherhood won a surprising 88 out of 454 seats in the Egyptian parliament, in what had been the most open legislative elections in the country. In Lebanon, after the Syrian withdrawal in 2005, the Lebanese general elections resulted in a strong showing for Hezbollah, which successively entered the coalition government. Most resounding of all, in the Occupied Palestinian Territory (OPT), Hamas, having participated in municipal elections in 2004 and 2005 and indicated its willingness to enter the Palestine Liberation Organization (PLO) and accept the Palestinian Authority (PA), unexpectedly won the January 2006 legislative elections. These Islamist inroads through democratic processes triggered the abandonment of what had been a rather superficial and ill-thought-out embrace of democracy by the West in the post-9/11 world, reverting to a more comfortable





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notion of cooperation with authoritarian (but pro-Western) regimes.

This abandonment had immediate repercussions on EU policy towards the region. Almost diametrically opposed to the logic underpinning the European Neighbourhood Policy (ENP) which, at least in theory, was committed to the promotion of a “well governed ring of friends” in the EU’s neighbourhood, in 2007, French President Nicolas Sarkozy launched his idea of a Union for the Mediterranean (UfM) with much fanfare (Bicchi & Gillespie, 2011). The underlying logic of the UfM was one of compartmentalising Euro-Med relations, by sidelining political questions and proceeding unabated with economic cooperation through the promotion of specific projects. Also sidelined was the EU’s attention both to the conflicts in the region – namely, the Arab-Israeli and Western Sahara conflicts – and also democracy and human rights issues within the southern partners. In contrast to the logic of the ENP, which at least in theory is premised on conditional cooperation determined by the domestic reform credentials of the neighbours, the UfM promoted commercially sponsored cooperation between the two shores of the Mediterranean, irrespective of political developments. High up on the UfM’s list of priority projects were energy, infrastructure, transport, environment, research and SME development. This is not the place to review the content, desirability and viability of these projects, many of which are yet to see the light of day. Suffice it to say here that the logic of these projects and of the UfM as a whole was that of promoting cooperation between the two shores of the Mediterranean, without questioning the political context in which such cooperation was embedded.

The initiative was initially met with scepticism both within and outside the EU. Central and northern member states, first and foremost Germany, as well as the Commission, protested against the intergovernmentalisation of EU policy that the UfM entailed, shifting EU decision-making to the southern Mediterranean coastal states. Southern member states, notably Spain and Italy, were equally concerned, fearing French designs to supplant their leadership role in the Euro-Mediterranean Partnership (EMP). Outside the EU, Ankara shunned Sarkozy’s attempt to relegate Turkey to the Mediterranean – rather than European – Union. Israel also had little sympathy for what appeared to be a



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re-multilateralisation of Euro-Med policies. And the Arab world watched with caution an initiative that purportedly aimed to transform the much-celebrated “joint ownership” of Euro-Med policies from rhetoric to reality, but which in practice smacked of an all-French affair.

Interestingly however, no strong lobby emerged against the UfM’s sidelining of the political reform agenda, either within or outside the EU. Despite all the grumblings, the UfM ultimately came into being in the summer of 2008, oddly merging with the EMP and giving rise to the unwieldy UfM-EMP (Aliboni & Ammor, 2009). Since then, commitment has faltered all round and the UfM has struggled to resolve its institutional problems. Above all, securing the private sector funds needed to realise its ambitious projects has proved an uphill battle. Its six priority projects – de-pollution of the Mediterranean, maritime and land highways, civil protection, alternative energy and the Mediterranean Solar Plan, higher education and research, and SME support – remain more in the domain of ambition than reality. What the UfM did succeed in doing, however, was placing on the backburner EU aims to spur the domestic transformation of its southern Mediterranean partners. Epitomising this “success” was the fact that heralded as co-chair of the UfM, alongside French President Sarkozy, was none other than his Egyptian counterpart Hosni Mubarak, certainly no shining example of a Mediterranean reformer.

Then came the revolts, which proved that the stability of these regimes was a mere chimera. Since early 2011, a tide of change has swept across North Africa and the Middle East. Before the eyes of the world, watching with a quixotic mix of awe and concern, the so-called Arab street, often derided for its apathy and acquiescence, nonetheless succeeded where no one else had (or perhaps tried) in just over a month. Through mass protests (and tacit military support), longstanding dictators the likes of Tunisian President Zine El Abidine Ben Ali and Egyptian President Hosni Mubarak melted away like giants with feet of clay. As their regimes crumbled, shockwaves were felt from Morocco to Yemen, and empowered populations rose in jubilation and despair.

A comparative reflection of state sustainability in the southern Mediterranean in this new context begins by pointing out how



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the revolts are likely to lead to a far more heterogeneous and fragmented region than the one we once (thought we) knew. This brings us to reflect on one of the scenarios delineated in Colombo's opening contribution: that of an increasingly polarised Mediterranean. In this scenario, the southern Mediterranean is marked by divergence, entailing both the situation of a single – or a group of – countries and the aggregate developments in the Euro-Mediterranean region. Polarisation means that, if certain conditions are fulfilled, some countries will move towards a sustainable future, while others will either remain in or accelerate dynamics towards unsustainability, instability and/or conflict. The Arab revolts seem, for the time being, to corroborate this scenario. Polarisation can mark differences between sub-regions of the Mediterranean (e.g., the Maghreb moving towards sustainability and the Mashreq and Gulf towards conflict and unsustainability), as well as within them (e.g. within the Maghreb, Morocco and Tunisia moving towards sustainability and Libya and Algeria towards unsustainability). See table in Annex 1.

We may be moving towards a situation in which a country like Tunisia, despite the manifold and persisting political, economic and social challenges spelled out by Paciello, holds the promise of moving decidedly away from authoritarianism and towards democracy. The problems remain daunting, and relate to the uncertain transition steps of the interim government, the fragile security situation, the mounting socio-economic problems, the evolution and consolidation of political and civil society actors, including the Islamist al-Nahda, and the absence of a strong and credible external anchor (i.e., the EU). Yet far more than any other southern Mediterranean country, Tunisia offers a realistic hope that the future, at the very least, will not see a return to Ben Ali-styled authoritarianism and, at most, will move towards a veritable democracy. Sustainable development is no certainty in Tunisia. But neither is it a naïve pipedream.

