

TOWARDS A NEW MEDITERRANEAN UNITY: The Case of the EMA

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Abstract

Since the ancient times of Greece up to the VII Century A.D. the Mediterranean world has been characterized by a strong unity. Along the centuries the centre of this civilisation shifted from Athens to Rome and then to Constantinople. In the I century B.C., the Mediterranean became a Roman lake. The "Pax Romana" added the political and economic dimension to the Mediterranean unity. Later on, with the gradual spread of Christianity, the religious dimension also constituted a fundamental element of the Mediterranean civilisation. However the birth and diffusion of the Islamic religion caused the end of this unity and turned the Mediterranean Sea, which had been for centuries the centre of Christianity, the frontier of two hostile religions and civilisations. The collapse of the Mediterranean unit marks the beginning of thirteen centuries of hostilities and wars between the North and the East and South of the Mediterranean Sea. In the three last decades of the XX Century, mainly as a consequence of the development of the European construction, the relations between Europe and East and South Mediterranean countries changed deeply. Confrontation and search for hegemony came to an end, substituted by cooperation and partnership, the most meaningful moment being the Barcelona agreement of 1995. The Barcelona participants undertook to create a Euro-Mediterranean free trade zone embracing some 35 countries by the year 2010, including the present candidate countries. The Eu intends to achieve this objective by means of bilateral agreements known as Euro-Mediterranean Agreements (Ema). The Ema goes far beyond the economic sector, to include political and cultural dialogue. The Ema represent an outcome and a logic consequence of the process of mutual understanding which constitute a basic characteristic of the European integration. This principle once transferred to the external relations is determining deep transformations. Hegemony has thus been set out and substituted with the far more reaching concept of "partnership", having as a base the respect of each other's culture.

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Europe and Mediterranean World in historical perspective

The concept of Europe has been deeply concerned with a Mediterranean dimension, both in cultural and geographical terms. In its essence, European culture and civilisation is Mediterranean. Since the third millennium B.C. the Mediterranean civilisation gradually arose in the same centre of the Mediterranean Sea, on the Isle of Crete, a true melting pot of the great cultures of the nearby Orient, of Anatolia and of the Balkans. In the V century B.C., Greece was the second cradle of Mediterranean civilisation. In those times the pillar of Greek political culture was its concept of democracy and citizenship, which was in opposition to Asian despotism. Thus, the geographical diffusion of Greek-European culture from the Peloponnesian peninsula to the Greek colonies scattered along the coast of the Mediterranean Sea, is the first, even if limited, manifestation of Mediterranean unity which, under different forms, lasted for more than 1000 years, up to the VII A.C. In the IV century B.C. Alexander the Great's conquests gave a boost to Mediterranean unity. Then the rise of Rome and the Roman absorption of Greek culture, after the military conquest in the II century B.C., gave a second and tremendous impetus to the diffusion of the Mediterranean civilisation. The centre shifted from Athens to Rome. With the conquest of Egypt by Octavian in 30 B.C., the Mediterranean became a Roman lake. The "Pax Romana" added the political and economic dimension to the Mediterranean unity. Later on, with the gradual spread of Christianity, especially after the Constantine edict of 313 A.C., the religious dimension also came to constitute a fundamental element of the Mediterranean civilisation. At the same time, with the crisis and then the collapse of the Western Roman Empire, the centre shifted again, this time from Rome to Constantinople, the capital of the Byzantine Empire.

The barbarian invasions shook the Mediterranean civilisation but didn't destroy it. Indeed, their culture and religion were absorbed by the Mediterranean ones. Under the rule of Justinian political unity also was restored, but didn't survive under his successors. At any rate, the barbarian kingdoms that gradually substituted the Western Empire continued to maintain strong ties with Constantinople's Emperor. The papacy too, especially after Gregorio Magnum, sought increasingly the protection of the Emperor. By the beginning of the VII Century the unity of the Mediterranean world was so strong that nothing seemed to remotely threaten

it. But the unthinkable occurred: the birth, rise and spread of the Islamic religion.

