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NAVIGATING THE MEDITERRANEAN: Rethinking Priorities for EU–Southern Neighbourhood Relations

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As Spain prepares to assume the presidency of the Council of the EU in July 2023, an insightful Foreign Policy Dialogue took place at CIDOB on April 28th 2023. This seminar brought together scholars, experts and practitioners from both sides of the Mediterranean Sea to reflect on Euro-Mediterranean relations. This CIDOB Briefing presents an overview of the main challenges raised by the seminar participants and outlines a set of proposals for forging a reinvigorated Mediterranean agenda.



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Introduction

Twelve years after the surge of the Arab uprisings, the current landscape in the Middle East and North Africa (MENA) is marked by the end of the revolutionary period. Apart from countries embroiled in ongoing conflicts (e.g., Libya, Syria, Yemen), authoritarian regimes across the region have thus far survived the massive waves of protests that took place in 2011 (e.g., Egypt, Jordan, Morocco) and 2019 (e.g., Algeria, Lebanon). Even Tunisia, often hailed as the only success story of the 2011 uprisings, has experienced a dramatic authoritarian drift since 2021.

While stability is the main priority of these regimes, two significant events have proved challenging in the past few years. On the one hand, the COVID-19 pandemic temporarily **halted** the significant protests that erupted in Algeria, Lebanon and Iraq in 2019. But the post-COVID economic recovery has been slower than expected, in terms of both economic growth and trade flow. This may worsen the already deteriorating economic situation in certain countries (e.g., Egypt, Tunisia, Turkey and Lebanon).

On the other hand, the current war in Ukraine has further complicated the post-COVID economic recovery, especially for countries that rely on oil imports. While oil-exporting countries have benefitted from the increase in energy

prices, oil-importing countries must cope with high energy prices, which are having substantial impacts on inflation, fiscal budgets and hard currency reserves. The **conflict in Ukraine** has also affected food prices, as several MENA countries heavily depend on cereals imported from Ukraine and Russia (e.g., Egypt, Lebanon, Sudan).

The correlation between economic conditions, food prices and the 2011 uprisings suggests that economic hardship will generate more social discontent and political instability across the region. Indeed, the grievances expressed during the 2011 protests and afterwards, such as the desire for improved economic conditions, the overthrow of authoritarianism, constitutional reforms, and the eradication of corruption, remain relevant today. Therefore, the main question is not *whether* there will be another surge of large-scale protests, but *when* they will occur.

In addition to the prevailing political and social uncertainty, there is a significant geopolitical component marked by a growing, accelerating or even fragmented multipolarity within and outside the region. This involves not only regional powers such as Saudi Arabia, Turkey and the United Arab Emirates but also external powers such as Russia and China, who are taking advantage of the void left by both the United States – turning its attention

to East Asia – and the European Union, which devotes considerable resources to the war in Ukraine.

The recent rapprochement between Egypt and Turkey, the reintegration of Syria into the Arab League and, most notably, the Riyadh–Tehran agreement are illustrations of the ongoing geopolitical reshaping of the MENA region. These developments also highlight that MENA countries appear to have moved away from ideological rivalry towards adjusting to a multipolar order characterised by a shared consensus on regime stabilisation. While this trend did not start in 2023, it has gained momentum in recent years. Both regional and non-regional powers are striving to de-escalate tensions, yet new conflicts persist in places like Sudan, while existing conflicts endure in Syria, Libya and Yemen. Furthermore, conflicts around Western Sahara and between Israel and Palestine have reemerged as prominent issues on the agenda.

In this context, what are the main concerns of southern Mediterranean countries? What are the main challenges and prospects? And what implications should this have for the Euro-Mediterranean agenda?

constitution, and organised a referendum on the drawing up of a new constitution expanding presidential power. The marginalisation of political parties and labour unions, along with ongoing repression of journalists and civil society organisations, further confirm Saied's desire to concentrate powers. However, the strikingly low participation rates in the July 2022 referendum for the new constitution (27.54%) and, more significantly, the December 2022 legislative elections (11.4%) indicate waning domestic support compared to two years ago. One of the consequences of this trend is the growing isolation of Tunisia from its historical partners, namely the European Union and the United States.