With all its caveats, the optimism regarding Tunisia seems less warranted in Egypt. Like the Jasmine revolution in Tunisia, the Tahrir equivalent in Egypt succeeded in overthrowing a decades-long dictator. This success should not be underestimated. Similar challenges to the ones faced by Tunisia face post-Mubarak Egypt. As Paciello notes, Egypt has to grapple with public insecurity, an uncertain evolution of civil and





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political actors, including the Muslim Brotherhood, and mounting socio-economic problems. But unlike Tunisia, Egypt faces additional challenges. As much as a popular revolution, Egypt underwent a military coup (Springborg, 2011). Unlike in Tunisia, where the small military enjoyed few organic political links, the Egyptian military is a large and integral element of the regime itself. The armed forces in Egypt boast significant political leverage and considerable economic power. As the Tahrir revolt gathered pace, the Egyptian military recognised that defending the former president was a losing battle not worth fighting for at the cost of losing popular legitimacy. Following this recognition, it opted to steer the political course of the country away from its set path of succession from Hosni Mubarak to his son Gamal, a path which it had never fully espoused. The military today retains the reins of power, governing Egypt through the Supreme Council of the Armed Forces, which determines the shape and pace of reforms. Despite having protected the revolution (by not firing on protesters), it is no driver of a radical overturning of the regime of which it is part. The resumption of youth demonstrations in June 2011 has been precisely a reaction to the military's reluctance to proceed with wide-ranging reform. Furthermore, this bastion of the old regime has found a new *modus vivendi* with the remnants of the former ruling National Democratic Party (NDP) as well as the Muslim Brotherhood; a situation inconceivable in Tunisia where the Islamist al-Nahda is still the antithesis of a legitimate political actor in the eyes of the ancien regime (and others). In the Egyptian case, the military, the Brotherhood and the NDP (and its eventual reincarnations) represent a formidable political and economic force against a radical overturning of the old regime. Alongside this, the foreign policies of Western actors are likely to remain far more securitised towards Egypt than Tunisia, insofar as the former is far more enmeshed in Middle Eastern dynamics than the latter. Hence, in Egypt the risk is that of a restructuring of authoritarian rule without a veritable turn towards democracy. The jury is out as to whether the country will continue to fester in unsustainability, stumble into a *bon usage du néo-authoritarisme*, or move towards sustainable development.

The case of Libya represents some significant differences from those of Tunisia and Egypt. What started as an indigenous uprising fuelled by similar socio-economic grievances to those in



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Tunisia and Egypt soon spiralled into full-blown civil war, the outcome of which was only decided after the military intervention of NATO on the side of the opposition. The capture and subsequent killing of Gaddafi by opposition forces in October 2011 signalled the end of what may be described as the first phase of the Libyan 'revolution' but the subsequent political uncertainty and the emerging divisions between the internationally backed National Transition Council (NTC) and the military commanders on the ground may be a recipe for future instability if the current infighting continues. Elections for a General National Congress, which will be tasked with naming a new interim government, are due to be held in June 2012 and this government is expected to hold power until a constitution is drawn up and general elections can be called in mid-2013. The mounting challenges facing the present government include disarming the various militias and integrating them into a unified police force and army; restoring security and international confidence in Libya's transition; securing Libya's borders; and promoting a truly broad-based, transparent and inclusive national dialogue, which respects the rights of women and minorities, and is capable of enhancing public confidence in the transition authorities. The Libyan conflict may be described as over but the task of building national institutions that can foster an inclusive national identity and avoid the emergence of secessionist movements, especially in the east, represents stark challenges for the interim government.

While the resurgence of a Gaddafi-like personality cult appears unthinkable, a return to centralised forms of authoritarianism in Libya cannot be discounted out of hand. Due to the legacy left by 42 years of Gaddafi rule, during which time any form of political and/or organisational activity was systematically quashed by the regime, transition authorities in post-Qaddafi Libya are faced with a more daunting task than that of their neighbours to the east and west. The task of creating a modern legal system is but one example of challenges faced by the interim authorities. While on the one hand Libya's extensive oil and gas reserves could supply the funds for massive infrastructure projects and nation-building exercises, on the other the presence of these resources could fuel further infighting and regional grievances, as various parties compete to gain a dominant position in the redistribution of wealth. At the time of writing a deepening sense of uncertainty prevails over what direction the Libyan





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transition might take. While the prospects of renewed widespread conflict appear unlikely, mounting internal and external challenges make a transition to democracy and sustainable development in Libya look like a long and arduous process with, as of yet, no clear end result in sight.

While not having experienced a revolution, the same, albeit more limited, uncertainty besets Morocco. In Morocco, civil unrest and the fear of a domino effect across North Africa has led King Muhammed VI to appreciate the difference between stability and sustainability. Unlike fellow rulers in the region, the King had made greater efforts to pursue a *bon usage du néo-authoritarisme*, which had projected domestic stability and a positive image of the country in the West. His rule had centred on the promotion of economic modernisation and a few tentative steps towards political liberalisation, with reforms related to family law and the partial opening of the political space to opposition parties being notable cases in point. This, alongside the status and popular legitimacy of the king himself, had highlighted the stability of the regime while concealing its underlying features of unsustainability. The latter has nonetheless come to the fore in light of the Arab spring. Demonstrations in Morocco, while not of the magnitude seen in Tunisia, Egypt, Libya or Syria, have taken and continue to take place. The king responded in June 2011 by proposing a referendum on a constitutional reform that would somewhat reduce the monarchy's power. The referendum was approved by the public in June 2011. It remains to be seen whether the reform and its implementation will suffice to save Muhammed VI from the fate of his fellow rulers farther east. As Colombo notes, the greatest challenge for the king is to introduce genuine changes in the balance of power, gradually transforming the monarchy into a constitutional one of the likes of the UK and Spain, and proceeding with decentralisation, as well as to pursue the reform of the justice and of the education systems. Alongside these political reforms, economic reforms will need to exert far greater effort in combating unemployment, rising food prices and endemic poverty. If the Moroccan regime engages in these reforms, argues Colombo, there are good chances that it will avoid reaching the tipping point of no return that has already been reached in Tunisia, Egypt, Libya, Syria and Yemen. The end point would thus be a gradual transition from a *bon usage du néo-authoritarisme* towards a more genuine system of



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sustainable development.

Turning to the case of Algeria, the only country in North Africa not to have experienced sustained anti-government protests, it may appear as though the government of Adbulaziz Bouteflika has weathered the storm and succeeded in projecting an image of stability to the outside world. While highlighting the significant historical, economic and political differences setting the Algerian case apart from that of its North African neighbours, Darbouche has nevertheless demonstrated how Algeria has been in a state of 'stable instability' since the mid-1990s. While Algeria does share many of the same socio-economic challenges that led to the outbreak of popular protests in other countries in the region, the government has been able to draw on Algeria's extensive monetary reserves derived from the export of hydrocarbons to approve a series of economic measures that have succeeded in placating the growing wave of popular discontent – at least for now. Following the outbreak of protests in Tunisia, many had expected Algeria, a country with a long history of popular anti-government protests dating back to the late 1980s, to be next in line. And Algeria did in fact experience a wave of popular anger in early January 2011. These protests, however, never coalesced into a unified movement calling for the downfall of President Bouteflika. Expressions of popular grievances remained largely devoid of political demands and were essentially localised in nature and scope.