Muhammed died in 632 A.C. and two years later the Arabic expansion began, bursting through the Persian and Byzantine Empires. Within 60 years Mediterranean unity was upset or, more precisely, definitively broken. With the conquest of northern Africa, the Western Mediterranean Sea was converted into an Islamic lake. The Mediterranean Sea that had for centuries been the centre of Christianity became the frontier of two hostile religions. Unlike the barbarian expansion whose civilisation, as we have seen, was absorbed by the Mediterranean civilisation, the Islamic civilisation rolled over the Mediterranean one, eliminating it. The economic consequences of the Arabic conquests were tremendous. Europe found itself enclosed between Islam in the South, the Russian steppes in the East, the Atlantic Ocean in the West. Trade in the Mediterranean Sea was disrupted and the aftermath of the economic crisis marked the end of the Ancient World and the beginning of the Middle Ages. What the barbarian invasion didn't manage to do in a few centuries, was completed in a few decades by Islamic expansionism.

Not only did the collapse of Mediterranean unity mark the beginning of the Middle Ages, but it also ushered in centuries of hostilities and wars between the North and the East and South of the Mediterranean Sea. For about one thousand years, from the conquest of Spain to the second siege of Vienna, in 1683, Europe was constantly under the threat of Islam. The most striking and shocking fact of this period was the fall of the Eastern Roman Empire. Actually in 1453, the same centre of what had been the Mediterranean world, Constantinople, fell into Muslim hands, after a long siege. This represented a resounding victory for Islam over Christianity, symbolised by the transformation of the Justinianian Cathedral of Saint Sophia into a mosque.

The XVII century marked a turning point as far as the confrontation between Europe and Islam was concerned, and the three centuries that followed saw Europe, including Russia, penetrating and expanding into the Middle East. The Suez Canal crisis and the Algerian war, in the fifties and early sixties of the last century, represent the last episodes of a confrontation which had lasted thirteen centuries.

In the three last decades of the twentieth Century, mainly as a consequence of the development of European construction, the relations between Europe and the East and South Mediterranean countries changed profoundly. Confrontation came to an end, substituted by cooperation and partnership, the most meaningful moment being the Barcelona agreement of 1995.

In the following paragraphs, after overviewing at the economic relations between Europa and Mediterranean countries, we will examine the main contents and perspectives of what is known as "Barcelona process".

Trade relations between EU and Mediterranean Countries.

In 2000 the Mediterranean Partner Countries (Mpc) conducted nearly half of their total trade (imports + exports) with the EU. The United States, with 14.1% of total Mpc trade, ranked second behind the EU as a trading partner. In 2001, the EU conducted 7.1% of its total extra-EU trade with the Mpc.

Of the countries in the group, it is the Maghreb countries (Algeria, Morocco and Tunisia) which trade most with the EU. In 2000 trade with the EU accounted for 61.2%, 64.5% and 75.0% respectively of the total trade of these countries. Jordan and the Palestinian Authority are the two Mpc which trade least with the EU. In 1999 only 0.4% of Palestinian exports went to the EU (15.4% for imports). In the case of Jordan, the figures were 3.3% for exports and 33.0% for imports in 2000. In the same year, Egypt and Israel conducted about 36% of their trade with the EU. Lastly, the EU accounted for 44% of Lebanese trade and about half of the total trade of each of the other Mpc members (Cyprus, Malta, Syria and Turkey).

Between 1995 and 2001, EU imports from the Mpc grew by 110% (compared with +87% for total extra-EU imports). Strong growth in imports was recorded not only for energy products (+120%), such as manufactured goods (leather, yarn, textiles, clothing, footwear, furniture) and machinery and transport equipment, but also for non-energy goods (+105%). EU exports to the Mpc, on the other hand, rose by 49% (compared with +70% for total extra-EU exports).

