

Euro-Mediterranean Relations Facing New Challenges

The Effect of the Arab Spring on Euro-Mediterranean Relations

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The Turning of the Tide

Two years after the “Arab Spring” triggered an unprecedented period of political and socio-economic transformations in the Euro-Mediterranean region, the democratic transitions are in crisis. Political reforms have stalled, economic conditions are deteriorating, and utopian enthusiasm has been displaced by bitter divisions. While there is no going back to the *status quo ante*, the road ahead appears long, winding and treacherous. In Tunisia and Egypt, deep social divisions, street violence, and political mismanagement at the top are threatening to set back political achievements. In Syria, two years of bloody civil war are fuelling a new regional sectarianism. In Libya, the central State has all but collapsed, commanding little residual control over a patchwork of local militias. Elsewhere, top-down reforms bear an uncanny resemblance to earlier periods of “authoritarian upgrading” by promoting only the veneer of democracy. Although excessive pessimism is misplaced and largely a matter of expectations, there is no denying that the transitions have hit a snag.

This creates more than a small measure of uncertainty for the EU's new Neighbourhood Policy in the Mediterranean, which assumed the presence of willing reformers in order to establish a new partnership with the region. Instead, the EU finds itself again in the uncomfortable position of adjudicating regional reform agendas and weighing them against its own security interests in the region. Consumed by their domestic troubles, governments in the southern and eastern Mediterranean have neither the time nor the

political capital to engage in tedious reform debates with their EU partners to secure some elusive long-term benefits. Faced with political uncertainty and a lack of demand, the EU prevaricates, ostensibly waiting for the right political partners to emerge. In the meantime, precious time is being lost. While Euro-Mediterranean relations have pulled out of the deep hole they were in two years ago, they have arguably contributed little to guiding the ongoing transition processes or shaping the post-revolutionary regional order. Instead, all sides appear to be playing a waiting game, standing idly by even as the democratic tide is beginning to turn.

Blurred Lines

Despite the rather confusing and unpredictable situation, it seems possible to identify a number of long-term trends that are likely to shape the future dynamics of Euro-Mediterranean relations. Unsurprisingly, these trends are largely rooted in the changing political and economic context of the southern and eastern Mediterranean. Some of these run counter to the underlying assumptions of the EU's new Neighbourhood Policy. Others appear to confirm it. However, with many of the underlying factors still in flux, it remains close to impossible to predict how far and in what fashion these trends might reshape Euro-Mediterranean ties.

First, the emergence of “grey democracies,” as identified by Roberto Aliboni (2013), raises a number of difficult questions for the future conduct of Euro-Mediterranean relations and for the EU in particular. In transition countries like Egypt, Tunisia and Libya, but also in “reform countries” like Jordan and Morocco, it is now evident that democratic reforms will be drawn-out and incomplete. Free elections and a

relatively open political process will dovetail with resilient elements of authoritarianism and illiberal practices, such as the curtailment of free-speech or the infringement of individual rights. Moreover, political progress in most of the transitional settings is going to remain erratic and will be driven by a tug of war between street protesters, activist judges, religious and tribal elders, political parties, and external actors. In this fluid and fuzzy situation, locating the centre of political gravity will not always be easy. Consequently, apportioning blame for democratic stalemate or reversal is not going to be a straightforward task, as Egypt's example shows. This situation is bound to continue as all sides are loath to accept a return to a narrower form of party politics.

This poses some notable difficulties for Euro-Mediterranean relations and the EU's reform agenda. On the one hand, it severely limits the EU's ability to use conditionality as a reform tool in the Neighbourhood: which changes represent a backsliding into authoritarian habits and which are part of the normal give-and-take of democratic experimentation and political negotiation? To some extent this evokes the EU's old democratisation-securitisation dilemma, with the perennial risk being that European decision-makers will once again accept compromises that boost short-term stability. On the other hand, the substance of reforms will increasingly be overshadowed by the question of trust: which domestic actors should the EU trust to implement reforms – the Muslim Brotherhood, the liberal activists, the rebel militias? For Euro-Mediterranean relations at large, the lack of strong political interlocutors with sound political legitimacy from the southern and eastern Mediterranean will deprive the process of some dynamism and postpone difficult decisions.