Algeria cannot, however, be said to be immune to the changes occurring in the region and the government has demonstrated, at least rhetorically, an acceptance of the need for reforms in the social, political and economic spheres. In February 2012 the country's emergency laws, which had been in place since a military coup interrupted Algeria's experiment with democratic multi-party elections in 1992, were lifted and subsequently the government announced a \$25 billion increase in public spending for 2011. It was not until April that President Bouteflika made his first televised speech to the nation, in which he promised a period of high-level consultations that would lead, by the second half of 2012, to a series of constitutional and political reforms.

At the time of writing there appears to be little trust in this process and many civil society and opposition figures have preferred to boycott the consultations altogether. Darbouche



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points to this lack of inclusion as a major shortfall in the government's promises of political reform, while highlighting the gradual breakdown of state-society relations, a persistent popular disillusionment with the political process, and a growing uncertainty as to who will succeed Algeria's ailing president as possible indicators of future instability. If Algeria is to be set on a path of sustainable development the country's interrupted process of democratic transition must be resumed in full with an aim to consolidate the rule of law, popular enfranchisement and total civilian control over the military and government. A further aspect that could tarnish the government's professed image of stability is Algeria's failure to diversify its economy, which today remains heavily dependent on the export of hydrocarbons, a factor that could result in future instability in the event of a prolonged fall in oil prices.

When it comes to Syria-Lebanon and Israel-Palestine, the current path of unsustainable development, as pointed out by Colombo and Napolitano, respectively, risks deepening in view of the Arab spring. In Syria, President Bashar al-Assad attempted, far less successfully than Muhammed VI in Morocco, Ben Ali in Tunisia and Mubarak in Egypt, the route of economic modernisation without political liberalisation. The grave economic situation, coupled with precious little sign of any political opening, attested to the unsustainability of the Syrian state. Yet the Syrian regime had a residue of popular legitimacy not enjoyed by fellow autocrats in the region, which was derived from its foreign policy and in particular, its 'resistance to Israel and the West. The revolts in Syria have shown, however, both that the actual value of this source of popular legitimacy was artificially inflated and/or that the regime failed to capitalise on it by proceeding genuinely and speedily on the path of reform before the tipping point of instability had been reached. At the time of writing, the future of Syria remains uncertain, but a return to the status quo ante seems unlikely. Whether the country will remain enmeshed in political violence, which risks acquiring a sectarian character, questioning or perhaps even breaking the fragile equilibrium in Lebanon, or whether it will embark on a path towards sustainable development will depend as much on internal dynamics as on the role of regional (e.g., Turkey, Iran and Saudi Arabia) and international (the US, EU, Russia and China) actors.

Finally, in Israel-Palestine, Napolitano elaborated on how weak





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stability, which has entailed the achievement of a sterile political stability, able to sustain the status quo but not to confront the main challenges for the future of the country(ies), has marked both Israel and the Palestinian Authority (PA). The Arab spring has rendered the unsustainability of this status quo all the more evident. In a last ditch attempt to react, the PA, discredited by the publication of the Palestine papers in January 2011, aware of the imperative to respond to Palestinian aspirations against the backdrop of democratic revolts in the region, and acknowledging the failure of over twenty years of the Middle East Peace Process, has opted to pursue the path of UN recognition of its statehood. At the time of writing in July 2011, the outcome of the September 2011 showdown at the UN General Assembly (UNGA) is unclear. Whether there will be a UNGA resolution recognising the Palestinian state, what the wording of the resolution will be, and by which UN members it will be supported, is unknown. Equally unknown is how Israel will react and what the substantive implications for the Middle East conflict will be. Looking forward however, one could posit that whereas a recognition of a Palestinian state will not alter the conflict dynamics on the ground and may even widen the gap separating the international diplomatic talk of a two-state solution and the unfeasibility of such a solution on the ground, it may open an interesting path of 'non-violent unilateralism'. Since the early 1990s, in fact, the Israeli-Palestinian conflict has oscillated between non-violent bilateralism (i.e., negotiations) and aggressive unilateralism (i.e., the Palestinian intifada, Israeli military incursions, settlement construction, construction of the separation barrier, etc.). Aggressive unilateralism has taken the upper hand as and when bilateral negotiations stalled. Today those negotiations hold no promise of delivering a two-state solution, a reality all too evident to Israelis and Palestinians alike (albeit less so by the international community). In this context, embarking on an alternative path of peaceful unilateralism through the UN and the ensuing steps that may follow may represent the only way out of the periodical relapse into violence.

In conclusion, the future of the Mediterranean region may well display features of all the scenarios outlined by Colombo. The overarching framework would be one of an increasingly polarised region. Within this scenario, we may see some countries tentatively moving towards sustainability, others



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grappling with the workings of a bon usage du néo-authoritarisme, and others still entrenching unsustainability through decline and conflict. Naturally, polarisation, while being the dominant scenario, is not necessarily the only one. Different trends could point towards greater homogeneity and intra-Mediterranean linkages, be this in the direction of a sustainable Euro-Med area, or of a divided EU and Mediterranean, in which the latter is characterised by unsustainability and conflict. Specifically, a growth of Islamist parties through electoral processes in countries like Tunisia and Egypt, or a greater convergence between the EU, the southern Mediterranean with Turkey acting as a lynchpin between the two, could lead to a greater degree of Mediterranean homogeneity. That said, at the time of writing, the Arab spring and its evolution predominantly point in the direction of greater heterogeneity and fragmentation within the southern Mediterranean.