Turkey, Israel and Algeria were the three most important Mpc trading partners for the EU in 2001. Together, they accounted for more than 60% of total EU-Mpc trade. Among the Member States, Germany, France and Italy are traditionally the main partners for the Mpc. They accounted for 60% of total EU-Mpc trade in 2001.

Table 1: Share of the EU in the External Trade of the MPCs in 2000

	Imports	Exports	Total
Tunisia	71.6 %	80.0 %	75.0 %
Morocco	57.9 %	74.7 %	64.5 %
Algeria	58.0 %	62.7 %	61.2 %
Turkey	48.9 %	52.5 %	50.1 %
Malta	60.0 %	33.4 %	48.8 %
Cyprus	51.6 %	36.5 %	48.6 %
Syria	29.6 %	65.0 %	48.6 %
Lebanon*	45.9 %	24.1 %	43.8 %
Israel	43.3 %	27.2 %	35.8 %
Egypt	34.1 %	40.0 %	35.6 %
Jordan	33.0 %	3.3 %	25.6 %
Palestinian A.*	15.4 %	0.4 %	13.5 %
MPC	47.5 %	48.4 %	47.8 %
* 1999 data			

Source: Eurostat

Table 2: EU Trade with the Mediterranean Partner Countries (billion Euro)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Imports	26.6	27.8	28.2	28.0	30.5	32.1	35.3	41.3	42.5	47.2	64.7	67.4
Exports	33.5	35.0	36.6	43.5	43.9	50.6	56.9	65.3	68.0	69.4	87.0	75.3
Balance	6.9	7.2	8.4	15.5	13.4	18.5	21.6	23.9	25.5	22.2	22.2	7.9

Source: Eurostat

Trade in services and foreign direct investments between EU and Mediterranean countries

Since 1993, the EU current account balance with the Mpc (excluding Cyprus, Malta and Israel) has been in surplus. While trade in goods has always showed a surplus, trade in services has traditionally been in deficit. Between 1995 and 2000 EU trade in services with the Mpc grew by just over 60%, compared with 74% for total extra-EU trade in services.

Since 1992 the services balance has been characterized by a deficit in transportation services and in travel services (due to EU tourism in the Mpc), while other services (Communication services, Construction services, Computer and Information services, Financial services) were in surplus.

The evolution of EU Fdi (Foreign Direct Investment) during the 1990s shows an increasing importance of the Mediterranean region for EU investors. EU assets in the Mpc (excluding Cyprus and Malta) rose by an average annual rate of 19% between 1994 and 1999, reaching 14 billions Euro at the end of the period. Over the same period total EU assets held in other countries grew on average by 22% per year. The major increase in EU Fdi in the Mpc began in 1998 and - pushed by sizeable investments in Turkey and Egypt - reached record levels in 2000.

In terms of stocks accumulated, there are clear differences among Member States in the destination of their investments. At the end of 1999, France was the main EU investor in the Mpc, with two-thirds of its assets invested in Maghreb countries. The other larger investors, the UK and the Netherlands, held around half of their Mpc investments in the Maghreb countries, while Germany held the same proportion in Turkey.

Table 3: EU-MPC by Mediterranean Partner Country (billion Euro)