Second, the crisis of the Arab state is another regional phenomenon that is likely to affect the dynamics of Euro-Mediterranean relations (Gause, 2012). The emergence of strongly centralised Arab states, pursuing a state-driven modernisation process, was the inevitable outcome of the decolonisation period. Shaped by the intellectual currents of the Cold War era, these states adopted a secular nationalism that appeared to provide a home for the region's different ethnicities, sects and denominations. However, "unable or unwilling to institutionalise legal-rational bureaucratic links to their populations," Arab states became dependent on neo-patrimonialism as a

method of political rule (Dodge, 2012). Consequently, state power has become synonymous with corruption, abuse and political violence in a large part of the Arab world, prompting a retreat of the state following the Arab Spring, a process that has been further hastened by methods of association and communication outside state control.

As a result, the ability of the State to govern has declined. The loosening of the coercive power and identitarian framework provided by the State inevitably activated other identity markers, such as religion, ethnicity and tribe. The growth of Arab civil society and the rise of a new sectarianism are both an inevitable outcome of this process. Mediation between "good" civil society and "bad" sectarianism will be a key challenge for Arab democracies. It will also be one of the factors shaping the dynamics of Euro-Mediterranean relations. With identity politics on the rise, nationalist conflicts, such as the Palestinian occupation, are being supplanted by identity conflicts, such as the Syrian crisis, as a central mobilisation factor. Unless the sectarian genie is going to be put back in the proverbial bottle – a difficult process given the resilience of identity markers and the confusion of regional politics – this is likely to impose a new conflict layer on Euro-Mediterranean relations.

Third, the failure of the region's economic development model is likely to impose some change on Euro-Mediterranean relations (Galal, 2012). The strategy of controlled liberalisation, encouraged by the European Union and adopted by, amongst others, Egypt and Tunisia, proved favourable in terms of growth, but failed to consider the quality of this growth and its ability to create jobs. Instead, it left a legacy of inequality, high unemployment, regional imbalances, crony capitalism and structural deficits. While some of these defects are the consequences of domestic corruption and mismanagement, a renewed push for trade liberalisation is unlikely to prove sufficient to revive regional economic fortunes and create the millions of jobs required. This is partly due to the fact that tariff liberalisations have reached their limits, given that the opening of agriculture and service markets is going to remain politically sensitive in Europe for the foreseeable future; but it is also because Arab governments are currently too weak to impose the structural and regulatory reforms required by the EU.

Instead there appears to be a growing focus on production, private sector reforms, and regional integration amongst Arab economies – widely seen as essential for boosting growth prospects and encouraging domestic reforms (ILO, 2012). While Euro-Mediterranean trade and economic cooperation will remain crucial, south-south cooperation is likely to play a more prominent role in the recovery. The key role played by Gulf countries such as Qatar in extending emergency credits and investing in transition countries bears this out. Euro-Mediterranean relations, for their part, will have to become an enabler of regional economic cooperation, while sponsoring a new economic paradigm based on competitive, entrepreneurial and inclusive growth (Malik and Awadallah, 2011). In the short run macroeconomic assistance and debt forgiveness will be crucial to balance the huge costs of the transition and preserve the prospects for long-term growth. Delivering on these issues will be a challenge.

Finally, the Arab Spring has led to a redistribution of relative power in the Mediterranean region that is shifting the existing regional balance. While this seems to have initiated a new phase in regional politics, its emerging contours and organisational dynamic remain, as of yet, blurred. As Richard Youngs (2013) has pointed out, it is possible to discern a mixture of new and old security paradigms at play within this emerging regional context. Thus elements of traditional power politics, ideological and sectarian competition, pan-regional non-state actors, and cooperative security institutions all seem to play some role in reshaping regional politics. Whether this nexus of a new sectarianism, great power rivalries and deepening interdependence will lead to the emergence of a form of “religio-interpolarity,” as Youngs hints might be the case, remains to be seen. For Euro-Mediterranean relations, these shifts in the region’s power-political crusts are having a seismic effect. With regional dynamics in flux, there has been a natural tendency to emphasise *ad hoc* bilateral interaction over multilateral problem-solving and the role of regional institutions. This has reinforced a pre-Arab Spring trend towards intergovernmental solutions, embodied in the Union for the Mediterranean (UfM). One result has been to heighten national divisions on the side of the EU, where reactions to crisis situations have been predominantly driven by national interests, rather than communal values or