While Israel finds itself in a distinct situation, dramatic political changes have occurred since the current government was formed in December 2022. The Israeli government is one of the most right-wing administrations in the country's history, with key positions held by ultranationalist and ultraorthodox Jewish figures in key positions. As a result of that, the political agenda is primarily driven by national considerations and the interests of Prime Minister Benjamin Netanyahu. In March

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I. The Mediterranean landscape in 2023: authoritarian consolidation, economic challenges and regional dynamics

Without any doubt, the prevalent trend in Arab-majority countries in the southern Mediterranean region is the consolidation (or restoration) of authoritarianism. By contrast with the first years of the 2011 uprisings, there is mounting evidence that the “Arab counterrevolution” has been successful. At least, for the present time.

In Algeria, the regime employed a “post-crisis toolkit” in response to the Hirak movement (2019–2021), implementing sufficient reforms to maintain the system. Besides that, the government benefitted from the increase in energy prices to bolster social spending and buy social peace through measures like unemployment benefits for young adults. Concurrently, there have been multiple arrests targeting journalists and civil society organisations, with the aim of preventing a resurgence of mass protests in the country.

Since 2021, Tunisia finds itself in the midst of an autocratic restoration process led by President Kaes Saied. In 2022, the current president dissolved the Tunisian parliament and the Supreme Judicial Council, abolished the

2023, an unprecedented and crosscutting movement of protests against the government's attempt to reform the powers of the judiciary emerged. It has temporarily unified different opposition groups and made the government postpone its reform of the judiciary. Another consequence of a predominantly right-wing and far-right government is the worrying escalation of tensions between Israelis and Palestinians.

While stability is the key objective of North African regimes, several economic challenges are potential sources of instability in the present and near future. Increased energy prices can benefit oil-exporting countries like Algeria, but can also discourage authorities from undertaking much-needed economic reforms. This lack of incentive hampers the fight against corruption, which in turn prevents the country from attracting investments and diversifying its economy. Agriculture presents another significant challenge for the country, as the war in Ukraine and its impacts on food security have revealed. Algiers aims to diversify its economy to reduce its reliance on EU countries, something that is becoming evident through the growing presence of actors like Turkey – now the largest investor in the country – and China. Moreover, Algeria's candidacy to join the BRICS highlights its intention to reduce dependence on the EU and foster economic diversification.

Morocco's gross domestic product (GDP) growth fell from 7.9% in 2021 to 1.2% in 2022, while the war in Ukraine has aggravated its inflation rate (8.3% in 2022). Two main challenges were underlined during the seminar: on the one hand, the constant rise in energy prices seen since 2022 have made energy transition a **key priority** for this oil-importing country. On the other hand, as evidenced by the HIRAK movement in northern Morocco (2016–2017), there is an urgent need to correct the economic disparities between regions, especially in the fields of education and employment.

In Tunisia the situation is **much more concerning** due to the failure since 2011 to introduce strong reforms in the economic sector. The country's GDP declined to 1.7% between 2011 and 2019, while the COVID pandemic and the war in Ukraine have exacerbated the deterioration of the economic situation: job creation and investment are at low levels while unemployment and informality are on the rise. In this respect, the Tunisian president seems to lack both the economic vision and strategy to improve the situation. Hence, the authorities are trying to negotiate a bailout package worth nearly \$2 billion with the

advantage of an increasingly multipolar region to reduce their economic dependence on traditional partners such as the EU and the US (e.g., the rise of China in the region), to obtain financial assistance without conditionality (e.g., Egypt seeking aid from Gulf countries) and even to express their discontent because they feel neglected by Brussels and Washington (e.g., lack of sanctions against Russia).

Finally, the lack of regional integration was underscored, especially regarding Maghreb countries. One of the reasons is the persistence of the conflict around Western Sahara. This issue is a top priority for both Rabat – which engaged in pro-active diplomacy after the US recognised Morocco's claims over Western Sahara – and Algiers. Tensions have been **on the rise** between the two countries, which makes the prospects of de-escalation implausible and impedes any revival of the Arab Maghreb Union.

In light of this regional context, how can the Spanish presidency of the EU Council play a role in refocusing the Mediterranean region as a central concern within the EU agenda?