	EU Imports from:			Growth (%)		EU Exports to:			Growth (%)		EU-balance	
	1995	2000	2001	95/01	00/01	1995	2000	2001	95/01	00/01	2000	2001
Turkey	9.2	17.5	20.1	117.3	14.5	13.4	29.9	20.0	49.3	-33.2	12.4	-0.1
Israel	4.7	10.0	9.4	101.3	-5.8	9.7	15.8	14.0	44.8	-11.7	5.9	4.6
Algeria	4.8	16.4	15.8	225.4	-4.0	4.7	6.1	7.4	56.9	21.4	-10.3	-8.3
Tunisia	3.4	5.5	6.2	84.8	12.7	4.2	7.3	7.9	90.7	8.8	1.8	1.7
Morocco	4.0	6.0	6.2	53.5	2.5	4.7	7.7	7.3	55.0	-5.3	1.7	1.2
Egypt	2.2	3.4	3.1	41.8	-9.6	5.0	7.9	6.8	35.4	-13.6	4.4	3.7
Syria	1.7	3.4	4.2	139.5	21.3	1.4	1.8	2.1	48.8	16.5	-1.7	-2.1
Malta	1.1	1.0	1.2	8.5	14.9	2.0	2.8	2.4	21.1	-12.3	1.8	1.3
Cyprus	0.7	1.0	0.9	24.7	-8.2	2.0	3.1	2.5	24.7	-19.5	2.1	1.6
Lebanon	0.1	0.2	0.3	174.9	23.9	2.5	2.9	3.0	21.2	4.9	2.6	2.7
Jordan	0.1	0.2	0.1	8.2	-18.4	1.0	1.6	1.8	71.9	10.9	1.4	1.7
Palestinian A.	0.0	0.2	0.0	1546.8	13.9 %	0.0	0.1	0.0	545.3	-56.7	0.1	0.0
Total	32.1	64.7	67.4	110.0	4.1	50.6	87.0	75.3	48.8	-13.4	22.2	7.9

Table 4: EU Current Transactions with the MPC* (million Euro)

		1992	1993	1994	1995	1996	1997	1998	1999	2000	
Credit	Current Account	39 237	46 018	44 474	49 478	53 632	63 163	66 107	67 447	83 172	
	Goods**	29 124	34 586	33 622	37 764	41 367	48 347	51 770	51 070	64 459	
	Services	4 897	6 059	6 527	6 600	6 641	8 930	9 120	9 466	10 909	
	Transportation	1 694	2 123	1 866	1 804	1 759	2 462	2 260	2 120	2 727	
	Travel	987	1 008	1 118	1 704	1 882	2 340	2 419	2 542	3 076	
	Other services	1 922	2 636	3 271	2 908	2 930	4 101	4 419	4 803	5 104	
	Serv. not alloc.	294	293	272	185	70	28	22	2	2	
	Income	4 753	5 084	4 033	4 595	4 713	4 942	4 335	6 037	6 893	
	Current Transfers	206	288	290	518	909	941	880	875	912	
	Debit	Current Account	40 099	40 946	42 433	45 628	49 676	56 344	56 565	60 142	78 768
		Goods**	24 629	23 974	24 952	26 443	28 417	32 668	33 927	35 960	50 718
		Services	8 389	9 224	9 245	9 697	10 819	12 641	12 223	12 735	15 597
		Transportation	2 542	2 825	2 997	2 992	2 877	3 525	3 381	3 653	4 403
Travel		3 947	4 221	4 106	4 472	5 548	6 026	5 755	6 008	7 542	
Other services		1 808	2 052	2 043	2 162	2 358	3 057	3 046	3 075	3 651	
Serv. not alloc.		94	124	97	71	36	34	42	0	1	
Income		2 069	2 221	2 638	3 054	4 470	5 078	4 577	5 390	6 038	
Current Transfers		4 986	5 529	5 594	6 437	5 970	5 955	5 837	6 060	6 371	
Balance		Current Account	- 862	5 072	2 040	3 850	3 955	6 818	9 541	7 305	4 404
		Goods**	4 494	10 611	8 670	11 321	12 950	15 679	17 844	15 110	13 741
		Services	-3 941	-3 164	- 2 718	-3 096	-4 178	-3 711	-3 103	-3 269	-4 688
		Transportation	-848	-702	-1 131	-1 188	-1 119	-1 063	-1 121	-1 533	-1 676
	Travel	-2 960	-3 213	-2 988	-2 768	-3 666	-3 686	-3 336	-3 466	-4 466	
	Other services	114	585	1 228	746	572	1 044	1 374	1 728	1 453	
	Serv. not alloc.	201	169	175	114	35	-7	-20	2	1	
	Income	2 683	2 863	1 395	1 541	243	-136	-241	648	810	
	Current Transfers	-4 780	-5 241	-5 304	-5 919	-5 061	-5 015	-4 957	-5 185	-5 459	