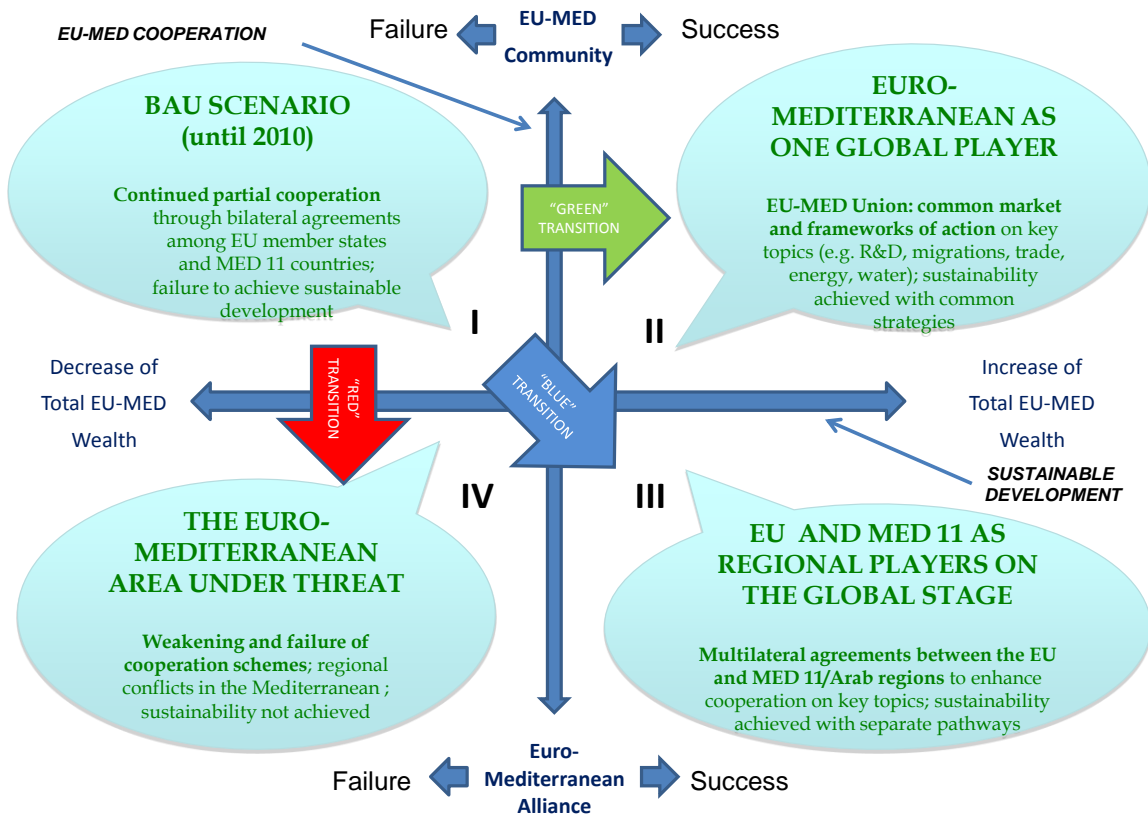
### **3. State sustainability in the southern Mediterranean: towards what future in 2030?**

What precise configuration this polarised scenario will take and whether the overall balance will tilt towards sustainability or not will largely depend on the domestic and regional dynamics of the Mediterranean. Of great relevance is also the role of the EU, and whether EU policies towards the region are and will be adequately reshaped to effectively support sustainable development on its southern shore.

This leads us to consider the application of these results on the partial qualitative scenarios elaborated by Carlo Sessa (2011) in the framework of the MEDPRO project, to be further revised as the project unfolds. These scenarios are reproduced in Figure 1 below.

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**Figure 1. MEDPRO Qualitative Scenarios**



Source: Sessa (2011).

An increasingly heterogeneous Mediterranean leading up to 2030, in which some countries fester in unsustainability, while others tentatively move towards sustainable development, essentially rules out quadrants I and II: the 'BAU' (business as usual) and the 'Euro-Mediterranean as one global player' scenarios. Both scenarios are premised on a degree of homogeneity of the Mediterranean, which we are unlikely to see in future. In the first BAU scenario, the assumption is that of homogenous unsustainability, i.e., the trajectory the region was on prior to the Arab spring. The revolts in the Arab world have reduced the likelihood of this 'business as usual' path, premised on authoritarian rule, which impeded economic growth coupled with the growth of manufactured, natural, social and





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political/institutional capital, and on the EU's partial cooperation with the countries of the region. However, the revolts, to date, also point to the unlikelihood of a homogenous sustainable development of the Mediterranean, which, in turn, would integrate with the EU forming a single Euro-Mediterranean community. The Euro-Mediterranean community would foresee an integration path between the two shores of the Mediterranean Sea premised upon the recognition, of both sides, of their common past and future. Such a community would include a common market, similar to that of the European Economic Area (EEA). Under this scenario, the current conflicts in the southern Mediterranean would be settled and all countries, albeit at different speeds, would move towards sustainable development, supported by EU bilateral policies – namely a strengthened ENP – as well as a revamped multilateral framework, which successfully promotes regional cooperation within the southern Mediterranean. In other words, neither the status quo BAU scenario nor the green transition scenario appears to be likely today in a 2030 perspective.

This leaves us with two possible transition paths: the red and the blue transitions. A red transition foresees a move from unsustainability to exacerbated tension and conflict. The unfolding situation in Syria, the festering conflict in Israel-Palestine, as well as the war in Libya, all point in this direction. A blue transition instead points towards greater overall sustainability within an increasingly heterogeneous region. Internal Mediterranean heterogeneity would be coupled with overall greater sustainability because, inter alia, the EU would establish a successful “Euro-Mediterranean alliance”. Such an alliance would support those countries (e.g., Tunisia) which are on the path of sustainable development, while nudging other countries (e.g., Morocco and Egypt) whose drive for a radical overhaul towards sustainability is still unclear. Such an alliance would take the form of decentralised but interrelated Olympic rings, whereby distinct but related regions and sub-regions would all work synergetically towards the same aim of sustainability within a multipolar world. In other words, the EU and the southern Mediterranean would remain two distinct regions with no concrete prospect of integration into an EEA type arrangement. Bilateral EU policies, such as the ENP, would shed their ‘enlargement-lite’ approach, while multilateral policies, such as the UfM, would be revised to account for a more



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heterogeneous southern Mediterranean, which would also feature its own forms of multilateral cooperation (e.g., the Arab League, the Arab Maghreb Union, etc). These two regions would enter cooperative contractual relations, featuring trade and co-development, political dialogue, security, as well as specific initiatives pertaining to youth, education, research, innovation and infrastructure. However, both regions, while acting cooperatively vis-à-vis one another in areas of shared interest, would remain autonomous actors within a multipolar world.

The red and blue transitions ought to be interpreted as ideal (and non-ideal) types. Reality is likely to be fuzzier, including elements of both. More precisely, we can imagine that in a 2030 scenario the Arab-Israeli and Western Saharan conflicts will still be with us. Even in the best of hypotheses, whereby the Arab spring presses all (or most) countries to embark on a sustainable development path, this does not entail a resolution of the protracted Arab-Israeli and Western Sahara conflicts. This does not mean that the revolts will have no repercussions on these conflicts. The tentative reconciliation between Hamas and Fateh in Palestine is connected to developments in the region (particularly in Egypt and Syria). More broadly, the overall prospects for war and peace in the Middle East will be fundamentally shaped by Egypt's probable resurgence on the regional scene. Even if Egypt does not succeed in establishing a functioning democracy, the nature of the regime is likely to be affected by the Tahrir revolt. In order to retain greater popular legitimacy, Egypt's post-Tahrir rulers may gradually move away from the strategic turn the country had taken after the Camp David I accords. This had seen on the one hand a loss of leadership in the Arab world and, on the other, a heightened strategic dependence on the US. The treaty between Egypt and Israel will probably remain in force, although Cairo may want to renegotiate some of its elements. Nonetheless, we are likely to see greater independence in Egyptian foreign policy, which would allow Cairo to reassert its status in the Arab world. With Egypt's regional resurgence, part of the void that had been filled by non-Arab countries like Iran and Turkey could be filled. Whether, on a whole, this will lead to a more or less conflictual Middle East is difficult to tell. But it will probably lead to a more multipolar Mediterranean, navigating the uncharted waters of a multipolar world.