strategic vision. In the long run this bodes ill for multilateral initiatives and regional institutions. While the EU’s Neighbourhood Policy lacks a broader geopolitical vision to guide its technical initiatives, it is unclear whether the intergovernmental UfM will be able to overcome the more complex conflict dynamics emerging in the region.

Navigating Uncertainty

The EU responded to the various changes brought about by the Arab Spring by launching a major revision of its Neighbourhood Policy in 2011. The core tenets of this new approach were laid out in the Commission’s communication “A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean” and in the subsequent communication “A New Response to a Changing Neighbourhood.” Together these documents sketch out a new set of priorities for the ENP that aims to support the groundswell for democratic change in the region (Amirah Fernández & Behr, 2013). These are centred on the creation of “deep democracy,” the building of “people partnerships” and the promotion of “inclusive growth.” Through these measures the EU seeks to foster “sustainable stability” in the region and to infuse Euro-Mediterranean relations with a new dynamism.

The overall effect of this shift in EU strategy has been positive, enabling the release of greater financial and technical assistance, the launching of several innovative new policy initiatives and institutions, the initiation of negotiations over the long-term reduction in trade and regulatory barriers, and the promise of closer sectoral cooperation in certain policy areas (European Commission, 2012). Through these measures, the revised ENP did provide an anchor in a stormy sea of change for those countries able and willing to grasp it. Curiously, it may have had its largest impact amongst the “reformers” like Jordan and Morocco, while being less effective amongst the “revolutionaries,” like Egypt and Tunisia. Be that as it may, now that there are some worrying signs that the regional democratic tide is beginning to turn, the EU’s new strategy is revealing some of its shortcomings.

When the EU’s new Neighbourhood Policy was conceived in 2011, it understandably piggy-backed

on the regional enthusiasm for democratic change. There appeared to be little uncertainty about the direction of this change, given the non-violent, broad-based, and inclusive nature of the Tunisian and Egyptian uprisings and the general expectations that these would be reproduced across the region. As a result, the ENP was designed to function as an enabler of democratic changes that would unfold in a rather linear fashion across the region. With much of the inclusiveness and certainty of the early days now dissipated, the ENP is failing to unfold its full potential, due to its difficulties in navigating regional uncertainty and articulating a clear regional vision.

Adjustment Problems

This can be seen in the EU's difficulty in adjusting to some of the emerging trends, identified above, that are twisting and turning regional politics into different directions. The advent of grey democracies – as opposed to liberal democracies or easily identifiable dictatorships – has further blunted the EU's rather timid attempt at employing democratic conditionality. With the EU's much hyped “more-for-more” approach limited to its new SPRING programme, which has an overall volume of €540 million for 2011-2013, it is difficult to see how the EU will manage to bring real pressure to bear.¹ The lack of firm metrics and the complexity of suspending assistance in reaction to democratic back peddling further complicate the situation. Confronted with an unclear and confusing situation, the EU has been at a loss about how to react to developments such as President Morsi's attempt to undercut the Egyptian constitution or the frequent human-rights violations by Libyan militias.

Similarly, the weakness of governments and governance is causing problems for the implementation of the EU's Neighbourhood Policy. In particular some of the transition countries, like Egypt, have been unable to respond to EU offers of initiating complex trade negotiations for a Deep and Comprehensive Free Trade Agreement (DCFTA) or to discuss cooperation on sector-specific policies. This has meant that more than two years after the uprisings, two of

the so-called “three Ms” promoted by Catherine Ashton remain in a purely conceptual stage – namely markets and mobility. Neither do some of the transition countries appear able or willing to accept the structural reform demands of international financial institutions in return for greater macro-economic assistance. Implementation of new laws and regulations has also been more than patchy, in particular in the case of gender equality and women's rights, while Euro-Mediterranean regional cooperation remains at a low. The EU's feeble response has been to wait for effective and empowered governments to arrive; not much of a “transitional strategy.”