* Excluding Cyprus, Malta and Israel

** According to the Balance of Payments concept (exports FOB - imports FOB)

Table 5: EU FDI Flows with the MPC* (equity and other capital (million Euro)

	1992	1993	1994	1995	1996	1997	1998	1999	2000
MPC	445	561	864	750	872	968	2 563	1 320	5 020
Turkey	367	279	389	320	416	126	1006	979	1 520
Maghreb	32	157	264	119	218	623	504	109	326
Morocco	74	150	229	25	176	448	88	248	210
Mashrek	22	90	164	203	57	132	785	426	2 403
Egypt	-17	32	53	113	52	39	541	390	2 104
Israel	23	35	46	108	181	87	268	195	771

* Excluding Cyprus and Malta

From all of the above, one can easily understand how the South and East Mediterranean and the Middle East is an area of vital strategic importance to the European Union, which both the EU Council and the European Commission have identified as a key external relations priority for the EU.

The Barcelona Declaration and the Euro Mediterranean Agreements.

After 20 years of increasingly intensive bilateral trade and development cooperation among the EU and the Mediterranean countries, the Foreign Ministers of the 15 EU Member States and its 12 Mediterranean Partners adopted a document called the "Barcelona declaration" in Barcelona (November 1995). It set out the guidelines for political, economic and social partnership. The 12 Mediterranean Partners, situated in the Southern and Eastern Mediterranean are Morocco, Algeria, Tunisia; Egypt, Israel, Jordan, the Palestinian Authority, Lebanon, Syria (Mashrek); Turkey, Cyprus and Malta; Libya currently has an observer status. Three of these countries, Cyprus, Malta and Turkey, are presently candidate countries. The first two will quite probably be full members by 2003-4, while for the moment it is not possible to make any forecast about Turkey accession. Most significantly, the Barcelona participants undertook to create the Euro-Mediterranean free trade zone embracing some 35 countries by the year 2010, including the present candidate countries. The European Commission and the Council of the EU intends to achieve this objective by means of bilateral trade agreements between the EU and the Mpc. These accords are known as Euro-Mediterranean Agreements (Ema).

The progress and milestones of the Barcelona process and of negotiations of Ema are indicated in Table 6 and 7.

Table 6: Milestones of the Barcelona Process 1995-2000

27-28 November 1995	Euro-Mediterranean Conference, Barcelona
15-16 April 1997	Second Euro-Mediterranean Conference, Malta
1 July 1997	Entry into force of the Interim Association Agreement between the EU and the PLO on behalf of the Palestinian Authority
1 March 1998	Entry into force of the EU-Tunisia Association Agreement
3-4 June 1998	Ad-hoc Euro-Mediterranean Conference, Palermo
28-29 January 1999	Euro-Mediterranean Conference on regional cooperation, Valencia
15-16 April 1999	Third Euro-Mediterranean Conference, Stuttgart
1 March 2000	Entry into force of the EU-Morocco Association Agreement
25-26 May 2000	Euro-Mediterranean Think Tank Meeting, Lisbon
1 June 2000	Entry into force of the EU-Israel Association Agreement
15-16 November 2000	Fourth Euro-Mediterranean Conference, Marseilles

Table 7: Progress of negotiations on Euro-Mediterranean Association

MEDITERRANEAN PARTNER	CONCLUSION OF NEGOTIATIONS	SIGNATURE OF AGREEMENT	ENTRY INTO FORCE
Tunisia	June 1995	July 1995	March 1998
Israel	September 1995	November 1995	June 2000
Morocco	November 1995	February 1996	March 2000
PLO for the benefit Of the Palestinian Authority	December 1996	February 1997	July 1997
Jordan	April 1997	November 1997	2001
Egypt	June 1999	June 2001	-
Algeria	2001	-	-
Lebanon	2002	-	-
Syria	Negotiations in progress	-	-

The hope is that, through a web of such agreements, a Free trade area (Fta) will be created, but not only that. Actually, the unique character of the Ema is twofold.