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#### **4. The EU and the Arab spring: a (missed?) opportunity to revamp the EU's Mediterranean policies**

When the dust of the Arab revolts settles, how should EU policy towards the southern Mediterranean be reframed to support sustainable development in the region and thus contribute to the blue (and possibly green, as opposed to red) scenarios outlined above?

Most of the thinking around this question has been devoted to one of the two pillars of the EU's Mediterranean policies: the European Neighbourhood Policy (ENP). Whereas the ENP deals with the bilateral dimension of the EU's Mediterranean policy, that is, the EU's hub-and-spoke relations with individual southern Mediterranean countries, the Union for the Mediterranean (UfM), building on the Euro-Mediterranean Partnership (EMP), provides the broader multilateral framework of such relations. The Arab spring has led, so far, to a rethink of the former rather than the latter. Although EU documents have made reference to the multilateral dimensions of the EU's policies towards the neighbourhood (the Eastern Partnership in the east and the UfM in the south), the bulk of attention is devoted to the bilateral ENP.

#### **The rationales underpinning the ENP review**

There are three kinds of rationale underpinning this choice. First, a bureaucratic rationale has pressed EU institutions to proceed, full speed, with a review of the ENP. A review of the ENP has been underway since March 2010. Caught off guard by the Arab spring, the Union, not known for its rapidity of action, was thus fortunate to have been already engaged in a major mid-term review of its ENP for several months. Indeed, when the revolt broke out in Tunisia in December 2010, the Commission had just finished compiling the contributions of the 27 member states and the neighbouring countries, alongside numerous inputs from academia and civil society. On the basis of such contributions, in October 2010 European Commissioner for Enlargement and the ENP Stefan Füle (2010) acknowledged that the ENP ought to be revised so as to pay greater attention to political reform, while being ready to commit to deepened political and economic relations with the neighbouring countries. The Arab spring made this fundamental intuition an





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all-too evident imperative, summed up in what has since then become the slogan: “more for more”.

Second, an internal political-institutional rationale has induced the Commission to ‘use’ the Arab spring to reassert itself on the throne of the EU’s Mediterranean policies. When, under French push, the UfM came into being in 2008, the Commission bemoaned its sidelining. The Commission, alongside Germany and several northern member states, fought back, achieving some French backtracking. But the unwieldy UfM-EMP never fully reversed the French drive for an intergovernmentalisation of Euro-Med relations. The Arab spring has provided the Commission with an opportunity to sideline the UfM, which has been delegitimised by its neglect for political reform, epitomised by former Egyptian President Hosni Mubarak’s role as co-Chair of the UfM (alongside French President Nicolas Sarkozy). Through its focus on the ENP (of which it is in charge), the Commission (and the External Action Service) have strived to retake the mantle of the EU’s Mediterranean policies.

Third, an external political rationale has induced a focus on the ENP. The revolts in the Arab world have demonstrated the weakness of EU policy towards the region, particularly of what such policy had evolved into in recent years, through its lopsided emphasis on economic cooperation and migration management at the expense of sustainable development. Indeed, the EU had increasingly turned a blind eye to the underlying fragility of the regimes it cooperated with, mistakenly equating their short-term stability with their deeper and long-term sustainability, while pursuing its interests in the commercial, energy, migratory or anti-terrorism domains. As recognised by Stefan Füle (2011):

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. This was not even Realpolitik. It was, at best, short-termism – and the kind of short-termism that makes the long-term ever more difficult to build.

As stated by High Representative/Vice President Catherine Ashton (2011), echoing the very gist of this research project, the EU ought to promote instead “sustainable stability”, i.e., stability



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achieved through change, rather than immobilism, towards sustainable political, social and economic development. It is essentially through the theoretically transformative ENP rather than the status quo oriented UfM that the EU has debated how to induce sustainable stability in the south. The Arab spring has highlighted the need for the EU to press more on domestic reform in the south, a promise that was made but never kept by the ENP (as opposed to the UfM, which never boasted a transformative ambition). Alongside this and as argued above, the Arab spring is likely to lead to greater polarisation and heterogeneity in the south. This heterogeneity in the region has strengthened the logic of EU bilateralism and differentiation, which marks the ENP, while complicating further the search for a workable multilateral framework, be it the UfM or the EMP before it. In other words, both in view of the greater emphasis on domestic reform and on differentiation in a post Arab spring context, concentrating EU efforts on reviewing the ENP appeared the logical route to take.

## **The steps forward in the review**

The first outcomes of the ENP review were revealed in the Commission's March 2011 "Partnership for Democracy and Shared Prosperity" (Commission 2011a). These were complemented by the Commission's "New Response to a Changing Neighbourhood", disclosed in May 2011 (Commission 2011b). From these two Communications, endorsed by the Council on 20 June 2011, we can outline a number of new or revised positive features of a revamped ENP (Tocci & Cassarino, 2011).

First, the EU recognises the need to offer more benefits to the neighbours. Aid in the current financial cycle (up to 2013) is expected to rise by €1.2bn, to be complemented by an increase of €1bn in the European Investment Bank's loans, as well as by a proposed opening of the European Bank for Reconstruction and Development's operations in the Mediterranean for an initial value of €1bn. Aid is intended to support economic and social development, by improving business environments, supporting SMEs and microcredit, tackling economic disparities, and conducting pilot projects on agriculture and rural development. Alongside this, political reform is to represent a guiding light of the EU's aid policies. Greater resources are to be committed to



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political reform through the Governance Facility, the Comprehensive Institution Building (CIBs) programme, and the new Civil Society Facility within the European Neighbourhood and Partnership Instrument (ENPI). In addition, under Polish push, the EU will establish an Endowment for Democracy, aimed, inter alia, at political party development. More benefits are not limited to aid. They also include the offer to the south (as has already been done for the east) of “Deep and Comprehensive Free Trade Agreements” (DCFTAs), which supposedly open the way to delivering on the ENP’s unkept promise of a “stake in the single market” for the neighbours. More benefits also include mobility partnerships and visa liberalisation, another benefit that has already been contemplated for the east but not, until recently, for the south. Mobility partnerships, launched in 2007 and so far signed only with Cape Verde, Moldova and Georgia, foresee the circular migration of semi-skilled workers to one or more EU member states, in return for the respect by third countries of EU conditions related both to domestic reform and, above all, to readmission agreements and border controls. In return for similar conditions, the EU would also offer visa facilitation for students, researchers and business people beginning with Egypt, Morocco and Tunisia.