Arguably, the EU responsiveness to the collapse of the Arab development model has been somewhat more pronounced. The long-run prospect of Deep and Comprehensive Free Trade, the adoption of new Pan-Euro-Mediterranean rules of origin, the launching of the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) and greater support for a deepening of regional cooperation on the level of the Arab Maghreb Union (AMU) and the Arab League all seem to indicate a realisation that new growth drivers are required, while most new EU measures emphasise the quality of growth. Through the Deauville Partnership and its macro-economic dialogues, the EU also acknowledges that greater short-term budgetary support and reform in coordination with other actors are required. However, most of these efforts aim at the mid to long term and have been unable to prevent the worsening of economic conditions in the region. The EU's inability to deliver a significant short-term boost to the region has arguably pushed it to the margins, leaving the field to Gulf countries such as Qatar and Saudi Arabia in order to provide emergency support and fund change.

Finally, despite consistent EU calls for “inclusiveness,” the region has been experiencing growing social divisions that are fuelled by the redistribution of relative power amongst regional actors. This has caused significant problems for the EU's attempt to engage with a wider set of civil society actors, as well as the EU's desire to position itself as a more “neutral” actor that has learned from its mistakes. Confronted with growing divisions and mounting vi-

¹ As an indication, financial allocations under SPRING for 2011-2012 were €100 million for Tunisia, €90 million for Egypt and €20 million for Algeria, leaving little room for real leverage.

olence, the EU is increasingly pushed to take sides. However, choosing the “right side” is complex, given the identitarian nature of many of these conflicts. In Syria, the EU’s natural predilection has been to veer towards liberal activists, even though these appear difficult to identify. In Egypt and Tunisia, there are mounting questions over the EU’s decision to support “moderate” Islamist governments following the revolution. As the EU is being swept up in the increasingly sectarian logic of the region, the inclusiveness of its own approach appears to be loosening, which could carry potentially severe long-term consequences.

In sum, the EU’s new Neighbourhood Policy seems ill-prepared for the uncertainties of the post-Arab Spring era. Instead of attempting to “shape” regional change, EU policies are increasingly being moulded by uncontrollable events in the neighbourhood. While this is perhaps inevitable and even logical, it does indicate the inability and unwillingness of the EU to formulate its own vision for the region. The danger is that the growing uncertainty will encourage EU Member States to opt for security-enhancing solutions that run counter to the “sustainable stability” that the ENP seeks to promote. With Europe vacillating and Arab countries weakened and divided, Euro-Mediterranean relations are likely to flounder for the foreseeable future.

Black Swans Turn Grey

The Arab Spring has been the ultimate black swan – a low probability event with a dramatic global impact (Taleb, 2010). The EU was ill-prepared for this event, despite the fact that there had been some long-running indications that the Arab Mediterranean region was undergoing a deep transformation. Following the Arab Spring, the EU was quick to adopt the democratic paraphernalia and inclusive nature of the peaceful revolutions as the “new normal” of regional politics. The revised ENP is a clear expression of this. However, by allowing itself to become swept up in the post-revolutionary euphoria, the ENP is now ill at ease with the quickly shifting and more dangerous political terrain of the post-Arab Spring era. This is not to suggest that the region’s democratic transitions are bound to fail; but merely that Euro-Mediterranean relations will be governed by uncertainty in

the near future. In order to be able to navigate this uncertainty and shape events, rather than being shaped by them, EU policies and instruments need to become more flexible and adaptive. They also need to be based on a clear geo-strategic vision for the future of the Euro-Mediterranean region. Failure to accept and adjust to greater uncertainty in the neighbourhood runs the risk of black swans turning grey, as unexpected events will hit the ENP with ever increasing frequency, turning it into an object rather than the subject of change.

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