Firstly, the Fta they envisage is not the traditional one, but a far more advanced and modern concept of Fta.

Secondly, the Ema goes far beyond the economic sector, to include political and cultural dialogue.

According to Barcelona Declaration, the Ema includes three types of partnership:

1. A political and security partnership, establishing a common Euro-Mediterranean area of peace and stability based on fundamental principles including a respect for human rights and democracy.

2. An economic and financial partnership, creating an area of shared prosperity through the progressive establishment of a free-trade area between the EU and its Partners and among the Mpc themselves, accompanied by substantial EU financial support for economic transition in the Mpc and for the social and economic consequences of this reform process.

3. A social, cultural and human partnership, for the development of human resources, promoting the understanding between cultures and the rapprochement of the peoples in the Euro-Mediterranean region.

Even if there are differences among the various Ema, they follow a common scheme. Here, as an example, we will examine the main contents of the Ema signed with Morocco.

Title I: Political dialogue: It is concerned with the first type of partnership. "It shall help build lasting links of solidarity... which will contribute to prosperity, stability and security...and bring about a climate of understanding and tolerance between cultures". Political dialogue is established at ministerial and diplomatic level and at the level of senior officials.

Title II: Free movement of goods: It is concerned with the second type of partnership.

The progressive liberalisation of trade, to be realised within a period of 12 years, concerns both industrial and agricultural products.

The Fta in industrial goods will be created under an asymmetrical relationship. Products originating in Morocco will be imported into the EU market free of custom duties (Art. 9), while those applicable on imports into Morocco will be progressively abolished (in a period ranging from 3 to 12 years).

As for agricultural and fishery products, the Ema liberalise trade according to lists. Liberalisation includes, depending on the agricultural product concerned, the reduction or elimination of custom duties or the increase or elimination of tariff quotas. As for agro-industrial products, which are products with an industrial and an agricultural component, the industrial one will be abolished, according to an agreed schedule. However the agricultural component will remain subject to either fixed duties or *ad valorem* duties.

Title II represents the traditional contents of a Fta agreement, with, perhaps, the only peculiarity of the asymmetrical relationships, directly linked to the huge differences in terms of economic development of the two parties. Such differences, however, are not reflected in the treatment of the most important economic activity of the region: agriculture. According to economic logic, one would expect to see the agricultural production completely liberalised. This is for two fundamental reasons. Firstly, because a huge part of the population is obtaining its income out of this sector; secondly because in terms of price/quality ratio the agricultural production of the region has a huge comparative advantage over the EU production. Agricultural protectionism has accompanied the whole history of the European integration, since the times of entry into force of the Treaty of Rome, as a direct consequence of the Common agricultural policy. Now this policy is under review, also under the pressure of WTO regulations, but the complete liberalisation of agricultural products still can't be foreseen. This aspect of the Ema can only be mentioned here, as a complete discussion would digress considerably from our main theme.

The true innovative elements of the Ema: right of establishment, free circulation of services, free circulation of capitals, competition and State aids, economic, financial and cultural cooperation, are contained in the remaining titles.

Title III: Right of Establishment and Services: As we know, the right of establishment is inherent to the free circulations of services and capital. Article 31 states: "The Parties agree to widen the scope of this Agreement to cover the right of establishment of one Party's firm on the territory of the other and liberalisation of the provision of services....". Actually, in order to assure a real free circulation of services a company must have the right to set up and manage subsidiaries, branches and agencies on the other's party territory, besides the operations of the latter must possess a continuous link with the economy of the country of origin.