Second, the EU acknowledges the imperative of engaging in conditionality. The “more for more” slogan means precisely this: the EU is willing to offer more benefits, in return for more progress on reform by the neighbours. Specifically, the Commission refers to the fact that its aid, including both the remaining ENPI funds until 2013 and the new funding cycle in 2014 and beyond, will be conditioned to the reform performance of the neighbours. More reform is interpreted in terms of ‘deep democracy’, meaning, the kind of democracy that lasts because alongside elections, it foresees the protection of rights and freedoms, functioning institutions, good governance, rule of law, checks and balances, the fight against corruption, effective law enforcement and security sector reform. Reform is also interpreted in economic and social terms: promoting inclusive economic development, tackling inequalities, creating jobs and ensuring higher living standards. The Commission has not limited itself to positing the need for positive conditionality. It has also accepted that a logical corollary of “more for more” is “less for less”: negative conditionality. The EU’s recent use of restrictive measures towards countries such as Syria, Libya and





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Belarus seem to have induced the Commission to shed its instinctive aversion to negative conditionality towards (some of) its neighbours.

Third and finally, the Commission stresses the need to engage more deeply with the civil societies of the neighbourhood supporting their capacities in advocacy, monitoring and implementing and evaluating EU programmes. Insofar as the neighbours are not expected to enter the EU, the Union's demands on them (and thus the degree of conditionality towards them) will continue to be dampened by the imperative of pursuing 'partnerships' with these countries. Yet the Commission now recognises that the notion of partnership ought not to be interpreted exclusively in relation to authoritarian regimes, but also to civil societies in third countries. Hence, the EU proposes to provide both greater financial support for civil society, and to engage in deepened and more structured dialogue with civil society actors, both in Brussels and on the ground, through EU delegations in the neighbourhood.

## **The limits**

More benefits, more conditionality and more partnership with civil society is good news. It is certainly a step forward in tailoring the EU's policies towards the southern Mediterranean to the promotion of sustainable development. But alongside these pluses are a number of minuses, which, alas, can only be expected to increase as the ENP review translates from paper into practice (Tocci & Cassarino, 2011).

First, the ENP remains trapped in the logic of enlargement and of security, hindering the actual value of the benefits on offer. The Commission has proposed DCFTAs to the neighbours. Working towards and then implementing DCFTAs entail the harmonisation of trade standards and practices with those of the EU. Such harmonisation is a heavy price to pay for the eastern neighbours, with only a slim chance of EU membership. It is simply not worth the bargain for the southern neighbours, which have neither the prospect nor the desire of entering the EU. Rather than DCFTAs, premised on the logic of enlargement, the EU ought to seriously consider liberalising its markets, particularly in the realm of agriculture, without demanding compliance with the highly regulated features of the single



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market, if it is truly willing to put more appetising carrots on the table. Likewise, the EU has proposed mobility partnerships as a valuable offer to the neighbours. Yet the logic of mobility partnerships remains highly security driven and its overall value questionable. The neighbours are offered limited mobility only if they comply with a host of strict security requirements regarding readmission and border controls. On the one hand, as and when the third countries acquire the capability to enforce such requirements, their level of internal development and stability is often such that their potential for emigration has been largely depleted. On the other hand, the cost of implementing the EU's requirements is such that the reward of temporary mobility for a limited category of citizens is often not worth the bargain. This is all the more true in a country like Tunisia, which may be tentatively moving towards greater sustainability and therefore in which authorities will become more accountable to citizens and less willing to play along with the EU's securitised migration policy tune.

Second, the ENP remains trapped in the logic of vagueness, hindering the prospects of effective conditionality. While asserting the principles of conditionality and "more for more", very little guidance has been provided regarding how to make these notions operational. True, the Commission has referred to the need for a smaller number of more focused reform priorities and for more precise benchmarks and a clear sequencing of actions. But few indications are provided as to how this would be done. How precisely is the EU to benchmark and monitor its conditions? How will new instruments such as the Endowment for Democracy provide added value rather than duplicate existing EU instruments such as the Governance Facility and the European Instrument for Democracy and Human Rights? How will the new Endowment work synergetically with established non-state actors in the field, such as the German political foundations or the American National Democratic Institute and International Republican Institute? Precious little guidance is provided to answer these crucial questions.

Third, the EU remains trapped in a logic of insularity, making its new-found emphasis on civil society welcome but insufficient. Gone are the days of the Barcelona Process, in which the EU acted in the hope (or illusion) of creating a common Euro-Med home. Not only are both the EU and the southern Mediterranean



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countries more divided than in the 1990s, but the region is permeated by the presence of new (and old) external actors, which the EU cannot ignore. These include both traditional allies, such as the US, as well as other regional – Turkey and the Gulf Cooperation Council – and global – China – actors, which are increasingly active in the Mediterranean. The EU, in its ENP review, continues to think it acts in a vacuum, failing to seize the synergies and contrast the eventual counter moves of the multiple set of actors involved in the region.

Finally, the review of the EU's Mediterranean policies focuses predominantly on the bilateral ENP rather than the multilateral UfM. As argued above, the internal bureaucratic and institutional-political logic of why this is the case is clear. Equally clear is the strong external logic underpinning the ENP's review, which points to the heart of this project's conclusions: a) that the EU ought to focus more on the sustainable development of Mediterranean countries and b) that the region is likely to be marked by greater polarisation. The bilateral and transformative nature of the ENP responds to both these realities. In the case of the green transition path, the ENP would retain a focus on European integration. In the case of the (more likely) blue transition path, it would need to be revised by shedding its enlargement-lite identity. In both cases however, the ENP would be aimed at supporting the domestic transformation of the southern Mediterranean countries towards sustainable development.

This, however, leaves unresolved what to do about the multilateral dimension of the EU's Mediterranean policies. Whereas the bulk of the EU's transformative agenda can and should be tackled through the EU's bilateral relations with individual countries and, in the event of the green transition path, the ENP would remain the dominant policy framework, there remain a number of key policy questions, ranging from infrastructure and communications to non-proliferation, combating organised crime and maritime security, which continue to warrant multilateral solutions. Such a multilateral framework becomes all the more important in the event of the blue transition path, which foresees region-to-region relations between the EU and the southern Mediterranean. The question still pending is thus what is the appropriate multilateral framework to tackle such questions? The increased degree of





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heterogeneity of the region suggests that a working multilateral framework should probably not be as rigid and institutionalised as the EMP, and, more so, the UfM. Rigidity and institutionalisation have been a recipe for deadlock in Mediterranean multilateralism and are likely to be even more so in future. A pragmatic, ad hoc and probably more sub-regional approach (e.g., building on existing sub-regional groupings such as the 5 + 5, the Western Mediterranean and the Arab League) to EU multilateral policies would thus seem a more appropriate approach to dealing with regional problems in a post-Arab spring Mediterranean. A grand multilateral strategy for the Mediterranean may hinder rather than help the search for solutions to the region's multilateral problems.