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International Monetary Fund to implement reforms in the economic sector. However, the current political setting, with most of the power held by one person, reduces the prospects for economic recovery. To cope with this situation the Tunisian president has undertaken several strategies, such as the manipulation of migration flows to Europe and the diversification of alliances with non-EU external actors (e.g., Russia and China). In this context, there is a high risk of Tunisia defaulting.

Egypt also finds itself in a **worrying economic situation**. Although unemployment rates have decreased (to 7.2% compared to 12% in 2015), the devaluation of the Egyptian currency has had dramatic effects on poverty, with close to a quarter of the population under the poverty line. The government has given priority to considerable infrastructure projects such as the development of megacities (e.g., the new Cairo), which do not necessarily translate into improvement of the people's economic situation.

At the regional and international levels, the **diversification of alliances** is another common trend emphasised during the seminar. Southern Mediterranean countries are taking

II. Assessing the Euro-Mediterranean Partnership: challenges and prospects for renewal

It is not the first time Spain has assumed the presidency of the Council of the European Union. During its previous presidencies – in 1989, 1995, 2002 and 2010 – it has strived to prioritise the Mediterranean region within the EU agenda. This commitment reached its pinnacle with the launch of the **Barcelona Process** (also known as the Euro-Mediterranean Partnership) in 1995. The main aim of this initiative is to foster stronger integration between both shores of the Mediterranean, focusing on three core areas of partnership: (1) political and security partnership; (2) economic and financial partnership; and (3) a social, cultural and human partnership.

While the Mediterranean remains a priority for Spain's political leadership, it is unlikely that the upcoming Spanish presidency (in the second half of 2023) will bring about significant changes in this area. The main reason is that the European Commission is entering the final months of its 5-year term, which has been marked by the COVID-19 pandemic, the green transition and the war in

Ukraine. This means it is less likely that the EU-Southern Neighbourhood relationship will be the EU's highest priority under the Spanish presidency. The forthcoming European Parliament elections and the next European Commission present a more realistic opportunity to reconsider these relations.

After this initial assessment, the discussion concentrated on the significant barriers hindering the establishment of a truly shared and mutually beneficial Euro-Mediterranean partnership. First, it was noted that **none of the main objectives** of the Barcelona Process has been achieved. Neither a common market nor a free trade area between the EU and southern Mediterranean countries have materialised. Instead, this regional project is seen as primarily driven by European interests such as stability, the fight against irregular migration and counterterrorism cooperation.

Experts from southern Mediterranean countries underlined that the Euro-Mediterranean project is perceived as an initiative **designed by and for** the northern Mediterranean countries. As a matter of fact, hardly any of the policies in this framework have been formulated

Despite the initial optimism surrounding the 2011 uprisings and the aspirations for a new phase in Euro-Mediterranean relations focusing on democratic transition, enhanced people-to-people contacts and bottom-up dynamics, it appears that the EU has gradually reverted to the pre-2011 paradigm over the past decade. The eruption of the refugee crisis and the wave of jihadist attacks on European soil in 2015 prompted Brussels to give priority to security and stability at the expense of other considerations. This shift is reflected in the EU's focus on transactional cooperation and the prevalence of policy areas like energy, migration and security over others like democratisation. The revised European Neighbourhood Policy (ENP) adopted the same year illustrates the **growing emphasis on transactional cooperation** and the unequal prioritisation of policy areas.

In recent years, these dynamics have had two consequences. On the one hand, they proved to be convenient for certain southern Mediterranean leaders to put the blame on Europe for the lack of regional integration, thereby omitting their own responsibility for addressing major obstacles such as the Israel/Palestine and Western Sahara conflicts.

The predominantly unidirectional nature of the Euro-Mediterranean initiatives has been repeatedly pointed out, suggesting that this framework is mostly utilised to advance the EU's economic and security interests. This disparity explains why progress on regional integration has been more noticeable in the realms of security and economic cooperation than in areas such as democratisation and mobility.

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Nevertheless, economic and technical integration projects have not contributed to establishing peace and stability, or progress on democratisation. Put simply, economic interdependence and functionalism are unlikely to overcome power politics in this region. In this regard, the persistence of interstate conflicts in the southern neighbourhood and the EU's lack of coherence in terms of conditionality – both before and after the 2011 uprisings – were identified as key factors contributing to this failure. As a result, this integration project lacks a shared vision for the present and future of the Euro-Mediterranean region.