Title IV-Chapter I: Payments and capital: In the past decades, most Mpc and a few members of the EU, like Italy, have still been maintaining strict control over capital transactions. In the nineties the wave of liberalisation and the first phase of Emu, for EU member States, has deeply changed the landscape. Free or relatively free circulation of capitals is now the rule. This fact has significantly contributed to attract foreign portfolio and direct investments into the Mediterranean region, as we have seen in the previous paragraph. The Ema, like the Maastricht Treaty, have codified the liberalised capital regime.

"..the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency". "...capital relating to direct investments in Morocco....can move freely and ..the yield from such investments and any profit...can be liquidated and repatriated". Only in case of "serious balance of payment difficulties the Community or Morocco...can adopt restriction on current transactions".

Title IV-Chapter II: Competition: The Competition Chapter is conceptually the most innovative aspect of the Ema. Essentially, because it is implying the adoption of the communitarian *acquis* by non-member countries.

Article 36, point 1, states the incompatibility with the Ema, in so far as may affect the trade between the Community and Morocco, of: a) all agreements between undertakings which have as an object the prevention, restriction or distortion of competition; b) abuse of a dominant position in the territories of the Community and Morocco; c) any official aid distorting

competition. Here we find the principles of articles 81, 82 and 87 of the EC Treaty. Moreover, point 2 of the same Article states that any violation will be assessed on the basis of criteria arising from the application of the rules of these three Articles. These rules will have to be adopted within a transition period of five years.

From an economic point of view the extension of the European anti-trust regulation to the Mpc is quite meaningful. It implies the creation of a levelled playing field in which players will have to respect the same law: the law of competition. More competition will strengthen the entire Fta by lowering costs, increasing efficiency, stimulating investments and, consequently, growth, employment and welfare. Preserving a competition environment, which means preserving the working of market mechanisms, is actually the best guarantee for economic success, as economic history tells us. Besides, the establishment of a common anti-trust legislation prevents the rising of conflicts that could damage the proper functioning of the Fta, and also affects the bilateral relations between the parties. Last, the enforcement of this common legislation can be seen as a way of mastering globalisation.

Title V: Economic cooperation: Within development cooperation, economic cooperation is concerned with all those actions and programmes which are of mutual interest. The objective of economic cooperation is the one of supporting a country in its own efforts to achieve sustainable economic and social development. This is a matter of mutual interest as its outcome is a strengthening of the economic relationships of the two parties. More economic cooperation means, at the end, improved effects on trade and investments, more quality, more competition and efficiency.

In the case of the Moroccan Ema, as we read in Article 43, "Cooperation will be targeted at areas of activity suffering the effects of internal constraints and difficulties or affected by the process of liberalising Morocco's economy as a whole, and more particularly by the liberalisation of trade between Morocco and the Community".

The scope of economic cooperation ranges from the regional one to education, science, environment, industry, investments, standardisation,

transport, energy, tourism and so on. All this will imply a set of programmes and other common activities to boost development.

Title V-Chapters I, II, III Social Cooperation: At the basis of social cooperation there is no discrimination against Moroccan and, more generally, Mps workers. "The treatment accorded by each Member State ...shall be free from any discrimination based on nationality, as regards working conditions, remuneration and dismissal, relative to its own nationals" (Art. 64). "... workers of Moroccan nationality and members of their families living with them shall enjoy in the field of social security, treatment free from any discrimination based on nationality relative to nationals of the member States in which they are adopted" (Art. 65).

A second aspect of social cooperation is represented by the dialogue in social matters (Art. 69), that will cover issues connected with the living and working conditions of migrant communities, migration, illegal immigration and the "conditions governing the return of individuals who are in breach of the legislation dealing with the right to stay and the right of establishment in their host countries.

Title VI-Chapter IV: Cooperation in cultural matters: Cultural cooperation (Art. 74) is considered as a mean to boost mutual knowledge and understanding, while respecting each other's culture, and an instrument to provide "a firmer footing for lasting cultural dialogue and to promote continuous cultural cooperation between them."