## 5. Conclusions

In a 2030 perspective, the Mediterranean is likely to be increasingly polarised and heterogeneous. This rules out a scenario of homogenous Mediterranean unsustainability (BAU scenario) as well as a green transition towards homogenous Euro-Med sustainability. This leaves us with the two logical alternatives of a red transition towards heightened conflict and a blue transition towards an overall more sustainable yet multipolar Mediterranean region in alliance (but not integration) with the EU. Reality is likely to feature elements of both these scenarios. The policy question at hand is how the EU could tilt the balance towards the blue and away from the red transition paths.

In order to do so and thus to contribute to sustainable development in the Mediterranean, the EU has engaged in a review of its policies towards the region, focusing on the European Neighbourhood Policy. As analysed above, there are important elements in this review that represent a step forward compared to EU policy over the past decade(s). Yet, in light of the momentous developments unfolding in the region, the current review runs the risk of being too little too late. By failing to offer sufficiently valuable benefits, to engage in meaningful conditionality, to account for the multipolar reality of the region (and of the world), and to appropriately revise the broader multilateral framework of its policies, the EU risks falling behind the curve of events. This would increase the likelihood of the Mediterranean tilting towards the red transition path, which



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would, in turn, harden EU tendencies to conceptualise the Mediterranean Sea as a hard frontier rather than a soft and open borderland. Avoiding this scenario calls for the EU to rapidly conjure up the will and vision to overcome its political and institutional inertia, addressing the above-mentioned limits in its review and thus developing a truly valuable and credible Mediterranean policy pursued alongside other state and non-state actors at both regional and global level.



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## Annex 1. State (un)Sustainability: Overview of MEDPRO Countries

<b>MEDPRO Countries</b>	<b>Factors of unsustainability</b> <i>Domestic and external factors that interact to produce unsustainability in the long term (2030 perspective)</i>	<b>Conditions for sustainability</b> <i>Key conditions to achieve long-term sustainability</i>	<b>Relevant signals</b> <i>Positive, negative and uncertain signals, that while interacting, will materialise in a certain future (up to July 2011)</i>	<b>Updated scenarios for each country</b> <i>The view of current signals will lead to a certain long-term outcome</i>
<b>Morocco</b>	<p>Macro-economic reforms and large infrastructure and transport projects not matched by an improvement in social standards</p> <p>Major shortcomings in the education sector and in the judiciary</p> <p>Widespread and continued corruption</p> <p>Non-respect of freedom of expression and freedom of the press</p> <p>Fake political liberalisation (co-optation of political parties, political system centred on the King)</p> <p>Increased frustration with the ability of the political system to deliver socially and economically</p> <p>Deadlock in the Western Sahara conflict and its impact on regional cooperation and integration</p> <p>Support of piecemeal reforms by the EU</p>	<p>Committing to the democratic transition process</p> <p>New constitution voted in a referendum as a move towards a constitutional monarchy</p> <p>Resolution of the Western Sahara conflict</p> <p>Greater conditionality applied by the EU</p>	<p>Decreasing freedom of expression (-)</p> <p>Increasing poverty and inequality (-)</p> <p>Upcoming parliamentary elections (uncertain)</p> <p>Return to politics by Moroccans after many years of disengagement (+)</p> <p>Vibrant and active civil society (+)</p> <p>Continuing protests by the February 20 movement (uncertain)</p> <p>Occasional violent repression of the protests (-)</p> <p>Membership of Morocco in the Gulf Cooperation Council (uncertain)</p>	<p>Top-down transition with some room for manoeuvre for other socio-political actors</p> <p>Risk of going back to <i>bon usage du néo-authoritarisme</i></p>
<b>Tunisia</b>	<p>Failure to write a deep and widely approved constitutional reform</p> <p>Non-accountability of the parliament</p> <p>Fragile security</p>	<p>Transparent and inclusive elections</p> <p>Profound reform of the constitution preserving</p>	<p>Election of the Constituent Assembly/decision to postpone its election (uncertain)</p> <p>Interim period managed by civilian</p>	<p>Promising prospects for successful political transition, but taking a long time and being at risk of authoritarian involution</p>



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	<p>Persistent regional disparities and youth unemployment</p> <p>Predominant role of Islamist parties with no checks and balances/ cutting off official political avenues to moderate Islamists with the risk of radicalisation</p> <p>Increased frustration with post-revolutionary expectations, particularly among the youth (rising social tensions, radicalisation and so on)</p>	<p>laicism and women's rights</p> <p>Dynamic and vigilant civil society</p> <p>Profound restructuring of the political economy</p> <p>Deep reforms of the security and justice sectors</p> <p>Economic reforms that ensure inclusion and sustainability</p>	<p>authorities through inclusive decision-making process (+)</p> <p>Apparently inclusive electoral law (+)</p> <p>More economic policy focus on regional disparities (+)</p> <p>Fragile security (-)</p> <p>Disappointment of people, unhappy with the limited speed of democratic reforms (-)</p> <p>Non-involvement of the army so far (+)</p>	
<b>Egypt</b>	<p>Non-inclusiveness of the process of constitutional reform/ new constitution reflecting the influence of the old system of power</p> <p>Unaccountability of representative institutions</p> <p>Incapacity to deal with past and current socio-economic problems</p> <p>Lack of security and rule of law</p> <p>Tense inter-religious relations</p> <p>Dominant role of political Islam, with no checks and balances/no inclusion of moderate Islamist parties</p> <p>Increased frustration with post-revolutionary expectations</p>	<p>Transparent and inclusive elections</p> <p>Reform of the constitution, guaranteeing minority and women's rights</p> <p>Dynamic and well-organised civil society</p> <p>Deep reforms of the justice and security sectors</p> <p>Profound restructuring of the political economy</p>	<p>Interim period managed by the Military Council through a top-down approach (uncertain)</p> <p>Holding upcoming parliamentary elections under the old, albeit amended constitution (uncertain)</p> <p>Continuing insecurity (-)</p> <p>Persistent protests and labour strikes (-)</p> <p>Intransigent response to dissent (-)</p> <p>Weaknesses of new political and civil society groups (-)</p> <p>Episodes of religious intolerance and sectarian tensions (-)</p> <p>The Muslim Brotherhood and other Islamist forces supporting slow/conservative transition (uncertain)</p> <p>No change in the direction of economic policy and no fight against corruption (-)</p>	<p>Authoritarian involution</p> <p>Limited, unfinished or slow political transformation</p>