On the other hand, as outlined in the previous section, these dynamics have compelled southern Mediterranean countries to diversify their economic and political alliances. The progressive but consistent decline of Western hegemony has been embraced by these countries. The elites in these countries see the increased presence in North Africa of non-EU external actors like Turkey, China and the Gulf states as potential sources of foreign direct investment and alternative avenues for cooperation across various sectors (health, infrastructure, development) without imposing conditionality. It is worth noting that the EU's shift in priorities towards its neighbourhoods, particularly in the context of the war in Ukraine, exacerbates the feeling of neglect among southern Mediterranean countries. The fact that most of these countries have not followed their European partners in adopting a unified stance towards Russia is one illustration of the **decreasing European influence** in this region.

In this context, is there any opportunity for a renewed Mediterranean agenda? If so, under which conditions?

The last part of this seminar focused on providing recommendations for the upcoming Spanish presidency and beyond.

III. Conclusions and recommendations

Building upon the previous section, three parameters should be considered when analysing the current and future relations between northern and southern Mediterranean countries:

- 1) The lack of incentives to address ongoing interstate conflicts and/or support the aspirations of societies in the region for democratic change;
- 2) The increasingly transactional nature of EU engagement with its neighbours, which is primarily focused on safeguarding its own interests in security, migration and other fields;
- 3) The rise of non-EU external actors capitalising on the declining influence of the EU in this region and leveraging this opportunity to deepen their engagement.

Considering these circumstances, bilateral and state-centric relationships will have a much more decisive

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impact on the future of the Euro-Mediterranean region than any multilateral regional cooperation scheme. With these constraints in mind, several proposals have been put forth with the purpose of enhancing this framework during the Spanish presidency of the EU Council.

First, the EU should take advantage of the fact that there is no clear alternative model to its normative paradigm and no material detachment of its structures of international trade. For this reason, greater intra-EU unity is crucial to display a strong presence in the region, setting aside the focus on countering the influence of other non-EU external powers such as China and Russia.

Second, in light of the perceived shortcomings of Euro-Mediterranean integration, a proposal has been made to move away from this framework and establish a new structure similar to those the EU has developed with other regions (e.g., the Caribbean, Latin America). The existence of official channels with other regional groupings including several southern and eastern Mediterranean countries (EU–Arab League, EU–African Union) should encourage Brussels to pursue similar approaches in the Euro-Mediterranean area. Developing a comprehensive,

coherent and effective framework would enable Europe to respond quickly and effectively to any developments in its neighbourhood, thereby avoiding the repetition of the missed opportunities that occurred in 2011. In the same vein, the EU's focus on its eastern neighbourhood could also be seen as an opportunity to separate the eastern and southern dimensions of the ENP and design a distinct policy for each neighbourhood tailored to their specific needs and context.

However, an alternative viewpoint suggests that despite its shortcomings, the existing framework should be consolidated to overcome its past failures. One proposal put forward is the establishment of a G-50 format, bringing together the EU-27, the southern Mediterranean, Sub-Saharan African and Gulf countries. This format would serve two objectives: on the one hand, addressing common challenges such as climate change and economic relations; and on the other, building on the growing interdependence between MENA and African states to deal with these issues in a cross-cutting manner.

Lastly, it is relevant to highlight the social aspect of some of the proposed suggestions. Under the Spanish presidency, efforts could be made provide international support in a context of authoritarianisation of the region

and convene a Civil Society Organisations (CSO) Summit, which would work as a platform for dialogue, bringing together independent actors whose space is dangerously shrinking in their respective countries. Meanwhile, a fourth proposal addressed the highly relevant topic of migration. It was suggested that a shift should be made away from the European obsession with migration to adopt a more cooperative approach that could be beneficial to all parties involved in the long term. This could be achieved by convening a meeting between the Justice and Home Affairs Council and the Foreign Affairs Council. Finally, the importance of being prepared to anticipate events in the southern neighbourhood was highlighted. With a much more populous Arab world that has not resolved the structural problems triggering the uprisings in 2011 (e.g., youth unemployment), the EU should be ready to respond and provide support to any potential social and political transformations that could contribute to democratisation in the region.