Title VII: Financial Co-operation: It is aimed at allowing the full attainment of the objective of the Agreement. Besides the programmes covered by economic and social cooperation, the financial cooperation will entail the facilitation of reforms aimed at modernising the economy, the improvement of the economic infrastructure, the promotion of private investment and jobs.

In conclusion, the Ema are formulated to facilitate and accelerate the economic reforms in Mpc. Once closed, economies the Mpc are now opening to the outside world and generating growing interest amongst foreign investors and traders.

As well as bilateral "vertical" trade liberalisation with Europe, the Mediterranean Partners are committed to implement free trade among themselves, to boost South-South integration.

Effects of a Euro -Mediterranean Free Trade Area

By establishing free trade for industrial products, services and agriculture, the European Union's Association Agreements with countries of the southern and eastern Mediterranean have tried to promote accelerated economic growth.

Policymakers now have to make full use of the opportunities provided by the Ema and use them as a means of fostering comprehensive reforms to achieve optimal effects.

Well-focused assistance and cooperation from the EU should help to achieve dynamic benefits and combined with more generous access to European markets, could be a powerful signal of genuine partnership.

The agreements should be implemented in a manner that ensures their full benefits while limiting the costs. While the benefits vary from country to country, investment and growth can be expected to respond positively to the lowering of protection and to the reduced cost of trading brought about by close cooperation with the EU, including harmonisation of standards, customs and services as well as for the greater credibility of economic policy reform.

Nevertheless, the following problem still remains: the import substitution sector has been dismantled without sufficient investment taking place in the export-oriented sectors. The success of the Ema rests, thus, on their ability to generate a critical mass of foreign investment in labour intensive export-oriented sectors and this will require substantial transformations. Trade in services, the right of establishment, privatisation, a new role for the government and deep changes in judicial and administrative practices will be all needed.

Conclusions

Mediterranean unity has always had a hegemonic character in the ancient world. Greek civilisation dominated first, then the Roman one, finally the Roman–Byzantine one. This has been true from a cultural, political, economic and religious point of view. In this sense we can talk of a Mediterranean civilisation under Greek or Roman ‘world dominance’.

The challenge brought by Arab expansionism disrupted that unity and caused a long period of strife between Christianity and Islam for hegemony over the Mediterranean world.

Both in the Ancient and in the Modern World unity had been strictly combined with hegemony. To possess the former, the latter was indispensable. This fact has been amply demonstrated for more than a millennium.

The last decades of the past century have seen a sudden change in this scenario. The success of European integration was not only concerned with the creation of a space of peace and prosperity among the Member States or, on the economic side, with the creation of the Single market or of Monetary Union. Actually it brought about a sharp rethink in the relationship between Europe and the third countries. As a matter of fact, the newly experienced relationship of peaceful coexistence inside the European states, reinforced by the strengthening of the integration process, was accompanied by closer and closer links between Europe and the third countries, the Southern and Eastern Mediterranean ones among them. We can say that the process of mutual understanding, which forms the basis of the European integration, was transferred to external relations, determining deep transformations. The notion of hegemony has thus faded out and was substituted with the more far-reaching concept of political, economic and social “partnership”, based on a respect for each other’s culture.

More often than not, the present phase of Enlargement has been referred to as Europe’s reunification. Enlargement will reunify countries artificially separated by the Second World War.

Can we also talk of Mediterranean reunification? The Barcelona process is still at an early stage, and it will take time to realise the various and ambitious objectives of the Euro-Mediterranean Agreements, but their consequences will be of great range and to a certain extent comparable to those of the current phase of the Enlargement. The political partnership will help establish the bonds of solidarity between the EU Member States and the Mediterranean countries and will contribute to stability and security in the region. The economic partnership will create, through the Free trade area, a space of enhanced opportunities for trade, investments, job creation, welfare. Finally, the social and cultural partnership will boost respect for human rights and understanding and tolerance between cultures.

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