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			Egypt's turning down the generous package offered by the IMF and the WB in favour of aid from other Arab countries, e.g., Saudi Arabia (uncertain)	
<b>Lebanon</b>	<ul style="list-style-type: none"> <li>Clientelistic nature of the political system</li> <li>Syrian influence over Lebanon</li> <li>Resilience of the Arab-Israeli conflict</li> <li>Looming crisis over the Special Tribunal for Lebanon indictment</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining the country open to external investors</li> <li>Maintaining macro-economic stability</li> <li>Strengthening the accountability of the elected institutions</li> <li>Reducing the level of sectarian conflict</li> <li>Ensuring security</li> </ul>	<ul style="list-style-type: none"> <li>Continuing Shia-Sunni conflict (-)</li> <li>Increasing sectarian conflicts in other countries of the region (e.g., Syria, Bahrain) (-)</li> <li>Weakness of state institutions (-)</li> <li>Widespread corruption (-)</li> <li>Paralysis of the state (-)</li> <li>Vibrant civil society (+)</li> </ul>	<ul style="list-style-type: none"> <li>Chronic instability and intermittent crisis</li> <li>Short-term stability without sustainability</li> </ul>
<b>Israel</b>	<ul style="list-style-type: none"> <li>No conflict resolution</li> <li>Worsening of citizens' rights (Arab minority)</li> <li>Deferment of key political issues related to the conflict</li> <li>Worsening of legislation in terms of social and economic rights</li> </ul>	<ul style="list-style-type: none"> <li>End of settlement and acceptance of the two-state solution</li> <li>Increasing cooperation with other states in the region</li> </ul>	<ul style="list-style-type: none"> <li>Decline in citizens' rights (Arab minority) (-)</li> <li>No decision-making process for conflict resolution (-)</li> <li>US entrenched support for Israel hampering resolution of the conflict (-)</li> </ul>	<ul style="list-style-type: none"> <li>Status quo leaning towards unsustainability</li> <li>Risk of regional isolation</li> <li>Weak stability</li> <li>Probable rising tensions with neighbouring countries</li> </ul>
<b>Palestine Authority</b>	<ul style="list-style-type: none"> <li>Aid-driven economic growth (West Bank only)</li> <li>No conflict resolution</li> <li>Division between West Bank/Gaza Strip</li> <li>Absence of a shared and legitimate political governance</li> <li>Increase of centralised decision-making process and authoritarian features</li> <li>Lack of true legislative process</li> <li>Speculative bubble</li> </ul>	<ul style="list-style-type: none"> <li>Agreement between Fatah and Hamas</li> <li>Implementation of the two-state solution</li> </ul>	<ul style="list-style-type: none"> <li>Call for UN recognition (uncertain)</li> <li>Popular pressure on the leadership (uncertain)</li> <li>US opposition to any UN recognition of a Palestinian state (-)</li> </ul>	<ul style="list-style-type: none"> <li>Status quo as unsustainable strategy for the leadership</li> <li>Weak stability</li> <li>Conflict persistence</li> <li>Internal turmoil toward unsustainability</li> </ul>



# Policy Paper

Thinking together for the future of the Mediterranean

*EMEA Policy Papers present concise, policy-oriented analyses of topical issues in Euro-Mediterranean economic affairs, with the aim of interjecting the views of EMEA experts into the policy-making process in a timely fashion.*

<p><b>Syria</b></p>	<p>Political repression and lack of individual freedoms            Emphasis on security at expense of political opening            Widespread corruption            Limited economic growth</p>	<p>Ending violence against the population and re-establishing order            Re-structuring of the political system with new parties and intermediate organisations            Holding free and fair elections</p>	<p>Growing gap between the regime and the population (-)            Role of the security forces in buttressing al-Assad's regime (-)            Thousands of Syrian refugees crossing the border with Turkey (-)            Limited role of the US, EU and Turkey in the conflict (uncertain)            Opposition gathering against the regime in Turkey (+)</p>	<p>Long-term unsustainability            Risk of further destabilisation for the entire Middle Eastern region</p>
<p><b>Libya</b></p>	<p>Lack of transparency, inclusiveness and legitimacy of the NTC            Persistent factionalism and rivalry between NTC leaders and militia commanders            Lack of state institutions aimed at fostering inclusive national identity            Lack of centralised security apparatus and inability of government to secure Libya's borders            Tentative signs of emerging secessionist movements            Lack of organised civil society organisations</p>	<p>Necessity to enhance NTC's popular legitimacy through elections to the council            Commitment to transparent and inclusive national elections            Inclusive process of reforming constitution, creating a modern legal system and state institutions            Efforts to diminish regional inequalities and to reform the economy            Necessity to integrate militias into police force and army</p>	<p>Commitment to agreed transition timetable, albeit with some delays in preparations for elections (uncertain)            Lack of security and the persistence of infighting and armed clashes (-)            Troubles with disarming of militias and their integration into national police force and army (-)            Persistence of NTC's lack of legitimacy, transparency and dialogue with all parties (-)            NTC's commitment to elections and transition of power (+)            Persistence of widespread corruption by national and regional authorities (-)</p>	<p>Lack of legitimacy, factionalism and long waiting period for general elections could cause tension and a possible risk of authoritarian involution</p>



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<p><b>Algeria</b></p>	<p>Lack of diversification of the economy          Rising unemployment, housing crisis, socio-economic inequalities and regional disparities          Dominance of executive over legislative branches of government with lack of checks and balances (or oversight)          Persistence of terrorism threat          Lack of civilian oversight on intelligence services and military</p>	<p>Resumption of Algeria's interrupted process of democratic reform          Apparent commitment to announced constitutional amendments, liberalisation of audio-visual sector and changes to the legislation concerning the legalisation of political parties and civil society groups          Diversification of economy and diminishing of regional inequalities</p>	<p>Top-down, regime-led, approach to political reforms (-)          Growing legitimacy crisis of government and political institutions (-)          Popular disillusionment with promised political reforms (-)          Continued repression of civil society and opposition groups and persistence of laws aimed at curbing public gatherings in the capital even after lifting of emergency laws (-)          Implemented reforms in the audio-visual service sector (uncertain)          Growing demands for political, economic and social reforms by members close to governing elite (+)          Attempts to form coalitions among civil society organisations in country and attempts to contact external actors (i.e. EU) to put pressure on government (+)          Growing acceptance by government of the necessity for political and economic reform (uncertain)</p>	<p>Persistent uncertainty concerning extent and reach of promised government reforms          Three legalised Islamist parties unite in run-up to legislative elections planned for May 2012          Major centre-left party, the Socialist Forces Front (FFS), has announced it will run in elections (it had boycotted them in the past)</p>
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